UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FEDEX CORPORATION, and FEDEX OFFICE
AND PRINT SERVICES, INC.
Petitioners

v.

VALTRUS INNOVATIONS LTD.,
Patent Owner

Case No. IPR2026-00039
Patent No. 7,640,332

PATENT OWNER'S BRIEF REQUESTING THAT INSTITUTION OF THE PETITION BE DENIED ON DISCRETIONARY GROUNDS

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PATENT OWNER'S EXHIBIT LIST

No.	Exhibit Description
2001	Memorandum titled "*Director Institution of AIA Trial Proceedings*," dated October 17, 2025 ("the Director Institution Memo")
2002	Memorandum titled "Interim Processes for PTAB Workload Management," dated March 26, 2025 ("the Interim Processes Memo")
2003	PTAB Proposed Rule 2025-0025
2004	*Ex parte* Reexamination request filed by NetApp., Inc. in *Ex Parte* Reexamination No. 90/015,497
2005	Complaint in *Valtrus Innovations Ltd. et al v. The Home Depot, Inc. et al.*, Case No. 2:25-cv-00081-JRG (E.D. Tex. January 27, 2025)
2006	Second Amended Docket Control Order in *Valtrus Innovations Ltd. et al v. The Home Depot, Inc. et al.*, Case No. 2:25-cv-00081-JRG (E.D. Tex. January 27, 2025)
2007	First Amended Docket Control Order in *Valtrus Innovations Ltd. et al v. FedEx Corporation et al.*, Case No. 2:25-cv-00516-JRG (E.D. Tex. May 9, 2025)
2008	Complaint in *Valtrus Innovations Ltd. et al v. NetApp, Inc.*, Case No. 2:25-cv-00517-JRG (E.D. Tex. May 9, 2025)
2009	Complaint in *NetApp, Inc. v. Valtrus Innovations Ltd. et al.*, Case No. 1:25-cv-06138 (S.D.N.Y. July 25, 2025)
2010	Complaint in *Valtrus Innovations Ltd. et al v. FedEx Corporation et al.*, Case No. 2:25-cv-00516-JRG (E.D. Tex. May 9, 2025)
2011	*Ex parte* Reexamination Order in *Ex Parte* Reexamination No. 90/015,497
2012	Complaint in *Starbucks Corporation v. Valtrus Innovations Ltd. et al.*, Case No. 2:25-cv-01859 (W.D. Wash. September 25, 2025)
2013	Docket Navigator Statistics for Judge Gilstrap
2014	Docket Navigator Statistics for EDTX Patent Cases

No.	Exhibit Description
2015	Invalidity Contentions (cover pleading) in *Valtrus Innovations Ltd. et al v. The Home Depot, Inc. et al*., Case No. 2:25-cv-00081-JRG (E.D. Tex. January 27, 2025)
2016	Invalidity Contentions (cover pleading) in *Valtrus Innovations Ltd. et al v. FedEx Corporation et al.*, Case No. 2:25-cv-00516-JRG (E.D. Tex. May 9, 2025)
2017	Declaration of Angela Quinlan
2018	R. Mansinghani, et al., "A Data-Based Look at Ex Parte Reexaminations," American Bar Association (March 26, 2025)

I. Introduction

Patent Owner respectfully submits this brief explaining why the Deputy Director[1] should exercise her discretion to deny institution of Petitioners' Petition for *Inter Partes* Review (Paper 1) of U.S. Pat. No. 7,640,332 (the "'332 patent). Patent Owner submits this brief pursuant to (1) the Memorandum titled "*Director Institution of AIA Trial Proceedings*," dated October 17, 2025 ("the Director Institution Memo"; EX2001), (2) the "*Interim Processes for PTAB Workload Management*," dated March 26, 2025 ("the Interim Processes Memo"; EX2002), and (3) the USPTO ("Office") Interim Director Discretionary Process guide, published at https://www.uspto.gov/patents/ptab/interim-director-discretionary-process ("Process Guide"). Further, the Office has amplified that guidance and explained its understanding of the proper role for IPRs in PTAB Proposed Rule 2025-0025 (EX2003, the "Proposed Rule"). Here, in view of all the foregoing authority and guidance, there are at least ***four independent reasons for discretionary denial***. Institution was already discretionarily denied in two related IPRs—IPR2025-01490

[1] Patent Owner addresses this brief to the Deputy Director because "[t]he Director has delegated his authority to the Deputy Director for discretionary decisions." Process Guide, § V.A.

and IPR2025-01491—and the case for discretionary denial is even more compelling here.

First, the challenged patent is already subject to not one but ***five*** parallel district court proceedings, including one in which the scheduled trial date well over ***six months before any Final Written Decision*** ("FWD") will issue in this proceeding, and another—involving Petitioners—in which the district court trial will precede the FWD by almost two months. Not only that, but there is also a ***sixth parallel proceeding*** in which the validity of the '332 patent is directly at issue—an *ex parte* reexamination (EPR) proceeding that has already commenced.

Petitioners have submitted a limited stipulation that they will not pursue certain invalidity grounds in district court. However, the stipulation falls far short of what would be sufficient under the Proposed Rule, since none of the other district court defendants are so bound. Consequently, there is effectively no chance that an IPR of the '332 patent will serve its primary purpose—"to provide a quick and cost-effective alternative to district court patent litigation." EX2003, 002-003 (citation modified).[2] Instead, invalidity of the '332 patent will likely be adjudicated in multiple district court proceedings—including one that will conclude long before

[2] All exhibit citations are to the stamped page numbers.

any FWD issues. Based on these facts alone, the case for discretionary denial is highly compelling, and indeed overwhelming.

Second, Patent Owner's settled expectations counsel heavily in favor of discretionary denial. It has been a stunning 16 years since the '332 patent issued in December 2009—far exceeding the general six-year presumption of settled expectations. Further, the '332 patent has been part of a years-long licensing campaign—all without any post-grant challenge. Patent Owner thus has settled expectations as to the validity of the '332 patent and discretionary denial is plainly appropriate for this independent reason.

Third, under 35 U.S.C. §315(d) the Deputy Director has independent discretion to terminate this IPR in view of the parallel EPR proceeding—a proceeding that the requester has asked "be conducted not only with 'special dispatch,' but also with 'priority over all other cases.'" EX2004, 011. It would be deeply inefficient for the Office to devote limited PTAB resources to an IPR of the '332 patent at the same time as the Office is considering validity in a parallel EPR.

Fourth, the Petition identifies no material errors in prosecution. Instead, it reviews the prosecution history of the '332 patent without identifying anything specific the examiner did wrong. Even if there were errors in prosecution, there is already a reexamination in progress that exists for the very purpose of correcting such errors.

II. The Deputy Director Should Exercise Her Discretion to Deny Institution Under 35 U.S.C. §314(a) Because Every *Fintiv* Factor Favors Denial

Discretionary denial is appropriate here "because institution of a trial at the PTAB would be an inefficient use of Board resources in light of the 'advanced state' of the parallel district court litigation" under *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, 2 (PTAB Mar. 20, 2020) (precedential) ("*Fintiv*") and the Office's extensive case law applying *Fintiv* under the Interim Processes. *See* EX2001, 002.

Under *Fintiv*, to determine whether to deny institution, the Office considers six non-exhaustive factors: (1) whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted; (2) proximity of the court's trial date to the Board's projected statutory deadline for a final written decision; (3) investment in the parallel proceeding by the court and the parties; (4) overlap between issues raised in the petition and in the parallel proceeding; (5) whether the petitioner and the defendant in the parallel proceeding are the same party; and (6) other circumstances that impact the Board's exercise of discretion, including the merits. *Fintiv*, IPR2020-00019, Paper 11, 6.

Here, there are ***five*** ongoing parallel district court litigations, including a district court case in which trial will occur ***more than six months before*** any final

written decision deadline in this IPR (if instituted).[3] This multitude of district court proceedings is summarized below:

- *Valtrus Innovations Ltd. et al v. The Home Depot, Inc. et al.*, Case No. 2:25-cv-00081-JRG (E.D. Tex., filed January 27, 2025) (the "Home Depot Action"). Nature of action: Patent infringement action alleging infringement of five patents, including the '332 patent. EX2005. Trial date: October 5, 2026. EX2006, 001.
- *Valtrus Innovations Ltd. et al v. FedEx Corporation et al.*, Case No. 2:25-cv-00516-JRG (E.D. Tex., filed May 9, 2025) (the "FedEx Action"). Nature of action: Patent infringement action alleging infringement of four patents, including the '332 patent. EX2010. Trial date: March 1, 2027. EX2007, 001.
- *Valtrus Innovations Ltd. et al v. NetApp, Inc.*, Case No. 2:25-cv-00517-JRG (E.D. Tex., filed May 9, 2025) (the "NetApp Action"). Nature of action: Patent infringement action alleging infringement of six patents, including the '332 patent. EX2008. Consolidated with Case No. 2:25-cv-00516 for discovery purposes. Trial date: March 1, 2027. EX2007, 001.
- *NetApp, Inc. v. Valtrus Innovations Ltd. et al.*, Case No. 1:25-cv-06138 (S.D.N.Y., filed July 25, 2025) (the "NetApp DJ Action"). Nature of action: Declaratory judgment action alleging non-infringement of six patents, including the '332 patent. EX2009. Trial date: To be determined.

[3] The '332 patent is also asserted in *Valtrus Innovations Ltd. et al v. Lenovo Group Limited et al.*, Case No. 2:25-cv-00080-JRG, but the parties have recently reached a settlement agreement.

- *Starbucks Corporation v. Valtrus Innovations Ltd. et al.*, Case No. 2:25-cv-01859 (W.D. Wash., filed September 25, 2025) (the "Starbucks DJ Action"). Nature of Action: Declaratory judgment action alleging invalidity and non-infringement of 12 patents, including the '332 Patent. EX2012. Trial date: To be determined.

In view of this throng of parallel district court cases, each *Fintiv* factor favors denial and ***it is effectively impossible for an IPR of the '332 patent to be a genuine alternative to district court litigation***. These are precisely the circumstances where discretionary denial is appropriate.

A. Factor 1 Favors Denial Because There is No Stay of the Parallel EDTX District Court Litigations, and a Stay is Highly Unlikely

Factor 1 favors denial when, as here, a district court stay is unlikely. *See 10x Genomics, Inc. v. President & Fellows of Harvard Coll.*, IPR2023-01299, Paper 15, 16 (PTAB Mar. 7, 2024); *Samsung Elecs. Co., Ltd. v. California Inst. of Tech.*, IPR2023-00133, Paper 10, 14 (PTAB May 4, 2023); *see also Fintiv*, IPR2020-00019, Paper 11, 6-8. As outlined above, there are ***five*** parallel litigations involving the '332 patent. Three—the Home Depot, FedEx, and NetApp Actions (collectively, the "EDTX Actions")—are offensive litigations brought by Patent Owner No stay has been requested in any of the EDTX litigations and no evidence exists that a stay will be granted in any of them—much less all of them— if IPR is instituted.

All three of the EDTX Actions are before Judge Gilstrap, who rarely grants stays and is unlikely to stay any of those cases under the circumstances here. Judge Gilstrap applies a three-factor test in evaluating stays: "(1) whether the stay will unduly prejudice the nonmoving party, (2) whether the proceedings before the court have reached an advanced stage, including whether discovery is complete and a trial date has been set, and (3) whether the stay will likely result in simplifying the case before the court." *Force MOS Tech., Co. v. ASUSTek Comput., Inc.*, 2024 WL 1586266, *1 (E.D. Tex. Apr. 10, 2024) (Gilstrap, J.) (citation omitted). Here, each factor weighs against a stay.

First, any hypothetical stay request in either the Home Depot or NetApp Actions would be highly prejudicial to Patent Owner since neither defendant is a party to this IPR and Petitioners' IPRs (two of which have already been denied) only address a subset of the patents asserted in the those cases. More broadly, as Judge Gilstrap has routinely found, a stay in any of the EDTX Actions—much less in all of them—would prejudice Patent Owner by preventing timely enforcement of its patent rights and recovery of monetary damages. *See, e.g.*, *Force MOS Tech.*, 2024 WL 1586266, *2-3 (denying stay and collecting cases); *Realtime Data LLC v. Actian*

Corp., 2016 WL 3277259, *2 (E.D. Tex. June 14, 2016) (Gilstrap, J.) (denying stay and noting prejudice to patent owner).[4]

Second, the proceedings before the district court have reached an advanced stage. In the Home Depot Action, infringement and invalidity contentions have already been exchanged, other written discovery has been served and responded to, significant document production has occurred, and extensive briefing has already occurred with respect to Home Depot's venue-based motion to dismiss. Further, the parties will already have already substantially completed document production, completed claim construction briefing, and be a week away from the claim construction hearing by the time any institution decision issues. EX2006, 004. Finally, trial will occur over six months before any Final Written Decision issues. *Id.*, 001.

The NetApp and FedEx Actions, while slightly behind the Home Depot Action, are also well-advanced. In those cases, Patent Owner has served infringement contentions, the parties have served and responded to written

[4] Judge Gilstrap "has a consistent practice of denying motions to stay when the PTAB has yet to institute post-grant proceedings." *Force Mos Tech.*, 2024 WL 1586266, at *4 (citing cases). Accordingly, the appropriate reference point for considering a stay motion is ***after*** institution decisions.

discovery, and have briefed multiple motions to dismiss. Further, FedEx has served its invalidity contentions and in the NetApp Action Patent Owner is seeking additional venue discovery. EX2007, 006. By the time any institution decision issues, months of additional discovery will have occurred. Judge Gilstrap has found that such discovery and related activity indicates that proceedings are "advanced" for stay purposes. *See, e.g.*, *Force MOS Tech.*, 2024 WL 1586266, *3 (finding that service of contentions and document production was evidence that the proceeding was advanced).

Finally, a stay will not meaningfully simplify the EDTX Actions. The Home Depot and NetApp Actions involve multiple patents that have not been challenged in any IPR. In addition, the Director has already denied institution with respect to two earlier FedEx IPR petitions. Accordingly, even in the unlikely event that the Director institutes FedEx's two remaining IPR petitions and "the PTAB invalidates every instituted claim," numerous patents would still "remain live" in each of the EDTX Actions. *Force MOS Tech.*, 2024 WL 1586266, *4. Judge Gilstrap has found that under such circumstances "IPRs cannot simplify the issues to the extent necessary to justify a stay." *Id.* And of course neither Home Depot nor NetApp have stipulated to any limitation on the invalidity grounds they can bring in their respective cases. Even Petitioners' stipulation filed in this IPR would still permit Petitioners to pursue various invalidity theories under §§102 and 103 based on

patents, printed publications, and system art, as well as invalidity under §101 and §112. EX1022. Petitioners' invalidity contentions show that it plans to do precisely that. *See* EX2016, 96. For all of the foregoing reasons, Factor 1 weighs heavily against institution.

B. Factor 2 Strongly Favors Denial Because A District Court Trial Is Scheduled Months Before a Potential Final Written Decision

Where, as here, "the district court's trial date is before the projected deadline for the final written decision, the Board has generally weighed this fact in favor of exercising discretion" to deny institution. *10x Genomics*, IPR2023-01299, Paper 15, 16. Here, factor 2 strongly favors denying institution of the instant Petition.

First, the district court's trial date in the Home Depot Action is set for October 5, 2026. EX2006, 001. The projected statutory deadline for a final written decision is not until April 21, 2027—***more than six months after*** trial in the Home Depot Action. This timeline strongly favors denial. *See, e.g.*, *Arm Ltd. v. Daedalus Prime LLC*, IPR2025-00207, Paper 10, 2 (PTAB May 16, 2025) (Acting Director) (discretionary denial appropriate when trial 5 months before FWD); *Samsung Elecs. Co., Ltd. v Sionyx, LLC*, IPR2025-00161, Paper 14, 7 (PTAB May 21, 2025) (Acting Director) (ITC trial "nearly 5 months before" FWD favors denial); *Dell Inc. v. Universal Connectivity Techs, Inc.*, IPR2024-01480, Paper 12, 9-10 (PTAB Apr. 24, 2025); *Roku, Inc. v. Ioengine, LLC*, IPR2022-01553, Paper 11, 10-11 (PTAB May

5, 2023); *Cisco Systems, Inc. v. WSOU Investments LLC d/b/a Brazos Licensing and Development*, IPR2025-00188, Paper 14 at 3 (PTAB Aug. 22, 2025) (Acting Director) (vacating institution decision in part because "likely trial date in the parallel proceeding is approximately three months before" the FWD).

The actual time-to-trial date for the Home Depot Action (20 months, 8 days) is fully consistent with the median time-to-trial for patent cases before the presiding judge, Judge Gilstrap. For example, for patent cases filed between January 1, 2020 and November 3, 2025 before Judge Gilstrap, the median time-to-trial was 21 months. EX2013. And if the median time-to-trial for patent cases in the Eastern District of Texas generally is used, the analysis remains essentially identical. EX2014. Thus, the Home Depot Action alone places this IPR squarely among those that are routinely discretionarily denied based on the trial date alone.

The FedEx and NetApp actions provide yet more basis for discretionary denial. While the anticipated trial is more than a month before the FWD dates, and the Deputy Director has found discretionary denial appropriate even "when the district court scheduled trial date and the projected final written decision due date ***are in close proximity***." *Shenzen Tuozhu Technology Co., Ltd, v. Stratasys*, Inc., IPR2025-00354, Paper 11 at 2 (PTAB June 12, 2025) (Acting Director) (emphasis added). Further, the time-to-trial for the FedEx and NetApp Actions—21 months

and 20 days—is *longer* than Judge Gilstrap's median time-to-trial, thus suggesting that if the trial date is likely to move, those actions are likely to be tried earlier.

As for the Starbucks and NetApp DJ Actions, while trial dates have not yet been set, the likely occurrence of those additional trials further underscores that adjudication of the validity of the '332 patent is best left to proceedings in the many other forums that are addressing it.

Therefore, based on the district court's schedule, and the presiding judge's and EDTX statistics for patent cases specifically, a trial involving the challenged patent will occur many months before any FWD—and two more trials (including one involving Petitioners) that are likely to occur before the FWD. Factor two weighs heavily in favor of denial.

Further, the same facts establish that institution here would be impermissible under the Office's proposed amendments to 37 CFR § 42.108, which mandate that "the Office will not institute an IPR when a petitioner intends to pursue invalidity challenges under §§ 102 or 103 in other venues." EX2003, 012.

C. Factor 3 Favors Denial Because of the Significant Investment in the Parallel Proceedings by the Court and the Parties

In evaluating Factor 3, the Deputy Director should "consider[] the amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision." *Fintiv*, IPR2020-00019, Paper 11, 9. Here,

Factor 3 favors denying institution of the instant Petition. Both the district court and the parties have invested substantial time and resources in the parallel litigations and will continue to do so before any institution decision.

As of the filing of this brief, in the Home Depot Action, infringement and invalidity contentions have already been exchanged, other written discovery has been served and responded to, significant document production has occurred, and extensive briefing has already occurred with respect to Home Depot's venue-based motion to dismiss. By the time of any institution decision, claim construction briefing and the substantial completion of document production will be finished, and both the claim construction hearing and the completion of fact discovery will be mere weeks away. EX2006, 004.

As discussed above, while the NetApp and FedEx Actions are slightly behind the Home Depot Action, significant investments have occurred in those cases as well. In the FedEx and NetApp Actions, Patent Owner has served infringement contentions, FedEx has served invalidity contentions, the parties have served and responded to written discovery, and have briefed multiple motions to dismiss. Further, in the NetApp Action Patent Owner is seeking additional venue discovery. By the time any institution decision issues, months of additional discovery will have occurred. The Office has frequently found this factor to favor denial under similar circumstances—even when there is only one parallel district court proceeding. *See,*

e.g., *Samsung Electronics Co. Ltd., v. Headwater Research LLC*, IPR2024-01396/-01407, Paper 21 (PTAB, July 22, 2025) (Director Review Executive); *Green Revolution Cooling, Inc. v. Midas Green Technologies, LLC*, IPR2025-00196, Paper 15 (PTAB July 25, 2025) (Acting Director); *Samsung Electronics Co., Ltd. v. Mullen Industries LLC*, IPR2024-01472/ IPR2025-00018/-00019/-00021/-00124, Paper 19 (PTAB July 17, 2025) (Director Review Executive).

Beyond all of these investments, Patent Owner and the parties in the NetApp and Starbucks DJ actions will also be making further investments as those cases proceed—further underscoring the breadth and extent of investments in parallel proceedings. Accordingly, given the significant investment in multiple parallel district court cases, Factor 3 weighs in favor of discretionary denial.

D. Factor 4 Strongly Favors Denial Because Petitioners' Stipulation Is Ineffective To Prevent Duplicative Invalidity Adjudication In Parallel Proceedings

This factor strongly favors denial where, as here, "the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding." *Fintiv*, IPR2020-00019, Paper 11, 12; *Ericsson Inc. v. Godo Kaisha IP Bridge 1*, IPR2022-00726, Paper 11, 11 (PTAB Nov. 2, 2022) (same). Further, the core inquiry for this factor is whether a petitioner's stipulation "ensure[s] that these IPR proceedings would be a 'true alternative' to the district

court proceeding." *Motorola Sols. Inc. v. Stellar LLC*, IPR2024-01205, Paper 19 at 3-4 (PTAB Mar. 28, 2025) (Acting Director) ("*Motorola* Director Review").

Here, this IPR will plainly not serve as an alternative to invalidity adjudication in parallel proceedings. In the most advanced parallel proceeding—the Home Depot Action—the defendant is ***not*** subject to any stipulation and has already served invalidity contentions that challenge the validity of the '332 patent on a host of prior art and Section 112-based grounds. EX2015, 11-13, 37-44, 75-76, 83-85. In other words, far from being an alternative to validity determination in the district court, if this IPR were to proceed it would be retreading substantially the same invalidity grounds that the district court addressed months prior. This alone counsels heavily in favor of denial. EX2003 at 003 ("When IPR proceedings cover the same ground as district court litigation, they cease to be an 'alternative' and can substantially increase litigation costs. That is the opposite of what Congress intended.").

As to the FedEx Action, while Petitioners have filed a stipulation (EX1022), it leaves the door open for Petitioners to pursue substantial invalidity grounds under Section 102 and 103 and thus falls far short of the type of stipulation that the Office has determined would make an IPR a true alternative to district court litigation. EX2003, 012 ("Under the proposed revisions…the Office will not institute an IPR when a petitioner intends to pursue invalidity challenges under §§ 102 or 103 in other venues."); *see also Motorola* Director Review, at 3-4. Further, Petitioner is

continuing pursue Section 112 grounds, including indefiniteness theories based on a purported inability to determine the meaning of the claim terms at issues in the Petition. EX2016, 96. In the NetApp and Starbucks DJ Actions, moreover, the defendants/counterclaim plaintiffs are not bound by any stipulation and are free to pursue any invalidity theories they wish—further confirming that this IPR cannot serve its core purpose of being alternative forum for litigating invalidity.

E. Factors 5 and 6 Favor Discretionary Denial

Here, both Petitioners and Patent Owner are parties in the FedEx Action. Accordingly, Factor 5 favors denial. *See Int'l Bus. Machs. Corp. v. Digital Doors, Inc*, IPR2023-00970, Paper 8, 13 (PTAB Jan. 12, 2024) ("Because Petitioner here is a defendant in the parallel district court litigation, this factor favors denial of institution under §314(a).").

Factor 6 weighs in favor of denial due to the relative weak merits of the Petition, as Patent Owner will explain in detail in its forthcoming POPR. *See* Interim Processes § II.C.i. Even if the merits of the Petition were strong, that cannot outweigh the inefficiency of proceeding with an IPR when—as here—district court trials will occur before the FWD. *See Headwater Research*, IPR2024-01396/-01407, Paper 21, 3 (vacating decision to institute despite strong merits of petition because district court trial date was six months before FWD). Further, as is discussed in more

detail below, the parallel EPR is another independent consideration that counsels heavily in favor of denial.

III. Settled Expectations Strongly Favor Denial

The ’332 patent was filed 18 years ago, on December 20, 2007, issued on December 29, 2009 and has been in full force since issuance. When the application that issued as the ’332 patent was filed—and for three years after the patent issued—IPRs did not even exist. Although Patent Owner appreciates that pre-AIA patents are not, as a matter of law, immune from *inter partes* review proceedings, Patent Owner respectfully submits that it is particularly appropriate to apply the Office’s settled expectations doctrine when—as is the case here—at the time of application filing, throughout prosecution, and for years after issuance, Patent Owner had no notice that related patent rights could be terminated through the IPR process.

Further, the Office has made it clear that, as a general matter, Patent Owners have strong settled expectations when patents have been in force at least six years. *See, e.g.*, *Dabico Airport Sols. Inc. v. AXA Power APS*, IPR2025-00408, Paper 21 at 2-3 (PTAB June 18, 2025) (Acting Director) (IPR petition denied where “challenged patent has been in force almost eight years” and petitioner failed to “provide any persuasive reasoning why an *inter partes* review is an appropriate use of Office resources”); *Amgen Inc. v. Bristol-Myers Squibb Company*, IPR2025-00601, Paper 9 (PTAB July 24, 2025) (Acting Director) (“the challenged patents have been in

force for seven and six years, respectively, creating strong settled expectations for Patent Owner"). Here, the '332 patent was in force for ***sixteen years*** without any invalidity challenge and only now—for the first time—is being challenged via a form of post-issuance review. Patent Owner's expectations regarding validity have long been settled.

Still further, this is not a case where the patent has never before been commercialized. As established by the declaration of Angela Quinlan, the '332 patent was acquired by Patent Owner in May 2021 as part of the purchase of a portfolio of Hewlett Packard patents. EX2017. That portfolio—which includes the '332 patent—has subsequently been part of an extensive licensing campaign that has resulted in licenses to over fifty entities without litigation. *Id*. Further, Petitioners—core parts of the FedEx enterprise—should not be heard to argue that they somehow could not expect to be sued on patents relating to information technology, given that FedEx represents to the public that it is a leading innovator in information technology. *See* FedEx Website, "Innovation & technology policy perspectives," available at https://www.fedex.com/en-us/about/policy/technology-innovation.html (last visited December 21, 2025).

IV. Section 315(d) Provides An Independent Basis For Denial In View Of The Co-Pending EPR

Section 315(d) gives the Deputy Director broad discretion "during the pendency of an *inter partes* review, if another proceeding or matter involving the patent is before the Office," to "provid[e] for stay, transfer, consolidation, ***or termination*** of any such matter or proceeding." 35 USC § 315(d) (emphasis added);[5] *see also* EX2003 at 004, 008. Here, termination of this IPR is appropriate since there is a parallel EPR (90/015,497) already in progress before the central reexamination unit that addresses every challenged claim of the '332 patent. Further, the average pendency of an EPR is only approximately 15 months. EX2018, 001 ("The average pendency of reexaminations for litigated patents is just over 15 months, almost three months shorter than for inter partes reviews (IPRs)."). Since the EPR here was ordered before this IPR Petition was even filed (EX2011), it will almost certainly be completed earlier than this IPR. Given the Office's expressly stated goal of freeing

[5] To the extent the term "pendency of an *inter partes* review" limits the provision to instituted IPRs, it only underscores that the Deputy Director should use her undisputed §314(a) discretion to deny the Petition now. Plainly, if the IPR would be terminated post-institution under § 315(d), there is no reason to institute it in the first place.

PTAB resources for *ex parte* appeals, *see* EX2003 at 011 ("The Office believes it is appropriate to focus APJ time on *ex parte* appeals…"), Section 315(d) provides an independent basis for the Deputy Director to refuse institution of this IPR in view of the EPR that is already in progress.

V. Petitioners Have Not Shown That Any Error Occurred During Prosecution Error

Some Director decisions have suggested that IPR can be appropriate when the Petition has identified clear, material errors in prosecution. Petitioners have identified no such errors here. Instead, Petitioners did nothing more than suggest prosecution was insufficient without explaining why. Pet. 4. This does not come close to a viable showing of material error. Further, even if there were an error, there is already a form of post-issuance review in progress—*ex parte* reexamination—that exists precisely for the purpose of correcting examiner errors.

VI. Conclusion

For the reasons explained above, Patent Owner respectfully submits that the Deputy Director should exercise her discretion to deny institution of the Petition.

Dated: December 22, 2025

Respectfully submitted,

/Richard J. Botos/
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Counsel for Patent Owner

CERTIFICATE OF SERVICE

I hereby certify that the foregoing PATENT OWNER'S BRIEF THAT INSTITUTION OF THE PETITION SHOULD BE DENIED ON DISCRETIONARY GROUNDS and Exhibits listed on the List of Exhibits were served on December 22, 2025, via electronic mail upon counsel of record for Petitioner at the following email addresses:

IPR39898-0051IP1@fr.com
Kenneth W. Darby, Jr.
David Hoffman

Dated: December 22, 2025

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