

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 REPLY IN SUPPORT OF ITS BRIEF REQUESTING
THAT INSTITUTION OF THE PETITION BE DENIED ON
DISCRETIONARY GROUNDS**

PATENT OWNER’S EXHIBIT LIST

No.	Exhibit Description
2001	Memorandum titled “ <i>Director Institution of AIA Trial Proceedings</i> ,” 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	<i>Ex parte</i> Reexamination request filed by NetApp, Inc. in <i>Ex Parte</i> Reexamination No. 90/015,497
2005	Complaint in <i>Valtrus Innovations Ltd. et al v. The Home Depot, Inc. et al.</i> , Case No. 2:25-cv-00081-JRG (E.D. Tex. January 27, 2025)
2006	Second Amended Docket Control Order in <i>Valtrus Innovations Ltd. et al v. The Home Depot, Inc. et al.</i> , Case No. 2:25-cv-00081-JRG (E.D. Tex. January 27, 2025)
2007	First Amended Docket Control Order in <i>Valtrus Innovations Ltd. et al v. FedEx Corporation et al.</i> , Case No. 2:25-cv-00516-JRG (E.D. Tex. May 9, 2025)
2008	Complaint in <i>Valtrus Innovations Ltd. et al v. NetApp, Inc.</i> , Case No. 2:25-cv-00517-JRG (E.D. Tex. May 9, 2025)
2009	Complaint in <i>NetApp, Inc. v. Valtrus Innovations Ltd. et al.</i> , Case No. 1:25-cv-06138 (S.D.N.Y. July 25, 2025)
2010	Complaint in <i>Valtrus Innovations Ltd. et al v. FedEx Corporation et al.</i> , Case No. 2:25-cv-00516-JRG (E.D. Tex. May 9, 2025)
2011	<i>Ex parte</i> Reexamination Order in <i>Ex Parte</i> Reexamination No. 90/015,497
2012	Complaint in <i>Starbucks Corporation v. Valtrus Innovations Ltd. et al.</i> , Case No. 2:25-cv-01859 (W.D. Wash. September 25, 2025)

No.	Exhibit Description
2013	Docket Navigator Statistics for Judge Gilstrap
2014	Docket Navigator Statistics for EDTX Patent Cases
2015	Invalidity Contentions (cover pleading) in <i>Valtrus Innovations Ltd. et al v. The Home Depot, Inc. et al.</i> , Case No. 2:25-cv-00081-JRG (E.D. Tex. January 27, 2025)
2016	Invalidity Contentions (cover pleading) in <i>Valtrus Innovations Ltd. et al v. FedEx Corporation et al.</i> , 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)

Pursuant to the Director’s January 27, 2026 authorization, Patent Owner submits this Reply Brief in Support of its Brief Requesting That Institution Of The Petition Be Denied On Discretionary Grounds Discretionary Denial (Paper 8, “Discretionary Denial Brief”) which laid out multiple independent reasons why institution should be denied, including that (1) the challenged ’332 patent is already the subject of a host of district court proceedings, including three that are scheduled to go to trial well before any FWD will issue, (2) Patent Owner has substantial settled expectations given the 16-year gap between patent issuance and this proceeding, and (3) the presence of a parallel *ex parte* reexamination proceeding involving the ’332 patent. Neither Petitioners’ belated, procedurally improper stipulation (Paper 10 at 2), nor any other intervening event has materially altered the analysis. To the contrary, it is now clearer than ever that an IPR of the ’332 patent cannot be an alternative to district court litigation, and that institution would unfairly subject the ’332 patent to both serial and parallel invalidity attacks.

I. The Director should reject Petitioners’ belated, procedurally improper second stipulation

The Office has set forth clear and now well-established guidelines for the conduct of Discretionary Denial briefing. *See generally* INTERIM DIRECTOR DISCRETIONARY PROCESS, available at <https://www.uspto.gov/patents/ptab/interim-director-discretionary-process> (“Process Guidelines”). These Process Guidelines

clearly state that “[i]f a petitioner chooses to file a stipulation, such as a *Sotera* stipulation, they should file it as soon as practicable, so that the patent owner may address the impact of the stipulation in its discretionary denial brief.” Process Guidelines § I.D. Here, Petitioners have brazenly flouted the Office’s guidance by offering a new and different stipulation in its discretionary denial opposition brief.

Petitioners filed a first stipulation in this IPR on November 5, 2025. EX1022. As explained in the Discretionary Denial Brief, that stipulation only minimally limited the invalidity arguments available to Petitioners in their own district court action (it of course had no impact at all on the arguments available to the many other district court defendants) and thus fell far short of the Office’s expectations, as set forth in the Proposed Rule,¹ regarding the minimum requirements for a satisfactory stipulation. *See* Paper 8 at 9-10, 14-16; EX2003 at 012. Notably, the Office published the Proposed Rule weeks *before* Petitioners filed their first stipulation. Petitioners thus were on notice regarding the Office’s position when they filed their first stipulation, and have been on notice continuously since then, yet consciously chose to withhold their fallback stipulation until the filing of their opposition brief—which notably came over a month *after* the Director discretionarily denied related

¹ All capitalized terms have the same meaning given to them in the Discretionary Denial Brief.

petitions on similar facts.² In short, Petitioners lay in wait, delayed providing their current stipulation position until the Director denied the first set of related petitions and only then—in a last-ditch gambit to preserve its petitions—sprung its new position on Patent Owner and the Office. This withholding of key arguments until the end of the discretionary denial process is highly prejudicial to Patent Owner and deeply inefficient. The Director recently criticized such “wait and see” gamesmanship in the claim construction context and should not reward it here. *Revvo Technologies, Inc. v. Cerebrum Sensor Technologies, Inc.*, IPR2025-00632, Paper 36, 4 (Director, January 26, 2026) (“[W]hile petitioner would no doubt like to ‘wait and see,’ we cannot and will not.”). Instead, the Director should find that Petitioners forfeited the opportunity to offer new stipulations and should decline to consider Petitioners’ belated stipulation.

II. The Facts Still Overwhelmingly Favor Discretionary Denial Even if the Belated Stipulation is Considered

Even if considered, Petitioners’ belated stipulation does not materially change the analysis. The Home Depot Action is still scheduled for trial more than six months before any FWD will issue, and Petitioners’ new stipulation of course places no limit whatsoever on the invalidity arguments that Home Depot can make.

² See IPR2025-01490, Paper 20; IPR2025-01491, Paper 17.

Similarly, the NetApp Action is still scheduled for trial before any FWD will issue, and NetApp is likewise unaffected by Petitioners belated stipulation. Nor are any of the multiple other district court defendants who are actively litigating invalidity in district court affected in any way. In short, Petitioners belated stipulation does not change the fact that invalidity of the '332 patent will still be litigated in multiple district court proceedings—including two scheduled for trial before the FWD.

Petitioners' only rejoinder to this crucial fact is to pretend that it somehow does not matter. Petitioners speculate that other defendants might settle, or that the time-to-trial statistics might not hold up since multiple trials are scheduled at the same time (see Paper 8 at 4-6), but such speculation provides no basis for assuming that no trial will occur. *Accord Google LLC v. Cerence Operating Co.*, IPR2024-01465, Paper 15, 9 (PTAB Apr. 23, 2025) (“[T]he district court has set a trial date...Although a number of cases may be scheduled for jury selection on the same day as the District Court Litigation, nothing in the record indicates a trial in the District Court Litigation would not take place months before our deadline to reach a final decision.”). Similarly, Petitioners' suggestion that the fact that these litigations involve entities that are not parties to this IPR renders them irrelevant is simply incorrect—the policy concerns about serial and parallel invalidity attacks that the Office cogently described in the Proposed Rule do not turn on the identity of the challenger. See EX2003 at 003-011 (explaining how “[e]ven extremely strong

patents become unreliable when subject to serial or parallel validity challenges”). Further, allowing this IPR to proceed would raise troubling concerns about actual or *de facto* coordination when, as is the case here, multiple defendants have been accused of infringing the same patent. Here, a *de facto* division of labor has emerged—NetApp has filed *ex parte* reexamination requests, FedEx has filed IPRs, and other entities have focused on declaratory judgment relief. Crediting Petitioners’ stipulation here would incentivize such parallel invalidity attacks.

Finally, nothing in Petitioners’ belated stipulation alters the impact of NetApp’s parallel EPR request on the discretionary denial analysis. To the contrary, subsequent events in the EPR have provided yet more reason for discretionary denial—the examiner has confirmed the patentability of all claims of the ’332 patent. *See* Control No. 90/015,497, Jan 21, 2026 Notice of Intent to Issue *Ex Parte* Reexamination Certificate. This decision not only confirms the unreliability of Petitioners’ concerns regarding the speed of EPR adjudication, it provides an independent basis for denial of the IPR petition, since the Office’s Proposed Rule would require denial of petition “if a challenged claim...[w]as found patentable in an office action... following a reexamination request filed...by someone other than the Patent Owner.”). EX1003 at 022-023. Indeed, institution under these circumstances would create precisely the situation the Proposed Rule was intended to avoid—multiple instances of *de novo* review before the Office. EX2003 at 003.

Dated: January 29, 2026

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 REPLY IN SUPPORT OF ITS BRIEF REQUESTING THAT INSTITUTION OF THE PETITION BE DENIED ON DISCRETIONARY GROUNDS was served on January 29, 2026, 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: January 29, 2026

/Richard J. Botos /

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