

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 IPR2026-00039
Patent 7,640,332

**PETITIONERS' SUR-REPLY OPPOSING PATENT OWNER'S REQUEST
FOR DISCRETIONARY DENIAL OF INSTITUTION**

TABLE OF CONTENTS

I. INTRODUCTION1

II. ARGUMENT.....1

 A. Prompted by Changed Circumstances, Petitioners’ All-Invalidity
 Stipulation Is Timely and Does Not Prejudice Patent Owner.....1

 B. The All-Invalidity Stipulation Tips the Scales Toward Referral3

 C. The Home Depot and NetApp Litigations Do Not Preempt This IPR
 Because Petitioners’ All-Invalidity Stipulation Prevents Overlap.....3

 D. The Recently Concluded EPR Does Not Preempt This IPR Because
 Valtrus Obstructed the Process5

**All emphasis is added in this brief.*

I. INTRODUCTION

Valtrus's entire case for denial collapses under the weight of Petitioners' all-invalidity stipulation. This binding guarantee cements the IPR as a complete alternative to the Parallel FedEx Litigation and renders the Home Depot and NetApp Litigations irrelevant by preventing Petitioners from pursuing the invalidity grounds in those proceedings. Valtrus cannot credibly claim that the timing of Petitioners' stipulation is prejudicial after the Director authorized ample supplemental briefing to address it. Nor can Valtrus compel denial based on the recent reexamination, which Valtrus itself compromised by withholding material prior art. The Director should reject these tactics, credit the stipulation, and refer this case to the merits.

II. ARGUMENT

A. Prompted by Changed Circumstances, Petitioners' All-Invalidity Stipulation Is Timely and Does Not Prejudice Patent Owner

Petitioners expanded their original *Sotera+* stipulation because the circumstances in the Parallel FedEx Litigation changed dramatically. *See* Opp. Br. at 2. Information Valtrus recently produced in discovery revealed stunning deficiencies in its infringement case—deficiencies Valtrus knew or should have known about before hastily filing suit. Rather than burdening a lay jury with complex invalidity arguments on four unrelated patents covering various computer science technologies, Petitioners can now present a narrower defense focused on noninfringement. Here, as in other cases referred to the merits stage, the Board's

technically and legally trained APJs are “better suited to review a large number of patents involving diverse subject matter.” *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 9 at 3 (Jun. 13, 2025) (informative). The all-invalidity stipulation cements Petitioners’ commitment to this efficient and pragmatic division of labor. *See id.* at 2 (noting that “Petitioner has filed a broad stipulation”).

Petitioners’ expanded stipulation is also a timely and apt response to Valtrus’s claims that Petitioners are attempting to pursue duplicative or inconsistent theories in the Parallel FedEx Litigation. DD Br. at 15–16. Those claims were unfounded, and the all-invalidity stipulation renders them entirely moot. Opp. Br. at 2–3. This case is now a simpler one for the Director to decide. What’s the harm in that? Indeed, Valtrus’s “highly prejudicial” complaint rings hollow given the following: (i) Valtrus identifies no alleged harm it has suffered, (ii) this supplemental briefing gives Valtrus an ample opportunity to respond, and (iii) the expanded all-invalidity stipulation benefits Valtrus in the Parallel FedEx Litigation. Reply at 3.

Far from “lay[ing] in wait,” (Reply at 3), Petitioners have acted with the consistent purpose of making this IPR a true alternative to the Parallel FedEx Litigation. Petitioners’ original *Sotera+* stipulation reflects that intent, and the all-invalidity stipulation fully confirms it by adapting to the changed circumstances.

B. The All-Invalidity Stipulation Tips the Scales Toward Referral

Petitioners' all-invalidity stipulation indisputably makes this IPR a superior, more efficient substitute for the Parallel FedEx Litigation on invalidity. By forgoing *all* district court invalidity grounds—even those unavailable in an IPR—Petitioners have offered a concession that far exceeds what Congress intended. This extraordinary commitment to efficiency warrants exceptional weight, decisively outweighing all other considerations favoring denial, including the various other parallel proceedings with which Petitioners are not involved.

C. The Home Depot and NetApp Litigations Do Not Preempt This IPR Because Petitioners' All-Invalidity Stipulation Prevents Overlap

Valtrus does not deny that the Home Depot Litigation creates no risk of duplicative work or inconsistent results with this IPR. Reply at 3–5. Petitioners are not parties to that case, exercise no control over it, and assert different prior art here. *See* Opp. Br. at 4–6. Ironically, the one scenario that risks the duplication Valtrus says it fears is denial of institution. Only institution triggers the all-invalidity stipulation that bars Petitioners from copying Home Depot's invalidity arguments into the Parallel FedEx Litigation. Absent institution, this safeguard vanishes. It is therefore beside the point that the Home Depot Litigation is scheduled for trial before a final decision in this IPR and that Home Depot is not bound by Petitioners' stipulation. What matters is that the all-invalidity stipulation binds Petitioners in a way that prevents the overlapping invalidity challenges Valtrus seeks to avoid.

Similar reasoning applies to the NetApp Litigation. Reply at 3–5. The only way to prevent NetApp and Petitioners from presenting identical invalidity challenges to different juries is to activate the all-invalidity stipulation via institution.

Valtrus cannot credibly claim that parallel invalidity challenges against the ’332 patent are categorically “troubling.” Reply at 4–5. Such challenges are an inevitable byproduct of Valtrus’s decision to assert the same patent against multiple unrelated defendants. The dispositive question, therefore, is not whether this IPR is a parallel challenge, but whether this IPR is an unfairly duplicative and inefficient challenge. Petitioners’ all-invalidity stipulation eliminates those concerns.

And just as it is important to shield patentees from abusive challenges, it is equally vital to our patent system’s integrity that stalwart American companies like Petitioners are not penalized simply because they were sued alongside a host of other targets on a patent outside their “technology space.” *Home Depot U.S.A., Inc. v. H2 Intellect LLC*, IPR2025-00480, Paper 11 at 1–2 (Sept. 4, 2025) (informative). A company that “did not have reason to anticipate assertion of the patent against it” should not be denied access to the PTAB simply because the patentee sued numerous parties on the same patent. *Id.* at 2. The *Home Depot* logic applies with full force here, meaning “[t]hese considerations . . . outweigh the considerations favoring discretionary denial.” *Id.* at 3.

D. The Recently Concluded EPR Does Not Preempt This IPR Because Valtrus Obstructed the Process

Valtrus tacitly concedes that the recently concluded *ex parte* reexamination (EPR) does not overlap with this IPR. Reply at 5. The prior art and arguments considered there are completely different from those in Petitioners' petition.

More fundamentally, Valtrus compromised the EPR by disregarding the “duty to disclose.” *See* 37 C.F.R. § 1.555(a). Just like the Applicant failed to disclose its own prior art systems during original prosecution (Opp. Br. at 9–12), Valtrus withheld highly material prior art during the EPR. Valtrus received scores of relevant prior art publications during the district court litigations where it is asserting the '332 patent. *See, e.g.*, EX2015 at 14–16 (Home Depot invalidity contentions); EX2016 at 18–21 (FedEx invalidity contentions). Most of those publications were never considered during prosecution, and their relevance was explained to Valtrus in detailed claim charts, yet Valtrus failed to submit them to the Office.¹

Valtrus can hardly rely on the EPR as “an independent basis for denial” when Valtrus itself frustrated that process by withholding material prior art. Reply at 5. Nor can Valtrus save its untenable position by imagining “a *de facto* division of labor” between NetApp and Petitioners, which does not exist. *Id.* Petitioners are acting on their own and solely to advance their own fair but vigorous defense.

¹ <https://data.uspto.gov/patent-file-wrapper/search/details/90015497/documents>.

Respectfully submitted,

Dated: February 2, 2026

/Kenneth Wayne Darby Jr./

Kenneth Wayne Darby Jr., Reg. No. 65,068

David M. Hoffman, Reg. No. 54,174

Fish & Richardson P.C.

60 South Sixth Street, Suite 3200

Minneapolis, MN 55402

T: 202-783-5070

F: 877-769-7945

Counsel for Petitioners

CERTIFICATE OF SERVICE

Pursuant to 37 CFR §42.6(e)(4), the undersigned certifies that on February 2, 2026, a complete and entire copy of this Petitioners' Sur-Reply and its supporting exhibits were provided via email, to the Patent Owner by serving the email correspondence addresses of record as follows:

Richard J. Botos (Reg. No. 32,016)
Raymond B. Churchill, Jr. (Reg. No. 44,617)

BOTOS CHURCHILL IP LAW LLP
430 Mountain Avenue, Suite 401
New Providence, N.J. 07974
Tel. (908) 738-1772
Fax. (908) 320-4441

PTAB@bciplaw.com

/Crena Pacheco/
Crena Pacheco
Fish & Richardson P.C.
60 South Sixth Street, Suite 3200
Minneapolis, MN 55402
Tel: 202-783-5070
Fax: 877-769-7945
pacheco@fr.com