

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Klein Tools, Inc.
Petitioner,

v.

Milwaukee Electric Tool Corporation,
Patent Owner.

Case IPR2026-00233
U.S. Patent No. 11,656,067

**PATENT OWNER'S DISCRETIONARY DENIAL BRIEF FOR INTER
PARTES REVIEW OF U.S. PATENT NO. 11,656,067**

TABLE OF EXHIBITS

Exhibit No.	Description
2001	RESERVED
2002	RESERVED
2003	Counterclaims in <i>Milwaukee Electric Tool Corp. v. Klein Tools, Inc.</i> , No. 1:25-cv-04689 (N.D. Ill.), Dkt. 56, filed January 22, 2026 (excerpted)
2004	Klein Tool's Local Patent Rule 2.3 Initial Non-Infringement, Unenforceability, and Invalidity Contentions in <i>Milwaukee Electric Tool Corp. v. Klein Tools, Inc.</i> , No. 1:25-cv-04689 (N.D. Ill.), served Aug. 19, 2025 (excerpted)
2005	Interim Processes for PTAB Workload Management Memorandum, dated March 26, 2025
2006	"Klein Tools Improves Tape Measure Performance and Durability with Updated Line," dated Oct. 3, 2019
2007	WO 2019/040752

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I. INTRODUCTION

Patent Owner Milwaukee Electric Tool Corporation (“Milwaukee” or “Patent Owner”) respectfully requests that the Director deny institution of the Petition filed by Klein Tools, Inc. (“Petitioner”) challenging claims 1-12 of U.S. Patent No. 11,656,067 (“the ’067 Patent”).

First, a holistic application of the *Fintiv* factors favors denying institution to preserve efficiencies and avoid duplicative work that could result in inconsistent outcomes. The parties have engaged in initial fact discovery, including exchanging written discovery and initial contentions directed to the ’067 Patent. Petitioner’s initial invalidity contentions rely on prior art that overlaps with what it presents in its Petition. Petitioner has deposed one of the lead inventors of the ’067 Patent. Much like its Petition, Petitioner has challenged the validity of *all* claims of the ’067 Patent by asserting a counterclaim for declaratory judgment of invalidity of the ’067 Patent. Moreover, Petitioner’s grounds for invalidity do not present a compelling case that warrants overlooking the potential inefficiencies and inconsistencies stemming from ongoing parallel litigation.

Second, additional considerations as outlined in the Director’s March 26, 2025 Memorandum further favor discretionary denial. The Petition heavily relies on expert testimony to support its invalidity grounds, including by using expert opinion to imply that broad ranges, nearby values, and generalized engineering propositions

are the same as disclosing the precise claim limitations. Further, settled expectations of the parties favor discretionary denial.

Petitioner is a direct competitor in the same tape-measure market and therefore should have been aware of the published patent family from which the '067 Patent emerged. Its current Petition reinforces that point: Petitioner relies on (i) materials from *Apex Tool Grp., LLC v. Milwaukee Electric Tool Corp.*, PGR2020-00056, which concerned a related Milwaukee patent claiming priority to the same PCT that the '067 Patent claims priority, and (ii) overlapping prior art cited in that proceeding. *See, e.g.*, Exs. 1015-1016; Ex. 1015 at 6. That history aligns with the Director's settled-expectations guidance. This Petition concerns a patent family and prior-art field that Petitioner, as a market competitor, should have been aware of and appears to have tracked.

Accordingly, Patent Owner respectfully requests that the Board deny institution.

II. DIRECTOR'S MEMORANDA

Pursuant to the Director's March 26, 2025 Memorandum, Interim Processes for PTAB Workload Management, Ex. 2005, Patent Owner respectfully submits that institution should be denied. This filing is made within two months of the Notice of Filing Date accorded January 29, 2026 (Paper 3), in accordance with the interim discretionary-denial process.

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The Director's March 26, 2025, Memorandum identifies the following non-exclusive considerations relevant to discretionary denial:

- Whether the PTAB or another forum has already adjudicated the validity or patentability of the challenged patent claims;
- Whether there have been changes in the law or new judicial precedent issued since issuance of the claims that may affect patentability;
- The strength of the unpatentability challenge;
- The extent of the petition's reliance on expert testimony;
- Settled expectations of the parties, such as the length of the time the claims have been in force;
- Compelling economic, public health, or national security interests; and
- Any other considerations bearing on the Director's discretion.

As explained below, discretionary denial is appropriate under Section 314(a), *Fintiv*, and the Director's memoranda because institution here would duplicate district court activity, risk inconsistent validity determinations, and undermine the PTAB's role as an efficient alternative forum.

In particular, two of the Director's considerations are relevant here: (i) heavy reliance on expert testimony in the Petition and (ii) the settled expectations of the parties. The challenged '067 Patent is related to a patent that has already been before the PTAB in *Apex Tool Grp., LLC v. Milwaukee Electric Tool Corp.*, PGR2020-

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00056, which involved a related Milwaukee patent, and where all claims survived the litigation. Petitioner's current filing even relies on materials from that proceeding and overlapping prior art. *See, e.g.*, Exs. 1015-1016; Ex. 1015 at 6.

Additionally, while Milwaukee's tape measures are not manufactured in the US, most sales occur in the US, and Milwaukee has invested significant design, development, marketing, sales, warehousing, and supply chain activity related to its products in the US. Based on information and belief, Klein's tape measures (the accused products) are not manufactured in the US or related to investments in US manufacturing pursuant to the Director's March 11, 2026 Memorandum.

III. DISCRETIONARY FACTORS FAVOR DENIAL OF INSTITUTION

The Petition should be discretionarily denied, as a holistic application of *Fintiv* and the Director's additional considerations favor denial. The central points are straightforward: (a) the same parties are litigating over the same patent; (b) substantial validity and claim-construction work will likely occur well before any final written decision; (c) Petitioner has offered no stipulation ensuring that this IPR would function as a true alternative to parallel litigation; (d) Petitioner heavily relies on expert testimony; and (e) Patent Owner had settled expectations.

Moreover, even if Petitioner offered a *Sotera*-type stipulation later, it would only partially mitigate overlap with the parallel district court proceeding. Petitioner did not include such a stipulation in the Petition, did not shape the Petition's scope

or theories, and a stipulation would not eliminate the other discretionary-denial considerations present here.

A. Discretionary Denial Under 35 U.S.C. § 314(a)

The Petition should be denied pursuant to 35 U.S.C. Section 314(a) because the *Fintiv* factors, applied holistically, weigh in favor of denial in view of activity in parallel district court litigation. The district court litigation involves the same Patent Owner, the same Petitioner, and the same '067 Patent at issue in this proceeding such that institution would create duplicative and inefficient parallel adjudication rather than serving as an effective alternative forum.

1. Background of Parallel Litigation

Patent Owner asserted the '067 Patent against Petitioner in *Milwaukee Electric Tool Corp. v. Klein Tools, Inc.*, No. 1:25-cv-04689 (N.D. Ill.), filed April 29, 2025. Patent Owner's mandatory notices in this IPR, as well as its Petition ("Pet."), identify that district court case as the related matter involving the '067 Patent. Paper 5 at 1; Pet. at 3. In the parallel litigation, Petitioner filed counterclaims, including a counterclaim for declaratory judgment of invalidity of all claims of the '067 Patent. Ex. 2003 at 3 (Counterclaim Count 2), 13 ¶ 270. Petitioner's counterclaims cite the same art—Hernandez (Ex. 1005) and Murray (Ex. 1006)—that Petitioner relies on for Grounds 1 and 2 in the Petition. *Id.* at 66-67 ¶ 187a, ¶ 187e.

The parties have engaged in fact discovery, including exchanging written

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discovery and serving third-party subpoenas. The parties have also exchanged initial contentions, and Petitioner has deposed one of the named inventors of the '067 Patent. While the parties recently agreed to pause fact discovery due to Patent Owner learning about a constitutional standing defect, Patent Owner has since corrected the constitutional standing issue and intends to refile the case after the court rules on Patent Owner's voluntary motion to dismiss without prejudice.¹

Moreover, the parties discussed (and Patent Owner agreed) that discovery already conducted in the litigation would be considered served and available for use in the refiled lawsuit. Given this, it remains likely that, even with the need to refile the litigation, substantive merits activity will occur well before any final written decision issues in this proceeding.

2. *Fintiv* Factors

a. *Fintiv* Factor 1: Whether the court granted, or is likely to grant, a stay if an IPR is instituted

No stay has been entered, and there is no present record showing that a stay is likely. Because no stay motion has been filed, this factor is at best neutral.

¹ Patent Owner will update its mandatory notices once the court rules on its motion to voluntarily dismiss.

b. *Fintiv* Factor 2: Proximity of the court's trial date to the PTAB's projected statutory deadline for a final written decision

While Patent Owner's need to refile the district court suit makes a trial date before the deadline for a final written decision unlikely, this neither eliminates the substantial duplication concerns nor fully mitigates the inefficiency of instituting review. The district court case involves the same parties and the same core validity issues. Moreover, given the deadlines set by the Local Patent Rules in the Northern District of Illinois, it remains likely that the parties will have engaged in substantive merits activity, such as exchanging final contentions and claim construction activity, if not also conducting the *Markman* hearing, before the final written decision issues. Accordingly, this factor is at least neutral.

c. *Fintiv* Factor 3: Investment in the parallel proceeding by the court and the parties

This factor favors denial. The parties have entered into a Protective Order and ESI Order and engaged in fact discovery, including (i) serving and responding to document requests, interrogatories, and requests for admission; (ii) exchanging initial contentions; and (iii) serving third-party subpoenas. Additionally, Petitioner has deposed one of the named inventors on the '067 Patent. These are meaningful merits investments, not merely ministerial steps.

Although Patent Owner filed a motion for voluntary dismissal of the parallel litigation, its intent to refile the litigation and agreement by Patent Owner to reuse

all discovery served in the pending litigation means the substantive investments that the parties have made in the parallel proceeding will be used in the refiled litigation and that effort will not have been wasted. As such, this factor weighs in favor of denial.

d. *Fintiv Factor 4: Overlap between issues raised in the petition and in the parallel proceeding*

This factor strongly favors denial. The district court case and this IPR concern the same patent and the same parties. Petitioner's initial invalidity contentions and counterclaim for declaratory judgment of invalidity of all claims of the '067 Patent also raise overlapping arguments with those in the Petition. Indeed, much like its Ground 1 in the Petition, Petitioner identified Hernandez (Ex. 1005) as (i) an anticipatory reference for claim 1 of the '067 Patent in its initial invalidity contentions, and (ii) prior art supporting its counterclaims seeking a declaratory judgment of invalidity of all claims of the '067 Patent. Ex. 2003 at 3-4 ¶ 187a; Ex. 2004 at 8-9. Much like its Ground 2 in the Petition, Petitioner's initial invalidity contentions identified Hernandez (Ex. 1005) and Murray (Ex. 1006) as references supporting an obviousness attack of claim 1 of the '067 Patent and cited both in support of its counterclaims for declaratory judgment of invalidity of all claims of the '067 Patent. Ex. 2003 at 3-4 ¶ 187a, e; Ex. 2004 at 8-9.

Petitioner has not offered a *Sotera* stipulation, and nothing currently prevents

it from continuing to pursue the same or substantially overlapping invalidity theories in district court. That omission is significant. Had Petitioner wanted this IPR to serve as a genuine alternative forum, it could have narrowed its district-court invalidity case accordingly. It failed to do so. Even if Petitioner were to offer a *Sotera*-type stipulation now, that would only partially mitigate overlap. It would not change the fact that the Petition was filed without any such limitation and was not shaped by one. Factor 4 therefore strongly favors denial.

e. ***Fintiv Factor 5: Whether the petitioner and the defendant in the parallel proceeding are the same party***

This factor favors denial. Petitioner Klein Tools is the defendant in the district court action, and Petitioner identifies Klein Tools, Inc. and ZAH Group, Inc. as the real parties in interest in this IPR. There is no mismatch between forums that would diminish duplication concerns. Milwaukee's refiled lawsuit will be in the same forum and designate the same Judge, such that there will be continuity between the two lawsuits.

f. ***Fintiv Factor 6: Other circumstances that impact the PTAB's exercise of discretion, including efficiency, economy, integrity, and the merits***

i. **Petitioner chose to file after related district court activity had occurred**

Petitioner did not file this IPR at the outset of the district court case. Instead, Petitioner waited *nearly 9 months* after Patent Owner filed its complaint and *five*

months after serving its initial invalidity contentions to file its Petition. This timing supports denial under the Director's efficiency-focused framework.

ii. Petitioner's unpatentability challenge does not outweigh the duplication concerns

Patent Owner will address the merits in greater detail in its Preliminary Response, but nothing in the Petition appears compelling enough to warrant the Board overlooking the parallel-litigation inefficiencies described above. Petitioner's grounds rely on one primary tape measure reference to Hernandez (Ex. 1005), which Petitioner asserts anticipates all claims, except dependent claim 10, (Ground 1), or renders all claims, except dependent claim 10, obvious alone or in combination with Murray (Ex. 1006) (Ground 2).

Sole independent claim 1 requires a standout distance of the elongate blade from the housing be ***greater than 150 inches***. For its anticipatory Ground 1, Petitioner inexplicably alleges that Hernandez discloses this limitation while acknowledging that Hernandez discloses a standout length of only ten feet (*i.e.*, ***120 inches***). Pet. at 38. To seemingly salvage its anticipatory attack in Ground 1, Petitioner next asserts that Hernandez "discloses this limitation through its incorporation by reference of Murray, which discloses a standout length of 'up to approximately 13 feet [156 inches].'" *Id.*

Petitioner's argument, however, glosses over Murray's express teaching that

“one skilled in the art will understand that the *length of the blade standout depends on many factors*, including (but not limited to) *blade width* . . .; the *height of the blade* [] in the concavo-convex configuration . . .; *blade thickness* . . .; and the *geometry of the blade transverse cross-section* when the same is in its normal concavo-convex than configuration.” Ex. 1006 at 5:21-30. Petitioner fails to address this interplay between standout and blade characteristics to support its anticipatory attack on the claim. Petitioner also fails to address the fact that, at best, the Petition improperly combines disclosures from different embodiments from different references in its anticipation ground.

Petitioner's obviousness attack fares no better. Pet. at 57-58. While Petitioner asserts “a POSA would have been motivated to design a tape measure with standout toward the upper end taught by Murray (156 inches),” Pet. at 58, it fails to reconcile why Hernandez designed a tape measure with only a 120 inch standout despite citing Murray (up to 156 inch standout) in the Background of the Invention. Pet. at 38 (citing Ex. 1005 at 4:47-50, 1:31-34); *see also* Ex. 1005 at 1:28-31. The reality is that neither Hernandez nor Murray disclosed a tape measure with all of the claimed limitations and were not able to combine the wide range of disclosed dimensions with other disclosed dimensions to achieve the claimed invention.

For at least these reasons, on this preliminary record, the asserted merits do not outweigh the strong overlap concerns presented by factors 3, 4, and 5.

B. Additional Considerations Outlined in the Director's Memoranda Support Discretionary Denial

1. Petitioner's Extensive Reliance on Expert Testimony Favors Denial

Petitioner relies extensively on the declaration of Dr. Robert Giachetti (Ex. 1003), and that reliance matters under the Director's March 26, 2025 Memorandum. This is not a case where the asserted references straightforwardly disclose each limitation with the expert merely supplying background context. Rather, the Petition repeatedly turns to Dr. Giachetti to imply that broad ranges, nearby values, and generalized engineering propositions as the same as disclosing the precise claim limitations that Petitioner seeks to prove existed in the prior art. Petitioner and its expert even asserts that a POSA would have (i) known how to "adjust" disclosed thickness ranges to increase standout, Pet. at 47 (citing Ex. 1003 ¶¶ 55-56); (ii) been motivated to modify flat width of the blade to reach the claimed 32 mm value, Pet. at 61 (citing Ex. 1003 ¶¶ 88-90, 98-101); (iii) known how to reach the claimed "less than 26 mm" curved-width limitation while increasing flat width to 32 mm, Pet. at 63 (citing Ex. 1003 ¶¶ 93-94).

Where a petition depends on expert advocacy to bridge gaps, supply motivation, or carry the final analytical step from the cited references to the challenged claims, the Director may appropriately conclude that the asserted merits do not justify institution in the face of strong case-management and efficiency

concerns. The USPTO's own Interim Processes recognizes that such expert-driven contests are better resolved in an Article III court. *See* FAQs for Interim Processes for PTAB Workload Management, #22. That is especially true here, where the same patent will already be the subject of expert-driven validity and claim-construction activity in district court.

2. Settled Expectations Favor Denial

Settled expectations also favor denial. Although the '067 Patent did not issue until May 23, 2023, it first published as US2021/0278188 on September 9, 2021. Ex. 1001 at 1. As a competitor in the tape measure space that touted the launch of tape measures with 13-foot standout in 2019, Ex. 2006, Petitioner should have been aware, or at the least capable of finding, this 2021 publication of the '067 Patent application. *See Dabico Airport Soln's Inc. v. AXA Power APS*, IPR2025-00408, Paper No. 21, at 3 (P.T.A.B. June 18, 2025) (noting “[i]nterested parties may find published patents and patent applications using the Office’s automated search systems as well as publicly available resources on the Internet” and that “*actual notice of a patent or of possible infringement is not necessary to create settled expectations.*”).

Moreover, the '067 Patent is part of a broader family of patents stretching back to PCT/US2018/047759, filed on August 23, 2018, which published on February 28, 2019 as WO 2019/040752. Ex. 1001 at 1; Ex. 2007 at 1. As a direct

competitor in the tape-measure market, Petitioner should have been aware of that published family and its related U.S. filings. This point is reinforced by Petitioner's current submission, which relies on materials from *Apex Tool Grp., LLC v. Milwaukee Electric Tool Corp.*, PGR2020-00056, a PTAB proceeding involving a different, but related, Milwaukee patent, as well as overlapping prior art. *See, e.g.*, Exs. 1015-1016; Ex. 1015 at 6 (citing Murray in Grounds 6-8).

Under the Director's guidance, those facts support Patent Owner's settled expectations even without proof of actual notice on any particular earlier date. As such, given these facts, settled expectations of Patent Owner weigh in favor of denying institution.

IV. CONCLUSION

A holistic assessment favors discretionary denial. *Fintiv* factors 3, 4, and 5 support denial; factors 1 and 2 are at least neutral; and factor 6, together with the Director's March 26, 2025 Memoranda, confirms that institution would not promote efficiency, fairness, or integrity. The Petition duplicates work in parallel district court proceedings involving the same patent and parties and lacks any stipulation making this IPR a true alternative to that case. The Director should therefore deny institution.

Patent Owners' Discretionary Denial Brief

Dated: March 30, 2026

Respectfully Submitted,

/ Dion M. Bregman /

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CERTIFICATION OF LENGTH (37 C.F.R. § 42.24(D))

The undersigned hereby certifies that this document is limited to 14,000 words and thus complies with the applicable word limit.

Dated: March 30, 2026

Respectfully Submitted,

/ Dion M. Bregman /
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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. Section 42.6(e)(4), lead counsel for Patent Owner hereby certifies that on March 30, 2026 copies of this Patent Owner's Discretionary Denial Brief and accompanying exhibits were served on Petitioner's counsel of record at the email correspondence address of record:

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