

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 IPR2026-00246
U.S. Patent No. 11,857,064

**PATENT OWNER'S DISCRETIONARY DENIAL BRIEF FOR INTER
PARTES REVIEW OF U.S. PATENT NO. 11,857,064**

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	March 11, 2026 Memorandum, Additional Discretionary Institution Considerations - U.S. Manufacturing and Small Business Use of AIA Proceedings
2007	US 2022/0211165

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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 1-9, 12, and 16-20 of U.S. Patent No. 11,857,064 (“the ’064 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 ’064 Patent. Petitioner’s initial invalidity contentions rely on prior art that overlaps with what it presents in its Petition. Petitioner has challenged the validity of **the same** claims of the ’064 Patent that it included in its counterclaim for declaratory judgment of invalidity of the ’064 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, Petitioner filed without a *Sotera* stipulation or any other limitation that would make this IPR a true alternative to the district court action. The absence of such a stipulation leaves substantial overlap risk.

Third, nothing in the Petition appears sufficiently compelling to outweigh the efficiency concerns presented by the parallel litigation. Petitioner asserts one

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anticipation ground directed only to claims 1, 2, and 12, and relies on multi-reference obviousness grounds for the remaining challenged claims, together with threshold means-plus-function claim-construction arguments and extensive expert testimony. On this preliminary record, that is not the type of plainly compelling merits showing that warrants setting aside the Director's case-management guidance.

Fourth, the Director's additional discretionary considerations also support denial. As the Petition itself shows, Petitioner relies heavily on Dr. Giachetti not merely for background principles, but to (i) support threshold means-plus-function claim-construction positions under 35 U.S.C. § 112(f), (ii) map structural features onto the prior art, and (iii) supply the motivation-to-combine and reasonable-expectation-of-success theories needed for its multi-reference grounds. Settled expectations also favor denial because, by Petitioner's own account, the challenged patent issued on January 2, 2024 and descends from a continuation chain that reaches back through a February 11, 2020 PCT filing and a February 12, 2019 provisional application, well over 6 years ago. Further, settled expectations favor denial because Petitioner markets tools and tool accessories implicated by the '064 Patent and therefore should have been aware of the published patent family from which the '064 Patent emerged.

II. DIRECTOR'S MEMORANDA

Pursuant to the Director's March 26, 2025 Memorandum, Interim Processes

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for PTAB Workload Management, Ex. 2005, and the Director's March 11, 2026 Memorandum, Additional Discretionary Institution Considerations - U.S. Manufacturing and Small Business Use of AIA Proceedings, Ex. 2006, Patent Owner respectfully submits that institution should be denied. This filing is made within two months of the February 9, 2026 date of the "Notice of Filing Date Accorded to Petition and Time for Filing Patent Owner Preliminary Response" (Paper 3).

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 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.

The March 11, 2026 memorandum adds further considerations directed to

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domestic manufacturing and small-business status. Both memoranda reinforce that institution is not automatic even where a petition satisfies the threshold statutory standard.

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

The record presently supports at least three case-specific considerations. *First*, it is likely that the parties will engage, or will have engaged in, substantive merits activity before the final written decision issues. *Second*, the Petition depends extensively on Dr. Giachetti's declaration to supply proposed means-plus-function constructions for "locking mechanism" and "mating structure," to argue that primary reference Albrecht satisfies claim limitations under those constructions, as well as to provide the design-choice, motivation-to-combine, and reasonable-expectation-of-success theories that drive Grounds 1B and 2. *Third*, the Petition itself states that the asserted family traces back through a February 11, 2020 PCT filing to a February 12, 2019 provisional application, which reinforces that this was not a newly emergent patent issue when Petitioner filed in January 2026.

Additionally, based on information and belief, and pursuant to the Director's March 11, 2026 Memorandum listing additional facts for consideration when

assessing institution, Klein's accused products are not manufactured in the U.S. or related to investments in U.S. manufacturing.

III. DISCRETIONARY FACTORS FAVOR DENIAL OF INSTITUTION

The Petition should be discretionarily denied. A holistic application of *Fintiv* and the Director's additional considerations favors denial because: (a) the same parties are litigating the same patent in district court; (b) substantial validity and claim-construction work will likely occur well before any final written decision; (c) Petitioner filed without any *Sotera* stipulation; (d) Petitioner's merits presentation depends heavily on expert testimony and disputed claim constructions; and (e) the present record does not show a compelling merits case that would justify duplicative parallel proceedings.

Even if Petitioner were later to offer a *Sotera*-type stipulation, that would only partially mitigate the overlap problem. Petitioner did not include such a stipulation in the Petition, did not frame its grounds with any such limitation, and has given the Board no present assurance that this IPR would meaningfully narrow the district court validity dispute.

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

The Petition should be denied pursuant to 35 U.S.C. § 314(a) because the *Fintiv* factors, applied holistically, weigh in favor of denial in view of the parallel district court litigation. This case involves the same Patent Owner, the same

Petitioner, and the same '064 Patent at issue in the Northern District of Illinois 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 '064 Patent against Petitioner *in Milwaukee Electric Tool Corp. v. Klein Tools, Inc.*, No. 1:25-cv-04689 (N.D. Ill.) as part of its First Amended Complaint, filed May 6, 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 '064 Patent. Paper 5 at 1; Pet. at 3-4. In the parallel litigation, Petitioner filed counterclaims, including a counterclaim for declaratory judgment of invalidity of all claims of the '064 Patent. Ex. 2003 at 13 (Counterclaim Count 3), 14 ¶ 277. Petitioner's counterclaims cite the same art—Albrecht (Ex. 1005), Gabriel (Ex. 1009), and Glock (Ex. 1010)—that Petitioner relies on for its grounds in the Petition. *Id.* at 13-14 ¶ 274c, ¶ 274f, ¶ 274o, ¶ 275.

The parties have engaged in fact discovery, including exchanging written discovery. The parties have also exchanged initial contentions. 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 the supplied record does not include any stay motion or other indication that a stay is likely. This factor is therefore neutral.

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

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

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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 undertaking claim construction activity, and likely also concluding 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 and (ii) exchanging initial contentions. 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 that 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

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the same patent and the same parties. Petitioner's initial invalidity contentions and counterclaim for declaratory judgment of invalidity of all claims of the '064 Patent also raise overlapping arguments with those in the Petition and raise overlapping art.

Indeed, much like its Ground 1A in the Petition, Petitioner identified Albrecht (Ex. 1005) as (i) a potential anticipatory reference for claim 1 of the '064 Patent in its initial invalidity contentions, and (ii) prior art supporting its counterclaims seeking a declaratory judgment of invalidity of all claims of the '064 Patent. Ex. 2003 at 13-14 ¶ 274f; Ex. 2004 at 16. Much like Ground 1B and Ground 2, Petitioner's counterclaim stated "Albrecht [] alone, or in combination with one or more of Glock . . . , and/or Gabriel renders" the claims of the '064 Patent obvious. Ex. 2003 at 14 ¶ 275.

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 at the outset. It failed to do so. Even if Petitioner were to belatedly offer a *Sotera*-type stipulation, 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.

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- 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, Inc. is the defendant in the district court action, and its Petition identifies Klein Tools, Inc. and ZAH Group, Inc. as the real parties in interest. Pet. at 3. There is thus no mismatch between forums that would reduce duplication concerns.

- 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 substantial district court activity had already 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 first amended complaint and *five months* after serving its initial invalidity contentions to file its Petition. This timing strongly supports denial under the Director's efficiency-focused framework.

- ii. *Petitioner's unpatentability challenge does not outweigh the duplication concerns and instead underscores why discretionary denial is appropriate*

Patent Owner will address the merits in greater detail in its Preliminary Response, but nothing in the Petition presently appears so compelling as to outweigh the strong overlap and efficiency concerns described above. Petitioner asserts that Albrecht anticipates only claims 1, 2, and 12, while the remaining challenged claims

are asserted to be obvious over multi-reference combinations involving Albrecht, Gabriel, and/or Glock. Pet. at 5. That structure alone materially undercuts any suggestion that the Petition presents the sort of unusually straightforward merits case that should displace the Board's case-management concerns.

The Petition also advances threshold claim-construction disputes, including arguments that "locking mechanism" and "mating structure" are subject to 35 U.S.C. § 112(f). Pet. at 18-24. Those disputes are not peripheral. Petitioner relies on those proposed constructions to define the relevant structures as a "locking pin" and a "disk," and then uses those constructions to drive its anticipation and obviousness analyses. *Id.* at 21-25, 30-38, 60-61. Where institution would create parallel proceedings that both require substantial claim construction and expert-driven validity work, the Director may reasonably conclude that efficiency and integrity favor leaving those disputes in the Article III forum already handling the case. 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.

In addition, Petitioner's own presentation shows that reliance on expert testimony is substantial. The Petition repeatedly relies on Dr. Giachetti not merely for background principles, but to support the proposed means-plus-function constructions, explain why asserted references allegedly satisfy particular structural

limitations, and articulate motivations to combine and reasonable expectations of success. *See, e.g.*, Pet. at 18-24, 42-49, 62, 74-80, 84-87, 100-103; Ex. 1003.

For example, the Petition relies on Dr. Giachetti for the proposition that relocating Albrecht's actuator in view of Gabriel would have been a routine design choice, that a POSA would have understood Gabriel's actuator movement as upward, and that a POSA would have known how to connect Gabriel's actuator to Albrecht's device through linkages or other modifications. Pet. at 46-49. Ground 2 then layers on further expert-driven modification theories using Glock to replace Albrecht's leaf spring and arresting lug with a wall and hole, again supported through Dr. Giachetti's declaration. Pet. at 73-80. That is not the sort of straightforward or compelling petition that should override the Board's discretionary concerns.

Petitioner's merits are not compelling. Petitioner advances Ground 2 as a fallback because it knows its anticipation theory is weak, and that weakness is compounded by Petitioner's aggressive means-plus-function positions. For claim 1, Petitioner argues that Albrecht alone discloses the claimed locking-hole arrangement, but then separately argues that, if Patent Owner disputes that point, a POSA would have modified Albrecht with Glock by replacing Albrecht's leaf spring / arresting lug arrangement with "a simple wall with a hole" so that "bolt 15" protrudes into that hole. Pet. at 68-80. That is not the posture of a compelling

anticipation case.

Nor does Petitioner present a straightforward merits case under the claim language as written. Rather than showing that Albrecht plainly satisfies the challenged limitations, Petitioner first asks the Board to resolve purported Section 112(f) issues, then relies on expert testimony to support those constructions and to bridge the gaps in its alternative grounds. Pet. 18-25, 69-80; Ex. 1003 ¶¶32-34, 79-90, 111-112. That is not the profile of a clear, compelling petition.

Petitioner's means-plus-function premise is itself weak. Because the claims do not use the word "means," Section 112(f) does not apply unless Petitioner overcomes the rebuttable presumption that the challenged terms recite sufficiently definite structure. *Williamson v. Citrix Online, LLC*, 792 F.3d 1339, 115 U.S.P.Q.2d 1105 (Fed. Cir. 2015). Here, Petitioner overstates the functional nature of the claim language. Claim 1 does not merely recite a generic "mating structure." It recites a "disk mating structure protruding outward from the rear surface of the body" that "is configured to slidably engage the channel of the receiver." Pet. 22-25; Ex. 1001, claim 1. Likewise, the claimed "locking mechanism" is not recited abstractly, but in a concrete structural setting: it protrudes past the rear surface of the body, into the locking hole of the receiver in the locked position and moves out of that hole in the unlocked position. Pet. 18-22; Ex. 1001, claim 1.

Those structural and positional limitations undercut Petitioner's effort to

reduce the claims to pure nonce-function language under Section 112(f). *See Zeroclick, LLC v. Apple Inc.*, 891 F.3d 1003, 1008 (Fed. Cir. 2018) (finding disputed terms did not invoke “means” terms because “mere fact disputed limitations incorporate functional language does not automatically convert” them into “means” claims and term’s context in the claims strongly suggested plain and ordinary meaning).

For at least these reasons, on the present record, the asserted merits do not outweigh the strong efficiency and overlap concerns presented by the parallel district court litigation.

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 cited references straightforwardly disclose each limitation and the expert merely supplies background context. Rather, the Petition turns repeatedly to expert opinion for claim construction, structural correspondence, motivation to combine, reasonable expectation of success, and assertions that proposed modifications would have been routine design choices.

The Petition itself confirms the point. Klein relies on Dr. Giachetti to incorrectly argue that “locking mechanism” and “mating structure” are means-plus-

function terms, to define the corresponding structures, and then to translate those constructions into prior-art mappings. Pet. at 18-25, 30-32.

Klein then relies on the same expert to construct an increasingly convoluted combination theory, using Gabriel to justify relocating Albrecht's actuator below the mating structure, recasting that redesign as a mere "routine" design choice, and asserting that a POSA would have expected success even with the additional linkages, reconfigured motion path, and spatial modifications that theory requires. Pet. at 42-50, 62-66.

Ground 2 adds yet another expert-driven layer by advancing a further litigation-driven redesign of Albrecht that this time uses Glock to eliminate Albrecht's leaf spring and replace it with a wall-and-hole arrangement, while again asserting that a POSA would have implemented that structural overhaul with a reasonable expectation of success. Pet. at 72-80. Where a petition depends on expert advocacy to bridge gaps, carry the final analytical step from the cited references to the challenged claims, or frame aggressive threshold claim-construction positions, the Director may appropriately conclude that the asserted merits do not justify institution in the face of parallel-litigation inefficiencies. *See* FAQs for Interim Processes for PTAB Workload Management, #22. That is especially true here, where the same patent is already 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 '064 Patent issued on January 2, 2024, Petitioner did not file this IPR until January 30, 2026, and Petitioner's own filing confirms that the challenged patent is part of a long continuity chain reaching back to at least February 12, 2019. Pet. at 5, 7; Paper 3 at 1. Specifically, Petitioner states that the '064 Patent descends through U.S. Application No. 17/700,119, filed March 21, 2022, now U.S. Patent No. 11,672,325, U.S. Application No. 16/800,336, filed February 25, 2020, now U.S. Patent No. 11,304,503, PCT/US2020/017742, filed February 11, 2020, and Provisional Application No. 62/804,547, filed February 12, 2019. Pet. at 7. And the family's earlier public disclosures included broader independent claims, together with narrower claims directed to materially similar disk-and-pin tool-attachment systems, long before Petitioner filed this IPR. *Compare* Ex. 2007 claims 1, 10, and 15 *with* Ex. 1001 claims 1 and 16.

On this record, the relevant patent family and core claim space were not newly emergent when Petitioner filed its IPR. As a manufacturer of tool pouches, Petitioner should have known of the earlier family patents and publications and of the materially similar claims they contained. The Petition itself confirms Petitioner's familiarity with that field by centering on prior art for detachable belt-mounted holders and by characterizing the challenged claims as directed to a purportedly

“long-standing disk and pin system,” rather than some newly surfaced technology. Pet. at 1-2, 8-16. That history strengthens Patent Owner’s settled expectations.

The Director’s March 26, 2025 memorandum identifies settled expectations as a relevant discretionary factor, and *Dabico* explains that actual notice is unnecessary because interested parties may locate published patents and applications through the Office’s search tools and other public resources. *Dabico Airport Sols. Inc. v. AXA Power ApS*, IPR2025-00408, Paper 21, at 3 (PTAB June 18, 2025).

3. U.S. Manufacturing

Petitioner is using an AIA proceeding to gain tactical advantage despite lacking meaningful U.S. manufacturing for its products accused of infringement in the parallel district court litigation. Under the Director’s March 11, 2026 memorandum, the Board should consider the extent to which the accused products are manufactured in the United States or are tied to investments in American manufacturing operations. Patent Owner believes that the accused Klein products are manufactured primarily abroad and are not meaningfully tied to domestic manufacturing investment, which weighs in favor of denying institution where the petition is being used as an additional tactical tool in parallel litigation.

IV. CONCLUSION

A holistic assessment favors discretionary denial. *Fintiv* factors 3, 4, and 5 favor denial; factor 1 is neutral; factor 2 is at least neutral and may lean toward denial

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depending on how the Board weighs the projected claim-construction schedule; and factor 6, together with the Director's memoranda, confirms that institution would not promote efficiency, fairness, or integrity. The Director should therefore deny institution.

Dated: April 9, 2026

Respectfully Submitted,

/ Dion M. Bregman /
Dion M. Bregman, Reg. No. 45,645

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: April 9, 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 April 9, 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 addresses of record:

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