

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ACES FUEL INJECTION, INC.
Petitioner,

v.

HOLLEY PERFORMANCE PRODUCTS, INC.
Patent Owner.

U.S. Patent Nos. 11,409,894 & 12,203,434

Case Nos.: IPR2026-00433 & IPR2026-00434

HOLLEY’S REQUEST FOR DISCRETIONARY DENIAL

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2001	Complaint, <i>Holley Performance Products Inc. v. Aces Fuel Injection, Inc.</i> , No. 1:26-cv-00059-CEA-CHS (E.D. Tenn.), Dkt. 1, filed March 6, 2026 (excerpted) (“Complaint”)
2002	Plaintiff’s Amended Answer and Counterclaims, <i>Holley Performance Products Inc. v. Aces Fuel Injection, Inc.</i> , No. 1:26-cv-00059-CEA-CHS (E.D. Tenn.), Dkt. 22, filed May 8, 2026 (excerpted) (“Amended Answer and Counterclaims”)
2003	Defendant’s Initial Disclosures, <i>Holley Performance Products Inc. v. Aces Fuel Injection, Inc.</i> , No. 1:26-cv-00059-CEA-CHS (E.D. Tenn.), served August 6, 2026 (“Initial disclosures”)
2004	Defendant’s Interrogatories to Plaintiff, <i>Holley Performance Products Inc. v. Aces Fuel Injection, Inc.</i> , No. 1:26-cv-00059-CEA-CHS (E.D. Tenn.), served September 4, 2026 (“Aces’ First Request for Docs (Nos. 1-11)”)
2005	Defendant’s Document Requests to Plaintiff, <i>Holley Performance Products Inc. v. Aces Fuel Injection, Inc.</i> , No. 1:26-cv-00059-CEA-CHS (E.D. Tenn.), served September 4, 2026 (“Aces’ Document Requests (Nos. 1-67)”)
2006	Defendant’s Request for Admission to Plaintiff, <i>Holley Performance Products Inc. v. Aces Fuel Injection, Inc.</i> , No. 1:26-cv-00059-CEA-CHS (E.D. Tenn.), served September 4, 2026 (“Aces’ Requests for Admission (Nos. 1-21)”)
2007	Plaintiff’s Subpoena of Defendant’s Witness <i>Holley Performance Products Inc. v. Aces Fuel Injection, Inc.</i> , No. 1:26-cv-00059-CEA-CHS (E.D. Tenn.), (“Farrell Subpoena”)
2008	Correspondence re: Plaintiff’s Subpoena of Defendant’s Witness, <i>Holley Performance Products Inc. v. Aces Fuel Injection, Inc.</i> , No. 1:26-cv-00059-CEA-CHS (E.D. Tenn.), (“Farrell Subpoena Correspondence”)
2009	Plaintiff’s Summary Judgement Motion (Redacted), <i>Holley Performance Products Inc. v. Aces Fuel Injection, Inc.</i> , No. 1:26-cv-00059-CEA-CHS (E.D. Tenn.), Dkt. 37, filed September 29, 2026

Exhibit No.	Description
2010	Defendant’s Motion to Stay, <i>Holley Performance Products Inc. v. Aces Fuel Injection, Inc.</i> , No. 1:26-cv-59-CEA-CHS Defendant's Motion to Stay Pending Inter Partes Review, Dkt. 28, filed July 23, 2026 (excerpted) and Memorandum in Support, Dkt. 29, filed July 23, 2026 (excerpted) (“Motion to Stay”)
2011	Scheduling Order, <i>Holley Performance Products Inc. v. Aces Fuel Injection, Inc.</i> Scheduling Order, Dkt. 31, entered July 24, 2026 (“Scheduling Order”)
2012	U.S. Patent No. 10,012,197 (“the ‘197 Patent”)
2013	Telephonic Examiner Interview March 23, 2017 (“the ‘197 Patent Interview Summary”)
2014	United States District Courts – National Judicial Caseload Profile, June 2026
2015	<i>Whoop, Inc. v. Alpine Online eCommerce LLC d/b/a BandsCo Straps</i> , No. 3:25-cv-00100 (Atchley Case 1”)
2016	<i>Shaw Integrated and Turf Solutions, Inc. et al v. Tuftco Corp.</i> , No. 1:25-cv-00371 (“Atchley Case 2”)
2017	<i>Fleet Connect Solutions, LLC v. Cedar Electronics Holdings Corporation</i> , No. 1:25-cv-00004 (“Atchley Case 3”)
2018	<i>MasterCraft Boat Company, LLC v. Malibu Boats, LLC</i> , No. 3:22-cv-00098 (“Atchley Case 4”)
2019	<i>Vincent Systems GmbH v. Fillauer Companies, Inc.</i> , No.: 1:23-cv-2 Scheduling Order (“Atchley Case 5”)
2020	Plaintiff’s First Request for Documents, <i>Holley Performance Products Inc. v. Aces Fuel Injection, Inc.</i> , No. 1:26-cv-59-CEA-CHS, served August 19, 2026 (“Holley’s First Request for Docs (Nos. 1-11)”)
2021	Plaintiff’s Second Request for Documents, <i>Holley Performance Products Inc. v. Aces Fuel Injection, Inc.</i> , No. 1:26-cv-59-CEA-CHS, served September 16, 2026 (“Holley’s Second Request for Docs (Nos. 12-48)”)
2022	Plaintiff’s First Request for Interrogatories, <i>Holley Performance Products Inc. v. Aces Fuel Injection, Inc.</i> , No. 1:26-cv-59-CEA-CHS, served September 16, 2026 (“Holley’s First Request for Interrogatories (Nos. 1-5)”)
2023	U.S. Patent No. 9,376,997 (“the ‘997 Patent”)

Exhibit No.	Description
2024	Defendant's Invalidity Contentions, <i>Holley Performance Products Inc. v. Aces Fuel Injection, Inc.</i> , No. 1:26-cv-59-CEA-CHS, served September 30, 2026 (excerpted) ("Aces's Invalidity Contentions")

I. Introduction

Aces Fuel Injection, Inc. (“Aces”) filed two petitions for *inter partes* review—IPR2026-00433 and IPR2026-00434 (collectively, the “IPR Petitions”)—challenging U.S. Patent Nos. 11,409,894 and 12,203,434 (collectively, the “’894 and ’434 Patents”). The IPR Petitions present a single obviousness ground in an alternative manner involving U.S. Patent No. 7,735,475 (the “’475 Patent”) in view of U.S. Patent No. 9,303,578 (“Wittkopf”) *or alternatively* U.S. Patent No. 9,115,671 (“Benoit”). (IPR2026-00434, Petition (“Pet.”), 10.)¹

Attempting to avoid discretionary denial, Aces’ IPR Petitions boldly claim that “none of the prior art references relied upon in this Petition” were substantively considered during prosecution.” (IPR2026-00433, Pet., 22.) This is false. Examiner Chee-Chong Lee “discussed and explained” all of these “related invention” references together in an interview with the Applicant on March 23, 2017. Aces failed to show any material error required to proceed with an IPR based on prior art previously raised and considered by the Examiner. Discretionary denial is warranted under 35 U.S.C. § 325(d).

The facts here go further and independently warrant denial under the *Fintiv* factors and the Director’s March 26, 2025 Memorandum. In the IPR Petitions, Aces

¹ Unless otherwise stated, exhibit citations will be to IPR2026-00434.

argues that the claims of the '894 and '434 Patents are obvious over the '475 Patent in view of Wittkopf “or, alternatively,” Benoit—that is, two independently sufficient combinations, each pairing the '475 Patent with only one secondary reference. (IPR2026-00434, Pet., 10, 36; IPR2026-00433, Pet., 9, 35.) But in the District Court Action, Aces’ asserted ground states that the same claims are obvious over the '475 Patent in view of Wittkopf “and” Benoit together—a single ground combining all three references. (Ex. 2024, 11–13.) That distinction is not semantic. As explained more fully below, Aces cannot have it both ways: the conjunctive theory it presents to the district court concedes that the disjunctive theory it presents to the Board does not, by itself, render the challenged claims unpatentable.

II. Background Facts

A. The Same Art Is Presented In Both The District Court and the IPRs

On March 6, 2026, Holley filed the District Court Action, asserting that Aces infringes four Holley patents—U.S. Patent Nos. 11,118,515; 11,333,083; 11,409,894; and 12,203,434 (collectively, the “Holley Asserted Patents”)—and Holley’s copyrights by mimicking Holley’s product manuals. (Ex. 2001.)

Aces did not simply answer the complaint. Instead, Aces counterclaimed that Holley infringes the '475 Patent. (Ex. 2002, 14.) Prior to 2022, the '475 Patent was not one of Aces’ patents. Instead, the '475 Patent was originally filed by two named

inventors, Kenneth Farrell and Warren Duff. Farrell states that he “sold U.S. Patent No, 7,735,475 to Aces pursuant to a Patent Acquisition and License Agreement dated October 31, 2022” where he also maintains a license to it. (Ex. 1006, ¶3.) The District Court Action therefore now involves five asserted patents: the four Holley Asserted Patents and the Aces newly acquired ’475 Patent.

In the District Court Action, Aces sought a declaration that all four Holley, including the ’894 and ’434 Patents, are invalid under 35 U.S.C. § 103 as being obvious over the ’475 Patent, in view of U.S. Patent No. 9,303,578 (“Wittkopf”) and/or U.S. Patent No. 9,115,671 (“Benoit”). (Ex. 2002, 15 (¶¶35-36).) Three months later, Aces raised the same invalidity art in this IPR, but only to challenge *two of the Holley Asserted Patents*: the ’894 and ’434 Patents. Aces advances the same prior art in both forums.

To support its obviousness combination in the IPR proceedings, Aces submitted an “expert” declaration from Kenneth Farrell replete with mere conclusory opinions. (See IPR2026-00433, Ex. 1006, ¶¶3, 5.) According to his IPR declaration, Mr. Farrell sold rights in ’475 Patent to Aces in October 2022. (*Id.*, ¶3.) In addition to any non-disclosed monetary payment, Mr. Farrell also received a “license” that allows him to “continue practicing” the ’475 Patent. (*Id.*) So while Mr. Farrell no longer owns the ’475 Patent, Farrell himself acknowledges “my relationship with Aces may be considered a financial interest in this proceeding.”

(Ex. 1006, ¶4.)

Even so, Aces relies on Farrell as its expert giving “technical opinions” in both IPR proceedings, while also identifying him as a trial witness in the District Court Action. (Ex. 1006, ¶1; Ex. 2003, 2.) Farrell is intertwined with every aspect of the existing District Court Action—including conception, infringement, invalidity, and damages including what might constitute a reasonable royalty.

B. Discovery and The Case Schedule

Substantial discovery has occurred. Aces has served eleven Interrogatories (Ex. 2004), sixty-seven Document Requests (Ex. 2005), and twenty-one Requests for Admission (Ex. 2006). Many of the requests are directed to Farrell and the ’475 Patent. For example, Aces requested: “Documents that relate to the disclosure, sale or transfer, or offer to sell or transfer the invention claimed in the ’475 Patent prior to the filing date of the ’475 Patent.” (Ex. 2005, 14 (no. 28).) Holley also served a subpoena on Farrell. (Ex. 2007.) Oddly, Mr. Farrell did not have a copy of the October 2022 agreement to Aces and has produced no documents regarding the conception and filing of the ’475 Patent. (Ex. 2008.)

Holley moved for early summary judgment that the ’475 Patent is invalid based on 20-year-old evidence that Holley maintained. (Ex. 2009.) If Aces opposes Holley’s Motion, the District Court Action may hear testimony from Mr. Farrell as well as make judicial rulings concerning the same ’475 Patent that anchors Aces’

IPR grounds. The same inventor-witness who will be deposed in the District Court Action is also the “expert” Aces asks the Board to somehow credit his “technical opinions” in these IPR proceedings. Clearly testimony and credibility involving his alleged invalidating acts and bias towards Aces should be considered in total by the fact finder, which is only possible if all issues proceed in the District Court Action.

Discovery is also substantially progressing. The parties conducted a Rule 26(f) conference and presented an agreed schedule to the Court. Then, Aces filed its IPR Petitions and a Motion to Stay. (Ex. 2010.) *The District Court acknowledged the Motion to Stay, but ordered the Parties to proceed on a merits schedule.* (Ex. 2011, fn.1.) The parties have conducted discovery, exchanged infringement, non-infringement, invalidity, and enforceability contentions. The court set an agreed claim-construction hearing for April 20, 2027, with a second-phase schedule to follow after claim construction. (Ex. 2011.) Merits discovery, including substantial discovery regarding invalidity contentions, the ’475 Patent and Mr. Farrell, is proceeding in earnest.

III. Discretionary Factors Favor Denial of Institution

A. Discretionary Denial Is Warranted Under §325(d)

Institution should be denied under 35 U.S.C. § 325(d) because the same prior art previously considered by the Office. The Board applies a two-part framework: (1) whether the same or substantially the same art or arguments previously were

presented to the Office; and (2) if so, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of the challenged claims. *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6, at 8–9 (PTAB Feb. 13, 2020) (precedential). Here, the same art was presented and Aces fails to demonstrate Office error.

1. The Examiner Identified and Considered Each of Aces’ Three References During Prosecution of the ’894 and ’434 Patents Family

Aces acknowledges the ’894 and ’434 Patents belong to a patent family that claims priority to U.S. Patent No. 10,012,197 (the “’197 Patent”; Ex. 2012). (IPR2026-00433, Pet., 19; IPR2026-00434, Pet., 20.) While recognizing the priority chain, Aces fails to disclose Examiner Chee-Chong Lee handled prosecution of the entire patent family. (Ex. 1002; Ex. 1001, cover; IPR2026-00433, Ex. 1001, cover.) During prosecution of the ’197 Patent, Examiner Chee-Chong Lee conducted a telephonic interview with the applicant on March 23, 2017, that states:

All participants (applicant, applicant's representative, PTO personnel):	
(1) <u>CHEE-CHONG LEE.</u>	(3) _____
(2) <u>ROBERT A. KING.</u>	(4) _____
Date of Interview: <u>23 March 2017.</u>	
Type: ☒ Telephonic ☐ Video Conference ☐ Personal [copy given to: ☐ applicant ☐ applicant's representative]	
Exhibit shown or demonstration conducted: ☐ Yes ☒ No. If Yes, brief description: _____	
Issues Discussed ☐ 101 ☐ 112 ☐ 102 ☒ 103 ☒ Others (For each of the checked box(es) above, please describe below the issue and detailed description of the discussion)	
Claim(s) discussed: <u>1.</u>	
Identification of prior art discussed: <u>2014/0123944, 2009/0145406, 2013/0298868.</u>	
Substance of Interview (For each issue discussed, provide a detailed description and indicate if agreement was reached. Some topics may include: identification or clarification of a reference or a portion thereof, claim interpretation, proposed amendments, arguments of any applied references etc...)	
<u>The Applicant requested a discussion on how to move the prosecution forward. The Examiner discussed and explained to the Applicant about the related invention published in publications: 2014/0123944, 2009/0145406 and 2013/0298868. The Examiner also indicated that the current claims, submitted on 1/23/2017, are still rejectable with previously cited prior arts.</u>	

Ex. 2013, 2

The three U.S. patent publications cited by Examiner Lee and discussed during prosecution of the '197 Patent were: U.S. Publication No. 2009/0145406 that issued as U.S. Patent No. 7,735,475 (Ex. 1003, Cover); U.S. Publication No. 2013/0298868 that issued as U.S. Patent No. 9,303,578 (Wittkopf) (Ex. 1004, Cover); and U.S. Publication No. 2014/0123944 that issued as U.S. Patent No. 9,115,671 (Benoit) (Ex. 1005, Cover.) ***Examiner Lee therefore found and cited the same combination of prior art that Aces advances in both IPR Petitions.*** Not only were these references identified, all the references of Aces' prior art combinations were "discussed and explained" by Examiner Lee together during prosecution.

Aces' petitions merely state "none of the prior art references relied upon" in

both IPR Petitions “were cited by the USPTO or otherwise substantively considered during prosecution.” (IPR2026-00433, Pet., 22.) As outlined above, this statement by the Petitioner is false. Aces assumes the ’475 Patent (by related application) was not considered merely because it is not repeated on the face of the continuing ’894 and ’434 Patents. However, MPEP § 609.02 clearly states that for continuation applications the “examiner will consider information which has been considered by the Office in a parent application . . . when examining: (A) a continuation application . . . (B) a divisional application . . . or (C) a continuation-in-part application.” *Manual of Patent Examining Procedure*, § 609.02(II)(A)(2) (9th ed., Rev. 01.2024). Pursuant to MPEP § 609.02(II)(A)(2), Examiner Lee did “consider” the exact prior art combination of references Aces now presents because the ’894 and ’434 Patents are continuations that claim priority back to the ’197 Patent.

The *Becton Dickinson* factors confirm that denial under § 325(d) is warranted. See *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (PTAB Dec. 15, 2017). Under the first factor, there are no meaningful similarities to weigh because ***all the art asserted by Aces is identical*** to the art cited by Examiner Lee during prosecution of the ’197 Patent. *Id.* Under the second factor, the asserted art is cumulative because Aces relies on the same disclosures and the same combination the Examiner had before him during the telephonic interview with Holley during prosecution of the ’197 Patent. *Id.* Under the third factor, the

Examiner identified the references by publication number, discussed and explained the relevance of these prior art references to Holley. *Id.* Under the fourth factor, Aces' present arguments substantially overlap the prosecution record. *Id.* Lastly, under the fifth factor Aces identifies no material factual or legal error in the Examiner's analysis. §325(d) applies with full force warranting discretionary denial.

2. Aces Has Not Demonstrated Material Office Error

Aces makes no attempt to satisfy the second part of *Advanced Bionics*. Once substantially the same art or arguments were before the Office, Aces has the burden to show material Office error in its Petition. *Advanced Bionics*, IPR2019-01469, Paper 6, at 8-9. It did not do so because its § 325(d) argument rests on the incorrect premise that "none of the prior art references relied upon in this Petition" were cited or substantively considered during prosecution. (IPR2026-00433, Pet., 22.) As shown above, Examiner Lee identified and discussed the same '475 Patent, Wittkopf, and Benoit references during prosecution of the priority family. That error is dispositive.

Aces also does not address the *Becton Dickinson* factors or explain how Examiner Lee misapprehended or overlooked the references he identified and discussed. *Ecto World* confirms that a petitioner may not shift that burden to the Board or require the Board to scour the petition to assemble a material-error theory. *Ecto World, LLC and SV3, LLC v. RAI Strategic Holdings, Inc.*, IPR2024-01280,

Paper 13 at 5–6, fn.2 (PTAB May 19, 2025) (precedential). But that is what the Petition asks of this Board.

Nor do the Petition’s merits assertions cure the omission. Aces argues that the ’475 Patent, Wittkopf, and Benoit collectively disclose the missing claim elements, and Aces states that is “demonstrated below” in each petition. (IPR2026-00433, Pet., 23.) But that is not a material-error analysis. The Petition does not explain why the Examiner erred in considering the same references through the continuation family, particularly where Benoit and Wittkopf (that discusses the ’475 Patent)² are listed on the challenged patents and Aces admits the references address the same carburetor-replacement field.

Because Aces relies on art previously considered by the Office and identifies no material error in that record, discretionary denial under § 325(d) is warranted.

B. Discretionary Denial is Warranted Under §314(a)

Efficiency, fairness, and the merits support the exercise of authority to deny institution so that all issues can be addressed in a single forum. IPR institution would create duplicative and inefficient (and potentially inconsistent) parallel adjudication rather than serve as an effective alternative forum.

² Wittkopf (Ex. 1004) includes a detailed discussion of the ’475 Patent at 3:8-37 and Fig. 2.

1. *Fintiv* Factor 1: Status of a District Court Stay

Holley brought this lawsuit on March 6, 2026. Five months later, Aces filed a motion to stay *the entire District Court Action* based on Aces filing the IPR Petitions on just *two of the four* Holley Asserted Patents. (Ex. 2010, 1, 10-12.) But the relief Aces seeks has been denied in the Eastern District of Tennessee when a defendant only challenges a subset of the total patents being asserted. (Ex. 2010, 9-11); *see e.g., Card-Monroe Corp. v. Tuftco Corp.*, 2015 WL 11109362, at *4 (E.D. Tenn. Feb. 19, 2015) (weighed against stay because “it would only have the potential to resolve issues with one of the three patents at issue in the instant litigation”); *Malibu Boats, LLC v. Nautique Boat Co.*, 2014 WL 3866155, at *4 (E.D. Tenn. Aug. 6, 2014) (did not favor stay because “the impact of the review on this litigation would be limited because it would resolve only one of the three patents-in-suit”).

Even though Aces’ motion to stay discovery is technically still pending, Aces itself has served substantial discovery. (Exs. 2004-2006.) Thus, this factor strongly favors denial since Aces has only challenged two of the four Holley Asserted Patents and the district court is unlikely to grant a stay of the entire action which involves other patents as well as copyright claims.

2. *Fintiv* Factor 2: Trial Date Proximity

As is typical practice, the district court has not yet set a trial date, but it has entered a Scheduling Order setting an agreed claim-construction hearing for April

20, 2027. (Ex. 2011, 2.) The Order provides that a “second phase” schedule will issue after the court’s claim-construction ruling. (Ex. 2011, 1, ¶5.)

Judge Atchley’s patent-case history provides little guidance. Since 2022, he has been assigned six patent cases, excluding this District Court Action. Four settled early. (Exs. 2015-2018.)³ The only case with a “second phase” schedule set trial one year after claim construction, but that case also involved amended schedules that changed both the claim-construction and post-claim-construction deadlines. (*See* Ex. 2019.) Those statistics are inconclusive.

The Eastern District of Tennessee’s median time to trial for all cases is approximately 30-35 months. But this is for all civil cases and all judges. While not entirely useful in determining the present case, the median statistics measured from the March 6, 2026 complaint would place trial around September 2028—i.e., months after the final written decision in this proceeding. (Ex. 2014, 44.)

That does not eliminate, but instead it multiplies the duplication concerns. As discussed in Section II.B above, the parties have already served infringement contentions, non-infringement contentions, invalidity contentions and are entering claim construction. Aces already seeks construction of numerous limitations of the

³ *Vincent Systems GMBH v. Fillauer Companies, Inc.* 3:23-cv-00002 is active and 3:23-cv-00006 was erroneously filed as a duplicate and closed.

'894 and '434 Patents in the IPR Petitions. (IPR2026-00433, Pet., 23-27; IPR2026-00434, Pet., 24-28.) But the district court will ultimately decide those same claim construction issues after the April 20, 2027 Markman hearing. (Ex. 2011.) The district court will therefore decide claim construction issues central to both IPR proceedings well before any final written decision. This factor therefore favors denial.

3. *Fintiv* Factor 3: Investment in the Parallel Proceeding by the Court and the Parties

As explained in Section II above, the parties have already made substantial merits investments in the District Court Action. They have conducted a Rule 26(f) conference, exchanged infringement, non-infringement, and invalidity contentions, served substantial discovery, and begun claim-construction proceedings, with a Markman hearing set for April 20, 2027.

The discovery investment is substantial. Aces has served 67 document requests, 11 interrogatories, and 21 requests for admission. (Exs. 2004-2006.) Holley has served 48 document requests and 5 interrogatories. (Exs. 2020-2022.) That discovery reaches the '894 and '434 Patents, the '475 Patent, and Farrell's role in the overlapping district-court and IPR disputes.

Holley has also subpoenaed Farrell, whose overlapping roles are described above. (Ex. 2007.) Farrell recently produced documents, and his deposition is being

scheduled. Holley’s early summary-judgment motion further confirms the parties’ investment. The motion challenges the ’475 Patent based on the alleged 2006 offer-for-sale facts discussed in the Background, tying the district-court merits directly to Aces’ IPR “expert” and the primary reference in both IPRs. (Ex. 2009.) By the expected institution decision, the parties will have completed claim-construction briefing and will be preparing for the April 20, 2027 hearing on the four Holley Asserted Patents and the ’475 Patent. (Ex. 2011.) Claim construction will therefore be complete, or nearly complete, before these IPRs would materially progress.

This factor favors denial as these are meaningful merits investments. *Cf. Elong Int’l USA Inc. v. Feit Elec. Co.*, IPR2025-00258, Paper 16, 2 (PTAB June 25, 2025) (precedential).

4. *Fintiv* Factor 4: Overlap Between Issues Raised in the Petition and in the Parallel Proceeding

The District Court Action and these IPRs substantially overlap. They involve the same parties, the same ’894 and ’434 Patents, the same ’475 Patent, and the same prior-art. (*Compare* IPR2026-00433, Pet., 10 to Ex. 2002, 7-8, 15-16 (¶¶35-36); IPR2026-00434, Pet., 10 to Ex. 2002, 7-8, 15-16 (¶¶35-36).) The overlap is acute because Aces asserts the ’475 Patent offensively in district court while using it as the primary prior-art reference here. Aces also relies on Kenneth Farrell—the ’475 Patent co-inventor, Aces’ transferor, Aces’ IPR expert, and a named trial witness—

as both technical expert and central fact witness. (Ex. 2003, 2; Ex. 1006.) Farrell's role is not collateral. Holley challenges the '475 Patent based on Farrell's alleged 2006 offer to sell the same technology to Holley and his later transfer of the patent to Aces despite that invalidating conduct. (Ex. 2009, 8.)

The overlap continues to the invalidity theories. Aces advances in the District Court Action where it asserts the '894 and '434 Patents, are invalid over the '475 Patent, Wittkopf, "**and**" Benoit. (Ex. 2002, 11–13.) In this IPR, Aces presents a different invalidity theory based, however, on the same art. (*Id.*, 9–11.) As explained more fully with regard to Factor 6, Aces presents a conjunctive "*and*" theory in district court and a disjunctive "*or*" theory before this Board. But *Aces offers no Sotera-type stipulation* to narrow its district-court invalidity case in view of the pending IPR Petitions. Institution would therefore duplicate the district-court case and create a material risk of inconsistent rulings on the same patents, references, witnesses, and invalidity theories. This factor strongly favors denial.

5. *Fintiv* Factor 5: Whether the Defendant in the Parallel Proceeding Are the Same Party

Aces is the Defendant and Counter-Plaintiff in the District Court Action. As Counter-Plaintiff, Aces has sued Holley, the Counter-Defendant, alleging infringement of the same '475 Patent relied upon by Aces in both these IPR proceedings. This factor favors denial.

6. *Fintiv* Factor 6: Other Circumstances and Merits

This factor strongly favors denial for four independent reasons.

First, Aces’ district-court theory undercuts half of its IPR obviousness ground. In the IPR Petitions, Aces argues the ’475 Patent is obvious to combine with “Wittkopf or, alternatively Benoit”—treating the references as interchangeable. (IPR2026-00433, Pet., 9, 35; IPR2026-00434, Pet., 10, 36.) But in the District Court Action, Aces’ invalidity theory requires the ’475 Patent “in view of Wittkopf and Benoit” combined together. (Ex. 2024, 12–13.) The conjunctive-versus-disjunctive split recurs at the limitation level. (*Compare* Ex. 2024, [1f]–[1g], with IPR2026-00433, Pet., 50–56; *compare* Ex. 2024, [1e]–[1f], with IPR2026-00434, Pet., 47–55.) If Wittkopf truly were an “alternative” to Benoit as it presents in this IPR, Aces would have had no reason to abandon that theory in District Court. Aces cannot have it both ways: the conjunctive theory it presents to the District Court concedes the disjunctive theory it presents to the Board does not, by itself, render the challenged claims unpatentable. Such inconsistent positions strongly favor discretionary denial.

Second, Aces has counterclaimed that Holley infringes the very ’475 Patent that Aces relies on as the primary prior-art reference for the sole ground in both IPR proceedings. That overlap is not coincidental as Holley is separately challenging the validity of the ’475 Patent in the District Court Action. (Ex. 2009.) The district court will therefore already be expending significant resources understanding the very

technology at issue in these IPR proceedings.

Third, Aces has counterclaimed that *all four* of the Holley Asserted Patents, including the '894 and '434 Patents, are invalid based on the same prior art: the '475 Patent, Wittkopf, and Benoit. (Ex. 2002.) It would be inefficient for the Board to expend its own resources on prior art the district court will independently resolve, particularly given the time and resources the district court will be investing in pertaining to the two Holley Asserted Patents Aces has not challenged.

Fourth, Aces' sole ground in both IPR proceedings depends entirely on the credibility of an interested "expert" Farrell, the co-inventor of the '475 Patent who allegedly sold his rights in that patent to Aces in 2022 and acknowledged a financial interest in Aces. (Ex. 1003, ¶¶3-5.) Based on that sale, Aces has asserted Holley infringes the '475 Patent in the District Court Action. (Ex. 2002, 14.) Aces has identified Farrell as a witness it intends to call at trial in the District Court Action, (Ex. 2003, 2), and Mr. Farrell has been subpoenaed and will be deposed by Holley about his involvement in the sale to Aces, his license back to the '475 Patent, and any additional financial income he currently receives from Aces. (Ex. 2007, 7-8.) Given his extensive personal and financial stake in the outcome of both proceedings, Mr. Farrell cannot credibly be characterized as a "disinterested" witness.

Mr. Farrell's own actions before the Patent Office demonstrate his testimony to be biased. Specifically, *on January 13, 2016*—just three years after the priority

date Farrell says the challenged claims were obvious—Farrell was a co-inventor on what issued as U.S. Patent No. 9,376,997 (“the ’997 Patent”). (Ex. 2023.) The ’997 Patent discloses and claims a “sleeve 196” inserted within a throttle body’s “air intake passage 190” to improve fuel distribution and atomization before the air-fuel charge reaches the engine. (*Id.*, 7:60-9:35.) That is, **in 2016**, Farrell sought and obtained a patent on inserting a circumferential fuel-distribution structure into a throttle body architecture as shown below.

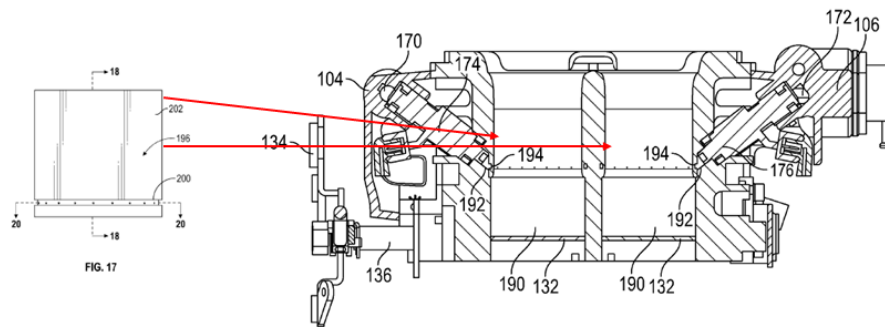


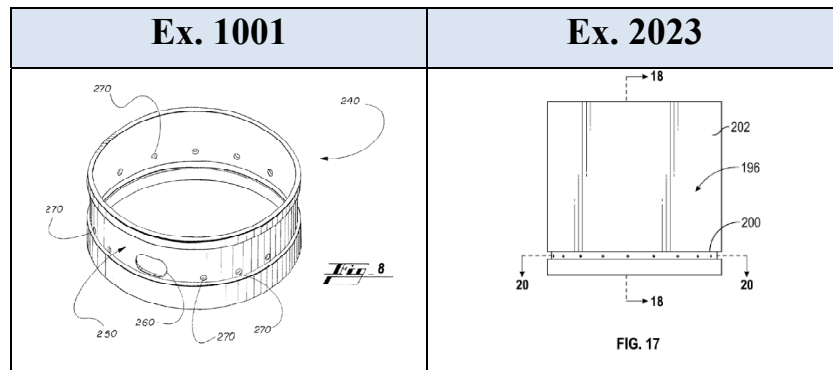
FIG. 16

Ex. 2023, Figs. 16, 17 (Annotated)

Yet, Mr. Farrell opines in his IPR declarations that “engineers working in the throttle body EFI field **in 2013**”⁴ like him “would naturally have considered such modifications when seeking to improve fuel distribution and mixture quality” of his own ’475 Patent. (Ex. 1006, ¶34, ¶35.) In other words, Mr. Farrell summarily opines it would have been obvious **in 2013** to insert a circumferential fuel-distribution insert

⁴ Emphasis added by Patent Owner unless otherwise noted.

into the throttle body of his own '475 Patent. But even assuming, *arguendo*, that inserting a circumferential fuel-distribution insert into the '475 Patent throttle body architecture was obvious *in 2013* as Mr. Farrell now declares, it raises doubts why he declared it was novel and non-obvious *in 2016* when he sought and patented a substantially similar structure. Indeed, the sleeve-and-orifice structure of the '997 Patent bears a striking resemblance to the challenged '894 and '434 Patents that Mr. Farrell now argues was obvious to a POSA back in 2013.



Ex. 1001, Fig. 8; Ex. 2023, Fig. 17

This self-contradiction confirms that Mr. Farrell's opinions in this proceeding are the product of his admitted financial relationship with Aces rather than an objective, unbiased assessment of the prior art, and it independently justifies discretionary denial regardless of how the other *Fintiv* factors are weighed.

For these reasons, this factor strongly favors denial.

C. Additional Considerations Outlined in the Director's March 26, 2025 Memoranda Support Discretionary Denial

The Director's March 26, 2025 Memorandum, *Interim Processes for PTAB*

Workload Management, recognizes “[a]ny other considerations” may bear on discretionary denial. That applies here as Aces’ sole ground depends on the testimony of Kenneth Farrell, a witness with substantial financial and business ties to Aces and to the parallel District Court Action. Farrell is a co-inventor of the ’475 Patent, sold rights in that patent to Aces in 2022, retained a license to practice it, and is identified as a trial witness concerning the same patent. Aces now offers him as a disguised independent expert to opine in this IPR that his former patent, combined with Wittkopf or Benoit, invalidates Holley’s claims. His financial and personal stake diminishes the force of a challenge that relies on his opinions.

IV. Conclusion

The Petition’s reliance on art cumulative to the prosecution record favors denial under 35 U.S.C. § 325(d); the *Fintiv* factors favor denial under 35 U.S.C. § 314(a); and the Petition’s inconsistencies and reliance on an interested expert support denial. Holley requests that the Director deny institution of this Petition.

Dated: September 30, 2026

Respectfully submitted,

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Certificate of Service

The undersigned hereby certifies that on **September 30, 2026**, a complete and entire copy of **Holley's Request for Discretionary Denial and Exhibits**, was served via electronic mail to the attorneys listed below:

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This paper complies with the type-volume limitation of 37 C.F.R. § 42.24.

The paper contains 20 pages.

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Respectfully submitted,

Dated: September 30, 2026

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