

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SHORESHADE LLC,
Petitioner,

v.

SOLBELLO, INC.,
Patent Owner.

Case No. PGR2026-00064

U.S. Patent No. RE50606
Issued September 30, 2025

PATENT OWNER'S ARGUMENT FOR DISCRETIONARY DENIAL

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Exhibit No.	Description
2001	Respondent's First Amended Complaint & Exhibits 1–15, filed April 30, 2026/deemed filed May 18, 2026
2002	May 8, 2026, District Court Hearing Transcript
2003	Exhibit 2 to Petitioner's Opposition to Respondent's Second Motion for Preliminary Injunction, filed May 8, 2026
2004	Petitioner's Initial Invalidity Contentions, exchanged July 23, 2026
2005	Petitioner's Proposed Claim Terms for Construction, exchanged August 6, 2026
2006	Petitioner's Proposed Claim Constructions exchanged August 27, 2026
2007	Petitioner's Motion to Stay District Court Litigation Pending Post Grant Review Proceedings, filed July 2, 2026

Patent Owner Solbello, Inc. submits this paper regarding discretionary denial pursuant to the Board's guidance on "Interim Processes for PTAB Workload Management," dated March 26, 2025. For the reasons below, the Director should deny Petitioner ShoreShade LLC's Petition for Post-Grant Review in his discretion.

I. INTRODUCTION

The AIA process is all too often used as an addition to litigation, rather than for its intended purpose "as a litigation alternative." *Magnolia Med. Techs. Inc. v. Kurin, Inc.*, No. IPR2026-00097, Paper 17 at 3 (PTAB May 14, 2026) (precedential). And a "tell-tale" sign that the process is being abused in that way is when the "co-pending litigation involves . . . the same arguments as the AIA review." *Id.*

The current Petition exemplifies this problem. Here, ShoreShade filed its Petition ***after*** the district court in pending litigation between the parties concluded that ShoreShade had not "create[d] a substantial question as to validity [of the challenged patent] at the preliminary injunction stage." Ex. 1026 at 8. What's more: ShoreShade's Petition includes the ***very same*** invalidity arguments that were the subject of the district court's ruling, and adds little more. To underscore AIA review's proper purpose as a litigation alternative, the Board should not endorse

ShoreShade's tactics. Nor would hearing ShoreShade's Petition be an efficient use of the Board's resources, as established by the Board's discretionary denial factors.¹

Ultimately, "[t]he main purposes to be served by discretionary denial are avoiding wasteful duplication of effort, minimizing the potential for inconsistent outcomes, and ensuring that the [Patent and Trademark] Office allocates its adjudicative resources effectively and efficiently." *Bentley Motors Ltd. v. Jaguar Land Rover Ltd.*, No. IPR2019-01539, Paper 9 at 14–15 (PTAB Mar. 10, 2020). Each of those purposes will be served by discretionarily denying institution here.

II. FACTUAL BACKGROUND AND PROCEDURAL HISTORY

Solbello is a small, North Carolina-based company founded in 2019 by Paul James, which designs and sells the Solbello Shade—a self-adjusting beach sunshade whose ribs rotate freely with the wind atop a stationary mast. Ex. 2001 at 3–4.² That invention was originally protected by U.S. Patent No. 11,596,211, titled "Self-

¹ Despite the Board's clear statement that an AIA petition "should not address discretionary issues," USPTO, *Interim Director Discretionary Process* (last updated Oct. 3, 2025), <https://dub.sh/HyR1fbo>, ShoreShade includes around twelve pages of argument in its Petition addressing discretionary institution factors, Pet. 84–96. In addition to the issues addressed below, ShoreShade's improper 12-page discussion in its Petition is another indication that considering ShoreShade's Petition will not be an efficient use of the Board's resources. It also suggests that ShoreShade understands it has an uphill climb to avoid discretionary denial.

² Where Solbello provides a pincite to an exhibit with an ECF stamp, the pincite corresponds to the ECF page number. Otherwise, the pincite corresponds to the document's original pagination.

Adjusting Sun Shade Assembly,” which issued on March 7, 2023. Ex. 1009. Solbello obtained a reissue patent on September 30, 2025, bearing U.S. Patent No. RE50606 E (the “’606 Patent”). Ex. 1001. ShoreShade sells a look-alike product, which Solbello contends infringes its patented design. Ex. 2001 at 8–26.

Faced with ShoreShade’s infringing product, Solbello moved promptly to protect its rights. Just over a month after the ’606 Patent issued, on November 7, 2025, Solbello filed an action in the Southern District of Georgia and simultaneously moved for a preliminary injunction. Exs. 1017, 1018. After full briefing and a hearing, the court denied the motion on a narrow ground: ShoreShade was no longer “offer[ing] to sell” the infringing product, Ex. 1021 at 11, an issue ShoreShade had engineered by revising its website after the preliminary injunction hearing and announcing a “Next Gen” ShoreShade was “Coming Soon,” Ex. 2001 at 15–21.

ShoreShade launched its alleged “Next Gen” product in the spring of 2026. Ex. 2001 at 16. The product was identical to ShoreShade’s prior iteration, save for the addition of a small end-cap at the bottom of the shade’s mast. Ex. 2001 at 16. Given that insubstantial change, Solbello quickly moved once more to preliminarily enjoin ShoreShade from selling its infringing “Next Gen” product. *See generally* Exs. 1024, 2001. The parties again briefed the injunction motion, and the court held another hearing. *See* Exs. 1024, 1025, 1026, 2002.

After careful consideration, the court issued its decision. As part of that decision, the court reviewed, heard, and addressed ShoreShade's invalidity arguments concerning the '606 Patent. For example:

- ShoreShade devoted over ten pages to arguing the '606 Patent was not novel under § 102 in light of both Neal and the German Reference. Exs. 1025 at 5–6; 2003 at 2–12.
- ShoreShade devoted roughly ten pages to arguing the '606 Patent was invalid for lack of written description and lack of enablement under § 112. Exs. 1025 at 6–8; 2003 at 12–20.
- At the hearing, the parties argued about ShoreShade's § 102 position, during which the court asked a number of questions. Ex. 2002 at 22–25, 33–37.
- In briefing and at the hearing, the parties spent considerable time arguing about various claim construction issues that may impact an invalidity argument, including whether the preamble of claim 44 is limiting. Exs. 2002 at 24, 34–37, 40; 2003 at 5, 16.

After hearing and reviewing ShoreShade's invalidity arguments, the court rejected them. Specifically, the court held that:

- Solbello had “successfully rebutted [ShoreShade's] challenges to validity with contrary evidence,” and that
- ShoreShade had not “create[d] a substantial question as to validity.” Ex. 1026 at 8.

Although it sided with Solbello on the issue of validity, the court denied Solbello's second motion because it viewed the evidence on infringement of the '606 Patent as presenting a close call and, with Solbello having the burden of proof, “a

draw in the evidence is not a winning hand.” Ex. 1026 at 13. Shortly after its ruling, the court issued an agreed-upon scheduling order. Ex. 1027.

Faced with the court’s unfavorable preliminary decision on invalidity—and after the parties had been litigating in the district court for almost eight months and gone through two rounds of preliminary injunction briefing—ShoreShade has simply recycled its invalidity arguments and has now presented them, virtually unchanged, to the Board in its Petition. The Petition asserts the very same anticipation arguments under § 102 using the same prior art, makes the same written description and enablement argument under § 112, and asserts these positions against the same independent claim. Pet. 42–57, 77–84. And to advance those arguments, ShoreShade has proposed the same claim constructions that were critical to its invalidity arguments before the district court, including whether claim 44’s preamble is limiting. *Compare* Pet. 14–22, with Ex. 1025 at 7–8, 10–13. Although ShoreShade has added one new contention under § 103, ShoreShade has now indicated it will assert that same argument before the district court in its since-exchanged invalidity contentions. Ex. 2004 at 71–85.

The table below depicts the complete overlap between the issues ShoreShade has raised in its PGR and those raised in the district court litigation at various stages, as well as the district court’s disposition of each issue:

Petition	PI Opposition	PI Hearing	Court's Position	Since PI Decision
Invalidity Arguments				
§ 102: Anticipated by Neal. Pet. 42–51.	Claim 44 anticipated by Neal. Exs. 1025 at 5–6; 2003 at 2–13.	Claim 44 anticipated by Neal. Ex. 2002 at 22–25.	No “substantial question as to validity.” Ex. 1026 at 8.	Claims 44, 45, 47 anticipated by Neal. Ex. 2004 at 3–9.
§ 102: Anticipated by German Reference. Pet. 52–58.	Claim 44 anticipated by German Reference. Ex. 1025 at 5–6; 13–20.	Claim 44 anticipated by German Reference. Ex. 2002 at 22–25.	No “substantial question as to validity.” Ex. 1026 at 8.	Claims 44, 45, 47 anticipated by the German Reference. Ex. 2004 at 9–15.
§ 112: Lack of written description and enablement; specification does not disclose rotatable mast. Pet. 77–84.	Lack of written description and enablement; specification does not disclose rotatable mast. Ex. 1025 at 6–8.	§ 112 argument not pursued because Solbello assumed narrower construction. Ex. 2002 at 3.	No “substantial question as to validity.” Ex. 1026 at 8.	Lack of written description and enablement; specification does not disclose rotatable mast. Ex. 2004 at 85–91.
§ 103: Obvious over Saiz and Barnes. Pet. 59–76.				Claims 44, 45, 47 obvious over Saiz in view of Barnes. Ex. 2004 at 71–85.
Claim Construction Arguments				
Preamble not limiting. Pet. 18–22.	Preamble not limiting. Ex. 2003 at 5, 16.	“[T]he term sunshade only appears in the preamble . . . so it’s not limiting.” Ex. 2002 at 24.	No “substantial question as to validity.” Ex. 1026 at 8.	Proposing “whether preamble is limiting” for construction. Ex. 2005 at 1.
Construction of “sun shade assembly” to	Flag provides shade. Ex. 2003 at 5, 16.	“[F]lag would naturally provide some shading	No “substantial question as to	Proposing “sun shade assembly”

include flags. Pet. 21–22.		from the sun.” Ex. 2002 at 24.	validity.” Ex. 1026 at 8.	for construction. Ex. 2005 at 1.
Construction of “configured to” Pet. 14–18.	Same proposed construction as Petition. Ex. 1025 at 10–22.	Construction assumed by Solbello for purposes of PI motion. Ex. 2002 at 3.	No “substantial question as to validity.” Ex. 1026 at 8.	Proposing term that includes “configured to” for construction. Ex. 2005 at 1.

ShoreShade is therefore litigating the exact same issues in the district court as the ones it has now brought before the Board. And the court has preliminarily rejected all but one of them.

Since the court issued its preliminary injunction ruling, the case has progressed swiftly. The parties have already exchanged preliminary infringement and invalidity contentions, as well as preliminary claim constructions. See Exs. 1028, 2004, 2005, 2006. And claim construction briefing will be completed by the end of November, before the Board’s December 30 deadline to render a decision on institution. Ex. 1027 at 2. Nevertheless, ShoreShade has asked the district court to stay the case in favor of this proceeding, arguing that the litigation remains “in its infancy.” Ex. 2007 at 1. That motion remains pending. For the following reasons, the Board should deny institution in its discretion.³

³ Below, Solbello only discusses the factors that affirmatively weigh in its favor. The remaining factors—*Fintiv* factors one and six, the *Advanced Bionics* framework as a whole, and the Board’s March 26, 2025, Interim Processes Memorandum factors 2, 4, 5, and 6—are neutral.

III. THE PETITION SHOULD BE DISCRETIONARILY DENIED.

A. The *Fintiv* Factors Favor Discretionary Denial.

On the whole, the factors set out by the Board in *Apple Inc. v. Fintiv Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential), to guide the Board's discretionary institution decisions tip in favor of discretionary denial.

Factor 2: Although a trial date has not yet been set, the district court is likely to render a decision on validity before or soon after the Board's statutory deadline.

The second *Fintiv* factor tips decidedly in Solbello's favor. Generally, the Director will look to the "proximity" of the trial date in the district court proceedings to determine whether it's appropriate to institute PTAB review. *Fintiv*, Paper 11 at 6. The actual trial date is not the end-all-be-all, however. District courts frequently postpone trials, and predicting when a court might do so in any given case will always involve some amount of "speculation." *Dish Network LLC v. Broadband iTV, Inc.*, No. IPR2020-01280, Paper 17 at 15 (PTAB Feb. 4, 2021) (quoting *In re Apple Inc.*, 979 F.3d 1332, 1344 n.5 (Fed. Cir. 2020)). Thus, the Board simply uses the proximity of the trial date as a "proxy for the likelihood that the trial court will reach a decision on validity issues before the Board reaches a final decision." *Id.* at 17.

Accordingly, this factor weighs in Solbello's favor. It is true that the court has not yet set a trial date in this case. Ex. 1027. But given how efficiently the parallel

litigation has been progressing, the court is likely to reach a validity decision either before or not long after the Board's December 30, 2027, deadline.

There's no better indicator of that than the parties' agreed-upon schedule. Ex. 1027. By November 30, the parties will have completed claim construction briefing, and the court will hold a hearing some time thereafter. Assuming the court issues its claim construction order three months after briefing is complete—roughly three times longer than it took to render its order on Solbello's first motion for preliminary injunction and roughly nine times longer than it took to decide the second—the court will have decided claim construction by February 28, 2027. In that event, fact and expert discovery would close on May 29 and September 26, respectively—months before the Board's deadline to issue its final written decision. Ex. 1027 at 2–3. Even setting the trial date aside, the Board has held that the timing factor weighed in favor of discretionary denial where the district court was likely to issue a claim construction ruling “well before [the Board] ha[d] an oral hearing or issue[d] a Final Written Decision.” *Bentley Motors*, Paper 9 at 14. So too here.

On top of that, the trial court is likely to reach a final decision on invalidity before or shortly after the Board's December 30 deadline. Carrying forward the estimates above would mean that the last day for parties to file non-limine motions in this case—including motions for summary judgment—would be October 26, 2027. Ex. 1027 at 3. So the court would have over two months to decide the parties'

motions for summary judgment, including dispositive arguments about validity. Its past practice of speedy rulings suggests that it will. And to the extent any invalidity arguments would proceed to trial, the trial would likely be completed by early April 2028 based on national time-to-trial statistics. *See* Sasha G. Rao, et al., *Patent Litigation 2026 – Trends & Developments*, Chambers & Partners (last updated Feb. 12, 2026), <https://dub.sh/NlWZQhO> (national median time-to-trial for patent cases is 29 months); *see also, e.g., Nokia of Am. Corp. v. Pegasus Wireless Innovation LLC*, No. IPR2025-00036, Paper 14 at 9 (PTAB Apr. 25, 2025).⁴

In other words, by the time the Board issued its Final Written Decision, the parties would have received claim construction decisions, fully briefed summary judgment (and possibly received a decision on it), and would at the very least likely be gearing up for trial. To avoid duplication of efforts and the possibility of conflicting decisions, the Board should decline to institute, given how quickly the parallel litigation has progressed and is likely to continue progressing.

Factor 3: The parties and the district court have already invested significant effort in the district court proceedings

The substantial investment in the prior proceedings weighs against institution.

Instituting a petition alongside developed parallel litigation risks duplicating efforts and producing inconsistent invalidity decisions between the Board and the

⁴ The Southern District of Georgia does not have any available patent statistics.

district court. *See, e.g., Supercell Oy v. Gree, Inc.*, No. IPR2020-00513, Paper 11 at 17–18 (PTAB June 24, 2020). Thus, when deciding whether to institute a petition, the Board “consider[s] the amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision.” *Fintiv*, Paper 11 at 9. The Board places particular emphasis on whether the trial court has issued any “substantive orders” that overlap with issues in the Petition, like claim construction or invalidity decisions. *Id.* at 9–10. It also considers a petitioner’s diligence or delay in filing petition. *Id.* at 11–12.

Here, the court and parties have already expended significant time and effort in the parallel litigation. Over the course of six months, the parties progressed through two rounds of substantive preliminary injunction briefing and proffered detailed arguments about infringement and invalidity. Ex. 1018, 1020, 1024, 1025. For its part, the court conducted two hearings and issued as many orders. Ex. 1021, 1026. The latter order included substantive holdings on the merits, including that ShoreShade had not “create[d] a substantial question as to validity.” Ex. 1026 at 8.

In other words, the trial court *has* issued a substantive order on validity. And it concluded that it was not convinced ShoreShade’s positions—nearly the exact same positions it now advances before the Board—have merit.⁵ *Cf., e.g., Peloton*

⁵ District courts often conclude that one or more rounds of preliminary-injunction litigation move a case beyond its early stages when assessing whether to stay

Interactive, Inc. v. ICON Health & Fitness, Inc., No. IPR2021-00342, Paper 14 at 12 (PTAB July 7, 2021) (granting institution in part because, unlike here, the district court didn't "resolve any issues presented in [the] IPR" in its injunction order).⁶

The case has also rapidly progressed in the three months since then. The parties have exchanged infringement and invalidity contentions. They have also exchanged proposed claim constructions. And they will complete claim construction briefing in just a few months. *See Nokia*, Paper 14 at 12–13 (fact that the parties had exchanged invalidity contentions and that the court had held a claim construction hearing reflected "substantial investment"). In sum, the parties' extensive preliminary injunction briefing, the court's orders, and the litigation's progress since the court's second order all suggest that institution would simply duplicate work the court and the parties have already completed.

litigation in light of a parallel AIA proceeding. *E.g.*, *Lane Shark USA, LLC v. Titan Implement*, 2021 WL 12097703, at *2 (E.D. Tenn. May 21, 2021) (denying stay where injunction process involved "substantial briefing," multiple affidavits, and "an all-day hearing"); *OrthoAccel Techs., Inc. v. Propel Orthodontics, LLC*, 2018 WL 1989561, at *1 (N.D. Cal. Jan. 19, 2018) (stay unwarranted in part because there had "already been significant substantive work invested by the parties and the Court in conjunction with the preliminary injunction motion"); *Tinnus Enters., LLC v. Telebrands Corp.*, 2017 WL 2989201, at *4 (E.D. Tex. Apr. 5, 2017) (two preliminary injunctions part of "significant proceedings" weighing against a stay).

⁶ *Peloton* was also decided before the Board articulated in its March 2025 Interim Processes Memorandum that substantive orders, like those issued at the preliminary injunction stage, weigh in favor of discretionary denial.

If all of that were not enough, the timing of ShoreShade's Petition also counsels against institution. ShoreShade has known about Solbello's patent rights for years, since even before the '606 Patent issued. It learned of Solbello's patent rights in November 2023 at the latest, when Solbello sent it a cease-and-desist letter accusing it of infringing Solbello's original '211 Patent. Ex. 2001 at 34. ShoreShade thus knew Solbello viewed its products as infringing. So when Solbello filed for a reissue patent, ShoreShade could have submitted purportedly relevant prior art to the examiner under 35 U.S.C. § 122(e) following a notice of allowance. Or it could've prepared a PGR in the meantime and filed it promptly after the patent was granted. Or it could've filed its PGR in the more-than-four-month lull between the court's denial of Solbello's first preliminary injunction motion and Solbello's filing of its second, during which the case was effectively on hold. Ex. 1021, 1026. Indeed, it could've filed a PGR at any point in the six months between Solbello's filing its complaint and the court deciding Solbello's second preliminary injunction motion. *See Formycon AG v. Regeneron Pharms., Inc.*, No. IPR2025-00233, Paper 15 at 17 (PTAB June 2, 2025) (criticizing party for delay despite being "aware of the particular claims asserted against it").

ShoreShade did none of those things. Instead, it waited until this court issued an unfavorable ruling on validity before seeking to litigate essentially the same issues in another forum. ShoreShade should not be permitted to delay an AIA

petition and jump ship to another forum only after receiving a preliminary decision indicating its invalidity positions are weak.

ShoreShade is sure to respond that it needed to know precisely which claims Solbello was asserting, via its infringement contentions, before it could file its PGR. That would be nonsense, for two reasons. First, while in general the Board has explained that parties cannot be faulted for waiting until after receiving infringement contentions to file an AIA petition, *Innoscence Am., Inc. v. Infineon Techs. Ams. Corp.*, No. IPR2025-00010, Paper 11 at 12 (PTAB May 16, 2025) (quoting *Fintiv*, Paper 11 at 11), this case is unique. ShoreShade has known about Solbello's patents for years; it would not have been particularly difficult for ShoreShade to surmise which claims of the '606 Patent Solbello believed were infringed. Second, ShoreShade's current practice belies this position. Solbello asserted ten claims in its infringement contentions. ShoreShade has only tried to invalidate three in its Petition—the claim Solbello primarily focused on during preliminary injunction briefing and two of its dependents. Thus, ShoreShade apparently did not base its decision of which claims to attack on Solbello's infringement contentions at all.⁷

⁷ Indeed, the fact that ShoreShade was able to file a more-favored PGR at all has more to do with Solbello's diligence than ShoreShade's. Solbello filed its lawsuit a little over a month after the '606 Patent was granted. Ex. 1001, 1017. By contrast, ShoreShade waited almost eight months to file its PGR.

Factor 4: The issues ShoreShade raises in its Petition are functionally identical to those already raised—and preliminarily rejected—in the district court.

By a similar token, the fourth *Fintiv* factor also counsels against institution. Under this factor, “if the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.” *Fintiv*, Paper 11 at 12. The more the overlap, the less likely it is a PTAB proceeding will be an efficient use of resources. *E.g.*, *Solus Advanced Mats. Co. v. SK Nexilis Co.*, No. IPR2024-01463, Paper 14 at 16 (PTAB Apr. 25, 2025).

That is the case here. As detailed in the table above, with one limited exception, ShoreShade’s Petition asserts arguments functionally identical to those it’s already raised before the district court. *See supra* at 6–7.⁸ And indeed, the district court has preliminarily rejected those arguments while applying a similar standard the Board will employ when deciding whether to institute on the merits. *Compare* 35 U.S.C. § 324(a), *with* Ex. 1026 at 5.

What is more, it will be impossible for these PGR proceedings to completely resolve the district court litigation. In the parallel litigation, ShoreShade challenges all ten of Solbello’s asserted claims. Yet it only challenges three of them here. So

⁸ As for the sole new § 103 argument in its Petition, ShoreShade has since indicated it will advance that position in the parallel litigation as well. *See supra* at 6–7.

regardless of what the Board decides with respect to ShoreShade's Petition, the case will still have to go back to the court on the claims ShoreShade has not challenged here. *Cf. Precision Planting LLC v. Maschio Gaspardo S.p.A.*, No. IPR2024-00008, Paper 12 at 18 (PTAB Mar. 26, 2024) (factor weighed against discretionary denial because "the district-court litigation would not determine the patentability of all the claims challenged in the Petition"). Instituting the Petition would therefore be an inefficient use of the Board's resources.

It is true that ShoreShade has included a *Sotera* stipulation both in its Petition and before the district court. But as the then-Acting Director recently clarified, a *Sotera* stipulation does not render institution per se appropriate. Scott R. Boalick, *Memorandum re Guidance on USPTO's Rescission of "Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation,"* USPTO, 2–3 (Mar. 24, 2025), <https://dub.sh/sMufymQ>. Nor does it account for the substantial work the district court has already invested in the case.

At bottom, ShoreShade raises arguments that are virtually identical to those it has already raised before the trial court, based also on almost identical prior art. And it did so only after the district court indicated it wasn't buying its invalidity positions. "Congress intended AIA reviews to narrow disputes—not create another forum where litigation can be expanded." *Magnolia*, Paper 17 at 3–4. Yet that is exactly what ShoreShade is trying to do. The Board should discretionarily deny the Petition.

Factor 5: The petitioner and defendant in the district court proceedings are the same party.

Where “the petitioner and the defendant in the parallel proceeding are the same party,” that weighs in favor of discretionary denial. *Fintiv*, Paper 11 at 6. That’s because the “[p]etitioner will have the opportunity to present to the district court the same invalidity issues in the parallel proceeding prior to the Board reaching a final decision on the Petition.” *Supercell Oy v. Gree, Inc.*, No. IPR2020-00215, Paper 10 at 16 (PTAB June 10, 2020). ShoreShade is both the petitioner and the defendant in the parallel district court litigation. So the fifth *Fintiv* factor weighs in favor of discretionary denial. *E.g.*, *Fintiv*, Paper 11 at 6; *see also Nokia*, Paper 14 at 6.

B. The Factors Outlined in the Board’s March 26, 2025 Process Memorandum Favor Discretionary Denial.

In the same memorandum establishing the new bifurcated procedure, the then-Acting Director identified five factors, in addition to those outlined in *Fintiv*, to further help “facilitate th[e] bifurcated approach.” Coke Morgan Stewart, *Memorandum re Interim Processes for PTAB Workload Management*, USPTA (Mar. 26, 2025), <https://dub.sh/Nudl7Pi> [hereinafter “Interim Processes Memo”]. Two of those factors in particular counsel in favor of denying institution.

Factor 1: The district court has already preliminarily adjudicated the validity of the ’606 Patent.

First, the Board considers “[w]hether the PTAB or another forum has already adjudicated the validity or patentability of the challenged patent claims.” *Id.* at 2. As already outlined, a district court has already rejected almost every invalidity argument ShoreShade raises in its Petition, concluding that ShoreShade had “not create[d] a substantial question as to validity.” Ex. 1026 at 8. While that is of course a preliminary conclusion, it underscores two points. First, it signals that ShoreShade’s substantive positions are weak and that the Board should therefore decline to institute. Second, it highlights the risk of duplicated efforts here. The court has already thoroughly reviewed the patent at issue and the parties’ positions. And while the parties may introduce certain new arguments and positions along the way, there can be little doubt that it already understands the core of the parties’ dispute. Transferring the dispute to the Board now would not be an efficient use of the Board’s (or the parties’) resources. What’s more, the court may well reach a final decision on validity—including on ShoreShade’s new § 103 argument—before the Board can issue its Final Written Decision. That too weighs in favor of denial.

Factor 3: The district court has already preliminarily determined that ShoreShade’s invalidity arguments are weak.

The Board also considers “[t]he strength of the unpatentability challenge.” Interim Processes Memo at 2. There can be little better evidence that a position lacks

merit than a district court's determination to that effect. As explained, the district court has preliminarily rejected almost all of ShoreShade's positions on invalidity.

The one new argument it posits is not likely to carry the day either. The expert testimony its new § 103 argument rests upon is plagued with conclusory assumptions that a POSITA would be motivated to combine certain prior art and would have a reasonable expectation of success in doing so. *E.g.*, Ex. 1002 at 69, 72–74. And the expert report otherwise mirrors the Petition's legal argument. The Board has repeatedly rejected expert testimony that rests on unfounded assumptions and that mirrors the Petition. *E.g.*, *Xerox Corp. v. Bytemark, Inc.*, No. IPR2022-00624, Paper 9 at 15 (PTAB Aug. 24, 2022) (precedential); *see also Xerox Corp. v. Bytemark, Inc.*, No. IPR2022-00624, Paper 12 at 5 (PTAB Feb. 10, 2023) (Director Review) (“[T]he Board was correct in giving little weight to Petitioner's expert because the expert . . . merely offered conclusory assertions without underlying factual support and repeated, *verbatim*, Petitioner's conclusory arguments.”).

C. The U.S. Manufacturing Factors Outlined in the Board's March 11, 2026 Memorandum Favor Discretionary Denial.

Most recently, the Director has articulated three additional discretionary-denial factors that relate to the protection of small American businesses. As the Director has recognized, for far too long PGR proceedings have been abused by actors seeking an improper advantage over American ingenuity. John A. Squires,

Memorandum re Additional Discretionary Institution Considerations – U.S. Manufacturing and Small Business Use of AIA Proceedings, USPTO, at 2 (Mar. 11, 2026), <https://dub.sh/u1t1KQx> [hereinafter “Manufacturing Memo”]. The Director recently reiterated those concerns in his decision in *Magnolia*, explaining that historical data confirms that AIA proceedings are regrettably no longer “the province of small, U.S.-based manufacturers.” Paper 17 at 4 (capitalization altered). Through both this recent memorandum and the *Magnolia* decision, the Director has made clear that the AIA process should no longer be used as a cudgel against small American businesses. Therefore, the Director announced he would consider several additional discretionary factors directed at protecting American businesses.

Even if those factors do not on their face overwhelmingly favor Solbello, their underlying purpose does. Solbello is a small, American business built atop the ingenuity of its founder and the invention he created and protected via this patent. ShoreShade should not be permitted to drag out its fight with Solbello—an American small business—by trying to litigate the same issues, based on the same claims and prior art, that it is already litigating in distinct court. Nor should it be permitted to “expand[]” its litigation in “another forum” after the first forum signaled it wasn’t buying ShoreShade’s invalidity arguments. *Magnolia*, Paper 17 at 3–4.

IV. CONCLUSION

Solbello respectfully requests that the Petition be discretionarily denied.

This the 28th of August, 2026.

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CERTIFICATE OF PAGE COUNT UNDER 37 C.F.R. § 42.24(d)

I hereby certify that, in accordance with the Board's guidance, the foregoing document is no longer than 20 pages, exclusive of the portions of the document exempted by the Trial Practice Guide.

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CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing document to be served on the following counsel of record for Petitioner as detailed below:

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