Paper No. 9

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VERTIV CORPORATION

Petitioner

v.

VALTRUS INNOVATIONS LIMITED and KEY PATENT INNOVATION LTD.

Patent Owners

Patent No. 6,854,287

Inter Partes Review No. IPR2025-00667

PETITIONER'S OPPOSITION TO PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL

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PETITIONER'S EXHIBIT LIST

Exhibit No.	**Description**
Ex. 1001	U.S. Patent No. 6,854,287 ("the '287 patent")
Ex. 1002	Declaration of John P. Abraham, Ph.D.
Ex. 1003	Prosecution History of the '287 patent
Ex. 1004	SL 16700 (DataCool Brochure.pdf)
Ex. 1005	U.S. Patent No. 6,556,624 ("Stahl")
Ex. 1006	U.S. Patent Publication No. 2003/0067745A1 ("Patel")
Ex. 1007	U.S. Patent No. 3,384,155 ("Newton")
Ex. 1008	U.S. Patent No. 5,317,907 ("Shimizu")
Ex. 1009	U.S. Patent No. 5,467,609 ("Feeney")
Ex. 1010	U.S. Patent No. 6,006,528 ("Arima")
Ex. 1011	U.S. Patent Publication No. 2001/0042616A1 ("Baer")
Ex. 1012	Declaration of Tanya Zeif
Ex. 1013 (NEW)	Chandrakant Patel et al., *Computational Fluid Dynamics Modeling of High Compute Density Data Centers to Assure System Inlet Air Specifications*, The Pacific Rim/ASME Int'l Elec. Pack'g Tech. Conf. and Exhibition (July 8–13, 2001)
Ex. 1014 (NEW)	*Valtrus Innovations Ltd. v. Dawn Acquisitions LLC (d/b/a Evoque Data Center Solutions)*, No. 24-cv-00142, Dkt. 1
Ex. 1015 (NEW)	*Valtrus Innovations Ltd. v. Digital Realty Trust, Inc. et al.*, 24-cv-00139, Dkt. 1

Exhibit No.	Description
Ex. 1016 (NEW)	*Valtrus Innovations v. NTT Data Services*, Civil Action No. 24-cv-00361 (Lead Case), Dkt. 87 (Vertiv's Response to Valtrus's Motion to Dismiss Vertiv's Declaratory Judgment Complaint) (redacted)
Ex. 1017 (NEW)	U.S. Patent No. 6,718,277 (the "'277 Patent")
Ex. 1018 (NEW)	J. Gilstrap, Calendar of Events for April 6, 2026
Ex. 1019 (NEW)	J. Gilstrap, Calendar of Events for June 26, 2026
Ex. 1020 (NEW)	*Valtrus Innovations Ltd. v. DataBank Holdings Ltd.*, No. 24-cv-00777, Dkt. 1
Ex. 1021 (NEW)	*Valtrus Innovations Ltd. v. TierPoint, LLC*, No. 24-cv-00776, Dkt. 1
Ex. 1022 (NEW)	*Valtrus Innovations v. NTT Data Services*, Civil Action No. 24-cv-00361 (Lead Case), Dkt. 101 (Vertiv's Motion for Protective Order)
Ex. 1023 (NEW)	*Valtrus Innovations v. NTT Data Services*, Civil Action No. 24-cv-00361 (Lead Case), Dkt. 81 (Valtrus's Motion to Dismiss Vertiv's Declaratory Judgment Complaint)

I. Introduction

Petitioner Vertiv Corporation opposes Patent Owner's Request for Discretionary Denial ("Paper 6") because denial is inappropriate under the factors set forth in the Acting Director's "Interim Processes for PTAB Workload Management" ("Director Memo") and the *Fintiv* factors.

As set forth below, Patent Owner ignores the most salient factors regarding this challenge to the validity of the '287 patent and misstates the relevant positions to assert that the Director should exercise her discretion to deny institution:

- Present Patent Owner neither invented nor prosecuted the '287 patent which issued to Hewlett Packard Enterprises ("HPE") on February 15, 2005[1];

- HPE was well aware of Petitioner Vertiv, including its predecessors, (collectively, "Vertiv") and the related technology commercialized by Vertiv during the entirety of its ownership of the '287 patent (Ex. 1001 4:49-53 (acknowledging Vertiv's predecessor technology in the specification as commercially available data center cooling systems) and (Ex. 1013 (discussing 2001 joint development of HPE and Vertiv's predecessor of related DATACOOL technology));

- HPE owned the '287 patent for almost 16 years, from the date of issuance, February 15, 2005 until January 15, 2021, when it assigned the patent to an escrow entity (Ex. 1003 at 9–10 (Reel/Frame 055269/0001));

[1] The '287 patent issued pre-AIA. Thus, as the Board is aware, challenging the'287 patent in an IPR was not available until September 16, 2012, approximately 7.5 years after issuance. As set forth herein, Petitioner had no basis or reason to challenge the validity of the '287 patent between enactment of the AIA and filing the present petition.

- HPE never commercialized the technology in the '287 patent, nor asserted, licensed, or otherwise applied the '287 patent against any third party, including Vertiv, in the relevant field during those 16 years, notwithstanding its knowledge of Vertiv and others in the data center cooling technology space;

- The escrow entity assigned the '287 patent to present Patent Owner on February 2, 2022, almost 17 years after the patent issued (*see* Ex. 1003 at 9–10 (Reel/Frame 059058/0720));

- Present Patent Owner waited more than two years to first assert the '287 patent against a data center operator based on, in part, Vertiv's products (*see generally* Ex. 1014 and Ex. 1015);

- Present Patent Owner has sued several of Petitioner's customers, and threatened to sue several others, alleging that the '287 patent is one of several patents infringed by Petitioner's customers; ***Petitioner is not a party*** to any of the active cases brought by present Patent Owner against Petitioner's customers (*see* Ex. 2006 at 1, 4 and Ex. 1016 at 3–5);

- Several of Petitioner's customers have settled present Patent Owner's disputes prior to addressing the validity of any Patent Owner patent, including the '287 patent (Ex. 1016 at 4 n.4);

- Petitioner filed the *Declaratory Judgment Action* ("DJ Action") against present Patent Owner, but has not asserted any invalidity claim against the '287 patent (Paper 1 at 70); and

- While serially pursuing Petitioner's customers since its recent acquisition of the '287 patent, present Patent Owner has not sued Petitioner.

Based on the above, present Patent Owner has no "settled expectations" that the '287 patent remains immune from challenge here and seeks to shield it from any

meaningful review of its patentability.[2] Indeed, this proceeding is the best and most efficient forum for addressing the validity issues.

The additional factors listed in the Director Memo similarly weigh against denial. In addition to the strong merits, there is a compelling economic interest in ensuring Vertiv, a leading supplier of cooling systems, has access to cost-effective PTAB review to protect its products from unwarranted infringement allegations brought against its customers. Congress passed the AIA specifically to curtail counterproductive litigation cost including providing a mechanism to address validity at the Board rather than through multiple litigations that, based on present Patent Owner's recent history, may never mature to final ruling on validity.

With respect to *Fintiv*, the factors addressed below weigh in favor of institution. Contrary to Patent Owner's assertions, *Petitioner is not a party* to any parallel proceeding in which the validity of the '287 patent is at issue. Rather, Patent Owner asserts in those proceedings that Petitioner's customers infringe the '287 patent based on use of multiple supplier's products, not just those of Petitioner. While Petitioner has indemnity obligations to its customers *with respect to Petitioner's products*, it does not indemnify the customers against assertions with

[2] The same is true with respect to IPR No. IPR2025-00668 and IPR No. IPR2025-00669, each of which relate to an additional patent asserted by Patent Owner against Petitioner's customers.

respect to the other suppliers, and thus Petitioner's control is limited to issues directed to Petitioner's products. Indeed, several customers of Petitioner, who use cooling products manufactured by several other suppliers in addition to Petitioner, elected on their own to settle the disputes. Patent Owner simply has no basis to assert that Petitioner controls the entirety of its customers' defense of parallel proceedings as they relate to non-Petitioner's products. Also, those proceedings are in their early stages with minimal investment by the district court and the parties. At the time of institution, the district court will not have issued any orders related to the '287 patent. Due to procedural postures and the Court's congested trial calendar, trial in the parallel litigations will likely occur around the same time as the deadline for a Final Written Decision.

For these reasons, and the reasons provided below, Petitioner respectfully requests that the Director deny Patent Owner's Request for Discretionary Denial and allow this IPR to proceed to an institution determination on the merits.

II. The Factors Set Forth in the Director Memo Favor Institution

The Director Memo invites the parties to "address all relevant [discretionary denial] considerations" and provides a list of potential factors. Director Memo, Ex. 2001 at 2–3. However, Patent Owner only addresses a single factor, i.e., "settled expectations of the parties." As set forth below, present Patent Owner has no settled

expectations that the '287 patent would be immune from challenge, and the other factors identified by the Director also weigh against denial of institution here.

A. Settled expectations weigh against discretionary denial.

Patent Owner initially asserts that its "settled expectation" should lead the Director to exercise her discretion to deny institution based largely on its assertion that Petitioner was aware of the '287 Patent for several years and yet failed to seek review of the same. (Paper 6 at 4–8). The surrounding facts, however, demonstrate the present Patent Owner lacks any settled expectations that the '287 patent would not be subject to challenge.

This proceeding arises within the context of Patent Owner's broader litigation campaign. Patent Owner only recently acquired the '287 patent in February 2022, 17 years into the life of the patent. Yet Patent Owner ignores what occurred—more aptly, what did not occur—during those 17 years that led *Petitioner* to reasonably conclude that its products would not be subject to an infringement assertion under the '287 patent.

Present Patent Owner neither invented nor prosecuted the '287 patent which issued to HPE on February 15, 2005, and did not own the patent until 17 years later. The entity responsible for the '287 patent—along with approximately 1500+ U.S. patents acquired by present Patent Owner in 2022—was HPE.

There is no doubt that HPE was well aware of Petitioner and its predecessor entities and the products and work done by those entities. HPE and Vertiv (through its predecessor) worked jointly to develop the underlying cooling technology expressly referenced in the specification of the '287 patent (also at issue in the parallel proceedings discussed herein). *See* Petition at 8–10; Ex. 1001, 4:49-53 ("The HEU's 22 may comprise any reasonably suitable air conditioning unit designed to receive air and to deliver the received air, e.g., the DATACOOL environmental control System manufactured and distributed by Liebert of Irvine, Calif.").[3] In fact, HPE jointly worked with Emerson/Liebert to develop the DataCool data center cooling arrangements identified in the '287 patent. (Ex. 1013, at 9 ("In response to that need, an alternative cooling arrangement called DataCool was developed by HP and Emerson. This arrangement, with heat exchangers in the ceiling, offered the advantage of space savings over conventional deployment of modular air conditioning units in a data center. A prototype data center at Hewlett-Packard Richardson site, designed specifically as a test bed for data center cooling design, was used to show that computational fluid dynamics modeling is very useful in predicting problem areas.")).

[3] Liebert was a subsidiary of Emerson Electric at the time. Emerson Electric was the predecessor to Petitioner Vertiv.

That HPE was well aware of Vertiv's predecessors products is also demonstrated by the fact that HPE regularly cited patents owned by Vertiv's predecessors in the HPE patent applications. *See*, *e.g.*, Ex. 1001 (citing (i) U.S. Patent No. 6,557,624) and Ex. 1017 (citing U.S. Patent Nos. 5,177,972 and 5,709,100 in HPE's U.S. Patent No. 6,718,277 that is also asserted by Patent Owner and the subject of IPR2025-00668).

Notwithstanding the joint work with Petitioner's predecessor, and knowledge of Petitioner's technology, HPE never commercialized the technology in the '287 patent.[4] Nor did HPE ever assert, license, or otherwise apply the '287 patent against any third party, including Vertiv, notwithstanding its knowledge of Vertiv and others in the data center cooling technology space.

The Director has expressly considered such inaction as a persuasive consideration that weighs against a claim of settled expectations. *Intel Corp. v. Proxense LLC*, IPR2025-00327, Paper 12 at 2–3 (P.T.A.B. June 26, 2025) (that "a patent may have been in force for years but may not have been commercialized, asserted, marked, licensed, or otherwise applied in a petitioner's particular technology space, if at all" is a "consideration[] that weighs against a patent owner's

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[4] In the parallel proceedings discussed infra, both Petitioner and separately its customers have requested discovery of any commercialization or development activity related to the '287 patent. In each instance, Patent Owner has not provided any information and simply stated it has no information about such activities.

claim of settled expectations and bears on the Director's discretion."). This proceeding makes that point. In light of HPE's knowledge of Vertiv and its technology, and its failure to take any action against Vertiv during the 16 year window HPE owned the '287 patent, Vertiv had no reason whatsoever to challenge the '287 patent. It would have been a waste of both the Board's and Petitioner's resources had Petitioner challenged an unasserted patent—like the '287 patent here. In fact, had Petitioner sought review prior to any assertion of the '287 patent, HPE, the patent owner at the time, likely would have successfully argued that institution be denied because Petitioner's business remained unaffected by the '287 patent and the use of Board and party resources would be inefficient and achieve no tangible result.

To the extent present Patent Owner suggests that Petitioner should have filed the petition challenging the '287 patent after acquiring it along with the numerous other patents it acquired in 2022, such suggestion ignores reality and contradicts the mandate of Board to efficiently address invalidity issues. While Petitioner may have knowledge about the patent activities of operating entities in the data center cooling industry, it defies logic to suggest that Petitioner should monitor the actions of non-practicing entities purchasing patents covering vast technological areas and force Petitioner to determine which patents it should challenge. The enormity of that task could require hundreds of IPR challenges by numerous operating entities

concerned about the mere possibility of a new patent owner engaging in enforcement campaigns. Aside from the enormous financial and other resource commitment that requires, such a result runs counter to the express goals of the Director Memo, i.e., to lessen the present burden on a resource-constrained Board. Ex. 2001 at 1, 3.

The posture of the present challenge makes this point even more sharply. Here, present Patent Owner acquired the '287 patent in February 2022 but waited more than two years to first assert it against a data center operator in suits brought against customers of Petitioner's and other suppliers' of data center cooling products. *See generally* Ex. 1014 and Ex. 1015. Had Petitioner—or any other potentially impacted party—sought to challenge it prior to any suit, present Patent Owner would have likely still sought denial because it had yet to assert the patent. Present Patent Owner acquired many patents and presumably could elect not to assert the '287 patent while still asserting others.

And, with respect to Patent Owner's enforcement campaign, it has chosen to sue only data center operators, *i.e.*, customers of cooling equipment, but has not sued any supplier such as Petitioner. Patent Owner has settled several of its suits against customers of cooling equipment long before any rulings on construction or validity of any Patent Owner patents. Petitioner, on the other hand, has brought the DJ Action (discussed *infra* at III.B.1) seeking only a declaration of non-

infringement. Patent Owner has moved to dismiss that case based on lack of subject matter jurisdiction, and has not responded to the Complaint in the DJ Action, nor has it yet asserted any compulsory counterclaims of infringement. Thus, Petitioner cannot assert invalidity of the '287 Patent in the DJ Action without creating an estoppel of its IPR rights here. *See* 35 U.S.C. § 315(e)(2).

If this challenge is discretionarily denied, Patent Owner will effectively be permitted to shield its patents from the most efficient review while encumbering the Courts and the data center industry with multiple customer litigations. Accordingly, Petitioner comes to the Board as the best and most efficient forum for addressing these validity issues.

1. <u>Petitioner's pre-AIA awareness of the '287 patent does not form a reasonable basis for Patent Owner's settled expectations.</u>

Patent Owner's assertion of settled expectations based on Petitioner's purported pre-AIA "awareness" is unfounded. Paper 6 at 4–5.

Patent Owner indicates that Petitioner's awareness arose in 2009 through an identification of the patent by an Examiner in an office action to its predecessor. Patent Owner asserts that this pre-AIA event giving rise to knowledge of a patent creates an obligation to challenge the validity of that patent before the USPTO or otherwise forfeit the right to do so. Yet, Patent Owner cites no supporting authority, nor could it. Challenging validity of a patent in a post-grant proceeding was not

contemplated until implementation of the AIA. *See* Leahy-Smith America Invents Act, PL11-29 (effective as of Sept. 16, 2012) ("AIA"). To deprive a company from challenging patents cited in connection with any submission during patent prosecution prior to the implementation of the AIA would also effectively deprive said company of the benefits of the AIA without ever having provided notice. *See, e.g.*, *Bowen v. Georgetown Univ. Hosp.*, 488 U.S. 204, 208 (1988) ("Retroactivity is not favored in the law. Thus, congressional enactments and administrative rules will not be construed to have retroactive effect unless their language requires this result.").

Even assuming this pre-AIA knowledge created some obligation to challenge patents (it does not), this is simply not how companies operate—nor could they. If forced to challenge validity of any live patent cited as prior art, potential patent applicants would either forego seeking patent protection, or face the immense and unreasonable financial constraints associated with pursuing such challenges. This also flips the analysis on its head, i.e., placing the burden on Petitioner to identify and challenge patents which may never be asserted against anyone, rather than placing the burden on patent owners to assess their own portfolios to determine those patents which are both allegedly infringed and strong enough to sustain a validity review. To be sure, placing this burden on petitioners would frustrate a distinct benefit of the AIA post-grant proceedings envisioned by Congress: "to establish a

more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs." 77 Fed. Reg. 48612, 48612 (Aug. 14, 2012).

The above also applies to Patent Owner's argument regarding Petitioner's knowledge of a prior art reference ("Baer") through an IDS filed by Petitioner in 2012. Regardless of Petitioner's pre-existing "knowledge" of Baer, Petitioner only relies on this reference for the last of the four Grounds presented in the Petition. The three preceding Grounds rely on wholly separate prior art. That Petitioner was purportedly aware of Baer does not weigh in favor discretionary denial when it does not apply to all Grounds forming Petitioner's invalidity challenge.

Accordingly, settled expectations weigh in favor of institution.

B. Compelling economic and innovation interests favor institution.

The United States also has a compelling economic interest in affording Petitioner the opportunity to challenge the '287 patent under the more efficient IPR framework. As a leading domestic data center cooling systems manufacturer, Petitioner should be free to invest and innovate without being encumbered by defending expensive patent litigations against its customers where the asserted patents are likely invalid.

Petitioner has invested significant sums of dollars in developing high quality cooling systems and manufacturing facilities in the U.S. These investments have led

to positive domestic economic impacts. Domestic engineering and manufacturing are not only additive of domestic economic interests but also advance important technological developments and associated know-how.

It is vital that companies, like Petitioner, make investments in the U.S. and are provided an effective and efficient mechanism for challenging invalid patents asserted against them. Congress created the AIA for this purpose. 77 Fed. Reg. 48612, 48612 (Aug. 14, 2012) ("The purpose of the AIA . . . is to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs."); *see also Gen. Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16–17 (P.T.A.B. Sept. 6, 2017) ("[W]e recognize that an objective of the AIA is to provide an effective and efficient alternative to district court litigation.").

Petitioner is seeking review of the '287 patent consistent with the purpose of the AIA post-grant proceedings: efficient, technically reliable assessments of validity. Denying Petitioner access to IPR in this scenario would frustrate the purpose of the AIA and deny Petitioner the specific economic benefits envisioned by Congress.

For these reasons, compelling economic interests favor institution (or, at the very least, consideration of the Petition by a merits panel).

C. The Petition properly relies on straight-forward expert testimony in accordance with Federal Circuit precedent.

Patent Owner's also ignores the Director's guidance to consider the extent of expert evidence in connection with addressing discretionary denial issues. Petitioner here relies on the straightforward expert testimony of John P. Abraham, Ph.D., as a POSITA who clearly sets forth the understanding of the '287 patent and relevant prior art. There is nothing unique or over-complicated about Dr. Abraham's testimony, as it is required to evaluate the patent and prior art from the perspective of a POSITA. That perspective is established with evidence, often in the form of expert declarations. Here, Dr. Abraham provides that perspective. *See* Paper 1 at 5–68. The unpatentability grounds set forth in the Petition are fully supported by the references themselves—Dr. Abraham's testimony serves to confirm, support, and explain the disclosures of the references from the perspective of a POSITA. *See id.*

Importantly, Dr. Abraham was a POSITA as of the critical date of the '287 patent. Ex. 1002 ¶¶ 30–33. His testimony is supported by corroborating evidence in the form of the disclosure of the references relied upon in the unpatentability grounds (e.g., Ex. 1005, Ex. 1006). *See generally* Ex. 1002. Further still, Dr. Abraham repeatedly provides technical reasoning to support his statements and understandings of the references. *See generally* Ex. 1003.

Dr. Abraham's expertise is utilized to explain the technical background of concepts relevant to the '287 patent. *See*, *e.g.*, Ex. 1002 ¶¶ 50–75, 125–293. Dr.

Abraham also provides detailed explanations regarding how a POSITA would have understood the technical descriptions found in the '287 patent and the prior art references. *See*, *e.g.*, Ex. 1002 ¶¶ 73–124. Dr. Abraham's testimony serves these essential purposes and is a strength of the Petition to favor institution.

III. Discretionary Denial under *Fintiv* Is Not Warranted.

The *Fintiv* factors, considered as a whole, do not warrant denial. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (P.T.A.B. Mar. 20, 2020) (precedential). Every factor either weighs against discretionary denial or is neutral.

A. Factor 1 is neutral: No evidence regarding a stay.

No motion to stay has been filed in the parallel proceedings, so the Board should not infer the outcome of such a motion. *Nokia of America Corporation f/k/a Alcatel-Lucent USA Inc. et al v. Wireless Alliance, LLC*, PTAB-IPR2024-00619, Paper 19 at 9 (P.T.A.B. Sept. 13, 2024) (weighing factor as neutral when no stay has been sought in underlying action in the Eastern District of Texas and declining to speculate as to whether a stay would be granted); *Google LLC v. Flypsi, Inc.*, IPR2023-00361, Paper 9 at 7–8 (P.T.A.B. July 31, 2023) (same with respect to underlying action in Western District of Texas). Thus, this factor is neutral.

B. Factor 2 weighs against denial: The parallel proceeding trial dates are speculative.

Factor 2 weighs against denial, or at most, is neutral. Under *Fintiv*, "[i]f the court's trial date is at or around the same time as the projected statutory deadline . .

. , the decision whether to institute will likely implicate other factors." *Fintiv*, IPR2020-00019, Paper 11 at 9. There are two co-pending parallel actions involving the '287 patent. The first is Peititioner's DJ Action (also referred to in Patent Owner's Brief as the *NTT* Action[5]). Additionally, the *DataBank* Action is a consolidated action between Patent Owner and Petitioner's customers—DataBank and TierPoint.[6]

Trials in the two parallel proceedings are currently scheduled to occur as early as four to six months, respectively, before the projected deadline of a final written decision, as noted in Patent Owner's Brief. Paper 6 at 20, 23. However, the trial dates are highly congested with other scheduled trials and there are other considerations that strongly suggest the district court trial dates will likely be extended. *See, e.g.*, *Ericsson Inc. et al v. XR Communications LLC d/b/a Vivato Technologies*, IPR2024-00868, Paper 8 at 29 (P.T.A.B. Dec. 13, 2024) ("[T]rial [in the Eastern District of Texas] is currently scheduled less than five months before the

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[5] This action is a consolidated action that includes Petitioner's declaratory judgment action and five other patent infringement actions brought against customers / data center operators. In the five customer actions Patent Owner asserts infringement of the '287 patent, among others, against several of Petitioner's customers based on the customers' use of Petitioner's cooling units. Notably those actions *are not limited to* Petitioner's cooling units and include assertions of infringement of Petitioner's competitors' products as well.

[6] Petitioner is not a party to either case in the *DataBank* Action. Petitioner addresses Patent Owner's assertions regarding its involvement in the *DataBank* Action *infra* in §§ III.B.2. and III.E.

Final Written Decision in this proceeding is due . . . . We determine that the facts pertaining to this factor weigh against exercising our discretion to deny institution under § 314(a).").

1. <u>The DJ Action</u>

Petitioner initiated the DJ Action on May 14, 2024, seeking a declaration that its products as used by customers targeted by Patent Owner at the time do not infringe several patents, including the '287 patent. Petitioner did not include any invalidity claims in the DJ Action and has not asserted any such claim directed to the '287 patent in that proceeding. The DJ Action trial date is currently scheduled for April 6, 2026, approximately six months prior to the projected deadline for a final written decision. However, it is unlikely that trial would occur on that timeline as the presiding judge, Judge Gilstrap, currently has *six patent jury trials scheduled for that same date*. (Ex. 1018.) Petitioner asserts, on this basis alone, the current trial date is unlikely, and in light of the little substantive progress made to date (discussed *infra*) the case could be delayed at least two or more months. *Boe Tech. Group Co., Ltd. v. Optronic Scis. LLC*, IPR2024-01130, 2025 WL 305477, at *4 (P.T.A.B. Jan. 27, 2025) (*Fintiv* factor 2 is "neutral or weigh[s] slightly in favor of not exercising discretion" where Judge Gilstrap had "a number of cases [] scheduled for jury selection on [the same day as] the parallel proceeding")

To date, the DJ Action's procedural posture and Patent Owner's conduct have prevented substantial progress. As noted, the DJ Action comprises the consolidation of six separate cases that the court consolidated over the course of nine months. Of those six cases, five were directed only to customers of data center cooling products and each of those have settled. *Only Petitioner's declaratory judgment action remains*. The DJ Action, however, remains subject to Patent Owner's pending motion to dismiss, which was filed nearly a year ago on August 1, 2024. And Patent Owner has not engaged on the merits through the Court's Patent Rules contention disclosure requirements and will not do so until resolution of its motion. Patent Owner has yet to answer Petitioner's Complaint, assert compulsory counterclaims of infringement, or provide any infringement contentions in response to Petitioner's discovery requests. Should the Court deny Patent Owner's motion to dismiss, it is likely that Patent Owner's refusal to engage on the merits early in the case will create delay in moving this case to trial.

Notwithstanding the procedural delays, Patent Owner's comparison of the 23-month median time-to-trial statistic to the filing date from just one of the filing dates of the consolidated actions—specifically, the lead case, *Valtrus Innovations v. NTT*

Data Services[7]—is not an apt application for purposes of determining whether the scheduled trial date will occur prior to the date of the projected final written decision. As noted, much delay has already occurred with little substantive progress, such that the DJ Action is already an outlier with respect to cases that traditionally fall within the court's median time-to-trial, and therefore, such comparison is not analogous.

Additionally, there are ***four*** patents at issue in the DJ Action.[8] (Ex. 2006, 1.) These four patents span different families and vary in subject matter, and of those, Petitioner has sought review of three patents before the Board:

Patent	Title	Family	IPR Petition
6,718,277	Atmospheric control within a building	A	YES
6,854,287	Cooling system	B	YES
6,862,179	Partition for varying the supply of cooling fluid	C	YES
7,031,870	Data center evaluation using an air re-circulation index	D	

The notion that a jury will be asked to consider four patents across four families in a single one-week trial starting on April 6, 2026 is unlikely. As the Board recognizes, in these situations, it is better suited to review several patents involving diverse subject matter. *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217,

[7] Note, *Valtrus Innovations v. NTT Data Services* was the third-filed action of the six consolidated actions—filed two months after the first action and two months before the fifth and sixth action.

[8] Petitioner originally sought declaratory judgment regarding five patents, but the Patent owner stipulated to a covenant not to sue for U.S. Patent No. 7,339,490.

Paper 9 at 3 (P.T.A.B. June 13, 2025). Notwithstanding, should the DJ Action survive Patent Owner's motion to dismiss, a trial for any given patent of the four at issue is therefore likely to occur later than the currently scheduled date.

2. The *DataBank* Action

As noted, and contrary to Patent Owner's assertions, Petitioner is not a party the *DataBank* Action, but still addresses the timing implications of this action here. The *DataBank* Action trial date is currently scheduled for June 26, 2026, approximately three and a half months prior to the projected deadline for a final written decision. Similarly, in the *DataBank* Action, Judge Gilstrap, currently has *six patent jury trials scheduled for that same date*. (Ex. 1019.) Petitioner believes, on this basis alone, the current trial date is unlikely, and in light of the little substantive progress made to date (discussed *infra*) the case could be delayed at least two or more months.

There are ***seven*** patents at issue in the *DataBank* Action. (*See* Ex. 1020 and Ex. 1021) These seven patents span six different families that vary widely in subject matter, and of those, Petitioner has sought review of three patents before the Board:

Patent	Title	Family	IPR Petition
6,718,277	Atmospheric control within a building	A	X
6,854,287	Cooling system	B	X
6,862,179	Partition for varying the supply of cooling fluid	C	X
7,031,870	Data center evaluation using an air re-circulation index	D	

6,868,682	Agent based control method and system for energy management	E	
6,854,284	Cooling of data centers	F	
6,868,683	Cooling of data centers	F	

The notion that a jury will be asked to consider those seven patents across six families in a single one-week trial starting on June 26, 2026 is unreasonable. As stated above, the Board is better suited to review a large number of patents involving diverse subject matter. *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 9 at 3 (P.T.A.B. June 13, 2025). Notwithstanding, a trial for any given patent of the four at issue is therefore likely to occur later than the currently scheduled date.

Accordingly, Factor 2 favors institution in view of the minimal trial gap and inevitable delay: (1) in the DJ Action due to (a) Judge Gilstrap's crowded trial schedule, (b) procedural delays stemming from consolidation and Patent Owner's approach to the litigation, and (c) the number and scope of asserted patents; and (2) in the *DataBank* Action due to (a) Judge Gilstrap's crowded trial schedule and (b) the large number and scope of asserted patents.

C. **Factor 3 favors institution: Minimal relevant investment and expeditious filing.**

Factor 3 favors institution because, at institution, investment by the court and parties will have been minimal as to the activities pertinent to *Fintiv*. Patent Owner's Request for Discretionary Denial includes a laundry list of activities allegedly showing substantial investment across the DJ Action and *DataBank* Action, but the

list includes many tasks that typically take place relatively early in the litigation and therefore do not show "significant investment"—especially as it relates to invalidity of the '287 patent. Paper 6 at 25–26. The Board has made clear that the Factor 3 inquiry focuses not on overall litigation progress, but on how much investment has occurred in the specific validity issues raised in the Petition. *See Sand Revolution II, LLC v. Continental Intermodal Group Trucking LLC*, IPR2019-01393, Paper 24 at 10–11 (P.T.A.B. June 16, 2020).

1. DJ Action

In the DJ Action, the district court has invested little time other than to consolidate (and subsequently dismiss[9]) the initial customer actions. Indeed, the district court has yet to rule on Patent Owner's jurisdictional motion to dismiss the declaratory judgment action that was initially filed on November 15, 2024. Further, by the time of potential institution, the district court will yet to have issued any orders directly related to the patent-at-issue—including a *Markman* order. *See Fintiv*, IPR2020-00019, Paper 11 at 10 ("[i]f, at the time of the institution decision, the district court has not issued orders related to the patent at issue in the petition, this fact weighs against exercising discretion to deny institution").

[9] Pursuant to Patent Owner's Rule 41(a) voluntary dismissals.

As to the parties' investment in the DJ Action, there has been very limited substantive engagement. Fact discovery closes in November 2025 and remains in its early stages—mostly due to Patent Owner's refusal to engage due to its motion to dismiss. Patent Owner has not served its *preliminary* contentions, document production is limited, no depositions have been scheduled or completed, and the parties have only just exchanged proposed claim terms.[10] As indicated above, the *Markman* hearing will not occur until after potential institution, and the parties are not even set to begin briefing until September 2025. Also, the parties have not engaged in expert discovery.

Moreover, *Sotera* explains that, even after *Markman* is complete, "much other work remains in the parallel proceeding as it relates to invalidity," including "fact discovery," "expert reports," and "substantive motion practice." *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 16 (P.T.A.B. Dec. 1, 2020) (precedential as to § II.A). The informative *Fintiv* and *Sand* decisions similarly observe that after *Markman*, much work remains. *See Fintiv*, IPR2020-00019, Paper 15 at 13–14 ("We recognize that much work remains in this case as it relates to invalidity: fact discovery is in its early stages, with document production ongoing

[10] Patent Owner notes it has served over a dozen third-party subpoenas. Paper 6 at 25. However, it has not obtained any discovery from the third parties, and Patent Owner is not pursuing those subpoenas as it awaits a ruling on its motion to dismiss the DJ Action. *See generally* Ex. 1022.

and depositions just getting underway, expert reports are not yet due, and substantive motion practice is yet to come."); *Sand Revolution*, IPR2019-01393, Paper 24 at 10 (same).

2. **The *DataBank* Action**

Patent Owner contends that its *later-filed* customer cases further "compound" the investment. Paper 6 at 26. As an initial matter, this argument is unpersuasive as it is a direct result of its own scatter-shot litigation strategy. Patent Owner has filed serial cases in the Easten District of Texas asserting infringement of the '287 patent, among others, against data center operators resulting from their use of Petitioner's (and its competitors') products. Any compounded investment is of its own making and should not afford any weight in Patent Owner's favor. Further, Petitioner is not a named party in the consolidated *DataBank* Action, and its investment is limited to its indemnification obligations relating solely to the defendants' alleged infringement through use of Petitioner's equipment, discussed *infra* at § III.E. Petitioner has no obligations relating to Patent Owner's infringement allegations relating to the numerous other accused cooling systems provided by other suppliers.

Notwithstanding, the later-filed consolidated *DataBank* Action is similarly in its early stages. Though preliminary contentions have been exchanged, fact discovery closes well beyond the potential institution decision in January 2026. As such, discovery has been minimal—document production is limited, no depositions

have been scheduled or completed, and claim construction briefing will not begin until after the potential institution decision.[11] Also, the parties have not engaged in expert discovery. The district court's investment is likewise minimal, having only addressed a discovery dispute between Patent Owner and one named defendant, and that was unrelated to the '287 patent.

3. Petitioner filed its IPR Petition expeditiously

This factor also weighs against denial because "the petitioner filed the petition expeditiously." *See Fintiv*, IPR2020-00019, Paper 15 at 11. As such, "this fact [] weigh[s] against exercising the authority to deny institution." *Id*. Here, Petitioner worked diligently to file the instant petition 6 months after it originally intervened in Patent Owner's first filed customer action of the consolidated *NTT* Action. At the time of filing, the parallel proceedings were in even earlier stages than discussed above. Petitioner submits that its diligence in filing is more than reasonable—especially given that it prepared and filed three IPR petitions challenging 45 claims in the same time frame. *See Sotera*, IPR2020-01019, Paper 12 at 17 (finding Petitioner's explanation "reasonable" in part because "of the large number of patents

[11] Patent Owner notes it has reviewed Petitioner's source code. Paper 6 at 25. Patent Owner inspected a TierPoint data center and two DataBank data centers as it has asserted those inspections were necessary to evaluating its infringement theories. Ex. 1023 at 13. Notwithstanding that work, Patent Owner has not moved forward with updating or supplementing any of its infringement contentions with information from those reviews/inspections.

and claims challenged in this and Petitioner's [eight] other related petitions for *inter partes* review"). Several post-Boalick Memo panels have agreed that similar diligence is reasonable and weighs against denial. *See Samsung Elecs. Co., Ltd. v. Mullen Industries LLC*, IPR2024-01472, Paper 9 at 10 (P.T.A.B. Mar. 31, 2025) ("Petitioner's diligence in filing its Petition (a) less than five months after receiving Patent Owner's infringement contentions and (b) prior to the parties briefing claim construction issues weighs against exercising discretionary denial."); *Samsung Elecs. Co., Ltd. v. Headwater Research LLC*, IPR2024-01396, Paper 13 at 7 (P.T.A.B. Apr. 1, 2025) ("[W]e find Petitioner's diligence in filing its Petition approximately 4 months before it was statutorily required to do so, and while litigation is in its early stages, weighs against denial, not for it.").

Additionally, Patent Owner does not assert that Petitioner was not expeditious in the filing of its Petition. *See generally* Paper 6.

Accordingly, Factor 3 weighs in favor of institution because (i) the parallel proceedings are in their early stages, (ii) no substantive court order resolving a dispute related to the '287 patent will have issued prior to institution, and (iii) Petitioner was diligent in filing its Petition.

D. Factor 4 favors institution: No Overlap Exists Between the Issues Raised in the Petition and the DJ Action.

This factor weighs strongly in favor of institution.

After unpacking Patent Owner's tortured analysis of *Fintiv*'s fourth factor, it is clear that there is no overlap between the issues in the DJ Action and those presented in the Petition. Accordingly, this factor strongly favors institution.

First, in the only action between Petitioner and Patent Owner, *i.e.*, the DJ Action, there are no invalidity claims such that there is no overlapping issue addressing the validity of the '277 patent. That should be the end of the analysis.

Patent Owner's attempt to get around this issue is to speculate that Petitioner could amend its DJ complaint at some point in the future to assert invalidity and, thus, get a "second bite" at the invalidity apple. Patent Owner improperly assumes that Petitioner must raise invalidity claims at some later date in the DJ Action. (Paper 6 at 29 ("Petitioner has ***not yet*** argued invalidity…" (emphasis in original). If such speculation were grounds for exercising discretion to deny institution, there would be no bounds to discretion decisions.

Patent Owner's argument assumes that Petitioner will assert invalidity issues because it has previously served invalidity contentions as an intervenor in prior customer cases. However, each of those customer cases settled long prior to addressing any invalidity issues. As long as Patent Owner continues to settle its customer cases before any substantive issues are reached, the validity issues will never be addressed and Petitioner – and the data center industry – will continue to deal with assertions of the '287 patent in piecemeal fashion.

Second, Patent Owner argues that Petitioner "directs and controls additional court litigations, in which the directed and controlled parties have also asserted invalidity based on the same prior art cited in Petitioner's grounds" and that this allows Petitioner "a potential ***third and fourth*** bite at the 'invalidity apple.'" (Paper 6 at 31–32). As set forth below in Section III.E., Patent Owner's assertions regarding direction and control of other parties are simply wrong. In addition to the discussion below, that Patent Owner may face invalidity challenges from several separate and independent parties is purely a function of its own decision to sue multiple entities and resolve those early enough to shield its patents from meaningful review in any of those proceedings is not a reason – particularly under *Fintiv* Factor 4 – for the Director to exercise discretion to deny institution.

Accordingly, Factor 4 weighs in favor of institution in view of the fact that there is no overlap between the issues in the Petition and those in the only action between the Petitioner and Patent Owner..

E. Factor 5 weighs slightly against denial: Petitioner is a declaratory judgment plaintiff in the parallel litigation.

Petitioner is the declaratory judgment plaintiff in the parallel DJ Action. That a petitioner and patent owner are engaged in parallel litigation is true regarding most IPR petitions, which makes this factor neutral. *See Apple Inc. v. Koss Corp.*, IPR2021-00255, Paper 22 at 19 (June 3, 2021) (finding factor neutral in view of the close proximity of the court's trial date to the projected deadline for a final written

decision and persuasive evidence that delays are possible); *see also NVIDIA Corp. v. Invensas Corp*., IPR2020-00603, Paper 11 at 23 (Sept. 3, 2020) (this factor weighs against discretionary denial where the district court trial and IPR final written decision are expected "around the same time").

Patent Owner argues further that Petitioner "directs and controls" the *DataBank* Action pursuant to contractual indemnification and that that relationship gives rise to RPI and estoppel considerations that weigh heavily in favor of discretionary denial under this factor. Paper 6 at 34–36. But "the Board has held repeatedly that an indemnification agreement, without something more, is insufficient to establish a RPI relationship." *ASSA ABLOY AB v. CPC Patent Techs. PTY, Ltd*., IPR2022-01094, Paper 19 at 24 (P.T.A.B. Feb. 2, 2023); *US Department of Justice v. Discovery Patents, LLC.*, IPR2016-01041, Paper 29 at 8 (P.T.A.B. Nov. 9, 2017); *Bae Sys. Info. & Elec. Sys. Integration, Inc. v. Cheetah Omni, LLC*, IPR2013-00175, Paper 20 at 4 (P.T.A.B. July 23, 2013); *see also Global Equity Management (SA) Party Ltd. v. eBay Inc.*, 798 F. App'x 616, 620 (Fed. Cir. 2020). Patent Owner's argument is unpersuasive as it provides no evidence of "something more."

Here, Petitioner's non-exclusive indemnification does not support an inference that the *DataBank* defendants (or any customers) have the opportunity or ability to control Petitioner's filing the petitioner or any subsequently instituted IPR

(they do not). *Luminex International Co., Ltd. v. Signify Holdings B.V.*, IPR2024-00101, Paper 20 at 11–13 (P.T.A.B. Nov. 21, 2024) (finding standard manufacturer-customer indemnification agreements do not give rise to RPI). According to the language of Petitioner's indemnification clauses, Petitioner "has the right to select counsel, direct and control the defense of the claims directed to Vertiv technology, and generally control settlement negotiations." Ex. 1016 at 6.

As in *Luminex*, Petitioner's indemnification obligations do not show that Petitioner filed its petition as a representative or at the behest of the *DataBank* Action defendants (or any other threatened customer). *Luminex*, IPR2024-00101, Paper 20 at 13. Moreover, Patent Owner provides no evidence otherwise. *Uniloc 2017 LLC v. Facebook Inc.*, 989 F.3d 1018, 1029 (Fed. Cir. 2021) ("where there is no evidence of control, joint funding, or "evidence of substantial coordination between the parties as to their respective decisions to bring these proceedings, a finding that [a petitioner] is [a real party in interest] . . . would be improper."). Petitioner filed its petition to pursue its own interests, and any benefits to the *DataBank* Action defendants (or any other customer) are derivative and insufficient to establish that Petitioner filed this IPR at their behest.

As to Petitioner's indemnity obligations in the *DataBank* Action, the indemnity provisions are limited to the *defense* of the infringement claims "directed *to Vertiv technology*." EX2007, 8 (emphasis added). Patent Owner's infringement

claims, however, are not limited to Vertiv products and technology. Rather, Patent Owner accuses DataBank and TierPoint of infringement based on their use of numerous other cooling systems, such as those provided by Trane, Automated Logic and others. *See generally* Ex. 1020 and Ex. 1021. As such, Petitioner's ability to "direct and control" the *DataBank* Action is not as broad and sweeping as Patent Owner contends—the DataBank and TierPoint defendants maintain the direction and control to defend against claims relating to cooling systems of other suppliers. Notably, Patent Owner asserts seven patents in the *DataBank* Action and Petitioner is one of at least *three* suppliers' whose products are referenced in Patent Owner's contentions against the DataBank and TierPoint defendants. *See, e.g.*, Ex. 1020 at exhibits 8–14 and Ex. 1021 at exhibits 8–14. Therefore, no privity exists between Petitioner and the *DataBank* Action defendants (as it relates to the instant petition) because (i) Patent Owner's claims involving other suppliers' equipment do not overlap with the claims involving Petitioner's equipment and (ii) Petitioner's indemnification does not provide it the ability to control the entirety of the *DataBank* Action. As a result, Patent Owner's estoppel concerns are not persuasive.

Additionally, Patent Owner ultimately *admits* Petitioner is not a party in the *DataBank* Action. Paper 6 at 34; *see Samsung Elecs. Am., Inc. v. Cobblestone Wireless LLC*, IPR2024-00315, Paper 14 at 10–11 (P.T.A.B. June 24, 2024) (factor

5 weighing against exercising discretionary denial where Petitioner was not a party to the related proceedings that involved the same challenges to the same patents).

Lastly, despite its protests, Patent Owner concedes that even if Petitioner did not properly include DataBank or TierPoint as RPI it "is not a likely basis to deny institution . . . because it does not implicate a time bar." Paper 6 at 38 n.16. Patent Owner's conjecture that Petitioner is "hid[ing] key facts . . . to get additional bites at the invalidity apple" is unpersuasive for the reasons discussed above.

F. Factor 6 strongly favors institution: The merits of the Petition are particularly strong.

The strong merits of the petition strongly favor instituting trial. *See, e.g.*, *TCL Electronics Holdings Ltd. v. Maxell, Ltd.*, IPR2025-00120, Paper 9 at 8–9 (P.T.A.B. May 20, 2025) ("[T]he Petition presents a particularly strong challenge on the merits, counseling against discretionary denial.").

Patent Owner does not substantively address the strength of the Petition and instead prospectively seeks to incorporate its upcoming POPR by reference relying on "Interim Process FAQ No. 25" as the basis for doing so.

Patent Owner served its POPR today and contemporaneous with Petitioner's present response brief. Petitioner cannot reasonably have been expected to assess any arguments contained in Patent Owner's POPR as it was served the same day as this brief. In the same FAQ, the Office notes that the parties may "the parties may refer to arguments made in the petition and cite to record evidence." *Id*. To the

extent the Director considers arguments made in Patent Owner's anticipated POPR with respect to the strength of the merits, Petitioner requests the opportunity to respond to such issues.[12]

G. The *Fintiv* factors, as a whole, favor institution.

In summary, each *Fintiv* factor is either neutral or weighs against denial:

Factor	Weight	Reason
1 (stay)	neutral	No evidence of stay
2 (trial gap)	against denial	Minimal gap as scheduled; procedural delays; court congestion on trial date will create delay
3 (investment)	against denial	Proceedings in early stages; no court order for the '287 patent; expeditious filing
4 (overlap)	strongly against denial	*Sotera* stipulation
5 (same party)	neutral	Petitioner is declaratory judgment plaintiff
6 (merits)	strongly against denial	Merits are strong

Because the *Fintiv* factors as a whole favor institution, the Director should not discretionarily deny institution under §314(a).

[12] Petitioner further asserts that the FAQ does not abrogate the regulation or authorize patent owners to incorporate arguments by reference. Instead, it merely permits patent owners to "direct attention to an anticipated POPR." Interim Process FAQ No. 25. Indeed, an agency website could never abrogate an agency rule, like 37 C.F.R. § 42.6(a)(3), that issued via Federal Register publication. *See Perez v. Mortg. Bankers Ass'n*, 575 U.S. 92, 101 (2015) (explaining that the definition of "rule making" in the APA "mandate[s] that agencies use the same procedures when they amend or repeal a rule as they used to issue the rule in the first instance"); 77 FR 48612 (Aug. 14, 2012) (publishing rule 37 C.F.R. 42.6, among others).

IV. Conclusion

For the above reasons, Petitioner respectfully requests that the Director refrain from exercising her discretion to deny this Petition, and instead pass it to a merits panel for consideration.

Respectfully submitted,

Dated: July 14, 2025

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CERTIFICATE OF COMPLIANCE

I hereby certify that this Response to Patent Owner's Request for Discretionary Denial complies with the word count limitation of 37 C.F.R. § 42.24(b) *et seq*, because the Response contains approximately 7,923 words, excluding the parts of the Response exempted by the type-volume limitation, which is less than 14,000 words. Counsel relies on the word count of the computer program used to prepare the response on July 14, 2025.

Dated: July 14, 2025 By: /*Timothy P. Maloney*/
Lead Counsel for Petitioner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **Petitioner's Response to Patent Owner's Discretionary Denial Brief** was served on July 14, 2025, by email:

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