

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE

AMERICAN AIRLINES, INC. and SOUTHWEST AIRLINES CO.,
Petitioner,

v.

INTELLECTUAL VENTURES I LLC,
Patent Owner.

IPR2025-00785 (Patent 7,257,582 B2)
IPR2025-00786 (Patent 7,949,785 B2)

Before COKE MORGAN STEWART, *Acting Under Secretary of
Commerce for Intellectual Property and Acting Director of the United States
Patent and Trademark Office.*

DECISION
Referring the Petitions to the Board

IPR2025-00785 (Patent 7,257,582 B2)

IPR2025-00786 (Patent 7,949,785 B2)

Intellectual Ventures I LLC (“Patent Owner”) filed a request for discretionary denial (Paper 6, “DD Req.”) in the above-captioned cases, and American Airlines, Inc. and Southwest Airlines Co. (collectively, “Petitioner”) filed an opposition (Paper 7, “DD Opp.”).¹ With authorization, Patent Owner filed a Reply (Paper 9, “DD Reply”), and Petitioner filed a Sur-reply (Paper 10, “DD Sur-reply”).

After considering the parties’ arguments and the record, and in view of all relevant considerations, discretionary denial of institution is not appropriate in these proceedings. This determination is based on the totality of the evidence and arguments the parties have presented.

Some considerations favor discretionary denial. For example, the challenged patents have been in force for approximately fourteen and eighteen years, creating strong settled expectations for Patent Owner. DD Req. 2. Furthermore, an *ex parte* reexamination request for one of the challenged patents is before the Office. DD Req. 4–10. It is not an efficient use of Office resources to review a patent in two separate, concurrent Office proceedings.

Other factors, however, weigh against discretionary denial. For example, the projected final written decision due date in these proceedings is November 9, 2026. DD Opp. 26–27. In the district court proceeding involving Southwest Airlines, Inc., in the Western District of Texas, the scheduled trial date is January 9, 2027, and time-to-trial statistics suggest trial could begin in August 2027. In the district court proceeding involving American Airlines, Inc., in the Eastern District of Texas, there is currently

¹ Citations are to papers in IPR2025-00785. The parties filed similar papers in IPR2025-00786.

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no scheduled trial date. *Id.* at 25–26. Furthermore, Petitioner provides evidence that there has been little investment in the district court proceedings. *Id.* at 26–27; DD Req. 26–27. As such, it is likely that a final written decision in this proceeding will issue before a district court trial occurs, reducing the concern of inconsistent outcomes or significant duplication of efforts.

Additionally, Petitioner explains that Patent Owner recently amended its complaint in the parallel district court proceeding to assert a total of twelve different patents spanning at least six families with a diverse range of subject matter. DD Opp. 18–19; DD Sur-reply 1–4. Although Patent Owner argues that six of the asserted patents involve only two technology areas (DD Reply 1–2), the challenged patents appear to be directed to a diverse range of subject matter (*e.g.*, Internet hotspots, distributed networking, transceiver operation, computer clusters) (DD Sur-reply 1–4). The large number and wide scope of the patents asserted in the district court litigation weighs against discretionary denial, as the Board is better suited to review a large number of patents involving diverse subject matter. *See Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 9 at 2–3 (Director June 13, 2025). Furthermore, Petitioner persuasively argues that discretionary denial under 35 U.S.C. § 325(d) is not appropriate in IPR2025-00786.

Although certain arguments are highlighted above, the determination to exercise discretion to deny institution is based on a holistic assessment of all of the evidence and arguments presented. Accordingly, the Petitions are referred to the Board to handle the cases in the normal course, including by issuing a decision on institution addressing the merits and other non-discretionary considerations, as appropriate.

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If the Board determines that the Petition warrants institution of *inter partes* review, and a reexamination is ordered, the Board shall stay the reexamination proceeding to avoid duplication of efforts within the Office.

In consideration of the foregoing, it is:

ORDERED that Patent Owner's request for discretionary denial is *denied*;

FURTHER ORDERED that the Petitions are referred to the Board;
and

FURTHER ORDERED that neither party shall file a request for rehearing or Director Review of this decision until the Board issues a decision on institution.

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