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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FRESH PRODUCTS, LLC
Petitioner

v.

SANASTAR, INC., d/b/a WIZKID PRODUCTS
Patent Owner

IPR2025-01339
Patent 10,036,154

**PETITIONER'S OPPOSITION TO PATENT OWNER'S
MOTION FOR DISCRETIONARY DENIAL**

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Exhibit No.	Description
1001	U.S. Patent No. 10,036,154 (“the ’154 Patent”)
1002	Sanastar District Court Complaint dated March 3, 2025, in <i>Sanastar, Inc. d/b/a/ WizKidProducts v. Fresh Products, LLC</i> , No. 3:25-cv-00418 (N.D. Ohio)
1003	Declaration of Randy Hurd, Ph.D.
1004	Certified English Translation of Japanese Publication No. JPS 60-190865 to Fushimi (“Fushimi”)
1005	United States Patent No. 10,145,098 to Brown, et al. (“Brown ’098”)
1006	United States Patent No. 9,243,394 to Brown, et al. (“Brown ’394”)
1007	United States Patent Application Publication No. 2005/0144711 to Valadez, et al. (“Valadez”)
1008	United States Patent Application Publication No. 2007/0044221 to Wise (“Wise”)
1009	United States Patent Application Publication No. 2014/0075663 to Irwin, et al. (“Irwin”)
1010	United States Patent Application Publication No. 2009/0070923 to Ruedas (“Ruedas”)
1011	United States Patent No. 6,055,681 to Lyons (“Lyons”)
1012	United States Patent No. 5,809,590 to Williams, et al. (“Williams”)
1013	United States Patent No. 7,398,565 to Chou (“Chou”)

Exhibit No.	Description
1014	United States Patent No. 3,170,169 to Clark (“Clark”)
1015	United States Patent No. 639,628 to Thomsen (“Thomsen”)
1016	United States Patent No. 3,559,353 to Partridge (“Partridge”)
1017	United States Patent No. 7,886,958 to Smith (“Smith”)
1018	United States Patent No. 3,599,677 to O’Brien (“O’Brien”)
1019	United States Patent No. 4,615,926 to Hsu (“Hsu”)
1020	United States Patent No. 5,665,439 to Andersen (“Andersen”)
1021	Kota, Sridhar, and G. K. Ananthasuresh. "Designing compliant mechanisms." Mechanical Engineering-CIME 117.11 (1995): 93-97. (“Kota”)
1022	British Plastics Federation, <i>Ethylene Vinyl Acetate (EVA)</i> , https://www.bpf.co.uk/plastipedia/polymers/EVA.aspx (last accessed July 22, 2025)
1023	Translation Certificate for Japanese Publication No. JPS 60-190865 to Fushimi
1024	Japanese Publication No. JPS 60-190865 to Fushimi
1025	January 14, 2021 Notice of Termination of Agreement
1026	June 24, 2024 Letter from Petitioner to PO
1027	Joint Status Report in Case No. 3:25-CV-418, ECF 25 (N.D. Ohio June 30, 2025)
1028	Order Granting-In-Part Petitioner’s Motion to Stay in Case No. 3:25-CV-418, ECF 29 (N.D. Ohio Oct. 17, 2025)
1029	Order Requiring Interim Schedule in Case No. 3:25-CV-418, ECF 30 (N.D. Ohio Oct. 17, 2025)

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Exhibit No.	Description
1030	Declaration of Jeffrey A. Smith
1031	Docket Navigator N.D. Ohio Time-to-Trial Statistics
1032	Declaration of Edward A. Schlatter
1033	U.S. Patent No. 10,145,098
1034	U.S. Design Patent D778,411

I. INTRODUCTION

Discretionary denial of this Petition is unwarranted for multiple reasons. First, *inter partes* review of the challenged '154 patent would correct an error made during prosecution. The '154 patent is directed to a urinal anti-splash device that covers the back wall and the drain of a urinal. However, in granting the '154 patent, the patent examiner overlooked prior art that clearly discloses the alleged invention. Fushimi, which predates the '154 patent by **30 years**, discloses a urinal anti-splash device covering both the back wall and the drain of a urinal. Fushimi further discloses that its device is capable of being “bent freely.” Ex. 1004. The strong merits thus weigh against discretionary denial.

The parties' previous interactions also weigh against discretionary denial. PO mischaracterizes those prior interactions and makes numerous factual assertions that are unsupported—and often contradicted—by the evidence. For example, PO alleges that Petitioner is “violating a contractual duty” by challenging the '154 patent. But PO relies upon a manufacturing contract that was terminated years ago. Ex. 1025. PO also relies upon the prior manufacturing relationship between Petitioner and PO to suggest that Petitioner should have raised this challenge sooner. However, PO ignores that Petitioner manufactured a product for PO that was rooted

in *Petitioner's* earlier-patented technology. Petitioner thus had no reason during that period to challenge PO's patents.

Indeed, any expectations in this case favor Petitioner, not PO. In June 2024, after receiving a cease-and-desist letter from PO, Petitioner identified Fushimi to PO and explained that the '154 patent is invalid. Ex. 1026. In its June 2024 letter, Petitioner notified PO of the availability of *inter partes* review. *Id.* PO never responded. PO's silence led Petitioner to believe that PO had accepted the invalidity of the challenged patent. Over eight months later, in March 2025, still having never acknowledged Fushimi or disputed Petitioner's strong case of invalidity based thereon, PO filed a district court complaint against Petitioner. PO now claims that it had settled expectations that its patents would not be challenged. But that's not true. Petitioner provided explicit notice it would seek *inter partes* review if the parties were unable to resolve their dispute outside of litigation.

Finally, the early stage of the parallel district court litigation weighs in favor of institution. The parties have not exchanged contentions, the claim construction process has not begun, no expert discovery has occurred, and no trial date is set. Indeed, the district court has instructed PO and Petitioner to proceed "cautiously" and "on a relaxed case schedule ... while we wait for resolution of the IPRs." Ex.

1028. *Inter partes* review of the '154 patent would therefore conserve judicial resources

For these reasons and as explained in further detail below, review of the '154 patent would be an appropriate and worthwhile use of the Board's resources. Petitioner requests that the Director decline PO's request for discretionary denial.¹

¹ PO's motion should also be disregarded because it violates the Patent Office's regulations and effectively exceeds the 20-page limit. 37 C.F.R. § 42.6(a)(2)(iii) prohibits single-spacing, yet PO's motion includes substantial single-spaced text. Paper 7 at 2-3, 9-10, 16. The Board has cautioned that all documents "***must comply*** with 37 C.F.R. §§ 42.6(a)(2)(ii), (iii)" and "***strict attention*** should be given to the mandated word count." *Dish Network Corp. v. Customedia Techs., L.L.C.*, CBM2017-00031, Paper 10 at 2, n.1 (PTAB July 18, 2017) (emphasis added). It is appropriate to disregard non-compliant arguments. *See Parus Holdings, Inc. v. Google LLC*, 70 F.4th 1365, 1369-73 (Fed. Cir. 2023) (refusing to consider arguments that failed to comply with 37 C.F.R. § 42.6 and explaining "***there are compelling reasons why these USPTO regulations exist***") (emphasis added).

II. **FACTUAL BACKGROUND**

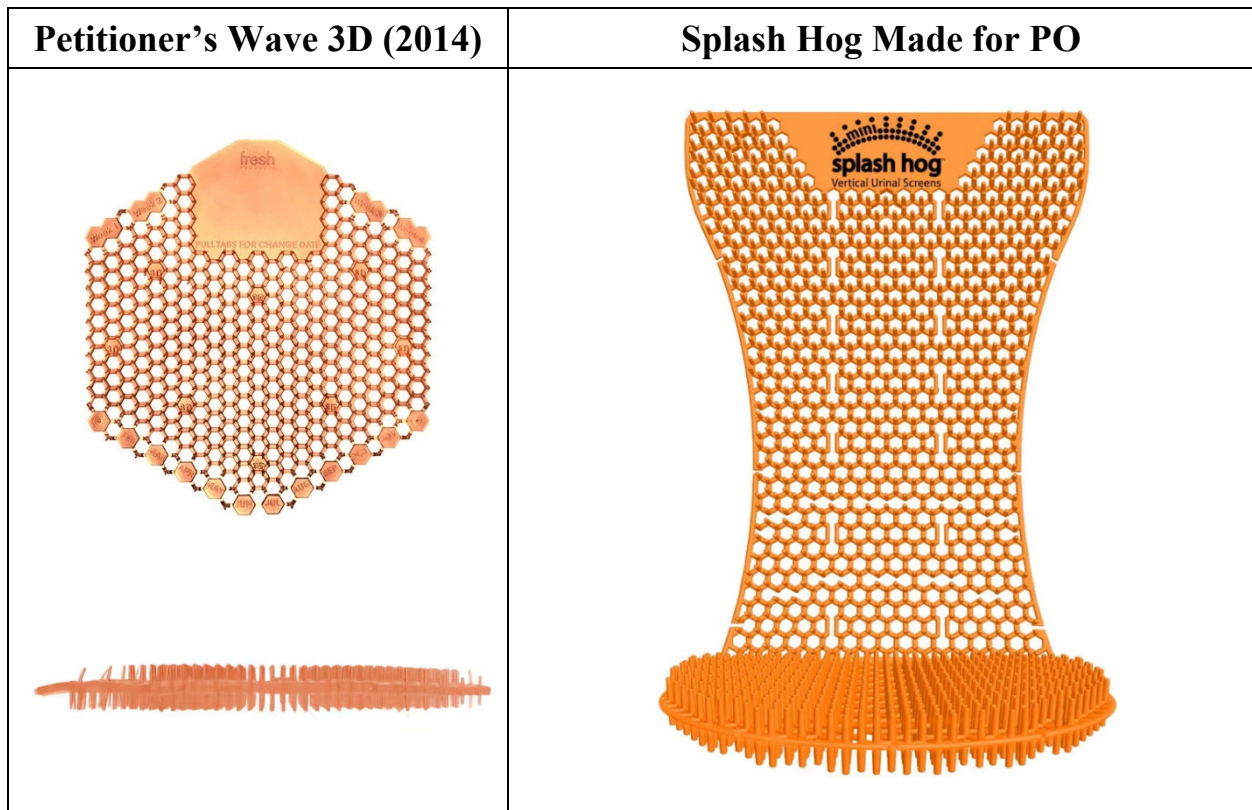
Petitioner Fresh Products manufactures and sells odor control and restroom hygiene products, including urinal screens. In 2014, Petitioner developed its innovative Wave 3D urinal screen, which is protected by numerous U.S. patents predating the '154 patent. *See, e.g.*, Exs. 1033, 1034; Ex. 1030, ¶¶ 3-7. The Wave 3D has been highly successful commercially. Ex. 1030, ¶ 3.

Since its founding in 1971, Petitioner has manufactured its products in the United States. Ex. 1030, ¶ 8. To that end, Petitioner has built extensive manufacturing operations in Toledo, Ohio and has developed decades of domestic manufacturing expertise. *Id.*

In August 2015, PO contacted Petitioner and requested that Petitioner manufacture PO's "Splash Hog" urinal screen. Ex. 2002, ¶ 29. PO had previously relied on manufacturers in China. *Id.* Given Petitioner's manufacturing experience and existing urinal screen manufacturing operations, Petitioner agreed to manufacture a urinal screen for PO. Petitioner and PO signed a formal manufacturing agreement in 2016 (Ex. 2003), which was replaced in 2018 with a revised agreement (Ex. 2001).

Petitioner developed the tooling (*i.e.*, mold) to manufacture PO's Splash Hog. Ex. 1030, ¶¶ 11-13. Because Petitioner's Wave 3D was so successful, Petitioner

incorporated the Wave 3D's earlier-patented design into the design of the Splash Hog it manufactured for PO. *Id.* A comparison of the Wave 3D and a Splash Hog Petitioner made for PO is shown below.



The design of both the Wave 3D and the Splash Hog made by Petitioner is substantially different from PO's initial design as depicted in the '154 patent. *See* Ex. 1001, Figs. 1-7.

In early 2021, PO switched to another manufacturer. Petitioner then notified PO that it was terminating the 2018 manufacturing agreement, as was its right under the agreement. Ex. 1025.

In 2023, Petitioner released its Tsunami urinal screen. Ex. 1030, ¶ 16. Petitioner incorporated its earlier Wave 3D design into the design of the Tsunami. *Id.*

On October 26, 2023, PO sent Petitioner a cease-and-desist letter in which PO alleged that Petitioner's Tsunami product infringes the '154 patent and the related '649 patent. Ex. 2004. Although PO included its October 26, 2023 letter as an exhibit (Ex. 2004) to its Motion for Discretionary Denial, PO did *not* include or even mention Petitioner's response. After a series of back-and-forth communications, Petitioner sent PO a letter on June 24, 2024, in which Petitioner explained to PO that the '154 patent (and the related '649 patent) were invalid in view of Fushimi. Ex. 1026. Petitioner further explained in the letter that it was "***confident that it could have WizKids patents invalidated through Inter Partes Review of the patents.***" *Id.* (emphasis added).

PO never responded to Petitioner's June 2024 letter. Instead, in March 2025, after over eight months of silence, PO sued Petitioner in district court, alleging patent infringement. Petitioner thereafter promptly filed this Petition in July 2025, before the parties or district court began any substantive efforts in the litigation.

III. DISCRETIONARY DENIAL IS NOT WARRANTED

Discretionary denial is unwarranted in this case because (A) the *Fintiv* factors favor institution and (B) any settled expectations here favor Petitioner—not Patent Owner.

A. The *Fintiv* Factors Favor Institution

1. *Fintiv* Factor 1: District Court Litigation Will Likely Be Stayed

Where the parallel district court litigation is stayed or likely to be stayed, this factor weighs against discretionary denial and in favor of institution. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 6-9 (PTAB Mar. 20, 2020). Petitioner filed a motion to stay the district court proceeding just days after filing the IPR Petition. *See* Ex. 1028. Petitioner and PO agreed to stay “all case deadlines” pending resolution of Petitioner’s motion to stay. Ex. 1027.

On October 17, 2025, the district court granted-in-part Petitioner’s motion to stay. Ex. 1028. The district court ordered the parties to proceed “cautiously” and “on a relaxed case schedule ... while we wait for resolution of the IPRs.” *Id.* The district court thus instructed the parties to propose an “interim schedule” until March 1, 2026. Ex. 1029.

After the interim period ending March 1, 2026, the district court is likely to grant an extended stay if the IPRs are instituted. The court regularly grants stays

pending IPR and other PTAB proceedings. *See Fast Felt Corp. v. Owens Corning Roofing and Asphalt, LLC*, No. 3:14-cv-803, ECF 142 (N.D. Ohio Oct. 18, 2017) (case stayed pending IPR “in the interest of judicial efficiency and economy”); *Custom Seal, Inc. v. FlashCo Mfg., Inc.*, No. 3:11-cv-537, ECF 37 (N.D. Ohio Dec. 13, 2011) (“The case shall be stayed while the USPTO considers the Reexamination Requests ... If the Requests are granted, the Stay shall continue until a final decision on the patentability of these patents has been reached by the USPTO”). This factor thus weighs against discretionary denial and in favor of institution.

2. *Fintiv* Factor 2: A Final Written Decision Would Occur Well Before a District Court Trial

PO acknowledges that this factor weighs against discretionary denial. Paper 7 at 11 (“At best, this factor weighs slightly against denial of institution.”). PO is correct that this factor weighs against discretionary denial because a final written decision would occur well before a district court trial.

The Petition was accorded an August 5, 2025 filing date. Thus, a decision on whether to institute *inter partes* review would occur no later than February 5, 2026. If instituted, a final written decision would occur no later than February 5, 2027.

The district court proceeding is in its beginning stages, with no trial date set and the entire case ahead of the parties. Time-to-trial statistics indicate that the average time from filing to trial is 35 months. Ex. 1031. A trial would thus be

expected to occur in early 2028, *roughly a year after a final written decision*. This factor thus weighs against discretionary denial and in favor of institution.

3. *Fintiv* Factor 3: The Parties Have Not Invested in the District Court Litigation

Where the parties and district court have invested little in the district court litigation, this factor weighs against discretionary denial. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 9-12 (PTAB Mar. 20, 2020). For example, where the “district court proceeding [is] in its early stages, with no claim constructions having been determined,” this fact weighs against exercising discretion to deny institution. *Id.* at 10, n.18 (citing *Facebook, Inc. v. Search and Social Media Partners, LLC*, IPR2018-01620, Paper 8 at 24 (PTAB Mar. 1, 2019)).

Here, there has been minimal investment in the district court litigation. No trial date is set, the parties have not exchanged contentions, the claim construction process has not begun, and no expert discovery has occurred.²

² The parties have agreed to exchange infringement contentions as follows: PO’s Infringement Contentions on November 24, 2025, Petitioner’s Noninfringement Contentions on December 23, 2025, Petitioner’s Invalidity Contentions on February 27, 2026, and PO’s Validity Contentions on March 23, 2026.

PO claims that “the litigation is active” and blames Petitioner for “attempt[ing] to delay the underlying litigation at every turn.” Paper 7 at 11-12. But PO ignores that the parties agreed—pursuant to PO’s proposal—to delay “*all case deadlines*” pending resolution of Petitioner’s motion to stay the district court case. Ex. 1027 (emphasis added). PO cannot attribute such delays to Petitioner.

Because the parties and court have invested only minimally in the district court litigation, this factor weighs against discretionary denial and in favor of institution.

4. *Fintiv* Factor 4: Overlap Between Issues Raised in the Petition and in the District Court

“[I]f the petition includes materially different grounds, arguments, and/or evidence than those presented in the district court, this fact has tended to weigh against exercising discretion to deny institution” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 12-13 (PTAB Mar. 20, 2020).

As discussed above, PO has not yet served infringement contentions in the district court proceeding, and Petitioner has therefore not yet served invalidity contentions. There can be no overlap of invalidity “grounds, arguments, and/or evidence” where Petitioner has not yet had a chance to raise its grounds, arguments, and/or evidence in the district court proceeding. Moreover, Petitioner hereby stipulates that it will not assert in the district court proceeding that the challenged

claims are invalid based on any ground raised or that could have reasonably been raised in this Petition if instituted. Thus, there will be no overlap of invalidity issues between the district court action and the IPR. *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020).

As explained above, if the IPR is instituted, the district court will likely grant a stay. Such a schedule would further avoid the risk of the PTAB and district court reaching conflicting decisions.

This factor thus weighs against discretionary denial and in favor of institution.

5. *Fintiv* Factor 5: The Petitioner and the Defendant Are the Same Party

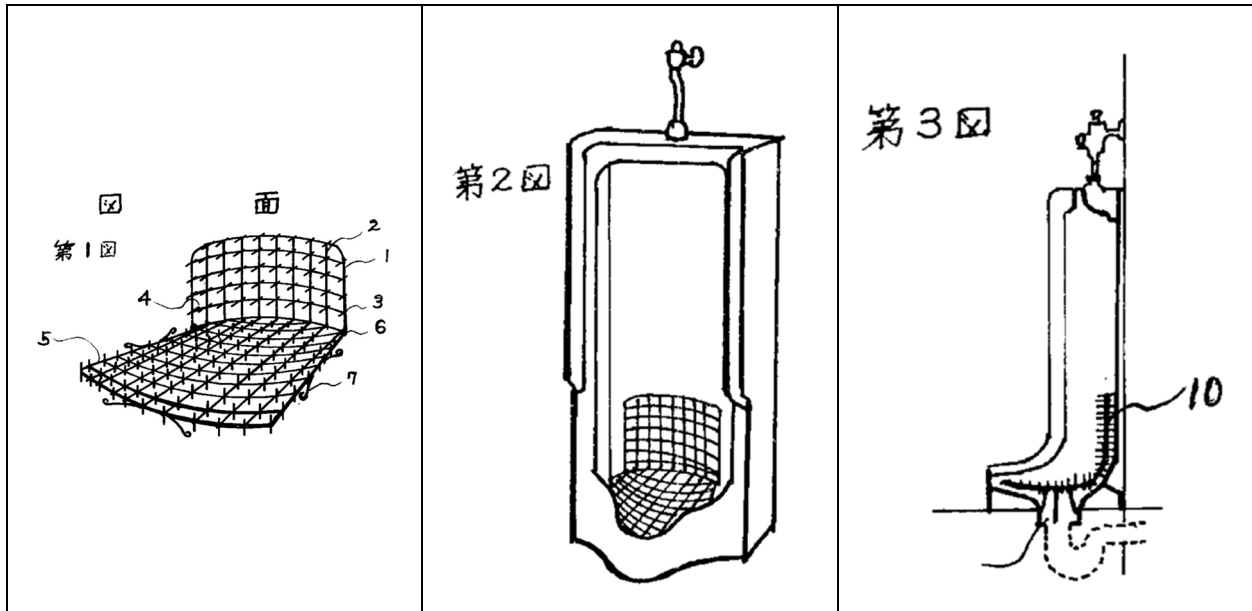
If a petitioner is unrelated to a defendant in a parallel proceeding, the Board may weigh this fact against exercising discretion to deny institution. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 13-14 (PTAB Mar. 20, 2020). Here, Petitioner Fresh Products acknowledges it is the defendant in the district court case. This factor is therefore neutral.

6. *Fintiv* Factor 6: Other Circumstances Warranting Consideration

Other circumstances warrant consideration and weigh in favor of institution. Specifically, the Petition's strong merits favor institution. "[I]f the merits of a ground raised in the petition seem particularly strong on the preliminary record, this

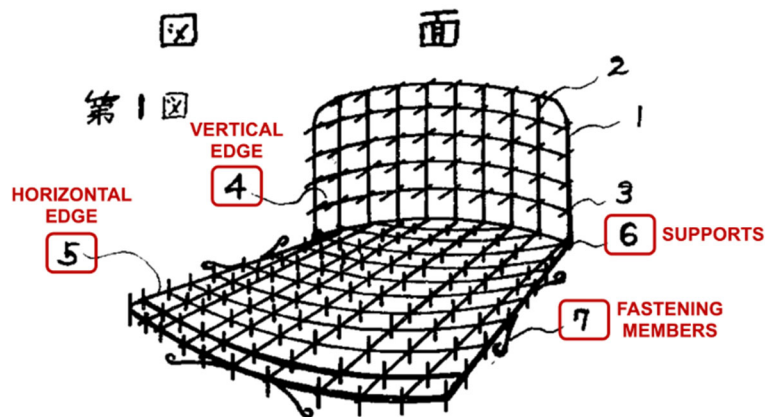
fact has favored institution.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 14-16 (PTAB Mar. 20, 2020); *Illumina, Inc. v. Natera, Inc.*, IPR2019-01201, Paper 19 at 8 (PTAB Dec. 18, 2019) (instituting where “the strength of the merits outweigh relatively weaker countervailing considerations of efficiency”).

The merits of the present Petition are particularly strong because it raises prior art that (1) was not before the Examiner during prosecution and (2) negates the alleged novelty of the challenged patent. *See, e.g., Samsung Elecs. Co., Ltd. v. Celect, LLC*, IPR2020-00475, Paper 15 at 9-17 (P.T.A.B. Aug. 18, 2020) (declining to exercise discretion where petition relied on art not before the PTO in a majority of asserted grounds). The challenged patent alleges that “known devices designed to be placed within urinals ... ***do not allow the user the option of covering both the back wall and the drain*** to prevent the urine from splashing onto the user from a maximum surface area of the urinal.” Ex. 1001, 1:31-37 (emphasis added). But that statement is inaccurate. Fushimi (Ex. 1005), the primary reference raised in the Petition, disclosed such a device in 1985—over 30 years before the challenged patent was filed. As shown below, Fushimi clearly disclosed a device covering both the back wall and the drain of the urinal.



Ex. 1004, Figs. 1, 2, and 3.

PO's sole response to the Petition's merits is that "for Fujimi [sic] to anticipate the claimed invention, Fujimi's [sic] L-shaped frame would have to be able to bend." Paper 7 at 18. As an initial matter, PO ignores that the Petition raises obviousness grounds, not anticipation. Paper 1 at 11-12. Regardless, Fushimi *does* teach that its L-shaped frame is able to bend. Fushimi teaches that its "vertical edge" and "bottom edge" of the "L-shaped frame" are "supported by supports (6)" that can be "*bent freely to make it easy to handle.*" Ex. 1004 at 2 (emphasis added).



Ex. 1004, Fig. 1 (annotated).

PO argues that “[i]t is not the ‘L-shaped frame’ that can be ‘bent freely,’ as Fresh Products alleges, but it is, instead, ‘supports’ that hold the mat inside the urinal.” Paper 7 at 18. PO conflates “supports (6)” with “fastening members (7).” Contrary to PO’s mischaracterization, Fushimi discloses that fastening members (7) “hold the mat inside the urinal” while *supports (6)* can either hold the vertical and bottom edges in place, or “be detached and *bent freely*” Ex. 1004 at 2 (emphasis added).

Accordingly, the Petition’s strong merits provide another consideration favoring institution.

B. Settled Expectations Here Favor Petitioner—Not Patent Owner

1. Petitioner Notified PO that the Challenged Patent Is Invalid and PO Never Responded

PO alleges that “Fresh Products’ Conduct Undermines the Settled Expectations of the Patent Owner and Violates Express Contractual Commitments.”

Paper 7 at 13-16. However, PO makes numerous misrepresentations and omissions regarding the parties' prior interactions. The relevant history shows that PO did not have settled expectations because Petitioner told PO that its patents were invalid and that Petitioner may seek *inter partes* review. If anything, PO's conduct gave Petitioner the expectation that PO would not enforce the challenged patent against Petitioner.

PO asserts that its "expectations were clearly settled long ago" because it "had two patents that issued in 2018 and 2019." Paper 7 at 14. PO faults Petitioner for not challenging the patents sooner, mischaracterizing the Petition as "a calculated delay strategy." *Id.* at 16. But from 2016 to 2021 Petitioner manufactured a urinal screen for PO based primarily on *Petitioner's* earlier-patented technology. Petitioner thus had no reason during that period to challenge PO's patents.

Moreover, contrary to PO's accusations of delay, Petitioner notified PO over a year ago that the challenged patent was invalid. As explained above, Petitioner sent PO a letter on June 24, 2024, in which Petitioner explained to PO that the '154 patent is invalid in view of Fushimi. Ex. 1026. Petitioner also stated that it was "***confident that it could have WizKids patents invalidated through Inter Partes Review of the patents.***" *Id.* PO could not possibly have had settled expectations that its patents would not be challenged given Petitioner's statement.

PO never responded to Petitioner’s June 2024 letter. Ex. 1032, ¶ 6. PO’s failure to respond led Petitioner to believe that PO had likely accepted that the patents are invalid, thereby causing Petitioner to expect that it would not be faced with enforcement of such patents. Ex. 1030, ¶ 17. Petitioner’s reasonable expectation—that PO’s failure to respond regarding Fushimi suggested PO would not enforce the patents against Petitioner—weighs against discretionary denial. *See Apple Inc. v. Ferid Allani*, IPR2025-00856, Paper 10 (PTAB Sept. 4, 2025) (holding that discretionary denial was not appropriate where Petitioner “did not expect enforcement” and had “advised Patent Owner of its position”).

In March 2025, after many months of silence, PO sued Petitioner in district court. Contrary to Petitioner’s expectations, PO asserted the ’154 patent and the ’649 patent against Petitioner.

Petitioner thus promptly prepared its IPR Petitions and filed them in July 2025, before the parties or court began any substantive efforts in the district court litigation. In both Petitions, Petitioner relied primarily on Fushimi—the same reference that Petitioner had identified in its June 2024 letter and that PO had refused to acknowledge. Accordingly, the Petition does not seek to disturb any settled expectations held by PO but rather is consistent with Petitioner’s earlier explanation to PO that the challenged patent is invalid and would be challenged.

2. **Petitioner's IPR Challenge Does Not Violate Any Contractual Duty**

PO repeatedly suggests that Petitioner is “violating a contractual duty” by challenging the validity of PO’s patents. Paper 7 at 2, 13, 15-16, 19-20. Not so. PO relies on a 2018 Manufacturing Agreement between PO and Petitioner (Ex. 2001), wherein each party agreed not to “interfere with” or “challenge” the other party’s intellectual property rights. Ex. 2001 at § 14.2.

However, the 2018 Manufacturing Agreement expressly stated that the “Term of this Agreement ... shall continue *until either party gives Notice of Termination.*” Ex. 2001 at § 1 (emphasis added). Petitioner gave PO notice of termination on January 14, 2021. Ex. 1025. Thus, any contractual duty to not challenge the validity of PO’s patents ceased in 2021. *See M & G Polymers USA, LLC v. Tackett*, 574 U.S. 427, 429 (2015) (noting that “contractual obligations will cease, in the ordinary course, upon termination of the bargaining agreement”). This is particularly clear where the parties expressly agreed that *other* provisions of the agreement survived termination. *See id.* at § 9 (“The obligations set forth in this Article 9 [Confidentiality] shall survive termination of this Agreement.”).

Moreover, a lifelong agreement not to challenge patent validity would be unenforceable. *Rates Technology, Inc. v. Speakeasy, Inc.*, 685 F.3d 163, 171-172 (2nd Cir. 2012) (holding a no-challenge clause unenforceable under *Lear, Inc. v.*

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Adkins, 395 U.S. 653 (1969)); *Massillon-Cleveland-Akron Sign Co. v. Golden State Advertising Co.*, 444 F.2d 425 (9th Cir. 1971) (same).

Accordingly, the terminated 2018 Manufacturing Agreement does not give PO settled expectations that its patents are forever immune from being challenged.

3. Settled Expectations Are Not Appropriate Grounds to Deny Institution

Even if PO had settled expectations—which to be clear, it does not—that would not provide a proper basis to deny institution. For twelve years after the AIA's enactment, the PTO instituted IPRs against patents of all ages, including expired patents. *See, e.g., Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC*, IPR2012-00001, Paper 15 (P.T.A.B. Jan 9, 2013) (instituting IPR on eight-year-old patent); *Amazon.com, Inc. v. Personalized Media Commc 'ns, LLC*, IPR2014-01527, Paper 7 (P.T.A.B. Mar. 26, 2015) (instituting IPR on fifteen-year-old patent); *Apple, Inc. v. Gesture Tech. Partners, LLC*, IPR2021-00922, Paper 10 (P.T.A.B. Nov. 29, 2021) (instituting IPR on expired patent) *aff'd*, 127 F.4th 364 (Fed. Cir. 2025). As recently as 2020, the Board rejected the argument that “reliance on a patent is a proper basis for denying a petitioner the ability to challenge [patentability].” *Microsoft Corp. v. Dareltech, LLC*, IPR2020-00483, Paper 11 at 13 (P.T.A.B. Sept. 16, 2020)

The recently applied “settled expectations” standard, which is largely based the age of a patent, should not be employed here for numerous reasons. Initially,

doing so would violate the Administrative Procedure Act (“APA”). The standard is not in accordance with law because patent owners have no expectation that their patents will be immune from challenges at the PTO. *Celgene Corp. v. Peter*, 931 F.3d 1342, 1361-62 (Fed. Cir. 2019). Moreover, setting a time limit based on the issuance date of a patent relies “on factors which Congress had not intended it to consider.” 5 U.S.C. §706(2)(A); *Motor Vehicle Mfrs. Ass’n of U.S., Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43 (1983). In the AIA, Congress set the “filing deadline” for IPRs as the *later* of “9 months after the grant of a patent” or the date of termination of any PGR. 35 U.S.C. §311(c). Congress also barred institution of an IPR filed more than one year after service of a patent infringement lawsuit. 35 U.S.C. §315(b). Congress knew how to create time-based deadlines for filing IPRs, and did not set a limit based on the age of a patent. The settled-expectations standard therefore rests on a deadline Congress itself declined to set. It is therefore beyond the authority granted by the AIA, and not a valid basis to avoid institution of an IPR.

Such a standard is particularly inappropriate here. When Petitioners received PO’s cease-and-desist letter in 2023, the ’154 patent was just five years old. Rather than immediately petition for a potentially unnecessary IPR, Petitioner attempted to resolve the issue without resort to adversarial proceedings. Petitioner informed PO of the invalidating prior art and indicated it would seek an IPR if the matter was not

resolved. Petitioners reasonably relied upon PO's silence to conclude the matter was resolved and it would not need to file an IPR. Ex. 1030, ¶ 17. Now that PO changed course and filed suit, Petitioner is entitled to seek an IPR to invalidate the '154 patent just as Petitioner told PO it would do in 2024 before PO went silent. Petitioner was entitled to rely on the PTO's longstanding policy of instituting IPRs filed within one year of a lawsuit regardless of a patent's age.

IV. CONCLUSION

For the reasons described above, Petitioner respectfully requests the Director decline PO's motion for discretionary denial.

Respectfully submitted,

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Dated: October 29, 2025

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CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. §§ 42.24(d), the undersigned certifies that this **PETITIONER'S OPPOSITION TO PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** contains 3,928 words after excluding the parts exempted according to the word count feature of Microsoft Word.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the date below a copy of this **PETITIONER'S OPPOSITION TO PATENT OWNER'S MOTION FOR DISCRETIONARY DENIAL** was served by email on the Patent Owner at the correspondence address of record for the subject patent as follows:

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