

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FOLEON INC.,

Petitioner

v.

TURTL SURF & IMMERSE LIMITED

Patent Owner

IPR2025-01525

Patent No. 12,118,290

PETITIONER'S REQUEST FOR DIRECTOR REVIEW

OF INSTITUTION DECISION

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I. INTRODUCTION

Petitioner, Foleon Inc. (“Foleon” or “Petitioner”) requests Director Review under 37 C.F.R. §42.75 of the Director’s Notice of Decisions on Institution (Paper 7, “Institution Decision”) denying institution of the Petition challenging the claims of U.S. Patent No. 12,118,290 (the ’290 patent) only to the extent the Institution Decision does not construe Patent Owner’s Preliminary Response to be a request for adverse judgement pursuant to 37 C.F.R. §42.73(b). In addition, or in the alternative, Petitioner requests reconsideration of the Board’s denial (EX3001) of Petitioner’s request for authorization to file a Motion for Adverse Judgment as a result of Patent Owner’s Preliminary Response properly construed as a request to enter adverse judgment pursuant to 37 C.F.R. §42.73(b).

Specifically, Petitioner requests that the Director modify or amend the Decision to include an entry of adverse judgement against Patent Owner, Turtl Surf & Immerse Limited (“Turtl”), who disclaimed all claims of the ’290 patent (*see* Paper 6) and, thereby, requested entry of adverse judgement by operation of 37 C.F.R. §42.73(b).

Entry of adverse judgement is appropriate to ensure that the estoppel provisions of 37 C.F.R. § 42.73(d)(3) apply. Without entry of adverse judgement, Turtl may inappropriately attempt escape the effect of its disclaimer and, through pending continuation applications, recapture the disclaimed scope. In the alternative,

Petitioner requests that the Director grant Petitioner's request for authorization to file a Motion for Adverse Judgment.

II. THE DIRECTOR SHOULD ENTER ADVERSE JUDGMENT AGAINST PAETENT OWNER

On January 28, 2026, Turtl filed its preliminary response to Foleon's petition challenging claims 1-18 of U.S. Patent No. 12,118,290 ("the '290 patent"). Paper 6. In the preliminary response, Turtl informed the Board that it had disclaimed claims 1-18 and requested that institution be denied as moot. *Id.* Separately, Patent Owner filed a continuation claiming priority to the '290 patent on September 17, 2024, Serial No. 18/887,157, which remains pending.

On February 4, 2023, Petitioner emailed the Board requesting authorization to file a Motion for Adverse Judgment. EX3001. On February 18, 2026, the Director discretionarily denied institution of the petition. Paper 7. On February 25, 2026, the Board denied Petitioner's request for authorization as moot. EX3001.

Petitioner respectfully requests that the Director amend the Decision to include or separately order entry of adverse judgment. Under 37 C.F.R. § 42.73(b), "[a]ctions *construed to be* a request for adverse judgment include: (1) [d]isclaimer of the involved application or patent," "(2) [c]ancellation or disclaimer of a claim such that the party has no remaining claim in the trial," and "(4) [a]bandonment of the contest," all of which have occurred here. *Id.*, (emphasis added). This language

is not permissive; it is mandatory. The Federal Circuit has explained that “[t]he application of [37 C.F.R. §42.73(b)] does not on its face turn on the patentee’s characterization of its own request, and such a construction would make no sense.” *Arthrex, Inc. v. Smith & Nephew, Inc.*, 880 F.3d 1345, 1349 (Fed. Cir. 2018) (affirming Board entry of adverse judgment pursuant to 37 C.F.R. §42.73(b) after patent owner disclaimed all challenged claims prior to institution).

Adverse judgment is appropriate because the facts here align with those in *Smith & Nephew, Inc. v. Arthrex, Inc.*, IPR2016-00917, Paper 12 (PTAB Sept. 21, 2015), *aff’d sub nom Arthrex, Inc. v. Smith & Nephew, Inc.*, 880 F.3d 1345 (Fed. Cir. 2018), where the Board entered adverse judgment against a patent owner during the pre-institution phase of an *inter partes* review. Indeed, the Board has recently entered adverse judgment in the pre-institution phase, after patent owner statutorily disclaimed all claims of the challenged patent and despite patent owner’s opposition to entry of adverse judgment. *See Amgen, Inc. v. Bristol-Meyers Squibb Co.*, IPR2025-00603, paper 14 (PTAB) (Oct. 1, 2025). Notably

Like *Amgen* and *Smith & Nephew*, here the Patent Owner is currently pursuing at least one claim through a pending continuation application (No. 18/887,157 (“the ’157 continuation application)) that is patentably indistinct from a disclaimed claim of the ’290 patent. As illustrated below, claim 10 of the ’290 patent is patentably indistinct from currently pending claim 2 of the ’157 continuation application.

Although the words are not identical, the '157 continuation application is directed to substantially the same features.

'290 patent, Claim 10	'157 Continuation Application, Claim 2
10. A computer-implemented method for creating an interactive document, comprising:	2. A computer-implemented method for creating an interactive document, comprising:
(a) generating an interactive document comprising one or more modular items, wherein the one or more modular items are pulled from a master document based at least in part on one or more personalization parameters, and wherein the interactive document comprises a tracking feature to collect data indicative of user interaction with the interactive document;	(a) setting, via a first graphical user interface (GUI), a rule associated with a first modular item of a master document, wherein the rule defines a condition to meet to display or hide the first modular item;
(b) creating a link between the interactive document and the master document, wherein the link comprises the one or more personalization parameters;	(b) receiving, via a second GUI, one or more personalization parameters for generating a personalized document;
(c) rendering the interactive document with aid of a content renderer, wherein the content renderer is configured to use the link to apply a change to the one or more modular items based on a change to the master document.	(c) displaying the personalized document at least by displaying or hiding the first modular item from the first document based at least in part on a determination of a value of the one or more personalization parameters meeting the condition of the rule,
	wherein the personalized document is accessible from a uniform resource location (URL).

Indeed, Patent Owner apparently agrees that the pending claims of the '157 continuation application are directed to a similar scope of the disclaimed '290 patent

claims since, on October 28, 2025, Patent Owner filed an IDS listing all of the prior art references included the Petition (if the references are not material to the patentability of the pending claims, why file the IDS?). Notably, Patent Owner *has not* submitted a copy of the petition or expert declaration to the Examiner. Without an entry of adverse judgment, Patent Owner will be free to seek patentably indistinct claims of questionable validity in continuation applications and will continue to harass Petitioner with meritless threats of litigation.

Patent Owner can have no sincere reason to object to entry of adverse judgment. If Patent Owner believes the claims of the '157 continuation application are patentably distinct and promises not to seek patentably indistinct claims in the future, then Patent Owner should not fear adverse judgment since estoppel will not bar such distinct claims. On the other hand, if Petitioner is correct that the pending claims (or future pending claims) are patentably indistinct from the disclaimed claims, then adverse judgement is clearly appropriate.

As the Federal Circuit and the Board has recognized, the fact that Patent Owner continues to seek similar claims in a pending application “strongly favors ‘construing Patent Owner’s disclaimer as a request for adverse judgment’ because doing so ‘aligns with the policies underlying the estoppel provisions of our rules.’” *Amgen*, IPR2025-00603, paper 14 at 3-4 (cleaned up)(quoting *Smith & Nephew*, IPR2016-00917, Paper 12 at 8).

As the Board in *Amgen* confirmed, “[t]hose estoppel provisions provide that ‘[a] patent applicant or owner is precluded from taking action inconsistent with [an] adverse judgment, including obtaining in any patent: (i) A claim that is not patentably distinct from a finally refused or cancelled claim.’” *Id.* at 4 (quoting *Smith & Nephew*, Paper 12 at 3) (quoting 37 C.F.R. § 42.73(d)(3)). The Board further noted the Office’s explanation during rulemaking that:

“Section 42.73(d)(3) set forth in this final rule is consistent with the America Invents Act, other statutory provisions, the common law related to estoppel, and the common law related to the recapture rule. *See, e.g., In re Deckler*, 997 F.2d 1449, 1452 (Fed. Cir. 1992); *In re Clement*, 131 F.3d 1464, 1468 (Fed. Cir. 1997) (the recapture rule prevents a patentee from regaining through reissue the subject matter that the patentee surrendered in an effort to obtain allowance of the claim).”

Id. (quoting Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, 77 Fed. Reg. 48,612, 48,649 (Aug. 14, 2012)).

As the Board further recognized in *Amgen*, having presented a challenge to the patentability of the claims of the ’290 patent, “Petitioner is entitled to finality and repose on those claims. Finality and repose would not be achieved if this proceeding were terminated in a manner that left Patent Owner free to seek claims that are not patentably distinct through its continuation applications.” *Id.* at 5 (quoting *Smith & Nephew*, Paper 12 at 8.)

III. THE ISSUE OF ADVERSE JUDGMENT IS NOT MOOT

Contrary to the Board's denial of Petitioner's request for authorization to file a Motion for Adverse Judgment, the issue of adverse judgment is not mooted by the Institution Decision because neither the Board nor Director reached a decision regarding entry of adverse judgment mandated by 37 C.F.R. §42.73(b). The Institution Decision only decided that trial should not be instituted, a decision which Petitioner does not oppose. The issue of adverse judgment, which is of utmost importance to Petitioner given Patent Owner's pending continuation application, is a legally distinct issue and remains notwithstanding the Institution Decision. *Cf. Arthrex*, 880 F.3d at 1349 (holding that decisions related to adverse judgment under 37 C.F.R. §42.73 are subject to appeal under 28 U.S.C. §1295 notwithstanding that 35 U.S.C. §314(b) bars appeal of Director decisions on institution). Accordingly, the Board's failure to enter adverse judgment and its denial as moot of Petitioner's request to brief the issue was in error.

If the Director or Board enters adverse judgment as requested above, the issue would be resolved and no further briefing would be required. As discussed above, , without entry of adverse judgment, there is a risk that the estoppel provision of Section 42.73(d)(3) will not attach. 37 C.F.R. §42.73(b) ("A patent applicant or owner is *precluded from taking action inconsistent with the adverse judgment*,

including obtaining in any patent: (i) A claim that is not patentably distinct from a finally refused or canceled claim...”).

IV. CONCLUSION

As the Board has recognized, “[c]onstruing Patent Owner’s disclaimer as a request for adverse judgment” is “the more equitable result in the circumstances of this case.” *Amgen*, Paper 14 at 7 (quoting *Smith & Nephew*, Paper 12 at 8). As in *Amgen*, the Director should “reject Patent Owner’s attempt to exit one door of the agency, only to walk back in another door to resurrect the same claims in an *ex parte* proceeding.” *Id.* at 7-8 (cleaned up)(citation omitted).

Accordingly, Petitioner respectfully requests that the Director amend the Institution Decision to include or separately order entry of adverse judgment against Patent Owner. In the alternative, if the Director is interested in briefing from both parties on the issue, Petitioner requests that the Director grant Petitioner’s request for authorization to file a Motion for Adverse Judgment.

Respectfully submitted,

Dated: March 4, 2026

By: / Ryan N. Miller /
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Counsel for Petitioner, Foleon Inc.

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§ 42.6(e) and 42.205(b), the undersigned certifies that on the 4th day of March, 2026, a complete and entire copy of this **PETITIONER'S REQUEST FOR DIRECTOR REVIEW OF INSTITUTION DECISION** was served via email to the following:

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