

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SHUTTLESLIDE, LLC,
Petitioner,

v.

SEA SWIVEL INC.,
Patent Owner.

PGR2025-00089
Patent 12,258,111

**PATENT OWNER'S REPLY TO PETITIONER'S RESPONSE
TO PATENT OWNER'S DISCRETIONARY DENIAL BRIEF**

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Patent Owner hereby replies to Petitioner's Response at Paper No. 7.

Petitioner did not submit any stipulation agreeing not to relitigate in district court any ground that could have been reasonably raised in the PGR.¹ Paper No. 7, at 11-12. Petitioner argues there is "no need to make a Sotera stipulation." *Id.*

Petitioner surprisingly argues that refusal to submit a stipulation has no impact on related factors. *Id.* Petitioner's reasoning is that the parallel litigation is in the early stages and no patent validity challenge has yet been raised. Petitioner thus asserts that there is "no concern of conflicting decisions" and "no overlap can exist." *Id.*

Petitioner's reasoning is faulty. First, PGRs "should generally serve as a complete substitute for at least some phase of the litigation."² Congress designed AIA proceedings "to provide an effective and efficient alternative to district court litigation."³ Without a stipulation, the PGR no longer acts as a "complete substitute" or "an effective and efficient alternative to district court litigation."

Without a stipulation, Petitioner can repackage its validity challenges in district court, forcing Patent Owner to once again litigate validity. By refusing to stipulate, Petitioner confirms that it wants to keep its options open; it does not want the PGR to be a complete substitute or alternative to validity challenges at the district court.

¹ *Cf. Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, at 11-21, 19 (Dec. 1, 2020) (stipulation "mitigates **any concerns** of duplicative efforts between the district court and the Board, as well as concerns of potentially conflicting decisions.") (internal quotations omitted; emphasis added)

² AIA Senate Committee Report, S. Rep. No. 110-259 at 72.

³ March 26 PTAB Workload Memo provided at EX. 2011.

Second, the Director emphasized the importance of such stipulations in PGR proceedings, e.g., by discretionary denial of institution of at least two PGR proceedings lacking a *Sotera* type stipulation – even though *other* factors would otherwise have weighed in favor of institution.⁴ In *Phison*, the Director found: “Ordinarily this might favor referral to the Board; however, Petitioner has not offered a stipulation . . . The absence of such a stipulation tips the balance in favor of discretionary denial.” *Id.*

Finally, discretionary denial in the absence of a *Sotera* stipulation aligns with the Director's October 17, 2025 Notice of Proposed Rule Making regarding discretionary denial determinations. The proposed rules state in relevant part:

(d) Required stipulation for efficiency. Inter partes review shall not be instituted or maintained unless each petitioner files a stipulation with the Board and any other tribunal where it is litigating or later litigates regarding the challenged patent, stating that if a trial is instituted, the petitioner and any real party in interest or privy of the petitioner will not raise grounds of invalidity or unpatentability with respect to the challenged patent under 35 U.S.C. 102 or 103 in any other proceeding.

The same principle set forth in the newly proposed rule should also apply to PGR proceedings. Thus, the Director should apply that criteria here and deny institution.

The “absence of such a stipulation tips the balance in favor of discretionary denial.” *Phison*, PGR2025-00010, Paper 14, at 3.

⁴ *Phison Elecs v. Vervain*, PGR2025-00010, Paper 14, at 3 (July 10, 2025).

LISTING OF EXHIBITS

Exhibit	Description
2001	Docket Sheet, <i>Sea Swivel Inc. v. Rhodan Marine Systems of Florida LLC et al.</i> , Case No. 1:25-cv-23581-RKA (S.D. Fla.)
2002	Complaint for Patent Infringement, <i>Sea Swivel Inc. v. Rhodan Marine Systems of Florida LLC et al.</i> , Case No. 1:25-cv-23581-RKA (S.D. Fla.)
2003	Sea Swivel’s Motion for Preliminary Injunction with Exhibits, <i>Sea Swivel Inc. v. Rhodan Marine Systems of Florida LLC et al.</i> , Case No. 1:25-cv-23581-RKA (S.D. Fla.)
2004	Declaration of Mark Berta in Support of Sea Swivel’s Motion for Preliminary Injunction with Exhibits, <i>Sea Swivel Inc. v. Rhodan Marine Systems of Florida LLC et al.</i> , Case No. 1:25-cv-23581-RKA (S.D. Fla.)
2005	Declaration of Andrew T. Oliver
2006	Docket Navigator Time-To-Trial Data for Patent Cases in the U.S. District Court for the District of Florida
2007	Docket Navigator Time-To-Trial Data for Patent Cases Before Judge Roy Altman
2008	U.S. District Courts - National Judicial Caseload Profile report – 2019 to 2024
2009	Declaration of Matthew S. Nelles
2010	Local Rules of Civil Procedure for the U.S. District Court for the Southern District of Florida
2011	“Interim Processes for PTAB Workload Management Memorandum,” issued March 26, 2025, https://www.uspto.gov/sites/default/files/documents/InterimProcesses-

Exhibit	Description
	PTABWorkloadMgmt-20250326.pdf.
2012	Order re Stay and Leave to Re-Raise Motions After Stay Lifted
2013	March 31, 2025 Cease and Desist Letter to ShuttleSlide
2014	June 25, 2025 Cease and Desist Letter to ShuttleSlide
2015	Declaration of Mark Berta in Support of Discretionary Denial
2016	“Company” Webpage from Gulf Atlantic Marketing, Inc. Website at http://www.gulfatl.net/company.html , last accessed 12/08/2025
2017	“Home” Webpage from Gulf Atlantic Marketing, Inc. Website at http://www.gulfatl.net/home.html , last accessed 12/08/2025
2018	“Products” Webpage from Gulf Atlantic Marketing, Inc. Website at http://www.gulfatl.net/products.html , last accessed 12/08/2025
2019	Track 1 Examination Request for Patent Application re ‘111 Patent

CERTIFICATE OF SERVICE

I certify that the above-captioned **PATENT OWNER’S REPLY TO PETITIONER’S RESPONSE TO PATENT OWNER’S DISCRETIONARY DENIAL BRIEF** was served in its entirety on January 14, 2025, upon the following parties via electronic mail:

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Respectfully submitted,

By: /s Perry S. Clegg/

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CERTIFICATION OF PAGE COUNT

The page count of the foregoing Reply consists of 2 pages or less of arguments, not including the case caption/heading, Certificate of Service, Certificate of Page Count, and List of Exhibits, which does not exceed the page count limit as understood by Patent Owner.

/s Perry S. Clegg/

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