Director_Discretionary_Decision@uspto.gov
571-272-7822

Paper 13
Date: June 25, 2025

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

MERCEDES-BENZ GROUP AG,
Petitioner,

v.

THE PHELAN GROUP, LLC,
Patent Owner.

IPR2025-00413
Patent 9,045,101 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
Denying Patent Owner's Request for Discretionary Denial

The Phelan Group, LLC ("Patent Owner") filed a request for discretionary denial (Paper 10, "DD Req.") in the above-captioned case, and Mercedes-Benz Group AG ("Petitioner") filed an opposition (Paper 12, "DD Opp.").

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

In particular, there is no scheduled trial date in the district court proceeding. DD Opp. 4–5. The parties have invested relatively little resources into the district court proceeding, and there is evidence that the likelihood of a stay is high. *Id.* at 2–4, 6–7. As such, it is likely that a final written decision in this proceeding will issue before the district court trial occurs. Furthermore, claims of a related patent were recently found unpatentable. *Id.* at 10; *see Ex parte Phelan Group LLC*, Appeal 2025-001876 (PTAB May 2, 2025). These factors weigh against discretionary denial. On balance, discretionary denial is not appropriate in this case.

Although certain arguments are highlighted above, the determination not to exercise discretion to deny institution is based on a holistic assessment of all of the evidence and arguments presented. Accordingly, the Petition is referred to the Board to handle the case in the normal course, including by issuing a decision on institution addressing the merits and other non-discretionary considerations, as appropriate.

In consideration of the foregoing, it is:

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

FURTHER ORDERED that the Petition is 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.

FOR PETITIONER:

Celine Crowson
Joe Raffetto
Scott Hughes
HOGAN LOVELLS US LLP
celine.crowson@hoganlovells.com
joseph.raffetto@hoganlovells.com
scott.hughes@hoganlovells.com

FOR PATENT OWNER:

Gregory Donahue
Andrew DiNovo
DINOVO PRICE LLP
gdonahue@dinovoprice.com
adinovo@dinovoprice.com