

STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FORD MOTOR COMPANY
Petitioner,

v.

PAICE LLC & ABELL FOUNDATION, INC.
Patent Owner.

U.S. Patent No. 7,104,347 to Severinsky et al.

IPR Case No.: IPR2014-00579

**PETITIONERS' RESPONSE TO PATENT OWNER'S
MOTION FOR OBSERVATIONS ON CROSS EXAMINATION**

I. Patent Owner's motion for observation is improper and should be dismissed

A “motion for observation on cross-examination is a mechanism to draw the Board’s attention to relevant cross-examination testimony of a reply witness.” *Medtronic Inc. v. Nuvasive, Inc.*, IPR2013-00506, Paper 31 at 3. The Board has been clear that the observations must be nothing more than a “concise statement of the relevance of precisely identified testimony to a precisely identified argument or portion of an exhibit.” *Medtronic, Inc. v. Nuvasive, Inc.*, IPR2013-00506, Paper 37 at 2. Observations are not allowed to include arguments, and are not “an opportunity to raise new issues, to re-argue issues, or to pursue objections.” PTAB Trial Practice Guide, 77 F.R. 157, 48768 §L; IPR2013-00506, Paper 37 at 2. If even one observation is found to have violated these rules, the Board may dismiss and not consider the Patent Owner’s entire motion for observation. *See* IPR2013-00506, Paper 37 at 2-4 (“the entire motion... may be dismissed and not considered if there is even one excessively long or argumentative observation”); *see also* CBM2013-00017, Paper 36 at 4.

On May 15, 2015, Patent Owner filed its Motion for Observations on Cross Examination of Dr. Gregory Davis. (Paper No. 33.) Petitioner believes that one or more of the Patent Owner’s observations are improper as they are argumentative, include new issues not previously raised, and/or re-argue prior issues and pursue

objections. Accordingly, Petitioner requests that the Board deny Patent Owner's motion.

II. Response To Patent Owner's Observations

Notwithstanding the above general objections, Petitioner respectfully submits the following responses.

Observation 1. This observation is improper because it raises a new issue, namely whether the "battery recharge mode" is "activated based on an arbitrary time threshold." The observation is also not relevant to paragraphs 78-83 of Dr. Davis' Reply Declaration (Ex. 1140) because those paragraphs do not address when the battery recharge mode is activated; they address how the "battery recharge mode" is operated once it is activated, *i.e.*, the engine generates "excess torque" to charge the batteries (Ex. 1140 at ¶¶77-83; see also Ex. 2111 at 72:8-14, 83:10-16, 84:23-85:9).

Observation 2. Like observation 1, this observation is improper because it raises the same new issue, *i.e.*, whether the "battery recharge mode" is "entered based purely on time." And this observation is likewise irrelevant to paragraphs 78-83 of Dr. Davis' Reply Declaration (Ex. 1140) because those paragraphs do not address when the battery recharge mode is activated; they address how the "battery recharge mode" is operated once it is activated, *i.e.*, the engine generates "excess torque" to charge the batteries (Ex. 1140 at ¶¶77-83; see also Ex. 2111 at

72:8-14, 83:10-16, 84:23-85:9).

Observation 3. Dr. Davis' deposition testimony is not relevant because it does not contradict his declaration testimony. Dr. Davis' full answer (observation 3 cites only the first line) states that Fig. 7.12(b) illustrates where the Masding Thesis is "trying to exercise component level control, so he's using a simple speed-based algorithm in order to consistently and easily switch to different modes of operation. However, these modes of operation are the modes that would be employed by the suboptimal control algorithm." (Ex. 2111 at 83:2-8, emphasis added.)

Observation 4. Fig. 7.12(b) is not relevant to the credibility of Dr. Davis' opinion because it is not inconsistent with the cited testimony, *i.e.*, Davis paragraphs 13-26. Those paragraphs quote Masding Thesis excerpts describing: (1) the "test rig" was intended for use with the "sub-optimal mode controller" (Ex. 1140 at ¶16); (2) "for test purposes" a speed-based strategy (*e.g.*, as illustrated by Fig. 7.12(b)) was temporarily used "to investigate the interaction between mode controller, sequencing logic and component control" (Ex. 1140 at ¶¶17-18); and (3) once the testing was complete, the "sub-optimal" control algorithm would be employed (Ex. 1140 at ¶¶19-20).

Observation 5. This observation is improper because it attempts to re-argue an issue (motivation to combine) already addressed by Patent Owner. This observation is not relevant to Dr. Davis' opinion because whether the "sub-

optimal” control algorithm was ever implemented on a “vehicle” does not indicate whether a POSA would have been motivated to combine the sub-optimal control algorithm of the earlier Bumby references with the “test rig” of the later Bumby references.

Observation 6. The cited testimony does not impeach the credibility of Dr. Davis because it omits relevant content. Dr. Davis’ full testimony explained: (1) that transmission control strategies are complex and “there are a lot more issues involved in how to carry out the shift” than what was disclosed by the Bumby References (Ex. 2111 at 27:6-13); and (2) any opinion about those “additional details” (*e.g.* “minimum time delay in shifting” or transmission “hysteresis bands”) would be “speculative.” (Ex. 2111 at 28:1-11.)

Observation 7. Dr. Davis’ testimony regarding whether he recalls reviewing papers cited within the Masding Thesis is not relevant to his opinions about what a POSA would have understood. Dr. Davis opinions about what a POSA would have understood are based on the express disclosures of the Masding Thesis which states: “In a hybrid petrol/electric vehicle the presence of the electric motor means that again a variable transmission is not absolutely essential. . .” but “if efficiency is an important design consideration one is almost certain to be included.” (Ex. 1140 at ¶¶40-41; *see also* Ex. 2111 at 30:20-31:9.)

Observation 8. This observation improperly cites over four pages of

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