UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FORD MOTOR COMPANY Petitioner

v.

PAICE LLC & THE ABELL FOUNDATION, INC. Patent Owner

Case IPR2014-01416 Patent 7,237,634

Patent Owner's Preliminary Response to Petition for *Inter Partes* Review of U.S. Patent No. 7,237,634

DOCKET

TABLE OF CONTENTS

I.	INTRODUCTION		
II.	BACKGROUND OF THE '634 PATENT		
III.	DEFECTS IN THE PROPOSED GROUNDS OF UNPATENTABILITY6		
	A. Ground 3 is defective because Ford has failed to establish a reasonable likelihood that Tabata '201 in view of the general knowledge of a POSA describes or suggests the features recited in claims 215 and 228		
	1. Ford has failed to demonstrate a reasonable likelihood that Tabata '201 in view of the general knowledge of a POSA describes or suggests the desirability of using an engine to efficiently produce torque above a setpoint (SP) that is substantially less than the maximum torque output (MTO) of the engine in a hybrid vehicle6		
	2. Ford has failed to demonstrate a reasonable likelihood that Tabata '201 in view of the general knowledge of a POSA describes or suggests monitoring a state of charge of a battery comprised in the hybrid vehicle		
IV.	CONCLUSION		

TABLE OF AUTHORITIES

	Page(s)
Statutes	
35 U.S.C. § 313	1
35 U.S.C. § 314 (a)	14
Other Authorities	
37 C.F.R. § 42.107	1
37 C.F.R. § 42.108(c)	14

I. INTRODUCTION

Paice LLC and The Abell Foundation, Inc. (collectively, "Patent Owner") respectfully submit this Preliminary Response in accordance with 35 U.S.C. § 313 and 37 C.F.R. § 42.107, responding to the Petition for *Inter Partes* Review ("the Petition") filed by Ford Motor Company ("Petitioner") against U.S. Patent No. 7,237,634 ("the '634 patent").¹ Patent Owner requests that the Board not institute *inter partes* review with respect to Ground 3 because the Petition fails to establish a reasonable likelihood that Petitioner will prevail with respect to at least one of the challenged claims.²

¹ To the extent Patent Owner does not address particular assertions made in the Petition, Patent Owner hereby reserves those arguments for the Patent Owner Response should the Board institute trial.

² In IPR2014-00904, the Patent Owner presented reasons why Ford lacks standing to challenge the '634 patent because of Ford's breach of an Arbitration Agreement between the parties. The Board found that the standing issue was not ripe since the question of breach was unresolved at that point. The Patent Owner also had filed in the District Court a motion for preliminary injunction based on the For proposed ground 3, Petitioner has failed to demonstrate a reasonable likelihood that the prior art relied upon anticipates or renders obvious the challenged claims.

For example, with respect to Ground 3, Petitioner has failed to demonstrate a reasonable likelihood that Tabata '201 in view of the general knowledge of a POSA describes or suggests the desirability of using an engine to efficiently produce torque above a setpoint (SP) that is substantially less than the maximum torque output (MTO) of the engine in a hybrid vehicle as required by claim 215. Furthermore, Petitioner has failed to demonstrate a reasonable likelihood that Tabata '201 in view of the general knowledge of a POSA describes or suggests

breach of contract. On October 8, 2014, the District Court denied the motion for preliminary injunction. *See Paice v. Ford*, 1:14-cv-492 (ECF 79) (D. Md. Nov. 6, 2014) (redacted memorandum opinion). However, the question regarding breach of contract remains unresolved and consequently the Patent Owner has not briefed the issue in this preliminary response. But when the issue is resolved in the Patent Owner's favor, the Patent Owner believes the issue of standing will be ripe and reserves the right to raise the standing issue at that time.

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