

UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD

TV MANAGEMENT INC., D/B/A GPS NORTH AMERICA

Petitioner,

v.

PERDIEM CO., LLC.

Patent Owner

Case IPR2016-01063

U.S. Patent 8,717,166

PETITIONER'S REPLY TO PATENT OWNER RESPONSE

EXHIBIT LIST¹

- Ex. 1001 U.S. Patent No. 8,717,166 (“’166 Patent”)
- Ex. 1002 The file history of the ’166 Patent
- Ex. 1003 U.S. Patent No. 7,327,258 (“Fast”)
- Ex. 1004 U.S. Provisional Patent App. No. 60/542,208 (“Fast Provisional”)
- Ex. 1005 U.S. Patent Pub. No. US 2005/0156715 (“Zou”)
- Ex. 1006 Discrete Wireless’s Marcus GPS Fleet Management Application Product Brochure (“Marcus”)
- Ex. 1007 U.S. Patent App. No. 14/629,336, Response to Non-Final Office Action (Feb. 11, 2016)
- Ex. 1008 Success Stories in Fleet Tracking (Sept. 1, 2005)
- Ex. 1009 U.S. Patent No. 7,949,608 (“Li”)
- Ex. 1010 Software as a Service Article (“SaaS Article”)
- Ex. 1011 Infringement Contentions in related litigation
- Ex. 1012 Declaration of Dr. Stephen Heppe
- Ex. 1013 Declaration of Vivek Ganti, Esq.
- Ex. 1014 Declaration of William Steckel
- Ex. 1015 Declaration of Steven G. Hill
- Ex. 1016 Declaration of Michael Femal
- Ex. 1017 Patent Assignment**
- Ex. 1018 Perdiem’s Texas Business Formation (April 2015)**
- Ex. 1019 Perdiem’s Litigation Press Release (May 2015)**
- Ex. 1020 Article on the American Intellectual Property Association 2015 Report of the Economic Survey**
- Ex. 1021 Perdiem’s infringement complaint against Forward Thinking Systems LLC**
- Ex. 1022 Perdiem’s infringement complaint against GPS Logic, LLC**
- Ex. 1023 Perdiem’s infringement complaint against LiveViewGPS, Inc.**
- Ex. 1024 Perdiem’s infringement complaint against thingtech LLC**
- Ex. 1025 Pending claims of Application No. 14/629,347**
- Ex. 1026 Pending claims of Application No. 15/200,592**

¹ Newly Filed Exhibits in Bold

Patent Owner filed its Patent Owner Response (POR) on March 2, 2017. Petitioner submits this Reply pursuant to 37 C.F.R. §42.23 and the Scheduling Order.

I. Patent Owner's Request for Adverse Judgment

On March 2, 2017, Patent Owner disclaimed all claims that are pending in the instant trial. (Ex. 2011). Patent Owner filed its POR indicating that a request to file a motion for adverse judgment is forthcoming. (POR, p.1). Thereafter, Patent Owner requested authorization to file a motion for adverse judgment, which the Board granted authorization to file such a motion via email. Patent Owner has not yet filed a motion for adverse judgment.

Procedurally, “a party may request judgment against itself at any time during a proceeding.” 37 CFR § 42.73(b). The rules refer to a “request” not “a motion.” A request can be construed based on a party’s action. *Id.* By filing a disclaimer, Patent Owner has already requested adverse judgement. (*See Id.* stating “actions construed to be a request for adverse judgment include . . . disclaimer of a claim such that the party has no remaining claim in the trial.”). For these reasons, Patent Owner has sufficiently requested adverse judgement by disclaiming all pending claims through its USPTO filing. (Ex. 2011). At this point, the Board needs nothing more from the parties to grant Patent Owner’s request for adverse judgment.

II. Recommendation Pursuant to 37 C.F.R. §42.73(c)

In the likely event that the Board grants Patent Owner's request for adverse judgment, Petitioner urges the Board to make a recommendation pursuant to 37 C.F.R. §42.73(c) relating to the ongoing prosecution of two applications that share the same specification as the patent-at-issue. Specifically, the Board should recommend to the Examiner to evaluate the two pending patent applications and consider whether any of the recently allowed claims should be re-evaluated, based on 1) the Board's institution decision in IPR2016-01061, -01062, -01063, -01064, and -01278 and 2) any forthcoming adverse judgements, which preclude Patent Owner from pursuing claims that are not *patentably distinct* from the disclaimed claims. See 37 CFR §42.73(d)(3).

In addition, the Board should recommend to the Examiner to require Patent Owner to explain how any of the recently-allowed (but pending) claims are patentably distinct from the claims that are subject to 1) the related institution decisions, 2) any future final written decision, and 3) any adverse judgement.

Petitioner is not aware of an instance where the Board previously made a Rule 73(c) Recommendation, but the facts in this case warrant consideration of such a recommendation.

The recently-filed disclaimer and the forthcoming adverse judgment in these proceedings are part of a pattern of "sue-and-settle" litigation activity which

derives strength from the Patent Owner's ability to continue to request examination of what are, at best, repetitive claims.

The patent-at-issue is part of a portfolio of patents that share a common specification. The portfolio began when Mr. Diem filed Provisional Patent App. No. 60/752,879 and a non-provisional App. No. 11/335,699. Two years later he assigned his patent rights to his patent attorney, Mr. Babayi. (Ex. 1017). Under Mr. Babayi's control, the non-provisional issued as U.S. Pat. No. 7,525,425 on April 28, 2009. Mr. Babayi subsequently began filing numerous patent applications based on Mr. Diem's provisional, resulting in a considerable portfolio of patents and applications comprising numerous claims that are overlapping and, in some cases, repetitive. (See table below).

Patent Owner was formed in April 2015 in Texas. (Ex. 1018). Upon formation, it commenced litigation in the Eastern District of Texas in May 2015 (Ex. 1019). Patent Owner extracted numerous settlements by leveraging the high costs of patent litigation.² (See IPR2016-01061, Declaration of Alan Whitehurst). For example, when the '931 Patent issued on June, 30, 2015, Patent Owner filed

² The American Intellectual Property Association 2015 Report of the Economic Survey concluded that the median patent litigation costs for a mid-size case is \$1-2.5M. (Ex. 1020, p.1).

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.