Filed: March 27, 2020

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LG ELECTRONICS INC.,

PETITIONER,

V.

BELL NORTHERN RESEARCH, LLC,

PATENT OWNER.

Case No. IPR2020-00108
U.S. Patent No. 8,416,862

PATENT OWNER'S PRELIMINARY SUR-REPLY TO PETITIONERS' PRELIMINARY REPLY

Petitioner's preliminary reply draws a deeply flawed comparison between this Petition and different IPR proceedings where BNR urged discretionary denial under § 314(a) and the Board instituted review. In those other proceedings, because there was no trial date and the district court said it might consider a stay, the Board held "it is not clear that the district court litigation will have concluded by the time our final decision is due." (Ex. 1022, p. 8; Ex. 1023, p. 8.) The clarity the Board sought there exists here and discretionary denial under § 314(a) is warranted for every reason such discretion exists.

Petitioner admits, as it must, that there is a fixed December 2020 trial date in the district court. (Paper 11 ("Reply"), 2.) The Board's precedential § 314(a) opinions repeatedly emphasize the importance of a date certain for trial. In *NHK Spring Co., Ltd. v. Intri-Plex Technologies, Inc.* the Board denied institution under § 314(a), citing the duplicative art and arguments and a fixed trial date that would be complete before any final written decision. IPR2018-00752, Paper No. 8 at 19-20 (PTAB Sept. 12, 2018). Recently, in *Oticon Medical AB v. Cochlear Ltd.*, the Board instituted over a § 314(a) challenge, distinguishing it from *NHK* because "a trial in [*Oticon*] would not be directly duplicative of the District Court action. Nor is there a trial date set at the District Court." IPR2019-00975, Paper No. 15, 23-24 (PTAB Oct. 16, 2019). As shown in *NHK* and *Oticon*, a fixed trial date that would be complete before any final written decision strongly favors denying institution.

Petitioner tries to characterize the fixed trial date present here and in *NHK* as "at least as uncertain" as the total absence of a trial date per *Oticon* and BNR's other IPRs upon which Peitioner relies. (Reply, 2.) Petitioner also suggests the ongoing COVID-19 pandemic renders the trial date uncertain. It cites a joint motion the parties filed to extend certain deadlines due to COVID-19. There, Petitioner alone sought an extension of the trial date. (Reply, 3 (citing EX1034).) After Petitioner filed its Reply, the district court rejected Petitioner's request to continue the trial and confirmed the December 2020 trial date. (Ex. 2024, 2.) Petitioner speculates about whether and under what conditions the district court might vacate the scheduled trial date it recently confirmed and institute a stay. (Reply, 1-3.) The Board does not make decisions under § 314(a) based on idle speculation. IPR proceedings are intended to be cost-effective alternative to patent litigation. When they will not be and institution proceeds, it undermines the AIA's purpose and intent—and when forced into parallel duplicative proceedings it inflicts meaningful cost on the parties, the courts, and the Board. Petitioner's musing about what might happen is contrary to *NHK* and *Oticon*, which require tight focus on *known*, *objective* facts. *See NHK*, IPR2018-00752, Paper No. 8, 19-20; *Oticon*, IPR2019-00975, Paper No. 15, 23-24.

Petitioner also fails to acknowledge or disclose to the Board that in the prior litigation, the district court did not even consider a stay until each asserted patent

was instituted. (*See* Ex. 2023, 2.) That will not happen here. Petitioner challenged four asserted litigation patents (all in the pre-instituion decision phase), but declined to challenge a fifth litigation patent (now time-barred). *See* IPR2020-00318 (Patent No. 7,957,450), IPR2020-00330 (Patent No. 6,549,792). For that reason, Petitioner cannot argue to the district court that a stay of the litigation is warranted based on all asserted patents instituted, which makes a stay less likely.

Finally, Petitioner protests its "invalidity contentions are not finalized, as LG ***may*** further 'supplement or modify' them, including using 'system' and 'knowledge of prior use' art unavailable in IPRs," citing to *Uniden Am. Corp. v. Escort Inc.*, IPR2019-00724, Paper No. 6 (Reply, 3) (emphasis added). Petitioner offers no hints about what prior art "system" or "knowledge of prior use" it may supplement. But trial is in 9 months. Court-authorized supplementation is more unlikely than likely. Whatever agreement between the parties in *Uniden*, there is no such party agreement here. Petitioner already amended invalidity contentions post-*Markman* and they are final. Petitioner does not dispute they are duplicative of the grounds here. LG is not entitled to freely supplement or modify its invalidity contentions at this late date except "upon a timely motion showing good cause." It has not done so. (Ex. 2025, S.D. Cal. L.P.R. 3.6(b)(3).) Petitioner's duplicative invalidity arguments here and in district court—together with trial completing well before the final written decision deadline—strongly favors discretionary denial.

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Respectfully Submitted,

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