

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

FITBIT, INC.,  
Petitioner

v.

PHILIPS NORTH AMERICA LLC  
Patent Owner

---

Case No. IPR2020-00783  
Patent No. 7,088,233

---

**PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY  
RESPONSE**

Relying on *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (Sept. 12, 2018) (“*NHK*”) and *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (Mar. 20, 2020) (“*Fintiv*”), Patent Owner (“PO”) urges denial of institution based on district court proceedings involving U.S. Patent 7,088,233 (“’233 patent”). But, *Fintiv* and *NHK* are inapplicable as there is no trial set in the related district court proceeding here. And, even if these cases apply, the *Fintiv* factors favor institution.

#### **I. *NHK* AND *FINTIV* ARE INAPPLICABLE TO THIS PROCEEDING**

As PO acknowledged, a key fact raising the question of discretionary denial in both *NHK* and *Fintiv* was that **the district court “trial [was] set** to take place months before any final written decision would issue.”<sup>1</sup> Paper 6 (“POPR”) at 14-15 (citing *NHK* at 20). In fact, in *Fintiv*, the district court’s scheduling of a trial date was ***the fact*** that led to the Board ordering supplemental briefing on the issue of discretionary denial. In *Fintiv*, the Board explained “[a]lthough Petitioner addressed the [discretionary denial] issue briefly in the Petition, ***at that time no trial date had been set.***” *Fintiv* at 2. ***Only after*** the district court then set a trial date did the Board order supplemental briefing on discretionary denial “[i]n light of the apparent change in status of the parallel proceeding.” *Id*

---

<sup>1</sup> All emphasis added unless otherwise noted.

Unlike *NHK* and *Fintiv*, no trial date has been set in the Fitbit district court proceeding (“Fitbit litigation,” Paper 1 at 1). As a result, PO asks for discretionary denial of *Fitbit’s* petition based on the trial date of a different party sued by Philips in a different venue; namely, the trial date set in Philips’ district court proceeding against *Garmin*. POPR at 16-17. The Fitbit and Garmin district court proceedings are distinct, unconsolidated, and in different venues. PO provides no grounds for discretionary denial of *Fitbit’s* petition, based on *Garmin’s* district court schedule. In the Fitbit district court proceeding, a trial date has not been set, and therefore *Fintiv* is inapplicable.

## II. THE *FINTIV* FACTORS FAVOR INSTITUTION

Even if the Board determines that, despite there being no trial date set in the Fitbit litigation, *Fintiv* applies, each of the six factors favor institution.

### A. *Fintiv* factor 1: Strong evidence shows that a stay will be granted if IPR is instituted

PO argues *Fintiv* factor one favors denial because a stay has not yet been granted in district court. POPR at 16. While at first blush, and at a minimum, this factor is at least neutral because no stay motion has yet been filed in the Fitbit litigation, further details demonstrate that this factor favors institution. Namely, in an effort to conserve resources for the court and parties in the Fitbit litigation, Fitbit has not yet sought a stay because of the court’s known practice to deny stays before IPR institution. Exs. 1068-69. Conversely, the court typically grants stays

upon institution, even in instances where not all patents are challenged in IPRs.<sup>2</sup> Exs. 1043-45. Thus, upon institution, Fitbit will immediately file a stay motion in district court. This district court has granted stays even at later litigation stages. Exs. 1043, 1046 (district court granted stay 2.5 years after complaint was filed). Accordingly, this factor favors institution.

**B. *Fintiv* factor 2: The district court has not set a trial date, so there is no evidence of proximity to the Board’s deadline to issue a final written decision**

*Fintiv* factor two examines the district court’s trial date in relation to the Board’s projected statutory deadline for a final written decision. *Fintiv* at 6. Fitbit’s litigation has no trial date. Nonetheless, PO attempts to tip the scale for this factor by relying on a Garmin trial date and a guess of Fitbit’s “likely” trial date. POPR at 16-17. Neither supports discretionary denial of Fitbit’s petition. First, even if Garmin’s trial date is considered relevant, the likelihood that the Garmin district court proceeding will go to trial before the PTAB’s projected final written decision is low. The Central District of California where the Garmin case resides has recently “indefinitely postponed all jury trials.” Ex. 1047. The Board has

---

<sup>2</sup> Fitbit has filed IPR challenges against all of PO’s asserted patents asserted in the Fitbit litigation except U.S. Patent No. 6,013,007, which is subject to a pending motion for partial summary judgment of invalidity. Ex. 1070 at 6, 7.

considered such COVID-19 delays in weighing the *Fintiv* factors. *Apple Inc. v. Maxell, Ltd.*, IPR2020-00204, Paper 11 at 14 (PTAB June 19, 2020).

Second, PO’s speculation as to when the Fitbit litigation may go to trial fails to take into account the historical scheduling practice of that court, which points to a trial date being set long after the Board’s projected deadline to issue a final written decision in October 2021. Metrics show that the court’s average time to trial in civil cases is approximately 36 months. Ex. 1048 at 1. Given that Philips’ complaint was served on October 2, 2019, the correct estimate for a “likely” trial date is October 2022—a year after the Board’s projected October 2021 deadline to issue a final written decision. Indeed, the district court where the Fitbit action resides has six currently pending patent cases on its docket that were filed before Philips’ complaint and none currently have a trial date set. Ex. 1049-56. The most recent scheduling order issued in one of these pending cases (dating back to March 2017) did not set a trial date. Ex. 1050. Thus, PO’s speculation is both irrelevant and inaccurate, and cannot support discretionary denial here.

**C. *Fintiv* factor 3: Investment in the district court proceeding has been minimal, and Fitbit expeditiously filed its petition**

*Fintiv* factor three considers the parties’ and court’s investment in the district court proceedings. *Fintiv* at 6. The parties’ and court’s investment in the Fitbit litigation have been minimal due to delays in the case thus far. Philips filed suit on July 22, 2019 but delayed service until October 2, 2019. Exs. 1058, 1070 at 3.

# 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.