

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND**

**PAICE LLC and THE ABELL FOUNDATION,
INC.,**

Plaintiffs,

v.

**BAYERISCHE MOTOREN WERKE A.G., and
BMW OF NORTH AMERICA, LLC,**

Defendants.

C.A. No. 19-CV-3348-SAG

JURY TRIAL DEMANDED

**DEFENDANTS BAYERISCHE MOTOREN WERKE, AG AND BMW OF NORTH
AMERICA, LLC'S OPENING CLAIM CONSTRUCTION BRIEF**

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Rules

Local Rule 805.11

35 U.S.C. §102(b)8

Pursuant to the Court’s Scheduling Order (ECF No. 36) and Local Rule 805.1, Defendants Bayerische Motoren Werke, AG (“BMW AG”) and BMW of North America, LLC (“BMWNA”) (collectively, “BMW” or “Defendants”) file their opening claim construction for the disputed terms of U.S. Patent Nos. 7,104,347 (“the ’347 patent”); 7,237,634 (“the ’634 patent”); and 8,630,761 (“the ’761 patent”) (collectively, the “Asserted Patents”). The agreed constructions for certain of the claim terms in these patents are set out in the Joint Claim Construction Statement.

I. INTRODUCTION

Plaintiffs, Paice LLC and the Abell Foundation (collectively, “Paice” or “Plaintiffs”), accuse BMW of infringing various claims in the three Asserted Patents. Paice contends that the Asserted Patents are infringed by certain BMW and MINI-brand hybrid vehicles that were designed and produced by BMW wholly independent of any of the teachings of the Asserted Patents.

The parties have agreed on the proper construction of five of the claim terms of the Asserted Patents, as set forth in the Joint Claim Construction Statement. However, the parties have a number of disputes regarding the proper construction of other claim terms that require resolution by the Court.

BMW’s proposed constructions are intended to define these disputed terms to apply meaning one of ordinary skill in the art would attach to the disputed terms based on the way the claim term is used in the claims, the patent specifications, and file history of the Asserted Patents.

On the other hand, for all but one term, Paice defaults to a “plain and ordinary meaning” construction, rather than proposing a meaningful construction for the disputed terms. Paice’s proposals contradict the intrinsic evidence and inject ambiguity, rather than clarity, to the disputed claim terms. Paice’s goal is obvious—it wants to keep the meaning of the asserted claims as ambiguous as possible, to prop up the weakness of its infringement case in this court and the

invalidity challenges to the claims that exist in the pending IPRs, which are described below. The Court should reject Paice’s attempt to inject ambiguity and uncertainty into the meaning of the disputed terms. Rather, for the reasons set forth below, the Court should adopt BMW’s correct constructions.

II. OVERVIEW OF THE ASSERTED PATENTS

“Hybrid” vehicles are vehicles that use two or more different sources of power to propel the vehicle. At issue in this case are hybrid electric vehicles that combine an internal combustion engine with one or more electric motors to propel the vehicle.

Paice did not invent hybrid electric vehicles. Indeed, this type of hybrid vehicles has been known for over a hundred years. (*See, e.g.*, ’347 patent (“References Cited,” citing a 1905 patent on a combustion engine plus battery hybrid, U.S. Patent No. 913,846 to Pieper).) Instead, the Asserted Patents are directed to alleged incremental improvements to a specific hybrid vehicle system and control strategy. The patents purport to improve on the design of an earlier, prior art patent that is owned by Paice and not at issue in this case—U.S. Patent No. 5,343,970 (“the ’970 patent”).

A. Litigation History of the Asserted Patents

The Asserted Patents have been extensively litigated, including in two cases in this District and two proceedings in the US International Trade Commission. Paice has licensed many automakers under the patents in its portfolio, including Toyota, Ford, GM, Hyundai, and Honda.

However, the past litigations have taken their toll on the Paice portfolio. All of the patents are now expired. Many of the claims in the ’347 and ’634 patents have been reviewed and had scores of claims cancelled in multiple IPR proceedings by the U.S. Patent and Trademark Office (“PTO”).

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