

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

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BAYERISCHE MOTOREN WERKE  
AKTIENGESELLSCHAFT & RMW OF NORTH AMERICA, LLC,

Petitioner,

v.

PAICE LLC & THE ABELL FOUNDATION, INC.,

Patent Owner.

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IPR2020-01299  
Patent 8,630,761B2

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Record of Oral Hearing  
Held: October 19, 2021

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Before KALYAN K. DESHPANDE, SALLY C. MEDLEY, and  
ARTHUR M. PESLAK, *Administrative Patent Judges*.

IPR 2020-01299  
Patent 8,630,761 B2

APPEARANCES:

ON BEHALF OF THE PETITIONER:

VINCENT GALLUZZO, ESQ.  
SCOTT BITTMAN, ESQ.  
Crowell & Moring, LLP  
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ON BEHALF OF PATENT OWNER:

BRIAN LIVEDALEN, ESQ.  
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1000 Maine Avenue, S.W.  
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The above-entitled matter came on for hearing on Tuesday,  
October 19, 2021, commencing at 9:13 a.m., EDT, by video/by telephone,  
before Julie Souza, Notary Public.

P R O C E E D I N G S

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2 JUDGE PESLAK: This is the oral hearing for IPR 2020-01299.  
3 We're conducting this all video hearing as a result of the shutdown of the  
4 Patent Office facilities due to Covid 19. I'm Judge Peslak. With me are  
5 Judges Medley and Deshpande. Will counsel for Petitioner please state your  
6 name and firm affiliation for the record and also introduce anyone else who's  
7 on the line with you.

8 MR. GALLUZZO: Good morning, Your Honor. This is Vince  
9 Galluzzo from Crowell & Moring on behalf of Petitioners. Also in the room  
10 with me are lead counsel Jeffrey Sanok and also back-up counsel Scott  
11 Bittman and Jacob Zambrzycki.

12 JUDGE PESLAK: Thank you. Good morning, Mr. Galluzzo.  
13 Counsel for Patent Owner, please state your name and firm affiliation for the  
14 record and identify anyone else who's there with you.

15 MR. LIVEDALEN: Good morning, Your Honor. Brian Livedalen  
16 from the law firm of Fish & Richardson representing Patent Owners Paice  
17 and Abell and with me here today is my colleague, Mr. Tim Riffe.

18 JUDGE PESLAK: Good morning. Counsel, for Petitioner you have  
19 60 minutes in accordance with the Hearing Order. Do you wish to reserve  
20 any time for rebuttal?

21 MR. GALLUZZO: Yes, Your Honor. We'd like to reserve ten  
22 minutes for rebuttal, please.

23 JUDGE PESLAK: Ten minutes. So you have 50 minutes. You can  
24 begin when ready.

25 MR. GALLUZZO: Thank you, Your Honors, and good morning.

1 Again, my name is Vince Galluzzo from Crowel & Moring. I'll be starting  
2 us off here today but then I'll be passing it over to my colleague, Mr. Scott  
3 Bittman, for the majority of today's presentation. I'd like to begin with  
4 Petitioner's demonstrative slide No. 2. On this slide we see independent  
5 claim 1 which is of course one of the independent claims that are challenged  
6 in this proceeding and we've separated out in green and red coloring to show  
7 what's in dispute and what's not.

8 As shown in green, this is the undisputed portion. This is what  
9 broadly claims a hybrid vehicle and as a point of reference, what's claimed  
10 in green here is much broader than the step point based control strategy of  
11 the '347 patent with its various modes of operation that I've presented on to  
12 Your Honors recently. All this requires is that there is a control of a flow of  
13 torque between components.

14 In the red portion below limitations [e] and [f] I believe is how we  
15 note them in briefing. This is the disputed portion. This requires that the  
16 hybrid vehicle derive a predicted near-term pattern of operation and it  
17 requires that it does so by monitoring operation of the vehicle and this  
18 requires controlling operation responsive to that pattern. Now, again, this is  
19 very broadly stated and claimed. It doesn't require any specifics about the  
20 monitoring. It doesn't say what to monitor, how to monitor it, when to  
21 monitor it, and what we're going to hear today because the claims are so  
22 broadly stated is what I like to call double speak from Patent Owners related  
23 to these pattern limitations. Patent Owners, rather than embracing the broad  
24 language of the claims that they negotiated with the Patent Office, will  
25 instead propose constructions of constructions in a way that twists the claim  
26 language from what the Patent Office granted. Because Patent Owners

1 chose to claim their invention broadly, they must live with that decision now  
2 even in the face of invalidating prior art.

3       Next to slide 3, we see a depiction of figure 3 of Severinsky against  
4 the undisputed portion. Now Severinsky is the base reference for all of the  
5 grounds here. It has all of the components of that broadly stated hybrid  
6 control strategy including the controller which we show here in purple which  
7 is critical for Petitioner's proposed combinations and Mr. Bittman will  
8 provide more detail about that in his presentation.

9       Next to slide 4. We look at those disputed limitations again [e] and [f]  
10 and the Board's construction of predicted near-term pattern of operation has  
11 an expected pattern of operation. This is a broad claim construction and it is  
12 the claim construction that Patent Owner requested and the Board adopted.  
13 Patent Owner will argue today and has, if I counted right, half a dozen slides  
14 or more trying to argue that Petitioners had some nefarious intent in its  
15 proposed claim construction of pattern. But the truth is that BMW was just  
16 using the language from the Board's prior decisions on the '347 patent in the  
17 four IPRs on how the Board had understood similar language. Patent  
18 Owner's arguments to the contrary, again, trying to impune BMW's intent is  
19 really just trying to escape the broad claim language and the construction  
20 that they proposed here. So to clear up any confusion whatsoever the Board  
21 should stick with its Institution decision construction and apply this broad  
22 construction to the prior art.

23       Now, if we look specifically at limitation [e] shown at the top of the  
24 slide this requires that the deriving of the predicted pattern is done by  
25 monitoring operation of the hybrid vehicle. These claims are broad enough  
26 to cover a controller, the determined expected operation based on monitoring

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