

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BAYERISCHE MOTOREN WERKE AKTIENGESELLSCHAFT and
BMW OF NORTH AMERICA, LLC,
Petitioners,

v.

PAICE LLC and THE ABELL FOUNDATION, INC.,
Patent Owners.

Case IPR2020-01386
Patent 7,237,634

**PATENT OWNERS' SUR-REPLY TO PETITIONERS' REPLY TO
PATENT OWNERS' PRELIMINARY RESPONSE**

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I. INTRODUCTION

For the reasons stated in Patent Owners' Preliminary Response, the *General Plastic* factors and fundamental fairness support denial of institution. By filing what amounts to the 27th attack against the '634 patent, BMW intentionally seeks to derive a strategic advantage by studying the earlier petitions and the subsequent Patent Owner Preliminary Responses and Board decisions. BMW does not contest that it used the earlier Ford and VW petitions as menus from which to pick and choose its prior art and arguments. Nor does it dispute that it modified its grounds in response to Patent Owners' prior responses and the Board's prior institution decisions. This is precisely what the *General Factors* analysis seeks to prohibit.

What is more, BMW seeks to benefit from prior petitioners' unabated harassment of Patent Owners. BMW engages in revisionist history, attributing the shocking number of previous petitions against the '634 patent to the '634 patent's large number of patent claims. In doing so, BMW ignores the fact that prior petitioners filed serial petition after petition challenging many of the same claims in clear violation of *General Plastic*. For example, prior petitioner Ford filed waves of IPRs on June 2014, September 2014, and January/February 2015 strategically orchestrated to derive the benefits of Patent Owners' Preliminary Responses and the Board's Institution Decisions. Ford's three waves of IPRs—totaling thirteen separate petitions—challenged the same claims multiple times (some claims as many

as seven times). (Ex. 2003 (IPR2015-00791 POPR), 28-36; *id.*, Ex. 2401 (Summary of Ford’s IPR Petitions).) Patent Owners repeatedly argued that Ford’s strategy was abusive and fundamentally unfair pointing to the same considerations recognized in *General Plastic* two years later. (*See, e.g.*, Ex. 2003 (IPR2015-00791 POPR), 28-36.) While Patent Owners’ arguments were unsuccessful at the time, BMW should not be able to benefit from this previous harassment.

There is nothing efficient or fair about BMW’s Petition. BMW’s improper roadmapping is pervasive. In total, 19 of the 36 challenged claims were previously subject to IPR. The Board denied institution of 18 challenged claims (33-44, 46, 50, 52-55). (BMW1060, 6-8, 16-17; BMW1061, 7-9, 14-15; BMW1062, 7-9, 15-16). Additionally, the Federal Circuit remanded one challenged claim (68) after final written decision. *See* IPR2015-00606.¹ There is no dispute that the majority of challenged claims were unsuccessfully challenged via IPR. Despite this, BMW devotes eight of its remaining 14 grounds to claims the Board already considered.

If BMW had any interest in efficiency or fairness, it would have only brought

¹ As BMW concedes in its reply, BMW’s Petition assertion that “[n]one of Claims 37, 44, or 202” have been subject to IPR is incorrect. Petition, 6; Reply, fn. 2. Claims 37 and 44 were subject to IPR petitions, both of which did not institute. *See* IPR2015-00791; IPR2015-00722.

IPR against the previously unchallenged claims. Having failed to do so, BMW's Petition runs squarely into 314(a) and *General Plastic*, which considers "the potential impacts on both the efficiency of the *inter partes* review process and the fundamental fairness of the process for all parties." *General Plastic* at 18.

BMW's effort to escape scrutiny by cabining the reach of the Board's precedential decisions in *General Plastic* and *Valve I & II* to artificially narrow fact patterns is barred by the Board's contrary view of these decisions. As the Board explained in the Consolidated Trial Practice Guide, *General Plastic* is "*not intended to represent all situations* where it may be appropriate to deny a petition." CTPG at 58 (*emphasis* added throughout). The fact pattern here presents the same fundamental fairness concerns that led to denial in all three of the Board's precedential decisions. Like the petitioners in *General Plastic* and *Valve I & II*, BMW attempts to reap a "benefit from receiving and having the opportunity to study [Patent Owners'] Preliminary Response, as well as [the Board's] institution decisions." *General Plastic* at 17. This tactic is abusive, especially in view of the vast number of serial petitions that precede the petition BMW filed. *See Valve I* at 12-13 (using the Board's institution decision "as a roadmap for the Petition" is unfair and favors denial); *Valve II* at 12-13 (same).

A. *General Plastic* Factors Favor Denial of Institution

***General Plastic* Factor 1:** BMW's reply turns a blind eye to the *Valve* cases,

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