

Filed on behalf of EmeraChem Holdings, LLC

IPR2014-01554

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VOLKSWAGEN GROUP OF AMERICA, INC.
Petitioner

v.

EMERACHEM HOLDINGS, LLC
Patent Owner

Case No. IPR2014-01554
U.S. Patent No. 6,037,307

PATENT OWNER'S PRELIMINARY RESPONSE

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STATEMENT OF MATERIAL FACTS IN DISPUTE

Petitioner did not submit a statement of material facts in its Petition. Accordingly, no response is due pursuant to 37 C.F.R. § 42.23(a), and no facts are admitted.

Emerachem Holdings, LLC ("Patent Owner") submits this Preliminary Response in opposition to the Petition for *Inter Partes* Review (the "Petition") filed by Volkswagen Group of America, Inc. ("Petitioner") regarding certain claims of U.S. Patent No. 6,037,307 (the "'307 patent").

I. INTRODUCTION

In this Preliminary Response, Patent Owner does not substantively address the claim construction and anticipation arguments presented in the Petition. Patent Owner reserves the right to construe claim terms and address all grounds in Patent Owner's Response, should the Board institute *inter partes* review.

However, the Board should deny Volkswagen's Petition, at least in part, based on the redundancy of the arguments presented in the Petition. Petitioner argues three distinct and separate grounds for each of the challenged claims, other than claim 8, for which Petitioner presents two grounds. However, Petitioner provides no meaningful distinction between these alternate grounds. This runs counter to a petitioner's obligation to present only its best case in a petition for *inter partes* review. Accordingly, if the Board finds that there are grounds for institution, the Board should nevertheless decline to consider most, if not all, of these redundant grounds and references.

II. THE BOARD SHOULD DECLINE TO CONSIDER MOST, IF NOT ALL, OF THE GROUNDS AND REFERENCES IN VOLKSWAGEN'S PETITION BECAUSE THEY ARE HORIZONTALLY REDUNDANT

Petitioner cites horizontally redundant art in its Petition. As noted above, Petitioner argues *three* alternate grounds of invalidity for *each* challenged claim, with the exception of claim 8, for which Petitioner argues two alternate grounds. The use of redundant art in an IPR petition contradicts regulatory and statutory mandates, and the Board has indicated that it will not consider such redundant grounds. The Board expressly recognized this in its Order (Redundant Grounds) in *Liberty Mutual Ins. Co. v. Progressive Casualty Ins. Co.*, No. CBM2012-00003, Paper No. 7, Order (Redundant Grounds) at 1-2 (PTAB Oct. 25, 2012):

This petition for covered business method review of Patent 8,140,358 ('358 patent) was filed on September 16, 2012 **We note that numerous redundant grounds would place a significant burden on the Patent Owner and the Board, and would cause unnecessary delays.**

Part 42 of Title 37, Code of Federal Regulations, governs proceedings before the Board and 37 C.F.R. § 42.1(b) provides that "[t]his part shall be construed to secure the just, speedy, and inexpensive resolution of every proceeding." When promulgating the regulations, the Board considered "the effect of the regulations on the economy, the integrity of the patent system, the efficient

administration of the Office, and the ability of the Office to timely complete proceedings” as mandated by 35 U.S.C. § 326(b). **Conducting a proceedings contrary to those statutory considerations would frustrate Congressional intent.**

We take this opportunity to note that multiple grounds, which are presented in a redundant manner by a petitioner who makes no meaningful distinction between them, are contrary to the regulatory and statutory mandates, and therefore are not all entitled to consideration.

(emphasis added). In the Order, the Board identified numerous references that the petitioner applied in a redundant manner. The Board noted that the petitioner applied the redundant references “*without relative distinction,*” such that the petitioner did not indicate whether any of the redundant references were any better or worse than the others. *Id.* At 8 (emphasis added). For example, regarding the petitioner’s application of multiple references to various claims of the patent at issue, the Board explained that “none of Kosaka, Black Magic, and Pettersen is stated by petitioner to be a better reference than the other two references.” *Id.* at 9. The Board thus recognized that the alleged teachings were *cumulative* and essentially *interchangeable* because petitioner did not “articulate any relative

strength [or weakness] for any one of the three references. *Id.* Consequently, the Board required the petitioner to choose only one of the three references. *Id.* at 9-10.

The Board's Order in CBM2012-00003 further stated that horizontal redundancy exists when multiple similar references are applied, not in combination to complement each other, but rather as distinct and separate alternatives. *Liberty Mutual*, CBM2012-00003, Paper No. 7, Order at 3. When a petitioner uses such distinct and separate alternatives to allegedly address the same claim limitations, and does not explain why one reference more closely satisfies the claim limitation at issue in some respects than another reference, the petitioner has applied the references in a redundant manner. *Id.*

The Board has come to a similar conclusion in other decisions. *See Berk-Tek LLC v. Belden Techs. Inc.*, No. IPR2013-00057, Paper No. 21, Decision on Request for Rehearing at 4-5 (PTAB May 14, 2013) ("If the petitioner makes no meaningful distinction between certain grounds, the Board may exercise discretion by acting on one or more grounds and regard the others as redundant"... "allowing multiple grounds without meaningful distinction by the petitioner is contrary to the legislative intent."); *Oracle Corp. v. Clouding IP, LLC*, No. IPR2013-00075, Paper No. 8, Decision Institution of *Inter Partes* Review at 13-14 (PTAB May 3, 2013) (denying various grounds of unpatentability because they were redundant.)

In the instant Petition, Petitioner has presented references that are applied in a cumulative, horizontally redundant manner, and Petitioner has not provided any meaningful distinction between them. In this regard, Petitioner asserts that Claims 1-8 and 11 are anticipated by Joy. As a distinct and separate alternative, Petitioner asserts that Claims 1-8 and 11 are anticipated by Tauster. Similarly, Petitioner then asserts that Claims 1-7 and 11 are anticipated by Rieck. Petitioner does not articulate any relative strength or weaknesses for these references. No explanation as to any differences between these references is provided.

A petitioner has the burden of proof to establish that it is entitled to the requested relief. 37 C.F.R. § 42.20(c). Yet here, the Petitioner does not provide any rationale as to why the Board and the Patent Owner should consider three separate, alternative grounds. Petitioner's proposition of three redundant grounds is an abuse of the Board's resources and places an unfair undue burden on the Patent Owner.

III. PATENT OWNER RESERVES ALL RIGHTS TO RESPOND SHOULD IPR BE INSTITUTED

As noted above, should the Board discern any institutable ground of the present Petition, the Patent Owner reserves any and all rights to respond to the

claim constructions, arguments, exhibits, and supporting declaration materials currently of record.

Respectfully submitted,

Dated: January 15, 2015

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 15th day of January, 2015, a copy of the foregoing Patent Owner's Preliminary Response was filed through the Patent Review Processing System and served on the following counsel for Petitioner via email at ptopatentcommunication@lockelord.com and First Class Mail postage prepaid:

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