

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

JIAWEI TECHNOLOGY (HK) LTD., JIAWEI TECHNOLOGY (USA) LTD., SHENZHEN JIAWEI PHOTOVOLTAIC LIGHTING CO., LTD., ATICO INTERNATIONAL (ASIA) LTD., ATICO INTERNATIONAL USA, INC., CHIEN LUEN INDUSTRIES CO., LTD., INC. (CHIEN LUEN FLORIDA), CHIEN LUEN INDUSTRIES CO., LTD., INC. (CHIEN LUEN CHINA), COLEMAN CABLE, LLC, NATURE'S MARK, RITE AID CORP., SMART SOLAR, INC., AND TEST RITE PRODUCTS CORP.

Petitioner,

v.

SIMON NICHOLAS RICHMOND

Patent Owner.

Case IPR2015-00580

Patent 7,429,827

**Reply to
Opposition to
Motion for Joinder with
IPR2014-00938**

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Petitioner respectfully motioned the Board to use its discretion to join IPR2015-00580 (“the ’580 IPR”) with IPR2014-00938 (“the ’938 IPR”). The patent owner’s arguments against joinder are unavailing. Specifically, in the ’938 IPR, the Board did not institute review of claims 31–34, holding that the ’938 petition did not address sufficiently the construction of “*cycle*.” ’938 IPR, paper 20 at 16–17. Petitioner then moved for rehearing, which the Board denied by deeming the arguments to be new. Thus, the patent owner is incorrect that the Board already considered the rehearing arguments, to the extent they overlap with any arguments in the ’580 petition. Opp. at 5–8 and ’938 IPR, paper 27 at 1 and 4. Ultimately, three reasons justify joinder: (1) conserving judicial resources, (2) the ’580 petition contains new arguments to address the “*cycle*” term that the Board found lacking in the ’938 IPR, and (3) joinder will have a negligible impact on the ’938 IPR schedule.

I. Joining the Petitions Is Appropriate and Will Conserve Resources

The ’580 petition applies a new ground to claims 31–34 to address the patent owner’s narrowed construction of “*cycle*,” but uses the identical scope of prior art applied to instituted claim 30. The only difference between the instituted and non-instituted claims is the use of “*continuous color changing cycle*” instead of “*varying color*,” which the patent owner admitted mean substantially the same thing. Ex. 1109 at 24. Accordingly, the petitioner requests that the Board resolve efficiently the patentability of all substantially similar claims in a joined IPR.

In addition, joinder would not materially add to the patent owner's or Board's workloads, as the two IPRs are very similar and rely on the same art. Conversely, denying joinder would be inefficient and necessarily duplicate briefing at the District Court, as the petitioner would challenge claims 31–34 there, possibly resulting in different claim constructions and inconsistent positions. *See also, Target Corp. v. Destination Maternity Corp.*, IPR2014-00508 (Paper 28, at 12 (joinder avoids parallel litigation on the same issues)). By using its discretion to join the petitions, the Board can reach a just, speedy and inexpensive resolution that consolidates briefing and discovery.

II. The '580 Petition Raises Substantially New Arguments to Address the Issue that the Board Found Lacking in the '938 Petition

The patent owner stated that joinder is inappropriate because Lau does not remedy the deficiencies of Chliwnyj. Opp. at 9. The patent owner is incorrect. The '580 petition demonstrates that both Chliwnyj and Lau use microcontrollers to drive LEDs to produce light patterns. *See e.g.*, petition at 28–30 and 42–51. To the extent that the light patterns must repeat to constitute a “*color changing cycle*,” and to the extent that Chliwnyj did not clearly teach repeating light patterns, Chliwnyj did teach that they were well known, and Chliwnyj in combination with Wu and Lau demonstrates that it was obvious to repeat a “*color changing cycle*” to produce a “visual effect [that] is both pleasing and comforting.” *Id.* Therefore, the '580 petition is not deficient as

alleged by the patent owner and, moreover, presents substantially different arguments to overcome § 325(d).

The Board did not consider the petitioner's arguments in the motion for rehearing, deeming them to be impermissible new arguments. Consequently, and contrary to the patent owner's arguments, the rehearing was not a "second bite." Opp. at 1, 4-5-8, 11, 13, 15. And, in any event, the Board permits petitioners to seek a second review of a patent. *See, e.g.*, 157 Cong. Rec. S5370-S5378, S5376 (AIA § 18 petitions (*i.e.*, CBMs) allow a "second bite"; Congress did the same with joinder in 35 U.S.C. § 315(c); *see also*, *Target II*, at 12) (permitting joinder).

The patent owner's inconsistent position regarding the meaning of "*cycle*" further supports providing petitioners a chance to respond. Although petitioners must do their best in their first petitions to consider possible patent owner arguments, it would be unjust to require, and impossible for, petitioners to anticipate all patent owner arguments, particularly where, as here, the patent owner makes an argument inconsistent with its previous position. Opp. at 8-9. The petitioner could not reasonably foresee the patent owner adopting a narrowed construction of "*cycle*," *i.e.*, requiring repetition, because (1) the specification neither expressly nor implicitly requires repetition, and (2) the patent owner never made this argument in litigation, and, in fact, offered a broader construction. This unforeseeable and inconsistent statement warrants a second petition, which the Board has discretion to grant. 157 Cong. Rec. S1360, 1376 (factors for granting joinder include, "the breadth or

unusualness of the claim scope that is alleged, particularly if alleged later in litigation; claim-construction rulings that adopt claim interpretations that are substantially different from the claim interpretation used in the first petition when that petition's interpretation was not manifestly in error" (emphasis added)).

The patent owner's reliance on *Samsung Electronics Co. v. Rembrandt Wireless Technologies* (Opp. at 2, 12, citing IPR 2015-00118, paper 14) is also misplaced. *Samsung* is distinguishable for several reasons. First, in *Samsung*, the first and second petitions proposed identical grounds for the same claims. Here, the '580 petition proposes a new ground for claims 31–34 (the ground is only at issue for claim 30 in the '938 IPR). Second, unlike *Samsung* where the petitioner could have anticipated the patent owner's arguments, here the patent owner submitted a claim construction that was inconsistent with its position taken during prior litigation. Ex. 1112 at 34–35 (n.23). The petitioner could not reasonably anticipate this change. Third, in *Samsung*, the petitioner reply was due about a week after the second decision on institution, which complicated joinder because the IPR would require another patent owner response. Here, the modified schedules mean that joinder would have minimal impact.

III. Joinder Would Minimally Impact the '938 IPR Schedule

The current schedule also favors joinder. The Board accelerated the preliminary response due date in the '580 IPR, and the parties agreed to extend the due dates in the '938 IPR to ensure an efficient and inexpensive proceeding if the Board grants joinder, without disrupting the majority of the due dates of the '938 IPR. In addition,

the patent owner will depose Dr. Shackle on April 22–23, more than a month after the preliminary response, which, based on past precedent, allows enough time for the Board to decide whether to institute and for the parties to consolidate depositions, creating even more efficiency. *See, e.g.*, IPR2014-00557, papers 9 and 10.

Finally, the petition is not “time barred.” Contrary to the patent owner’s position (Opp. at 13), the Board consistently holds that § 315(c) allows issue joinder, even if a petition is otherwise time-barred. *See e.g., Target II* at 6 (it is well-settled law that § 315(c) allows for issue joinder). Attempting to avoid this well-settled law, the patent owner forecasts a “deluge” of joinder petitions in this “particular case,” if the Board grants joinder. Opp. at 15. This sky-will-fall argument is without merit because one motion to join a petition, involving four substantially similar claims and relying on prior art of the same scope, does not a deluge make. And, in any event, the Board apparently considered and rejected this argument in *Target II*. *See Target II* at 11.

IV. Conclusion

The petitioner chose to litigate patentability at the Board, where the parties are already litigating substantially similar claims in the ’938 IPR. It would be most efficient for the public, the patent owner, and the petitioner to add four substantially similar claims to resolve the obviousness of all in claims one forum—not two.

Respectfully submitted,

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Dated: 3/16/15

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CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e))

The undersigned hereby certifies that the foregoing Reply to Opposition to Motion for Joinder with IPR2014-00938 was served on the Counsel for the Patent Owner via email to the following email addresses:

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Respectfully submitted,

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