

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,
Petitioner

v.

ECOFACITOR, INC.,
Patent Owner

IPR2020-00947
Patent No. 8,131,497

PATENT OWNER'S SUR-REPLY TO PETITIONER'S REPLY

Patent Owner EcoFactor, Inc. (“EcoFactor”) submits this Sur-reply in response to Petitioner’s Reply filed on September 8, 2020.

Institution should be denied because a parallel ITC proceeding involving the same parties is set for trial *one year before* the statutory deadline for the Board to issue a FWD in this IPR. That far-advanced ITC action, as well as pending district court proceedings, mandate denial under the Board’s precedential decision in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (“*Fintiv*”). EcoFactor’s POPR showed that the *Fintiv* factors support denial. And since that filing, based on instructions from the ITC Administrative Law Judge in the parallel ITC proceeding (including EcoFactor and Petitioner), the parties agreed to proceed for trial on November 16-19 and 23, 2020.¹ Accordingly, the *Fintiv* factors have only swung heavier in favor of denying institution.

Petitioner’s Reply fails to mention the now-agreed November 2020 trial date in the parallel ITC case. Instead, Petitioner’s Reply focuses on arguing that the Board should ignore the parallel ITC investigation. *See* Reply at 2 (“The stayed district court cases are thus a more appropriate benchmark for measuring the timing of

¹ *See* Joint Motion to Amend Procedural Schedule, filed in ITC Inv. No. 337-TA-1185, Doc. ID 719585 (Sept. 14, 2020).

parallel proceedings.”). But Petitioner’s argument contravenes the Board’s precedential decision in *Fintiv*, which undermines Petitioner’s faulty premise:

“[E]ven though the Office and the district court would not be bound by the ITC’s decision, *an earlier ITC trial date may favor exercising authority to deny institution under NHK if the ITC is going to decide the same or substantially similar issues to those presented in the petition.* ... We recognize that ITC final invalidity determinations do not have preclusive effect,¹³ but, *as a practical matter, it is difficult to maintain a district court proceeding on patent claims determined to be invalid at the ITC.*”

Fintiv at 8-9 (emphasis added). While Petitioner provides a string-cite of cases in its effort to have the Board ignore the ITC case (Reply at 2-3), all but two were decided before the precedential *Fintiv* decision and all are contrary to the reasoning in *Fintiv* regarding parallel ITC cases.² Indeed, after citing those non-precedential and mostly

² The two post-*Fintiv* cases are readily distinguishable. *Samsung Elec. Co., Ltd. v. Dynamics, Inc.*, IPR2020-00499, Paper 41 (PTAB Aug. 12, 2020) involved parallel ITC proceeding where the ITC trial date and initial determination have been “postponed indefinitely.” *Id.* at 12. And *3Shape A/S v. Align Tech., Inc.*, IPR2020-00223, Paper 12 (PTAB May 26, 2020) involved a situation where the patent owner did not even argue any overlap in prior art references, and the Board

pre-*Fintiv* cases, Petitioner “recognize[d] that the panel is bound to follow its own precedential decisions, including *Fintiv*.” Reply at 4, fn.2. Patent Owner agrees. The Board ***should*** follow *Fintiv*, including its guidance that ITC actions are precisely the sort of “parallel proceeding” that warrant denying institution.

Fintiv Factor 1: *whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted*

The parties in the ITC case have agreed to go to trial in two months, in November 2020. Accordingly, there will be no stay.

Petitioner’s entire argument is that the Board should ***ignore*** the ITC case. That makes no sense and is contrary to *Fintiv*. Petitioner also mischaracterizes EcoFactor’s statement in the POPR that validity disputes in the ITC “are likely to carry over to the district court” (Reply at 4-5). That statement is merely a re-statement of *Fintiv*, which stated that “as a practical matter, it is difficult to maintain a district court proceeding on patent claims determined to be invalid at the ITC.” *Fintiv* at 9. In other words, once the ITC case makes a determination regarding

accordingly concluded that there were material differences between the issues presented in the IPR petition and the parallel ITC Investigation. Unlike these two cases, there is a definite ITC trial date here (November 2020), and there are substantial overlapping issues between this Petition and the ITC action.

invalidity as to a particular patent versus a particular prior art, neither side is likely to maintain the same assertion in district court. That favors denying institution here.

Petitioner also argues about the amount of overlapping issues, but that also favors denying institution. For example, the sole primary reference in the Petition—Oswald—as well as one of only two secondary references—Rosen—will be at issue against the ‘497 patent in the November 2020 trial in the ITC. That the Respondents recently *elected* these references despite this IPR only confirms that the Petition should be denied.

Moreover, Petitioner’s characterization regarding the overlapping number of claims (e.g., claims 1, 2, and 5 at issue in ITC vs. claims 1-12 in the Petition) is immaterial compared to the overlapping *issues*. Indeed, substantial majority of the Petition centers on discussion of independent claim 1, with the rest of the claims often being discussed merely in reference to the Petition’s discussion of claim 1. *See* Pet. at 14-75. Thus, this Petition is substantially about whether the references teach or suggest independent claim—substantially the same issues that will be litigated at the November 2020 ITC trial.

Accordingly, Factor 1 weighs against institution.

Fintiv Factor 2: *proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision*

As discussed above, the ITC case now has an agreed trial date in November 2020, which is an entire one year before the projected statutory deadline for a final written decision here, which is November 2021. Petitioner argues again to ignore the ITC case, which is contrary to *Fintiv*. Factor 2 is about the court's trial date and is not limited under law, policy, or even common sense to "district court" trials. Thus, Factor 2 weighs overwhelmingly against institution.

Fintiv Factor 3: *investment in the parallel proceeding by the court and the parties*

Petitioner admits that "the parties have invested a significant amount in the ITC proceedings," but, again, urges the Board to ignore the ITC proceeding. Factor 3 is about investment in the "parallel proceeding," and is not limited to "district court parallel proceedings." Petitioner's argument makes no sense. The parties agree that the court and the parties have invested heavily in the ITC case. The existence of *additional* proceedings cannot reduce that proceeding.

Fintiv stated that "[i]f ... the evidence shows that the petitioner did not file the petition expeditiously, such as at or around the same time that the patent owner responds to the petitioner's invalidity contentions, or even if the petitioner cannot explain the delay in filing its petition, these facts have favored denial." *Fintiv* at 11-12. Here, Petitioner submitted invalidity contentions in the ITC case with all three of the references at issue in the Petition in March 2020, but waited until May 2020 to file the Petition. Factor 3 weighs against institution.

Fintiv Factor 4: *overlap between issues raised in the petition and in the parallel proceeding*

Contrary to Petitioner’s arguments, there is substantial overlap of issues. The sole primary reference in the Petition—Oswald—as well as one of only two secondary references—Rosen—are also at issue in the ITC case, and will be at issue in the November 2020 trial in the ITC. Petitioner’s argument that the combination in Grounds 2 and 3 are not at issue in the ITC belies the fact that all three “grounds” are centrally focused on the sole primary reference—Oswald—but with substantially similar recitation regarding motivation to combine in the Petition.

Moreover, Petitioner’s argument regarding overlapping claims belies the fact that substantial majority of the Petition centers on discussion of independent claim 1, with the rest of the claims often being discussed merely in reference to the Petition’s discussion of claim 1. *See* Pet. at 14-75. Therefore, even according to the Petition, there is substantial overlap in *issues* between the Petition and the ITC case when looking at the overlap of claims. Factor 4 weighs against institution.

Indeed, Respondents could have agreed not to assert those references in the ITC or chosen different references in their recent prior art election. That Respondents (including Petitioner) did not is strong consideration against institution.

Fintiv Factor 5: *whether the petitioner and the defendant in the parallel proceeding are the same party*

Petitioner argues that Factor 5 “weighs in favor of institution” (Reply at 7) despite the fact that Petitioner Google LLC and defendant / respondent Google LLC in the parallel ITC and district court proceedings are the same party. Petitioner’s argument, again, ignores *Fintiv*, which explained that Factor 5 is about whether or not “petitioner is unrelated to a defendant” in the parallel proceedings. Factor 5 weighs against institution.

Fintiv Factor 6: *other circumstances that impact the Board’s exercise of discretion*

Petitioner makes an unfounded accusation regarding “large number of cases filed by EcoFactor” (Reply at 7). In fact, there are only 1 active parallel proceeding involving the ’497 patent—the ITC proceeding—and 4 stayed district court cases. It would be more efficient to litigate validity involving Oswald and Rosen at issue in the Petition in the ITC trial in November 2020, instead of having substantially similar issues be also litigated here. The Board should exercise its discretion to deny institution.

Respectfully submitted,

Dated: September 15, 2020

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CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e)(1))

The undersigned hereby certifies that the above document was served on September 15, 2020, by filing this document through the Patent Trial and Appeal Board End to End system as well as delivering a copy via electronic mail upon the following attorneys of record for the Petitioner:

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