

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 PRELIMINARY RESPONSE**

## **Table of Contents**

I. <u>Introduction</u> .....	2
II. <u>Petitioner’s Asserted Grounds and References</u> .....	2
III. Institution Should Also Be Denied Under the <i>Fintiv</i> Factors.....	3
A. Parallel Proceedings .....	4
B. Factor 1 weighs against institution, as the ITC has not granted a stay and no evidence exists that a stay may be granted. ....	6
C. Factor 2 weighs strongly against institution, as the “target date” for ITC’s final determination is scheduled to be completed eight months before the FWD. 7	
D. Factor 3 weighs against institution, as fact and expert discovery is already completed in the ITC action, and all pre-trial disclosures and <i>motions in limine</i> briefing are set to be completed in the ITC action before the date the institution decision is due.....	9
E. Factor 4 weighs against institution, as there is overlap between this IPR and the ITC proceeding .....	10
F. Factor 5 weighs against institution, as Petitioner is a Respondent in the parallel ITC proceeding. ....	13
G. Factor 6 does not weigh in favor of institution. ....	13
H. Summary Regarding <i>Fintiv</i> Factors .....	13
IV. <u>Conclusion</u> .....	14

Exhibits

Exhibit No.	Description
2001	ITC Investigation No. 337-TA-1185, Order No. 12 (Amended Procedural Schedule)
2002	Excerpts of Respondents' Invalidity Contentions, ITC Investigation No. 337-TA-1185, Appendix A-3 (May 6, 2020)
2003	Excerpts of Respondents' Invalidity Contentions, ITC Investigation No. 337-TA-1185, Appendix A-8 (Mar. 11, 2020)

## **I. Introduction**

The Petition challenges the claims of U.S. Patent No. 8,131,497 (Ex. 1001) under three grounds of unpatentability. Instituting review in this IPR would cause the parties and the Board to incur significant inefficiencies and wasted efforts of the type warned of in *Fintiv* and *NHK Spring*. On October 22, 2019, Patent Owner EcoFactor filed a complaint before the International Trade Commission (“ITC”) against various Respondents, including Petitioner Google, asserting infringement of the ’497 patent. That ITC investigation is in advanced stage, with fact and expert discovery already closed, and the parties preparing for trial, with “target date” for completion of the final determination by the ITC Commission set for March 15, 2021, which is eight months before the Final Written Decision would be due in this IPR proceeding (should it be instituted). Further, the ITC investigation involves the same claim construction standard and overlapping claims, invalidity theories, and prior art as this IPR. Under the PTAB’s precedential orders of *Fintiv* and *NHK Spring*, the Board should exercise its discretion to deny institution under § 314(a).

## **II. Petitioner’s Asserted Grounds and References**

The Petition asserts the following three “grounds” of unpatentability:

- “Ground 1. Claims 1, 4, 7, and 10 are anticipated by Oswald” (Pet. at 14);
- “Ground 2. Claims 1, 3-7, and 9-12 are obvious over Oswald in view of Cler and the knowledge of a person of ordinary skill” (Pet. at 40);

- “Ground 3. Claims 2 and 8 are obvious as in Ground 2 in further view of Rosen” (Pet. at 72).

### **III. Institution Should Also Be Denied Under the *Fintiv* Factors**

35 U.S.C. § 314(a) gives the Board discretion to deny institution because of efficiency considerations stemming from parallel proceedings on the same patent. *See NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential, designated May 7, 2019) (“*NHK Spring*”). The PTAB recently promulgated six factors for determining whether discretionary denial due to efficiency considerations relating to parallel proceedings is appropriate (the “*Fintiv* factors”):

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board’s exercise of discretion, including the merits.

*Apple Inc., v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential, designated May 5, 2020) (“*Fintiv Order*”) at 6; *Apple Inc., v. Fintiv*,

*Inc.*, IPR2020-00019, Paper 15 (PTAB May 13, 2020) (order denying institution) (informative, designated July 13, 2020) (“*Fintiv ID*”) at 7–8. Here, all six *Fintiv* factors weigh against institution.

**A. Parallel Proceedings**

EcoFactor filed a complaint in the ITC alleging infringement of the ‘497 patent by the Petitioner Google on October 22, 2019. *See Certain Smart Thermostats, Smart HVAC Systems, and Components Thereof*, Investigation No. 337-TA-1185 (before Administrative Law Judge David P. Shaw). Four parallel district court cases, all asserting patents which include the ‘497 patent, were filed along with the ITC complaint. *EcoFactor, Inc. v. Google LLC*, Case No. 19-cv-12322 (D. Mass.); *EcoFactor, Inc. v. Alarm.com Inc.*, Case No. 19-cv-12323 (D. Mass.); *EcoFactor, Inc. v. Ecobee, Inc.*, Case No. 19-cv-12325 (D. Mass.); *EcoFactor, Inc. v. Vivint, Inc.*, Case No. 19-cv-12327 (D. Mass.). This Petition for *inter partes* review was filed on May 15, 2020.

The ITC instituted the investigation on November 22, 2019, as Investigation No. 337-TA-1185 (the “1185 Investigation” or the “ITC action”). All four parallel district court cases were efficiently stayed pending the resolution of the ITC matter, avoiding duplicative efforts over the litigation of the ‘497 patent.

The 1185 Investigation is in advanced stages, with fact and expert discovery already closed, and the parties have exchanged witness statements, exhibit lists, and

deposition designations. Certain findings in the 1185 Investigation will likely be instructive and may be dispositive of certain issues in this IPR proceeding. These issues may include claim construction and invalidity issues.

The 1185 ITC Investigation qualifies as a parallel proceeding that justifies discretionary denial. The *Fintiv* factors are not limited to district court proceedings and are “factors related to a parallel, co-pending petition,” which includes parallel ITC proceedings. *Fintiv Order* at 5. This makes sense because parties expend enormous resources in ITC investigations, and the ITC is a forum where parties can litigate their disputes fully and fairly. *See Fintiv Order* at 6 (explaining that the *Fintiv* factors “relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding”). Thus, the same considerations of Board, party, and judicial economy apply. *See, e.g., Cisco Systems, Inc. v. Ramot at Tel Aviv University Ltd.*, IPR2020-00123, Paper 14 (PTAB May 15, 2020) at 11 (denying institution where it “would be an inefficient use of Board, party, and judicial resources”); *Intel Corp. v. VLSI Tech. LLC*, IPR2020-00158, Paper 16 (PTAB May 20, 2020) at 14 (same).

*Fintiv* recognizes that even though “ITC final invalidity determinations do not have preclusive effect,” it explains that denial of institution can nonetheless be sensible since “it is difficult to maintain a district court proceeding on patent claims determined to be invalid at the ITC.” *Fintiv Order* at 8-9. As a practical matter, the

parties' validity disputes as to the '497 patent are likely to carry over to the district court cases.

**B. Factor 1 weighs against institution, as the ITC has not granted a stay and no evidence exists that a stay may be granted.**

Factor 1 concerns whether the ITC granted a stay or evidence exists that one may be granted if a proceeding is instituted. *Fintiv Order* at 6; *Fintiv ID* at 12. This factor weighs against institution.

The ITC has not granted a stay. Further, it is extremely unlikely that an ITC case will be stayed pending IPR. For example, the ITC has denied a stay even where the PTAB instituted an IPR fifteen days before the investigation complaint was filed and even where the IPR proceeding would conclude before the ITC target date. *See In the Matter of Certain Laser-Driven Light Sources, Subsystems Containing Laser-Driven Light Sources, & Prod. Containing Same*, Order No. 8, USITC Inv. No. 337-TA-983 (Mar. 3, 2016). Indeed, one article noted that as of March 2016, the ITC “has *never* granted a stay of a Section 337 investigation in favor of an [IPR].” *See* <https://www.jonesday.com/en/insights/2016/03/itc-refuses-to-stay-investigation-pending-iinter-partesi-review>.

Respondents have not requested nor have given any indication that they would request a stay in the ITC matter. The stay is even more unlikely considering that the ITC action is in advanced stage, with fact and expert discovery already concluded.



And, by the time institution decision issues in November 2020, the parties in the ITC action will have completed pre-trial disclosures and preparation, including completion of motion *in limine* briefings.

Though the parallel district court cases are stayed, that does not weigh against this factor, and instead weighs in favor of this factor, as *Fintiv* expressly contemplates that district court cases are typically stayed when there is concurrent ITC litigation. *Fintiv* observes that “[o]ne particular situation in which stays arise frequently is during a parallel district court and ITC investigation involving the challenged patent.” *Fintiv Order* at 8. *Fintiv* further notes that “[i]n such cases, the district court litigation is often stayed under 28 U.S.C. § 1659 pending the resolution of the ITC investigation.” *Id.* Thus, the fact that the parallel district court cases are stayed in the context of concurrent ITC litigation is unremarkable. Indeed, *Fintiv* suggests that the PTAB should deny institution when district court cases are stayed in light of an ITC investigation. Again, this makes sense because instituting this IPR will not promote efficiency by causing any currently pending cases to be stayed. Rather, the ITC case will march ahead to trial.

**C. Factor 2 weighs strongly against institution, as the “target date” for ITC’s final determination is scheduled to be completed eight months before the FWD.**

Factor 2 relates to proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision. *Fintiv Order* at 9; *Fintiv ID* at 12. The statutory deadline for the final written decision (FWD) for this IPR Petition would be in November 2021. Meanwhile, the “target date” for ITC’s final determination of the ITC action involving the ‘497 patent is set for March 15, 2021. *See* Ex. 2001. A trial in an ITC investigation typically occurs several months ***before*** the “target date.” Accordingly, the trial in the 1185 ITC action could occur as early as November 2020—one year before the FWD would be due in this IPR proceeding. While trial date is currently not set, due to the COVID-19 pandemic, the trial in the ITC action is sure to occur long before any FWD deadline in this IPR, even if the “target date” is extended by few months.

Under Factor 2, this weighs strongly against institution. *See Fintiv Order* at 9 (“If the court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution under *NHK*.”). As *NHK Spring* explained, one of the primary objectives of the AIA was “to provide an effective and efficient ***alternative***” to parallel litigation. *NHK Spring* at 19–20 (quoting *General Plastic* at 16–17) (emphasis added).

Here, this IPR cannot be an alternative to a trial in ITC set to occur months (potentially a year) earlier than the FWD deadline. Even if the trial or the “target date” in the ITC action is delayed by a few months, both the ITC trial and the “target

date” will occur months before any FWD deadline here. This alone provides a compelling reason for the Board to exercise its discretion to deny institution. *Fintiv ID* at 13; *Intel Corp. v. VLSI Tech. LLC*, IPR2020-00158, Paper 16 (PTAB May 20, 2020) at 9.

**D. Factor 3 weighs against institution, as fact and expert discovery is already completed in the ITC action, and all pre-trial disclosures and *motions in limine* briefing are set to be completed in the ITC action before the date the institution decision is due.**

Factor 3 relates to investment in the parallel proceeding by the court and the parties. *Fintiv Order* at 9; *Fintiv ID* at 14. Here, the parties and the ITC have already (and will continue to) invest enormous effort. Further, Staff has been appointed from the Office of Unfair Import Investigations in the 1185 Investigation, so governmental and judicial investment has been and will be considerable.

Importantly, this factor is judged from the date of the institution decision, which is expected to be in November 20, 2020. *See Fintiv Order* at 9 (considering “the amount and type of work already completed in the parallel litigation by the court and the parties *at the time of the institution decision.*”) (emphasis added). The parties in the 1185 ITC action have already concluded fact and expert discovery, exchanged witness statements, exhibit lists, exhibits, and deposition designations. And by

November 20, 2020, the parties in the ITC action would have concluded all pre-trial disclosures and motion *in limine* briefing.

The *Apple v. Fintiv* case was in a similar procedural posture, except the FWD deadline was two months after that trial, whereas the FWD deadline here is eight months after the current ITC “target date,” and potentially a full year after trial in the 1185 ITC action. In that case, Board found for Factor 3: “this factor weighs somewhat in favor of discretionary denial in this case.” *Fintiv ID* at 14. Here, Factor 3 weighs more against institution because the instant ITC case is many months closer to trial than in *Fintiv* and more work is likely to be expended by the time of the institution decision given the highly accelerated ITC schedule.

**E. Factor 4 weighs against institution, as there is overlap between this IPR and the ITC proceeding**

Factor 4 relates to overlap between issues raised in the petition and in the parallel proceeding. *Fintiv Order* at 12; *Fintiv ID* at 13. This factor weighs against institution because the same claims and claim construction standard are at issue in both proceedings, and there is substantial overlap in invalidity theories and prior art.

For example, this IPR challenges the claims of the ‘497 patent based on three grounds, using Oswald, Cler, and Rosen:

- “Ground 1. Claims 1, 4, 7, and 10 are anticipated by Oswald” (Pet. at 14);

- “Ground 2. Claims 1, 3-7, and 9-12 are obvious over Oswald in view of Cler and the knowledge of a person of ordinary skill” (Pet. at 40);
- “Ground 3. Claims 2 and 8 are obvious as in Ground 2 in further view of Rosen” (Pet. at 72).

Google (and other respondents in the ITC case) asserted the same prior art and invalidity theories in the 1185 ITC action, asserting Oswald, Cler, and Rosen against the ‘497 patent:

**Appendix A-3**

**Invalidity Claim Chart for U.S. Patent No. 8,131,497 (“the ‘497 patent”)**

**U.S. Patent Pub. No. 2005/0171645 (“Oswald”)**

The chart below discloses how prior art references identified by Respondent disclose, either expressly or inherently, and/or render obvious each of the asserted claims. The citations provided are exemplary and do not necessarily include each and every disclosure of the limitation in the references. Respondent has cited the most relevant portions of the identified prior art. Other portions of the identified prior art may additionally disclose, either expressly or inherently, and/or render obvious one or more limitations of the asserted claims. To provide context or aid in understanding the prior art and the state of the art at the time of the alleged invention, Respondent reserves the right to rely on: (1) uncited portions of the identified prior art; (2) other prior art not identified herein; (3) references that show the state of the art (irrespective of whether such references themselves qualify as prior art to the asserted patents); (4) factual testimony from the inventors or authors of the prior art references, or purveyors of prior art devices; and/or (5) expert testimony.

Citations to particular drawing or figure in the accompanying charts should be understood to include the description of the drawing or figure, as well as any text associated with the drawing or figure. Citations to particular text concerning a drawing or figure, should also be understood to encompass that drawing or figure as well. The identified prior art expressly and/or inherently discloses the features of the asserted claims under all proposed constructions of the asserted claims. To establish the inherency of certain features of the prior art to invalidate the asserted claims, Respondent may rely on cited or uncited portions of the prior art, other documents, factual testimony, and expert testimony.

Discovery is still ongoing, and Respondent reserves its right to supplement its contentions with additional evidence as discovery continues.

Claims 1, 2, 4, and 5 of the ‘497 patent are anticipated and/or rendered obvious by Oswald alone or in combination with:

- (1) U.S. Patent No. 6,789,739 (“Rosen”)
- (2) WO 02/37332 (“Ryan”)
- (3) One or more of the references cited in this chart, in Appendices A-1 to A-9, and/or identified in Section V.B of Respondents’ Invalidity Contentions.

Ex. 2002 (Excerpts of Respondents’ Invalidity Contentions, ITC Investigation No. 337-TA-1185, Appendix A-3 (May 6, 2020)).

Appendix A-8

Invalidity Claim Chart for U.S. Patent No. 8,131,497 (“the ’497 patent”)

U.S. Patent No. 4,897,798 (“Cler”)

The chart below discloses how prior art references identified by Respondent disclose, either expressly or inherently, and/or render obvious each of the asserted claims. The citations provided are exemplary and do not necessarily include each and every disclosure of the limitation in the references. Respondent has cited the most relevant portions of the identified prior art. Other portions of the identified prior art may additionally disclose, either expressly or inherently, and/or render obvious one or more limitations of the asserted claims. To provide context or aid in understanding the prior art and the state of the art at the time of the alleged invention, Respondent reserves the right to rely on: (1) uncited portions of the identified prior art; (2) other prior art not identified herein; (3) references that show the state of the art (irrespective of whether such references themselves qualify as prior art to the asserted patents); (4) factual testimony from the inventors or authors of the prior art references, or purveyors of prior art devices; and/or (5) expert testimony.

Citations to particular drawing or figure in the accompanying charts should be understood to include the description of the drawing or figure, as well as any text associated with the drawing or figure. Citations to particular text concerning a drawing or figure, should also be understood to encompass that drawing or figure as well. The identified prior art expressly and/or inherently discloses the features of the asserted claims under all proposed constructions of the asserted claims. To establish the inherency of certain features of the prior art to invalidate the asserted claims, Respondent may rely on cited or uncited portions of the prior art, other documents, factual testimony, and expert testimony.

Discovery is still ongoing, and Respondent reserves its right to supplement its contentions with additional evidence as discovery continues.

Claims 1-12 of the ’497 patent are anticipated and/or rendered obvious by Cler alone or in combination with:

- (1) U.S. Patent No. 6,789,739 (“Rosen”)
- (2) WO 02/37332 (“Ryan”)
- (3) One or more of the references cited in this chart, in Appendices A-1 to A-16, and/or identified in Section V.B of Respondents’ Invalidity Contentions

Ex. 2003 (Excerpts of Respondents’ Invalidity Contentions, ITC Investigation No. 337-TA-1185, Appendix A-8 (Mar. 11, 2020)).

Further, both this IPR and district court proceedings are governed by the same *Phillips* claim construction standard. Thus, this IPR involves the same claim construction standard, and overlapping claims, invalidity theories and prior art. *See NHK Spring* at 19–20. Here, just as in *NHK Spring*, “concerns of inefficiency and the possibility of conflicting decisions [are] particularly strong.” *Fintiv Order* at 12. This factor weighs against institution.

**F. Factor 5 weighs against institution, as Petitioner is a Respondent in the parallel ITC proceeding.**

Factor 5 concerns whether the petitioner and the respondents in the parallel proceeding are the same parties. *Fintiv Order* at 13; *Fintiv ID* at 15. This factor weighs against institution because Petitioner Google is a respondent in the ITC case. *See Certain Smart Thermostats, Smart HVAC Systems, and Components Thereof*, Investigation No. 337-TA-1185.

**G. Factor 6 does not weigh in favor of institution.**

Factor 6 relates to other circumstances that impact the Board's exercise of discretion. *Fintiv Order* at 14; *Fintiv ID* at 15. Here, there are no other circumstance that favors institution.

**H. Summary Regarding *Fintiv* Factors**

Factor 1	Weighs against institution
Factor 2	Weighs strongly against institution
Factor 3	Weighs against institution
Factor 4	Weighs against institution
Factor 5	Weighs against institution
Factor 6	Weighs against institution

In summary, all *Fintiv* factors weigh against institution and one factor weighs strongly. The ITC trial and the “target date” are scheduled many months before the final written decision in this IPR. Further, the level of investment high. The parties

in the ITC action have already completed fact and expert discovery, and by the time of the institution decision in November 2020, the parties in the ITC case will have concluded all pre-trial disclosures and even motion *in limine* briefing. Instituting review under these “facts and circumstances would be an inefficient use of the Board’s resources.” *NHK Spring* at 19–20. Under § 314(a) and the totality of the *Fintiv* factors, institution should be denied.

#### **IV. Conclusion**

For the foregoing reasons, institution should be denied.

Respectfully submitted,

Dated: August 20, 2020

/s/ C. Jay Chung—

Philip X. Wang (Reg. No. 74,621)  
C. Jay Chung (Reg. No. 71,007)  
Kent Shum (Reg. No. 61,117)  
Russ August & Kabat  
12424 Wilshire Blvd., 12th Fl.  
Los Angeles, CA 90025  
Phone: (310) 826-7474  
Fax: (310) 826-6991  
[pwang@raklaw.com](mailto:pwang@raklaw.com)  
[jchung@raklaw.com](mailto:jchung@raklaw.com)  
[kshum@raklaw.com](mailto:kshum@raklaw.com)  
[rak\\_ecofactor@raklaw.com](mailto:rak_ecofactor@raklaw.com)



**CERTIFICATION REGARDING WORD COUNT**

Pursuant to 37 C.F.R. §42.24(d), Patent Owner certifies that there are 2,566 words in the paper excluding the portions exempted under 37 C.F.R. §42.24(a)(1).

Dated: August 20, 2020

/s/ C. Jay Chung

Philip X. Wang (Reg. No. 74,621)

C. Jay Chung (Reg. No. 71,007)

Kent Shum (Reg. No. 61,117)

Russ August & Kabat

12424 Wilshire Blvd., 12th Fl.

Los Angeles, CA 90025

Phone: (310) 826-7474

Fax: (310) 826-6991

[pwang@raklaw.com](mailto:pwang@raklaw.com)

[jchung@raklaw.com](mailto:jchung@raklaw.com)

[kshum@raklaw.com](mailto:kshum@raklaw.com)

[rak\\_ecofactor@raklaw.com](mailto:rak_ecofactor@raklaw.com)

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

The undersigned hereby certifies that the above document was served on August 20, 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:

Matthew A. Smith  
Elizabeth Laughton  
[smith@smithbaluch.com](mailto:smith@smithbaluch.com)  
[laughton@smithbaluch.com](mailto:laughton@smithbaluch.com)

Dated: August 20, 2020

/s/ C. Jay Chung

Philip X. Wang (Reg. No. 74,621)  
C. Jay Chung (Reg. No. 71,007)  
Kent Shum (Reg. No. 61,117)  
Russ August & Kabat  
12424 Wilshire Blvd., 12th Fl.  
Los Angeles, CA 90025  
Phone: (310) 826-7474  
Fax: (310) 826-6991  
[pwang@raklaw.com](mailto:pwang@raklaw.com)  
[jchung@raklaw.com](mailto:jchung@raklaw.com)  
[kshum@raklaw.com](mailto:kshum@raklaw.com)  
[rak\\_ecofactor@raklaw.com](mailto:rak_ecofactor@raklaw.com)