

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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PELOTON INTERACTIVE, INC.,

Petitioner,

v.

IFIT INC. F/K/A ICON HEALTH & FITNESS, INC.,

Patent Owner

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Case IPR2022-00030

Patent No. 7,166,062 B1

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

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**TABLE OF EXHIBITS**

<b>Exhibit No.</b>	<b>Exhibit Name</b>
2001	U.S. Patent No. 6,447,424.
2002	Prosecution History of U.S. Patent No. 6,447,424.
2003	U.S. Patent No. 6,645,124.
2004	U.S. Patent No. 6,749,537.
2005	Docket Sheet, <i>iFIT Inc. v. Peloton Interactive, Inc.</i> , No. 1:20-cv-01386-RGA (D. Del.).
2006	Joint Claim Construction Chart, <i>iFIT Inc. v. Peloton Interactive, Inc.</i> , No. 1:20-cv-01386-RGA (D. Del.).
2007	Scheduling Order, <i>iFIT Inc. v. Peloton Interactive, Inc.</i> , No. 1:20-cv-01386-RGA (D. Del.).
2008	U.S. Patent No. 5,898,838.

The Board should exercise its discretion to deny institution under §§314(a) and 325(d). Peloton filed the Petition in this matter and the -029 proceeding a mere two days before the one-year deadline for seeking *inter partes* review and more than three months after the Board's institution decision in the -00342 proceeding. Institution would permit Peloton to benefit unfairly from review of iFIT's Response in the -00342 proceeding and unnecessarily duplicate costs and resources expended in addressing invalidity issues in the parallel Delaware action. Peloton's narrow *Sand Revolution* stipulation does not address the inefficiencies that would result from institution because it will not prevent the parties and Delaware court from addressing 26 grounds of invalidity that Peloton has asserted, including grounds that rely on substantively identical counterparts of art asserted in the Petition (i.e., Hickman '537 and counterparts to Clem). In short, institution would entirely frustrate the AIA's goal of limiting unnecessary and counterproductive litigation costs. *See Consolidated Trial Practice Guide*, p. 23.

**I. INSTITUTION SHOULD BE DENIED UNDER *ADVANCED BIONICS***

The Petition's contention that the Examiner did not "substantively review" Studor and Clem is incorrect. POPR, 3–6, 11–13. The Petition entirely ignores the fact that the Examiner explicitly considered Hickman '537 and Clem '124 during prosecution of the '062 Patent, and considered Studor during prosecution of the

parent '424 Patent. POPR, 13.

Contrary to Petitioner's suggestion, a denial under §325(d) does not require a patent owner to show that the same references presented in a petition were discussed "meaningful[ly]" in a Notice of Allowance or another action. Prong one of *Advanced Bionics* considers "whether the same or substantially the same art previously was presented to the Office *or* whether the same or substantially the same arguments previously were presented." *Advanced Bionics*, p. 8. "[I]f either condition of first part [] is satisfied," the Board will then consider part two of the framework. *Id.* Thus, Peloton's reliance on *Ciena Corp. v. Capella Photonics, Inc.*, IPR2021-00624, Paper 20, pp. 36–37 (Nov. 16, 2021) is misplaced because it is beyond dispute that the Examiner's consideration of each of Hickman, Clem, and Studor were made of record as reflected by their listing on the '062 Patent. EX1001, p. 2; *see* EX1002, pp. 92, 201, 206; POPR, 3–6, 11–13. Further, Peloton simply ignores the fact that the Examiner considered substantively-identical counterparts of Hickman and Clem during prosecution of the '062 Patent and considered Studor in detail during prosecution of the immediate parent of the '062 Patent. *Id.*

The second prong of *Advanced Bionics* requires the petitioner to demonstrate that the Office erred in a manner material to the patentability of the

challenged claims. Petitioner fails to meet this burden. As to Studor, Petitioner fails to explain how or why the Examiner failed to consider Studor's disclosed use of "terrain data" in reference to a packetized control signal. Indeed, "[i]f reasonable minds can disagree regarding the purported treatment of the art or arguments, it cannot be said that the Office erred in a manner material to patentability."

*Advanced Bionics*, p. 9.

The Petition and Reply similarly fail to explain how Petitioner believes the Examiner erred in allowing the challenged claims over Clem and Hickman and the substantively-identical counterparts of those references (*i.e.*, Clem '124 and Hickman '537). The Examiner expressly applied Hickman '537 in the only rejection made during prosecution of the '062 Patent and specifically discussed Clem '124 in the Notice of Allowance. POPR, 11–13. Having referenced Clem '124's programmable fitness interface system in the Notice of Allowance and previously applied Hickman '537, Petitioner can only speculate that the Examiner somehow overlooked or misapprehended the teachings of those references. It should be presumed the Examiner properly recognized that those references fail to disclose the limitation of an interface device communicating with an exercise mechanism and configured to gather one or more user control signals. POPR, 45.

## **II. INSTITUTION SHOULD BE DENIED UNDER *GENERAL PLASTIC***

The Reply parrots the summary assertion in the Petition that the present petition is not a “true” follow-on petition because there is no prior petition on the specific claims challenged in the present Petition. But identity of claims is just one factor of *General Plastics* (Factor 1). Neither *Volkswagen Group of America, Inc. v. Carucel investments, L.P.*, IPR2019-01573, Paper 7, p. 3 (Jan. 22, 2020) nor any of the other non-binding decisions cited by Peloton establishes such a *per se* rule. Further, Peloton fails to address the fact that there are substantial similarities between the claims challenged in the -00342 petition and those challenged here. POPR, 7–10. The similarity of the Challenged Claims and the other factors discussed below weigh in favor of denial.

Petitioner's attempt to recast its first petition as somehow only challenging dependent claim 47 is incorrect. The -00342 petition challenged both independent claim 29 and claim 47. As was the case in *LONGi* and other decisions cited in the Preliminary Response, the overlap upon which the Petition is based supports denial. *See LONGi Green Energy Tech. Co., Ltd. v. Hanwha Solutions Corp.*, IPR2020-00047, Paper 18, pp. 11–12 (Apr. 27, 2020); *Bytedance Ltd. v. Triller, Inc.*, IPR2021-00774, Paper 6, p. 12 (Oct. 12, 2021) (finding that a “fact pattern is troubling [and weighs in favor of denial] because there are significant overlaps in the subject matter recited in the challenged claims and because [] [an asserted



reference] is a primary reference in both proceedings.”); *Fujifilm Corp. v. Sony Corp.*, IPR2018-00060, Paper 8, pp. 7–9 (Apr. 19, 2018) (finding that denial under §314 is appropriate where there is overlap between references and similarity of the issues).

Petitioner's reliance on *Netflix, Inc. v. Avago Techs. Int'l Sales Pte. Ltd.*, IPR2021-00431, Paper 8, p. 3 (June 25, 2021) is misplaced, as there was no dispute in that matter as to each of the *General Plastic* factors. In contrast, Peloton does not (and cannot) dispute that: it was aware of the prior art cited in the present Petition when it filed its first petition (Factor 2); it had received iFIT's preliminary response, the Board's institution decision, and iFIT's Response and accompanying expert declaration in the -342 IPR (Factor 3); it waited for ten months before filing the present Petition (Factor 4); and, as a result of this delay, there is no possibility of consolidation, resulting in depletion of the Board's finite resources (Factors 6 and 7). *See* POPR, 18–26.

Peloton's attempted justification for its delay in filing (Factor 2) should not avoid denial of institution. Peloton had no reasonable basis to conclude that iFIT would limit its infringement allegations in the Delaware action to claim 47. And having direct knowledge of the accused products, Peloton was certainly able to assess which claims might be asserted.

Further, Peloton offers no explanation why it waited over two months to file its follow-on petitions in this and the -029 proceeding after being served with iFIT's infringement contentions on August 6, 2021. In this intervening time, Peloton gained the benefit of review of iFIT's Response and accompanying expert declaration. As summarized in *General Plastic*, "factor 3 is directed to Petitioner's potential benefit from receiving and having the opportunity to study Patent Owner's Preliminary Response, as well as our institution decisions on the first filed petitions, prior to its filing of follow-on petitions." *General Plastic*, p. 17.

Peloton's attempted justification of its abandonment of the Brewer and Baran ground in the -00342 Petition should be rejected. As set forth in iFIT's Response, Petitioner failed to articulate why a person having ordinary skill in the art would have ignored Brewer's teachings as to use of a specific communication system and failed to provide any motivation for modifying Brewer as proposed. - 00342 IPR, Paper 27, pp. 24–30, Paper 39, pp. 12–16. In view of these deficiencies, Petitioner abandoned its prior strategy in favor of Clem and Hickman and its pervasive reliance upon the Non-Ground References.

Petitioner's allegation that it only relied upon new portions of Studor for new claims is incorrect. Reply, p. 7. This new text is relied upon for subject matter ("49[c]" and "49[e]" (Pet., pp. 19, 22)) which was previously challenged and

Petitioner alleges is challenged again here. This is evidence of how the serial filing of two petitions provides an unfair tactical advantage that Peloton gained through its delay.

Peloton's denial that the present Petition attempts to recast the relevant level of skill in the art should also be rejected. There are no relevant claim features that requires testimony as to a POSITA with a degree or experience "in the exercise field." Rather, Peloton's use of a second expert reflects a tactic it attempted (unsuccessfully) in other proceedings. *See* IPR2020-01186, Paper 52, pp. 17–18; IPR2020-01187, Paper 51, pp. 17–18.

### **III. INSTITUTION SHOULD BE DENIED *FINTIV***

Petitioner asserts that *Fintiv* is rendered inapplicable because the trial date is set to occur after the projected final written decision deadline. But proximity of the trial date is only one factor. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, p. 9 (Mar. 20, 2020) ("If the court's trial date is at or around the same time as the projected statutory deadline or even significantly after the projected statutory deadline, the decision whether to institute will likely implicate other factors discussed herein, such as the resources that have been invested in the parallel proceeding"). The significant investment of resources, Peloton's continued reliance in the Delaware action on other prior art that it could have raised here, and the fact

that no stay has been requested weigh strongly in favor of denial.

**Factor 1 favors denial.** General disposition of cases before Judge Andrews is inapposite. *See NanoCollect Biomedical, Inc. v. Cytonome/ST, LLC*, IPR2020-00551, Paper 19, p. 14 (Aug. 27, 2020) (addressing a Petitioner's argument as to Judge Andrews stay practice and finding that "the least speculative course of action is to focus on the record in this case, which is silent as to whether the district court has granted a stay"). Petitioner did not elect to seek a stay despite institution in the -342 IPR.

**Factor 2 is neutral.** As established above, *Fintiv* explicitly contemplated the present situation – a trial very shortly after a projected statutory deadline – and explained how its framework is to be applied (by implicating the other factors). The Board has found that a difference of 1 month between the trial date and the projected final written decision deadline causes this factor to be neutral. *See Microchip Tech. Inc. v Bell Semiconductor, LLC*, IPR2021-00147, Paper 20, p. 10 (May 14, 2021) ("Where, as here, the trial date and the date of our Final Written Decision are at or around the same time, the efficiency and fairness concerns that underlie the *Fintiv* analysis are not particularly strong, and will instead implicate other factors, as will be discussed further below").

**Factor 3 favors denial.** Consideration of the resources spent on the parallel

Delaware action also favors denial. Petitioner's cited decisions are inapposite. *See Juniper Networks, Inc. v. Huawei Digital Techs. (Cheng Du) Co., Ltd.*, IPR2020-01130, Paper 13, p. 13 (Jan. 22, 2021) (“[There] is no evidence that the parties have submitted briefing on any dispositive issue, or that the district court has made any determination on the merits”); *Sand Revolution II, LLC v. Continental Intermodal Group – Trucking LLC*, IPR2019-01393, Paper 24, p. 10 (June 16, 2020) (“much of the district court's investment relates to ancillary matters untethered to the validity issue itself.”). Here, the parties have briefed dispositive issues and the court has made a determination on the merits.

**Factor 4 favors denial.** Petitioner's narrow *Sand Revolution* stipulation is insufficient to assuage concerns over duplicative efforts. In the Delaware action, the Petitioner has raised invalidity grounds that stretch thousands of pages, in addition to those based upon Studor and Hickman and including grounds based on Clem '674 and Hickman '537. Such a situation calls for a much broader stipulation. *See Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, pp. 18–19 (Dec. 1, 2020) (Precedential). Such a stipulation only “weighs marginally in favor of not exercising discretion to deny institution.” *See Canadian Solar Inc. v. The Solaria Corp.*, IPR2021-00659, Paper 14, p. 14 (Sep. 30, 2021). Here, it is not even marginal given that Petitioner's stipulation would permit it to

pursue grounds based on art that is cumulative to that asserted in the Petition.

**Factor 5 favors denial.** *Acuity* does not stand for the proposition that having the same parties favors institution. *See Acuity Brands Lighting, Inc. v. Ultravision Techs., LLC*, IPR2020-01638, Paper 8, p. 13 (May 6, 2021). Where the parties are the same, Board has found this factor to weigh in favor of denial. *See Immersion Systems LLC v. Midas Green Techs, LLC*, IPR2021-01176, Paper 16, p. 18 (Jan. 6, 2022) (“It is undisputed that Petitioner is the defendant and Patent Owner the plaintiff in the related district court litigation. . . . We find this fact weighs in favor of exercising discretion to deny institution under this factor.”).

**Factor 6 favors denial.** Petitioner entirely failed to rebut iFIT's arguments as to the merits, as relevant to Factor 6. Rather, Petitioner merely parrots the same flawed statements from the Petition.

Petitioner's discussion of *Adaptics* was not authorized and should not be considered. *See Google LLC v. Parus Holdings, Inc.*, IPR2020-00846, Paper 9, p. 21 (Oct. 21, 2020). Regardless, *Pfizer* is inapposite. *See Pfizer Inc. v. Uniqure Biopharma B.V.*, IPR2020-00388, Paper 9, pp. 29–30 (July 13, 2020) (addressing use of “and/or” in a listing of Ground References and failing to address use of Non-Ground References). As set forth in the Preliminary Response, Petitioner does not limit its reliance on Non-Ground References to “background.” POPR, 33–34.

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Respectfully submitted,

Dated: March 1, 2022

By /George C. Beck/

George C. Beck, Reg. No. 38,072

**FOLEY & LARDNER LLP**

3000 K Street, Suite 600

Washington, DC 20007

202-945-6014

[gbeck@foley.com](mailto:gbeck@foley.com)

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing Patent Owner's Sur-Reply to Petitioner's Reply to Patent Owner's Preliminary Response was served on March 1, 2022 by email to litigation counsel for Petitioner's counsel of record:

Lisa K. Nguyen (Reg. No. 58,018)  
lisa.nguyen@lw.com  
Latham & Watkins LLP  
140 Scott Drive  
Menlo Park, CA 94025;  
Telephone: 650.470.4848

Jonathan M. Strang (Reg. No. 61,724)  
jonathan.strang@lw.com  
Latham & Watkins LLP  
555 Eleventh Street, NW, Ste. 1000  
Washington, D.C. 20004-1304  
Telephone: 202.637.2200

B. Thomas Watson (Reg. No. 70,212)  
thomas.watson@lw.com  
Latham & Watkins LLP  
12670 High Bluff Drive  
San Diego, CA 92130  
Telephone: 858.523.3944

Dale Chang (Reg. No. 61,476)  
dale.chang@lw.com  
Latham & Watkins LLP  
330 North Wabash Avenue, Suite 2800  
Chicago, IL 60611  
Telephone: 312.876.7650  
Fax: 312.993.9767



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Stephen D. O'Donohue (*pro hac vice*  
forthcoming)

stephen.odonohue@lw.com

Latham & Watkins LLP

1271 Avenue of the Americas

New York, NY 10020

Telephone: 212.906.1274

Fax: 212.751.4864

By: /George C. Beck /

George C. Beck

Reg. No. 38,072

Counsel for Patent Owner