

Filed on behalf of: Peloton Interactive, Inc.

Entered: February 22, 2022

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PELOTON INTERACTIVE, INC.,
Petitioner,

v.

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

Case IPR2022-00030
Patent 7,166,062 B1

**PETITIONER'S REPLY TO
PATENT OWNER'S PRELIMINARY RESPONSE**

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Exhibit List

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Ex. 1001	U.S. Patent No. 7,166,062 ('062 Patent')
Ex. 1002	Prosecution History of U.S. Patent No. 7,166,062
Ex. 1003	Declaration of Dr. Henry H. Houh in Support of Petition for <i>Inter Partes</i> Review of U.S. Patent No. 7,166,062 ("Houh")
Ex. 1004	<i>Curriculum Vitae</i> of Dr. Henry H. Houh
Ex. 1005	U.S. Patent No. 6,152,856 to Studor ("Studor")
Ex. 1006	U.S. Patent No. 5,645,509 to Brewer ("Brewer")
Ex. 1007	PCT Application No. WO 85/003180 to Baran ("Baran")
Ex. 1008	U.S. Patent No. 5,785,630 to Bobick ("Bobick")
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Ex. 1010	Complaint, <i>ICON Health & Fitness, Inc. v. Peloton Interactive, Inc.</i> , No. 1:20-cv-01386-RGA (D. Del. Oct. 15, 2020)
Ex. 1011	IEEE Alexander Graham Bell Medal Recipients
Ex. 1012	U.S. Patent No. 6,053,844 to Clem ("Clem")
Ex. 1013	U.S. Patent No. 6,059,692 to Hickman ("Hickman")
Ex. 1014	ICON Health & Fitness, Inc.'s Preliminary Infringement Contentions, <i>ICON Health & Fitness, Inc. v. Peloton Interactive, Inc.</i> , No. 1:20-cv-01386-RGA (D. Del. Aug. 6, 2021) ("iFIT's Infringement Contentions") [CONFIDENTIAL and REDACTED VERSIONS]
Ex. 1015	U.S. Patent No. 6,430,997 to French ("French")
Ex. 1016	U.S. Patent No. 5,591,104 to Andrus ("Andrus")
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Ex. 1018	U.S. Patent No. 6,587,151 to Cipolla (“Cipolla”)
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Ex. 1024	Information Sciences Institute, <i>Internet Protocol, DARPA Internet Program, Protocol Specification</i> (Sept. 1981)
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Ex. 1027	Memorandum Order, <i>ICON Health & Fitness, Inc. v. Peloton Interactive, Inc.</i> , No. 1:20-cv-01386-RGA (D. Del. Feb. 22, 2021), ECF No. 103
Ex. 1028	Letter from counsel for Peloton Interactive, Inc. to counsel for iFit Inc. f/k/a Icon Health & Fitness, Inc. (Feb. 22, 2022)

On October 15, 2020, PO filed the complaint in the parallel litigation, identifying only dependent claim 47. Two months later, Petitioner filed the petition in IPR2021-00342, challenging only claim 47 and independent claim 29 on which it depends (rather than wasting Board resources on the nearly 94 other claims of the '062 Patent). With little chance that claim 29 would survive (distinguished from the prior art solely on a "control signal" argument inconsistent with infringement), PO disclaimed claim 29. But even with the disclaimer, the Board instituted trial on July 7, 2021 in -00342. A month later (and 10 months after filing the complaint), PO served its infringement contentions on August 6, 2021, asserting an expansive 46 new claims from the '062 Patent. Petitioner immediately challenged these new claims, filing this Petition and the petition in IPR2022-00029 only two months later.

With just superficial arguments on the merits, PO now resorts to baseless arguments under *Advanced Bionics*, *General Plastic*, and *Fintiv* to urge denial. But efficiency, fairness, and the strength of the Petition confirm institution is warranted.

I. Institution is Appropriate under *Advanced Bionics*

The Board cannot defer to any prior Office evaluations of the evidence of record because the Office never considered this evidence as presented in the Petition. Thus, under the two-part framework of *Advanced Bionics*, institution is warranted. First, PO does not dispute that the Examiner allowed the claims of the '062 Patent *without meaningful mention* of Studor or Clem. Ex. 1002, 86-94. As such, the

Office did not substantively review either.¹ Pet. 73-74.

Second, even if the Office did substantively review them, the Examiner materially erred by misapprehending or overlooking that each teaches the “packetized control signal [that] is received from a remote source” that iFIT argued, and the Examiner agreed, is missing from Hickman ’537. PO emphasizes that “Studor was explicitly discussed by the same Examiner during prosecution of the ’424 Patent,” the parent of the ’062 Patent. POPR 16. But PO omits that the Examiner discussed Studor in relation to entirely different subject matter that has no relevance to the ’062 Patent. *Nuna Baby Essentials, Inc. v. Britax Child Safety, Inc.*, IPR2019-00663, Paper 8, 7-20 (Sept. 4, 2019) (declining to extend examiner’s prior art review of parent to child because “the claim scope is sufficiently different”). The ’424 Patent relates to a virtual trail, and does not recite “packet” or “packetized” in the claims or even its specification. Indeed, PO merely argued that Studor fails to disclose “a topographical representation of a trail.” Ex. 2002, 137. Thus, the Examiner never considered the packetized control signal disclosures in Studor.

Similarly, PO dismisses Clem and Hickman arguing that the Examiner considered the related Clem ’124 and Hickman ’537. But even assuming that they

¹ The Board considers *Becton* factors (a), (b), (d) under the first prong of *Advanced Bionics*. PO misapplies the them under the second prong. POPR 14-18.

share the same relevant disclosures, the arguments about these references during prosecution do not resemble the arguments in the Petition. *Ciena Corp. v. Capella Photonics, Inc.*, IPR2021-00624, Paper 20, 37 (Nov. 16, 2021) (*Advanced Bionics* first prong not met where “arguments about the prior art during ... prosecution do not resemble Petitioner’s arguments about the combination”).

For Clem, the Examiner merely stated “Clem [’124] discloses an interactive programmable fitness interface system.” Ex. 1002, 195. The prosecution contains no other statements, identification of disclosures, or arguments. For Hickman, consistent with the Examiner’s evaluation, Petitioner relies on Hickman’s teachings related to certain interface features missing in Clem. Pet. 12-13. Thus, the Petition does not depart from any finding made by the Examiner during prosecution, and instead presents an entirely new combination (Clem and Hickman) never reviewed by the Examiner.

II. Institution is Appropriate under *General Plastic*

There is no prior petition on the Challenged Claims, and thus, the instant Petition is not a true “follow-on petition.” See *Volkswagen Grp. of Am., Inc. v. Carucel Invs., L.P.*, IPR2019-01573, Paper 7, 7 (Jan. 22, 2020) (“We are not persuaded that the Petition here is truly a ‘follow-on petition,’ as that term is used in *General Plastic*, because there was no prior petition challenging [the present claims].”); *Cirrus Design Corp. v. Hoyt Augustus Fleming*, IPR2020-00762, Paper

19, 16 (Oct. 1, 2020) (“We do not find it unreasonable that Petitioner determined a second Petition necessary to address newly asserted claims.”). Indeed, the Board has found a second petition challenging different claims of the same patent “warranted” where patent owner asserts new claims. *See Mercedes-Benz USA, LLC v. Carucel Invs., L.P.*, IPR2019-01644, Paper 9, 11 (Mar. 26, 2020) (“second petition is warranted by Patent Owner’s delayed assertion of claims 34 and 66.”); *Netflix, Inc. v. Avago Techs. Int’l Sales Pte. Ltd.*, IPR2021-00431, Paper 8, 3 (June 25, 2021) (“Petitioner states that this second-filed Petition challenges a new set of claims. ... [W]e agree with Petitioner that the circumstances warrant two petitions.”).

PO argues that *Netflix* is distinguishable because the patent owner there did not rebut Petitioner’s arguments regarding multiple petitions. POPR 27. But the fact that the patent owner chose not to make the same baseless arguments PO makes here does not change the Board’s analysis in that case. Similarly, PO argues that *Volkswagen* is distinguishable because the petitioner filed the second petition three weeks after the infringement contentions asserting the new claims and the same day as the POPR. *Id.*, 27-28. But this is no distinction. The Board declined to exercise discretionary denial because it found “three weeks ... well within a reasonable time frame to address the [four] newly-asserted claims.” IPR2019-01573, Paper 7, 8. Here, Petitioner challenged more than 10 times the number of new claims, a mere two months after PO asserted the new claims.

At bottom, PO cannot dispute that the instant Petition is a direct result of its own tactics to add 46 new claims one month after the Board institution in -00342. As such, the *General Plastic* factors only confirm that institution is appropriate.

Factors 1 and 5 (same petitioner, same claims) favor institution. In *Cirrus Design Corp. v. Hoyt Augustus Fleming*, the Board instituted trial on strikingly similar facts. There, patent owner asserted 23 claims that were “temporally offset.” IPR2020-00762, Paper 19, 16. Although the parties agreed that there was “overlap in claimed subject matter” between the temporally offset claims, the overlap was not comprehensive. *Id.*, 13. Specifically, the new claims included distinct features and petitioner applied new art in part to account for those distinct features. *Id.*

Here, PO asserts 47 claims, with 46 claims asserted 10 months after the single claim subject to -00342. Although there is some overlap in the claimed subject matter, they are far from same. Claim 47 is directed to a scaling control, while the Challenged Claims include distinct features such as sensors, decoders, actuators, and safety mechanisms, among others. Notably, the Petition does not include a scaling control at all. As such, the Petition applies Clem/Hickman to address these distinct features instead of Brewer/Baran, which Petitioner applied in -00342 for its plain disclosure of scaling control.

PO argues that Petitioner should have addressed the 46 newly-asserted claims in the -00342 because PO gave notice in the complaint that it could assert additional

claims. POPR 22. Nonsense. First, Petitioner had no way of knowing which of the 95 other claims in the '062 Patent PO would assert. Second, filing a petition on nearly 100 claims not yet asserted would have been a gross waste of Board resources.

PO's cited cases do not support otherwise. In *Longi*, *Bytedance*, and *Fujifilm*, the Board exercised discretionary denial based on "Petitioner's delay in filing the present Petition in combination with Petitioner's failure to provide a sufficient explanation for the delay." *Longi Green Energy Tech. Co. v. Hanwha Sols. Corp.*, IPR2020-00047, Paper 18, 14-15 (Apr. 27, 2020); *Bytedance Ltd. v. Triller, Inc.*, IPR2021-00774, Paper 6, 15 (Oct. 12, 2021) ("Petitioner does not explain why it did not file those two petitions on or around the same time."); *Fujifilm Corp. v. Sony Corp.*, IPR2018-00060, Paper 8, 8 (Apr. 19, 2018) (denying institution where petition filed after final written decision issued in trial involve same patent and same petitioner). Here, in contrast, the delay falls squarely on PO, not Petitioner.

PO further points to three differences in the instant Petition and the petition in the -00342 to claim that Petitioner has somehow "gained an unfair tactical advantage." POPR 23. Again, nonsense. First, PO argues that Clem addresses "deficiencies" in Brewer/Baran. *Id.* But there are no deficiencies with respect to the overlapping subject matter—indeed, PO does not dispute that Brewer/Baran discloses every limitation of claim 29. Second, PO argues that Petitioner "[r]eformulates" its reliance on Studor. *Id.* But as PO admits, this "reformulation"

is merely citation to additional passages in Studor. *Id.*, 6. These passages are used to further support the disclosures for the new claims; there are no new arguments or theories with respect to the overlapping subject matter. Third, PO claims that the instant Petition “recasts” the level of ordinary skill to impeach its expert. But this makes no sense. Certain Challenged Claims relate to exercise training, which would require a POSITA with a degree or experience in the exercise field. But this does not impeach PO's expert. To the contrary, PO has a fair opportunity to rely on an exercise expert, just as Petitioner relies on Dr. Rutberg for those claims.

Factors 2 and 4 (knowledge of prior art) and 3 (timing of filing) are neutral. Once again, Petitioner analyzed the prior art and filed the instant Petition a mere two months after PO served its infringement contentions. Thus, as to factors 2 and 4, PO's reliance on *Bytedance* (five month delay) and *Metall Zug* (six month delay) are inapplicable. POPR 24. As to factor 3, PO argues that “Petitioner had no reasonable basis to conclude that iFIT was limiting its infringement claims to claim 47.” *Id.*, 26. But notably, PO ignores that it would have been impractical and inefficient to include the nearly 100 claims of the '062 Patent in -00342.

Factors 6 and 7 (finite Board resources and other considerations) favors institution. PO claims that allowing the Board to decide the validity of claim 47 of the '062 Patent while allowing the 46 other claims of the '062 Patent to be litigated in district court is somehow efficient. It is not. Moreover, allowing the district court

action to resolve validity of the 46 other claims could result in conflicting decisions. Indeed, the district court has already recognized that PO's "invalidity analysis is inconsistent" with its infringement theory. Ex. 1027, 7.

III. Institution is Appropriate under *Fintiv*

Fintiv does not apply here where the district court trial is set six weeks after the final written decision deadline. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, 5 (Mar. 20, 2020). Regardless, no *Fintiv* factor favors discretionary denial.

Factor 1 (likelihood of stay) favors institution. The parallel litigation is before Judge Andrews, who routinely stays actions pending IPRs. *See RAB Lighting Inc. v. Ideal Industries Lighting LLC*, No. 1:20-cv-01574-RGA (D. Del. Oct. 18, 2021), ECF No. 71; *Targus Int'l LLC v. Victorinox Swiss Army, Inc.*, No. 1:20-cv-00464-RGA (D. Del. July 14, 2021), ECF No. 199; *Bio-Rad Laboratories Inc. v. 10X Genomics, Inc.*, No. 1:18-cv-01679-RGA (D. Del. June 2, 2020), ECF No. 128. PO's argument that Petitioner did not seek prior stay does not change that record.

Factor 2 (trial date proximity) strongly favors institution. *See Intel Corp. v. Pact XPP Schweiz AG*, IPR2020-00531, Paper 13, 14-15 (Aug. 11, 2020) (finding trial date after FWD date "weighs heavily against discretionary denial"); *see also Impinj Inc. v. NXP B.V.*, IPR2021-00001, Paper 14, 26 (May 6, 2021) (finding trial date after FWD date weighs against denial); *Illumina Inc. v. Ravgen, Inc.*, IPR2021-01271, Paper 12, 27 (Jan. 26, 2022) (same). This factor is not neutral as PO asserts.

POPR 28-29. Nor are the cited cases (with trial dates before the FWDs) applicable.

Factor 3 (investment) favors institution. As the Board previously found, PO's failed motion for preliminary injunction is insufficient to flip this factor. IPR2021-00342, Paper 14, 11. PO further argues that work has already been invested but ignores that the most significant work in the case (fact discovery, expert discovery, dispositive motions, and trial) still lies ahead. *See Juniper Networks, Inc. v. Huawei Digit. Techs. (Cheng Du) Co.*, IPR2020-01130, Paper 13, 13 (Jan. 22, 2021) (“[A]lthough a claim construction order has been entered, discovery is not complete and much remains to be completed in advance of trial.”); *Sand Revolution II, LLC v. Cont’l Intermodal Grp. – Trucking LLC*, IPR2019-01393, Paper 24, 11 (June 16, 2020) (“[M]uch work remains ... fact discovery is still ongoing, expert reports are not yet due, and substantive motion practice is yet to come.”).

Factor 4 (overlap) strongly favors institution. Petitioner has agreed to a *Sand Revolution* stipulation, eliminating any overlap. Ex. 1028.

Factor 5 (same parties) also favors institution. Because the FWD is due before the trial, having the same parties favors institution. *Acuity Brands Lighting, Inc. v. Ultravision Techs., LLC*, IPR2020-01638, Paper 8 at 13 (May 6, 2021).

Factor 6 (merits and other) further favors institution. The merits here are strong and cannot be defeated based on PO's manufactured arguments.

First, PO argues the Petition fails to identify where Studor discloses the “user

interface” (used to select an exercise program) and “remote system” (that sends the terrain data from media 20). But the Petition plainly states that Studor teaches the “computer system 16 provides a **user interface**” to select an exercise program. Pet. 15. Similarly, the Petition states that Studor teaches a remote system where “media 20 [is] on a server computer, ... actually located on yet another continent.” Pet. 32. PO also argues that the Petition fails to identify where Clem/Hickman discloses the “user interface.” POPR 50. But again, the Petition clearly states “Clem teaches a console with an interactive interface.” Pet. 40. The Petition does not lack particularity merely because the PO disagrees with these teachings.

Second, PO complains the Petition's cites to six background references, relying on *Adaptics*. But in *Adaptics*, the petition used a catch-all ground that relied on “up to ten references connected by the conjunction ‘and/or,’” which yielded “hundreds of possible combinations.” *Adaptics Ltd. v. Perfect Co.*, IPR2018-01596, Paper 20 at 18-19 (Mar. 6, 2019). Here, the background references merely corroborate motivation to combine and expectation of success. *See Pfizer Inc. v. Uniqure Biopharma B.V.*, IPR2020-00388, Paper 9, 29-30 (July 13, 2020).

Third, Patent Owner states that the Board should exercise its discretion because of “the tactical advantages that Petitioner would unfairly gain from its delay in filing.” POPR 33. But as discussed above, PO itself is to blame for any delay.

Respectfully submitted,

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), I certify that on this 22nd day of February, 2022, a true and correct copy of the foregoing **Petitioner's Reply to Patent Owner's Preliminary Response and all Exhibits** were served by electronic mail on Patent Owner's lead and backup counsel at the following email addresses:

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