

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VOLKSWAGEN GROUP OF AMERICA, INC.,
Petitioner,

v.

YECHEZKAL EVAN SPERO
Patent Owner.

U.S. Patent No. 10,894,503 B2

Case IPR2023-00335

**PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW /
REHEARING**

I. INTRODUCTION

Pursuant to 37 C.F.R. §42.71(d), and the Revised Interim Director Review Process (“RIDRP” at <https://www.uspto.gov/patents/ptab/decisions/revised-interim-director-review-process>), Patent Owner requests the Director to review the Decision Granting Institution (Paper No. 11). This request is directed to two issues.

One issue is whether a Petition lacks particularity where it (1) does not specify where each limitation is found in the prior art, (2) makes disclaimer-type arguments – *e.g.*, if one reference does not disclose a limitation maybe another does, and (3) asserts multiple prior art teachings and/or combinations within a single ground – and compounds the lack of particularity by not identifying what it is relying on.

The lack of particularity is further compounded by the fact Petitioner filed 3 petitions asserting 25 grounds challenging all claims of the ’503 Patent with the same two combination sets, Beam/Thominet and Karlsson/Harbers – while asserting that the primary reference in each teaches all claim limitations. Petitioner could have easily dropped one of the redundant combination sets, and/or grounds adding other prior art, to consolidate the petitions into 1 or 2 petitions.

As explained below, whether such multiple deficiencies should be allowed or should result in denying institution is an important issue of law and policy to both the Office and patent community. When the scope of the procedural

unfairness gives rise to due process concerns,, it was unreasonable – an abuse of discretion – for the Board to institute.

The second issue is that Petitioner filed the 3 Petitions without providing the required ranking and justification explanations. Whether filing multiple petitions without justification should be allowed is an important issue of law and policy. Further, given all of the above, it was an abuse of discretion for the Board to institute.

II. STANDARD FOR REVIEW

The Director “may review final PTAB decisions and ... issue decisions ... on behalf of the Board.” *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1987 (2021). Pursuant to the RIDRP, subpart 2.B., such review may be of decisions presenting issues of “(a) an abuse of discretion, [or] (b) important issues of law or policy...” “An abuse of discretion occurs where the decision is based on an erroneous interpretation of the law, ... or represents an unreasonable judgment in weighing relevant factors.” *Gose v. U.S. Postal Service*, 451 F.3d 831, 836 (Fed. Cir. 2006).

Pursuant to the RIDRP, 3.E., “[t]he Director will not consider new evidence or new arguments not part of the official record.” All arguments addressed below were previously advanced in Patent Owner’s Preliminary Response (“POPR” or Paper 6) and/or Sur-Reply (Paper 8) on the pages referenced in the subsection

titles.

III. ANALYSIS

A. The Petition Lacks Particularity (Paper 6 at 1-2, 57-65)

A Petition must identify “with particularity, each *claim* challenged, the *grounds* on which the challenge to each claim is based, and the *evidence* that supports the grounds for the challenge to each claim.” 35 U.S.C. § 312(a)(3). “[P]etitioner has the burden from the onset to show with particularity why the patent it challenges is unpatentable.” *Harmonic Inc. v Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) citing 35 U.S.C. §312(a)(3). The PTAB Consolidated Trial Practice Guide (CTPG), at 39, advises, “parties should avoid submitting a repository of all the information ... and instead focus on concise, well-organized, easy-to-follow arguments supported by readily identifiable evidence of record.” (CTPG at 39, emphasis added.)

“The statutory requirement of particularity in a petition for IPR takes on heightened importance when considered in conjunction with [the] ‘all-or-nothing’ approach [of *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348, 1355 (2018)]” and “the Board may consider whether a lack of particularity as to one or more of the asserted grounds justifies denial of an entire petition.” *Adaptics LTD. v. Perfect Co.*, IPR2018-01596, Paper 20, at 17 (PTAB March 6, 2019). Further, “where a petition contains voluminous or excessive grounds, Office guidance indicates

‘[t]he panel will evaluate the challenges and determine whether, in the interests of efficient administration of the Office and integrity of the patent system ..., the entire petition should be....’” *Id.* at 18, citing SAS Q&As (June 5, 2018).

1. The Petition Lacks Particularity Because It Does Not Specify Where Each Claim Limitation Is Found In The Prior Art (Paper 6 at 57-60)

Under 37 C.F.R. § 42.104(b)(4), a “petition must specify where each element of the claim is found in the prior art patents or printed publications relied upon.” Petitioner challenges 41 claims (claims 1-19 and 37-58) under at least 9 grounds, yet the claim language is largely absent from Petitioner’s arguments. (Paper 2 at 8-173.)

Instead, Petitioner paraphrases complex claim limitations while citing Claim Appendix identifiers, e.g., “[1.3]”, forcing a reader to find the full text of each limitation in a Claim Appendix. This leads to confusion and arguments that do not address the full limitation text. For example, [1.1] recites “*arranged for affixing components of the system to the vehicle,*” limitation text not addressed in the Petition. (Compare Paper 2 at 16 with Appendix A.) As another example, while [1.3] recites “*illuminate a plurality of sub-sections of a field-of-view with different illumination characteristics,*” the Petition asserts that Beam “illuminates a plurality of subsections” while ignoring the “*different illumination characteristics*” requirement. (Compare Paper 2 at 18 with Appendix A.) While acknowledging

“that Petitioner’s use of claim appendixes is cumbersome” the Board abused its discretion by not agreeing this results in a lack of particularity. (Paper 11 at 14.)

2. The Petition Lacks Particularity Because Petitioner Makes Disclaimer-Type (Either/Or) Arguments (Paper 6 at 60-61)

Although Grounds 1 and 7 are obviousness grounds, Petitioner first makes anticipatory-type arguments, arguing that the primary reference discloses all independent claim limitations. Petitioner then argues in the alternative that the primary reference combined with a secondary reference discloses the limitations. For example, in Ground 1 Petitioner asserts: “If Patent Owner argues, incorrectly, [that] Beam does not disclose [1.2], Beam-Thominet renders it obvious.” (Paper 2 at 17.) Similarly, in Ground 7 Petitioner asserts: “If Patent Owner argues, incorrectly, that Karlsson does not disclose [1.2]/[37.2], Harbers does.” (Paper 2 at 94.)

USPTO policy discourages such “if patent owner argues”: “**Do NOT ‘suggest’** other proposed rejections in footnotes or ‘disclaimer-type’ language.” (Ex. 2003 at 4c, Best Practices and FAQs for Filing Requests for Reexamination Compliant with 37 CFR 1.510 and 1.915, PTAB, May 2010, emphasis in original.)

The USPTO also discourages lumping anticipation and obviousness challenges: “**Do NOT lump** together multiple proposed rejections based on different grounds. ... Separate rejections based on anticipation and rejections based

on obviousness.” (*Id.* at 4a.) In this case, Petitioner asserts 9 Grounds and identified all to be §103. (Paper 2 at 3.) However, in Ground 1, Petitioner asserts “Beam discloses every feature in claims 1-5, 7-8, 10-14, and 18-19” but “[t]o avoid doubt, Beam is combined with Thominet...” and that Beam and/or Beam/Thominet disclose at least the limitations [2.3], [3], [4], and [18]. (*Id.* at 8, 36-37, 40, 42, 52-53.) Similarly, in Ground 2, Petitioner states “Beam/Beam-Thominet disclose claims 37-45, 47-48, 50-53.... (*Id.* at 54.) Likewise, in Ground 7, Petitioner states “Karlsson discloses claims 1-5, 7-8, 10-14, 18-19, 37-45, 47-48, 50-53, and 57-58” but “[t]o avoid doubt, Karlsson is combined with Harbers...” (*Id.* at 93.)

Not only is anticipation/obviousness lumping improper, it results in doubling the number of challenges for each claim. In fact, while Petitioner identifies only obviousness grounds, the Board ignored the secondary references and all of Patent Owner’s obviousness arguments and focused on an anticipation-type sub argument in its decision to institute, finding that all limitations of claims 1 and 37 were disclosed by Beam or Karlsson. (Paper 11 at 11-13.)

The lumping by Petitioner and the Board’s analysis makes it unclear which assertions Patent Owner should respond to – *e.g.*, how to select from Petitioner’s obviousness grounds versus the Board’s institution based on anticipation-type arguments – thus raising due process concerns. Because the Petition does not

identify with particularity “the *grounds* on which the challenge to each claim is based,” Patent Owner submits institution should have been denied.

3. The Petition Lacks Particularity Because Petitioner Asserts Multiple Prior Art Teachings Within A Single Ground – And Compounds That By Not Identifying Which It Is Relying On (Paper 6 at 61-65)

As just discussed, with regard to the Ground 1 “*clusters*” limitation [1.2] Petitioner first argues that Beam discloses this limitation but that if “Beam does not disclose [1.2], Beam-Thominet renders it obvious.” (Paper 2 at 17.) The lack of particularity of this assertion is exacerbated by the fact that, as to Beam-Thominet, Petitioner first suggests combining Beam with Thominet’s software, and then later suggests combining Beam with Thominet’s hardware – see below – yet never informs the Patent Owner or Board whether it is relying on just Beam, Beam combined with Thominet software, or Beam combined with Thominet hardware.

[I]t would have been obvious to a POSA to implement Thominet’s multiple directional beam regions—through either software or hardware—for different functions in Beam.

First, including an additional control technique (software implementation) for Beam—Thominet’s known technique of using multiple directional beam regions for different functions—would have added different functions to Beam’s system for different situations. ...

Second, a POSA would have sought to incorporate *known components* (hardware implementation) of Thominet’s semiconductor light sources 10 . . . into Beam (with flat array of light sources 401). . .

(Paper 2 at 10-14, emphasis added.)

The same is true of Ground 7 where Petitioner asserts that if “Karlsson does not disclose [1.2]/[37.2], Harbers does” (Paper 2 at 94) and where Petitioner first proposes combining Karlsson with Harbers’s software, and later with Harbers’s hardware, yet never reveals whether it is relying on just Karlsson, Karlsson with Harbers software, or Karlsson with Harbers hardware. (Paper 2 at 96-99.) As shown below, this means that each of Grounds 1 and 7 comprise at least 3 grounds.

Grounds			Challenged Claims	References
Lumped Ground #1	1A	102	1-5, 7-8, 10-14, 18-19	Beam
	1B	103	1-5, 7-8, 10-14, 18-19	Beam + Thominet’s <i>Software</i>
	1C	103	1-5, 7-8, 10-14, 18-19	Beam + Thominet’s <i>Hardware</i>
Lumped Ground #7	7A	102	1-5, 7-8, 10-14, 18-19, 37-45, 47-48, 50-53, 57-58	Karlsson
	7B	103	1-5, 7-8, 10-14, 18-19, 37-45, 47-48, 50-53, 57-58	Karlsson + Harber’s <i>Software</i>
	7C	103	1-5, 7-8, 10-14, 18-19, 37-45, 47-48, 50-53, 57-58	Karlsson + Harber’s <i>Hardware</i>

More troubling as to particularity, the Petition does not state which of the “Lumped Ground 1” or “Lumped Ground 7” combinations Petitioner is relying on. Such “and/or” assertions “place[] an undue burden on Patent Owner and undercuts its ability to effectively respond to the challenge within the confines of our administrative process.” *EnergySource Minerals, LLC v. TerraLithium LLC*, IPR2019-01607, Paper 10, at 14 (PTAB May 4, 2020).

Adding to the confusion, Petitioner’s analysis of certain limitations does not address all Lumped combinations. For example, dependent claim limitation [2.1]-[2.2] requires “*wherein at least one of the light clusters comprises ... one or more light emitting sources...*” (Paper 2, Appendix B.) Yet, while Petitioner relied on the Beam/Thominet combination in Lumped Ground 1 as one possible disclosure of the independent claim limitation [1.2] of “*light clusters*” (Paper 2 at 17), Petitioner relies solely on Beam for satisfying the [2.1]-[2.2] “*light clusters*” limitations without addressing Thominet (Paper 2 at 34-35). Likewise, for Ground 7, Petitioner relies solely on Karlsson for satisfying the “*light clusters*” limitations [2.1]-[2.2] without addressing Harbers (Paper 2 at 128-130), despite asserting a Karlsson-Harbers combination in its “*light clusters*” limitation [1.2] argument (Paper 2 at 96-104).

Petitioner’s arguments as to the “*light clusters*” limitations of claims 1 and 37 is yet another example of the lack of particularity. Petitioner argues that each

Beam microbeam is a *cluster*, or that more than one Beam microbeam is a *cluster*, or that the LED array includes *clusters*, or “[i]f Patent Owner argues, incorrectly, that Beam does not [disclose a cluster], Thominet does” (Paper 2 at 8, 9, and 10, respectively) – without identifying which argument it is actually relying on.

Petitioner’s assertion of multiple prior art teachings within a single ground – compounded by not identifying which it is relying on – again raises due process concerns as explained below.

4. The Lack Of Particularity Is Compounded by Number Of Assertions Made by Petitioner

In addition to co-defendants in the underlying litigation filing 3 Petitions regarding the ’503 Patent (compare Defendants in Ex. 1032 with Petitioners in IPR2023-01026, 01027, 01231), Petitioner filed 3 more Petitions within one month: (1) the present Petition challenging claims 1-19 and 37-58 as obvious over: (i) Beam and Thominet with or without Stam, Kobayashi, and/or Braun; and ii) Karlsson and Harbers with or without Gotou or Braun (Paper 2 at 3), (2) the ’197 Petition challenging claims 20-25 and 59-64 as obvious over: (i) Beam and Thominet, with Stam and/or Kobayashi; and (ii) Karlsson and Harbers, with or without Gotou (IPR2023-00197, Paper 1 at 4); and (3) the ’328 Petition challenging claims 26-36 and 65-70 as obvious over: (i) Beam and Thominet with or without Stam, Kobayashi, Braun, and/or Harbers; and (ii) Karlsson and Harbers,

with or without Gotou or Braun (IPR2023-00328, Paper 2 at 3).

However, "one petition should be sufficient to challenge the claims of a patent in most situations [while t]wo or more petitions filed against the same patent . . . may place a substantial and unnecessary burden on the Board and the patent owner and could raise fairness, timing, and efficiency concerns. *See* 35 U.S.C. § 316(b)." (CTPG at 59.) "[T]he Board finds it unlikely that circumstances will arise where three or more petitions by a petitioner with respect to a particular patent will be appropriate." (*Id.*) A recent PTAB study notes, "parallel petition filings and their success rates have notably dropped since fiscal year 2019 and remain low today," and only 35 parallel petitions were instituted in FY2022. (Multiple Petitions Study, Executive Study (FY2021-FY2022 Updated) at 6.¹)

5. Lack Of Particularity Summary

Petitioner's lack of particularity makes it unclear which grounds or assertions Patent Owner should respond to, and which the Board must review, and should have resulted in a denial of institution – especially given the number of challenges. The *InVue Sec. Prods., Inc. v. Mobile Tech., Inc.*, No. IPR2019-00078, Paper 7, at 15 (PTAB May 1, 2019) (emphasis added) analysis is applicable:

¹https://www.uspto.gov/sites/default/files/documents/executive_summary_ptab_multiple_petitions_study_fy2021-2022_update.pdf

This [lack of particularity] would require the panel or the Patent Owner to scour the Petition to discern Petitioner’s evidence as to each of forty-five claims in each of three obviousness grounds. Moreover, a Petition that requires the panel or the Patent Owner to do so lacks particularity and is tantamount to impermissibly shifting Petitioner’s burden under 35 U.S.C. § 312(a)(3).

Patent Owner would be required to defend against four asserted grounds (i.e., three obviousness and one anticipation) against each of forty-five of challenged claims and do so despite the lack of particularity by which the nineteen references are asserted against each claim. This would place a significant and unfair burden on the Patent Owner.

See also Adaptics, IPR2018-01596, Paper 20 at 24 (“[T]he lack of particularity results in voluminous and excessive grounds,” and “in the interests of efficient administration of the Office and integrity of the patent system and as a matter of procedural fairness to Patent Owner, the entire petition should [have been] denied under 35 USC § 314(a).” (Emphasis added).)

The lack of particularity and tactical confusion results in a shell game, in which Patent Owner and Board must decipher arguments and pin down Petitioner’s positions – denying due process and making it impossible for Patent Owner to respond fully to all arguments. This creates procedural unfairness at both the

Institution and Trial stages. Patent Owner submits that an important issue of law and policy to both the Office and patent community is whether a Petitioner can expect institution while engaging in such tactics – (1) hiding limitations in an Appendix and not address all of the text, (2) making either/or prior art arguments, and (3) asserting multiple prior art teachings within a single ground or limitation without identifying which it is relying on. To allow institution in this case creates a slippery slope and sends a message that such tactics are allowable. Patent Owner also submits that it was unreasonable – an abuse of discretion – for the Board to ignore the lack of particularity and institute.

B. Petitioner Fails to Provide the Rankings and Explanations Required by Board Guidance and Decisions (Paper 6 at 66 and Paper 8)

The PTAB requires Petitioners to justify multiple petitions. (CTPG at 60, FN 4 (“[I]t will be expected that petitioners will justify multiple petitions in the first instance in their petitions or in a separate paper [of no more than 5 pages] with the petitions....”)) The CTPG at 59-60 (emphasis added) explains this requirement:

[I]f a petitioner files two or more petitions challenging the same patent, then the petitioner should, in its petition or in a separate paper . . . identify: (1) a ranking of the petitions in the order in which it wishes the Board to consider the merits, . . . and (2) a succinct explanation of the differences between the petitions, why the issues addressed by the differences are material, and why the Board should

exercise its discretion to institute additional petitions if it identifies one petition that satisfies ... 35 U.S.C. § 314(a)....

The only “justification” provided by Petitioner here is “the petitions address different claim groupings.” (Paper 2 at 177.) In a Reply on this issue, Petitioner dismissively asserts this satisfied the explanation requirement and “Patent Owner’s implication that Petitioner was required to provide any further justification ... is unsubstantiated and mischaracterizes the Trial Practice Guide.” (Paper 7 at 2.)

However, in accordance with the CTPG, Petitioners routinely rank parallel petitions in the order they want them to be considered and explain the differences between parallel petitions, why the issues addressed by the differences are material, and why the Board should institute additional petitions. *See, e.g., Volkswagen Grp. Am., Inc. v. Carucel Investments LLP*, IPR2019-01106, Paper 8, at 7-11 (PTAB Dec. 2, 2019); *Medtronic Vascular, Inc. v. TMT Systems, Inc.*, IPR2021-01533, Paper 20, 9-14 (PTAB March 22, 2022); *Solaredge Tech. LTD., v. Koolbridge Solar, Inc.*, IPR2022-00008, Paper 10, 9-14 (PTAB April 19, 2022); *Home Depot U.S.A., Inc. v. Lynk Labs, Inc.*, IPR2022-00143, Paper 3 (PTAB Nov. 24, 2021).

The failure of Petitioner, Volkswagen, to do so is especially egregious because Volkswagen was aware of the ranking and explanation requirements and yet ignored both in this Petition and in its Reply. Specifically, in Volkswagen,

IPR2019-01106, Paper 8 at 9, the Board reiterated to Volkswagen the requirements: “Petitioner provides a table summarizing the differences between the petitions in this proceeding and in IPR2019-01105 [and] as required by the Trial Practice Guide Update, Petitioner provides a ‘ranking of the petitions,’ ranking the petition in IPR2019-01105 first and this Petition second, stating the ‘petitions should be considered in [that] order.’” Volkswagen’s awareness was especially true because the same counsel represented Volkswagen in that IPR and this IPR. (Compare Volkswagen, IPR2019-01106, Paper 8 at 13 with Paper 2 at 179 of this IPR.)

Patent Owner submits that an important issue of law and policy to both the Office and patent community is whether the ranking and explanation requirements are meaningful – or whether a Petitioner can simply ignore them and still expect institution. Patent Owner also submits it was unreasonable – an abuse of discretion – for the Board overlook, and institute in light of, Petitioner’s willful disregard of the requirements. The latter is especially true where the Board allowed Reply and Sur-Reply briefing on this issue (Papers 7 and 8), and yet ignored Petitioner’s failure to meet to Board guidance and decision requirements (see Paper 11 at 14.)

IV. CONCLUSION

For the reasons set forth above, Patent Owner respectfully requests that the Director deny the Petition for *inter partes* review of the ’503 Patent.

Dated: July 31, 2023

Respectfully submitted,

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Certificate of Service

The undersigned hereby certifies that on July 31, 2023, a complete and entire copy of **PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW / REHEARING** was served via electronic mail by serving the correspondence email address of record as follows:

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