

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

VALYANT AI, INC.,	)	
	)	
Plaintiff,	)	
	)	
v.	)	C.A. No. 21-1698-MN
	)	
KEA CLOUD, INC.,	)	
	)	
Defendant.	)	
VALYANT AI, INC.,	)	
	)	
Plaintiff,	)	
	)	
v.	)	C.A. No. 21-1700-MN
	)	
HI AUTO, INC., and E LA CARTE, INC.	)	
d/b/a PRESTO,	)	
	)	
Defendants.	)	

LETTER TO THE HONORABLE MARYELLEN NOREIKA

March 13, 2023

The Honorable Maryellen Noreika
United States District Court
844 N. King Street
Wilmington, DE 19801

VIA ELECTRONIC FILING

Re: *Valyant AI, Inc. v. Kea Cloud, Inc.*,
C.A. 21-1698-MN
Valyant AI, Inc., v. Hi Auto, Inc., et al.,
C.A. 21-1700-MN

Dear Judge Noreika:

Pursuant to the Court's Order (D.I. 26 in 21-1698 and D.I. 31 in 21-1700), I write on behalf of the parties to provide a joint status report describing changes to the '706 Patent sought through the reissue Application No. 17/696,525 ("reissue") filed on March 16, 2022.

Plaintiff's Position:

The reissue requests the USPTO correct the '706 Patent's priority information to reflect it is a continuation-in-part of its parent application, U.S. Application No. 15/723,573, and not a continuation. *See* '706 Patent, 1:7–12 (currently stating it is a continuation of the '573 application). After the requested correction, the reissued patent with claims 1-11 would be entitled to a priority date of February 12, 2019. The reissue does not seek to amend any claim of the '706 Patent. Because the '706 Patent is in litigation, the reissue qualifies for a special status to be examined prior to other non-litigation applications for reissue under M.P.E.P. § 1442. The USPTO indicates that the case is ready for examination as of March 18, 2022.

If the reissue issues with no claim amendments—as requested by Valyant—the reissue “shall not affect any action then pending or abate any cause of action then existing.” 35 U.S.C. § 252; *see also Fresenius USA, Inc. v. Baxter Intern., Inc.*, 721 F.3d 1330 (Fed. Cir. 2013) (“[I]f the PTO confirms the original claim in identical form, a suit based on that claim may continue.”).

Defendants' position, below, is nothing but supposition regarding what can happen during the reissue and potential for claim amendments as the USPTO has not yet examined the reissue. The claims are entitled to the earliest priority date supported by the specification, which is February 12, 2019.

Defendants' Position:

Defendants note that a change to a later priority date as Plaintiff seeks will require consideration of additional prior art, and indeed, Plaintiff has already cited over 70 references in an IDS for consideration by the reissue examiner – not including the references relied upon in the pending IPR, which Plaintiff has not yet disclosed to the reissue examiner. Moreover, examiners in reissue are required to examine applications without deference, including conducting a new

prior art search. See MPEP § 1445 (“the claims in a reissue application are subject to any and all rejections which the examiner deems appropriate. It does not matter whether the claims are identical to those of the patent or changed from those in the patent. It also does not matter that a rejection was not made in the prosecution of the patent, or could have been made, or was in fact made and dropped during prosecution of the patent; the prior action in the prosecution of the patent does not prevent that rejection from being made in the reissue application. Claims in a reissue application enjoy no presumption of validity.”) In view of these circumstances, and the fact that Valyant has not made any record statement that it will not be amending claims during the reissue proceeding, Defendants believe it is unlikely that the reissue application will issue with no claim amendments. Defendants will be prepared to discuss on Thursday whether the cases should go forward.

Respectfully,

/s/ Andrew C. Mayo

Andrew C. Mayo (#5207)

ACM/nlm

cc: All counsel of record (via electronic delivery)