UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

COPELAND COMFORT CONTROL LP,

Petitioner,

v.

OLLNOVA TECHNOLOGIES LTD.,

Patent Owner.

Case IPR2023-00626
Patent 7,746,887

PATENT OWNER'S PRELIMINARY RESPONSE TO PETITION

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PATENT OWNER'S EXHIBIT LIST

Exhibit No.	Description
2001	Fourth Amended Docket Control Order, *Ollnova Technologies Limited v. ecobee Technologies ULC*, No. 2:22-cv-00072-JRG, Dkt. No. 119 (E.D. Tex. May 22, 2023)
2002	Claim Construction Memorandum Opinion and Order, *Ollnova Technologies Limited v. ecobee Technologies ULC*, No. 2:22-cv-00072-JRG, Dkt. No. 105 (E.D. Tex. Apr. 10, 2023)
2003	Docket Sheet, *Ollnova Technologies Limited v. ecobee Technologies ULC*, No. 2:22-cv-00072-JRG, (E.D. Tex. Jul. 5, 2023)
2004	Ollnova Technologies Ltd's Notice Regarding Claim Reduction, *Ollnova Technologies Limited v. ecobee Technologies ULC*, No. 2:22-cv-00072-JRG, Dkt. No. 103 (E.D. Tex. Mar. 27, 2023)
2005	Expert Report of Dr. John Martens Regarding Invalidity of US Patents 8,224,282, 7,746,887, 7,860,495, and 8,264,371, dated April 24, 2023

I. INTRODUCTION

Patent Owner Ollnova Technologies Ltd. ("Patent Owner") submits this preliminary response to Petitioner Copeland Comfort Control LP's ("Petitioner") Petition for *inter partes* review of U.S. Patent No. 7,746,887 ("the '887 patent").

The Board should exercise its discretion to deny the petition in light of an active district court case in the Eastern District of Texas involving the same patent, the same claims, and substantially the same prior art. That case is set for trial on September 11, 2023. By the time the Board reaches an institution decision in this proceeding, Patent Owner and the district court will have already invested significant time and resources in the case—claim construction, fact discovery, and expert discovery have all been completed. The district court trial is set to take place in September 2023—more than a ***year*** before the deadline for a final written decision. Moreover, because the *Fintiv* factors so strongly favor a discretionary denial, the Board need not consider the merits. Thus, five of the six *Fintiv* factors strongly favor a discretionary denial.

Accordingly, the Board should deny institution.

II. THE *FINTIV* FACTORS WEIGH AGAINST INSTITUTION

35 U.S.C. § 314(a) gives the Board discretion to deny institution of the requested *inter partes* review due to the advanced state of parallel district court litigation regarding the same issues. *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 Board has set forth six factors for determining whether discretionary denial due to such parallel litigation is appropriate (the "*Fintiv* factors"):

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

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5-6 (PTAB Mar. 20, 2020) (precedential, designated May 5, 2020) ("*Fintiv I*"); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 7-8 (PTAB May 13, 2020) (decision denying institution of *inter partes* review) ("*Fintiv II*"). "These 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." *Fintiv I* at 6. In evaluating the factors, "the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review." *Id.*

As set forth below, five of the six *Fintiv* factors weigh against institution. The district court trial will precede any final written decision from the Board. To avoid duplication of efforts, wasting resources, and potentially inconsistent decisions, the Board should deny institution.

A. **Factor 1: The Eastern District of Texas court has not granted a stay, nor is there any evidence that a stay will be granted.**

In addition to the district court case against Petitioner that is currently stayed, there is presently one active district court case involving the '887 patent pending in the Eastern District of Texas before Judge Gilstrap against the defendant ecobee Technologies ULC ("ecobee"): *Ollnova Technologies Limited v. ecobee Technologies ULC*, No. 2:22-cv-00072-JRG. The district court recently issued a Fourth Amended Docket Control Order (which did ***not*** change the trial date) with trial set for September 11, 2023. Ex. 2001 (Fourth Amended Scheduling Order) at 1. There is no evidence that the case will be stayed. The district court conducted a claim construction hearing on March 8, 2023, and issued its claim construction order on April 10, 2023. Ex. 2002 (Claim Construction Memorandum Opinion and Order) at 1.

ecobee has not filed a motion to stay, likely because ecobee did not file an IPR petition for the '887 Patent and motions to stay when the PTAB has not yet instituted post-grant proceedings are consistently denied in the Eastern District of

Texas. *Trover Group, Inc. v. Dedicated Micros USA*, No. 2:13-cv-1047-WCB, 2015 WL 1069179, at *6 (E.D. Tex. Mar. 11, 2015) (Bryson, J.) ("This Court's survey of cases from the Eastern District of Texas shows that when the PTAB has not yet acted on a petition for *inter partes* review, the courts have uniformly denied motions for a stay."); *see also Samsung Elecs. Co. Ltd. v. Evolved Wireless LLC*, IPR2021-00950, Paper 10 at 10-11 (PTAB Nov. 29, 2021) ("*Evolved*") (finding this factor weighed in favor of denial and denying institution where patent owner showed a stay was unlikely based on the advanced stage of the case and the court's past decisions denying stays); *Samsung Elecs. Co. Ltd. v. Clear Imaging Research, LLC*, IPR2020-0152, Paper 12 at 12-13 (PTAB Mar. 3, 2021) (denying institution because, in part, Judge Gilstrap deemed unlikely to stay a case in similar circumstances).

Regardless, by the deadline for an institution decision (October 6, 2023), the district court trial, including the issue of invalidity of the '887 Patent, will have been completed. In addition, claim construction has been completed and the district order issued its claim construction order. And Patent Owner and ecobee have completed expert discovery regarding the invalidity of the '887 Patent. Thus, even if ecobee ultimately files a motion to stay, it is highly unlikely that Judge Gilstrap would grant a stay in a case that far along. *See, e.g.*, *Koninklijke KPN N.V. v. Telefonaktiebolaget LM Ericsson*, No. 2:21-cv-00113-JRG, 2022 WL 17484264 at *2 (E.D. Tex. July 7, 2022) (Denying stay after claim construction where "the advanced stage of the

litigation weighs against granting a stay."); *Solas OLED Ltd. v. Samsung Display Co., Ltd.*, No. 2:19-cv-00152-JRG, 2020 WL 4040716, at *2 (E.D. Tex. July 27, 2020) (denying stay after claim construction).

As explained by the Board, a stay of the district court litigation pending resolution of the PTAB proceedings "allays concerns about inefficiency and duplication of efforts." *Fintiv I* at 6; *Fintiv II* at 12. But here, the Eastern District of Texas court has not stayed the pending litigation, nor is there any evidence that a stay will be granted. Allowing this IPR to proceed simultaneously with the district court trial would be wasteful and inefficient. This factor weighs against institution.

B. <u>Factor 2</u>: The Eastern District of Texas trial will occur before the deadline for an institution decision and before the final written decision in this proceeding.

The statutory deadline for a final written decision in this proceeding is October 6, 2024, which can be extended to April 6, 2024 for good cause or in the case of joinder. 37 C.F.R. § 42.100. Meanwhile, the Eastern District of Texas case is set for trial on September 11, 2023. Thus, trial in the Eastern District of Texas litigation will occur before the deadline for the institution decision and more than a ***year*** before the deadline for a final written decision, which weighs against institution. *See Fintiv I* 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*."); *Fintiv II* at 13 (finding this factor weighed in favor of

discretionary denial and denying institution where the district court trial was scheduled to occur two months before the deadline for the Board to reach a final written decision).

Because the district court trial will occur more than a ***year*** before the deadline for a final written decision in this matter, this factor weighs in favor of a discretionary denial. *Fintiv II* at 13.

C. <u>Factor 3</u>: By the time an institution decision is reached, the Patent Owner and the Eastern District of Texas court will have completed claim construction, fact discovery, expert discovery, and trial.

This factor relates to 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***." *Fintiv I* at 9 (emphasis added). For example, "if, at the time of the institution decision, the district court has issued substantive orders related to the patent at issue in the petition," this factor favors denial. *Id.* at 9-10. Claim construction orders entered by the district court likewise "indicate that the court and parties have invested sufficient time in the parallel proceeding to favor denial." *Id.* at 10.

Here, the district court has entered a scheduling order that includes all the deadlines leading up to trial. The parties have already completed claim construction, fact discovery, and expert discovery. The parties and the court have invested substantial resources in the parallel litigation as shown by the current docket. *See* Ex. 2003. Notably, the district has already ruled on patentability under Section 101.

See Exhibit 2003 at D.I. 63, Order Denying ecobee's Renewed Motion to Dismiss Pursuant to 35 U.S.C. § 101. More importantly, the district court issued its claim construction order on April 10, which also addresses several of the claim construction disputes at issues between Petitioner and Patent Owner. Ex. 2002. Further, fact discovery and expert discovery have been completed. Ex. 2001 at 3. Thus, Patent Owner and the court will have invested significant time and resources in the litigation by the time the Board reaches an institution decision in this matter. This favors discretionary denial. *Fintiv I* at 10; *Fintiv II* at 13-14 (finding that "the level of investment and effort already expended on claim construction and invalidity contentions" favored denial where, as here, the parties had exchanged final contentions, a *Markman* hearing was held, the court had entered a claim construction order).

D. Factor 4: There is substantial overlap between this IPR and the Eastern District of Texas court proceedings.

This factor looks at "whether all or some of the claims challenged in the petition are also at issue in district court," and whether the "petition includes the same or substantially the same claims, grounds, arguments, and evidence" as the parallel district court case. *Fintiv I* at 12-13.

Here, Petitioner has challenged claims 1, 3-8, 14-15, and 18 of the '887 patent. In accordance with the Eastern District of Texas claim reduction order, Patent Owner

has reduced its asserted claims to 1, 11, 12, 20, and 21. Ex. 2004 at 1. However, the '887 patent includes only one independent claim, which is at issue in both the district court case and the Petition.

Further, ecobee's invalidity expert report in the district court case addresses the same Kates prior art reference as that asserted in the Petition. Ex. 2005 at 1-2.[1] Specifically, ecobee asserts Kates (U.S. Patent App. Pub. No. 2005/0275530), which is the published patent application for Kates-505 (U.S. Patent No. 7,102,505) asserted in the Petition. Ex. 2005 at 34, 323-337. Therefore, the content is identical. In addition, the Petition asserts Kates-711 (U.S. Patent No. 7,528,711), which names the same inventor and is substantially similar to Kates-505. *See, e.g.*, Petition at 7 n.2 ("Kates-505 shares the same core critical disclosures with Kates-711."); *id*. at 64-68 (chart comparing Kates-505 and Kates-711).

Thus, there is also substantial overlap with respect to Petitioner's invalidity arguments and evidence, which will be addressed during the forthcoming trial between Patent Owner and ecobee. That the district court case involves additional prior art references not asserted in this IPR is "not relevant to the question of the degree of overlap for this factor." *Fintiv II* at 15.

[1] Patent Owner cites the original page numbering of Ex. 2005 as opposed to the stamped numbers of the exhibit.

In sum, this IPR and the Eastern District of Texas case involve the same independent claim—which will be construed under the same *Phillips* standard—and the same prior art, which raises substantial "concerns of inefficiency and the possibility of conflicting decisions." *Fintiv I* at 12. This factor thus weighs in favor of a discretionary denial. *See Fintiv II* at 15; *NHK Spring* at 19–20; *see also*, *Next Caller*, IPR2019-00961, Paper 10 at 14 (denying institution where the district court case involved only a subset of the challenged claims).

E. <u>Factor 5</u>: Even though Petitioner is not a defendant in the Eastern District of Texas litigation, this IPR would be highly duplicative.

"Even when a petitioner is unrelated to a defendant … the Board may, nonetheless, exercise the authority to deny institution." *Fintiv I* at 14. In fact, the Board routinely denies institution under *Fintiv*, even where the petitioner is not involved in the district court litigation. *See, e.g.*, *Fitbit, Inc. v. Philips North America, LLC*, IPR2020-00828, Paper 13 (Nov. 13, 2020); *Mylan Labs. Ltd. v. Janssen Pharmaceutica N.V.*, IPR2020-00440, Paper 17, 22-23 (Sept. 16, 2020); *Neptune Generics LLC v. Aventis Pharma S.A.*, IPR2019-00136, Paper 15, 35-37 (May 6, 2019). Therefore, this factor is neutral.

F. <u>Factor 6</u>: The petition is without merit and unlikely to succeed.

The Board may consider other circumstances in the exercise of its discretion, including the merits of the case. *Fintiv I* at 14. However, "a full analysis of the merits

is not necessary to evaluate this factor." *Fintiv II* at 17. Nevertheless, it is important to note that all of Petitioner's grounds are based entirely on alleged obviousness (Petition at 7). Under these circumstances, it cannot be said that the Petition presents a compelling unpatentability challenge. When considered together with the five other *Fintiv* factors discussed above, this factor also favors discretionary denial.

III. CONCLUSION

The Petition should be denied because Petitioner has not established a reasonable likelihood of invalidity under any ground or challenged claim. As set forth above, five of the six *Fintiv* factors strongly favor discretionary denial, and the Petition should be denied for this reason alone.

Respectfully submitted,

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Date: July 6, 2023

CERTIFICATE OF WORD COUNT (37 C.F.R. § 42.24(d))

The undersigned hereby certifies that the word count in this Patent Owner Preliminary Response is 2,293 words, as counted by the word-processing program Microsoft Word that was used to generate this Patent Owner Preliminary Response, where such word count excludes the table of contents, table of authorities, mandatory notices, certificate of service, appendix of exhibits, claim listing, and this certificate of word count. This Patent Owner Preliminary Response is in compliance with the 14,000-word limit set forth in 37 C.F.R. § 42.24(b)(1).

Date: July 6 2023

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

The undersigned hereby certifies that the above document was served on July 6, 2023, by filing this document through the Patent Trial and Appeal Case Tracking System as well as delivering a copy via electronic mail upon the following attorneys of record for the Petitioner:

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