

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LENNOX INDUSTRIES INC.,

Petitioner,

v.

ROSEN TECHNOLOGIES LLC,

Patent Owner.

IPR2023-00716

U.S. Patent No.: 6,789,739

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

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35 U.S.C. § 314(a)	1
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PETITIONER’S EXHIBIT LIST

Ex[No.]	Description of Documents
1001	U.S. Patent No. 6,789,739 (“’739 Patent”)
1002	Declaration of R. Jacob Baker, Ph.D., P.E.
1003	Prosecution File History of the ’739 Patent
1004	U.S. Publication No. 2002/0055924 (“ <i>Liming</i> ”)
1005	U.S. Patent No. 7,398,821 (“ <i>Rainer</i> ”)
1006	U.S. Patent No. 6,161,133 (“ <i>Kikinis</i> ”)
1007	EP 1085399 (“ <i>Inoue</i> ”)
1008	U.S. Patent No. 6,470,289 (“ <i>Peters</i> ”)
1009	Archived 1999 source code for weather.com, available at https://web.archive.org/web/19991128144159/http://www2.weather.com/
1010	U.S. Patent No. 6,621,507 (“ <i>Shah</i> ”)
1011	Scheduling Order, <i>Rosen Techs. LLC v. Lennox Indus., Inc.</i> , No. 3:22-cv-00732-K (N.D. Tex. Sept. 1, 2022)
1012	Transcript of Deposition of Howard J. Rosen, December 14, 2022, <i>Rosen Technologies LLC v. Lennox Industries, Inc.</i> , No. 3:22-cv-00732-K (N.D. Tex.)
1013	Affidavit of Nathaniel E. Frank-White dated November 28, 2022 & Exhibit A
1014	Ari Luotonen, Web Proxy Servers (1998)
1015	Andrew S. Tanenbaum, Computer Networks (3d ed. 1996)
1016	Joint Claim Construction and Prehearing Statement, <i>Rosen Techs. LLC v. Lennox Indus., Inc.</i> , No. 3:22-cv-00732-K, Dkt. 54 (N.D. Tex. February 23, 2023)

Ex[No.]	Description of Documents
1017	U.S. Patent No. 6,619,555 (“’555 Patent”)
1018	Prosecution File History of the ’555 Patent
1019	U.S. Patent No. 6,754,485 (“ <i>Obradovich</i> ”)
1020	U.S. Patent No. 6,615,175 (“ <i>Gazdzinski</i> ”)
1021	U.S. Patent No. 5,926,776 (“ <i>Glorioso</i> ”)
1022	U.S. Patent No. 7,084,859 (“ <i>Pryor</i> ”)
1023	Gillet, Sharon Eisner et al., A Taxonomy of Internet Appliances, Telecommunications Policy Research Conference (2000)
1024	Dokter, D.A., From Glosser-RuG to Glosser-WeB (Apr. 18, 1997)
1025	KR1998/0701245 (“Ehers”) translated with certification
1026	Millett, Lynette et al., Cookies and Web Browser Design: Toward Realizing Informed Consent Online CHI 2001
1027	Kristol, D., RFC 2109 (Feb. 1997)
1028	Major, April., Copyright Law Tackles Yet Another Challenge: The Electronic Frontier of the World Wide Web, 24 Rutgers Computer Tech. L. J. 75 (1998).
1029	Wagner, Thomas et al., A Modified Architecture for Constructing Real-Time Information Gathering Agents
1030	Andrew T. Dufresne, Nathan K. Kelley, & Lori Gordon, <i>How reliable are trial dates relied on by the PTAB in the Fintiv analysis?</i> , PERKINS COIE 1600 PTAB & BEYOND, Oct. 29, 2021
1031	Katherine K. Vidal, Memorandum: Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation (June 21, 2022)
1032	Dani Kass, <i>Fintiv Fails: PTAB Uses ‘Remarkably Inaccurate’ Trial Dates</i> , LAW360, Nov. 2, 2021

Ex[No.]	Description of Documents
1033	Plaintiff’s Amended Disclosure of Asserted Claims and Preliminary Infringement Contentions, <i>Rosen Technologies LLC v. Lennox Industries, Inc.</i> , No. 3:22-cv-00732-K (N.D. Tex. Nov. 21, 2022)
1034	Docket Sheet as of March 19, 2023, <i>Rosen Technologies LLC v. Lennox Industries, Inc.</i> , No. 3:22-cv-00732-K (N.D. Tex.)
1035	U.S. Patent No. 6,098,092 (“Padzensky”)
1036	CA Patent 2,265,292 (“Weiss”)
1037	Lin et al., Internet-Based Monitoring and Controls for HVAC Appliances, IEEE Industry Appliance Magazine (Jan.-Feb. 2002)
1038	Joint Motion to Stay Pending <i>Inter Partes</i> Review, <i>Rosen Technologies LLC v. Lennox Industries Inc.</i> , No. 3:22-cv-00732-K (N.D. Tex. July 28, 2023)
1039	Docket Navigator Statistics Regarding Grant of Joint Motions to Stay Pending <i>Inter Partes</i> Review
1040	Order Granting Joint Motion to Modify Deadlines, <i>Rosen Technologies LLC v. Lennox Industries Inc.</i> , No. 3:22-cv-00732-K (N.D. Tex. June 1, 2023)
1041	Joint Motion to Modify Deadlines, <i>Rosen Technologies LLC v. Lennox Industries Inc.</i> , No. 3:22-cv-00732 (N.D. Tex. Aug. 24, 2023)
1042	Email from Trials@USPTO.GOV (August 23, 2023)

I. INTRODUCTION

Pursuant to the Board’s email authorization on August 23, 2023 (EX1042), Petitioner respectfully submits this reply to the arguments in Patent Owner’s Preliminary Response (Paper 6 (“POPR”)) concerning discretionary denial.

II. THE *FINTIV* FACTORS FAVOR INSTITUTION

Patent Owner’s argument that the Board should exercise its discretion and deny institution under 35 U.S.C. § 314(a) and *Fintiv* lacks merit. A “holistic view” of the relevant factors favors institution. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 6 (P.T.A.B. Mar. 20, 2020) (precedential) (“*Fintiv*”).

A. Factor 1: The parties’ joint motion to stay will likely be granted.

Patent Owner’s argument that this proceeding will not promote efficient resolution of the litigation conflicts with its position in the district court. POPR at 5. The POPR acknowledges that “the Parties ***jointly filed*** a Motion to Stay[.]” *Id.* at 6. Patent Owner conceded in the motion to stay “that judicial economy would best be served by” a stay pending resolution of the IPR and that a stay “would prevent duplication of effort[.]” EX1038 at 1. In a recent joint filing on August 24, 2023, both parties again requested that the Court grant the joint motion to stay. EX1041 at 1. Thus, both parties agree that the validity of the challenged patent should be adjudicated before the Board, not the district court.

While Patent Owner is correct that the district court has not yet granted the joint motion to stay, it is likely that the stay will be granted and thus this factor favors

institution. *See Samsung Elecs. Co., Ltd. v. Scramoge Tech. Ltd.*, IPR2022-00284, Paper 12 at 17-18 (P.T.A.B. Jun. 22, 2022) (this factor weighs against denying institution where “it appears that a stay may be granted” based on parties’ joint request for a stay). Indeed, according to Docket Navigator, all eighteen joint motions to stay pending *inter partes* review filed in the Northern District of Texas, where the related litigation is pending, have been granted. *See* EX1039 at 1. A stay “allays concerns about inefficiency and duplication of efforts.” *Fintiv* at 6 (a stay “has strongly weighed against exercising the authority to deny institution”).

B. Factor 3: Patent Owner overstates investment in the litigation.

Patent Owner alleges that the parties and the district court have significantly invested in the litigation but identifies only submission of infringement and invalidity contentions and claim construction briefing in support. POPR at 7. These activities are “typical of the early stages of litigation” and thus this factor “does not favor exercising discretion to deny institution.” *Apple Inc. v. Smart Mobile Techs. LLC*, IPR2022-00808, Paper 24 at 52 (P.T.A.B. Sept. 29, 2022). Further, the district court has not yet issued a claim construction order.

Patent Owner overlooks the work that will still need to be completed at the time a decision on institution is made. An institution decision is expected by November 17, 2023. The Scheduling Order (EX1011) in the litigation has been modified since the Petition was filed. EX1040. Currently, discovery (including

discovery concerning expert witnesses) will not be completed until January 15, 2024. EX1040 at 1. Dispositive and *Daubert* motions are currently due February 15, 2024. *Id.* at 2. Moreover, the parties recently filed a **joint** motion to modify the Scheduling Order further such that, if granted, opening expert reports would be due January 11, 2024, discovery would close April 25, 2024, dispositive and *Daubert* motions would be due May 30, 2024, and the trial date would be pushed back four months to October 8, 2024—all well after the expected date for the institution decision. EX1041 at 1-2. To date, only the parties’ claim construction experts and two fact witnesses have been deposed. Plainly, there will be “much work remain[ing] in the district court case as it relates to invalidity” when this proceeding is ready for institution. *Sand Revolution II, LLC v. Cont’l Intermodal Group-Trucking LLC*, IPR2019-01393, Paper 24 at 11 (P.T.A.B. June 16, 2020).

Patent Owner confusingly argues that “[t]his expenditure of resources was avoidable,” despite having opposed Petitioner’s original motion to stay filed the same day as the Petition. POPR at 7. While Patent Owner notes that Petitioner waited to file until close to the statutory deadline (*Id.*), Patent Owner does not dispute the Petition’s explanation for the timing of filing the Petition or the policy reasons behind it. Paper 2 (“Pet.”) at 72-73. The Board should not discourage reasonable efforts to avoid multiplying the proceedings by penalizing a petitioner who tried to avoid the need for *inter partes* reviews. In any event, it is improper for the Board

to consider the time it took to file a timely petition because such consideration effectively amounts to injecting laches issues into the *Fintiv* analysis. The Supreme Court has determined that laches may not be considered when Congress has established a hard and fast rule for timeliness. See *SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC*, 137 S. Ct. 954, 960 (2017).

The cases Patent Owner cites in support of its arguments are distinguishable. Patent Owner cites *Immersion Sys. LLC v. Midas Green Techs., LLC*, PGR2021-00104, Paper 15 at 10 (P.T.A.B. Jan. 31, 2022) for the proposition that Petitioner's delay weighs in favor of discretionary denial. POPR at 7. In that case, however, the petitioner did "not argue or contend that the Petition for post-grant review was filed in a reasonably diligent manner to avoid unnecessary duplication of efforts in the parallel litigation." *Immersion Sys.*, PGR2021-00104, Paper 15 at 12. Patent Owner's reliance on *Verizon Bus. Network Servs. LLC v. Huawei Techs. Co. Ltd.*, IPR2020-01278, Paper 12 at 11 (P.T.A.B. Jan. 26, 2021) is also misplaced. In that case, fact discovery and the exchange of expert reports was set to be completed **before** the institution decision, which is not the case here. *Id.* at 10. Moreover, in *Verizon* the district court trial was scheduled to begin approximately eight months **before** the Board's deadline to reach a final decision, another fact not present here. *Id.* at 9-10. *NXP USA, Inc. v. Impinj, Inc.*, IPR2021-01556, Paper 10 at 8-9 (P.T.A.B. Apr. 21, 2022) is similarly inapposite. In *NXP*, the petitioner did "not

address the issue of the parties' investment in the parallel proceeding, nor the issue of Petitioner's timeliness in filing the petition." *Id.* at 8. Here, in contrast, Petitioner has explained why it filed the Petition when it did, and Patent Owner does not meaningfully dispute Petitioner's diligence in doing so.

Given that the work completed to date in the litigation is typical of the early stages of a case, Petitioner was diligent in filing the Petition, and much work will remain when an institution decision is made, this factor favors institution.

C. Factor 4: Any overlap does not warrant denying institution.

Patent Owner is correct that references relied upon in Grounds 1-4 are identified in Petitioner's invalidity contentions in the litigation. POPR at 8-9. As noted in the Petition, however, Petitioner did not chart *Rainer* or *Kikinis* with respect to the '739 Patent, so Ground 3 has no overlap with the litigation. Pet. at 73-74. Also, Patent Owner does not dispute that the Petition challenges claims that are not at issue in the litigation (Claims 2 and 6). *Id.* at 73. Moreover, the parties have *jointly* requested a stay of the related litigation pending the outcome of this proceeding. Accordingly, it would require speculation to determine the degree of overlap present at the time of institution. If the district court grants the parties' joint motion to stay, which is likely, then there would be no overlap between this proceeding and the related litigation. Furthermore, a stay would mitigate Patent Owner's concern about "conflicting and inefficient rulings regarding validity."

POPR at 9. As reflected in the parties' joint motion to stay, both parties agree that the validity of the challenged patent should be adjudicated before the Board rather than the district court. Hence, institution should not be denied based on speculation regarding overlap between this proceeding and the related litigation.

D. Factor 6: Patent Owner's merits arguments are unavailing.

Patent Owner's attack on "the merits of the proposed grounds" is based on claim elements that do not appear in the '739 Patent. POPR at 10-11. Specifically, Patent Owner's argument for Factor 6 contends that the grounds "fail to disclose at least 'program stored in said memory for displaying messages received from said remote correspondent.'" *Id.* at 10. Challenged Claims 1-3 and 6-9, however, do not recite this element. EX1001 at 8:51-9:10, 9:22-10:4. Thus, Patent Owner's *Fintiv* argument fails to rebut the Petition's argument that the merits of the Petition are compelling. *See* Pet. at 74-75; EX1031 at 4 ("compelling, meritorious challenges will be allowed to proceed" despite parallel litigation).

The POPR's substantive arguments do not support Patent Owner's challenge to the merits of the Petition. With respect to all four grounds, Patent Owner asserts that limitation 1[a] (which Patent Owner refers to as Element A) is somehow missing. POPR at 12-14, 17, 20-21. Patent Owner's attorney argument, however, cannot rebut the undisputed testimony of Petitioner's expert, Dr. Baker, that limitation 1[a] is met or obvious in light of the combination of prior art for each of the four grounds.

Pet. at 20-23, 45-48, 59-62 (citing EX1002, ¶¶101-108, 122-28, 186-92, 241-248).

Also, with respect to all four grounds, Patent Owner asserts that limitation 1[c] (which Patent Owner refers to as Element C) is somehow missing. POPR at 13-15, 17-19, 21-23. In a hard to follow argument, Patent Owner compares the description in the specification to the prior art and simply asserts that the prior art combination “is not the same as the ‘739.” *Id.* at 15, 19, and 23. Patent Owner does not explain how limitation 1[c] is not met and its attorney argument cannot rebut the undisputed testimony of Dr. Baker that limitation 1[c] is met or obvious in light of the combination of prior art for each of the grounds. Pet. at 27-30, 49-51, 65-67 (citing EX1002, ¶¶101-108, 118-21, 136-40, 141, 196-211). Accordingly, this factor favors institution given the compelling merits of the Petition.

III. CONCLUSION

As shown above and in the Petition, Factors 1, 3, 4, and 6 favor institution. Patent Owner acknowledges that Factor 2 is neutral under the current Scheduling Order, and the parties have jointly requested that the trial date be pushed back by four months to October 8, 2024. POPR at 6-7; EX1041 at 2. Institution should not be denied based solely on Factor 5 and Petitioner’s status as a party to the litigation. Thus, a holistic view of the *Fintiv* factors favors institution.

Respectfully Submitted,

September 7, 2023

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CERTIFICATE OF SERVICE

In accordance with 37 C.F.R. § 42.6(e), the undersigned certifies that on September 7, 2023, a complete and entire copy of the **PETITIONER'S AUTHORIZED REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE** and Exhibits 1038-1042 were served on Patent Owner via email at the following correspondence addresses:

- hni@nilawfirm.com
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Date: September 7, 2023

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