

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FORD MOTOR COMPANY,
Petitioner,

v.

NEO WIRELESS LLC,
Patent Owner.

Case IPR2023-00763
Patent 10,447,450

**PATENT OWNER'S AUTHORIZED RESPONSE TO
PETITIONER'S REQUEST FOR DIRECTOR REVIEW (PAPER 18)**

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The Director should affirm the Board Panel’s discretionary denial of institution of Petitioner Ford Motor Co.’s (“Ford”) Petition. Paper 17.

I. STATEMENT OF FACTS.

This is the third petition against the ’450 Patent. **First**, on September 16, 2021, Dell petitioned for IPR of all claims. *Dell v. Neo Wireless*, IPR2021-01486, Paper 2. Dell’s petition was denied on the merits. *Id.*, Paper 10, 2 (Mar. 16, 2022).

On Sep. 27, 2022, VW filed a **second** petition against all claims. *Volkswagen Group of America, Inc. v. Neo Wireless LLC*, IPR2022-01567. Trial was instituted, and is ongoing. The oral hearing is scheduled for March 29, 2024.

Ford filed the present **third** petition against the Patent on March 29, 2023.

Patent Owner Neo served Ford and VW with infringement complaints at the same time, in March 2022. Ex. 2016 [Ford]; Ex. 2017 [VW]. Those actions are consolidated for pre-trial proceedings in a “multi-district litigation” (MDL). Paper 12 [POPR] 4-5; Ex. 1013 [Transfer Order] 1. The district court MDL panel ordered consolidation in light of the close relationship between the proceedings, including in claim construction, validity and infringing products:

All accused infringers... are automaker groups who are alleged to implement cellular communications technology into their vehicles..... Neo alleges that ... the patents read directly onto LTE or 4G/5G technical standards. ***As a result, by complying with these standards, each defendant allegedly infringes the asserted patents.*** All actions

thus can be expected to *share factual questions concerning such matters as the technology underlying the patents, prior art, claim construction, and/or issues of infringement involving the patents.*

Ex. 1013 [Transfer Order] 1-2; *see also* POPR 10-13.¹

In the consolidated MDL, the court directed Ford, VW and the other accused infringers to jointly present their invalidity contentions. Ex. 1010, 3. Ford and VW then jointly assessed the Patent's validity, jointly identified prior art, and jointly formulated and selected validity challenges. Ex. 2019 [Invalidity-Contentions] 2. On November 16, 2022, Ford and VW submitted these invalidity contentions jointly, raising the exact ground presented in Ford's petition in this case, and the exact grounds challenging all the independent claims in VW's petition:

**Joint district court contentions
raising the same ground as Ford's
petition (Ex. 2019, 666)**

Park '274 and IEEE 802.16-2004:

• **Park '274 and IEEE 802.16-2004** IEEE 802.16-2004 is an IEEE Standard published on October 1, 2004. It teaches and describes a wireless communication standard that specifies the air interface, including the medium access control layer and multiple physical layer specifications, of fixed broadband wireless access, BWA systems. IEEE802.16-2004 specifies a standard for a "base station (BS)" communicating with a "subscriber station (SS)." Title, 43 (definition 3.5), 47 (definition 3.56). The signaling structure consists of time domain "OFDMA symbol[s]" and frequency domain

**Joint district court contentions
raising the same ground as VW
petition's ground 1 (Ex. 2019, 684)**

Vijayan '089 and Laroia '429:

• **Vijayan '089 and Laroia '429** Laroia '429 describes an OFDM system where base stations service respective cells and communicate messages to wireless terminals within respective cells. Laroia '429 at ¶¶38, 40, 53, 65, 109-111. To identify a particular wireless terminal to receive a transmitted message, Laroia describes its base station assigning specific wireless terminal identifications ("base station assigned ID") to the wireless terminals that it is servicing. *Id.* at ¶¶38, 40. The "WT identification information" may allow a wireless terminal

**Joint district court contentions
raising the same ground as VW
petition's ground 2 (Ex. 2019, 700)**

Vijayan '475 and Wu '345:

• **Vijayan '475 and Wu '345** Wu '345 describes an OFDM system where base stations communicate messages to wireless devices ("user equipment" or "UE"). Wu '345 at Abstract, ¶¶33-34, 87, 94, 98. In order to identify a particular wireless device to receive a transmitted OFDM message, Wu '345 describes its base station assigning a "sixteen bit UE identifier 165" to each UE. *Id.* at ¶¶94, 98. Wu '345's base station assigns and uses the UE identifier when identifying

Id., 666, 684, 700; *see also id.*, 1027 (proof of service); POPR 12-13, 18-19.

Although Ford and VW identified, developed and raised all these prior art combinations jointly and simultaneously in court, they did not raise them jointly before the PTAB, or even contemporaneously. Instead, they presented staggered,

¹ All emphasis is added unless stated otherwise.

serial challenges. First, VW filed its petition on September 27, 2022. Ford then waited for six months, until the last day before its § 315(b) bar, to file its petition—even though it raises the ground that Ford and VW had jointly raised in court months earlier. POPR 23. By so waiting, Ford prejudiced Neo, maximized the burden on both Neo and the Board, and maximized its road-mapping opportunities—both before institution and, if instituted, for the remainder of the case. POPR 7-9.

The assigned Panel exercised discretion to deny this Petition under *General Plastic* and *Valve*. Paper 17. Ford filed a Request for Director Review raising new arguments and authority. Paper 18. The Director granted Ford’s Request. On January 23, the Director authorized this response to Ford’s Request. Paper 24.

II. THE PANEL CORRECTLY EXERCISED DISCRETION TO DENY INSTITUTION OF IPR UNDER *GENERAL PLASTIC* AND *VALVE*.

The AIA never requires institution. It is a matter of discretion, after taking into account “any relationship between...petitioners when weighing the *General Plastic* factors.” *Valve Corp. v. Elec. Scripting Prods., Inc.*, IPR2019-00062, Paper 11, 9 (Apr. 2, 2019) (precedential). These factors, “alone or in combination, are not dispositive, but part of a balanced assessment of all relevant circumstances” Consol. Trial Prac. Guide (2019) (“CTPG”), 58. “[N]ot all the factors need to weigh against institution for [the Board] to exercise discretion” *Abiomed, Inc. v. Maquet Cardiovascular, LLC*, IPR2017-02150, Paper 11, 7 (Mar. 12, 2018).

Petitioner’s Request for the most part ignores the overall balancing of the *General Plastic* factors, and almost singularly focuses on an incorrect view that, for the Board to exercise its discretion, *Valve* requires co-defendants accused of infringement based on the ***same product***. Paper 18, 7-10. Congressional guidance, office precedent and industry commentators uniformly reject this position. § I.A, *infra*. Instead, the factors support denial of institution in circumstances like the delay in this case. § I.B, *infra*; POPR, 4-28. That would be so even if *General Plastic* factor #1 ***avored*** institution, instead of denial. § I.B, *infra*. Neo’s alleged failure to prove that Ford explicitly helped write VW’s petition is also irrelevant. § I.C, *infra*. Discretionary denial was correctly analyzed, and is amply supported.

A. Congressional Guidance, Precedent And Industry Commentators Have All Sought To Deny Unreasonably Serial Petitions.

If there is any consensus about IPRs it is this: even a single petition, statistically, has a relatively high likelihood of resulting in invalidation of claims. In FY 2023, 71% of challenged patents had a petition instituted, and 79% of claims that had a Final Written Decisions issued were invalidated.² IPRs have tilted the pre-existing balance against patents—decisively, and sharply. Yet, Ford asks the Director to tilt the field still further, to allow more petitioners multiple, serial bites at the apple, and to drastically constrict the available discretion to deny tactical

² www.uspto.gov/sites/default/files/documents/ptab_aia_fy2023__roundup.pdf.

serial petitioning by related petitioners. This request has no basis in law or policy. Ford incorrectly argues that under *Valve*, a relationship warranting denial of institution must be limited **only** to co-defendants accused of infringing based on the **same product**. Paper 18, 7-10. That position is contrary to Board precedent, Congressional guidance, and other authorities—which all confirm that serial petitions by separate petitioners should be denied where circumstances—including the litigation relationship between the petitioners—tilt the balance past improving patent quality, into tactical harassment and intentional burden.

To limit serial petitions, *General Plastic Co. v. Canon Kabushiki Kaisha* recites factors to consider in exercising discretion to deny institution. IPR2016-01357, Paper 19, 15–17 (Sep. 6, 2017) (precedential) (IPRs “are not to be used as tools for **harassment or a means to prevent market entry through repeated litigation and administrative attacks on the validity of a patent**. Doing so would frustrate the purpose of the section as providing quick and cost effective alternatives to litigation.”) (quoting H.R. Rep. No. 112-98, pt. 1, 48 (2011)).

It was soon recognized that *General Plastic* did not sufficiently address serial attacks by different petitioners. On April 9, 2019, Senators Tillis and Coons wrote to then-Director Iancu to address this “very important issue”:

[W]e urge you to prioritize solutions to the problem of abusive serial petitions—multiple follow-on petitions attacking the same patent claims and asserting new or modified arguments—**either by the same**

petitioner or different petitioners. These petitions impose an undue burden on patent owners and harm innovation. ... [They] rob the process of its efficiency and consume resources that inventive companies could otherwise devote to research and development.

Exhibit 2014 [Senators' Letter] 1.

The Senators noted that while *General Plastic* was “a step in the right direction,” it was “not sufficient.” *Id.* The Senators (at 2) urged the Office to:

adopt a presumption that, when the PTAB has already issued a decision on institution with respect to a particular patent, further petitions, *whether by the original petitioner or different petitioners, will not be entertained in the absence of compelling circumstances.*

At about this time, the *Valve* decisions issued with the Director a member of their *ex officio* panel. *Valve Corp. v. Elec. Scripting Prods.*, IPR2019-00062, Paper 11 (Apr. 2, 2019); *Valve Corp. v. Elec. Scripting Prods.*, IPR2019-00064, Paper 10 (May 1, 2019). These decisions were designated as precedential shortly thereafter, on May 7 and August 2, 2019, respectively. Under *Valve*'s expansive language:

[W]hen different petitioners challenge the same patent, we consider *any relationship between those petitioners* when weighing the *General Plastic* factors.

IPR2019-00062, Paper 11, 9; *accord* CTPG 57 n. 1.

Valve's case-specific consideration of “any relationship” accords with the views of not just legislators, but most commentators. On October 20, 2020, the

Office issued a Request for Comments to, *inter alia*, “obtain feedback ... on the [PTAB’s] current case-specific approaches to exercising discretion on whether to institute an [AIA] proceeding.” *USPTO Executive Summary of Public Views on Discretionary Institution of AIA Proceedings* (Jan. 2021), 1.³ “Most comments expressed the view that *the Director should exercise discretion on a case-specific basis when considering serial and parallel petitions to prevent AIA trial proceedings from becoming an unfettered opportunity for petitioners to file repeated challenges.*” *Id.*, 3. Similarly, “*comments from three U.S. Senators (the only legislators who submitted comments) expressed their view that Congress intended the Director to use discretion to avoid repeated challenges*” *Id.*

Ford now asks the Director (Paper 18, 7-10) to limit *Valve* and the discretion to deny institution to the limited circumstance of petitions filed by co-defendants accused of infringement based on the same product. Ford’s position lacks serious support. Congressional guidance, both before and after the designation of *Valve* as precedential, confirms that *Valve* should broadly, not narrowly, address the issue of serial petitioning. *Valve*’s “any relationship” language reflects that breadth, which allows discretion to fairly, appropriately, and flexibly address all the possible ways unfair and inefficient serial petitioning may occur. *Valve*, IPR2019-00062, Paper

³ <https://www.uspto.gov/sites/default/files/documents/USPTOExecutiveSummaryofPublicViewsonDiscretionaryInstitutiononAIAProceedingsJanuary2021.pdf>.

11 at 9. That *Valve* happened to involve two petitioners accused of infringing with the same product is happenstance. Nothing in *Valve* limits it to its narrow facts.

As explained below, this case presents precisely the type of serial petitioning that should be rejected under *Valve* and other authoritative guidance.

B. Precedent, Policy, And Congressional Guidance All Support Denial Of This Deliberate And Unnecessary Serial Petition.

To read Petitioner's Request, one might think Ford and VW were bystanders in separate district court litigations, with *no* relationship and no reason they should not separately pursue PTAB invalidity challenges. That blinks reality. The facts of this case present precisely the type of Petition that precedent and Congressional guidance show should be denied, and that prior Board decisions *have* denied.

Ford's and VW's district court actions have been consolidated for pre-trial procedures to "promote just and efficient conduct of the litigation." Ex. 1013 [Transfer Order] 1. Ford and VW are both "automaker groups" allegedly infringing by implementing the same standards "into their vehicles," and therefore "can be expected to share factual questions concerning such matters as the technology underlying the patents, prior art, claim construction, and/or issues of infringement involving the patents." *Id.*, 1-2; *see also* POPR, 10-13.

Accordingly, Ford and VW jointly identified art to assert against the Patent, and jointly selected preferred ways to combine that art against the Patent. POPR 12-13. In fact, they jointly identified the combination in Ford's petition in this

case, *and* the combinations challenging all independent claims in VW’s petition:

**Joint district court contentions
raising the same ground as Ford’s
petition (Ex. 2019, 666)**

Park ’274 and IEEE 802.16-2004:

• **Park ’274 and IEEE 802.16-2004:** IEEE 802.16-2004 is an IEEE Standard published on October 1, 2004. It teaches and describes a wireless communication standard that specifies the air interface, including the medium access control layer and multiple physical layer specifications, of fixed broadband wireless access, BWA systems. IEEE802.16-2004 specifies a standard for a “base station (BS)” communicating with a “subscriber station (SS).” Title, 43 (definition 3.5), 47 (definition 3.56). The signaling structure consists of time domain “OFDMA symbol[s]” and frequency domain

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Ex. 2019 [11/16/22 Invalidity-Contentions] 666, 684, 700.

Having jointly asserted these grounds in court, nothing prevented them from jointly asserting them here. Yet, Ford did not file a joint petition with VW. Ford did not even file a separate petition in parallel with VW’s. Instead, Ford waited another six months, until a day before its statutory time bar, to file its petition. POPR 20-25. That timing gave Ford the opportunity to roadmap its petition based on Patent Owner’s POPR to VW, and, if instituted, to refine its positions after institution at every step, based on Patent Owner’s subsequent filings in the VW IPR, “thus duplicating much of the board’s and patent owner’s efforts exerted in that proceeding.” *Videndum Prod. Sols., Inc. v. Rotolight Ltd.*, IPR2023-01218, Paper 9, 18 (Jan. 25, 2024) (denying IPR under *Valve*).

In these circumstances, the interest of incremental potential improvement in patent quality by allowing a tactically delayed, serial third attack is outweighed by the unjust, inefficient burden on both the Patent Owner and the Board. On the one

hand, if instituted, this Petition would be the *third* time the Board evaluates the '450 Patent on the merits, after having analyzed Dell and VW's petitions on the merits. POPR 4-5; § I, *supra*. Unlike *Code200, UAB v. Bright Data Ltd.*, IPR2022-00861, Paper 18, 6 (Aug. 23, 2022) (precedential) (cited by Paper 18, 11), in which an earlier petition was discretionarily denied, here, even without Ford's Petition, the Patent will already have undergone post-grant evaluation twice on the merits. On the other side of the scale, this tactically delayed third attack—disjointly presenting grounds that are jointly presented in court—maximizes unfairness, burden and inefficiency for no good reason. And the petitioner offers no reason. Ford simply argues the Director should recognize an untrammelled right to do so.

But, beginning even before *Valve*, the Office has denied serial attacks by different petitioners, based on even less relationship. For example, in *Shenzhen Silver Star Intelligent Technology Co. v. iRobot Corp.*, petitions were filed 7 months apart by ITC co-defendants who were “likely” on a “joint defense team.” IPR2018-00882, Paper 9, 6-7, 9-10 (Oct. 1, 2018). The Board found that *General Plastic* factor 1 favored institution, *id.*, as it had to since *Valve* or its consideration of “any relationship” between different petitioners was not yet issued or precedential. Even then, however, the Board recognized that *General Plastic*'s factors are “non-exhaustive” and “additional factors may arise in other cases for consideration, where appropriate.” *Id.*, 8-9. The Board identified a “Factor 8” to

account for the fact that the petitioners, served with complaints about the same time, had nevertheless tactically timed their serial petitions months apart:

The purpose of proposed Factor 8 is *to discourage tactical filing of petitions over time by parties that faced the same threat at the same time*. Factor 8 favors Patent Owner because Petitioner and the –2050 petitioner were co-respondents in the ITC litigation. *See* Ex. 1003, 11. Accordingly, Petitioner and the –2050 petitioner both faced a similar-in-time hazard regarding the ’233 patent, yet Petitioner waited until after our Decision on Institution in the –2050 IPR to file this Petition. *Absent mitigating explanation, of which we have none, this suggests an attempt to secure tactical advantage by waiting* for the petitioner in the –2050 IPR to file a “test case.” Factor 8 weighs against tactical filing of petitions. Thus, proposed Factor 8 favors Patent Owner.

Shenzhen, IPR2018-00882, Paper 9, 16-17. The result here should be the same.

Ford’s counter-arguments are unavailing.

Ford first argues (Paper 18, 7-9) that it is not a co-defendant with VW. *Valve* has no co-defendant requirement, *see* § II.A, *supra*, but Ford *is* a co-defendant with VW at least in the sense required for a relationship relevant to denying institution. The test is not, as Ford suggests, whether Ford and VW may ultimately present their cases to different juries, or their MDL joinder was involuntary. That would prioritize form over substance. Ford and VW were sued on separate complaints because current law requires that infringers ordinarily be sued based on separate complaints. 35 U.S.C. § 299 (2011). Indeed, use of MDL consolidation increased

greatly in *reaction* to this change of law. Moreover, few parties are voluntarily defendants. Whether they are voluntarily MDL co-defendants is irrelevant.

What is important here are the facts, and the substance of Ford and VW's relationship. As explained in § I, *supra*, the court joined Ford and VW into a single MDL because having to jointly select and raise their invalidity contentions would be "just and efficient" because of strong overlap of issues, ranging from claim construction to validity. *Id.* Ford and VW, thus, *did* jointly identify, select and raise in court the art used in both their petitions. To pretend that these facts do not exist, and ignore the inefficiency and unfairness of strategically staggering these attacks against the Patent even though the attackers developed their invalidity contentions jointly, would fly in the face of *Valve*'s precedent.

Nor does application of *Valve* here raise any unfairness or policy concerns. It is simple fairness and common sense that if petitioners jointly develop invalidity theories in the district court, they should jointly present them in the Office unless good reasons justify such burdensome inefficiency. Attackers who jointly develop invalidity contentions can easily present their theories in a joint petition. Even if different petitioners may desire to focus on different claim constructions or arguments, they can readily do that in the same petition—or, if they prefer, file parallel petitions and argue that the facts justify such parallel petitions, following well-worn parallel petition procedures. *See, e.g.,* CTPG, 59 (noting that, *e.g.,* an

unusually large number of claims—unlike here—can justify parallel petitions).

Cooperating to jointly select, narrow and present their invalidity theories is exactly what these petitioners are required to do in the district court, and for good reasons. Ex. 1013 [Transfer Order] 1 (consolidating petitioners’ district court cases to “promote just and efficient conduct of the litigation.”). There is no policy reason why at least the same considerations of efficiency, fairness, and justice should not apply here. *See, e.g., Nuance Communs., Inc. v. ABBYY USA Software House, Inc.*, 813 F.3d 1368, 1376 (Fed. Cir. 2016) (finding it was not a due process violation for a court to order a patent owner to limit the number of claims it asserted were infringed); *Fresenius Kabi USA v. Amgen, Inc.*, IPR2019-00971, Paper 13, 7 (Oct. 16, 2019) (denying a second petition where two petitioners who were not co-defendants and had no business relationship indicated desires to coordinate their separately filed petitions). The bottom line is that Ford and VW developed and filed their contentions together in court, and should have reasonably done the same in the PTAB. Instead, their petitions were filed months apart to gain an advantage.

Petitioner argues that the panel’s decision here deviated from other Board decisions. But even if panels have not been fully consistent in applying *Valve*, the Director should clarify that denying institution on these facts is ***correct*** under *Valve*. And in any event, the cases Ford cites do not help Ford’s arguments. *Shenzhen* (Request 6) in fact strongly ***supports the panel’s denial of institution***

here, by denying two critically timed, disjoint petitions, as already discussed above. *Illumina, Inc. v. Ravgen, Inc.*, IPR2021-01271, Paper 12, 16-17 (Jan. 26, 2022) (Request 4-5) did not involve co-defendants who jointly selected and raised invalidity challenges in court. *Facebook, Inc. v. Express Mobile Inc.*, IPR2021-01455, Paper 11, 11 (Mar. 4, 2022) (*quoted* at Request 5), found only “some coordination” and only “on the issue of claim construction,” not parties who jointly selected and raised invalidity challenges and then filed serial petitions based on those challenges. *Id.* In *Twitter, Inc. v. Palo Alto Rsch. Ctr.* IPR2021-01458, Paper 11, 31-33 (Apr. 6, 2022) (Request 6), the petitioners merely served “*overlapping* invalidity contentions” in court. And in *Google LLC, v. Neonode Smartphone LLC*, IPR2021-01041, Paper 19, 10 (Jan. 13, 2022) (Request 6), the petitioner was not even a party to litigation involving the patent, let alone a joint presenter of invalidity contentions. *See id.* (“Petitioner is not a party to any litigation.”).

In sum, the circumstances here were rightly found to support denial of IPR.

C. Given The Jointly Developed Validity Challenges In Court And Intentionally Limited Available Discovery, Direct Evidence Of Coordination Regarding IPR Challenges Should Not Be Required.

Ford also argues that it “was not involved in the preparation of VW’s petition.” Paper 18, 7. That assertion is not only irrelevant, it is a distraction from the relevant facts. As explained (§ I, *supra*), Ford and VW jointly worked to find, and identified, closest prior art and strongest combinations in the district court. *See*

Ex. 2019 [Invalidity-Contentions]. Both Ford and VW then selected the grounds in their petitions from this jointly prepared selection of challenges. At a minimum, each of Ford and VW at some level contributed to the petition of the other.

Furthermore, explicit coordination of serial challenges is not required for discretionary denial. No such coordination was shown in *Valve* itself. Nor would there ordinarily be a reason for smoking-gun coordination by Ford and VW, both represented by sophisticated counsel with substantial IPR experience, both independently aware of typical IPR strategies and the benefits of serial petitioning. And if there were explicit coordination, Patent Owner is not in a position to obtain direct evidence of it. Communications between co-defendants are held under privilege, and discovery is rarely given in IPR. *See, e.g., Netflix Inc. v. DivX, LLC*, IPR2020-00052, Paper 10, 9-10 (Jan. 14, 2020) (granting discovery only because Patent Owner showed a pattern of *eight* coordinated PTAB challenges).

Ford's assertion of no involvement in VW's Petition does not rebalance the *General Plastic/Valve* factors in Ford's favor. The Panel had ample reason to deny IPR, both under binding precedent and under any fair policy.

III. CONCLUSION.

For the foregoing reasons, Patent Owner respectfully requests that the Director affirm the Board's denial of institution of Ford's Petition.

Respectfully submitted,

 / Parham Hendifar /

Parham Hendifar, Reg. No. 71,470
LOWENSTEIN & WEATHERWAX LLP

Date: February 6, 2024

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the following documents were served by electronic service, by consent between the parties (Pet. at 64), on the date signed below:

PATENT OWNER'S AUTHORIZED RESPONSE TO PETITIONER'S REQUEST FOR DIRECTOR REVIEW (PAPER 18)

The names and addresses of the parties being served are as follows:

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Respectfully submitted,

/ Parham Hendifar /

Date: February 6, 2024