

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMERICAN HONDA MOTOR CO. INC.,
Petitioner,

v.

NEO WIRELESS LLC,
Patent Owner.

Case IPR2023-00797
Patent 10,771,302

**PATENT OWNER'S REQUEST FOR REHEARING
OF ORDER (EXHIBIT 3102) DENYING PATENT OWNER'S REQUEST
FOR LEAVE TO RESPOND TO REQUEST FOR DIRECTOR REVIEW**

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I. RELIEF REQUESTED

Patent Owner Neo Wireless, LLC respectfully requests rehearing of the email order (Exhibit 3102) denying Patent Owner leave to file a response to the Director Review Request (Paper 16) filed by Petitioner American Honda Motor Co. Inc. (“Honda”).

The Order does not specify whether it is issued by the Director or a delegate on the Director’s behalf. The present request for rehearing is authorized in either event. *See* Revised Director Review Process (updated Sep. 18, 2023), § 5.C.ii.

II. STATEMENT OF FACTS

In court, Honda and Volkswagen Group of America, Inc. (“VW”) are accused of infringement of the patent-at-issue (“Patent”). VW filed a prior IPR petition challenging all claims of the Patent. Paper 7 (“POPR”), 6-10. That petition (IPR2022-1538) was denied institution on the merits. *Id.*, 20.

The district court Multi-District Litigation (“MDL”) panel consolidated Patent Owner’s district court pretrial proceedings against Honda and VW into a multi-district proceeding. Ex. 2015 [Transfer Order] 1; Ex. 2016 [Opinion and Order] 1. The MDL panel ordered consolidation in light of the close relationship between the proceedings involving VW and those involving Honda, including in infringing products, technology, and claim construction, validity and infringement questions. The panel found consolidation appropriate because “[a]ll accused ...

are automaker groups who are alleged to implement cellular communications technology into their vehicles” and that “by complying with [common technical] 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. 2015, 1-2; *see* POPR, 7-8.

In the MDL proceeding, the district court ordered the defendants, including Honda and VW, to present their invalidity contentions jointly. Ex. 2016, 3. They did so. *See* Ex. 2013 [Invalidity-Contentions] 2 n.1. On November 16, 2022, Honda and VW co-filed joint invalidity contentions specifically identifying the IEEE 802.16a-2003 reference on which Honda’s Petition here lies for every challenged limitation of the Patent except “mobile device.” Ex. 2013 [Invalidity-Contentions] 29 (identifying reference); 1027 (proof of service); *see* POPR, 8-9. Similarly, Honda and Volkswagen jointly identified Koo, the secondary reference in the lead ground of Honda’s Petition. Ex. 2013 [Invalidity Contentions] 12; POPR, 12.

Despite raising this challenge jointly with VW in court, Honda did not raise this challenge jointly with VW in the PTO. VW filed for IPR in September 2022. IPR2022-01538, Paper 2. Honda did not attempt to join VW’s IPR. Instead, Honda waited until over six months after VW’s petition, until the last possible day

under the 35 U.S.C. § 315 time bar, to file a second, *dis*joint IPR against the Patent. POPR, 14.

Honda's Petition devoted four conclusory sentences to *General Plastic and Valve Corp. v. Elec, Scripting Prod., Inc.*, IPR2019-00062, Paper 11 (PTAB Apr. 2, 2019) (precedential). Paper 2 ("Petition"), 67. Petitioner did not file any of the relevant documents, including the MDL consolidation order (Ex. 2015).

On December 8, 2023, Honda filed a 15-page Request for Director Review consisting almost entirely of new arguments and authority. Paper 16.

On December 21, 2023, Director Review was granted, and a sealed order re: Ex Parte Communication was entered. Papers 18-19.

On January 3, 2023, an unsigned email Order denied "at this time" Patent Owner's request to file a response to the Request for Review. Ex. 3102.

Patent Owner requests rehearing of the January 3 email Order.

III. DENIAL OF A RESPONSE TO THE ARGUMENTS AND AUTHORITIES IN THE REQUEST FOR DIRECTOR REVIEW CONTRAVENES THE APA AND DUE PROCESS GUARANTEES.

"While the rules and practices of the Board *generally* protect against loss of patent rights without the required notice and opportunity to respond, those rules and practices protect against such loss in a given case only when, upon a proper request, the PTO actually provides the opportunities required by the APA and due process." *In re NuVasive, Inc.*, 841 F.3d 966, 971 (Fed. Cir. 2016) (cleaned up)

(vacating IPR decision because “[d]espite requests from [the patent owner], the Board refused to permit [the patent owner] to file a surreply or even to address the matter during oral argument.”). In this case, the Director, after reviewing the contentions in Honda’s Request for Director Review, has granted Director Review. Paper 18. Patent Owner has requested permission to file a response to the contentions in the Request and to provide the full and true information necessary to decide the review. Ex. 3102. The email Order denies that request “at this time.” *Id.* This denial, like the denial in *NuVasive* above, is an abuse of discretion.

“For a formal adjudication like the inter partes review considered here, the [Administrative Procedure Act] imposes particular requirements on the PTO.” *Dell Inc. v. Accelaron, LLC*, 818 F.3d 1293, 1301 (Fed. Cir. 2016). The PTO “must ... provide ‘all interested parties opportunity for the submission and consideration of facts [and] arguments,’ [5 U.S.C. § 554 (c)], and must allow ‘a party . . . to submit rebuttal evidence . . . as may be required for a full and true disclosure of the facts’ [5 U.S.C. § 556 (d)].” *Id.* The denial of Patent Owner’s request to file a response to Honda’s Director Review Request is contrary to the requirements of the APA and due process because Honda’s Request introduced copious new arguments and authorities into the record, and Director Review has been granted based in part on review of those contentions. Ex. 3002.

The January 3 Order cites the Revised Interim Process’s provision that “Director Review decisions are generally made ***based on the existing record . . .***” Ex. 3102 (quoting Process, § 5.a.ii.b) (emphasis added). This reasoning is not responsive to Patent Owner’s request for permission to respond. It overlooks the fact that the Request for Director Review itself, which contains new arguments and authority, is in the existing record, which is the very reason Patent Owner has requested an opportunity to respond to it. It is impossible for the ordered Director Review to be conducted based on the existing record ***excluding*** the Request for Director Review. Indeed, the grant of Director Review is already expressly based in part on review of that portion of the existing record. Conducting Director Review based on this unequal record fails to comport with the AIA or due process.

The Director’s August 20, 2023 decision on Director Review in *Vector Flow, Inc. v. HID Global Corp.*, IPR2023-00353, illustrates the importance of permitting Patent Owner to respond to these contentions as requested. In *Vector*, the assigned Board panel denied a petitioner’s request to file a response to the POPR and subsequently denied institution. Paper 11, 1. The Director vacated the panel’s decision, and remanded on the basis that the Board abused its discretion in denying petitioner leave to file a response to the patent owner’s contentions. Paper 11, 2. The Director noted that the POPR raised arguments based on events and orders that occurred after the filing of the petition in the case, which therefore

could not have been addressed in the petition. *Id.*, 7-8. The Director further noted that the Board would “benefit” from briefing by *both* parties on the issues. *Id.*, 8. Like the denied party in *Vector*, Patent Owner should be allowed to respond to new contentions in the Request for Director Review, to which Patent Owner could not have responded earlier because they were omitted from the Petition. Indeed, here, unlike the denied party in *Vector*, Honda made a strategic decision not to include its discretionary denial arguments, or any relevant exhibits, in its Petition. Paper 12, 4-5.

The guarantees of the APA and due process are particularly salient here, because the Request for Director Review amounts to a barely veiled request to nullify the scope of the *Valve*’s precedential protection of patent owners against harassment from multiple, separated attacks and effectively eliminate other precedent. *See, e.g.*, Paper 16, 5-8 (discussing Petitioner’s incorrect view of “policy” considerations under *General Plastic* without even mentioning *Valve*); *id.*, 14-15 (arguing for the elimination of *General Plastic* factor 2 in its entirety). For example, the Request fails to address contemporary statements to the Office by members of Congress. *See* Ex. 2014 [Senators’ April 9, 2019 Letter]. The statements by these members of Congress, dated between the date of the *Valve* decision and the date of its precedential designation, urged the then-Director to limit serial petitioning in situations like this one. *Id.*, 1-2 (urging that *General*

Plastic is “not sufficient” and that the Office should “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.”). Briefing of such facts, in response to Petitioner’s briefing in support of Director Review, should be permitted for a full record informing Petitioner’s request to change settled Board precedent.

As another example, the Board found, based on the evidence of record, that Honda had roadmapped its Petition based on Patent Owner’s Preliminary Response to the VW Petition, which Honda was able to obtain by waiting until the very last day of its statutory bar before filing its Petition. Paper 14, 18-19. Honda’s Director Review Request disputes this finding, arguing that Honda did not “playbook” because, for example, the record supposedly does not contain evidence that Honda was actually “aware” of VW’s earlier Petition. *See, e.g.*, Paper 16, 6. Especially in light of the fact that a patent owner is not generally entitled in IPR to discovery allowing it to obtain and place in the record the type of evidence Honda is demanding, Patent Owner should be afforded an opportunity to respond to these new assertions to explain the significance of circumstantial evidence, as well as *Valve* policy considerations that do not depend on roadmapping. *See, e.g.*, Paper 14, 17-19.

Honda's Request for Director Review also cites, for the first time in this case, many past Board decisions that it argues contradict the denial of institution here. Patent Owner should be entitled to respond to these citations, and the Request fails to address the fact that none of these newly-cited authorities involved prior joint cooperation and delay associated with a same-patent challenge to the same extent as the facts here, where the months of delay, stretching until after the February 8, 2023 POPR in the VW IPR, maximized Honda's road-mapping opportunities and the burden on Patent Owner and the PTO. Paper 16-9-10. (citing *Xilinx, Inc. v. Arbor Glob. Strategies, LLC*, IPR2020- 01570 (Mar. 5, 2021); *Qualcomm Inc. v. Monterey Rsch., LLC*, IPR2020-01492 (Mar. 8, 2021); *Qualcomm, Inc. v. Monterey Rsch., LLC*, IPR2020-01493 (Mar. 8, 2021); *Shenzhen Silver Star Intelligent Tech. Co., Ltd. v. iRobot Corp.*, IPR2018-00761 (Sept. 5, 2018); *Code200, UAB v. Bright Data Ltd.*, IPR2022-00861 (Aug. 23, 2022). Denying Patent Owner's request to respond to these citations will leave the record on these issues improperly one-sided. *See* 5 U.S.C. § 556 (d).

Indeed, the assigned Board panel in this case recognized that Honda made a strategic decision to underplay discretionary denial in the Petition. Paper 12, 4-5. To permit Petitioner to now attempt to supplement the Petition by including new arguments and authority in its Director Review Request without any opportunity to respond by Patent Owner is manifestly unfair. As the panel observed:

Petitioner itself addresses each of §§ 314(a) and 325(d) ..., and did so with 1,432 additional words available if it had desired to further address those issues [citation]. In doing so, Petitioner by choice does not specifically address many, if any, of the various known factors underlying our use of discretion to deny a petition under §§ 314(a) and 325(d), and instead submits that such factors are “not at play here” or that invoking such discretion simply is “not appropriate” (Pet. 67). Where, for example, Petitioner argues discretionary denial under § 325(d) is “not appropriate” allegedly because “the same or substantially the same art or arguments were not previously presented to the Office” (Pet. 67–68), we find it at least reasonably foreseeable that Patent Owner would challenge that allegation given that the Petition’s lead reference, 802.16a-2003 (Ex. 1004), is cited *on the face* of the challenged patent (Ex. 1001 at code (56) (p. 2)). Also, where Petitioner summarily deems § 314(a) “not at play here” because “*Petitioner* has not previously petitioned for [*inter partes* review] of the [challenged] patent” (Pet. 67 (emphasis added)), we again find it at least reasonably foreseeable that Patent Owner would challenge that basis in view of *Valve* (even cited by Petitioner)

Paper 12, 4-5.

In the end, Honda’s Request for Director Review argues that VW and Honda’s *joint* raising in district court of the same obviousness combination as in this case, and deliberate months of delay between their IPR challenges, should be immunized from being found relevant to institution under *Valve* even though they are plainly relevant to the exercise of discretion under *Valve*’s reasoning, simply

because they happened to arise in the context of MDL proceedings. Patent Owner is entitled to respond to Petitioner's arguments that only MDL status—not the intentional delay of serial challenges to the same patent—should be deemed relevant to whether institution should be granted, and Petitioner's premise that the reasons favoring consolidation of factually-related cases in district court should not have similar relevance in IPR.

IV. CONCLUSION.

The Order should be reconsidered, and Patent Owner's request to file a response to the Request for Director Review should be granted.

Respectfully submitted,

 / Parham Hendifar /

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Date: January 17, 2024

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the following documents were served by electronic service, by consent between the parties , on the date signed below:

PATENT OWNER'S REQUEST FOR REHEARING OF ORDER (EXHIBIT 3102) DENYING PATENT OWNER'S REQUEST FOR LEAVE TO RESPOND TO REQUEST FOR DIRECTOR REVIEW

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