UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BMW OF NORTH AMERICA, LLC,

Petitioner,

v.

NORTHSTAR SYSTEMS LLC,

Patent Owner.

Patent No. 8,478,527
Filing Date: July 5, 2011
Issue Date: July 2, 2013

Inventor: Gabriel Jakobson
Title: METHOD AND SYSTEM FOR DISPLAYING NAVIGATION INFORMATION AND MAPPING CONTENT ON AN ELECTRONIC MAP

PATENT OWNER'S PRELIMINARY RESPONSE

Case No. IPR2023-00934

TABLE OF CONTENTS

Page(s)

I. INTRODUCTION 1

II. THE '527 PATENT 2

III. THE ALLEGED PRIOR ART 4

IV. LEVEL OF ORDINARY SKILL IN THE ART 6

V. CLAIM CONSTRUCTION 6

VI. LEGAL STANDARD 7

VII. THE BOARD SHOULD DENY INSTITUTION BECAUSE PETITIONER HAS FAILED TO SHOW A REASONABLE LIKELIHOOD OF SUCCESS FOR ANY OF GROUNDS 1-8 8

A. The Petition Does Not Sufficiently Set Forth how the Prior Art Discloses "Displaying an OVI Containing the Distance and Travel-Related Information" 9

B. The Petition Does Not Sufficiently Set Forth how the Prior Art Discloses OVIs 11

1. Claims 1-30 12

2. Additional Distinctions for Claims 1-12 14

VIII. THE PETITION SHOULD BE DENIED IN THE DISCRETION OF THE DIRECTOR UNDER 35 U.S.C. § 314(A) 18

A. No Stay of the Parallel District Court Litigation 20

B. The Board's Written Decision Deadline is After the Trial Date 21

C. Significant Investment by the Time of Institution Favors Discretionary Denial 21

D. The District Court Litigation Involves the Same Claims and the Same Arguments 22

E. The Parallel District Court Litigation and the Petition Involve the Same Parties 23

F. Other Circumstances Favor Denial of Institution 23

IX. CONCLUSION.....24

TABLE OF AUTHORITIES

Page(s)

Cases

Apex Beam Techs. LLC v. ZTE Corp.,
Case No. 2:22-CV-00031, Dkt. No. 55 (E.D. Tex. June 14, 2023).....20

Apple Inc. v. Fintiv, Inc.,
IPR2020-00019, Paper 11 (P.T.A.B. Mar. 20, 2020).....18, 19

Apple Inc. v. Samsung Elecs. Co.,
839 F.3d 1034 (Fed. Cir. 2016).....8

Commscope Techs. LLC v. Dali Wireless, Inc.,
IPR2022-01242, Paper 23 (P.T.A.B. Feb. 27, 2023).....18

Forest Lab'ys, LLC v. Sigmapharm Lab'ys, LLC,
918 F.3d 928 (Fed. Cir. 2019).....8

Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha,
IPR2016-01357, Paper 19 (P.T.A.B. Sept. 6, 2017).....20

Graham v. John Deere Co. of Kansas City,
383 U.S. 1 (1966).....7, 8

KSR Int'l Co. v. Teleflex Inc.,
550 U.S. 398 (2007).....7

NHK Spring Co. v. Intri-Plex Techs., Inc.,
IPR2018-00752, Paper 8 (P.T.A.B. Sept. 12, 2018).....19

Samsung Elecs. Am., Inc. v. Uniloc 2017 LLC,
IPR2019-01218, Paper 7 (P.T.A.B. Jan. 7, 2020).....21

Statutes

35 U.S.C. § 103.....7

35 U.S.C. § 103(a).....1

35 U.S.C. § 314(A) 19, 24

35 U.S.C. § 314(b) 21

35 U.S.C. § 316(a)(11).....21

EXHIBIT LIST

Exhibit No.	Description of Document
2001	Docket Control Order, Dkt. 57, in *NorthStar Systems LLC v. Volkswagen AG*, Case No. 2:22-cv-00486-JRG (E.D. Tex. Aug. 9, 2023)
2002	A printout taken from the web site https://patents.google.com/patent/US7634354B2/en?oq=7%2c634354
2003	U.S. Patent No. 8,032,297

I. INTRODUCTION

On May 26, 2023, BMW of North America, LLC ("BMW" or "Petitioner") submitted a Petition for *Inter Partes* Review (Paper No. 1, "Petition") of U.S. Patent No. 8,478,527 (Ex. 1001, the "'527 Patent"), challenging Claims 1-30 pursuant to §§ 311-319 and § 42.100, *et seq*. ("the Challenged Claims").

The Petition should be denied because the Petitioner has failed to demonstrate a reasonable likelihood that the Challenged Claims are invalid as obvious under 35 U.S.C. § 103(a) based on the prior art references and obviousness grounds set forth in the Petition. The '527 Patent is directed to a novel Object Vector Indicator ("OVI"). None of the prior art teaches or suggests the (1) claimed OVI, let alone the (2) creation and placement of an OVI, or (3) the use of multiple OVIs. The prior art amounts to nothing more than a rehash of the same types of art that were of record during prosecution. Accordingly, the Board should deny institution.

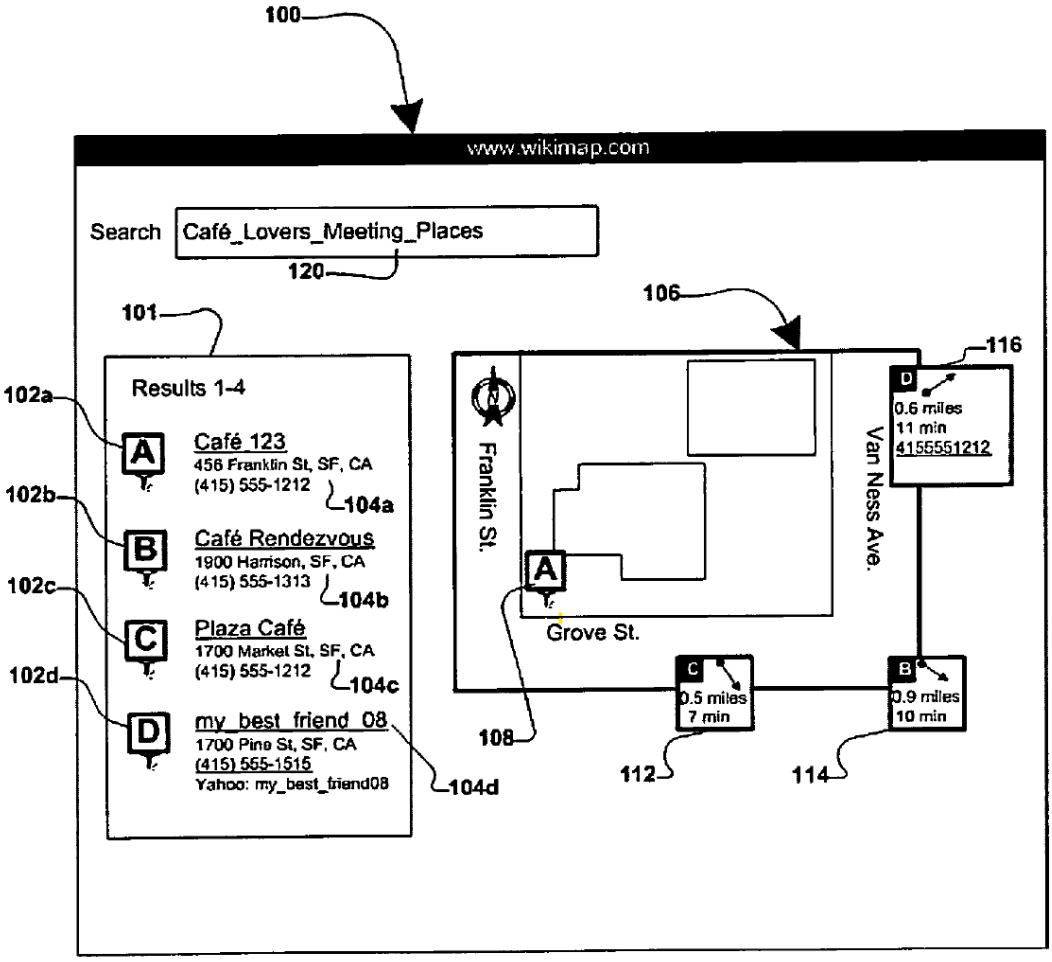
Additionally, Petitioner has filed a declaratory judgment action against NorthStar alleging non-infringement of the challenged patent. Petitioner has, therefore, indicated it prefers to litigate in district court. Because the Petition is weak on the merits, and because the Petitioner has chosen to pursue alternate forums, the Board should decline to unnecessarily increase the burden, time, and cost on the parties, and the Board and should exercise its discretion to deny this Petition.

II. THE '527 PATENT

The '527 Patent is entitled "Method and System for Displaying Navigation Information and Mapping Content on an Electronic Map" and issued on July 2, 2013. The '527 Patent claims priority to U.S. Patent Application No. 12/151,827, which was filed on May 8, 2008. The '527 Patent relates to novel ways of displaying and interacting with map-objects ("MO"), such as points-of-interest or way-points. '527 Patent at 1:22-27. The prior art as of 2008 allowed for conventional "zoom in" and "zoom out" functionality to allow users to see beyond a particular map view. *Id*. at 1:44-47. When an MO is beyond the boundary of the visible map, the prior art further allowed a user to view such object by one of the following mechanisms: (1) panning a map in the general direction of the MO until the visible area of the map includes the MO, (2) zooming out until the visible area of the map includes the MO, and (3) selecting a reference to the MO from a menu or hyperlink. *Id*. at 1:50-59. The prior art as of 2008 did not permit users to easily view locations of off-screen MOs, or to select or navigate to these off-screen MOs.

The '527 Patent solves these problems by utilizing an Object Vector Indicator ("OVI"). According to the '527 Patent, OVIs may include information referencing MOs, as well as information on the MO's direction, distance, travel-time to the MO, estimated time-of-arrival, and other information. *Id.* at 1:63-2:18. The '527 Patent also teaches searching a social network through a query, which results in the display

of a list of corresponding locations on the display. *Id.* at 3:45-48. The '527 Patent teaches several examples of OVIs that reference remote location markers, not visible on the visible area of a map, and a social network providing member information. *Id.* at 4:5-22. For example, Figure 1 depicts four map objects, A, B, C, and D, where Map Objects B, C, and D have corresponding OVIs 114, 112, and 116, respectively:



Id. at Fig. 1. Furthermore, the '527 Patent describes various calculations that may be used to create and place OVIs associated with a social network, including Figures

2A, 2B, and 4B and in the specification. *Id.* at Figs 2, 4; Col. 8:46 - Col. 9:65. As described in an example embodiment, such calculations may include obtaining a location of an MO, calculating a vector of a current location to an MO, calculating travel distance from a current location to an MO, calculating a travel time from a current location to an MO, and calculating the placement of an OVI on the periphery of a map. *Id.*

The prior art of record does not teach or disclose the use of OVIs in computer maps. Moreover, the prior art in the Petition does not teach or disclose how to create or use OVIs. Further, the prior art in the Petition does not teach or disclose how to create an OVI associated with a social network. The Petition relies on mere speculation and hindsight to arrive at the claimed OVIs.

III. THE ALLEGED PRIOR ART

The Petition primarily relies on two prior art references: U.S. Patent No. 9,607,092 to Kreitler (Ex. 1005, "Kreitler") and U.S. Patent No. 6,697,734 to Suomela (Ex. 1006, "Suomela"). While both references relate to map technology, neither reference describes Object Vector Indicators as claimed in the '527 Patent.

Kreitler describes "icons" of interest to users that are displayed on maps and that may allow users to interact with them. Ex. 1005 at 6:14-42. For example, Kreitler says that "icon[s] may have hyperlinks to other parts of the information system." *Id.* at 6:34-35. Maps with hyperlinks to points of interest were already of

record as in the prior art as set forth in the '297 Patent. ("[S]electing the reference to the MO from the menu/the hyperlinked list item"). '527 Patent at 1:56-57. Kreitler's mapping system was primitive and was not focused on providing directions or distances between two points on the map. The only depictions of cardinal direction are in Figure 1 and the accompanying discussion in Column 6, which states that "if the user is looking at the center of San Francisco, and San Francisco International Airport is to the south of the city, an icon may be displayed on the south border of the image that points in the general direction of San Francisco Airport." Ex. 1005 at 6:50-52. While Kreitler only mentions the "South" icon, it could be inferred that other cardinal direction icons may be used, such as "North," "East," and "West." However, Kreitler does not allow these icons to be displayed dynamically based on changing positions. Also, while Kreitler discloses points of interest on the map (e.g., hotels) and point of interest off the map (e.g., airports), Kreitler does not disclose any direction or distance calculations between a point of interest on the map and a point of interest off the map, and thus vectors are not contemplated. Furthermore, because Kreitler only describes the "South" icon in relation to the center of San Francisco and because vector calculations are not disclosed, it is possible that a vector between a point of interest and the relevant airport could be West or East, but Kreitler's icon could display South. The Petition does not address any of these limitations of Kreitler.

Suomela is similarly rudimentary. Suomela describes mapping software depicted on a primitive Nokia phone. Suomela further describes a map 24 with a border region, where objects may be displayed. While Suomela describes these objects as including an airport icon 34, lighthouse icon 30, and mountain icon 32, icons themselves do not include any distance or direction information, and therefore are not vectors. To the extent Suomela describes distance and direction, it is as separately reported and displayed functionality: direction indicators 42 and distance indicators 44. Ex. 1006 at 4:34-56. Thus, Suomela is not directed to object vector indicators.

IV. LEVEL OF ORDINARY SKILL IN THE ART

For the purposes of this Preliminary Response only, Patent Owner utilizes Petitioner's proposed level of ordinary skill in the art: "would have had at least a bachelor's degree in Computer or Electrical Engineering, or equivalent engineering discipline, and approximately three years' experience in telecommunications, navigation, or geolocation systems. Additional education could substitute for professional experience, and significant work experience could substitute for formal education." Pet. at 4.

V. CLAIM CONSTRUCTION

Petitioner identifies no terms in its Claim Construction section. Instead, Petitioner generally states that several terms are indefinite; in other words, that the

Petitioner cannot identify the boundaries of those claim terms. While Patent Owner contends that these terms are sufficiently definite in scope, it is the Petitioner's burden to set forth an explanation of how the prior art can be mapped to each claim limitation. By punting on these issues, Petitioner simply cannot meet its burden and the Petition should be denied.

VI. LEGAL STANDARD

The question of obviousness is resolved on the basis of underlying factual determinations, including: (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art, and (4) where in evidence, so called secondary considerations. *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 17–18 (1966). A claim is only unpatentable under 35 U.S.C. § 103 if "the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains." *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007) (quoting 35 U.S.C. § 103).

"An invention is not obvious simply because all of the claimed limitations were known in the prior art at the time of the invention. Instead, we ask 'whether there is a reason, suggestion, or motivation in the prior art that would lead one of ordinary skill in the art to combine the references, and that would also suggest a

reasonable likelihood of success.'" *Forest Lab'ys, LLC v. Sigmapharm Lab'ys, LLC*, 918 F.3d 928, 934 (Fed. Cir. 2019). "Of course, concluding that the references are within the scope and content of the prior art to be considered for obviousness does not end the inquiry. *Graham* makes clear that the obviousness inquiry requires a determination whether the claimed invention would have been obvious to a skilled artisan." *Apple Inc. v. Samsung Elecs. Co.*, 839 F.3d 1034, 1051 n.14 (Fed. Cir. 2016).

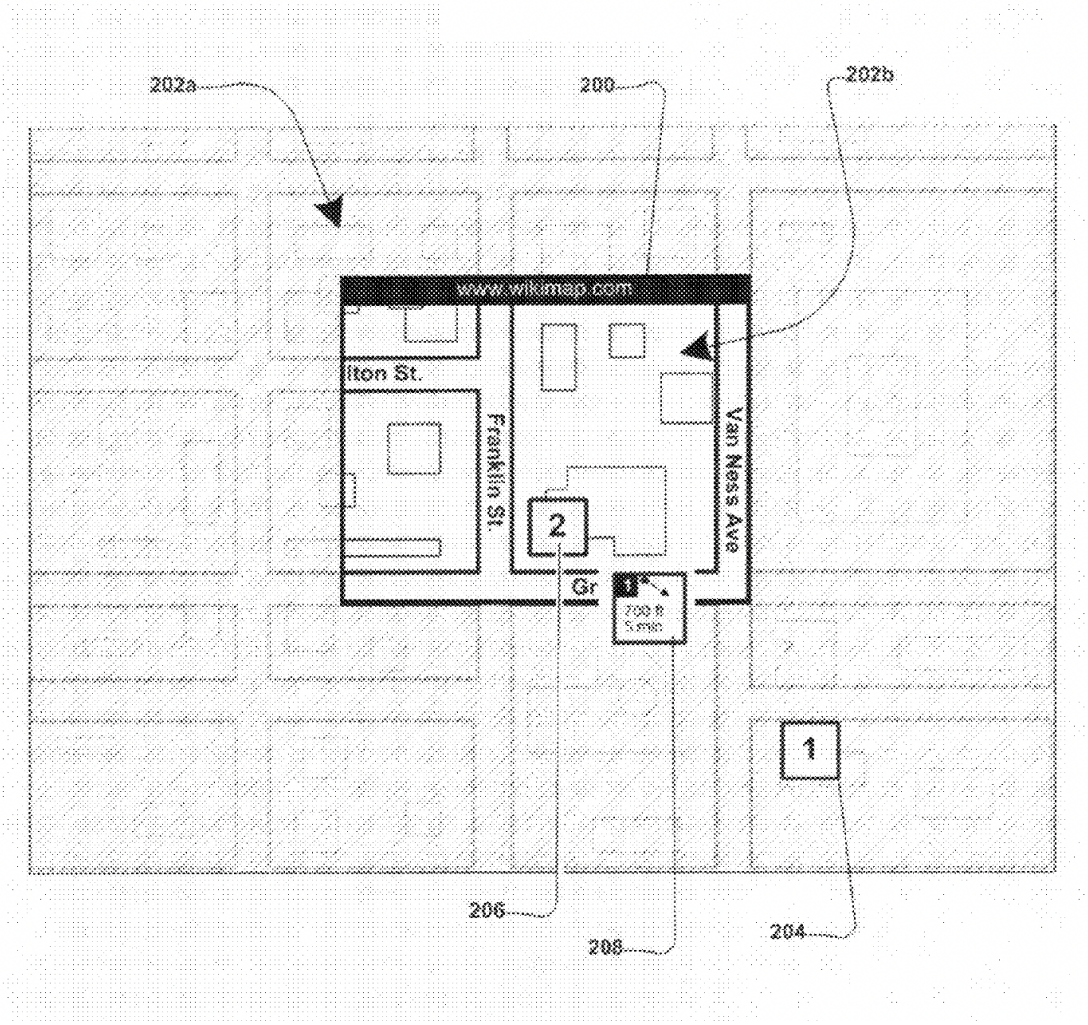
VII. THE BOARD SHOULD DENY INSTITUTION BECAUSE PETITIONER HAS FAILED TO SHOW A REASONABLE LIKELIHOOD OF SUCCESS FOR ANY OF GROUNDS 1-8

Petitioner does not explain how the combination of Kreitler and Soumela can arrive at the claimed Object Vector Indicator ("OVI"). First, regarding Claims 1-12, Petitioner has not established that the prior art in combination discloses the limitations of " computing distance and travel-related information to the MO" and "displaying an OVI containing the distance and travel-related information". Second, regarding Claims 13-30, the prior art does not disclose "a display device configured to display a first portion of an electronic map and an object vector indicator (OVI), wherein the OVI provides reference information for a map object (MO) which is not visible on the first portion of the electronic map".

A. The Petition Does Not Sufficiently Set Forth how the Prior Art Discloses "Displaying an OVI Containing the Distance and Travel-Related Information"

First, the Petition does not identify any computation disclosed in the prior art, let alone "computing distance and travel-related information to the MO" and "displaying an OVI containing the distance and travel-related information" Because the claim terms are similar, Patent Owner addresses this argument in the context of Claim 1.

U.S. 8,032,297 (the "'297 Patent") (Ex. 2003), which is incorporated by reference in the '527 Patent (Ex. 1001 at 1:9-18) describes several methods of computing and displaying a placement position of the OVI. For example, the '297 Patent describes an example of an OVI as being "displayed on the periphery of the map region 202b." Ex. 2003 at 4:36-48. The placement of OVI 208 is calculated based on "the intersection of an imaginary line 212 connecting the location markers 204 and 206 and the periphery of the map region 202b." *Id.*



Id. at Fig. 2B. The '297 Patent further describes an alternate embodiment where the "OVI 208 may be positioned at the intersection of the imaginary line 212 and the border of the map-display application 200." *Id*. at 4:36-48.

Nothing in the prior art approaches the disclosure of placement of an OVI. The Petition relies only on Figure 1 of the Kreitler reference and the statement that "an icon may be displayed on the south border of the image that points in the general direction of San Francisco Airport." Pet. at 23-24. The mere fact that an icon ***may***

be displayed does not necessitate computation of a placement position referencing the map object. The placement of the "south" icon is likely hard coded as static information and therefore not computed by Kreitler. Nothing in the Kreitler reference approaches the level of detail provided by the '297 Patent specification regarding the computation of a placement icon. Thus, Petitioner's rationale that "because the position is based on the location of the off-map MO it references" is based purely on hindsight.

Accordingly, the Petition should be denied as to Challenged Claims 1-30.

B. The Petition Does Not Sufficiently Set Forth how the Prior Art Discloses OVIs

Challenged Claims 1-30 require "displaying an OVI" with reference information for an MO (e.g., distance and travel-related information). The Petition does not teach or disclose creating an OVI containing distance and travel-related information, as required by Claims 1-30.

The '297 Patent describes an OVI as more than merely a link to a map object. '297 Patent at 1:43-45. More specifically, the '297 Patent describes creating an OVI by calculating distance and travel-related information as, for example, "computing an imaginary travel path 216 between the location marker 206 and the location marker 204." *Id.* at 4:65-67. The '297 Patent further states that travel-related information, such as direction of travel, may be calculated based on "an angle alpha

230 between the imaginary line 212, connecting the location markers 206 and 204, and the Y axis of the display or any other direction." *Id*. at 5:22-37. The result is that "the vector 222 may point to the location marker 204." *Id.* Neither Suomela nor Kreitler teaches or discloses an OVI, and the combined teachings of Suomela and Kreitler also fail to arrive at the claimed OVI.

1. Claims 1-30

Petitioner relies primarily on Kreitler to teach the "OVI" required by the claims. Petitioner's rationale appears to be that, because Kreitler depicts a "special icon" where the special icon "indicat[es] an off-map MO including the direction of the MO," the OVI limitation is met. *See, e.g.*, Pet. at 19. However, the "special icon" of Kreitler is essentially just a static hyperlink as was present in the prior art – it is not a vector. A Euclidean vector means that there is some magnitude and direction associated with the indicator. While the "special icon" can be depicted as an arrow on the border of Kreitler's map, there is no relation between the off-screen object and any object on the screen, let alone any magnitude or direction. The Petition refers to a distance/direction calculated as between the San Francisco Airport and "hotel 104" which are depicted in green and blue annotations in the Petition:

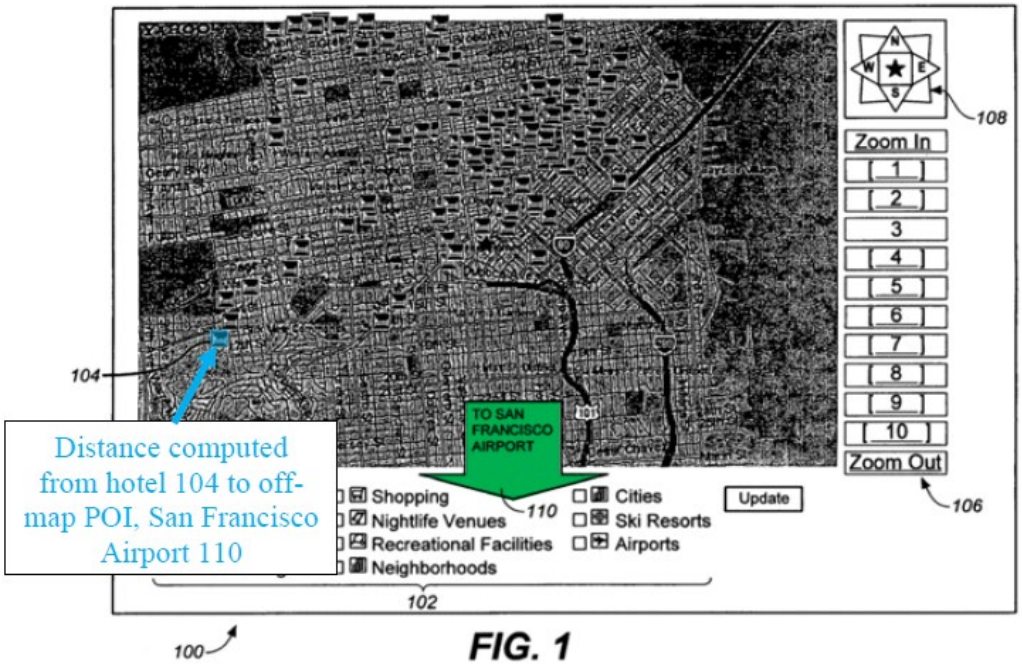


FIG. 1

Kreitler, Fig. 1.

Pet. at 20 (annotations in original). However, nothing in Kreitler indicates that the direction arrow has anything to do with the magnitude of distance and direction between the hotel 104 and the San Francisco Airport. Instead, the arrow merely depicts that the San Francisco Airport is below the bottom of the map, without any regard as to whether it is East or West of any particular point on the map. For example, even if the direction from the hotel 104 to the San Francisco Airport were predominantly "East," the arrow depicted on screen would still point South. Indeed, selection of any point of interest on the map would still reveal the same "South" arrow for the San Francisco Airport.

Petitioner does not attempt to explain how this rudimentary arrow could be encoded with sufficient information to create the claimed vector. Accordingly, the Petition is deficient and should be denied in its entirety.

2. Additional Distinctions for Claims 1-12

Claims 1-12 require additional limitations regarding creation and display of the claimed OVIs including explicit calculations of both distance and travel-related information. For these calculation limitations, Petitioner relies on the combination of Kreitler and Suomela. However, Petitioner does not acknowledge teachings in Suomela that teach against or otherwise negate the combination.

The prior art does not disclose "computing distance and travel-related information from a location within the selected area of the electronic map to the MO." This computation must be performed before displaying the OVI. However, for the computation of distance and travel-related information, Petitioner relies only on Kreitler. Pet. at 29-30. Petitioner shows an annotated version of Figure 1, which displays the alleged "OVI" prior to any map object being selected:

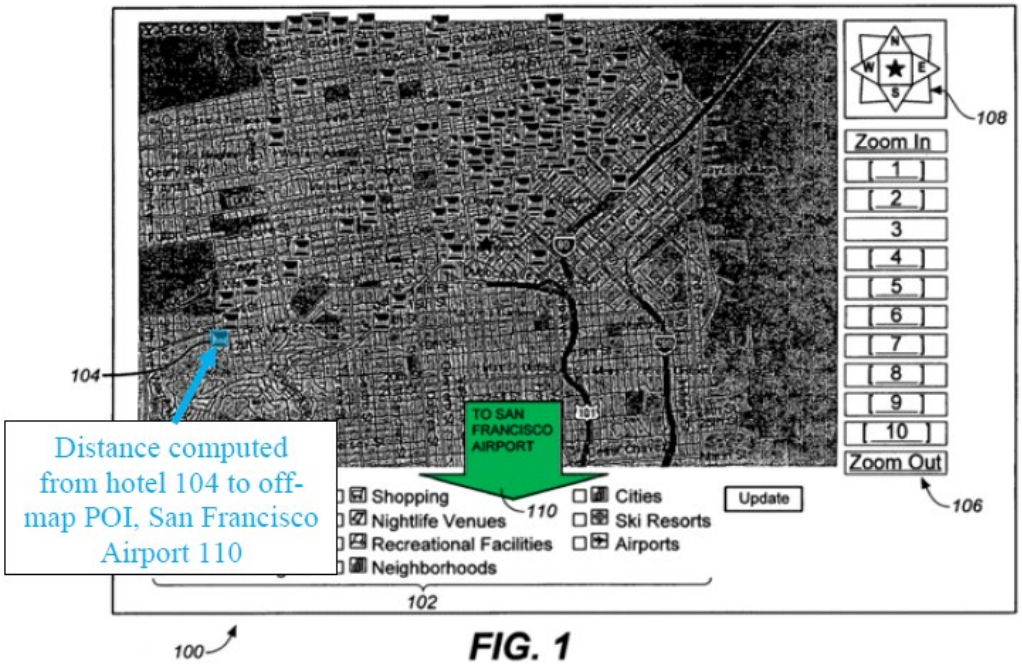


FIG. 1

Kreitler, Fig. 1.

Pet. at 20 (annotations in original). Because the green arrow is displayed without any map object selected, distance and direction cannot be known at the time of the green arrow's creation and placement. Indeed, distance and direction are not known until after a map object is later selected because Kreitler states that "selecting a hotel would allow the user to obtain the distance of other items in relation to the selected hotel." *Id.* Ex. 1005 at 7:5-9. Kreitler's disclosure, instead, indicates that the "special icon" is unrelated to any calculation of distance or direction, and thus the "special icon" is not ***created*** containing the distance and travel-related information. Therefore the creation limitations are not met.

Regarding limitation 1g, Petitioner admits that Kreitler on its own does not disclose an OVI with distance information. Instead, Petitioner relies on Suomela to "expressly disclose[] displaying both distance and travel-related information." Petition at 33. However, Petitioner relies on the bare conclusion that "a POSITA would have been motivated to add *Suomela*'s distance and travel-related information to Kreitler's OVI to provide further helpful information to a user." *Id.* at 33-34. This hindsight-based statement ignores the disclosure of Suomela, which teaches distance and direction information as ***separate*** from object indicators, not ***contained*** in object indicators. For example, Figure 5 of Suomela depicts objects (29) as separate from distances (44) and direction (42).

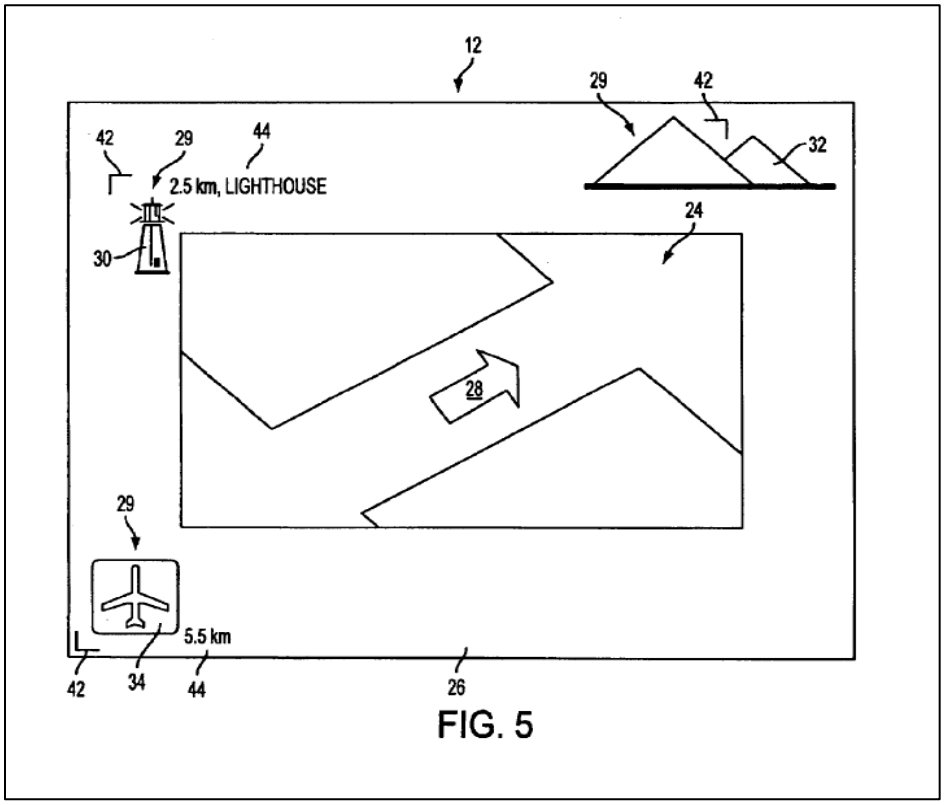


FIG. 5

Ex. 1006 at Fig. 5. Suomela further states that "direction indicators 42 and distance indicators 44 may be electively shown," indicating that these are ***not contained*** by the objects 29. *Id.* at 4:45-47. In other words, if the objects 29 themselves were able to indicate distance or direction on their own, these additional display parameters would not be needed. Suomela's teaching of separate indicators for distance and direction teaches against an OVI ***containing*** distance and direction or, at the very least, provides contradictory teachings that the Petitioner should have addressed.

Rather than address the fact that Suomela's objects 29 do not ***contain*** distance indicators 44 and direction indicators 42, Petitioner entirely ignores this disclosure and concludes that one of skill in the art would have combined these parameters in Kreitler's objects without any rational basis. More specifically, Petitioner states that one of skill in the art would have been motivated to modify Kreitler's special icons to include distance information taught by Suomela but does not explain why one of skill in the art would have modified the separate distance and direction indicators of Suomela to include those within Kreitler's objects. Pet. at 15. Petitioner's mappings of the combined teachings of Kreitler and Suomela miss the mark and it is not possible for one of skill in the art to arrive at the claims without impermissible hindsight.

Accordingly, the Petition should be denied as to all Challenged Claims.

VIII. THE PETITION SHOULD BE DENIED IN THE DISCRETION OF THE DIRECTOR UNDER 35 U.S.C. § 314(A)

The circumstances of the parallel District Court Litigation in Texas (*NorthStar Sys. LLC v. Bayerische Motoren Werke AG,* No. 2:22-cv-00496-JRG (E.D. Tex.) (the "East Texas Case") and *BMW of N. Am., LLC v. NorthStar Sys. LLC*, No. 6:23-cv-00456-ADA (W.D. Tex.) (the "West Texas Case," together the "Texas Actions") necessitate denial of the Petition under the Board's precedent, as every factor considered in relation to efficiency, fairness, and the merits supports denial. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, at 6 (P.T.A.B. Mar. 20, 2020) (precedential) (considering (a) "whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;" (b) "proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;" (c) "investment in the parallel proceeding by the court and the parties;" (d) "overlap between issues raised in the petition and in the parallel proceeding;" (e) "whether the petitioner and the defendant in the parallel proceeding are the same party;" and (f) "other circumstances that impact the Board's exercise of discretion, including the merits."). Furthermore, there is no "compelling merit" to BMW's Petition that would negate the strong *Fintiv* factors under *Commscope Techs. LLC v. Dali Wireless, Inc.,* IPR2022-01242, Paper 23 (P.T.A.B. Feb. 27, 2023) (precedential).

As set forth below, every *Fintiv* factor demonstrates that efficiency and integrity of the AIA are best served by denying review. First, the Court has not granted a stay and the Court cannot grant a stay for IPR according to longstanding precedent. Second, trial (set for November 2024, Ex. 2001) will be complete ***before*** the projected statutory deadline for a Final Written Decision in December 2024. Additionally, BMW filed a Declaratory Judgment action against NorthStar on June 16, 2023, indicating that it intends to pursue relief in the District Court rather than the PTAB. Third, the parties have already invested resources developing legal and factual issues of validity, and discovery will be ongoing before the institution decision on this Petition. Fourth, there is complete overlap between the Challenged Claims and prior art and those at issue in the parallel proceedings. Fifth, Petitioner and Patent Owner will complete trial, and receive a judgment on the merits, before the projected statutory deadline for a Final Written Decision. Finally, as shown above, BMW's obviousness combination fails to disclose important limitations of the claims and merely raises art that is largely similar to art that was of record during prosecution.

Accordingly, the Board should exercise its discretion under § 314(a) and deny the Petition because institution of this proceeding would not be consistent with the objective of the AIA to "provide an effective and efficient alternative to district court litigation." *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8, at

20 (P.T.A.B. Sept. 12, 2018) (quoting *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19, at 16–17 (P.T.A.B. Sept. 6, 2017) (precedential)).

A. No Stay of the Parallel District Court Litigation

Petitioner only moved to stay the District Court Litigation on August 11, 2023; however, there is no evidence that the District Court will grant this motion in view of the fact that there are numerous related and unrelated patents at issue in the Texas Actions. Since BMW cannot guarantee institution on all patents in the underlying East Texas Case, the Court will likely abide by its "universal practice" to deny motions to stay. *See, e.g., Apex Beam Techs. LLC v. ZTE Corp.,* Case No. 2:22-CV-00031, Dkt. No. 55 at *1 (E.D. Tex. June 14, 2023) (Denying Motion to Stay where IPRs have not been instituted against all patents in the litigation and stating "In this district, that is not just the majority rule; it is the universal practice.")

Additionally, BMW has filed the West Texas Case, a declaratory judgment action in the Western District of Texas, after filing this IPR. Indeed, rather than pursue the efficiencies of the PTAB, BMW has doubled down on District Court litigation and chosen to multiply those proceedings. Based on BMW's choice of District Court litigation, the Petition should be denied. Accordingly, this factor weighs in favor of discretionary denial in order to avoid the significant inefficiency of proceeding with IPR and multiple District Court proceedings.

B. The Board's Written Decision Deadline is After the Trial Date

On July 20, 2023, the Court provided a Jury Selection/Trial Date of November 18, 2024. Ex. 2001. Pursuant to 35 U.S.C. § 316(a)(11), the projected statutory deadline for a Final Written Decision is in December 2024. Even assuming the median 24.5 months to trial in the Eastern District of Texas, which would be December 2024, the Final Written Decision is still scheduled to be released before the trial date.

Accordingly, this factor weighs in favor of denying institution. *See Samsung Elecs. Am., Inc. v. Uniloc 2017 LLC*, IPR2019-01218, Paper 7, at 7-10 (P.T.A.B. Jan. 7, 2020)

C. Significant Investment by the Time of Institution Favors Discretionary Denial

The parties' investment in the parallel proceeding weighs in favor of discretionary denial. Significant work in the District Court Litigation has already taken place and the parties will be several months into discovery by the time the Board decides whether to institute. Furthermore, the parties are also likely to invest resources in the subsequent Declaratory Judgment action filed by BMW in the Western District of Texas, multiplying the investment.

Pursuant to 35 U.S.C. § 314(b), the Board will issue an institution decision in December 2023. The parties will have already served both infringement and

invalidity contentions. These substantial investments, including a significant investment in validity, infringement contentions, and discovery, show that this factor weighs heavily against institution.

Thus, the parties' and the Eastern District of Texas's substantial investments strongly weigh in favor of discretionary denial.

Accordingly, this factor weighs in favor of denial.

D. The District Court Litigation Involves the Same Claims and the Same Arguments

The Asserted Claims in the District Court Litigation and the Challenged Claims in this Petition are substantially the same and at least independent Claim 1 is at issue in both proceedings.

To date, Petitioner has not alleged any prior art other than that at issue in this proceeding. The Board has noted, when both the District Court and the Board will consider the same prior art and arguments, concerns of inefficiency and the possibility of conflicting decisions are particularly strong. The likelihood of inefficiency and conflicting decisions is particularly significant in this case where the Texas Actions will proceed to trial in November 2024.

This factor accordingly favors discretionary denial.

E. The Parallel District Court Litigation and the Petition Involve the Same Parties

As noted above, the Texas Action is between the same parties. BMW makes no argument as to this factor. Accordingly, this factor weighs in favor of discretionary denial.

F. Other Circumstances Favor Denial of Institution

As shown above, Petitioner fails to show that key limitations are disclosed or rendered obvious by its combinations. As such, it lacks strength on the merits.

Furthermore, the material set forth in the references cited by Petitioner was squarely within the prior art that was already of record and considered by the Office. For example, while Petitioner alleges that the Examiner relied solely on U.S. Patent App. Pub. No. 2007/005129 ("Salmre"), the Petitioner did not delve into the substance of Salmre or compare it to the Kreitler or Suomela references at issue in this Petition. Petitioner merely states, without explanation, that the prior art here is materially different and not cumulative. However, Salmre itself cites to the Suomela reference, a fact that bears on its cumulative nature and something that Petitioner ignored. Ex. 2002).

Petitioner's failure to substantively address the similarity or cumulative nature of the alleged prior art in the context of 325(d) should be fatal to its Petition. At the very least, the similarities in subject should preclude any finding that the Petition provides "compelling merit."

Considering all factors together, the Petition should be denied in the Director's discretion under 35 U.S.C. § 314(a).

IX. CONCLUSION

For the foregoing reasons, Patent Owner respectfully requests that the Board deny institution of the Petition in its entirety.

Respectfully submitted,

Dated: September 14, 2023 By: /*Vincent J. Rubino, III* /

Vincent J. Rubino, III (Reg. No. 68,594)
Lead Counsel for Patent Owner
Peter Lambrianakos (Reg. No. 58,279)
Back-up Counsel for Patent Owner
FABRICANT LLP
411 Theodore Fremd Avenue
Suite 206 South
Rye, New York 10580
Tel. 212-257-5797
Fax. 212-257-5796
Email: vrubino@fabricantllp.com
Email: plambrianakos@fabricantllp.com

CERTIFICATE OF WORD COUNT

The undersigned hereby certifies that the portions of the above-captioned PATENT OWNER'S PRELIMINARY RESPONSE TO PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT NO. 8,032,297 specified in 37 C.F.R. § 42.24 has 4611 words in compliance with the 14,000-word limit set forth in 37 C.F.R. § 42.24. This word count was prepared using Microsoft Word for Office 365.

Dated: September 14, 2023

Respectfully Submitted,

By: /*Vincent J. Rubino, III* /

Vincent J. Rubino, III (Reg. No. 68,594)
Lead Counsel for Patent Owner
FABRICANT LLP
411 Theodore Fremd Avenue,
Suite 206 South
Rye, New York 10580
Tel. 212-257-5797
Fax. 212-257-5796
Email: vrubino@fabricantllp.com

CERTIFICATE OF SERVICE

A copy of PATENT OWNER'S PRELIMINARY RESPONSE TO PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT NO. 8,478,527 and EXHIBITS 2001 through 2003 have been served on Petitioner's counsel of record as follows:

Lionel M. Lavenue
Email: lionel.lavenue@finnegan.com
Email: BMW-NorthStar-IPRs@finnegan.com
FINNEGAN, HENDERSON, FARABOW, GARRETT, & DUNNER LLP
1875 Explorer Street, Suite 800
Reston, VA 20190-6023

Kara A. Specht
Email: kara.specht@finnegan.com
FINNEGAN, HENDERSON, FARABOW, GARRETT, & DUNNER LLP
271 17th Street, NW, Suite 1400
Atlanta, GA 30363-6209

Matthew Berntsen
Email: matthew.berntsen@finnegan.com
FINNEGAN, HENDERSON, FARABOW, GARRETT, & DUNNER LLP
Two Seaport Lane
Boston, MA 02210-2001

Attorneys for BMW of North America, LLC

September 14, 2023 By: /*Vincent J. Rubino, III*/
Vincent J. Rubino, III (Reg. No. 68,594)
Lead Counsel for Patent Owner
FABRICANT LLP
411 Theodore Fremd Avenue,

Suite 206 South
Rye, New York 10580
Tel. 212-257-5797
Fax. 212-257-5796
Email: vrubino@fabricantllp.com