UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Mercedes-Benz USA, LLC,
Petitioner,

v.

Yechezkal Evan Spero,
Patent Owner.

Case No. IPR2023-01039
Patent 9,955,551

PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE REGARDING *GENERAL PLASTIC* ARGUMENTS

Filed on behalf of Petitioner:
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Petitioner Mercedes-Benz USA, LLC submits this Reply to Patent Owner's ("**PO's**") Preliminary Response ("**POPR**"), as authorized by the Board via email on October 31, 2023. Discretionary denial under *General Plastic* is not warranted.

Regarding *General Plastic* ("*GP*") factor 1, PO asserts Mercedes and VW, as litigation co-defendants, should be the "same petitioner" under *Valve*. POPR at 54-56. *Valve* is inapposite. The *Valve* petitioners were licensor-licensee sued on the same product. *Valve*, at 9-10. Mercedes and VW are direct competitors, not licensor-licensee, and were sued on different products (distinct headlight systems). EX2013 at 9-12, 19-24. Whether they share a common supplier (POPR at 56) is irrelevant given that their products are different. Tellingly, PO does not even allege their products are the same, instead claiming they use the "same ***type*** of headlight technology." *Id.* at 55. Being sued on similar technology—a fact true in almost all patent cases—does not make two companies the "same petitioner" under *Valve*.[1]

PO further alleges Mercedes is the "same petitioner" as VW because the two have a "history" of coordinating and Mercedes is using VW as a "test" case. POPR

[1] Nor is *Shenzhen* help to PO. POPR at 55-59. In *Shenzhen*, the Board found factor 1 favored institution and that being co-defendants in a litigation does not mean two petitioners should be treated as the same. *Shenzhen Silver Star Intelligent Tech. v. iRobot Corp.*, IPR2018-00761, Paper 15 at 9-10 (P.T.A.B. Sept. 5, 2018).

at 56-58. This is objectively baseless. Mercedes was not aware of VW's petitions until they were filed and did not coordinate with VW on this Petition. This Petition is also based on a different reference (Alden) and asserts different grounds. Pet. at 5; IPR2023-00318 (Paper 2 at 3); IPR2023-00315 (Paper 2 at 3). Thus, Mercedes did not use the POPRs filed against VW's petitions as a "roadmap," and PO cannot show otherwise.

Nor do the unrelated cases PO cites show Mercedes and VW have a "history" of coordination. POPR at 57-58. In *Carucel*, Mercedes filed initial petitions ***before*** the POPRs in VW's petitions. Its later-filed petitions were simply to join ***its own initial petitions*** because new claims were asserted in court. IPR2019-01635 (Paper 3) (Sept. 21, 2019); IPR2019-01644 (Paper 3) (Sept. 23, 2019). Significantly, these allegedly "coordinated" petitions were instituted. IPR2019-01635 (Paper 9) (Jan. 22, 2020); IPR2019-01644 (Paper 9) (Mar. 26, 2020). And in *Arigna*, when Mercedes filed its IPR, VW's IPR had been terminated without a POPR. IPR2022-00147 (Paper 12) (Feb. 14, 2022).

In sum, because Mercedes and VW are distinct entities that are not "similarly situated," *GP* factor 1 favors institution. *See Foundation Medicine v. Guardant Health*, IPR2019-00634, Paper 10 at 36-37 (P.T.A.B. Aug. 19, 2019) (finding factor 1 did not favor denying institution where petitioners were competitors sued on different products and the petitions' references/grounds were not identical).

Regarding *GP* factors 2-5, when factor 1 favors institution, "factors 2-5 bear little relevance unless there is evidence ... of extenuating circumstances" such as coordination. *Alcatel-Lucent USA Inc. v. Oyster Optics, LLC*, IPR2017-02146, Paper 12 at 12 (P.T.A.B. Feb. 28, 2018). No such "extenuating circumstances" exist because, as explained, Mercedes and VW are competitors and did not coordinate on their IPRs. Further:

- Factor 2 does not support denial because there is no evidence that Mercedes and VW "act[ed] in concert" (they did not) or that Mercedes was aware of VW's petitions when they were filed (it was not). *See Foundation Med.*, Paper 10 at 37-38.
- Factor 3 does not support denial because Mercedes developed its own challenges based on Alden,[2] no institution decisions had been issued in VW's IPRs when Mercedes filed this Petition, and thus Mercedes did not gain any advantage from the VW IPRs.
- Factors 4-5 do not support denial because, again, there was no coordination between petitioners, and the mere fact Mercedes took longer to file its IPR does not favor denial. Mercedes timely filed its Petition within the

[2] PO claims Mercedes decided to not use Beam as its primary reference after seeing the POPRs in VW's IPRs. POPR at 60-61. This is pure speculation and untrue.

statutory period, and it is expected that some parties may take longer than others to prepare and file petitions. *See Google LLC v. Realtime Adaptive Streaming LLC*, IPR2019-01033, Paper 9 at 14-17 (P.T.A.B. Nov. 13, 2019); *Apple Inc. v. Uniloc 2017 LLC*, IPR2019-01667, Paper at 10 (P.T.A.B. Apr. 21, 2020).

Regarding *GP* factors 6-7, PO conceded factor 7 does not weigh against institution. POPR at 63. And as to factor 6, this is the first Petition that Mercedes filed against the '551 Patent. Mercedes is not asking the Board to reconsider the grounds in the VW IPRs; rather, Mercedes is presenting distinct grounds and issues. Thus, factor 6 does not support denial of institution either.

Finally, while PO claims this IPR should be denied institution under the *GP* factors (POPR at 54-63), it is telling that it abandoned these arguments in other IPRs. For example, Mercedes filed IPRs against PO's US10,894,503, which is a family member of the challenged patent here, under ***near identical procedural circumstances***. But in those IPRs, PO does not raise arguments that the *GP* factors favor discretionarily denying institution. *See, e.g.*, IPR2023-01027 (Paper 9 at 45-50). This, too, reinforces that the Board should not deny institution here.

Petitioner respectfully submits that the Board should institute a Trial for the reasons set forth above and in the Petition.

Dated: November 7, 2023 Respectfully submitted,

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Certificate of Service

The undersigned certifies that, in accordance with 37 C.F.R. § 42.6(e) and 37 C.F.R. § 42.105, the foregoing Petitioner's Reply to Patent Owner's Preliminary Response Regarding *General Plastic* Arguments were served on November 7, 2023, by email at the following email address:

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