

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MERCEDES-BENZ USA, LLC
Petitioner,

v.

YECHEZKAL EVAN SPERO
Patent Owner.

U.S. Patent No. 9,955,551

IPR Case No.: IPR2023-01040

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

Petitioner Mercedes' assertion that *Shenzhen Silver Star Intelligent Tech. Co., Ltd. v. iRobot Corp.*, IPR2018-00761, Paper 15 (PTAB Sept. 5, 2018) does not help PO because factor 1 was found to favor institution is wrong. *Shenzhen* was prior to *Valve Corp. v. Electronic Scripting Products, Inc.*, IPR2019-00062, Paper 11 at 2 (PTAB April 2, 2019) (precedential) (“[W]e consider any relationship ... when weighing the *General Plastic* factors.”) The concurring *Shenzhen* Judge explained that (1) the Board’s “analysis” and “their application [of] *General Plastic* factors” lead to the conclusion that “[g]iven petitions filed by ... similarly situated defendants, there is a rebuttable presumption that a later-filed petition will be denied [if] filed after ... a preliminary response...”; (2) litigation co-defendants should file petitions “around the same time;” it is unfair for one to wait for a “test case” before filing; (3) the Board’s analysis of factor 1 “focused not on the connection between the petitioners but rather on the [pre-*Valve*] binary fact of whether they are the same;” and (4) while not considered in its pre-*Valve* factor 1 analysis, the similarly situated co-defendant relationship “strongly evoke[d]” other factors and “weigh[ed] particularly heavy in [the] analysis of Factor 3 and [the] ultimate outcome.” *Shenzhen* at 16-17. Based on these facts, institution in *Shenzhen* was denied.

In this case, Mercedes and VW are being sued on the same products – headlamps automatically controlled by the same elements and developed by the

same supplier. (POPR at 55-56.) Mercedes relies on *Foundation Medicine v. Guardant Health*, IPR2019-00634, Paper 10 at 36-37 (PTAB Aug. 19, 2019) in asserting “Mercedes and VW are distinct entities that are not ‘similarly situated’” under *Valve* because they “are direct competitors, not licensor-licensee.” However, the petitioners in *Foundation Medicine* were sued in different proceedings while VW and Mercedes are “similarly situated” as co-defendants in the underlying litigation. *See Google LLC v. Uniloc 2017 LLC*, IPR2020-00396, Paper 11 at 11 (PTAB August 3, 2020) (Board distinguished *Valve*’s “two petitioners similarly situated as co-defendants accused of infringing the same patent, and, therefore, ha[ving] a significant relationship” from “competitors who have been sued separately.”)

Factor 1 favors denial of institution because, like in *Valve*, VW and Mercedes were sued in the same case at the same time, both were accused of infringing the same patents, and the litigation was based on the same technology. Should the Board disagree, PO submits factor 1 should only moderately favor institution given the above facts and law.

Citing *Alcatel-Lucent USA Inc. v. Oyster Optics, LLC*, IPR2017-02146, Paper 12 (PTAB Feb. 28, 2018), Mercedes asserts factors 2-5 “bear little relevance” because “extenuating circumstances” – such as VW and Mercedes not being competitors – do not exist. However, as stated later in *Google LLC v. Uniloc*

2017 LLC, IPR2019-01584, Paper 9 at 5 (PTAB Oct. 16, 2020), “we are not persuaded that the [other] factors . . . , as viewed through the lens of *Valve Corp.*, must all be limited by any possible relationship between the multiple petitioners. [T]he remaining factors take into account the knowledge of the second petitioner irrespective of a specific relationship.” To hold otherwise would absurdly mean other factors could only be considered if the exact same petitioner was involved.

Mercedes does not dispute factor 2. Instead, apparently relying on its meritless *Oyster* argument, Mercedes relies solely on its factor 1 arguments. (Reply at 3.) As for factor 3, Mercedes does not dispute that at the time of filing its petition, it had already received the POPR in the VW IPR. (*Id.*)

Mercedes does not dispute factors 4 and 5, but instead makes the irrelevant argument they “do not support denial because ... there was no coordination between petitioners, and the mere fact Mercedes took longer to file its IPR does not favor denial.” (*Id.*) Most tellingly, Mercedes did not “provide[] adequate explanation for the time elapsed between the filings” as required under factor 5.

Thus, PO submits that factors 2-5 strongly weigh against institution.

Under factor 6, the Board must consider “the finite resources of the Board.” Mercedes does not dispute, as noted in the POPR at 62, that under *General Plastic* “staggered petition filings ... are an inefficient use of the *inter partes* review process and the Board’s resources.” Instead – without explaining why it waited to

file its petition until a year after being sued, one-half year after VW's two petitions, and after receiving POPRs in the VW IPRs – Mercedes merely argues “this is the first Petition that Mercedes filed against the '551 Patent.” (Reply at 4.)

Accordingly, even if the Board finds that factor 1 favors institution, institution should still be denied. *See Shenzhen*, at 14-17 (Where factor 1 favored institution, factors 6 and 7 were neutral, and factors 2-5 weighed against institution, the Board held: “Considering these factors as a whole, and on this record [in which the Board applied, pre-*Valve*, the “similarly situated” issue as to factors 3 and 5], we determine that it is appropriate to exercise our discretion ... to deny institution.”)

Mercedes' assertion that there were “*near identical procedural circumstances*” (Reply at 4, emphasis in original) in other IPRs reinforces the fact that Mercedes repeatedly employs such serial filing strategies. As to the serial filing issue, Mercedes also ignores the fact that, as explained in the POPR at 58, in *Arigna* Mercedes filed its petition two months after a POPR was had been filed in response to Unified's petition.

Respectfully submitted,

Dated: November 14, 2023

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The undersigned hereby certifies that on November 14, 2023, a complete and entire copy of **PATENT OWNER'S SUR REPLY**, was served via electronic mail to the attorneys listed below:

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