

U.S. Patent No. 8,032,278
Petitioner's Reply
IPR2023-01162

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VERIZON CONNECT INC.,
Petitioner

v.

OMEGA PATENTS, LLC
Patent Owner

Patent No. 8,032,278

Inter Partes Review No. IPR2023-01162

PETITIONER'S REPLY TO
PATENT OWNER'S RESPONSE TO PETITION

TABLE OF CONTENTS

I.	Introduction.....	1
II.	Claim Construction.....	3
III.	Person of Ordinary Skill in the Art.....	5
IV.	Flick ’561 Was Not Disclosed As Prior Art to the USPTO.....	5
V.	Flick ’885 and Flick ’561 Disclose Every Claim Limitation of the ’278 Patent.	6
VI.	A POSA Would Have Been Motivated to Combine Flick ’885 with Flick ’561.....	6
	A. GPS Units in Vehicles Was Not “Relatively New” in July 2007	7
	B. Vehicle tracking and security systems existed prior to the ’278 Patent.....	9
	C. The Prior Art Discloses Multi-Vehicle Compatibility	10
	D. A Vehicle Tracking Unit Was Not Technologically Incompatible With a Multi-Vehicle Compatible Controller Prior to the ’278 Patent.....	11
VII.	Omega’s Evidence of Non-Obviousness Is Not Commensurate With the ’278 Patent Claims.....	12
	A. Legal Principles.....	13
	B. The Board Concluded that No Nexus Exists Between Omega’s Evidence of Non-Obviousness and the Claimed Invention	13
	C. Omega’s Licensing Evidence Has Limited Value	17
	D. Omega’s Evidence of Commercial Success is Weak.....	20
	E. Omega Has Not Established Copying By Others	22
VIII.	CONCLUSION	23

TABLE OF AUTHORITIES

	Page(s)
Cases	
<i>Bosch Auto. Serv. Sols., LLC v. Matal</i> , 878 F.3d 1027 (Fed. Cir. 2017)	19
<i>Demaco Co. v. F. Von Langsdorff Licensing</i> , 851 F.2d 1387 (Fed. Cir. 1988)	14
<i>Fox Factory, Inc. v. SRAM</i> , LLC, 944 F.3d 1366 (Fed. Cir. 2019).....	14
<i>Geotab USA, Inc. et al. v. Omega Patents, LLC</i> , IPR2023-00504	<i>passim</i>
<i>Iron Grip Barbell Co. v. USA Sports, Inc.</i> , 392 F.3d 1317 (Fed. Cir. 2004)	19
<i>Lectrosonics, Inc. v. Zaxcom, Inc.</i> , Case IPR2018-01129, Paper 33 (PTAB Jan. 24, 2020)	14
<i>Ormco Corp. v. Align Tech., Inc.</i> , 463 F.3d 1299 (Fed. Cir. 2006)	20
<i>Orthopedic Equipment Co. v. United States</i> , 702 F.2d 1005 (Fed. Cir. 1983)	3, 11
<i>Outdry Techs. Corp. v. Geox S.p.A.</i> , 859 F.3d 1364 (Fed. Cir. 2017)	6
<i>Rambus Inc. v. Rea</i> , 731 F.3d 1248 (Fed. Cir. 2013)	16
<i>Telefonaktiebolaget LM Ericsson v. TCL Corp.</i> , 941 F.3d 1341 (Fed. Cir. 2019)	11
<i>Teva Pharms. Int’l GmbH v. Eli Lilly & Co.</i> , 8 F.4th 1349 (Fed. Cir. 2021)	17

<i>WBIP, LLC v. Kohler Co.</i> , 829 F.3d 1317 (Fed. Cir. 2016)	13, 16
<i>Yita LLC v. MacNeil IP LLC</i> , 69 F.4th 1356 (Fed. Cir. 2023), <i>cert. denied</i> , 144 S. Ct. 499, 217 L. Ed. 2d 261 (2023)	16
<i>In re Youngblood</i> , 1999 U.S. App. LEXIS 15024 (Fed. Cir. 1999)	20

Other Authorities

37 CFR § 1.98(b)	5
MPEP § 609.04(a), subsection I	5
MPEP § 609.05(a).....	5

Petitioner Verizon Connect Inc. (“Verizon”) hereby submits this Reply to the Response of Patent Owner Omega Patents LLC (“Omega”).

I. Introduction

Omega does not challenge that each and every limitation of claims 1-22 of U.S. Patent No. 8,032,278 (“’278 Patent”) is taught in U.S. Patent Nos. 6,756,885 (“Flick ’885”) and 6,606,561 (“Flick ’561”). Omega instead argues that a person of ordinary skill would not have been motivated to combine a tracking unit (*i.e.*, a GPS unit) with a multi-vehicle compatible controller as of July 3, 2007, the filing date of the ’278 Patent. POR, 16. In support of its argument, Omega relies on several implausible opinions of its expert, Joseph McAlexander, III:

First, Mr. McAlexander asserts that GPS was “relatively new” to vehicles as of July 2007. Ex.2044, ¶ 12 (“At the time of invention of the ’278 Patent, GPS in vehicles was relatively new”); *see also* Ex.2002, ¶ 66 and Patent Owner’s Response (“PO Resp.”), at 18. Mr. McAlexander’s argument is meritless. Flick ’561 discloses using GPS to track vehicles. Ex.1004, at 4:59-54 (“The vehicle position determining device 42 may be provided by a GPS receiver, for example. The GPS receiver typically operates by receiving multiple signals from spaced apart satellites 38 as will be appreciated by those skilled in the art.”). Flick ’561 predates the ’278 Patent

by over six years. Other systems and publications similarly existed prior to July 2007 disclosing the use of GPS to track vehicles. Ex. 1033, ¶¶ 15-22.

Second, Mr. McAlexander asserts that vehicle tracking and vehicle security targeted different problems before July 2007. Ex.2002, ¶ 66; PO Response, at 18. Mr. McAlexander's argument is inconsistent with the Background of the Invention of the '278 Patent, which discloses multiple prior art references using GPS for vehicle security systems. Ex.1001, 1:47-59. Other systems and publications existed prior to July 2007 disclosing the use of GPS for vehicle security systems. Ex. 1033, ¶¶ 23-25.

Third, Mr. McAlexander asserts that multi-vehicle compatibility in vehicle data bus communications was "relatively new" as of July 2007. Ex. 2044, ¶ 12. Mr. McAlexander's argument is meritless because Flick '885 discloses multi-vehicle compatibility in vehicle data bus communications. Ex.1003, Abstract ("The multi-vehicle compatible controller is for storing a set of device codes for a given vehicle device for a plurality of different vehicles, for reading a device code from a data communications bus..."). Flick '885 predates the '278 Patent by more than seven years.

In truth and in fact, the inventor of the '278 Patent testified in *CalAmp* that his only impediment to combining a vehicle tracking unit with a multi-vehicle

compatible controller in a commercial product prior to July 2007 was due to financial constraints. Ex.1034, at 38:19-39:4. No technological incompatibility existed that prevented their combination – a pertinent fact on the issue of nonobviousness. *See Orthopedic Equipment Co. v. United States*, 702 F.2d 1005, 1013 (Fed. Cir. 1983).

Finally, the Board recently determined in a related IPR proceeding of the '278 Patent, *Geotab USA, Inc. et al. v. Omega Patents, LLC*, IPR2023-00504 (“*Geotab Proceeding*”), that Omega’s evidence of secondary considerations is weak. Ex.1040, at 61. *Omega* relies on the same evidence in this IPR proceeding. Verizon respectfully requests that the Board reach the same conclusion here.

For these reasons and the additional reasons stated below, the Board should cancel claims 1-22.

II. Claim Construction

The PTAB preliminarily construed the term “enabling data” in its Institution Decision to mean data that “enables the recited controller to use a particular vehicle device code from among plural such codes by providing either (1) the code itself to the controller, or (2) data that otherwise enables the controller to select or generate the code.” Paper 12, at 24, 25, 49.

For purposes of this IPR proceeding, Verizon agrees to adopt the Board’s preliminary construction of “enabling data,” and withdraws *Lewis* and *Underdahl*

based on this construction.¹ Verizon cited this prior art combination in its Petition based on Omega's previous construction of "enabling data" in *CalAmp*, which broadly covered any "data *related to* the at least one corresponding vehicle device code for use by said multi-vehicle compatible controller." Ex. 1028, at 22 (emphasis added). The Court in *CalAmp* adopted Omega's proposed construction. *Id.* Based on Omega's previous construction, Verizon cited *Lewis* and *Underdahl* because both references teach data "related to the at least one corresponding vehicle device code." Omega has withdrawn its previous construction of "enabling data," adopted the Board's preliminary construction of "enabling data," and distinguished *Lewis* and *Underdahl* based on the Board's preliminary construction. PO Response, at 60. Notwithstanding the inconsistencies in Omega's constructions, Verizon agrees to withdraw *Lewis* and *Underdahl* from its petition to narrow the issues before the Board.

For purposes of this IPR proceeding, Verizon also agrees to adopt the Board's preliminary construction of "vehicle tracking unit," "vehicle position determining

¹ Verizon does not waive its right to propose a different construction of "enabling data" in another proceeding.

device,” and “vehicle position information” to mean tracking “with respect to a geographic position.”²

III. Person of Ordinary Skill in the Art

In its Institution Decision, the Board adopted Verizon's articulation of the level of ordinary skill in the art. Omega agreed to apply the level of skill adopted by the Board in its Institution Decision. PO Response, at 13.

IV. Flick '561 Was Not Disclosed As Prior Art to the USPTO.

Omega steadfastly argues that the USPTO “considered” Flick '561 and that it is “of record” merely because Flick '561 is listed in the priority chain of the '278 Patent within the specification. PO Response, at 14-15. Omega's argument has no merit.

The inventor of the '278 Patent did not disclose Flick '561 as prior art because it was neither listed in an information disclosure statement nor cited in the Examiner's form PTO-892. Therefore, pursuant to MPEP 609.05(a), ¶ 6.49.06, Flick '561 was never considered as prior art:

“The listing of references in the specification is not a proper information disclosure statement. 37 CFR 1.98(b) requires a list of all patents, publications, applications, or other information submitted for consideration by the Office, and MPEP § 609.04(a), subsection I. states,

² Verizon does not waive its right to propose a different construction of these terms in another proceeding.

“the list may not be incorporated into the specification but must be submitted in a separate paper.” Therefore, *unless the references have been cited by the examiner on form PTO-892, they have not been considered.*”

(emphasis added).

V. Flick '885 and Flick '561 Disclose Every Claim Limitation of the '278 Patent.

Omega does not challenge that each and every limitation of claims 1-22 of the '278 Patent is disclosed in the combination of Flick '885 and Flick '561. PO Resp., at 5-6. Accordingly, it is undisputed that the claim limitations of claims 1-22 are met in the prior art.

VI. A POSA Would Have Been Motivated to Combine Flick '885 with Flick '561.

“Any motivation to combine references, whether articulated in the references themselves or supported by evidence of the knowledge of a skilled artisan, is sufficient to combine those references to arrive at the claimed process.” *Outdry Techs. Corp. v. Geox S.p.A.*, 859 F.3d 1364, 1370-71 (Fed. Cir. 2017).

Omega acknowledges that Flick '885 and Flick '561 address the same problem associated with vehicle security systems, but nevertheless argues that a person of ordinary skill in the art would not have been motivated to combine a GPS

unit with a multi-vehicle compatible controller. See PO Resp., at 22 (“Having ‘some overlap’ would not drive a POSA to combine *Flick561* with *Flick885* ...”). Omega’s expert, Mr. McAlexander, raises several meritless challenges against combining both references:

A. GPS Units in Vehicles Was Not “Relatively New” in July 2007.

According to Omega’s expert, Mr. McAlexander: “[a]t the time of invention of the ’278 Patent³, GPS in vehicles was relatively new.” Ex. 2044, ¶ 12; *see also* Ex. 2002, ¶ 66 and PO Resp., at 18. Mr. McAlexander’s argument is unsupported and contrary to the disclosures of Flick’s own patents. For example, Flick ’561 teaches the use of GPS in vehicles. Ex.1004, at 4:59-54. Flick ’561 has a filing date of May 17, 2001 and predates the ’278 Patent by more than six years.

Additionally, the Background of the Invention of the ’278 Patent describes multiple prior art references using GPS in vehicles. According to the ’278 Patent: “U.S. Pat. No. 5,223,844 *discloses a tracking system* including a control center and a mobile unit *installed in the vehicle.... Position information for the vehicle is*

³ Mr. McAlexander testified that his understanding of the date of the invention of the ’278 Patent is its July 2007 filing date. Ex.1030, 38:2-6 (Q: “when you say ‘at the time of the invention of the ’278 Patent,’ what is the time that you are referring to? A: 2007.”)

determined using a GPS receiver at the vehicle. U.S. Patent No. 5,515,043
discloses a similar system.”

Mr. McAlexander acknowledged at his deposition that both prior art references -- U.S. Patent Nos. 5,223,844 and 5,515,043 -- disclose GPS units in vehicles, but insisted that they should be disregarded unless and until the inventions described in each reference are in “actual use.” According to Mr. McAlexander, an actual use of the system can take up to eighteen years after the date of the patents:

Q: “So doesn't the '844 Patent show the use of GPS in vehicles?”

A. “As I recall, yes, it does. It's consistent with what's stated here.”

Q. “Okay. So does this change your opinion that GPS was relatively new at the time of the '278 Patent in vehicles?”

A. “No. I've seen -- I've seen inventions described in patents that never found a genesis until 18 years later in terms of actual use. So yes, it's consistent with what I stated.”

Ex. 1030, 41:7-23.

Mr. McAlexander's argument that the prior art should be ignored until the invention is in “actual use” is illogical and contrary to legal precedent. Further, as Verizon's expert Dr. Azim Eskandarian explains, GPS was in “actual use” in vehicle systems well before the '278 Patent. Ex. 1033, ¶¶ 18-22.

**B. Vehicle Tracking and Security Systems Existed Prior to the
'278 Patent.**

Mr. McAlexander asserts in paragraph 66 of his original declaration (Ex. 2002) that vehicle tracking and vehicle security targeted different problems before July 2007. Omega relies on Mr. McAlexander's statement in its Response, and further adds that "[v]ehicle tracking technology occurred later in time." PO Response, at 18. Mr. McAlexander's statement is contrary to Flick's statements in the Background of the Invention of the '278 Patent, which describes the use of GPS in vehicle security systems prior to the '278 Patent. According to the '278 Patent: "U.S. Pat. No. 5,223,844 *discloses a tracking system* including a control center and a mobile unit *installed in the vehicle. The mobile unit may send security warnings to the command center via a wireless transceiver. Position information for the vehicle is determined using a GPS receiver at the vehicle.* U.S. Patent No. 5,515,043 *discloses a similar system.*" Ex. 1001, 1:48-1:53.

U.S. Patent No. 5,223,844 ("844 Patent"), entitled "Vehicle tracking and security system", has a filing date of April 17, 1992 and an issuance date of June 29, 1993. The '844 Patent describes the invention as "a vehicle tracking and security system which allows immediate response in case of vehicle theft, an accident, vehicle breakdown, or other emergency." Ex.1042, Abstract.

U.S. Patent No. 5,515,043 (“’043 Patent”), entitled “Cellular/GPS system for vehicle tracking,” has a filing date August 17, 1994 and an issuance date of May 7, 1996. The ’043 Patent describes the invention as “[a] vehicle locating and alarm system that enables the user to remotely access the vehicle and, if need be, activate an alarm system therein.” Ex.1043, Abstract.

At his deposition, Mr. McAlexander could not properly reconcile the inconsistencies between his statements in paragraph 66 of his declaration and the prior art discussed in the ’278 Patent.⁴ Ex.1030, 46:13-47:14.

C. The Prior Art Discloses Multi-Vehicle Compatibility.

Mr. McAlexander asserts that multi-vehicle compatibility in vehicle data bus communications was “relatively new” as of the ’278 Patent. Ex. 2044, ¶12. Mr.

⁴ Omega also argues that there is no motivation to combine because Flick ’885 includes features unrelated to vehicle security systems, such as keyless entry and remote start functions. PO Resp., at 19-20. Omega’s distinction is meritless. Flick ’561 also discloses keyless entry and remote start functions. See, e.g., Ex. 1004, at Fig. 2, and 1:62-64 (“Users could control the vehicle remote devices via phone, web, or PDA such as unlocking car doors.”); 5:48-54 (“The vehicle 21 also includes a number of other components that may relate to vehicle tracking, security, and/or convenience features provided by the vehicle tracking system 20. For example, the vehicle 21 may include one or more door lock actuators 62, an optional remote starting device 63, a starter interrupt device 66 and an alarm indicator 67.”); 12:57-61. These significant commonalities between Flick ’885 and Flick ’561 instead confirm that the prior art is part of the same field of art.

McAlexander's argument is contrary to the teachings of Flick '885, which discloses multi-vehicle compatibility in vehicle data bus communications. Ex.1003, at Abstract; 5:11-14 ("The multi-vehicle compatible controller 25, as its name suggests, provides compatibility with different codes used on the data bus and which may vary by vehicle."). The '885 Patent predates the '278 Patent by over seven years.

**D. A Vehicle Tracking Unit Was Not Technologically
Incompatible With a Multi-Vehicle Compatible Controller
Prior to the '278 Patent.**

"The fact that the two disclosed apparatus would not be combined by businessmen for economic reasons is not the same as saying that it could not be done because skilled persons in the art felt that there was some technological incompatibility that prevented their combination. Only the latter fact is telling on the issue of nonobviousness." *Orthopedic Equipment Co. v. United States*, 702 F.2d 1005, 1013 (Fed. Cir. 1983); *see also Telefonaktiebolaget LM Ericsson v. TCL Corp.*, 941 F.3d 1341, 1350 (Fed. Cir. 2019) (technological efficacy is what counts).

The inventor testified in *CalAmp* that his only impediment to combining a vehicle tracking unit with a multi-vehicle compatible controller unit prior to July 2007 for use in a commercial system was due to financial constraints. According to

Flick's testimony: "The first tracker unit that we built was called a GPS 2000... It actually got ... sold the first ones in 2001.... The GPS 2000, being as I was the first phase of what there was, and I figured I would have data bus modules that you could add to it. And I didn't build data bus codes into it at that time because of the expense." Ex.1034, at 38:19-39:4. Accordingly, the fact that Flick may have chosen to not combine a vehicle tracking unit with a multi-vehicle compatible controller prior to the '278 Patent due to financial constraints weighs strongly supports a finding of obviousness.

**VII. Omega's Evidence of Non-Obviousness Is Not Commensurate
With the '278 Patent Claims.**

On July 18, 2024, the Board issued a final written decision in the *Geotab* Proceeding determining that claims 1-22 of the '278 Patent are unpatentable. Ex.1040. The Board considered the same evidence of secondary considerations that Omega presented in this IPR proceeding and concluded that Omega's evidence was "weak in comparison to the evidence regarding the prior art under the first three *Graham* factors." *Id.*, at 61. Verizon respectfully requests that the Board adopt the same findings in this proceeding.

A. Legal Principles

In the final written decision in the *Geotab* Proceeding, the Board provided a detailed discussion of the legal principles applicable to secondary considerations of non-obviousness. *Id.*, at 44-61. Verizon incorporates by reference the legal principles set forth in the Board's decision as if set forth herein.

As an initial matter, the Board weighs secondary considerations "against the scope of the content of the *asserted prior art* and any differences between the art and the challenged claims." *Id.*, at 49 (citing *WBIP, LLC v. Kohler Co.*, 829 F.3d 1317, 1328 (Fed. Cir. 2016)). The combination of Flick '885 and Flick '561 was never considered in any of the five reexaminations, nor by any jury in *CalAmp*. Omega's proffered evidence of secondary considerations should therefore be weighed against the combination of Flick '885 and Flick '561.

**B. The Board Concluded that No Nexus Exists Between
Omega's Evidence of Non-Obviousness and the Claimed
Invention.**

1. The CalAmp Products Include Critical Unclaimed Features.

"When the thing that is commercially successful is not coextensive with the patented invention—for example, if the patented invention is only a component of a commercially successful machine or process," the patentee is not entitled to a

presumption of nexus. *Demaco Co. v. F. Von Langsdorff Licensing*, 851 F.2d 1387, 1392 (Fed. Cir. 1988). An infringing product does not establish coextensiveness with the claimed invention if the product includes critical unclaimed features. *Fox Factory, Inc. v. SRAM, LLC*, 944 F.3d 1366, 1374-76 (Fed. Cir. 2019); *Lectrosonics, Inc. v. Zaxcom, Inc.*, Case IPR2018-01129, Paper 33 (PTAB Jan. 24, 2020) (precedential).

Omega raises the same arguments it presented in the *Geotab* Proceeding by asserting that the products accused of infringement in the *CalAmp* case -- LMU-3000 and LMU-3030 -- are coextensive with the '278 Patent claims. PO Resp., at 38-45. Both products were found to infringe four Flick patents: Flick '885; the '278 Patent; U.S. Patent No. 6,346,876 ("Flick '876") and U.S. Patent No. 7,671,727 ("Flick '727").

In vacating the jury's damage award in *CalAmp*, the Federal Circuit determined that significant unclaimed features exist in the accused CalAmp products, citing to the products' three-axis accelerometer and hard braking, cornering and impact detection, and an on-board alert engine PET (Programmable; Event Generator) as evidence of unclaimed features. Ex.1041, at 24. Based on the Federal Circuit's ruling, the Board rejected Omega's arguments in the *Geotab* Proceeding and concluded that "there is insufficient evidence that the alleged

commercial success is tied to the elements of the '278 Patent – either individually or as a whole” due to these significant unclaimed features.” Ex.1040, at 52-54, 59-60. The Board should reach the same conclusion here.

2. The Jury's Findings on Secondary Considerations in *CalAmp* Were Not Linked to Any Individual Claim Limitations or any Combination of Claim Limitations in the '278 Patent.

Omega relies on the jury verdict in the *CalAmp* trial as evidence of commercial success, licensing, and copying of the '278 Patent (Ex. 2032). See PO Resp. 45, 47-48. The Board rejected this evidence in the *Geotab* Proceeding, concluding that the jury verdict did not link any alleged evidence of secondary considerations to any individual element of the claims or any alleged inventive combination of elements in the '278 Patent. Ex.1040, at 50-51, 54-55, 58. Question 5 of the jury verdict in *CalAmp* covers four patents that were found to be infringed by the same products. Importantly, the patents included the '278 Patent, Flick '885, another multi-vehicle compatible controller patent (the '876 Patent), and a data bus patent with a vehicle tracking device (the '727 Patent). Omega cannot link any individual element or the combination of elements of the '278 Patent to the jury's finding.

**3. Omega's Evidence of Secondary Considerations is Linked To
A Single Feature That Is Present in the Prior Art.**

“[S]econdary-consideration evidence ‘may be linked to an individual element’ of the claimed invention or ‘to the inventive combination of known elements’ in the prior art.” *Yita LLC v. MacNeil IP LLC*, 69 F.4th 1356, 1364 (Fed. Cir. 2023), *cert. denied*, 144 S. Ct. 499, 217 L. Ed. 2d 261 (2023) (quoting *WBIP, LLC v. Kohler Co.*, 829 F.3d 1317, 1332 (Fed. Cir. 2016)). “Objective evidence of nonobviousness lacks a nexus if it exclusively relates to a feature that was known in the prior art.” *Id.* (quoting *Rambus Inc. v. Rea*, 731 F.3d 1248, 1257 (Fed. Cir. 2013)).

Omega relies on one claim feature in the '278 Patent – the multi-vehicle compatible controller – as evidence of secondary considerations. Omega's expert Mr. McAlexander has repeatedly stated that absent the multi-vehicle compatible controller, the CalAmp products had limited value. Ex. 1030, at 23:5-7 (“[the CalAmp] product ... would have had limited value that wasn't for this multi-vehicle compatibility”); 28:22-29:3 (“Design alternatives were considered but they could not find -- determine any that they felt would operate and meet what they needed to do, and *that the product allowing the multi-vehicle compatibility is something that was highly valuable, and it would have limited value if they did not provide that*

aspect.”); Ex. 1012 ¶ 24; Ex. 2002 ¶¶ 88, 91; Ex. 2019 ¶¶ 40, 43; Ex. 1035 ¶ 24; Ex. 1031 (Tregillis Dep. Tr. 53:10-54:7, 54:22-55:22, 60:3-11).

Notably, here, the alleged evidence of secondary considerations linked to the multi-vehicle compatibility is disclosed in the prior art Flick '885. Ex.1003, Abstract (“The multi-vehicle compatible controller is for storing a set of device codes for a given vehicle device for a plurality of different vehicles, for reading a device code from a data communications bus...”). Omega has made no attempt to differentiate between the supposed value attributed to the asserted prior art and the '278 Patent. Accordingly, Omega's evidence of nonobviousness is weak because Omega has not shown that its secondary considerations evidence is attributable to the claimed invention of the '278 Patent itself and not the prior art.

C. Omega's Licensing Evidence Has Limited Value.

When numerous patents are licensed together, “the nexus between the license and the validity of any particular claim is rather tenuous,” and a patent owner must show “something more than the mere existence of the license.” *Teva Pharms. Int'l GmbH v. Eli Lilly & Co.*, 8 F.4th 1349, 1364 (Fed. Cir. 2021).

Omega relies on six license agreements as evidence of secondary considerations. Ex.2019, at ¶18; PO Response, at 47. Omega relied on the same agreements in the *Geotab* Proceeding. Ex.1040, at 50. The Board determined in the

Geotab Proceeding that Omega's licensing evidence had "limited value in assessing objective indicia of nonobviousness" because the agreements covered a portfolio of patents, many of which were settlement agreements secured in response to litigation. *Id.*, at 51.

Furthermore, two of the licenses (Exs. 2025 and 2026⁵) do not even license the '278 Patent. The other four licenses (Exs. 2028-2031) involve licenses to three or more of the prior art cited in Verizon's Petition (along with many other patents unrelated to the '278 Patent). Omega has not shown that any of those licenses were entered into due to the merits of the claimed invention.⁶ Additionally, Omega's

⁵ Mr. Tregillis relies on Omega's license agreement with Directed Electronics, Inc. (Exhibit 2026) because it includes a license to Flick '561 – the same prior art asserted in Verizon's IPR petition. Ex.2019, ¶ 18; Ex.1031, at 23:14-24:5:

Q: [W]hat value of this agreement [Ex.2026] are you attributing to the '278 patent if the '278 patent was not included?

A: Well, I understand that the '561 patent was covered by this agreement ... and the '278 patent was a continuation of that patent ... But in any event, to succinctly try to answer your question, my understanding is that the '278 patent is covered by virtue of being a continuation of the '561 patent.

The fact that Mr. Tregillis has relied on the prior art, Flick '561, as evidence of secondary considerations further demonstrates why the licensing evidence has limited value in assessing objective indicia of nonobviousness of the '278 Patent.

⁶ See Ex. 2026 (agreement including Flick '885, Flick '561, '460 Patent, '829 Patent); Ex. 2028 (agreement including Flick '885, Flick '561, '460 Patent, '829 Patent); Ex. 2029 (agreement including Flick '885, '460 Patent, '829

(Footnote continued on next page)

damages expert, Mr. Tregillis, testified that he did not attempt to apportion the value of the '278 Patent from any of the other licensed patents. Ex. 1031, at 26:16-23; 29:9-20; 35:13-36:21; 38:9-39:17.

The Federal Circuit has explained that “the mere fact of licensing, without more, is generally not a strong indication of nonobviousness if it cannot also be shown that the licensees did so out of respect for the patent rather than to avoid litigation expense.” *Bosch Auto. Serv. Sols., LLC v. Matal*, 878 F.3d 1027, 1038 (Fed. Cir. 2017); see also *Iron Grip Barbell Co. v. USA Sports, Inc.*, 392 F.3d 1317, 1324 (Fed. Cir. 2004). Mr. Tregillis testified that “all licensing agreements are entered into with an understanding that by entering into them, there is the avoidance of litigation and litigation expenses.” Ex.1031, at 40:8-11 (emphasis added). Thus, all of the license agreements relied upon by Omega were admittedly entered into to avoid litigation expense.

Lastly, Omega has provided no evidence showing how much of the \$71MM in total licensing fees cited in Mr. Tregillis's declaration and Exhibit 10 to his declaration is attributed to the '278 Patent, the prior art (Flick '885, Flick '561, '460 Patent or '829 Patent), or other patents within the inventor's portfolio. Ex.2019 ¶

Patent); Ex. 2030 (agreement including Flick '885, '460 Patent, '829 Patent); Ex. 2031 (agreement including Flick '885, '460 Patent, '829 Patent).

19; Ex.1031, at 44:9-45:25. Omega's evidence of total licensing fees for an unknown number of agreements – only a handful of which include the '278 Patent – is insufficient evidence of secondary considerations.

Because Omega cannot differentiate its licenses with the merits of the claimed invention, the prior art and other patents within the inventor's portfolio, the licensing evidence should be accorded little weight.

D. Omega's Evidence of Commercial Success is Weak.

A patentee can demonstrate commercial success shown by significant sales in a relevant market. *Ormco Corp. v. Align Tech., Inc.*, 463 F.3d 1299, 1311-1312 (Fed. Cir. 2006); see also *In re Youngblood*, 1999 U.S. App. LEXIS 15024, 24-27 (Fed. Cir. 1999) (“Youngblood's proof of unit sales ... does not indicate whether the numbers sold were a substantial quantity in the relevant market.”).

Omega has not provided any evidence of marketplace success of the claimed invention. As a preliminary matter, Omega's expert, Mr. Tregillis, could not identify the relevant market of the claimed invention. Instead, Mr. Tregillis shifted between identifying three different markets of the claimed invention⁷, and then concluding

⁷ Mr. Tregillis's first definition of the market captured all “vehicle tracking devices.” See Ex.1031, at 49:3-6 (Q: And what do you consider to be the relevant market of the patented technology? A: I would say tracking devices. Vehicle tracking devices.”).

(Footnote continued on next page)

that the definition of the market should be left in the “eye of the beholder.” Ex.1033, at 55:11-12 (Q: So is it your testimony that the market has two different definitions based on two different time periods? Where do we define what the market is? A: Well, I think that’s somewhat in the eye of the beholder.”). Accordingly, Mr. Tregillis has not provided any meaningful criteria by which the sales of the claimed invention can be evaluated for commercial success. Ex.1033, at 53:10-54:7; 54:22-55:22; 60:3-11.

Of the three different markets identified, Mr. Tregillis could not identify the size of any particular market. At his deposition, Mr. Tregillis also testified that he

The second definition proposed by Mr. Tregillis captured all vehicle tracking devices with data bus connectivity. *Id.* at 56:4-14 (Q: “in paragraph 22, you state that the advantages of the ’278 patent technology relates to the simplicity of being able to access a databus... Does the relevant market include all devices that are able to access the databus? A: Well, I think that part of the analysis of the value of the ’278 patent is appreciating that there was a market for tracking devices previously where one didn’t access the databus and that when accessing the databus became possible in combination with a tracker ... that was very important. That was a change in what the market found to be acceptable. So I don’t have a rigid market definition such that I’m unwilling to consider other market definitions.”).

The third definition proposed by Mr. Tregillis captures all vehicle tracking devices with multi-vehicle functionality. *Id.* at 60:3-11 (“Q: When you say ‘they constitute,’ again, you also indicated that the market includes non-MVCC devices, correct? A: Theoretically, it does before the products that use the patented technology hit the market. Back when people didn’t realize it was possible to have multi-vehicle functionality, they accepted that. But once multi-vehicle became available in tracking units, that changed the market.”)

had once quantified the market of tracking devices, but stated that he could no longer recall that amount and therefore, is not relying on those calculations. *Id.* at 49:3-15.⁸

In sum, Omega has not presented any evidence sufficient to establish that the '278 Patent's technology has been commercially successful in any relevant market.

E. Omega Has Not Established Copying By Others.

Omega cites only to the jury verdict form from *CalAmp* as evidence of copying by others. The Board concluded in the *Geotab* Proceeding that this evidence is insufficient because “the jury verdict relied upon by Patent Owner covered four different patents and the jury’s finding of copying is not specific to any patent or accused product.” Ex.1040, at 57-58. The Board should reach the same conclusion here.

⁸ Omega also argues that Claim 12 has not been given “proper weight to the evidence of *secondary* considerations.” PO Response, at 31. According to Omega, Claim 12 incorporates “all elements of claim 1 in a tracking unit within a single housing.” *Id.* at 40. In citing to several statements from CalAmp’s Commercial Requirements Specifications, Omega claims that CalAmp recognized the customer demand for combining the elements of claim 1 in a single housing configuration. However, these statements from CalAmp’s Commercial Requirements Specifications do not support that the housing in combination with the elements of claim 1 drove any customer demand.

VIII. CONCLUSION

For the reasons stated above, Verizon respectfully requests that the Board cancel claims 1-22 of the '278 Patent.

CERTIFICATE OF WORD COUNT

Pursuant to 37 C.F.R. § 42.24, the undersigned certifies that the foregoing PETITIONER'S REPLY TO PATENT OWNER'S RESPONSE TO PETITION contains 4980 words excluding a table of contents, a table of authorities, a certificate of service or word count, or appendix of exhibits. Petitioner has relied on the word count feature of the word processing system used to create this paper in making this certification.

U.S. Patent No. 8,032,278
Petitioner's Reply
IPR2023-01162

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing PETITIONER'S
REPLY TO PATENT OWNER'S RESPONSE TO PETITION was served on
August 21, 2024, by email:

Ryan T. Santurri
Allen Dyer Doppelt & Gilchrist
1135 East State Road 434, Suite 3001
Winter Springs, FL 32708
rsanturri@allendyer.com

Counsel for Patent Owner
Omega Patents LLC

By: /s/ Ashe Puri
Counsel for Petitioner

APPENDIX OF EXHIBITS

Exhibit	Description
1001	U.S. Patent No. 8,032,278 to Flick
1002	Declaration of Dr. Azim Eskandarian
1003	U.S. Patent No. 6,756,885 to Flick
1004	U.S. Patent No. 6,606,561 to Flick
1005	U.S. Patent Application Publication No. 2006/0161315 to Lewis
1006	U.S. Patent Application Publication No. 2003/0182003 to Underdahl
1007	U.S. Patent No. 6,011,460 to Flick
1008	U.S. Patent No. 6,812,829 to Flick
1009	File History of Application No. 11/773,272, which issued as U.S. Patent No. 8,032,278 to Flick
1010	03-25-2021 Order Granting the Reexamination (Appl. No. 90/014,675)
1011	06-21-2021 Examiner's Non-Final Office Action (Appl. No. 90/014,675)
1012	08-21-2021 Declaration of Joseph C. McAlexander, III
1013	08-23-2021 Response to Non-Final Office Action (Appl. No. 90/014,675)
1014	04-01-2022 Patent Owner's Appeal Brief (Appl. No. 90/014,675)
1015	12-01-2022 Decision on Appeal (Appl. No. 90/014,675)
1016	Application No. 11/076,259 to Flick
1017	Application No. 10/383,496 to Flick
1018	Application No. 09/859,972 to Flick
1019	Application No. 60/264,811 to Flick
1020	Application No. 60/258,005 to Flick
1021	Application No. 60/251,552 to Flick
1022	Application No. 60/252,125 to Flick
1023	Application No. 60/236,890 to Flick
1024	Application No. 60/246,463 to Flick
1025	Application No. 60/222,777 to Flick

1026	Application No. 60/205,178 to Flick
1027	10-03-2014 Plaintiff's Opposition to CalAmp's Motion for Claim Construction, 6:13-cv-1950-ORL-40-DAB
1028	02-20-2015 Order on Claim Construction, 6:13-cv-1950-ORL-40-DAB
1029	<i>In Ex Parte A. James Smith, Jr.</i> , 2010 WL 3269939 (BPAI August 17, 2010)
1030	07-23-2024 Deposition of Joseph C. McAlexander, III, P.E.
1031	07-19-2024 Deposition of Christian Tregillis
1032	07-26-2024 Deposition of Kenneth E. Flick
1033	Supplemental Declaration of Dr. Azim Eskandarian
1034	02-17-2016 Trial Transcript, Omega Patents, LLC v. CalAmp Corp., Case No. 6:13-cv-1950 (Exhibit 3 to Flick Deposition)
1035	08-21-2021 Declaration of Joseph C. McAlexander, III, Reexamination Control No. 90/014,675 (Exhibit 12 to McAlexander Deposition)
1036	OnStar Wholesale Reference Manual
1037	Publication, "Honda, GM's OnStar and XM Radio Agree to Offer In-Vehicle Services to US Drivers", May 24, 2000
1038	Bcusack, "USA: Mercedes-Benz first with Telematics for 2001", September 14, 2000
1039	Goebel, "Ford RESCU Program", March 1, 1996
1040	Final Written Decision Determining All Claims Unpatentable, <i>Geotab USA, Inc. et al. v. Omega Patents, LLC</i> , IPR2023-00504
1041	09-14-2021 Federal Circuit Opinion, <i>Omega Patents, LLC v CalAmp Corp.</i> , 2020-1793, 2020-1794
1042	U.S. Patent No. 5,223,844
1043	U.S. Patent No. 5,515,043