

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VERIZON CONNECT INC.,
Petitioner,

v.

OMEGA PATENTS, LLC
Patent Owner.

Case IPR2023-01162
Patent 8,032,278

**PATENT OWNER'S RESPONSE TO THE
DIRECTOR'S ORDER TO SHOW CAUSE
(PAPER 37)**

Pursuant to the Director’s Order of May 2, 2025 (Paper 37), Patent Owner submits this brief addressing the issue of termination of the IPR. The best way to address the failures of the Board in this proceeding is to unwind the institution and terminate the proceedings based on the Director’s discretion under 35 U.S.C. §314, which is consistent with the Director’s Order to Show Cause. However, as set forth herein, the failures of this IPR panel are mirrored in *Geotab USA, Inc. v. Omega Patents, LLC*, IPR2023-00504, the other IPR proceeding (with the same panel) that deemed the ‘278 Patent invalid, with decisions entirely inconsistent with all prior USPTO proceedings (and a finding of validity from district court litigation that was affirmed by the Federal Circuit). Patent Owner anticipates directly requesting a remand from the Federal Circuit in the *Geotab* proceeding for further consideration consistent with the Director’s findings here, and may file a request in the *Geotab* proceeding requesting that the Director intervene in the pending appeal, as permitted under 35 U.S.C. §143, to request a remand from the Federal Circuit¹.

As the Director correctly notes, the patentability of the claims of U.S. Patent No. 8,032,278 (“the ‘278 Patent”) has been considered eight separate times since the original prosecution: (a) five *ex parte* reexaminations (two of which were also the

¹ Patent Owner filed an unopposed motion to stay the Federal Circuit appeal in the *Geotab* proceeding (Case No. 2025-1108) pending resolution of the Request for Director’s Review in this case. The motion was granted on April 22, 2025, and the Federal Circuit has since directed the parties to “inform the court how they believe this appeal should proceed no later than 14 days” after final resolution in this proceeding.

subject of appeals before the PTAB); (b) lengthy district court litigation (that led to two favorable jury verdicts); and (c) two IPRs, including both this proceeding and an analogous *Geotab* proceeding. As noted above, both of the IPR decisions were issued by the same panel of judges. The validity of the ‘278 Patent was confirmed in the prior six challenges, with several decisions expressly relying on evidence of secondary considerations presented by Patent Owner.

The panel members in this proceeding (and the same members in the *Geotab* IPR proceeding) failed to properly consider either the undisputed record evidence of secondary considerations or the statutory and policy goals of consistency among decisions of this agency, leading to directly contrary rulings from the USPTO. Indeed, the Director correctly recognized in this proceeding that the “Board failed to explain adequately its decision to deny Patent Owner a presumption of nexus,” (Paper 37, p. 2), a failure also evident in the same panel’s final decision in the *Geotab* proceeding. In addition to the failure to properly address the presumption of a nexus, the Director recognized that the Board “failed to consider Patent Owner’s argument that the challenged patent was the last patent standing and continued to collect royalties—even when others in the portfolio licenses expired” (Paper 37, p. 3)—further establishing the failure to properly weigh unrebutted evidence of secondary considerations. This failure was also evident in the same panel’s decision in the

Geotab proceeding in the context of analogous testimony².

Also lacking in either decision is any meaningful analysis of how the results of these IPR proceedings foster consistency among proceedings, which is undeniably a goal of the PTAB reflected by 35 U.S.C. § 315(d) (recognizing co-pending proceedings could be stayed, consolidated or terminated).³ Instead, the panels relied solely on cumulative art to render a decision inconsistent with five prior reexamination decisions (including two *ex parte* appeals before the PTAB). Neither IPR panel offers any analysis as to how the combination of Flick ‘885 (the same inventor’s patent discussed in the background of the ‘278 Patent) and a second referenced relied on solely for the disclosure of GPS—analogous to art available in every proceeding considering the ‘278 Patent—renders significant evidence of secondary considerations irrelevant. Unfortunately, the concern for consistency among USPTO findings was summarily dismissed by the IPR panels (in both proceedings), stating “[w]hile we do not second-guess our colleagues’ decisions...we cannot say the same based on the combination of Flick ‘885 and [Flick ‘561/Hunt].” (*Verizon* Paper 34, p. 54/*Geotab* Paper 45, p. 49.)

Despite the PTAB expressly relying on evidence of secondary considerations in respective PTAB appeals for two separate *ex parte* reexaminations, the panel in

² Ex-1124, 73:1-13.

³ See also, USPTO Strategic Plan, 2018-2022, noting “The reliability of patent grants also extends to the USPTO’s decision consistency.” (P. 8)

this proceeding (and in the *Geotab* proceeding) rejected record evidence of secondary considerations more expansive than previously considered by the PTAB⁴, vaguely finding it “weak,” “irrelevant,” and “of limited value”—despite no affirmative evidence or expert testimony offered by Petitioners to rebut Patent Owner’s evidence of secondary considerations. As noted in Patent Owner’s Request to the Director, the Patent Owner has accumulated and submitted considerable evidence of secondary considerations, such as from district court litigation in which the defendant’s engineers admitted the infringing products were developed based on sales-driven requests from customers demanding the features therein and touting their value proposition and lack of design around options.⁵ This favorable jury verdict was reinforced by the commercial success evidenced by the sales of 900,000+ infringing products and licensing evidence relied on twice by the PTAB in confirming validity in *ex parte* reexaminations. Yet none of this evidence was considered by the panel in a manner consistent with the prior USPTO panels or the district court jury.

Patent Owner (and any inventor) is entitled to fairness and finality, but here

⁴ In both IPR proceedings, Patent Owner submitted un rebutted expert testimony, fact witness testimony, and an infringer’s internal documentation, all of which further strengthen the record of nonobviousness.

⁵ See, e.g., *Verizon* proceeding, Ex-2019 ¶¶25-26/36-41, Ex-2023, p. 4, Ex-2024 p. 5, Ex-2021 p. 40-41/94, Ex-2044 ¶¶24-27/31-32, Ex-2011 44:23-45:19, Ex-2012 p. 69, Ex-2032, Ex-2033; *Geotab* proceeding, Ex-2010 ¶170, Ex-2014 ¶¶18-20/33-44, Ex-2018 p. 4, Ex-2019 p. 5, Ex-2015, Ex-2005 45:15-19, Ex-2006 40:20-41:4, Ex-1027, Ex-1028, .

the Patent Office has continued to reconsider the same disclosures multiple times and render decisions without regard to the prior determinations, ultimately rendering inconsistent decisions based on similar art. The Director is correct that this proceeding should be terminated. Thus, Patent Owner requests the Director exercise discretion, modify the institution decision to deny the petition, and terminate this proceeding.

Unfortunately, the thorough Director review in this proceeding did not occur in the *Geotab* proceeding, with a denial of review and no substantive analysis or rationale articulated. To address the inconsistency between the outcome of the *Geotab* proceedings and all prior USPTO proceedings, Patent Owner plans to request the Federal Circuit remand the *Geotab* decision for further consideration by the Director consistent with the findings in this proceeding. If necessary, Patent Owner will also petition the Director in the *Geotab* proceeding, requesting intervention in the appeal, as permitted under 35 U.S.C. §143, to request a remand from the Federal Circuit for further proceedings consistent with the findings in the Order to Show Cause. As it stands now, the Federal Circuit's review would be limited to the ruling and rationale provided by the panel, but given the Director's most recent findings as to the decision in this proceeding, the final decision in the *Geotab* proceeding is also lacking in the same manner and could be resolved by further proceedings here and the Director's review thereof.

Dated: May 16, 2025

Respectfully submitted,

/s/Ryan T. Santurri

Lead Counsel

Ryan T. Santurri, Reg No. 61,894

rsanturri@allendyer.com

Allen, Dyer, Doppelt + Gilchrist, P.A.

255 South Orange Avenue, Suite 1401

Post Office Box 3791

Orlando, Florida 32801-3791

Telephone: 407-841-2330

Facsimile: 407-841-2343

Back up Counsel

Christopher F. Regan, Reg No. 34,906

cregan@allendyer.com

David S. Carus, Reg No. 59,291

dcarus@allendyer.com

Allen, Dyer, Doppelt + Gilchrist, P.A.

1135 E. State Road 434, Suite 3001

Winter Springs, FL 32709

Telephone: 407-796-5051

Facsimile: 407-796-5065

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing is being served on May 16, 2025,
by electronic mail at the following email addresses of record for the Petitioners:

Asheesh (Ashe) P. Puri, Esq. Nixon Peabody LLP 300 South Grand Avenue, Suite 4100 Los Angeles, CA 90071-3151 apuri@nixonpeabody.com	Sasha G. Rao, Esq. Nixon Peabody LLP One Embarcadero Center, 32nd Floor San Francisco, CA 94111 srao@nixonpeabody.com
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Dated: May 16, 2025

Respectfully submitted,

/s/Ryan T. Santurri
Lead Counsel
Ryan T. Santurri, Reg No. 61,894
rsanturri@allendyer.com
Allen, Dyer, Doppelt + Gilchrist, P.A.
255 South Orange Avenue, Suite 1401
Post Office Box 3791
Orlando, Florida 32801-3791
Telephone: 407-841-2330
Facsimile: 407-841-2343

Back up Counsel
Christopher F. Regan, Reg No. 34,906
cregan@allendyer.com
David S. Carus, Reg No. 59,291
dcarus@allendyer.com
Allen, Dyer, Doppelt + Gilchrist, P.A.
1135 E. State Road 434, Suite 3001
Winter Springs, FL 32709
Telephone: 407-796-5051
Facsimile: 407-796-5065