

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 VERIZON CONNECT INC.'S
RESPONSE TO ORDER TO SHOW CAUSE**

On January 28, 2025, the USPTO Patent Trial and Appeal Board ("Board") issued a Final Written Decision ("FWD") determining all claims of U.S. Patent No. 8,032,278 ("’278 Patent") unpatentable based on the inventor's own disclosures in two of his earlier prior art patents, U.S. Patent Nos. 6,756,885 ("’885 Patent") and 6,606,561 ("’561 Patent"). On May 2, 2025, the USPTO Acting Director issued an order to show cause ("OSC") (Paper No. 37) stating that the Board did not adequately explain why it denied Patent Owner ("PO") a presumption of nexus. The Acting Director also stated that a remand to the Board may be inefficient because the validity of the ’278 Patent was challenged in several prior proceedings. The Acting Director ordered Petitioner, Verizon Connect Inc. ("Petitioner"), to explain why this proceeding should not be terminated based on those prior proceedings.¹

1. Terminating this Proceeding Would Be Tantamount to an Improper Issue Preclusion.

Issue preclusion requires that the issues in a prior proceeding be identical and that the party defending against preclusion had a full and fair opportunity to litigate the issues.² *Soverain Software LLC v. Victoria's Secret Direct Brand Mgmt, LLC*, 778 F.3d 1311, 1315 (Fed. Cir. 2015). Terminating this proceeding because other

¹ On April 10, PO moved to deactivate and stay the appeal for the *Geotab* IPR (2023-00504) until final disposition of this IPR. Case No. 25-1108, Dkt. No. 18. PO stated that it will seek to consolidate both IPR appeals. On May 14, the Federal Circuit stayed the appeal. Dkt. No. 20.

² Six of the seven prior challenges were initiated by CalAmp or its licensee.

parties had challenged the validity of the '278 Patent would be improper and unfairly prejudicial to Petitioner because it was not a party to any of those prior proceedings and therefore had no opportunity to challenge the validity of the '278 Patent.³ Petitioner also presented an issue unique to only this IPR proceeding by showing that the inventor, Ken Flick, copied the disclosures (including the figures) almost verbatim from his earlier '885 Patent and incorporated them into the application that led to the issuance of the '278 Patent ("'278 Patent application"). Flick added a ubiquitous computing component, a GPS receiver from another Flick patent, the '561 Patent. Flick could not file the '278 Patent application as a continuation of the '885 Patent family because the time to file continuations lapsed. Instead, Flick filed the '278 Patent application in an entirely different patent family that had no relationship to the subject matter of the '278 Patent. No prior challenger had brought forth this attempt by the inventor to reclaim prior art.

2. Terminating this Proceeding Would Be an Abuse of Discretion.

a. A Nexus Was Not Shown.

The Acting Director states there were two issues relating to nexus that the Board failed to consider. The Board had thoroughly considered both issues:

³ *Allen Archery, Inc. v. Browning Mfg. Co.*, 819 F.2d 1087, 1091 (Fed. Cir. 1987) (issue preclusion could not be applied to prevent different defendant from litigating validity of particular patent claims and citing to due process rights of defendants); *Mendenhall v. Cedarapids, Inc.*, 5 F.3d 1557, 1569 (Fed. Cir. 1993).

First, the Acting Director states that the Board failed to consider PO's argument that the challenged patent "was the last patent standing and continued to collect royalties – even when others in the portfolio licenses expired." PO and its damages expert, Christian Tregillis, never quantified how much royalties the '278 Patent collected after the other patents in the portfolio expired. The Board had no information to evaluate this argument and properly dismissed it.

Second, the Acting Director states that "the Board did not sufficiently articulate how the Federal Circuit's apportionment requirement in the damages context ... translates to the significance of unclaimed features for the purpose of nexus." The Federal Circuit's finding that several unclaimed features have value that PO failed to account for is instructive on the coextensiveness requirement underscoring that these unclaimed features amount to more than "additional insignificant features." *See Fox Factory Inc. v SRAM LLC*, 944 F.3d 1366, 1373 (Fed. Cir. 2019).

PO's nexus argument was based on a legally erroneous standard and largely centered on certain products sold by CalAmp, which were all found by a jury to infringe four Flick patents: '278 Patent, '885 Patent, U.S. Patent No. 6,346,876 and U.S. Patent No. 7,671,727 ("'727 Patent"). PO argued that "[b]ecause those CalAmp products were found to infringe[,], a nexus is presumed." Paper 25, at 11. PO did not apply the correct legal standard.

“Objective evidence of nonobviousness lacks a nexus if it exclusively relates to a feature that was known in the prior art.” *See Yita LLC v. MacNeil IP LLC*, 69 F.4th 1356, 1364 (Fed. Cir. 2023). The Board found that the “same CalAmp products that were found to practice the earlier Flick ’885 patent, which is *indisputably prior art in the present proceeding*, were also found to practice the ’278 patent.” FWD, at 60-61 (emphasis added). PO’s expert Joseph C. McAlexander III testified that absent the multi-vehicle compatible controller, the CalAmp products had limited value. Ex. 1030, at 23:5-7; 28:22-29:3.⁴ The ’885 Patent and the ’278 patent are directed to a multi-vehicle compatible controller. PO made no attempt to differentiate between the supposed value attributed to Flick’s prior art.

Further, where a product embodies claims from multiple patents, “a presumption of nexus can be appropriate only if the claims of [those] patents generally cover the same invention.” *Fox Factory*, 944 F.3d at 1377-1378. It is undisputed that the four patents asserted against CalAmp are not directed to the same invention. For example, the ’727 Patent is directed to a vehicle speed exceeded notification device. Because the CalAmp products embody claims from four patents covering different inventions, a rebuttable presumption of nexus does not exist.

⁴ Mr. McAlexander made this same argument in the prior proceedings. *Omega Pats., LLC v. CalAmp Corp.*, 13 F.4th 1361, 1378 (Fed. Cir. 2021) (“Omega nonetheless argues that the multi-vehicle-compatibility feature of the LMUs ‘primarily, if not exclusively, drove sales.’”).

b. Terminating this Proceeding Would Be Improper.

It would be an abuse of discretion for the Acting Director to terminate this proceeding pursuant to 35 U.S.C. § 314. *First*, it would be improper to overturn the Board's institution decision after a FWD was issued. The deadline for PO to raise any challenge over the Board's institution decision was March 22, 2024. *See* 37 CFR § 42.71(d)(1); USPTO Director Rev. Process, Section 2B. *Second*, the Acting Director has not provided any specific rationale for terminating this proceeding other than citing to prior invalidity challenges, which is not a proper basis for overturning the Board's institution decision under 314(a). *Third*, to the extent the Acting Director is relying on the *Fintiv* factors to terminate this proceeding, those factors are based on a parallel *district court* proceeding, which PO agreed to stay.

This IPR proceeding began nearly two years ago. The Office considered the prior validity challenges of the '278 Patent and determined that it would not discretionarily deny institution under 35 U.S.C. §§ 314 or 325(d). Since then, the parties submitted their briefings and completed their discovery, and the Board issued a FWD determining all claims of the '278 Patent unpatentable. It would be legally improper and prejudicial to reconsider time-barred claims under § 314(a).

3. Conclusion

Petitioner respectfully requests that the Director deny PO's Petition or alternatively remand to the Board for further consideration on the issue of nexus.

Respectfully submitted,

Verizon Connect Inc.

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/s/ Ashe Puri

Ashe P. Puri, Reg. No. 53,494
Nixon Peabody LLP
300 South Grand Avenue, Suite 4100
Los Angeles, CA 90071

Sasha G. Rao, Reg. No. 57,017
Nixon Peabody LLP
One Embarcadero Center, 32nd Floor
San Francisco, CA 94111

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing RESPONSE
TO ORDER TO SHOW CAUSE was served on May 16, 2025, 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