

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PELOTON INTERACTIVE, INC.,
Petitioner,

v.

NEC CORPORATION,
Patent Owner.

IPR2023-01240
IPR2023-01241¹
Patent No. 9,769,427 B3

**PATENT OWNER'S SUR-REPLY
TO PETITIONER'S PRELIMINARY REPLY**

¹ In compliance with the Board's Order of December 5, 2023 (Paper No. 13 for both IPR matters referenced above), Patent Owner uses this style for the briefing authorized by that Order.

LIST OF EXHIBITS	
Exhibit	Document
2001	Expert Declaration of Dr. Jeremy Cooperstock
2002	CV of Dr. Jeremy Cooperstock
2003	Joint Claim Construction Chart
2004	Excerpts of Prosecution History of U.S. Patent No. 9,769,427
2005	U.S. Patent Publication No. 2008/0256216 (“Aarts”)
2006	Complaint for Patent Infringement (Case No. 1:22-cv-00987)
2007	Notice of Allowance for U.S. Patent No. 9,769,427

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I. INTRODUCTION

In accordance with the Board’s December 5 order, on December 12, Petitioner Peloton Interactive, Inc. (“Peloton” or “Petitioner”) submitted a Preliminary Reply (“Pet. Reply,” Paper 14) addressing arguments under 35 U.S.C. § 325(d) presented by Patent Owner NEC Corporation (“NEC” or “Patent Owner”). For the reasons presented below, and as discussed in Patent Owner’s Preliminary Response (“POPR,” Paper 11), the Board should exercise its discretion to deny institution of the Petition.

As an initial matter, Patent Owner notes that Petitioner’s reply goes in a new direction compared to the position it took in its Petition. With respect to 325(d), the Petition merely states: “The relied-upon art was not considered during prosecution.” Paper 1 at 20. Thus, Petitioner chose only to address *one part* of the statute, and did not address whether the relied upon art is “substantially the same” as art examined by the Patent Office. Petitioner should not be permitted to proceed in a new direction in its reply to address a new issue (i.e., whether the references are “substantially the same” as those considered during prosecution). Regardless, Petitioner’s new arguments are insufficient to “make a showing of material error” during the Office’s previous evaluation of these claims, and therefore the Board should deny institution. *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, 2019-01469, Paper 6 at 8-9 (PTAB Feb. 13, 2020).

II. THE CITED REFERENCES ARE “SUBSTANTIALLY THE SAME” EVEN IF NOT IDENTICAL

Contrary to Petitioner’s argument, the standard for a reference to be “substantially the same” as a reference previously considered by the examiner during prosecution does not require complete identity of the references. The statute itself is clear on this point, requiring either “the same or substantially the same” art as satisfying the criteria for the Board’s discretionary denial. 35 U.S.C. § 325(d). As such, that the reference relied upon by Petitioner—U.S. Patent Publication No. 2009/0094321 (“Ueda”)—contains one additional feature not present in one of the references examined by the Examiner with regards to U.S. Patent Publication No. 2008/0256216 (“Aarts”) is of no moment.² *See, e.g., Wolfspeed, Inc. v. Trustees of Purdue Univ.*, Case No. IPR2022-00761, Paper 9 at 12-14 (PTAB Nov. 8, 2022) (finding different references to be “substantially the same” for the purpose of 325(d)); *Roku, Inc. v. Universal Elecs., Inc.*, IPR2019-01619, Paper 11 at 17 (PTAB April 2, 2020) (denying institution where new reference was “cumulative” to art examined during prosecution); *Hologic, Inc. v. Biomérieux, Inc.*, IPR2018-00567,

² Petitioner provides no explanation for why the “play-list information” recited in the claims (and which allegedly differentiates Ueda and Aarts) is a “central feature” of the claims. Pet. Reply at 3. Notably, the play-list feature was not identified as the specific reason for patentability of the allowed claims. Ex. 2007 at 7.

Paper 9 at 17 (PTAB Aug. 4, 2018) (finding new art asserted in IPR was “cumulative” even when not listed on patent).

As explained in Patent Owner’s Preliminary Response, the primary features of Ueda (as noted by Petitioner) were already features considered by the Examiner during prosecution. See Paper 11 at 8-10. In its response, Petitioner points to a single feature, “play-list information,” to differentiate the cited references. Pet. Reply at 3. As recognized previously by the Board, “[t]he issue is not whether both of the references are cited for the same limitation, but whether the teachings of the two references are the same or substantially the same.” *Samsung Elecs. Co., Ltd. v. G+ Comms., LLC*, IPR2023-00441, Paper 10 at 16 (PTAB Aug. 3, 2023).³ As such, Petitioner has failed to rebut NEC’s showing that Ueda is “substantially the same prior art” as Aarts which was “previously [] presented to the Office.” 35 U.S.C. § 325(d). Even to the extent that Ueda is not “the same” as Aarts, as made clear in

³ Petitioner also points to the length of the references relative to one another as evidence that the two are not “substantially the same.” Pet. Reply at 2. Petitioner, however, does not identify (beyond a single feature) what these differences are. By contrast, Patent Owner presents an explanation of the references, identifying the same teachings that are present in both *and* which teachings are relied upon by Petitioner. See POPR at 8-9.

Patent Owner’s Preliminary Response, the key features relied upon for Ueda are taught (and were examined) by Aarts during prosecution, so at best, Ueda is cumulative of Aarts. POPR at 5, 6 (noting *Becton* factor (b) considers the cumulative nature of presented art). Though the art is not *identical*, identity is not the standard – the Board must instead look to the teachings of the asserted art relied upon by the Petitioner. *See Wolfsped, Inc. v. The Trustees of Purdue Univ.*, IPR2022-00761, Paper 9 at 13 (PTAB Nov. 8, 2022).

III. THE SIP AND SDP STANDARDS WERE CONSIDERED BY THE PATENT OFFICE

Petitioner also argues that, because the SIP and SDP Standards are not explicitly listed in an IDS or an office action, they were not “considered substantively by the Examiner.” Pet. Reply at 4. But this is inconsistent with Patent Office practice. *Ex Parte Quinton Farra and Frank Linkhorn*, No. 2009-1588, 2009 WL 451959 at *5 (B.P.A.I. Feb. 20, 2009) (finding applicant admitted prior art important to patentability analysis even where “Examiner does not explicitly rely upon Appellants’ admitted prior art”). As noted by Petitioner, and admitted by Patent Owner, the specification of the ’427 Patent refers to the SIP and SDP Standard numerous times – as such, qualifying those standards as applicant admitted prior art. *See* MPEP 2129; *see also Ex Parte Ilkka Keskiatlo*, No. 2020-005865 (PTAB Dec. 20, 2021) (acknowledging that applicant need not explicitly use the words “prior art”

to qualify reference as admitted prior art). Thus, the Examiner was aware of the SIP and SDP standards as prior art, yet chose not to rely upon them for a basis of rejection. Petitioner's argument that the Examiner was not aware and/or had not considered these references rings hollow when Petitioner has admitted that the SIP Standard is an "[a]dmitted prior-art system" which is discussed at length within the specification. Pet. at 5-7 (describing the SIP Standard's discussion in the '427 Patent).

IV. CONCLUSION

For the reasons set forth herein and in Patent Owner's Preliminary Response, the petition should be denied.

Date: December 19, 2023

Respectfully submitted,

/ Eliot D. Williams /

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§ 42.6(e) and 42.105(a), this is to certify that I caused to be served a true and correct copy of the foregoing “PATENT OWNER’S SUR-REPLY” and Exhibit 2007 thereto via the PTAB’s E2E system and sent via email as detailed below.

Date of service: December 19, 2023

Documents served: PATENT OWNER’S SUR-REPLY

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