

Filed: January 19, 2024

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BMW of North America, LLC and Robert Bosch LLC,
Petitioners,

v.

Foras Technologies Ltd.,
Patent Owner.

IPR2023-01373
U.S. Patent 7,502,958

**PETITIONERS' REPLY TO PATENT OWNER'S
PRELIMINARY RESPONSE**

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¹ This Reply was authorized by the Board's January 11, 2024, email
(Exhibit 1034).

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UPDATED EXHIBIT LIST

Exhibit	Description
Ex. 1001	U.S. Patent No. 7,502,958 to Michaelis et al. (“the ’958 Patent”)
Ex. 1002	Declaration of Dr. Michael C. Brogioli
Ex. 1003	Curriculum Vitae of Dr. Michael C. Brogioli
Ex. 1004	Prosecution History of the ’958 Patent
Ex. 1005	U.S. Patent Application Publication No. US 2003/0126498 A1 to Bigbee et al., filed January 2, 2002, published July 3, 2003 (“Bigbee”)
Ex. 1006	U.S. Patent Application Publication No. US 2004/0123201 A1 to Nguyen et al., filed December 19, 2002, published June 24, 2004 (“Nguyen”)
Ex. 1007	Reserved
Ex. 1008	U.S. Patent No. 7,085,959 B2 to Safford, filed July 3, 2002, published August 1, 2006 (“Safford”)
Ex. 1009	U.S. Patent No. 7,296,181 B2 to Safford, filed April 6, 2004, published November 13, 2007 (“Safford-181”)
Ex. 1010	U.S. Patent Application Publication No. US 2002/0144177 A1 to Kondo et al., filed January 31, 2002, published October 3, 2002 (“Kondo”)
Ex. 1011	U.S. Patent No. 6,516,429 B1 to Bossen, filed November 4, 1999, published February 4, 2003 (“Bossen”)
Ex. 1012	U.S. Patent No. 6,158,015 to Klein, filed March 30, 1998, published December 5, 2000 (“Klein”)
Ex. 1013	U.S. Patent Application Publication No. US 2005/017216 A1 to Fox et al., filed January 21, 2004, published August 4, 2005 (“Fox”)

Exhibit	Description
Ex. 1014	U.S. Patent No. 7,404,105 B2 to Arai, filed August 16, 2004, published July 22, 2008 (“Arai”)
Ex. 1015	U.S. Patent No. 6,675,324 B2 to Marisetty et al., filed September 27, 1999, published January 6, 2004 (“Marisetty”)
Ex. 1016	U.S. Patent Application Publication No. US 2003/0074601 A1 to Schultz et al., filed September 28, 2001, published April 17, 2003 (“Schultz”)
Ex. 1017	U.S. Patent Application Publication No. 2003/0126142 A1 to Tu et al., filed December 31, 2001, published July 3, 2003 (“Tu”)
Ex. 1018	U.S. Patent No. 5,915,082 to Marshall et al., filed June 7, 1996, published June 22, 1999 (“Marshall”)
Ex. 1019	U.S. Patent No. 5,904,733 to Jayakumar, filed July 31, 1997, published May 18, 1999 (“Jayakumar”)
Ex. 1020	Reserved
Ex. 1021	Reserved
Ex. 1022	Advanced Configuration and Power Interface Specification, Revision 2.0, July 27, 2000 (“ACPI 2.0”)
Ex. 1023	Intel® Itanium® Architecture Software Developer’s Manual, Volume 2: System Architecture, Revision 2.1, October 2002
Ex. 1024	Reserved
Ex. 1025	Prosecution History of U.S. Patent No. 7,356,733
Ex. 1026	Request for <i>Ex Parte</i> Reexamination of the ’958 Patent, Control No. 90/019,245 (Sept. 1, 2023)
Ex. 1027	Docket Sheet (<i>Foras Technologies Ltd. v. Bayerische Motoren Werke AG et al.</i> , No. 6:23-cv-00386 (W.D. Tex.).)

Exhibit	Description
Ex. 1028	Kia’s Opposed Motion To Stay Under Customer-Suit Exception filed on January 11, 2024, in <i>Foras Technologies Limited v. Kia Corporation et al.</i> , No. 2:23-cv-00219 (E.D. Tex.) (January 11, 2024)
Ex. 1029	Docket Sheet (<i>Foras Technologies Limited v. Kia Corporation et al.</i> , No. 2:23-cv-00219 (E.D. Tex.))
Ex. 1030	Lex Machina: Overview for E.D. Tex. (December 29, 2023)
Ex. 1031	Correspondence to Foras, dated January 19, 2024
Ex. 1032	Order Granting Request for <i>Ex Parte</i> Reexamination of the ’958 Patent, Control No. 90/019,245 (November 29, 2023)
Ex. 1033	Order Granting Joint Motion to Dismiss, <i>Foras Technologies Limited v. Toyota Motor North America Inc. et al.</i> , No. 2:23-cv-00150 (E.D. Tex.) (December 8, 2023)
Ex. 1034	Board’s January 11, 2024, email, authorizing the reply.

Foras recognizes that the parallel district court case against Petitioners (“BMW/Bosch Litigation”) is at an early stage, and therefore focuses its arguments exclusively on one copending district court case against an unrelated party, Kia (“Kia Litigation”). Considering the *Fintiv* factors as a whole, neither litigation supports *Fintiv* denial because: 1) Petitioners diligently prepared and filed the Petition less than four months post-complaint of the BMW/Bosch Litigation (Factors 3, 5–6); 2) Petitioners concurrently filed a stipulation to remove overlap with the BMW/Bosch Litigation (Factor 4); 3) no trial date has been set in the BMW/Bosch Litigation; the trial date in the Kia Litigation is uncertain (Factors 1–2, 5); 4) both litigations are at early stages (Factors 2–3); 5) any overlap between the Kia Litigation and the invalidity issues in the Petition, if any, is insignificant (Factor 4); and 6) the Petition presents compelling merits (Factor 6).

I. The *Fintiv* Factors Favor Institution

A. Factor 1 Favors Institution: The Kia Litigation Will Likely Be Stayed

Foras acknowledges that the BMW/Bosch Litigation is at an early stage: the court granted an extension for the parties’ motion to dismiss briefings. POPR 3 (“currently stayed”); Ex. 1027. The Kia Litigation is likely to be stayed based on Kia’s opposed motion to stay under the customer-suit exception filed on January 11, 2024, after the POPR. Ex. 1028. Kia’s motion is based on the fact that HL Klemove Corp. (“Klemove”) filed a declaratory judgement action in the Eastern District of

Virginia on December 11, 2023 (“Klemove DJ Action”). Ex. 1028, 8. In its motion, Kia agreed to be bound by the Klemove DJ Action outcome “on issues of alleged infringement and invalidity, as well as any claim construction decision.” Ex. 1028, 7–8. Kia argued that its litigation is “at a very early stage, with no major deadline having passed since the disclosure of preliminary infringement and invalidity contentions.” Ex. 1028, 10–11. Kia also persuasively argued that the court’s previous grant of a motion to stay a copending litigation against Toyota under the customer-suit exception pending the resolution of the litigation against its supplier DENSO supports granting the motion. Ex. 1028, 11–12.

While the Board generally does not speculate on the likelihood of a stay, here, with the district court’s history of granting another stay against the same plaintiff with nearly identical facts, Kia’s motion to stay based on the Klemove DJ Action not only does not tip the scale in Foras’s favor, but weighs against discretionary denial. At the very worst, this factor is neutral. *See Sand Revolution II, LLC v. Cont’l Intermodal Grp. – Trucking LLC*, IPR2019-01393, Paper 24, 7 (PTAB June 16, 2020) (informative) (finding this factor neutral because “the court may determine whether or not to stay any individual case, including the related one, based on a variety of circumstances and facts beyond our control and to which the Board is not privy.”); *Microchip Tech. Inc. v. HD Silicon Sols. LLC*, IPR2021-01042, Paper 9, 8–

9 (PTAB Dec. 15, 2021) (citing *Fintiv* in “declin[ing] to speculate on the likelihood of a stay in the District Court Litigation. . . . Thus, we find this factor is neutral.”).

B. Factor 2 Favors Institution: No Trial Date in the BMW/Bosch Litigation and Uncertain Trial Date in the Kia Litigation.

Foras admits that the Board’s final written decision (FWD) deadline is likely to fall on March 24, 2025. POPR 4. The BMW/Bosch Litigation has no set trial date. *See Google LLC v. Uniloc 2017 LLC*, IPR2020-00441, Paper 13, 35 (PTAB July 17, 2020) (“The fact that no trial date has been set weighs significantly against exercising our discretion to deny institution of the proceeding.”).

While the trial in the Kia Litigation is currently scheduled to begin on January 6, 2025 (Ex. 2001, 1), this trial date is uncertain, given Kia’s pending motion to stay. *See* Section I.A. Should the court grant the motion, the trial date would be vacated or delayed past the anticipated FWD deadline. Even if somehow the January 2025 trial date stays, it is **less than three months** ahead of the expected FWD. The Board has found Factor 2 favored institution and instituted trial where the trial date precedes FWD by much more. *See, e.g., Sand Revolution II*, IPR2019-01393, Paper 24, 8–10 (Factor 2 favored institution despite WDTX trial preceding FWD by five months); *MediaTek Inc. v. Nippon Tel. & Tel. Corp.*, IPR2020-01607, Paper 12, 14 (PTAB April 2, 2021) (Factor 2 slightly favored proceeding even though “[a] trial date may occur around the time our final decision is mailed,” because “viewing all

the circumstances surrounding the District Court’s docket there is no date certain” and “[e]ven if trial commences as scheduled ... our final decision will be within three months of trial”); *Western Digit. Techs., Inc. v. Viasat, Inc.*, IPR2022-01126, Paper 13, 8–9 (Nov. 29, 2022) (Factor 2 neutral where the parallel litigation “may begin either shortly before or within a few months after the projected statutory deadline for a final written decision in this proceeding”).

Further, because trial dates are unreliable and often change, the PTAB considers the median time to trial when considering the proximity of the district court’s trial date to FWD deadline. USPTO Guidance Memo (June 21, 2022). Here, Foras filed the Kia Litigation on May 18, 2023. Ex. 1029. The median-to-trial date for the Eastern District of Texas where the Kia Litigation resides is 628 days or 20.64 months. Ex. 1030, 3. Using this statistic, the Kia Litigation trial would be around February 6, 2025, **just over one month** before the FWD deadline, falling even further within the bounds the Board has considered neutral in other cases.

Because 1) there is no trial date in the BMW/Bosch Litigation, 2) the Kia Litigation’s trial date is subject to a motion to stay, and 3) at worst, the Kia Litigation’s trial date would precede FWD by **less than three months**, Factor 2 favors institution. At worst this Factor is neutral. Moreover, other Factors, like Petitioners’ diligence and stipulation in the parallel proceeding, lack of significant

investment, and compelling merits, discussed below, weigh heavily in favor of institution.

C. Factor 3 Favors Institution: The Litigations Are at Early Stages.

First, the BMW/Bosch Litigation is at an early stage, and Foras does not argue substantial investment in the BMW/Bosch Litigation. POPR.

Second, the Kia Litigation is also at an early stage. By the institution decision deadline, significant events will have yet to occur, including claim construction briefing and the Markman hearing, expert discovery, dispositive motions, and trial. Ex. 2001. The claim construction discovery and fact discovery deadlines would be about **two and five months after institution**, respectively. Ex. 2001. The court has yet to substantively consider any of the numerous preliminary invalidity contentions Kia presented. Ex. 2004.

Further, Petitioners prepared and filed expeditiously on September 8, **within four months of Foras’s complaint**, despite delays in service in the BMW/Bosch Litigation—**before any defendant in any litigation had even served invalidity contentions**. *See Ericsson Inc. v. Koninklijke KPN N.V.*, IPR2022-00069, Paper 9, 11-12 (PTAB May 25, 2022) (finding Factor 3 weighs against denial given petitioner “diligently and promptly filed its Petition ... before serving its initial invalidity contentions in the parallel district court litigation”); *see also Samsung Elecs. Co., Ltd. v. Staton Techiya, LLC*, IPR2022-00302, Paper 13, 13–14 (PTAB July 11,

2022); *Apple Inc. v. Seven Networks, LLC*, IPR2020-00156, Paper 10, 11–12 (PTAB June 15, 2020).

Given Petitioners’ diligence and the significant work that remains in the district court litigations, Factor 3 strongly favors institution.

D. Factor 4 Favors Institution: Any Overlap is Insignificant in View of the Expansive Invalidity Contentions in the Kia Litigation

The BMW/Bosch Litigation has no overlap with the Petition, with no invalidity contentions yet exchanged. Petitioners also hereby stipulate, if IPR is instituted, not to pursue any invalidity challenges to the ’958 patent that rely on any references used in the Petition (Bigbee and Nguyen). *Ericsson*, IPR2022-00069, Paper 9, 12–13 (“Petitioner’s stipulation occupies an intermediate ground ... stronger than the stipulation in *Sand Revolution*” and “mitigates any concerns of duplicative efforts between the district court and the Board[.]”).

Further, any overlap with the Kia Litigation is insignificant. **First**, Foras admits that the challenged claims in the Petition are different from the asserted claims in the Kia Litigation. POPR 6–7. Indeed, eleven out of eighteen challenged claims in the Petition (independent claim 13 and dependent claims 4–5, 7, 14–18, and 21–22) are non-overlapping. *See Taiwan Semiconductor Mfg. Co. v. Fraunhofer Gesellschaft Zur Foerderung Der Angewandten Forschung EV*, IPR2020-01669, Paper 13, 29 (PTAB April 15, 2021) (concluding that “the extent of non-overlapping

claims, and Petitioner’s stipulation that it will not pursue the same grounds in the district court litigation, minimizes the overlap between this proceeding and the Texas case”).

Second, Foras’s purported overlap between the Petition and the Kia Litigation is insignificant and uncertain. The Petition was filed before Kia’s invalidity contentions. While Kia reiterated some discussions of the state-of-the-art from the publicly available Petition (Pet. 3–6, 9, 11–12; Ex. 2003, 7–9, 11, 13–14), it was to show what was “well-understood, routine, and conventional activities previously known to the industry,” which is not the Petition’s invalidity ground. Ex. 2003, 5. Kia’s invalidity grounds are much more expansive and different. Exs. 2003, 2004. That Kia shares an understanding of what was known in the industry represents that the industry considered those concepts conventional and well-known, not the specific invalidity ground in the Petition. Indeed, Foras admits that “Kia and BMW present the same allegations *regarding what was known in the art*” (POPR 7 (emphasis added)), but not the specific invalidity ground.

In fact, Kia’s invalidity contentions contain volumes of invalidity grounds and references not in the Petition. The Petition relies solely on Bigbee in view of Nguyen. Kia presented fourteen anticipating references (including Bigbee and Nguyen, in addition to twelve others), listing Japanese Patent Application Publication No. H06-242979 (“Akai”) first. Ex. 2004. Kia also presented each reference in combination

with one or more of the additional fourteen cited references. Ex. 2004. Assuming Kia would only present two-reference obviousness grounds, **Bigbee in view of Nguyen would have only been one of Kia's potential 210 invalidity grounds**—an insignificant overlap. At this stage, it is uncertain whether Petitioners' specific combination would be presented or considered among all Kia's invalidity grounds.

Given 1) Petitioners' diligence and stipulation, 2) the existence of non-overlapping claims, and 3) the minimal overlap with the Kia Litigation, Factor 4 weighs in favor of institution.

E. Factor 5 Favors Institution: Petitioners Are Independent of Kia

There is no dispute that Petitioners **are not** defendants in the Kia Litigation. Petitioners and Kia are unrelated parties with different interests. And Petitioners are only two of the seven parties Foras sued in Texas. Given that the parallel litigation involving Petitioners is at an early stage, Petitioners' diligence, and Petitioners' Stipulation, Factor 5 strongly favors institution.

None of the cases Foras cited supports that the Kia Litigation weights against institution. In *Fitbit, Inc. v. Philips N. Am., LLC*, IPR2020-00828, Paper 13 (PTAB Nov. 13, 2020), the copending litigation not involving the petitioner was at a more advanced stage—trial would likely take place several months prior to the final decision, fact discovery was nearing the end, same challenged claims were asserted, and a claim construction order was entered. In *Mylan Lab'ys. Ltd. v. Janssen*

Pharmaceutica N.V., IPR2020-00440, Paper 17 (PTAB Sept. 16, 2020), the copending case not involving the petitioner was much further along—ready for trial. And in *Neptune Generics LLC v. Aventis Pharma S.A.*, IPR2019-00136, Paper 15 (May 6, 2019), trial was complete and an appellate ruling was expected before the FWD, although the proceeding was denied institution under § 325(d), not *Fintiv*.

Indeed, when the district court proceedings involve unrelated parties, the Board has addressed Factors 2 and 5 together, finding these factors favor institution under similar circumstances—the parallel litigation involving the Petitioner has no trial date, the copending litigation not involving the Petitioner has a trial date ten months before FWD deadline). *Dolby Lab'ys, Inc. v. Intertrust Techs. Corp.*, IPR2020-01123, Paper 10, 14 (PTAB Jan. 6, 2021).

Given that 1) Petitioners were diligent, 2) Petitioners are not defendants in the unrelated Kia Litigation, and 3) all litigations are at early stages, Factor 5 (in conjunction with Factor 2) favors institution.

F. Factor 6 Favors Institution: The Petition Presents Compelling Merits

The Petition presents compelling merits. As noted in the Petition, the Examiner's silence on Bigbee prior to the allowance of the claims of the '958 patent reflects material error and oversight, and the Examiner never had an opportunity to consider the combination of Bigbee in view of Nguyen. Pet. 73–76. The grant of the Request for *Ex Parte* Reexamination of the '958 patent, finding that Bigbee alone

raises a substantial new question of patentability of claims 1–8 and 19–22 (Ex. 1032, 12–13), further shows that the Examiner materially erred by not applying or discussing Bigbee during prosecution. And as explained in the Petition, the ground relying on Bigbee alone in the Reexamination Request falls short for the limitation of “determining if lockstep is recoverable” or “determining if a lockstep mismatch has occurred”—the allowable subject matter—that Nguyen teaches. Of note, **Foras has presented no merits arguments** on the Petition’s grounds or any discussion on the grounds in the Reexamination. *Samsung Elecs. Co. v. Scramoge Tech., Ltd.*, IPR2022-00241, Paper 10, 14 (June 13, 2022) (*Fintiv* analysis concludes that “very strong” evidence on the merits outweigh concurrent litigation involving earlier scheduled trial date and significant overlap in proceedings).

Finally, other circumstances support institution. Petitioners are only two of seven parties sued by Foras in Texas. The Kia Litigation Foras exclusively relied on is only one of the copending district court proceedings, two of which have settled. Ex. 1033. Denying institution based solely on the Kia Litigation would motivate litigious patent owners like Foras to file serial actions at the district court and deprive defendants—however diligent—of later actions of their own IPR petitions.

II. Conclusion

For these reasons, and those in the petition, Petitioners request institution.

Date: January 19, 2024

Respectfully Submitted,

/Kara A. Specht/

Kara A. Specht, Reg. No. 69,560
Counsel for Petitioner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **Petitioners' Pre-Institution Reply to Patent Owner's Preliminary Response and Exhibits 1027-1034** were served on January 19, 2024, via email directed to counsel of record for the Patent Owner at the following:

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