

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LIFECORE FITNESS, INC. d/b/a
ASSAULT FITNESS,

Petitioner,

v.

WOODWAY USA, INC.

Patent Owner.

IPR2024-00083
U.S. Patent No. 11,465,005

Patent Owner's Preliminary Response
Pursuant to 35 U.S.C. §313 and 37 C.F.R. §42.107(a)

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TABLE OF EXHIBITS

Exhibit No.	Exhibit
2001	<i>Reserved</i>
2002	Minute Entry for Claim Construction Hearing, <i>Woodway USA, Inc. v. LifeCORE Fitness, Inc.</i> , Case No. 3:22-cv-00492-JO-BLM, Dkt. 57 (S.D. Cal.)
2003	<i>Reserved</i>
2004	U.S. Patent No. 5,709,632 to Socwell
2005	Redline Comparison of Specifications for U.S. Patent Nos. 5,709,632 and 5,897,461
2006	U.S. Patent No. 8,986,169 to Bayerlein, <i>et al.</i>
2007	U.S. Patent No. 9,039,580 to Bayerlein, <i>et al.</i>
2008	Opening Expert Report of Dr. Robert Giachetti, <i>Chapco Inc. v. Woodway USA, Inc.</i> , C.A. No. 3:15-cv-01665 (JCH), Dkt. 216-1 (D. Conn.)
2009	Declaration of Robert Giachetti, <i>Chapco Inc. v. Woodway USA, Inc.</i> , C.A. No. 3:15-cv-01665, Dkt. 88-2 (JCH) (D. Conn.)
2010	<i>Reserved</i>
2011	U.S. Patent No. 7,115,073 to Nizamuddin
2012	<i>Reserved</i>
2013	<i>Reserved</i>
2014	<i>Reserved</i>

Exhibit No.	Exhibit
2015	Defendant's Second Amended Invalidity Contentions and Associated Claim Charts, <i>Woodway USA, Inc. v. LifeCORE Fitness, Inc.</i> , Case No. 3:22-cv-00492-JO-BLM (S.D. Cal.)
2016-2074	<i>Reserved</i>
2075	LifeCore Fitness, LLC Certificate of Conversion and Certificate of Formation
2076	Order Setting Deadlines, <i>Woodway USA, Inc. v. LifeCORE Fitness, Inc.</i> , Case No. 3:22-cv-00492-JO-BLM, Dkt. 63 (S.D. Cal.)
2077	Order Granting in Part and Denying in Part Defendant's Motion to Stay, <i>Woodway USA, Inc. v. LifeCORE Fitness, Inc.</i> , Case No. 3:22-cv-00492-JO-BLM, Dkt. 73 (S.D. Cal.)
2078	Woodway USA, Inc.'s First Amended and Supplemental Disclosure of Asserted Claims and Infringement Contentions (Redacted), <i>Woodway USA, Inc. v. LifeCORE Fitness, Inc.</i> , Case No. 3:22-cv-00492-JO-BLM (S.D. Cal.)
2079	Transcript of Hearing on Motion to Stay, <i>Woodway USA, Inc. v. LifeCORE Fitness, Inc.</i> , Case No. 3:22-cv-00492-JO-BLM (S.D. Cal.)
2080	Woodway USA, Inc.'s Opposition to LifeCORE Fitness, Inc.'s Motion to Stay Litigation Pending <i>Inter Partes</i> Review, <i>Woodway USA, Inc. v. LifeCORE Fitness, Inc.</i> , Case No. 3:22-cv-00492-JO-BLM, Dkt. 66 (S.D. Cal.)
2081	Defendant's Memorandum and Points of Authority in Support of Motion to Stay Litigation Pending <i>Inter Partes</i> Review, <i>Woodway USA, Inc. v. LifeCORE Fitness, Inc.</i> , Case No. 3:22-cv-00492-JO-BLM, Dkt. 60-1 (S.D. Cal.)

I. INTRODUCTION

Woodway USA, Inc. (“Patent Owner”) submits this Preliminary Response under 35 U.S.C. §313 and 37 C.F.R. §42.107(a) in response to the Petition for *inter partes* review (“IPR”) of Claims 1-4, 6-13, and 15-16 (“Challenged Claims”) of U.S. Patent No. 11,465,005 (“the ’005 Patent”). This Preliminary Response is timely filed within three months of the Board’s Notice, mailed November 21, 2023 (Paper 4).

The Petition should be denied as procedurally improper. As discussed further below, the identified Petitioner, LifeCore Fitness, Inc. (“Petitioner” or “the California Corporation”), did not exist at the time the Petition was filed, having been dissolved more than six months earlier. EX2075. The Petition further fails to identify the successor entity or the actual real party in interest. Any effort to correct this fundamental defect by filing a new petition would be time-barred. Moreover, discretionary denial is also warranted.

II. BACKGROUND

Patent Owner has asserted 14 claims from the ’005 Patent against Petitioner in district court litigation in *Woodway USA, Inc. v. LifeCORE Fitness, Inc.*, Case No. 3:22-cv-00492-JO-BLM (S.D. Cal.) (“Parallel Litigation”), along with claims from three other related patents. Petitioner has filed IPR petitions challenging the patentability of certain claims in the three other asserted patents—U.S. Patent No. 9,039,580 (“the ’580 Patent,” IPR2023-00836), U.S. Patent No. 10,799,745 (“the

'745 Patent," IPR2023-00849), and U.S. Patent No. 10,561,884 ("the '884 Patent," IPR2023-00843).

In the Parallel Litigation, the Court has issued its claim construction order. EX1033. Once the Court construed the claims, the Court ordered all fact discovery to be complete by March 1, 2024; all discovery, including expert discovery, to be complete by May 24, 2024; all dispositive motions to be filed by June 21, 2024; and the final pretrial conference was scheduled for October 23, 2024. EX2076, 2-3, 9. Thereafter, over Patent Owner's Opposition, (EX2080), Petitioner moved to stay the Parallel Litigation after the Board instituted *inter partes* review in IPR2023-00836, IPR2023-00849, and IPR2023-00843. The Court largely denied Petitioner's stay motion, ordering all discovery to proceed as scheduled with *Daubert* and motions for summary judgment stayed until October 2024. EX2077, 1. Thereafter, the parties are scheduled for a status conference on November 6, 2024, to discuss the outcome of IPR2023-00836, IPR2023-00849, and IPR2023-00843. *Id.*, 1-2. Meanwhile, all discovery in the Parallel Litigation should be complete before any institution decision in the instant proceedings.

III. INSTITUTION SHOULD BE DENIED BECAUSE THE PETITION FAILS TO NAME ALL REAL PARTIES-IN-INTEREST

Petitioner identifies only the legal entity "LifeCore Fitness, Inc." as the real party-in-interest ("RPI"), (Petition, ix), concealing the fact that this particular legal

entity (a) ceased to exist more than six months before the Petition was filed and (b) lacked the capacity to pursue IPR in the first instance. Additionally, the Petition fails to acknowledge the actual RPI—LifeCore Fitness, LLC (“the Delaware LLC”)—which was formed in Delaware on April 19, 2023. As a result of these missteps, the Petition is invalid and incomplete. Pursuant to 35 U.S.C. §312(a) and 37 C.F.R. §42.8(b)(1), the Petition should not be considered by the Board.

A. Legal Requirements

The Board's rules require mandatory notices to identify all RPIs when the Petition is filed, and further requires that any change in the identity of an RPI be noted by the filing of updated mandatory notices within 21 days of the change. 37 C.F.R. §42.8(a), §42.8(b)(1). “Pursuant to 35 U.S.C. §312(a)(2), a petition for inter partes review ‘may be considered only if... the petition identifies *all* real parties in interest.’” *Medtronic, Inc. v. Robert Bosch Healthcare Sys., Inc.*, IPR2014-00488, Paper 65 at 6 (PTAB May 22, 2015) (original emphasis); *see also* 37 C.F.R. §42.104 (requiring compliance with 37 C.F.R. §42.8, which in turn requires disclosure of all RPIs, for a filing date to be accorded); 37 C.F.R. §42.106(b) (requiring dismissal of an incomplete petition). Although the petitioner's identification of RPIs is generally accepted unless disputed by the patent owner, the petitioner bears the ultimate burden of demonstrating that the correct RPIs have been identified. *Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237, 1242-44 (Fed. Cir. 2018).

Determination of whether a non-party is an RPI is based on “the totality of the circumstances.” *ZOLL Lifecor Corp. v. Philips Elecs. N. Am. Corp.*, IPR2013-00607, Paper 13 at 9 (PTAB Mar. 20, 2014). The Board may consider various factors, including whether the non-party “exercised or could have exercised control over [the petitioner’s] participation in a proceeding,” the non-party’s “relationship with the petitioner,” the non-party’s “relationship to the petition itself, including the nature and/or degree of involvement in the filing,” and “the nature of the entity filing the petition.” Consolidated Trial Practice Guide, November 2019 (“CTPG”), 15-18. The Board will make these determinations “on a case-by-case basis taking into consideration how courts have viewed the terms ‘real party-in-interest’ and ‘privy.’” *Id.* at 13 (citing *Taylor v. Sturgell*, 553 U.S. 880, 893-895 (2008)).

B. The Petition Should Not Be Considered Because the Entity Identified as Petitioner Lacked the Ability or Capacity to File the Petition

The legal entity LifeCore Fitness, Inc. is the sole RPI per the identification of Petitioner. But, at the time the Petition was filed, this legal entity no longer existed, and it does not exist now. As the Chancery Court in Delaware—where the surviving entity LifeCore Fitness, LLC was formed—has made clear, a predecessor entity “cease[s] to exist” following a conversion of either entity form or place of

formation.¹ *See In re Coinmint, LLC*, 261 A.3d 867, 913 (Del. Ch. 2021) (“[W]hen the Conversion [from a Delaware LLC to a Puerto Rico LLC] was completed in 2018... Coinmint ceased to exist as a Delaware entity.”); *New Media Holding Co., L.L.C. v. Brown*, No. 7516-CS, 2012 Del. Ch. LEXIS 263, *4-6 (Del. Ch. Nov. 14, 2012) (holding that Delaware limited liability company “ceased to exist” when it was converted into a limited liability partnership). Likewise, LifeCore Fitness, Inc.

¹ Although Delaware statute provides that “the conversion shall constitute a *continuation of the existence* of the converting other entity *in the form of a domestic limited liability company*,” (6 Del. C. §18-214(g) (emphasis added)), it is clear that the “other entity” itself ceases to exist as a legal entity while the successor limited liability company comes into existence, steps into the predecessor’s shoes, and retroactively gains the benefit of the predecessor’s date of formation. *See* 6 Del. C. §18-214(d) (“[T]he existence of the limited liability company shall be deemed to have commenced on the date the other entity commenced its existence in the jurisdiction in which the other entity was first created, formed, incorporated or otherwise came into being.”). The successor limited liability company’s right to undertake actions in its own name as if it were the predecessor entity does *not* mean that the predecessor entity continues to exist and retains its own ability to sue or be sued.

ceased to exist on April 19, 2023, when the California corporation was converted to the Delaware LLC. EX2075.

By law, only “a *person* who is not the owner of a patent” may file a petition for IPR of the patent. 35 U.S.C. §311(a) (emphasis added). Common sense dictates that a corporate entity such as the California Corporation that no longer exists cannot constitute a “person” with capacity to file a petition for IPR under §311(a). Indeed, in similar situations, many courts have found that companies that cease to exist under the law of the state where they were formed lack the capacity to file claims. *See, e.g., Charles Brooks Co. v. Ga.-Pacific, LLC*, 552 F.3d 718, 722 (8th Cir. 2009) (“A corporation cannot file a complaint in court after it ceases to exist legally because it lacks the capacity to sue.”) (internal citations and quotations omitted); *PrimeSource Bldg. Prods. v. United States*, 494 F. Supp. 3d 1307, 1321 (Ct. Int’l Trade 2021) (finding that a corporation that “ceases to exist” cannot file claims); *ChinaCast Educ. Corp. v. Guo*, No. CV 15-05475-AB (Ex), 2016 U.S. Dist. LEXIS 194753, *8 (C.D. Cal. Jan. 8, 2016) (“If a corporation no longer legally exists under the laws of the state where it was incorporated, it lacks a substantive capacity to sue or be sued.”).

The same result should follow here. Because the California Corporation did not exist at the time the Petition was filed, it lacked capacity and could not be a “person” permitted to file such a petition under §311(a). Only the newly-formed

successor entity, the Delaware LLC, might have had such capacity and status. This is insufficient to confer any rights for the California Corporation to file the Petition.

C. The Petition Should Not Be Considered Because the Delaware LLC Was Required to Be Identified as an RPI

Separately, putting aside that only the Delaware LLC existed at the time the Petition was filed, the Petition at a minimum should have identified the Delaware LLC as an RPI. But the Petition was neither filed by the Delaware LLC nor does it identify the Delaware LLC as an RPI. Thus, even if the California Corporation could have filed the Petition, the Petition would still be improper for failing to identify all RPIs.

The Delaware LLC meets the criteria for an RPI under factors set forth by the Consolidated Trial Practice Guide. Under Delaware law, “[t]he conversion of any other entity into a domestic limited liability company shall not be deemed to affect any obligations or liabilities of the other entity incurred prior to its conversion to a domestic limited liability company....” 6 Del. C. §18-214(e). Rather, “all of the rights, privileges and powers of the other entity that has converted, and all property, real, personal and mixed, and all debts due to such other entity, as well as all other things and causes of action belonging to such other entity, shall remain vested in the domestic limited liability company to which such other entity has converted and shall be the property of such domestic limited liability company,” and “all debts,

liabilities and duties of the other entity that has converted shall remain attached to the domestic limited liability company to which such other entity has converted, and may be enforced against it to the same extent as if said debts, liabilities and duties had originally been incurred or contracted by it in its capacity as a domestic limited liability company.” 6 Del. C. §18-214(f).

The Delaware LLC must be considered an RPI under the factors outlined in the Consolidated Trial Practice Guide. With respect to “the nature of the entity filing the petition,” the California Corporation did not even exist at the time the Petition was filed, having already been converted into the Delaware LLC months earlier. *See* CTPG, 17-18 (identifying factors for determining RPI status). When the Petition was filed on October 24, 2023, any rights, privileges, powers, debts, liabilities, and duties that the California Corporation may have had before the April 19, 2023 conversion no longer rested with the California Corporation (which had ceased to exist), but rather with the Delaware LLC. Thus, the non-party’s “relationship with the petitioner” was such that the Delaware LLC had effectively taken on the California Corporation’s identity months before the filing of the Petition and taken on all of its rights, privileges, powers, debts, liabilities, and duties. *See id.* By extension, the Delaware LLC is the only entity that could have had any “degree of involvement in the filing” of the Petition or actually “exercised or could have exercised control over [the petitioner’s] participation in a proceeding.” *See id.* at 15-18.

The Delaware LLC satisfies all of the factors laid out for an RPI in the Consolidated Trial Practice Guide and was required to be identified as such in the Petition. Because the Petition failed to do so, it is incomplete and should not be considered.

D. Any New Petition Would Be Time-Barred

To the extent the Delaware LLC subsequently seeks to file its own petition challenging the claims of the '005 Patent, such a petition would be time-barred. Although the California Corporation no longer exists, it remains an RPI. *See CommScope, Inc. v. TQ Delta, LLC*, IPR2022-00352, Paper 13 at 12-14 (PTAB Aug. 19, 2022) (finding petition time-barred due to service of complaint on RPI that “no longer exists” due to merger into another RPI). The California Corporation was served with a complaint alleging infringement of the '005 Patent on October 24, 2022 (EX1006), which obligated the California Corporation and any other RPIs to file its petition no later than October 24, 2023. 35 U.S.C. §315(b). Thus, any new or updated petition filed now in the Delaware LLC's name would be time-barred.

IV. THE BOARD SHOULD DISCRETIONARILY DENY INSTITUTION UNDER 35 U.S.C. §314(a)

A. The *Advanced Bionics* Factors Favor Denial

Pursuant to 35 U.S.C. §325(d), “the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. §325(d). In

evaluating §325(d), the Board considers two factors: “(1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and (2) if either condition of first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.” *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 8 (PTAB Feb. 13, 2020) (precedential).

In deciding whether these conditions are met, the Board considers several non-exclusive factors, including specifically: “(a) the similarities and material differences between the asserted art and the prior art involved during examination; (b) the cumulative nature of the asserted art and the prior art evaluated during examination; (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection; (d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art; (e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.” *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 at 17-18 (PTAB Dec. 15, 2017). For the first condition—whether the same

or substantially the same art and arguments were previously presented to the Office—the Board evaluates *Becton, Dickinson* factors (a), (b), and (d). See *Advanced Bionics*, Paper 6 at 10. “If a condition in the first part of the framework is satisfied and the petitioner fails to make a showing of material error, the Director generally will exercise discretion not to institute *inter partes* review.” *Id.* at 8-9.

1. The Office Considered the Same or Substantially Similar Prior Art and the Associated Expert Opinions During Prosecution

The first part of the *Advanced Bionics* framework addresses whether the same prior art or substantially the same prior art *or* arguments were previously presented to the Office. *Advanced Bionics*, Paper 6 at 8 (emphasis added). As relevant here, the Board considers the following factors: “(a) the similarities and material differences between the asserted art and the prior art involved during examination; (b) the cumulative nature of the asserted art and the prior art evaluated during examination;” and “(d) the extent of the overlap between the arguments made during examination and the manner in which petitioner relies on the prior art.” *Id.* at 9-10.

Here, Petitioner presents the same, or substantially the same, prior art and arguments made during prosecution of the '005 Patent under these factors. As Petitioner admits, all references except for Sclater were disclosed to and considered by the Examiner, as evidenced by their listing on the face of the '005 Patent. Petition, 3; EX1001, 2-3 (References Cited). What Petitioner fails to acknowledge, however,

is that nearly identical arguments regarding the teachings of those references, presented in the form of expert declarations from the same purported expert Petitioner relies on here, were also disclosed to and considered by the Examiner during prosecution of the '005 Patent.

Petitioner relies on the purported expert opinion of Dr. Giachetti to support its Petition and its challenge to the patentability of the Challenged Claims. However, this is not the first time Dr. Giachetti has opined on one of Patent Owner's patents. Nor is it the first time Dr. Giachetti has relied on the primary references cited in the Petition—Socwell² and Magid—to do so. In fact, in *Chapco Inc. v. Woodway USA, Inc.*, C.A. No. 3:15-cv-01665 (JCH) (D. Conn.) (“Chapco Litigation”), Dr. Giachetti

²In the Chapco Litigation, Dr. Giachetti relied on a different Socwell reference—U.S. Patent No. 5,709,632 (EX2004, “Socwell-632”)—than that relied on in the Petition. However, the Socwell reference in the Petition is a continuation-in-part of Socwell-632, and the relevant portions of the references' respective specifications are substantially identical. *See* EX2005 (redline comparison). Moreover, both Socwell and Socwell-632 were considered by the Examiner during prosecution. EX1002, 214 (noting that “all references considered except where lined through” and identifying Socwell-632 and Socwell at Cite Nos. A66, A69).

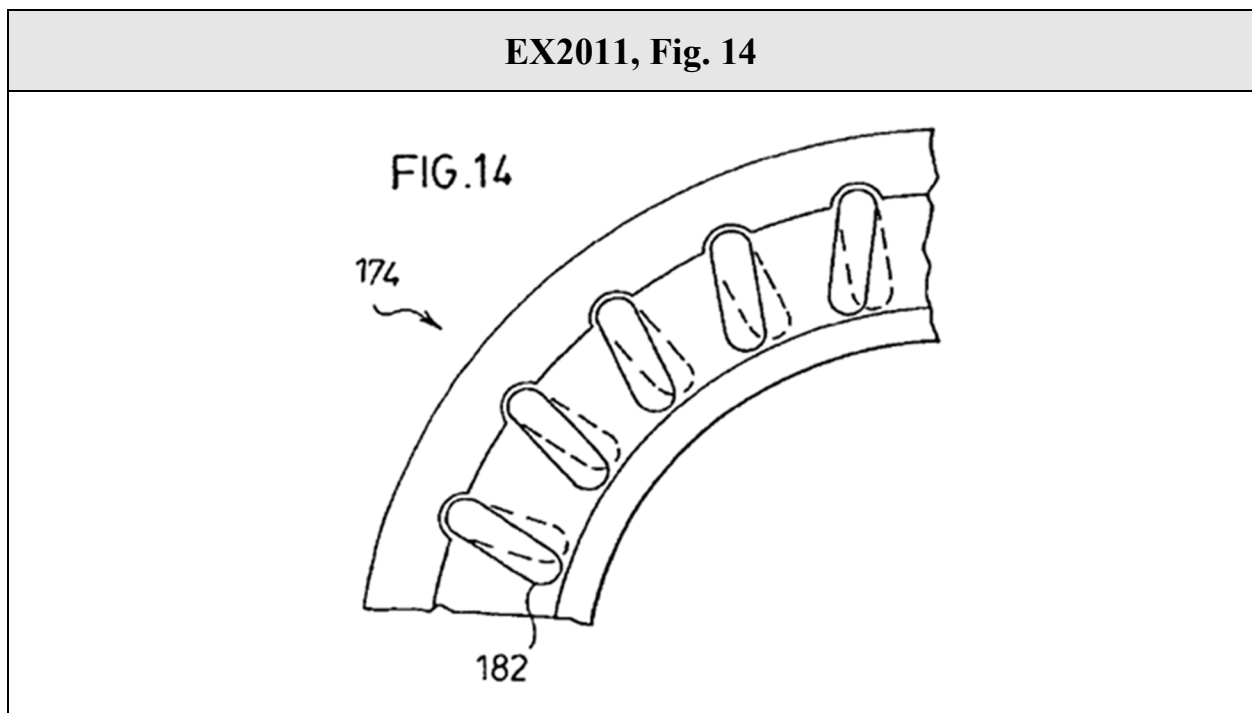
unsuccessfully argued that certain claims of U.S. Patent Nos. 8,986,169 (EX2006, “the ’169 Patent”) and 9,039,580 (EX2007, “the ’580 Patent”), both of which also claim manual treadmills with curved running surfaces and safety devices allowing only single-direction rotation of the running belt, were invalid as obvious over, *inter alia*, the same disclosures from Socwell and Magid that Dr. Giachetti and Petitioner rely on here. EX2008, 2-4, 41-54; EX2009, 7-10. Dr. Giachetti’s opinions from the Chapco Litigation were presented to the Office during prosecution of the ’005 Patent, and the Examiner confirmed that she considered these opinions. EX1002, 220, 224 (noting that “all references considered except where lined through” and identifying expert report and declaration at Cite Nos. A292, A356); *see also Advanced Bionics*, Paper 6 at 7-8 (holding previously presented art includes “art made of record by the Examiner, and art provided to the Office by an applicant, such as on an Information Disclosure Statement (IDS), in the prosecution history of the challenged patent.”). The Examiner was also made aware of the Tollkien patent, including receiving a scanned copy of the patent itself, not merely a disclosure of the patent number. EX1002, 137-143, 251. After considering these opinions, the Examiner allowed all claims of the ’005 Patent, including the Challenged Claims.

Because the Office expressly considered Dr. Giachetti’s opinions on the purported teachings of Socwell and Magid, as well as the Tollkien patent, the Petition should be denied. On at least one occasion, the Board has discretionarily

denied an IPR petition where the Petitioner relied on the opinions of the same expert, purporting to apply the same prior art, that had previously been presented to the USPTO. *Synaptics Inc. v. Amkor Tech., Inc.*, IPR2017-00085, Paper 12 at 7-9 (PTAB Apr. 18, 2017). The same result should follow here. Petitioner relies on substantively the same arguments regarding substantively the same prior art presented by the same expert as in the Chapco Litigation, all of which was presented to and considered by the Examiner during prosecution. Discretionary denial is warranted under the first *Advanced Bionics* factor.

Petitioner's arbitrary decision to add Sclater, a generic reference book, as a secondary reference cannot change this result as the portion of Sclater Petitioner relies on is cumulative of other references presented to and considered by the Office during prosecution. Petitioner cites Sclater for the bare proposition that sprag-type clutches were known in the art and that it would have been obvious to a POSA to incorporate such a mechanism into a curved treadmill. However, the Examiner was presented with and considered references that disclose sprag-type clutches before allowing the claims. For example, U.S. Patent No. 7,115,073 to Nizamuddin ("Nizamuddin") discloses an exercise apparatus designed to simulate skating movement, which incorporates a torque converter having a "one-way clutch mechanism 182 to maintain single directional rotation of the crank arm 170." EX2011, 13:62-64. Nizamuddin then goes on to describe how "[p]ossible suitable

one-way clutch mechanisms 182 for unidirectional movement of the torque converter 174 are shown in FIGS. 13 to 15 as possibly comprising a roller one-way clutch (shown in FIG. 13), *a sprag clutch* (shown in FIG. 14) or a hydraulic-type clutch 182 of the type of FIG. 15.” *Id.*, 13:65-14:2. Nizamuddin’s Figure 14 showing the described sprag clutch is provided below:

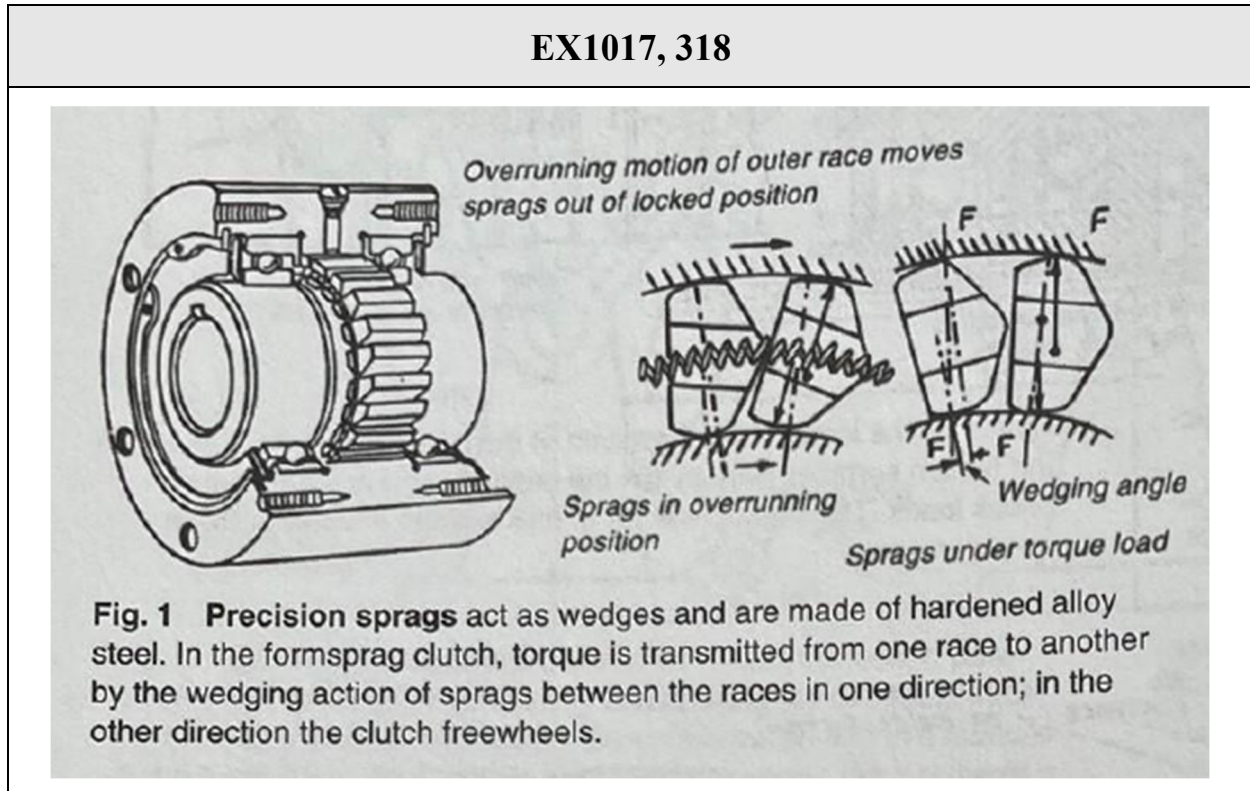


Nizamuddin was presented to and considered by the Examiner during prosecution of the '005 Patent. EX1002, 214 (noting that “all references considered except where lined through” and listing Nizamuddin at Cite No. A91).

Slater’s generic description of sprag-type clutches and other types of one-way clutches is cumulative of Nizamuddin’s disclosure of the same. Slater itself says very little about the specific structure and benefits of sprag- type clutches,

meaning that its teachings regarding such structures are actually quite limited.

Indeed, the following is Sclater's entire discussion of that particular clutch:



See also Petition, 17-18. Nizamuddin's teaching of using a sprag-type clutch as a one-way clutch mechanism encompasses the majority of those teachings and is cumulative of Sclater.

Additionally, Petitioner fails to adequately explain why a POSA would have been motivated to combine Sclater with any of the other references relied on in the Petition. For example, in both Grounds, the Petition argues that a POSA would have been motivated to add a specific one-way bearing assembly described in Sclater

either to Tollkien or to a combination of Socwell and Magid³ to meet the claims' requirement for a "safety device." *E.g.*, Petition, 20-33, 66-74. However, Petitioner does not adequately explain why a POSA would have been specifically motivated to select the mechanism Petitioner relies on, rather than one of the dozens of other options Sclater presents. As Petitioner acknowledges, Sclater "contains drawings and descriptions of *more than 2000 different mechanisms and mechanical devices* that have proven themselves in modern products, machines, and systems." Petition, 19 (quoting EX1017, 24) (emphasis added). More specifically, although Petitioner omits much of the book from its Exhibit 1017, opting instead to provide only sporadic excerpts from the "Coupling, Clutching, and Braking Devices" and "Fastening, Latching, Clamping, and Chucking Devices" chapters, even the limited excerpts Petitioner included identify *dozens* of mechanisms and devices, including at least twenty different types of clutches. *See generally* EX1017.

³ In Ground 1, the Petition confusingly argues that a POSA would first have been motivated to combine Magid's purported teachings regarding a ratchet-type control means to Socwell, only to argue—without credible explanation—that a POSA would immediately discard Magid's ratchet-type control means and replace it with a specific one-way bearing assembly described in Sclater. *E.g.*, Petition, 20-33.

Although Petitioner purports to provide reasons why a POSA would have been motivated to select the specific sprag-type clutch Petitioner relies on in Ground 1, the “reduced noise and improved durability” features that Petitioner identifies as the sole motivation for using a sprag-type clutch (Petition, 26) are **not** ascribed to the specific clutch Petitioner identifies. While Sclater states generally that a “friction-type clutch is quieter,” it identifies at least six different friction-type clutches—*e.g.*, plate clutches, cone clutches, expanding shoe clutches, cam and roller clutches, expanding shoe centrifugal clutches, and mercury gland clutches—which are not limited to the sprag-type clutch Petitioner actually relies on. EX1017, 302-03, 316.

As for “durability,” Sclater does not make any statements regarding the general durability of sprag-type clutches relative to other options, let alone the durability of the specific clutch relied on by Petitioner. *See generally id.* Indeed, Sclater has very little to say about the mechanism Petitioner identifies at all. Sclater’s entire discussion of the particular clutch is limited to one figure with a caption. *See also* Petition, 17-18. And Petitioner’s excerpt is found in a section that also discusses nine other overrunning clutches, **all of which** Sclater explains “allow freewheeling, indexing and backstopping” and “will solve many design problems. EX1017, 318-19. Again, Sclater does not identify any benefits that are specific to the mechanism

Petitioner relies on, but instead generically apply to any of the dozens of alternatives Sclater also discusses.

Notably, Ground 2 provides even less detail regarding the purported motivation to combine the specific Sclater sprag-type clutch with Tollkien. Ground 2 simply asserts that “[a] POSA reviewing Tollkien would have been alerted to safety issues associated with curved running surfaces by reviewing the cited Socwell reference” and “that there were dozens of off-the-shelf one-way clutches available.” Petition, 69. While the Petition then argues that it “would have been a simple combination of known elements in the prior art” to use *some kind* of “off-the-shelf” sprag-type clutch, it never specifically ties any alleged motivation to the specific sprag-type clutch Petitioner cites from Sclater. *Id.*, 70; *see also id.*, 73-74 (citing EX1018, a generic catalog of clutches that does not include the specific Sclater sprag-type clutch).

Generic statements like those in Sclater cannot support a motivation to combine when they are not specifically tied to the clutch the Petition argues should be incorporated into the primary reference devices. A POSA would readily recognize that the same benefits also apply to the countless other mechanisms and devices that Sclater discloses in equal detail. Yet, beyond Sclater itself and equally nonspecific references like Exhibit 1018 (which is apparently an entire catalog of clutches with

varying designs and overlapping uses), the Petition fails to explain why a POSA would have been motivated to use the specific clutch Petitioner relied on.

Without an adequate reason to incorporate Sclater's purported teachings into the presented primary references, the Petition's challenge effectively amounts to merely rearguing that some combination of Socwell, Magid, and/or Tolkien disclose the limitations of the Challenged Claims—that is, the exact arguments and prior art presented during prosecution of the '005 Patent. This cannot overcome the §325(d) analysis. *See Live Nation Entm't, Inc. v. Complete Entm't Res. B.V.*, PGR2017-00038, Paper 11 at 12, 15-16 (PTAB Jan. 16, 2018) (reliance on secondary reference not previously presented to Examiner was insufficient to defeat §325(d) analysis where Petition lacked adequate motivation to combine).

Accordingly, the addition of Sclater to the Petition is not enough to overcome the fact that all other references, and substantially similar arguments as provided in the Dr. Giachetti opinions were previously presented to and considered by the Office EX1002, 220, 224. *Advanced Bionics* factor one weighs heavily in favor of discretionary denial.

2. The Petition Fails to Demonstrate Any Material Error in the Office's Review of the Challenged Claims

The Petition fails to demonstrate that the Office erred in a manner material to patentability for at least two reasons, thereby failing the second prong of the

Advanced Bionics analysis. First, the Petition fails to specifically argue that the Office erred with respect to “substantially prevent[]” at all, instead focusing purely on the requirement that the “safety device” include an element that “substantially surrounds” another element. Petition, 104. Second, the prior art the Petition implicitly relies on to argue that the Office purportedly erred was either (1) directly before the Office when the Challenged Claims were issued (*i.e.*, Magid) or (2) cumulative of prior art that was already considered (*i.e.*, Sclater via Nizamuddin). Petitioner did not meet its burden.

“If reasonable minds can disagree regarding the purported treatment of the art or arguments, it cannot be said that the Office erred in a manner material to patentability.” *Advanced Bionics*, Paper 6 at 9. As the Board explained, “this framework reflects a commitment to defer to previous Office evaluations of the evidence of record unless material error is shown.” *Id.* Petitioner fails to show material error and its Petition should be denied.

There is no evidence that the Examiner failed to appreciate that the term “safety device” could be construed to encompass a “conventional” mechanism such as a “sprag-type one-way bearing assembly,” as Petitioner contends. Petition, 104. Indeed, the evidence of record suggests that the Examiner did appreciate that “conventional” mechanisms could theoretically meet this limitation. For instance, Petitioner admits that the Examiner recognized that a “safety device” encompassed

ratchet clutches like those disclosed in Magid. *Id.* But Sclater, which Petitioner relies on heavily in its Petition to show just how “conventional” sprag-type clutches are, also extensively discusses ratchet clutches. Indeed, Sclater discusses “ratchet and pawl mechanism[s]” when providing examples of “[e]lementary overriding clutches.” EX1017, 316.

Additionally, the claim language was not so “verbose” that the Examiner would be unable to recognize that it could extend to “conventional” mechanisms as Petitioner claims. *See* Petition, 104. Likewise, to the extent Petitioner argues that the Examiner erred by not appreciating that sprag-type clutches might be used generally to ensure unidirectional motion, this is, at best speculation, and at worst, contradicted by the prosecution history. The Examiner noted that she considered the same prior art Petitioner asserts here, and then proceeded to allow the Challenged Claims to issue. Thus, the more likely explanation is that the Examiner did consider sprag-type clutches and other “conventional” mechanisms and still concluded that the overall invention described in the Challenged Claims was not obvious. A single sentence of speculation from Petitioner is not enough to demonstrate any material error in that conclusion.

Petitioner also does not show that the Examiner failed to appreciate that “substantially prevent[]” could be construed to encompass “prevent any movement after allowing no or minimal movement,” (Petition, 14), which is a claim

construction that has since been rejected by the District Court. EX1033, 15-16. In fact, the Petition offers no analysis about how the Office materially erred with respect to construing “substantially prevent[.]” Rather, the sole focus was on “safety device” and “substantially surrounds.” Petition, 103-04.

Any implicit error argument equally fails because Petitioner's argument in all cases incorporates Magid, which was the very same patent that the Examiner relied on and addressed throughout the prosecution history. EX1002, 202, 204, 214 (noting that “all references considered except where lined through” and identifying patent disclosure at Cite No. A58); EX1001, 2 (indicating that Magid was cited by the Examiner on the patent's face). Merely appending Sclater is retreading old ground. Sclater is cumulative of Nizamuddin's disclosure of one-way clutches and numerous other patents, which were already considered by the Examiner. EX1002, 214 (Cite No. A91). Indeed, in view of Magid and Nizamuddin, the Examiner still allowed the Challenged Claims to issue.

B. The *Fintiv* Factors Favor Denial

The Board should also exercise its broad discretion and deny institution under 35 U.S.C. §314(a). *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016); *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (under §314(a), “the PTO is permitted, but never compelled, to institute an IPR proceeding”); *see also* 37 C.F.R. §42.4(a) (“The Board institutes the trial on behalf

of the Director.”). The Board may discretionarily deny institution for many reasons, including “events in other proceedings related to the same patent,” such as district court litigation. CTPG, 58. When considering discretionary denial in view of parallel district court proceedings, the Board weighs the following factors:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board's exercise of discretion, including the merits.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5-6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”). Here, the *Fintiv* factors demonstrate that efficiency and the integrity of the IPR process are best served by denying institution.

1. Factor 1—Likelihood of a Stay

Factor one either favors denial because the District Court case is proceeding following a largely unsuccessful motion to stay or is at least neutral. When a District Court denies a motion to stay and does not indicate whether it would consider a renewed motion or reconsider the prior motion should an *inter partes* review be

instituted, the Board finds this factor weighs in favor of discretionary denial. *See Fintiv*, Paper 11 at 7-8.

Here, the District Court was “not inclined to grant the stay pending the entirety of the IPR process.” EX2079, 3:8-10. Instead, the District Court ordered fact and expert discovery to proceed to completion by May 24, 2024, staying only the filing of substantive motions and the final pretrial date in view of the likely and overlapping timing of the Board’s issuance of final written decisions regarding the IPR proceedings directed to the ’580, ’884, and ’745 Patents, which are related to the ’005 Patent. EX2077, 1-2; EX2079, 9:7-10, 19:17-20:23. The Court set a status conference for November 6, 2024, “to discuss the outcome of the PTAB’s *inter partes* review of the ’580, ’884, and ’745 Patents and its effects on this case.” EX2077, 2. Despite an awareness of the time lag between the earlier-filed petitions directed to the ’580, ’884, and ’745 Patents, (EX2080, 15), the District Court did not indicate whether it would consider a renewed motion to stay or reconsider Petitioner’s prior motion if an *inter partes* review of the ’005 Patent was instituted. Rather, the District Court simply requested an update on the case’s progress. Because the Court partially denied a stay of the Parallel Litigation with respect to all discovery, factor one favors denial or, at minimum, is neutral.

2. Factor 2—Proximity of Trial Date to Deadline for Final Written Decision

Factor two favors denial because a Final Written Decision will likely be issued well after trial. “If the [district] court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution.” *Fintiv*, Paper 11 at 9. The Director is clear that “parties may present evidence regarding the most recent statistics on median time-to-trial for civil actions in the district court in which the parallel litigation resides for the PTAB’s consideration.” USPTO Memorandum, Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation, 7-8 (June 21, 2022) (“*Fintiv* Memo”). Simply put, a Final Written Decision will come too late.

Petitioner argues that trial will occur in “early 2026” because it claims the median time-to-trial in the Southern District of California is 45.4 months. Petition, 101. Petitioner bases this assertion on flawed data. Specifically, Petitioner relies *solely* on data for the twelve-month period ending December 31, 2022, without acknowledging that its own Exhibit 1023 shows that cases typically proceed much faster than reported in that period. EX1023, 69. In other words, the December 2022 statistic is a clear outlier. The median time-to-trial since 2017 in the Southern District of California is only 34.2 months, dropping to 31.9 months when the outlier December 2022 figure is not considered. *Id.*

Based on those averages, trial will occur between December 2024 (using the 31.9-month average) and February 2025 (34.2-month average). If the Board institutes, Petitioner acknowledges that a Final Written Decision will issue “around May of 2025.” EX2081, 7. That deadline may even extend to November 2025. 35 U.S.C. §316(a)(11) (permitting extensions of the Final Written Decision deadline “by not more than 6 months”). Trial will thus occur anywhere between three to eleven months *before* a Final Written Decision is due.

However, it is likely that these statistics fail to tell the whole story. Prior to any Institution Decision, Petitioner and Patent Owner will have completed all fact and expert discovery, positioning the parties for a prompt trial in the Parallel Litigation following the completion of any dispositive motion practice. Indeed, in the original schedule in the Parallel Litigation, the District Court contemplated a final pretrial conference within five months of the close of expert discovery. *See* EX2076, 2 & 9 (setting a May 24, 2024, deadline for close of expert discovery and scheduling final pretrial conference for October 23, 2024). Following the issuance of the Final Written Decisions involving the '580, '884, and '745 Patents, in or around October 2024, Patent Owner intends to request the first available trial date.

Fintiv cautions against institution in this exact scenario. Factor two therefore strongly favors denial.

3. Factor 3—Investment in Parallel Proceeding

Factor three similarly favors denial because both the parties and the District Court have invested significantly in the Parallel Litigation. If “*at the time of the institution decision*, the district court has issued substantive orders related to the patent at issue in the petition, this fact favors denial.” *See Fintiv*, Paper 11 at 9-10 (emphasis added); *id.* at 10 (“[D]istrict court claim construction orders may indicate that the court and parties have invested sufficient time in the parallel proceeding to favor denial.”).

There is no need to speculate on this point—following a *Markman* hearing, EX2002, and the issuance of a Claim Construction Order, EX1033, the District Court has unequivocally stated it had “already invested **significant** judicial resources into these proceedings. The Court has done an **extensive** claims construction process on terms that span all four of the patents.” EX2079, 18:20-24 (emphasis added). Petitioner’s claims to the contrary are not credible. This is particularly true given that in the last 20 months, the parties have engaged in substantial fact discovery, including exchanging initial and final contentions, written discovery, document production, third-party discovery, depositions—all of which must be completed no later than March 1, 2024. EX2076, 2.

Petitioner likewise did not act expeditiously to file the Petition, which further weighs in favor of denial. *Google LLC v. Ecofactor, Inc.*, IPR2021-00488, Paper 12

at 13-15 (PTAB Aug. 11, 2021); *Immersion Sys. LLC v. Midas Green Techs., LLC*, IPR2021-01176, Paper 16 at 14-15 (PTAB Jan. 6, 2022). Petitioner should have acted “expeditiously once” Woodway “identified the claims being asserted against it so that the petitioner can file a petition challenging all asserted claims—if it chooses to do so.” *Google*, Paper 12 at 13 (quoting *Fintiv*, Paper 11 at 11). Petitioner was anything but expeditious.

Petitioner was aware of the specific claims of the '005 Patent at issue on November 2, 2022. EX2078. Yet, Petitioner delayed until the final day permitted by statute to file the Petition—October 24, 2023—even though it was aware of Woodway's infringement contentions nearly a full year beforehand. More troubling is that this delay comes in view of the art that Petitioner relies upon—some of the same prior art that served as the bases for its Petitions challenging the patentability of the '580, '884, and '745 Patents, which were filed more than six months earlier and up against their own bar date. Indeed, the District Court concluded, in view of the competitive status between Patent Owner and Petitioner, “that there's unnecessary delay there, and that unnecessary delay would prejudice [Patent Owner] because we have a live market situation.” EX2079, 17:18-18:13.

In view of Petitioner's delay, and because both parties and the District Court have invested significantly in the Parallel Litigation, *Fintiv* factor three heavily favors denial.

4. Factor 4—Overlap Between Issues in Petition and in Parallel Proceeding

Fintiv factor four favors denial because “the same or substantially the same claims, grounds, arguments, and evidence” in the Petition are also at issue in the Parallel Litigation such that institution would duplicate efforts. *Fintiv*, Paper 11 at 12. Petitioner’s stipulation that it “will not raise at trial in parallel litigation any Ground raised here” (Petition, 101-02) amounts to little more than an empty promise. Because this stipulation is expressly limited only to specific Grounds set forth in the Petition, it cannot short-circuit the *Fintiv* analysis and does not account for the significant risk of overlap between the asserted grounds and Petitioner’s invalidity positions in the Parallel Litigation.

The Board may discretionarily institute *inter partes* review when the petitioner makes a valid *Sotera* stipulation, which reasonably removes *all* anticipation or obviousness grounds based on patents or printed publications from consideration in the district court. *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential); *Fintiv* Memo, 3. This “mitigates any concerns of duplicative efforts between the district court and the Board, as well as concerns of potentially conflicting decisions.” *Sotera*, Paper 12 at 19. The same result does not follow, however, where the petitioner offers a narrower

stipulation. *Ericsson Inc. v. Godo Kaisha IP Bridge 1*, IPR2022-00726, Paper 11 at 12-13 (PTAB Nov. 2, 2022). Such is the case here.

Unlike in *Sotera*, Petitioner narrowly limits its stipulation to the specific grounds raised in the Petition. Petition, 101-102. Unlike with a *Sotera* stipulation where “a petitioner stipulates not to pursue in a parallel district court proceeding the same grounds as in the petition *or any grounds that could have reasonably been raised in the petition*” (*Fintiv* Memo, 7-8 (emphasis added)), Petitioner would not be precluded from asserting the same references in other combinations or combinations of substantially similar printed publications in the Parallel Litigation.

Petitioner purports to reserve the right to assert *substantially the same prior art* presented in the Petition before the District Court simply by adding, subtracting, or substituting a single secondary reference in the grounds presented in the Petition. Indeed, this is precisely what it appears Petitioner intends to do. In its final invalidity contentions, Petitioner has elected a combination of references—all patents, patent applications, and written publications that could have been raised in its Petition—that are substantially the same as the Grounds presented in the Petition and include all the same references. EX2015, 2-3 (identifying asserted prior art, including Magid, Socwell, Tolkien , and Sclater), 14-20 (applying prior art in substantially the same way as petition). The Board should not permit Petitioner to engage in such blatant gamesmanship by presenting a subset of the prior art in its Petition that it

continues to assert in the Parallel Litigation, while preserving its ability to rely on the broader combinations it has already disclosed. Factor four therefore favors denial.

5. Factor 5—Whether Petitioner and Defendant in Parallel Proceeding Are the Same Party

Fintiv factor five supports denial because the Petition represents (although not in its discussion of the *Fintiv* factors⁴) that the Petitioner in this IPR is the defendant in the Parallel Litigation. Petition, 1. Patent Owner disagrees that the California Corporation is properly identified as the Petitioner. Indeed, as discussed above, the California Corporation had ceased to exist at the time the Petition was filed, having been converted from a California corporation to a Delaware limited liability company months earlier. Nevertheless, Patent Owner agrees that the Delaware LLC, which should have been identified as an RPI in this matter, is effectively⁵ the defendant in the Parallel Litigation.

⁴ Petitioner ignores this factor entirely in its Petition, instead conflating it with Factor 4. Petition, 101-02.

⁵ In addition to the Petition's incorrect identification of the nonexistent California Corporation as the sole RPI and Petitioner, Patent Owner notes that the LifeCore entities have failed to apprise the court in the Parallel Litigation of the Delaware

6. Factor 6—Other Circumstances Impacting Board's Exercise of Discretion

Fintiv factor six considers the merits of the petitioner's challenge, including whether "the information presented at the institution stage presents a compelling unpatentability challenge." *Fintiv* Memo at 4-5. Merely meeting the statutory likelihood of success threshold for institution is not enough. *Id.* at 4. As the Director has explained, "[t]he patent system and the public benefit from instituting challenges where there is a showing of unpatentability by compelling merits, but it is only a finding under this higher standard that would compel the Board to review claims for the public benefit when other considerations favor discretionary denial." *CommScope Techs. LLC v. Dali Wireless, Inc.*, IPR2022-01242, Paper 23 at 4 (PTAB Feb. 27, 2023) (precedential).

Petitioner does little more than baldly assert that the Board should not discretionarily deny institution because Petitioner believes the Petition is meritorious, while proclaiming in conclusory fashion that institution will result in

LLC's assumption of all rights, privileges, powers, debts, liabilities, and duties of the California Corporation. Likewise, no updated mandatory notices have been filed in pending IPR2023-00836, IPR2023-00849, and IPR2023-00843, which were similarly filed in the California Corporation's name.

some vague benefit to the parties and the public. Petition, 102. This self-serving, unsupported argument should be rejected. This factor favors denial.

V. CONCLUSION AND RELIEF REQUESTED

For the foregoing reasons, the Board should deny institution.

Dated: February 21, 2024

Respectfully submitted,

/R.J. McKenna/
Richard J. McKenna
Registration No. 35,610
Counsel for Patent Owner

IPR2024-00083
U.S. Patent No. 11,465,005

Patent Owner's Preliminary Response

CERTIFICATE OF COMPLIANCE

This Preliminary Patent Owner Response complies with the type-volume limitations required by 27 C.F.R. §42.24. The word count in this paper totals 7,426 words. Patent Owner has relied upon the word count feature of Microsoft Word.

Dated: February 21, 2024

/R.J. McKenna/
Richard J. McKenna
Registration No. 35,610
Counsel for Patent Owner

IPR2024-00083
U.S. Patent No. 11,465,005

Patent Owner's Preliminary Response

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **Patent Owner's Preliminary Response Pursuant to 35 U.S.C. §313 and 37 C.F.R. §42.107(a)** was served on February 21, 2024, by email to Petitioner's counsel of record:

aturner@brookskushman.com

jhalan@brookskushman.com

rcantor@brookskushman.com

kkonz@brookskushman.com

LCF113IPR@brookskushman.com

Dated: February 21, 2024

/R.J. McKenna/
Richard J. McKenna
Registration No. 35,610
Counsel for Patent Owner