

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.

U.S. Patent No. 11,465,005 to Bayerlein et al.

Case No.: IPR2024-00083

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

I. Real Parties-In-Interest (RPI)

On April 19, 2023, LifeCORE Fitness, Inc. converted from a California corporation to LifeCORE Fitness, LLC, a Delaware LLC. On February 7, 2024, Sprinter Merger Sub, LLC, a Delaware limited liability company and wholly-owned subsidiary of FitLab Inc., merged with and into LifeCORE Fitness, LLC, and as a result, FitLab Inc. became the majority equityholder of LifeCORE Fitness, LLC. LifeCORE Fitness, LLC is now a subsidiary of FitLab Inc. and continues to do business as Assault Fitness. Petitioner now identifies LifeCORE Fitness, LLC and FitLab Inc. as RPIs. (Paper 7, 1.)

Patent Owner (“PO”) argues that LifeCORE Fitness, Inc. “no longer existed” when the Petition was filed. (POPR, 4.) PO cites Delaware (“DE”) case law to support its proposition that “a predecessor entity ‘cease[s] to exist’ following a conversion of either entity form or place of formation.” (POPR, 4-5.) However, these cases relate to DE LLCs converting to another entity, not another entity converting to a DE LLC.

As to converting an “other company” to a DE LLC—like the present case—the governing DE Statute states “the conversion shall constitute a **continuation of the existence** of the converting other entity in the form of a domestic limited liability company” and “the conversion shall **not** be deemed to constitute a dissolution of such other entity.” (*see* 6 Del. C. § 18-214(g)). Further, “all of the

rights, privileges and powers of the other entity that has converted, . . . as well as all other things and causes of action belonging to such other entity, shall **remain vested** in the domestic limited liability company ...” (see 6 Del. C. §18-214(f)). Therefore, LifeCORE Fitness, Inc. continues to exist in the form of LifeCORE Fitness, LLC and its IPR rights remain vested in LifeCORE Fitness, LLC.

Further, the Board may accept updated mandatory notices “as long as the petition would not have been time-barred under 35 U.S.C. § 315(b) if it had included the [RPI].” *Proppant Express Investments, LLC v. Oren Tech., LLC*, IPR2017-01917, Paper 86, 7 (Precedential). PO does not argue a time-bar applies, and Petitioner filed a mandatory notice to address the conversion to LifeCORE Fitness, LLC and acquisition by FitLab Inc. (Paper 7.) Therefore, the Petition satisfies 35 U.S.C. § 312.

II. *FINTIV* FACTORS

Factor 1 - Stay: Promptly after the Related IPRs were instituted, Petitioner filed a stay motion. (Ex.2081.) While the motion was denied as to fact and expert discovery, the Court granted the stay as to everything else, *i.e.*, summary judgment motions and pretrial activities, until a Nov. 6, 2024 status conference, when the Court will decide, based on the IPRs, if the stay will continue. (Ex.2077, 1-2.)

Factor 2 – Trial Date: The Court has not scheduled a trial date.

Factor 3 – Investment in Parallel Proceeding: The Court issued its

Markman Order (Ex.1033) on November 14, 2023, after the Petition was filed. However, while discovery continues for the parties, the Court is not currently making significant investments due to the stay. (Ex.2077; Ex. 1034.)

Factor 4 – Petitioner’s *Sotera* Stipulation Removes any Overlap:

Under the Director’s Interim Procedure for Discretionary Denials, the Board will not discretionarily deny institution under § 314(a) when a petitioner submits a *Sotera* stipulation, *i.e.*, the 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.” *See* Memorandum June 21, 2022, 7 (*citing Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, 18-19 (PTAB Dec. 1, 2020) (precedential as to § II.A.)).

LifeCORE has stipulated that if the Board institutes the Petition, it will not pursue in the related District Court Litigation (*Woodway USA, Inc., v. LifeCORE Fitness, Inc. d/b/a Assault Fitness*, Case No. 3:22-cv-00492 (S.D. Cal.)) any ground raised or that could have been reasonably raised in IPR2024-00083. *See Sotera*, Paper 12, 18-19. LifeCORE submitted its *Sotera* stipulation to PO by email on March 1, 2024, not long after PO filed its Preliminary Response. (Ex.1035.) The Board has accepted such an approach to submitting a *Sotera* stipulation; *see e.g., BMW v. Northstar Systems LLC*, IPR2023-01017, Paper 12.

Factor 5 – The Parties are the Same, as explained above regarding RPI.

Dated: March 12, 2024

Respectfully submitted,

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Certificate of Service

The undersigned hereby certifies that on March 12, 2024, a complete and entire copy of **PETITIONER'S REPLY TO PATENT OWNERS PRELIMINARY RESPONSE AND EXHIBITS**, was served via electronic mail to the attorneys listed below:

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Certificate of Compliance Pursuant to 37 C.F.R. § 42.24

This paper complies with the type-volume limitation of 37 C.F.R. § 42.24. The paper contains 3 pages as authorized by the Board on March 6, 2024, excluding the parts of the paper exempted by §42.24(a).

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