

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 Sur-Reply

I. Petitioner’s Real Party-in-Interest (“RPI”) Disclosure Remains Deficient

Petitioner’s arguments regarding the RPI issue miss the point. Patent Owner does not contest that LifeCore Fitness, Inc.’s IPR rights vested in LifeCore Fitness LLC when the former California corporation was converted into the current Delaware LLC. *See* POPR, 7-8. Rather, the problem is that ***the Petition was not filed in the Delaware LLC’s name*** but instead in the name of the (nonexistent) California corporation. While a successor Delaware LLC may be vested with the rights, privileges, and powers of the previous entity after conversion, it does not follow that the previous entity may act as if the conversion never took place. Indeed, as described in the POPR, the legacy entity lacks the capacity to do so. *Id.*, 4-7. While Petitioner attempts to downplay the significance of the cited authority, it offers no case law to the contrary. Petitioner’s arguments should therefore be rejected.

Also, Petitioner’s newly updated mandatory notice and RPI identification – offered only after Patent Owner pointed out the deficiencies – remain deficient and raise more questions than they answer. First, Petitioner fails to address why it did not disclose any change to the RPI designation in its December 13, 2023 updated notice, which claims the RPI is “unchanged” despite the April 19, 2023 conversion to a Delaware LLC with multiple members. *See* Paper 5, 1. Second, even now with the identification of the April 2023 Delaware LLC, Petitioner still fails to disclose all of the entity’s current or former member(s) and is blocking discovery on this issue

in the Parallel Proceeding, despite the fact that any such members are also RPIs and privies to Petitioner. *See* Paper 7, 2 (identifying FitLab Inc. as Petitioner’s “majority equityholder,” not the sole member or equityholder). RPI disclosure requirements are intended “to preclude parties from getting ‘two bites at the apple’ by: (1) ensuring that third parties who have sufficiently close relationships with IPR petitioners are bound by the outcome of instituted IPRs in final written decisions...; and (2) safeguarding patent owners from having to defend their patents against belated administrative attacks by related parties....” *RPX Corp. v. Applications In Internet Time, LLC*, IPR2015-01750, Paper 128, 2 (PTAB Oct. 2, 2020) (precedential). Petitioner’s gamesmanship makes it impossible for Patent Owner to determine if a time-bar issue has arisen as it cannot possibly assess if unidentified RPIs or privies are now or may later be time-barred, undermining the purpose of RPI identification.

II. The *Fintiv* Factors Still Favor Discretionary Denial

Petitioner’s assertion in its preliminary reply that “the Court granted the stay” and that “the Court is not currently making significant investments due to the stay” is disingenuous at least because Petitioner ignores the significant investments that the Court has *already made*. The Court largely *denied* Petitioner’s stay request, in part, because it has already issued its *Markman* decision, an event that *Fintiv* itself considers indicative of significant investment in parallel proceedings. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, 10 (PTAB Mar. 20, 2020) (precedential).

Indeed, the Court expressly found that it had “already invested *significant* judicial resources into these proceedings,” including “an extensive claims construction process.” EX2079, 18:20-24 (emphasis added). The fact that this “significant” investment has already been made does not render it irrelevant but rather underscores the importance of *Fintiv* factor three in this proceeding.

In addition to miscasting the breadth of the stay, Petitioner ignores the significant investments the Court and the parties will continue to make in the Parallel Proceeding. *Fintiv* factor three is directed to “investment in the parallel proceedings by the *court and the parties*.” *Fintiv*, Paper 11 at 5-6 (emphasis added). While the Court has deferred dispositive motion practice and trial, it continues to address Petitioner’s serial discovery motion practice while the parties proceed with fact and expert discovery. The Court’s and parties’ continued investment in discovery briefing/rulings, the 15 depositions that have already occurred, and the preparation and exchange of expert reports cannot be disregarded.

Further, Petitioner’s untimely purported *Sotera* stipulation comes too late. Petitioner made a strategic decision to forgo a fulsome *Sotera* stipulation with its Petition, and it should have to live with that decision. While the Board in *BMW v. Northstar Systems LLC*, IPR2023-01017, Paper 12 (PTAB Dec. 8, 2023) accepted a *Sotera* stipulation submitted after a patent owner preliminary response, that decision is non-precedential and not binding here.

Dated: March 19, 2024

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **Patent Owner's Preliminary Sur-Reply** was served on March 19, 2024, by email to Petitioner's counsel of record:

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