

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ECOBEE TECHNOLOGIES ULC,

Petitioner,

v.

OLLNOVA TECHNOLOGIES LTD.,

Patent Owner.

Case IPR2024-00131
U.S. Patent No. 7,746,887

PATENT OWNER'S SUR-REPLY

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Other Authorities

<i>Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation</i> (June 21, 2022).....	3, 4
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PATENT OWNER’S EXHIBIT LIST

Exhibit No.	Description
2001	Verdict, <i>Ollnova Technologies Limited v. ecobee Technologies, ULC</i> , No. 2:22-cv-00072-JRG, Dkt. No. 225, (E.D. Tex. Oct. 5, 2023)
2002	Transcript Excerpts from Trial on the Merits, Vol. 3, <i>Ollnova Technologies Limited v. ecobee Technologies, ULC</i> , No. 2:22-cv-00072-JRG (E.D. Tex. Oct. 3, 2023)
2003	Plaintiff’s Notice Regarding the Court’s Order Awarding Fees and Expenses to Plaintiff, <i>Ollnova Technologies Limited v. ecobee Technologies, ULC</i> , No. 2:22-cv-00072-JRG, Dkt. No. 231, (E.D. Tex. Oct. 18, 2023)
2004	Defendant’s Preliminary Local P.R. 3-3 and 3-4 Disclosures, <i>Ollnova Technologies Limited v. ecobee Technologies, ULC</i> , No. 2:22-cv-00072-JRG, (E.D. Tex. Oct. 12, 2022)
2004	Defendant’s Preliminary Local P.R. 3-3 and 3-4 Disclosures, <i>Ollnova Technologies Limited v. ecobee Technologies, ULC</i> , No. 2:22-cv-00072-JRG, (E.D. Tex. Oct. 12, 2022)
2005	Claim Construction Memorandum Opinion and Order, <i>Ollnova Technologies Limited v. ecobee Technologies ULC</i> , No. 2:22-cv-00072-JRG, Dkt. No. 105 (E.D. Tex. Apr. 10, 2023)
2006	Declaration of Erik de la Iglesia in Support of Patent Owner’s Response
2007	Curriculum Vitae of Erik de la Iglesia
2008	Merriam-Webster Dictionary
2009	E-mail from PTAB RE: IPR2024-00131 - Request for Authorization for a Reply (March 8, 2024)

Exhibit No.	Description
2010	Final Judgment, <i>Ollnova Technologies Limited v. ecobee Technologies ULC</i> , No. 2:22-cv-00072-JRG, Dkt. No. 237 (E.D. Tex. Mar. 1, 2024)
2011	Order on Pretrial Motions and Motions <i>in Limine</i> , <i>Ollnova Technologies Limited v. ecobee Technologies ULC</i> , No. 2:22-cv-00072-JRG, Dkt. No. 213 (E.D. Tex. Aug. 23, 2023)

I. INTRODUCTION

Patent Owner Ollnova Technologies Ltd. (“Patent Owner”) submits this Sur-reply to Petitioner ecobee Technologies ULC’s (“Petitioner”) Reply (Paper 9) as authorized by the Board’s e-mail of March 8, 2024 (Ex. 2009). Petitioner’s Reply is notable for what it does not do – explain why Petitioner abandoned its invalidity arguments in the district court trial after trial had commenced. Instead, Petitioner argues, contrary to the law, (1) that an award of attorney fees for litigation misconduct is not a sanction, (2) that Patent Owner’s *Fintiv* argument is illogical (Reply at 2-4), even though “a parallel proceeding in an advanced state implicates considerations of efficiency and fairness, which can serve as an independent reason to apply discretion to deny institution ...”, *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 11 (PTAB May 13, 2020), and (3) that *General Plastic* is inapplicable (Reply at 4-5), even though the Board’s “application of the *General Plastic* factors is not limited solely to instances when multiple petitions are filed by the same petitioner” *Valve Corp. v. Electronic Scripting Products, Inc.*, IPR2019-00062, -00063, -00084, Paper 11 at 2 (PTAB April 2, 2019) (precedential, designated May 7, 2019) (“*Valve*”). Petitioner’s arguments fail on all counts and the Board should exercise its discretion under both *Fintiv* and *General Plastic* factors and deny Petitioner’s Motion.

II. PETITIONER DOES NOT EXPLAIN WHY IT ABANDONED ITS INVALIDITY ARGUMENTS IN THE DISTRICT COURT.

Even after being informed that “[t]he Board will find it useful for Petitioner to explain why it abandoned its invalidity arguments in the district court litigation between the parties after the trial had already commenced ...”, Ex. 2009, Petitioner did not provide a colorable explanation. In the District Court, each side was allocated the 12 hours (exclusive of jury selection, opening statements and closing arguments) **both sides** “requested of the court.” Ex., 1050 at 5:21-24. Petitioner knew what issues were to be tried and was allotted the amount of time it requested. Nothing precluded Petitioner from timely withdrawing its invalidity defenses, but that is not what happened. When Petitioner dropped invalidity defenses mid trial, Patent Owner sought imposition of a sanction because of the harm and unfair prejudice caused by Petitioner’s violation of the Court’s order. Ex. 2002 at 3:16-19; 4:13-16. The Court agreed that “doing it mid trial, with the jury in the box ... does create an unfair surprise” *Id.*, 6:4-8. The Court then levied an appropriate sanction of attorney fees and a reduction in Petitioner’s trial time. *Id.*, 6:10-17. “One permissible sanction is an ‘assessment of attorney’s fees’—an order, like the one issued here, instructing a party that has acted in bad faith to reimburse legal fees and costs incurred by the other side.” *Goodyear Tire & Rubber Co. v. Haeger*, 581 U.S. 101, 107, 137 S. Ct. 1178, 1186 (2017).

“Parallel district court and AIA proceedings involving the same parties and invalidity challenges can increase, rather than limit, litigation costs, [and] the agency has recognized the potential for inefficiency and gamesmanship in AIA proceedings, given the existence of parallel proceedings between the Office and district courts.”

Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation (“*Interim Memo*”) (June 21, 2022) at 1. Petitioner’s decision to essentially forum shop its invalidity defenses implicate issues of efficiency and fairness that can serve as an independent reason to apply discretion to deny institution and should in this instance.

III. THE *FINTIV* FACTORS APPLY TO THIS CASE AND WEIGH AGAINST INSTITUTION

Petitioner’s untimely assertion of a *Sotera* stipulation after the Final Judgment, Ex. 2010, should not and does not address the issues of efficiency and fairness. Notwithstanding Petitioner’s untimely and sanctionable mid trial withdrawal of its invalidity contentions, Petitioner **did** pursue in the parallel district court proceedings grounds that were or could have been reasonably raised in the petition. *See, e.g.*, Ex. 2011, Order on Pretrial Motions and Motions *in Limine*, at 3 (denying Ollnova’s Motion for Partial Summary Judgment of No Invalidity of U.S. Patent No. 7,746,887). Accordingly, Petitioner’s stipulation is too late to mitigate

concerns of “duplicative efforts between the district court and the PTAB.” *Interim Memo*, 7.

The *Fintiv* “factors relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 6 (PTAB Mar. 20, 2020) (precedential, designated May 5, 2020). In evaluating the factors, “the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.*

Moreover, the *Fintiv* factors are applicable to an “understudy” joinder request, under “a holistic view of whether efficiency and integrity of the system are best served” by rejecting it. *See LG Elecs., Inc. v. Ancora Techs., Inc.*, IPR2021-00581, Paper 16 at 7 (June 10, 2021) (applying *Fintiv* and denying an “understudy” joinder request).

IV. THE *GENERAL PLASTIC* FACTORS AND § 314(a) ARE APPLICABLE AND INSTITUTION SHOULD BE DENIED.

The Board has previously determined that the Board’s “application of the *General Plastic* factors is not limited solely to instances when multiple petitions are filed by the same petitioner” *Valve*, Paper 11 at 2 (PTAB April 2, 2019) (precedential). Although Patent Owner is not aware of a close relationship between Petitioner and Copeland Comfort Control LP (“Copeland”), there is a relationship

with respect to Patent Owner’s assertion of U.S. Patent No. 7,746,887. There is a complete overlap in the challenged claims, an overlap in the infringed claims, and similarity in the accused products.

Furthermore, Petitioner’s bald assertion that *General Plastic* is simply not applicable in joinder cases, Reply at 5, overstates the holding of *Code 200, UAB et al. v. Bright Data Ltd.*, IPR2022-00861 (PTAB Aug. 23, 2022). As discussed in Patent Owner’s Opposition to Petitioner’s Motion for Joinder, Paper No. 7 at 12-15, *General Plastic* factors 2, 4, and 6 weigh against joinder and, in this case, there are other concerns under factor 2 which are unrelated to the “road-mapping” concerns under factor 3. And the Board has determined that *General Plastic* is applicable in joinder cases. See *Valve Corp. v. Electronic Scripting Products, Inc.*, IPR2019-00064, -00065, -00085, Paper 10 (PTAB May 1, 2019) (precedential, designated August 2, 2019).

Moreover, the challenged claims are in the process of being evaluated on the merits by the Board without Petitioner’s joinder, eliminating any purported benefits to the patent system that may have been asserted in *Code200*, even without taking into consideration the extenuating circumstances regarding fairness to the Patent Owner in view of the parallel litigation. All of the *Fintiv* factors strongly favor discretionary denial, as do the *General Plastic* factors, and thus institution and joinder should be denied.

Date: March 22, 2024

Respectfully submitted,

/Brett Cooper/

Brett Cooper, Reg. No. 55,085
Lead counsel for Patent Owner

CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e))

The undersigned hereby certifies that the above document was served on March 22, 2024, by filing this document through the Patent Trial and Appeal Case Tracking System as well as delivering a copy via electronic mail upon the following attorneys of record for the Petitioner:

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