UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CAMBRIDGE MOBILE TELEMATICS, INC.
Petitioner

v.

SFARA, INC.
Patent Owner

IPR2024-00952

U.S. Patent No. 8,989,952

Issue Date: March 24, 2015

Title: SYSTEM AND METHOD FOR DETECTING VEHICLE CRASH

PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE

Petitioner submits this Reply to Patent Owner's Preliminary Response to address Patent Owner's arguments that the petition should be denied in light of the parallel district court litigation. Petitioner submits this Reply pursuant to the Board's authorization granted on October 10, 2024.

Patent Owner's Preliminary Response includes several inaccuracies regarding the status of the parties' district court litigation. Patent Owner cannot dispute that the court has not set a trial date, and there is no indication from the court as to when a trial will be scheduled. Patent Owner's statement that trial may be held in 2025 is pure speculation. If this case were on a typical schedule, the time-to-trial statistics indicate that trial would likely be scheduled in February 2027, after the expected deadline for a Final Written Decision. *See* Ex. 1011. The circumstances in this case do not suggest that it will move at a more accelerated pace. To the contrary, this case has many more procedural hurdles to bypass before trial can be scheduled.

As a preliminary matter, while the Court has recently scheduled a Markman Hearing for November and fact discovery is generally closed, open issues remain. The parties have been ordered to meet and confer regarding the production of additional financial information and contracts and the Court has ordered a limited-scope Rule 30(b)(6) deposition on these issues. The timing of the production of these documents is not yet known as it may involve third party confidentiality issues, and the deposition has not been scheduled.

Further, the Petitioner sought leave to move to dismiss certain claims in the Patent Owner's original complaint on July 28, 2023 and the court issued an order dismissing those claims on August 20, 2024, more than a year later. *See* Exs. 1029, 1030. Patent Owner filed an amended complaint on September 19, 2024, and Petitioner again requested leave to file a motion to dismiss the amended complaint on October 3. Patent Owner filed a responsive letter on October 10. As of this filing, the Court has not scheduled a conference or provided guidance regarding the motion to dismiss. Unless the parties are able to resolve the issues underlying the motion to dismiss, which is not likely, Petitioner will file a Motion to Dismiss. The briefing and resolution of Petitioners Motion to Dismiss will have a material impact on the timing of any trial.

In addition, the parties must still complete expert discovery, which is likely to be impacted by both the Markman Order and the order on the Motion to Dismiss. If Petitioner's Motion to Dismiss the amended complaint proceeds at the same pace as the initial Motion to Dismiss, the parties may not move forward with expert discovery as scheduled or will need to submit supplemental expert reports. Following expert discovery, the parties will still need to file dispositive motions and Daubert motions, for which there is currently no schedule. Therefore, *Fintiv* factor 2 weighs against discretionary denial.

Patent Owner's representations regarding the parties' investment in the parallel proceeding are also misleading. For example, Patent Owner lists the amount of discovery that the parties have conducted, but fails to acknowledge that there are numerous issues in the litigation unrelated to the challenged patent. The majority of the cited volume of discovery was related to Patent Owner's assertion of patent infringement against Petitioner and related defenses, and Patent Owner's claims of breach of contract. In fact, most third-party depositions related either solely or largely to the breach of contract claims in the litigation. The discovery related to the '952 patent is only a fraction of the efforts that the parties have invested in the litigation. While the parties and the court will continue with construing the claims of the '952 patent, the bulk of the work for the litigation remains to be done. Factor 3, therefore, also favors institution.

Patent Owner also fails to substantively engage with Petitioner's compelling arguments that the challenged claims are invalid. Per the Director's Interim Procedures, cited by Patent Owner, the other *Fintiv* factors are outweighed where the merits of the obviousness grounds are particularly strong. See Director's Interim Procedures at 5 n.6. As discussed in the Petition, if the claims are construed in the manner that Patent Owner has alleged in its assertions of infringement, the claims are obvious in light of the prior art. Patent Owner does not identify any deficiency in the prior art grounds. Patent Owner instead attempts to preserve the validity of

its patent by asking the Board to ignore the plain and ordinary claim constructions that Patent Owner itself advanced in the litigation in its allegations of infringement. The Board should reject Patent Owner's attempts at gamesmanship and consider the compelling merits of the petition. Due to the compelling nature of the arguments, Factor 6 also favors institution.

While the facts surrounding this petition do not support denial under *Fintiv*, Petitioner will nonetheless agree to enter into a Sotera stipulation. Petitioner stipulates that, if this proceeding is instituted, it will not raise arguments in the District Court that were raised or could have been raised in this IPR proceeding. Thus, the issues in this proceeding will not overlap with those in the district court, and a denial based on *Fintiv* is improper. *Apple Inc. v. Resonant Sys., Inc.*, IPR2024-00806, Paper 11, at 8 (PTAB Oct. 15, 2024) (declining to deny institution where "Petitioner submitted a *Sotera* stipulation.").

Date: October 23, 2024

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing Petitioner's Reply to Patent Owner's Preliminary Response was served on October 23, 2024, by electronic mail to:

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