

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ETN CAPITAL, LLC, d/b/a BEECH LANE,

Petitioner

v.

FBA OPERATING CO.,

Patent Owner

Case No. IPR2024-01445

Patent No. 10,890,925

PATENT OWNER'S SUR-REPLY

Mail Stop PATENT BOARD
Patent Trial and Appeal Board
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, Virginia 22313-1450

I. INTRODUCTION

Patent Owner FBA Operating Co. (“Patent Owner”) submits this Sur-Reply in response to Petitioner’s Reply to Patent Owner’s Preliminary Response (“Petitioner’s Reply”). Patent Owner received consent from Petitioner ETN Capital, LLC, d/b/a Beech Lane (“Petitioner”) to file this sur-reply and the Board authorized Petitioner to file this sur-reply via email sent to all counsel on January 24, 2025. As detailed below, Petitioner’s arguments in its Reply fail to rebut the arguments set forth in Patent Owner’s Preliminary Response (“POPR”) on the discretionary grounds for denial under 35 U.S.C. §§ 314 and 325(d), and Petitioner’s other arguments with respect to the prior art are all seriously flawed. For these reasons, the Board should deny institution of IPR2024-01445 (“IPR”).

II. THE BOARD SHOULD EXERCISE ITS DISCRETION TO DENY INSTITUTION

A. The Pending Litigation Justifies Discretionary Denial Under 35 U.S.C. § 314 and the *Fintiv* Factors

Preliminarily, Petitioner fails to discuss each of the *Fintiv* factors and instead only makes one substantive argument—that the District Court entered an order dismissing Patent Owner’s complaint. Reply at 1. But the dismissal of the complaint does not eliminate the relevance of the many *Fintiv* factors. The *Fintiv* factors include:

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 6 (PTAB Mar. 20, 2020) (“Fintiv”) (precedential). Patent Owner submits that Petitioner failed to raise any arguments relevant to factors 1-5, and therefore all five of these factors should be considered to be conceded by Petitioner.

In response to Petitioner's sole argument under the *Fintiv* factors, Patent Owner first notes that the district court case involved significant judicial consideration of *infringement* arguments prior to dismissal, and this substantial investment weighs against instituting duplicative proceedings. Petitioner contends that “[t]he case before the District Court never proceeded beyond the pleading stage” and that “[a]ll arguments made to the District Court were directed to the issue of infringement.” Reply at 1. However, issues such as claim construction—seriously impacting if not deciding patent validity—could still be addressed on appeal or in subsequent litigation once the appeal is decided. Instituting an IPR at this stage would be an unnecessary use of the Board's valuable resources. Further, Petitioner asserts that “the Board's ruling on invalidity would simplify the litigation even if

Patent Owner prevails in the appeal,” Reply at 1, but this assumption ignores the possibility that the appeal could be decided and the district court case be resumed before a decision on the IPR—resulting in potential conflicting opinions. If Patent Owner prevails in its appeal, the district court litigation would resume, and the Board’s findings on invalidity could contradict future district court determinations, making the IPR unnecessary, duplicative, and inefficient. The risk of conflicting decisions is perhaps even more likely given the change in the current timeline of the litigation. For these reasons, the Board should exercise its discretion under § 314 to deny institution of the IPR.

B. Discretionary Denial Under § 325(d) Is Appropriate

Petitioner argues that “[a]ll of the asserted grounds raise new issues not previously considered by the Patent Office.” Reply at 2. The arguments in this section are conclusory and fail to address the specific arguments raised in the POPR.

As set forth in detail in pages 11-17 of the POPR, Thorpe was previously considered by the Examiner, and Petitioner’s reliance on Thorpe as a primary reference is duplicative of the Examiner’s previous analysis. In addition, Patent Owner has shown how the combinations in the IPR mirror the combinations during prosecution. The Board has consistently exercised discretion under § 325(d) where a petition relies on substantially the same prior art and it should not hesitate to do so here.

While Petitioner fails to address any of the arguments from this section, notably, Petitioner says nothing of the fact that the combination of Thorpe and Zhong, relied on by the Examiner during prosecution of U.S. Patent No. 10,890,925 (“the ’925 Patent”), mirrors the combination of Thorpe and Clark. The proposed combination fails to introduce any material differences from the prior art combination relied on during examination. Despite this fatal flaw to the IPR, the Reply on pages 2-3 fails to present a single substantive argument to rebut this point and instead only makes conclusory statements unpersuasively claiming that the combinations in the IPR are somehow different.

III. THE PRIOR ART REFERENCES FAIL TO ESTABLISH THAT ANY OF THE CLAIMS ARE OBVIOUS

A. Clark is Not Analogous Art

Petitioner incorrectly asserts that “Clark is in the same field of endeavor as the ’925 Patent because it relates to vehicle positioning and leveling.” Reply at 2. However, Clark is primarily directed to *aircraft* technology, and its mention of other vehicles does not make it relevant to the field of *RV* leveling.

Petitioner rests its entire argument on a single sentence in Clark where the disclosure indicates potential use with various vehicles. Reply at 4. However, Clark is directed toward ensuring that an aircraft is level for repair and maintenance operations. The problem Clark seeks to solve—ensuring safe aircraft maintenance—is unrelated to the problem addressed by the ’925 Patent—improving the leveling

process for RV owners so they can have a more comfortable experience camping in the RV including proper door swings, well-functioning plumbing, etc. Ex. 1001 at 18. The differences in purpose, environment, and use-case scenario render Clark not analogous art. One of ordinary skill in the art would not have looked to Clark and so this combination cannot render the '925 Patent claims obvious.

B. VARIOUS ARGUMENTS ARE UNREBUTTED

In its Reply, Petitioner does not argue against Patent Owner's contention that Thorpe teaches away from the proposed modifications, POPR 17-20, and TealLevel teaches away from the proposed combinations, POPR 25-29. These arguments, set forth in detail in the POPR, should be considered conceded by the Board.

IV. PETITIONER DOES NOT ADEQUATELY ADDRESS ITS FAILURE TO SET FORTH THE LEVEL OF ORDINARY SKILL IN THE ART IN ITS PETITION

Petitioner's arguments at the end of its Reply confirm Patent Owner's contentions in the POPR—Petitioner did not set forth the level of ordinary skill in the art in its petition. Petitioner admits that it “at least implicitly incorporates the definition” that appeared in its expert's declaration, but was not actually cited to do to it being “inadvertently omitted.” This supports all of the arguments and justifies the accordant relief sought on pages 2-3 of the POPR.

V. CONCLUSION

For the reasons outlined above, the Board should deny institution of this IPR.

Dated: February 7, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§ 42.6(e)(4) and 42.105(b), the undersigned hereby certifies that a true copy of the foregoing Patent Owner's Sur-reply was served via electronic mail upon the Petitioner's attorneys of record:

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Dated: February 7, 2025

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