

Paper No. \_\_\_\_\_

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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VOLUSION, INC.  
Petitioner

v.

VERSATA DEVELOPMENT  
GROUP, INC.  
Patent Owner

AND

VERSATA SOFTWARE, INC.  
Real Party-In-Interest

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Case CBM2013-00017  
Patent 6,834,282

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PATENT OWNER'S MOTION TO EXCLUDE

**I. Identification of Objections; Compliance with Office Trial Practice Guide**

Objections to evidence were timely served on Petitioner on March 26, 2014, within 5 business days of service of the evidence. 37 C.F.R. § 42.64(b)(2). The objections are filed as Exhibit 2011. Per the Office Patent Trial Practice Guide, each section of the instant motion: (1) identifies where in the record the objection originally was made; (2) identifies where in the record the evidence sought to be excluded was relied upon by Petitioner; (3) addresses objections to exhibits in numerical order; and (4) explains each objection. Office Patent Trial Practice Guide (“OPTPG”) 77 Fed. Reg. 48756, 48767 (Aug. 14, 2012).

**II. Exhibit 1017 Should Be Excluded For Petitioner's Failure To Comply With 37 C.F.R. § 42.223<sup>1</sup>**

Rule 42.223 permits a petitioner to submit supplemental information and evidence after trial has been instituted, upon a proper request for authorization to file a motion to submit supplemental information. 37 C.F.R. § 42.223, *see also* 35 U.S.C. § 326(a)(3). Supplemental information, as defined by the Office's comments on substantive rulemaking, includes “evidence relevant to a claim for which the trial has been instituted.” OPTPG, 77 Fed. Reg. at 48708 (Response to Comment 93).

Undoubtedly, Exhibit 1017 is “evidence relevant to a claim for which the trial has been instituted,” as Dr. Greenspun discusses his opinion as to the patentability of claims 11-20 of the '282 Patent, all of which were challenged, and all of which were instituted for trial. However, as

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<sup>1</sup> Patent Owner objected to Exhibit 1017 on the basis of its failure to comply with § 42.223 in Exh. 2011 at 2. Exhibit 1017 was relied upon by Petitioner throughout “Petitioner Volusion, Inc.'s Reply to Patent Owner's Response”, Paper No. 30, filed March 19, 2014.

Exhibit 1017 was not submitted with the Petition, it is by definition “supplemental information.”

Petitioners are encouraged to “set forth their best grounds of unpatentability and supporting evidence in their petitions” and if they have not done so, they must file a request for supplemental information. OPTPG, 77 Fed. Reg. at 48708, Response to Comment 92. According to Rule 42.223(a), a request for authorization to file a motion to submit supplemental information must be made within *one month* of the institution of trial. But Petitioner made no request for authorization to file a motion to submit supplemental information within the one-month period or, indeed, at any point in the trial. After one month, Petitioner was still able to submit supplemental information; however, under Rule 42.223(b), such late submission must be by motion authorized by the Board and such motion “must explain why the information reasonably could not have been obtained earlier,” and consideration of such supplemental information must be “in the interests-of-justice.” OPTPG, 77 Fed. Reg. at 48708, Response to Comment 92; *see also* 37 C.F.R. § 42.223. Petitioner has neither made the required request for authorization, nor filed a grantable motion, nor offered the required explanation or showing.

Exhibit 1017 is therefore **late** supplemental information, filed **without** any proper request to submit such information, in **clear violation** of 37 C.F.R. § 42.223. The Office’s stated purpose of § 42.223, and in particular, of the one month after institution time limit, is to provide the patent owner “sufficient time to address any new information submitted by the petitioner.” OPTPG, 77 Fed. Reg. at 48708, Response to Comment 91. If Petitioner had properly included Exhibit 1017 at the time of the Petition, or included it as timely-submitted supplemental information, Patent Owner

would have its full 80 page Response and accompanying evidence to rebut Petitioner's positions.

But because Petitioner (perhaps deliberately) failed to follow the Office's rules, Patent Owner has had no time or opportunity to substantively address the **only** declaration evidence presented by Petitioner in support of its case, namely the new information contained in Dr. Greenspun's declaration that accompanied Petitioner's Reply. Specifically, Patent Owner is not afforded **any** substantive response, and cannot submit **any** supporting evidence, after Petitioner's Reply.

Enforcement of § 42.223 by excluding Exhibit 1017 is therefore entirely consistent with the Office's rulemaking and the very purpose of the statute and implementing regulation. Failure to enforce § 42.223 is highly prejudicial to Patent Owner, implicates substantive and procedural due process rights, and flies in the face of the statute<sup>2</sup>, the very regulations<sup>3</sup> established by the then Director in furtherance of his statutory obligation, and the then Director's responses to comments<sup>4</sup>

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<sup>2</sup> 35 U.S.C. § 326(a)(3) ("The Director shall prescribe regulations— ... establishing procedures for the submission of supplemental information after the petition is filed.")

<sup>3</sup> 42 C.F.R.. § 42.223(b).

<sup>4</sup> 77 Fed. Reg. 48707-08 (Comments 91, 92 and 93); *see specifically*,

*Comment 91*: ... According to the comments, the petition should disclose the entirety of the petitioner's case, and the comments also expressed concerns that the petitioner may intentionally hold back some evidence which would be unfair to the patent owner. ...

*Response*: Since the request must be made within one month of the date the trial is instituted, the patent owner will have sufficient time to address any new information submitted by the petitioner, except in the situation where the party satisfies the

of the practicing bar (published in the Federal Register) on adoption of those regulations as Final Rules. Moreover, by filing its supplemental declaratory evidence outside the established procedural safeguards of § 42.223, Petitioner subverts the motion process by which Patent Owner is afforded an opportunity to oppose the late submission of supplemental information. Thus, it is Petitioner's failure that has necessitated the present motion by Patent Owner on the eve of oral hearing.

Further, enforcing § 42.223 by excluding Exhibit 1017 would not prejudice Petitioner. The Office Patent Trial Practice Guide is clear that "the petition must...be accompanied by the evidence the petitioner seeks to rely on." OPTPG, 77 Fed. Reg. at 48756; *see also* at 48762 ("proceedings begin with the filing of a petition...and supporting evidence..."; at 48763 ("petition lays out the petitioner's grounds for review and supporting evidence..."). Petitioner is on record as stating it "didn't rely on expert testimony at the outset of this case frankly because it didn't need to." Exh. 2010 at 16:20-25. It is therefore logical to conclude that the documents submitted with the Petition constitute the "best...supporting evidence" available to Petitioner, and thus, if Exhibit 1017 is excluded, Petitioner will suffer no prejudice, as its best supporting evidence submitted with

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requirement of §...42.223(b). The Office understands the concerns related to late submissions of supplemental information. Therefore, the Office has modified the proposed provisions set forth in §...42.223(b) to provide that any request not made within one month must show why the information reasonably could not have been obtained earlier, and that consideration for the supplemental information would be in the interests-of-justice.

77 Fed. Reg. 48707 (emphasis added).

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