

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

SYNOPSYS, INC.  
Petitioner

v.

Patent of MENTOR GRAPHICS CORPORATION  
Patent Owner

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Case IPR2012-00042 (SCM)  
Patent 6,240,376 B1

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Mail Stop *Patent Board, PTAB*  
United State Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450

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**PETITIONER'S REPLY IN SUPPORT OF ITS**  
**MOTION TO EXCLUDE EVIDENCE UNDER 37**  
**C.F.R. 42.64(c)**

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Pursuant to 37 C.F.R. 42.23, Petitioner Synopsys, Inc. submits this Reply to Patent Owner's Opposition to Petitioner's Motion to Exclude Evidence under 37 C.F.R. § 42.64(c) (Paper 47).

**I. THE BOARD'S HOLDING IN *REDLINE DETECTION* THAT ASSIGNOR ESTOPPEL IS NOT A DEFENSE IN AN *INTER PARTES* REVIEW WAS A DEFINITIVE STATEMENT OF LAW AND GOVERNS THIS CASE.**

The Board has stated definitively that it “does not recognize, and thus, would not apply, assignor estoppel.” *Redline Detection*, IPR2013-00106, Paper 40 at 6 (October 1, 2013). Patent Owner casts this statement of Board law as merely an “interlocutory decision,” and argues that “the Board in IPR2013-00106 has not issued any final appealable decision on the matter.” The Board's unambiguous statement of law controls in this proceeding. Whether the *Redline* decision is appealable is irrelevant.

Patent Owner argues that “the Board has yet to make a decision with respect to assignor estoppel in the present case.” *Id.* The Board in *Redline* confronted the question of whether it “has the authority to recognize the equitable defense in *an inter partes* review.” *Redline Detection*, Paper 40 at 3 (emphasis added). The Board left no doubt that its decision applied to *inter partes* reviews generally:

The question of the Board's ability to apply the doctrine of assignor estoppel to prevent the institution of an *inter partes* review, however, is *a question of law*, not fact. Consequently, any effort spent

developing a factual record now would be wasteful, for *the Board does not recognize, and, thus, would not apply, assignor estoppel.*

*Id.* at 6 (emphasis added). Furthermore, the very paragraph in which the Board rejected assignor estoppel in *Redline* referenced this proceeding. *Redline Detection*, IPR2013-00106 (paper 31) at 4.

Patent Owner imagines a finding by the Board that assignor estoppel does not apply in this proceeding and warns that, in a hypothetical appeal by Petitioner, the reviewing court would not have access to Patent Owner's purported evidence. *Opp.* at 3. But Petitioner seeks *exclusion* of such evidence from this trial, not *expungement*. Any argument that the exhibits would vanish is baseless.

Patent Owner also contends that its evidence of assignor estoppel should be admitted because "Patent Owner disagrees with the aforementioned interlocutory decision" in *Redline*. *Id.* Patent Owner's opinion of the Board's statement of law regarding assignor estoppel is of no consequence here. The Board should exclude as irrelevant all evidence on assignor estoppel.

## **II. THE BOARD'S DETERMINATION THAT 35 U.S.C. § 315(b) REQUIRES PRIVACY IN 2006 IS THE LAW OF THE CASE.**

Patent Owner likewise argues that the Board's decision on the relevant legal standard for privacy should not bar evidence on this rejected theory because Patent Owner "disagrees with the Board's legal determination." *Id.* at 4. The Board's determination that privacy must have been present in 2006 is the law of the case.

Patent Owner also contends that “Director Rea on behalf of the USPTO argued that a §315(b) bar requires privity to have existed at the time the Petition seeking the review was filed . . .” Opp. at 4-5. For this, Patent Owner points to a memorandum filed by the USPTO in Patent Owner’s failed attempt to persuade a district court to vacate the Board’s decision to institute *inter partes* review. Patent Owner ignores the fact that the USPTO *endorsed* the Board’s finding that this *inter partes* review was not barred by § 315(b), because EVE and Synopsys were not in privity when Synopsys filed its petition for *inter partes* review. Memorandum of Law in Support of Defendant’s Motion to Dismiss, Or in the Alternative, for Summary Judgment and in Opposition to Plaintiff’s Motion for Summary Judgment, *Mentor Graphics Corp. v. Rea*, No. 1:13-cv-518 (Dkt. No. 38), at 24-25 (E.D. Va. May 24, 2013). Under USPTO’s reading of § 315(b) or the Board’s, § 315(b) provides no basis to bar this trial. Therefore, all evidence regarding a § 315(b) bar is irrelevant and should be excluded.

### **III. THE BOARD SHOULD EXCLUDE MG 2030-31 AND MG 2033**

Patent Owner argues that Petitioner waived its objections to MG 2030, MG 2031, and MG 2033 because the objections were served late. Due to an inadvertent error, Petitioner served its objections one business day (and two total days) late. While regrettable, this minimal delay—Petitioner’s first in this proceeding—did not affect any subsequent deadlines and Patent Owner suffered no

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