UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FUJITSU NETWORK COMMUNICATIONS, INC.
Petitioner

v.

CAPELLA PHOTONICS, INC.
Patent Owner

Case IPR2015-00727
Patent RE42,678

PATENT OWNER'S REQUEST FOR REHEARING OF THE BOARD'S ORDER GRANTING PETITIONER'S MOTION TO FILE SUPPLEMENTAL INFORMATION UNDER 37 C.F.R. § 42.123(b)

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The Board should reconsider its November 23, 2015 Order (Paper 17), deny Fujitsu's motion to file supplemental information (Paper 14), and expunge Dr. Drabik's declaration (Ex. 1016). *First*, the Board's decision granting Fujitsu's motion to submit supplemental information is not supported by substantial evidence. *Second*, the Board misapprehended or overlooked that substantive content was added to Dr. Ford's declaration. *Third*, the Board's continued reliance on Dr. Drabik's declaration, where cross-examination is impossible, violates the rules of discovery, the rules of evidence, and curtails due process. Capella raised each of these issues in its opposition to Fujitsu's motion (Paper 15), but the Board misapprehended or overlooked these critical considerations. They require that Fujitsu's motion to be denied and that Dr. Drabik's declaration be expunged.

A. Legal Standard

A rehearing request "must specifically identify all matters the party believes the Board misapprehended or overlooked . . . ." 37 C.F.R. § 42.71(d). The Board reviews a prior decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion occurs when a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors. *See Arnold Partnership v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004).

B. The Board's decision entering Dr. Ford's declaration is not supported because the declaration could have been submitted earlier.

The Board's decision entering Dr. Ford's declaration is not supported by substantial evidence because it fails to show: (i) that the supplemental information sought to be entered "reasonably could not have been obtained earlier"; and (ii) that "consideration of the supplemental information would be in the interest-of-justice." 37 C.F.R. § 42.123(b); *see also* Paper 15 p. 3. The record is devoid of any facts to satisfy the first part of this two-part test. Accordingly, the Board erred by entering Dr. Ford's declaration without satisfying the requirements of Rule 123(b).

Fujitsu has not shown—and the Board did not find—that Dr. Ford's declaration could not have been *obtained* earlier. Paper 15 pp. 3-4. At best, Fujitsu tried to explain why Dr. Ford's declaration was not *needed* until Dr. Drabik's declaration was called into question. *Id.* pp. 4-5. Focusing on this explanation, the Board's decision rests on the fact that "Dr. Drabik's health deteriorated quickly, culminating with his death toward the end of October." Paper 17 p. 4. But the question is not when anyone knew that Dr. Drabik was too sick to testify. Instead, Fujitsu was required to show why Dr. Ford's declaration "reasonably could not have been obtained earlier." 37 C.F.R. § 42.123(b). Fujitsu failed to, and cannot, make this showing. Accordingly, the Board's decision is not supported by substantial evidence and is contrary to the standard required by Rule 123(b).

C. New substance has been added to the Ford Declaration; any content allegedly "incorporated by reference" relates to a different reference.

The Board agreed that ¶ 166 of Dr. Drabik's and Dr. Ford's declarations are not identical because Dr. Ford's declaration contains new testimony regarding the alleged motivation to combine the Bouevitch and Sparks references. Paper 15 pp. 1-3; *id.* pp. 2-3 n.1; Paper 17 p. 4 ("[W]e are cognizant that there is some variation between those paragraphs."). The Board abused its discretion by concluding that these differences were not substantive. Paper 17 p. 4.

The Board misapprehended or overlooked that Dr. Ford's declaration includes material that appeared nowhere in Dr. Drabik's original declaration. *Compare* Ex. 1037 ¶ 166 (referring to Ex. 1006 which is Sparks) *with* Ex. 1016 ¶ 166 (referring to Ex. 1005 which is Carr). *See also* Paper 15 pp. 2-3, n.1. The Board suggests that Dr. Drabik's original declaration permissibly incorporated by reference "rationales to combine presented previously for a combination of Bouevitch and Carr and applied in connection with Sparks and Bouevitch." Paper 17 p. 4. But nowhere does Dr. Drabik's declaration "appl[y]" any rationale for the Bouevitch-Carr combination to the Bouevitch-Sparks combination. The new material added in Dr. Ford's declaration tries to do so for the first time. Allowing Fujitsu to "incorporate by reference" a rationale into Dr. Ford's declaration which never appeared in Dr. Drabik's declaration is an abuse of discretion.

This new rationale is highly prejudicial to Capella. During the October 29th conference call, Capella explained that Petitioner could take advantage of the opportunity to submit a new declaration by modifying the original testimony. Ex. 2010, 17:20-18:4 and 24:20-25:5. Despite saying that its new declaration and previously submitted declaration would be "substantively identical," Paper 14 p. 4; Ex. 2010, 21:24-23:10, Fujitsu has, in fact, modified the substance of the testimony in a way that can only be interpreted as an attempt to bolster its motivation to combine Bouevitch and Sparks. Fujitsu's attempt to supplement its petition in this way violates the statute governing these proceedings (35 U.S.C. § 312(a)(3)(B)) and the Office's regulations (37 C.F.R. § 42.104(b)(5)). *See* Paper 15 p. 3.

The Board overlooked or misapprehended that Fujitsu added substantive content to Dr. Ford's declaration. By making these changes, Fujitsu went beyond "seeking to have a supplemental Declaration entered into the record, in lieu of that of Dr. Drabik, so as to give opportunity to Capella to provide appropriate cross-examination." Paper 17 p. 4. Instead, the new material is an improper attempt to remedy a deficiency in Dr. Drabik's original declaration and the Board should have denied Fujitsu's attempt to capitalize on these unfortunate circumstances. By not doing so, the Board has effectively allowed Fujitsu to supplement its petition with the benefit of Capella's preliminary response and the Board's institution decision. This was an abuse of discretion and the Board should reconsider its decision.

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