

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

REACTIVE SURFACES LTD., LLP,
Petitioner,

v.

TOYOTA MOTOR CORPORATION,
Patent Owner.

Case IPR2017-00572
Patent 8,252,571 B2

Before CHRISTOPHER M. KAISER, JEFFREY W. ABRAHAM, and
MICHELLE N. ANKENBRAND, *Administrative Patent Judges*.

KAISER, *Administrative Patent Judge*.

ORDER
Conduct of the Proceeding
37 C.F.R. § 42.5

On February 14, 2017, counsel for Patent Owner contacted the Board
to request authorization to file a motion to dismiss the Petition based on

NeoChord v. Univ of Maryland
IPR2016-00208
NeoChord Exhibit 1019

sovereign immunity.¹ The Board held a conference call on February 17, 2017, between Judges Kaiser, Abraham, and Ankenbrand and counsel for Petitioner and Patent Owner, to discuss Patent Owner's request.

Patent Owner argued that the Regents of the University of Minnesota are an arm of the government of the State of Minnesota and that they are an indispensable party to this proceeding, making proceeding against the other patent owners impossible. Accordingly, Patent Owner argued that, based on the panel's decision in *Covidien LP v. University of Florida Research Foundation Inc.*, Case No. IPR2016-01274 (PTAB Jan. 25, 2017) (Paper 21) (granting motion to dismiss), Patent Owner here is entitled to dismissal on the ground of sovereign immunity. Patent Owner also argued that its request for a motion to dismiss was timely, coming before the deadline for a decision on institution and less than three weeks after the *Covidien* decision. Patent Owner further requested that the Board extend the due date for Patent Owner to file its preliminary response.

Petitioner argued that *Covidien* is not applicable because, although the Regents of the University of Minnesota may have a sovereign-immunity argument, the remaining patent owners do not, and the Board's rules have no rule analogous to Rule 19 of the Federal Rules of Civil Procedure, defining what may and may not be done in the absence of indispensable parties. Petitioner also argued that the failure of the Regents of the University of

¹ Although the Petition names only Toyota Motor Corporation as a Patent Owner, the challenged patent is also assigned to, *inter alia*, the Regents of the University of Minnesota. Ex. 1001, at [73].

Minnesota to file mandatory notices in this proceeding demonstrates that they are not an indispensable party.

Given the unique facts presented by this proceeding, we determine that it is in the interests of justice to receive briefing on the sovereign-immunity question. Accordingly, we authorize Patent Owner to file a motion to dismiss. The motion, not to exceed 20 pages, shall be filed no later than March 3, 2017. Evidence relevant to the sovereign-immunity issue may be filed as exhibits accompanying the motion to dismiss. Should Patent Owner choose to file evidence in the form of declarations, and should Petitioner wish to cross-examine the declarants, the parties are instructed to agree on a time and location for the depositions, to take place early enough to permit Petitioner to file an opposition to the motion. If the parties cannot resolve any dispute about the depositions of Patent Owner's declarants, they should contact the Board to schedule a conference call to resolve the dispute.

Petitioner shall file any opposition to Patent Owner's motion to dismiss no later than March 17, 2017. Petitioner's opposition shall not exceed 20 pages.

If Petitioner files an opposition, and if that opposition includes arguments regarding waiver of sovereign immunity, Patent Owner is authorized to file a reply addressing only the waiver issue no later than March 24, 2017. The reply shall not exceed 5 pages.

In order to permit the parties time to brief this issue and the Board time to resolve it, Patent Owner's request to extend the due date for its

preliminary response is granted, and the due date is extended until May 17, 2017.

It is, therefore,

ORDERED that Patent Owner is authorized to file, no later than March 3, 2017, a motion to dismiss based on sovereign immunity, limited to 20 pages;

FURTHER ORDERED that, if Patent Owner files a motion to dismiss based on sovereign immunity, Petitioner is authorized to file, no later than March 17, 2017, an opposition to Patent Owner's motion to dismiss, limited to 20 pages;

FURTHER ORDERED that, if Petitioner files an opposition to Patent Owner's motion to dismiss, and if Petitioner's opposition addresses waiver of sovereign immunity by the Regents of the University of Minnesota, Patent Owner is authorized to file, no later than March 24, 2017, a reply addressing only the waiver issue, limited to 5 pages;

FURTHER ORDERED that the deadline for Patent Owner to file its preliminary response is extended to May 17, 2017; and

FURTHER ORDERED that no other filings are authorized at this time.

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