IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MYLAN PHARMACEUTICALS INC.
Petitioner,

v.

RESEARCH CORPORATION TECHNOLOGIES, INC.,
Patent Owner.

Case No. IPR2016-01101
Patent No. RE 38,551

PATENT OWNER ABBREVIATED PRELIMINARY RESPONSE AND OPPOSITION TO PETITIONER'S MOTION FOR JOINDER

Patent Owner Research Corporation Technologies, Inc. ("Patent Owner") provides the following abbreviated preliminary response to the petition filed by Mylan Pharmaceuticals Inc. ("Petitioner" or "Mylan") on May 25, 2016, and opposition to Mylan's accompanying motion requesting joinder to Grounds 3A and 3B of IPR2016-00204 ("the Argentum proceeding").

The Federal Circuit's decision in *Magnum Oil*—issued after the decision to institute the Argentum proceeding—coupled with the also recent Federal Circuit *Intelligent Bio-Systems* decision, make clear that a petitioner must present its evidence in its petition, and that the failures of a petition cannot be cured through a reply paper. Here, Mylan's Petition is a "practical copy" of the Argentum petition, and in any event, Mylan, if joined, would be limited to the evidence and arguments presented in the Argentum petition. *See* Sections I and IV, *infra*. This evidence fails to show the unpatentability of any claim of the '551 patent. Because such deficiencies cannot be cured, the Board should deny Mylan's Petition and accompanying Motion for Joinder. *See* 35 U.S.C. § 315(c).

I. The Petition Should Be Denied as to Grounds 1A, 1B, 2A, 2B, 4A, and 4B

Patent Owner hereby incorporates by reference[1] its Patent Owner Preliminary Response in IPR2016-00204, which addressed the failure of the petition in that proceeding to establish a reasonable likelihood that any claim of the '551 patent is unpatentable, under any of the enumerated Grounds. *See* IPR2016-00204, Paper 9. In a decision instituting *inter partes* review as to Grounds 3A and 3B, the Board found that Argentum's petition had not established a reasonable likelihood that any claim of the '551 patent was unpatentable under Grounds 1A, 1B, 2A, 2B, 4A or 4B. *See* IPR2016-00204, Paper 19 at 22–23. Mylan's Petition is a "practical copy" of Argentum's petition in IPR2016-00204 (*see* Pet. (Paper 2) at 1), which the Board has already found deficient as to Grounds 1A, 1B, 2A, 2B, 4A

[1] As explained in the Board's August 11, 2016 Order (Paper 7), the Board has authorized Patent Owner to incorporate by reference arguments and information in its Patent Owner Preliminary Response and in the Board's Decision on Institution from the Argentum proceeding (*i.e.*, Papers 9 and 19 in IPR2016-00204). *See* Paper 7 at 4; Ex. 2001 at 33:9–15.

and 4B (*see* IPR2016-00204, Paper 19 at 8–12, 22–23; Paper 3 at 1).[2] For the same reasons why the Board denied Argentum's petition as to Grounds 1A, 1B, 2A, 2B, 4A and 4B, Mylan's Petition should be denied here as to those same grounds. *See* IPR2016-00204, Paper 19 at 8–12, 22–23.

II. The Petition Fails to Establish a Reasonable Likelihood that the Claims Are Unpatentable Under Grounds 3A or 3B

A. Intervening Case Law Clarifies Petitioner's Burden to Present Evidence of Unpatentability in Its Petition

Subsequent to the Board's May 23, 2016 decision to institute the Argentum proceeding, the Federal Circuit clarified that "it is inappropriate to shift the burden to the patentee after institution to prove that the patent is patentable," and that "the petitioner continues to bear the burden of proving unpatentability after institution." *In Re: Magnum Oil Tools Int'l, Ltd.*, __ F.3d __, 2016 WL 3974202, at *7 (Fed. Cir. 2016). Prior to *Magnum Oil*, it was unclear whether the burden of production may shift to the patent owner post-institution, to come forward with evidence of patentability. *See Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1379 (Fed. Cir. 2015) (noting that the burden of production may shift from the

[2] In any event, if Mylan—an otherwise time-barred party (Ex. 2001, 7:18–8:5)—is joined to the Argentum proceeding, Mylan will be limited to the evidence and arguments in the Argentum petition. *See* Section IV, *infra*.

patent challenger to the patentee, in the context of establishing conception and reduction to practice). *Magnum Oil* resolved this question, rejecting the notion "that the burden of production shifts to the patentee upon the Board's conclusion in an institution decision that 'there is a reasonable likelihood that the petitioner would prevail.'" *Magnum Oil*, 2016 WL 3974202, at *6. Thus, both the burdens of persuasion *and production* to show unpatentability remain with the petitioner and do not shift to the patent owner at any time. *See id.* at *6–*8.

This un-shifting burden of proof—a burden that remains with the petitioner throughout the proceeding—is particularly significant in light of additional recent Federal Circuit law, holding that "the expedited nature of IPRs bring[s] with it *an obligation for petitioners to make their case in their petition to institute*," which must "identify 'with particularity' *the* '*evidence* that supports the grounds for the challenge to each claim.'" *Intelligent Bio-Systems, Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1369 (Fed. Cir. 2016) (emphases added); *see also id.* at 1369–70 (concluding petitioner's reply brief and accompanying declaration were improper under 37 C.F.R. § 42.23(b) because petitioner "relied on an entirely new rationale" in its reply to explain motivation to combine). Thus, because a petitioner must both

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