

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PRIME FOCUS CREATIVE SERVICES CANADA INC.,
Petitioner,

v.

LEGEND3D, INC.,
Patent Owner.

Case IPR2016-01243
Patent 7,907,793 B1

Before LYNNE E. PETTIGREW, CARL M. DEFRANCO, and
KAMRAN JIVANI, *Administrative Patent Judges*.

JIVANI, *Administrative Patent Judge*.

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

A conference call in the above proceeding was held on July 17, 2017, among respective counsel for the parties and Judges DeFranco, Pettigrew, and Jivani. Prime Focus Creative Services Canada Inc. (“Petitioner”) was represented by Mr. Joshua Glucoft. Legend3D, Inc. (“Patent Owner”) was represented by Messrs. Daniel N. Yannuzzi and Trevor J. Quist. The purpose of the call was to discuss Patent Owner’s request for authorization to file a motion to strike Section IV of Petitioner’s Reply. Paper 43 (“Reply”), 24–31.

Background

Petitioner requested *inter partes* review of claims 1–20 (the “Challenged Claims”) of U.S. Patent No. 7,907,793 B1 (“the ’793 patent”). Paper 1 (“Petition” or “Pet.”). Petitioner’s unpatentability arguments in this case rely heavily on U.S. Patent No. 7,181,081 B2 (“the ’081 patent”) and U.S. Patent No. 7,333,670 B2 (“the ’670 patent”), both of which are parents of the ’793 patent, the instant challenged patent. Exs. 1003, 1004. For example, Petitioner relies on the ’081 and ’670 patents as teaching or suggesting every limitation of the challenged independent claims but for the claimed “depth parameter.” Pet. 19–21, 34–36, 39–43, 46–47, 49–52.

A central question in this case is whether the ’081 and ’670 patents can serve as prior art in an obviousness analysis of the Challenged Claims. Patent Owner argued in its Preliminary Response to the Petition that the ’081 and ’670 patents are not available as prior art to the ’793 patent because the ’793 patent is entitled to priority on the basis of the disclosure in the ’081 and ’670 patents themselves. Paper 12 (“Prelim. Resp.”), 15.

In our Decision on Institution (Paper 14, “Dec. on Inst.”), we determined that the ’081 and ’670 patents are available as prior art for

purposes of our Decision. Dec. on Inst. 10. We based this determination on our finding that Petitioner had established a reasonable likelihood that it will prevail in showing the Challenged Claims are not entitled to a priority date based on the '081 and '670 patents given the evidence of record at that stage of the proceeding. *Id.*

During the course of the proceeding, the parties sought leave to bring several motions, including cross-motions for sanctions. *See* Paper 21. Petitioner's proposed motion for sanctions was based on alleged misrepresentations made by Patent Owner. *Id.* at 1. We did not authorize the proposed motions. Paper 24 ("January 30th Order"). We did, however, remind Petitioner that it may raise in its Reply potential misrepresentations made in Patent Owner's Response to the Petition. *Id.* at 5.

Patent Owner subsequently filed its Response (Paper 36) and Petitioner filed its Reply (Paper 43). Section IV of Petitioner's Reply is titled "Inequitable Conduct" and addresses purported acts that Petitioner asserts rise to the level of inequitable conduct. Reply 24–31.

Analysis

During the call, Patent Owner argued that Section IV of Petitioner's Reply exceeds the scope of what was authorized in our January 30th Order and the scope of Patent Owner's Response. Patent Owner contends that it may suffer harm from Petitioner's contention being on the public docket and, moreover, that it should not be required to incur the expense of defending against an assertion of inequitable conduct. Patent Owner further contends that this latter reason causes it not to seek a sur-reply on the issue of inequitable conduct.

Petitioner argued during the call that Section IV of the Reply is within the scope of both our January 30th Order and Patent Owner's Response. More specifically, Petitioner contends that the preceding sections of its Reply detail Patent Owner's alleged misrepresentations to this Board and that Section IV gives context and color to Patent Owner's purported motivations for these alleged misrepresentations. At the conclusion of the call, we took the matter under advisement.

Upon further consideration and review of the Response and Reply, we are not persuaded that a motion to strike Section IV of the Reply would be appropriate under the circumstances. A motion to strike is not, ordinarily, a proper mechanism for raising the issue of whether a reply is beyond the proper scope permitted under the rules. In the absence of special circumstances, we typically determine whether a reply contains material exceeding the proper scope when we review all of the pertinent papers and prepare the final written decision. We may exclude portions of a reply or decline to consider any improper argument at that time.

In this case, we are not persuaded that the propriety of Section IV of the Reply should be resolved prior to the final written decision. We are mindful of Patent Owner's concern regarding the possible expense of defending against an assertion of inequitable conduct. Inequitable conduct is a matter outside the statutory scope of *inter partes* review. See 35 U.S.C. § 311(b) (limiting *inter partes* review to anticipation and obviousness challenges). Further, our procedures are intended "to secure the just, speedy, and inexpensive resolution of every proceeding." 37 C.F.R. § 42.1(b). In light of these tenets, we decline to impose on the parties the expense and

burden of formal briefing on a motion to strike, opposition, and reply regarding a matter beyond our statutory purview.

We are mindful also of Petitioner's need to bring to our attention any purported misrepresentations related to the issues of priority and claim construction. For this reason, we will permit the parties to address at oral argument the issues of priority and claim construction—including potentially inconsistent statements made regarding assertions of priority—should either party request a hearing in this case. The parties, however, shall not address the doctrine of inequitable conduct.

ORDER

It is, therefore,

ORDERED that Patent Owner is not authorized to file a motion to strike Section IV of Petitioner's Reply.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.