

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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CISCO SYSTEMS, INC.,  
Petitioner,

v.

FOCAL IP, LLC,  
Patent Owner.

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Case: IPR2016-01257<sup>1</sup>  
Patent 8,457,113 B2

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Before SALLY C. MEDLEY, JONI Y. CHANG, and  
BARBARA A. PARVIS, *Administrative Patent Judges*.

PARVIS, *Administrative Patent Judge*.

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

On October 12, 2017, a conference call was held with Judges Medley, Chang, and Parvis and counsel for the parties in attendance. The call was held to give the parties an opportunity to discuss the impact of the Federal

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<sup>1</sup> This Order addresses the same issues in the *inter partes* reviews listed in the Appendix. Therefore, we issue one Order to be filed in all of the cases. The parties, however, are not authorized to use this style of filing in subsequent papers.

IPR2016-01257  
Patent 8,457,113 B2

Circuit's en banc decision in *Aqua Prods., Inc. v. Matal*, No. 2015-1177 (Fed. Cir. Oct. 4, 2017) ("*Aqua Products*") with respect to pending Motions to Amend. As background, Patent Owner filed Motions to Amend in each of the proceedings listed in the Appendix. *See, e.g.*, IPR2016-01257, Paper 26. Each Petitioner filed an Opposition to each of Patent Owner's Motions to Amend (*see e.g.*, IPR2016-01257, Paper 30) and Patent Owner filed a Reply to each of Petitioners' Oppositions to the Motion to Amend (*see, e.g.*, IPR2016-01257, Paper 39). A hearing was held on September 19, 2017.

During the October 12, 2017 conference call, the parties were asked whether additional briefing is warranted as a result of the Federal Circuit's decision in *Aqua Products*.<sup>2</sup>

#### *The Parties' Positions*

Petitioners<sup>3</sup> contend that additional briefing is required and provide differing proposals as follows: (1) Petitioners Bright House Networks Group and Cisco request filing an opening brief similar in length and content to a petition, two or three months to prepare the opening brief, and a reply brief to any Patent Owner opposition; and (2) YMax similarly requests an opening and reply brief, but YMAX requests fewer pages (25 to 30 pages), but with claim charts and incorporation by reference of their previously filed papers,

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<sup>2</sup> A court reporter was present on the call, and it was agreed that a transcript of the call would be filed in this proceeding.

<sup>3</sup> Petitioners are as follows: (1) Bright House Networks, LLC, WideOpenWest Finance, LLC, Knology of Florida, Inc., and Birch Communications ("Bright House Networks Group") are Petitioner in IPR2016-01261, and -01262; (2) YMax Corporation ("YMax") is Petitioner in IPR2016-01258 and -01260; and (3) Cisco Systems, Inc. ("Cisco") is Petitioner in IPR2016-01257.

and less preparation time (one month). Petitioners argue that their requests are supported by a change in the law. In particular, Petitioners point to our Order re: Guidance on Motions to Amend Claims (*see e.g.*, IPR2016-01257, Paper 24), which Petitioners argue explains that at that time Patent Owner had the burden of proof to establish that it is entitled to the relief requested in the motion to amend under 37 C.F.R. § 42.20(c). Petitioners contend that the impact of *Aqua Products* is that Petitioners now have the burden of persuasion on unpatentability. Petitioners contend, therefore, an opening and a reply brief are appropriate and, Petitioners Bright House Networks Group and Cisco request authorization to submit submissions similar in content and length to the original petitions filed at the on-set of these proceedings requesting institution of review and presenting challenges to the patentability of claims and supporting evidence.

In contrast to Petitioners, Patent Owner contends no additional briefing is warranted. Patent Owner argues that Petitioner should have anticipated the outcome and already had an opportunity to include all its contentions in its original briefing. Patent Owner also argues that Petitioner should not be allowed a “do-over” that involves adding new arguments and/or art. Patent Owner additionally argues that for efficiency and especially at this late stage, Petitioner should not be allowed to retread old ground. Patent Owner further argues if we authorize additional briefing for Petitioner, Patent Owner should be authorized to file an additional brief.

### *Discussion*

In *Aqua Products*, the United States Court of Appeals for the Federal Circuit remanded the case “for the Board to issue a final decision under

§ 318(a) assessing the patentability of the proposed substitute claims without placing the burden of persuasion on the patent owner.” *Aqua Products*, 2017 WL 4399000, at \*1. Judge Reyna’s opinion in *Aqua Products* stated “a majority of the court interprets § 316(e) to be ambiguous as to the question who bears the burden of persuasion in a motion to amend claims.” *Id.* at \*40.

Part III of Judge Reyna’s opinion<sup>4</sup> noted that the “issue of what patent owner must address in its motion to amend is distinct from the issue of the ultimate burden of persuasion on the evidence.” *Id.* (citing *Veritas Techs., LLC v. Veeam Software Corp.*, 835 F.3d 1406, 1414–15 (Fed. Cir. 2016)); *see also Microsoft Corp. v. i4i Ltd. P’ship*, 564 U.S. 91, 100 n.4 (2011) (noting that the burden of persuasion specifies “which party loses if the evidence is balanced,” and that the burden of production specifies “which party must come forward with evidence at various stages in the litigation”). Part III of Judge Reyna’s opinion stated that “Part III of this opinion sets forth the judgement of this court on what the Board may and may not do with respect [to] the burden of production on remand in this case,” and “[t]here is no disagreement that the patent owner bears a burden of production in accordance 35 U.S.C. § 316(d).” *Id.* at \*40–41; *see also, e.g., id.* at \*9 (explaining that “patent owner must satisfy the Board that the statutory criteria in § 316(d)(1)(a)–(b) and § 316(d)(3) are met and that any reasonable procedural obligations imposed by the Director are satisfied”).

Here, we appreciate Petitioners’ view that they now bear the burden of persuasion regarding the unpatentability of the Patent Owner’s proposed

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<sup>4</sup> Part III of Judge Reyna was joined by Chief Judge Prost and Judges Dyk, Taranto, Chen, and Hughes.

substitute claims. That being said, Petitioners have not articulated a sufficient reason why a “do-over” with an opening brief similar in length and content to a petition (or 25 to 30 pages with claim charts and incorporation by reference of their previously filed papers) is warranted in each of these proceedings. Indeed, when Patent Owner had both the burden of persuasion and the burden of production to establish both written description support and patentability of the proposed substituted claims, Petitioners argued that the length of 25 pages was adequate for each Motion to Amend, opposing Patent Owner’s request for extending the 25-page limit. Paper 24, 3. In each proceeding, Patent Owner merely proposed one or two substitute claims. Paper 26. Moreover, Petitioners already filed a 25-page Opposition, submitting new evidence and asserting new prior art references against the proposed substitute claims. *See, e.g.*, Paper 30; Exs. 1146, 1147, 1157.

Additionally, at this late stage of the proceeding, after Petitioners have had the opportunity to see Patent Owner’s responsive arguments, as well as hear Patent Owner’s arguments during the Oral Hearing, we are persuaded by Patent Owner that allowing a “do-over” that encompasses issues that should have been addressed as part of the original briefing is unfair to Patent Owner. Patent Owner also contends Petitioners should have anticipated the decision in *Aqua Products*. Indeed, in the instant proceedings, contentions were submitted in anticipation of a shift in the law. For instance, YMax filed claim charts in each of IPR2016-01258, -01260, -01261, and -01262 to preserve arguments in the event of a change in the law and argued that these claim charts were duplicative of arguments presented in the Oppositions. *See, e.g.*, IPR2016-01257, Paper 34, 2.

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