

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 IPR2016-01462
Patent 8,324,295 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

INTRODUCTION

Reactive Surfaces Ltd., LLP (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting *inter partes* review of claims 1–27 of U.S. Patent No. 8,324,295 B2 (Ex. 1001, “the ’295 patent”). Toyota Motor Corporation (“Patent Owner”) filed a Preliminary Response (Paper 10, “Prelim. Resp.”). On February 9, 2017, we instituted trial to determine whether claims 1–9, 13–20, and 22–27 are unpatentable as obvious. Paper 14 (“Dec.”); *see* Paper 16 (correcting list of claims on which trial was instituted); Paper 23 (denying request for rehearing).

After we instituted trial, Patent Owner filed a Response to the Petition, and Petitioner filed a Reply. Paper 27 (“Resp.”); Paper 35 (“Reply”). On August 24, 2017, Patent Owner contacted the Board by email and requested permission to file a sur-reply addressing a proposed claim construction Petitioner offered for the first time in its Reply. Patent Owner also requested permission to file a motion to strike certain arguments presented in Petitioner’s Reply or, in the alternative, a sur-reply addressing those arguments on the merits.

ANALYSIS

Petitioner’s Reply proposes a construction for the claim term “emulsion.” Reply 6–7. Neither party proposed previously a construction for this term. Pet. 12–14; Prelim. Resp. 24–26; Resp. 13–16. We did not find it necessary to construe this term expressly in our Institution Decision. Dec. 5–7. Accordingly, the proposal to construe “emulsion” in the Reply is the first time the construction of this term has arisen as an issue in this proceeding. Patent Owner argues that it should be permitted to address this new proposed construction in a sur-reply. Petitioner does not oppose the

filing of a sur-reply addressing this issue. Therefore, we grant the request and authorize Patent Owner to file a sur-reply addressing Petitioner's proposed construction of the term "emulsion."

Patent Owner next argues that it should be permitted to file a motion to strike certain portions of Petitioner's Reply and of the Reply Declaration of Dr. Douglas M. Lamb or, in the alternative, that it should be permitted to file a sur-reply addressing the arguments appearing in those portions of Petitioner's Reply. In particular, Patent Owner argues that it was improper for Petitioner to address two prior-art references, Exhibits 1019 and 1021, for the first time in the Reply, necessitating either a response to the discussion of those references or striking that discussion from the record. Petitioner opposes either permitting a motion to strike or permitting a sur-reply on this issue.

The two references in question are discussed in different ways in Petitioner's Reply. Petitioner cites Exhibit 1019 as evidence that "Patent Owner's assertion that, '[s]ince the prior art neither recognized the problem nor identified a predictable solution, no amount of "routine optimization" - the only obviousness rationale suggested by either Petitioner or the Board - would have led an ordinarily skilled person to the claimed invention' lacks merit." Reply 2-3 (quoting Resp. 1). This is quite clearly the use of a piece of prior art to rebut an argument offered by Patent Owner. Although it is likely that Petitioner could have discovered Exhibit 1019 before it filed its Reply, there was no reason to make the exhibit of record until after Patent Owner argued that the inventor of the challenged patent was the first to discover the problem the patent purports to solve. *See, e.g.,* Resp. 1. Petitioner had no duty to anticipate every argument Patent Owner might

make in its Response and preemptively rebut all of those arguments in the Petition. Replies are expressly permitted to “respond to arguments raised in the corresponding . . . patent owner response.” 37 C.F.R. § 42.23(b).

Accordingly, we do not consider Petitioner’s discussion or citation of Exhibit 1019 to raise a new issue beyond the appropriate scope of its Reply. As such, we do not authorize the filing of a sur-reply addressing this issue.

Patent Owner also argues that Petitioner’s discussion of Exhibit 1021 raises a new issue beyond the proper scope of its Reply. Petitioner cites Exhibit 1021 as evidence that a person of ordinary skill in the art would have had a “reasonable expectation of success at combining the teachings of McDaniel ’853 and Fritzsche to arrive at the claimed process of Claim 13 [of the challenged patent].” Reply 23–24. Although Patent Owner argues in the Response that “Petitioner has not suggested” that a person of ordinary skill in the art would have had a “reasonable expectation of being able to formulate a stable composition,” Resp. 55, this is not an affirmative argument raised for the first time in the Response, to which Petitioner must be able to respond in a relatively unfettered manner in the Reply. Instead, it is an argument that the Petition is defective because it fails to address all the requirements of an obviousness challenge. When Patent Owner argues in its Response that something is missing in the Petition, Petitioner is entitled to rebut that argument, but Petitioner cannot, without consequence, use the Reply as a means to fill in the holes that Patent Owner points out. Here, the Petition contains no mention of “reasonable expectation of success,” or any similar phrase. Accordingly, a remedy for the introduction of a new issue in the Reply is warranted. We are not persuaded, however, that the proper remedy is to exclude this particular issue from the proceeding altogether.

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The question of whether a person of ordinary skill in the art would have had a reasonable expectation of success in combining the teachings of the prior art is central to the issue of obviousness, on which we instituted trial.

Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd., 821 F.3d 1359, 1367–68 (Fed. Cir. 2016) (showing obviousness requires showing “both ‘that a skilled artisan would have been motivated to combine the teachings of the prior art references to achieve the claimed invention, and that the skilled artisan would have had a reasonable expectation of success in doing so’”) (quoting *Kinetic Concepts, Inc. v. Smith & Nephew, Inc.*, 688 F.3d 1342, 1360 (Fed. Cir. 2012)). Accordingly, our preference is for a remedy that preserves this issue in the proceeding, while giving Patent Owner an opportunity to respond, rather than a remedy that removes this issue from the trial altogether. Therefore, we authorize Patent Owner to file a sur-reply addressing Petitioner’s discussion of Exhibit 1021 and the reasonable expectation of success at pages 23 and 24 of the Reply.

CONCLUSION

We authorize Patent Owner to file a sur-reply addressing two issues: the construction of “emulsion” proposed by Petitioner and Petitioner’s discussion of Exhibit 1021 and the reasonable expectation of success at pages 23 and 24 of the Reply. Patent Owner’s sur-reply shall be filed no later than two weeks after the entry of this Order, and it shall be limited to six (6) pages in length. Patent Owner shall not introduce any new evidence to accompany the sur-reply.

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