

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

KINGSTON TECHNOLOGY COMPANY, INC.,
Petitioner,

v.

POLARIS INNOVATIONS LTD.,
Patent Owner.

Cases

IPR2016-01621 (Patent 6,438,057 B1)

IPR2016-01622 (Patent 6,850,414 B2)

IPR2016-01623 (Patent 7,315,454 B2)¹

Before SALLY C. MEDLEY, JEAN R. HOMERE, and
MATTHEW R. CLEMENTS, *Administrative Patent Judges*.

CLEMENTS, *Administrative Patent Judge*.

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

¹ This Order addresses issues identical in all three cases. We, therefore, exercise our discretion to issue one Order to be filed in each case. The parties are not authorized to use this style heading for any subsequent papers.

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On September 27, 2017, counsel for Kingston Technology Company Inc. (“Petitioner”) requested a conference call to seek the panel’s authorization to file, in IPR2016-01622 (“the 1622 IPR”), a Motion to Strike or, alternatively, a Response to the Reply to Petitioner’s Opposition to Motion to Amend (1622 IPR, Paper 23, “MTA Reply”) filed by Polaris Innovations Ltd. (“Patent Owner”).

On October 3, 2017, counsel for Patent Owner requested a conference call to discuss authorization to file, in IPR016-01621 (“the 1621 IPR”), the 1622 IPR, and IPR2016-01623 (“the 1623 IPR”) additional briefing regarding the constitutionality of *inter partes* review in light of the grant of certiorari in *Oil States Energy Servs. v. Greene’s Energy Group, LLC*, No. 16-712 (U.S. June 12, 2017) (“*Oil States*”). Ex. 3001.

On October 4, 2017, the Court of Appeals for the Federal Circuit issued its decision in *Aqua Products, Inc. v. Matal*, No. 2015-1177, 2017 WL 4399000 (Fed. Cir. Oct. 4, 2017) (“*Aqua Products*”).

On October 5, 2017, a teleconference was held between counsel for Petitioner, counsel for Patent Owner, and Judges Medley, Homere, and Clements. For the reasons discussed below, we authorize Petitioner to file, in the 1622 IPR, a Response to Patent Owner’s MTA Reply, and we deny Patent Owner’s request for authorization for additional briefing regarding constitutionality.

I. ANALYSIS

A. 1622 IPR: Response to Patent Owner’s MTA Reply

Petitioner explained that, when it requested the call, it believed the portions of Patent Owner’s MTA Reply addressing patentability were

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improper because patentability was not addressed at all in Patent Owner's Motion to Amend (Paper 18, "Motion to Amend"). Petitioner explained, however, that the basis for its request for a response changed in light of *Aqua Products*. Petitioner interprets *Aqua Products* as placing the burden to show unpatentability of proposed substitute claims on Petitioner, instead of Patent Owner bearing the burden to show patentability of those claims. Because Petitioner now bears the burden on unpatentability, Petitioner contends it deserves the last word on that issue in the form of a response.

Patent Owner opposes a response by Petitioner. According to Patent Owner, it is not clear from *Aqua Products* that Patent Owner has no burden, and normally, Patent Owner has the last word on a motion to amend. Moreover, according to Patent Owner, the arguments in its Reply are not improper because they consist primarily of arguments that Petitioner's Opposition (Paper 20, "Opposition") itself contains improper new argument. Patent Owner also contends that Petitioner has had enough briefing because its twenty-five page Opposition, accompanied by new evidence and expert testimony, significantly exceeds Patent Owner's five page Motion to Amend, filed without any accompanying evidence, and its twelve page MTA Reply. Finally, Patent Owner directs our attention to *Amerigen Pharms. Ltd. v. Shire LLC*, Case IPR2015-02009, in which, according to Patent Owner, a panel of the Board granted a Motion to Amend similar to the one filed in the 1622 IPR. *Amerigen Pharms. Ltd. v. Shire LLC*, Case IPR2015-02009, Paper 38 (PTAB Mar. 31, 2017) ("*Amerigen*").

In *Aqua Products*, the Federal Circuit held that, "[35 U.S.C.] § 316(e) unambiguously requires the petitioner to prove all propositions of

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unpatentability, including for amended claims.” *Aqua Products*, 2017 WL 4399000, at *1; *see also id.* at *7 (“We believe Congress explicitly placed the burden of persuasion to prove propositions of unpatentability on the petitioner for all claims, including amended claims.”), *10 (“Section 316(e) reaches every proposition of unpatentability at issue in the proceeding.”), *28 (“[T]he PTO has not adopted a rule placing the burden of persuasion with respect to the patentability of amended claims on the patent owner that is entitled to deference; and . . . in the absence of anything that might be entitled deference, the PTO may not place that burden on the patentee.”). Accordingly, we agree with Petitioner that it now bears the burden of establishing the unpatentability of the proposed substitute claim.²

Patent Owner argued on the call that a petitioner may not introduce new prior art in its opposition to a motion to amend, but the Federal Circuit states explicitly in *Aqua Products* that

[w]hen a petitioner does contest an amended claim, the Board is free to reopen the record to allow admission of any additional relevant prior art proffered by a petitioner or to order additional briefing on any issue involved in the trial. *See* 37 C.F.R. § 42.20(d); *see also id.* § 42.123. The Board may then consider all art of record in the IPR, including any newly added art, when rendering its decisions on patentability.

Id. at *17.

² That is not to say, however, that a patent owner has no burden with respect to a motion to amend. *See, e.g., id.* at *9 (“[P]atent 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 . . .”).

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Based on the facts of this case, we are persuaded that additional briefing is warranted in the form of a response by Petitioner limited solely to the issue of the unpatentability of proposed substitute claim 9 based on prior art. Accordingly, we authorize Petitioner to file a response addressing only that issue. Petitioner requested twelve pages because that is the length of Patent Owner's MTA Reply, but Patent Owner used only a portion of those pages to address patentability. Accordingly, we limit Petitioner's response to eight pages.

To accommodate this additional briefing, we adjust Due Dates 4–6 as ordered below.

B. Additional Briefing re: Oil States

Patent Owner expressed its willingness to file, in the 1621 IPR, 1622 IPR, and 1623 IPR, additional briefing regarding *Oil States* if the panel wished to receive any. Petitioner also expressed its willingness to file additional briefing. We conveyed to the parties that we do not wish to receive the additional briefing. Nevertheless, we upload Patent Owner's request as Exhibit 3001, so that the record reflects that Patent Owner raised the issue with the panel.

II. ORDER

Accordingly, it is

ORDERED that Petitioner is authorized to file a Response, no more than eight pages, addressing only the issue of unpatentability based on prior art, no later than October 13, 2017;

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