

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VALVE CORPORATION,

Petitioner,

v.

IRONBURG INVENTIONS LTD.,

Patent Owner.

Case IPR2017-00136

Patent 8,641,525

**PETITIONER'S REPLY TO PATENT OWNER'S
OPPOSITION TO JOINDER AND/OR CONSOLIDATION**

I. VALVE DOES NOT SEEK A “SECOND BITE AT THE APPLE,” NOR USE THE PTAB’S PRIOR DECISION AS A “ROADMAP.”

Valve’s petition in IPR2017-00136 does not correct any alleged deficiencies in its first petition (IPR2016-00948), and therefore does not seek a “second bite at the apple,” nor a “do over” as alleged by Patent Owner. For example, the section of both petitions that describes the UK examiner’s opinion as one of ordinary skill in the art is essentially the same. Valve even expressly invited the Board to ignore that section of the second petition, as redundant after joinder. *See* IPR2017-00136 petition, at page 14. Therefore, the Patent Owner’s allegation that it was bolstered in response to some alleged “deficiency,” using the first decision as a “roadmap,” is absurd.

Contrasting the Tosaki reference, the Patent Owner laments that some of its earlier distinguishing arguments do not apply to the newly discovered Wörn reference. (Opp. at 5) Of course, different prior art references are not identical. However, that does not mean the institution decision in IPR2016-00948 was used as a “roadmap.” Rather, the difficulty to distinguish Wörn from the ‘525 claims is just a bad fact that arose for the Patent Owner.

Valve’s motivation was discovery, not deficiency. That is clear for two reasons. First, Valve was *required* to assert its newly-discovered prior art in a timely second IPR petition, or else lose the opportunity in view of the estoppel provisions of 35 U.S.C. § 315(e). Second, if Valve’s first petition had been deficient for the reasons alleged by Patent Owner, then Petitioner’s ground that Tosaki is anticipatory would not have been instituted in IPR2016-00948. But it

was. Valve's success, so far, on that issue cannot be considered as a "deficiency" that Valve needed to correct with a second petition.

Therefore, this is not a case of any "roadmap," or "second bite at the apple." Rather, this case is about a newly discovered prior art reference (Wörn) that the Patent Owner now challenges procedurally, because it cannot be persuasively distinguished substantively.

II. VALVE'S SECOND PETITION IS TIMELY, AND THE RECENT DISCOVERY OF THE WÖRN REFERENCE WAS AMPLY SUPPORTED BY UNDISPUTED EVIDENCE.

A. FALSE: "belated filing of the Second Petition"

The Patent Owner accuses Valve of attempting to "shift the blame for its belated filing of the Second Petition." (Opp. at 9). Valve, however, timely filed the petition in IPR2017-00136 well within the period expressly set forth by 35 U.S.C. § 315(b), and so it is not "belated" in any way.

B. FALSE: "Valve has not submitted any evidence ..."

The Patent Owner's allegation that "Valve has not submitted any evidence in support of its assertion that Wörn was discovered after Ironburg amended the complaint in the District Court litigation" (Opp. at 10) is demonstrably wrong. Paragraph 15 of the Barceló Declaration, submitted by Valve as Exhibit 1012 to the IPR2017-00136 petition, includes the very evidence that the Patent Owner represents to the board was never submitted – and the evidence is undisputed.

C. Patent Owner’s “recess” distraction.

With the benefit of hindsight, the Patent Owner suggests that Valve should have found Wörn earlier, because claim 7 of the ‘525 Patent recites a “recess,” which the Patent Owner alleges is synonymous with “groove.” (Opp. at 10). However, that is a meritless distraction. Although a groove may be a specific type of recess, the words are *not* synonyms. By analogy, though a porcupine is a specific type of mammal, searching for “mammal” is no substitute for searching for “porcupine.” Moreover, Valve chose the “groove” search term as a synonym for the claim term “channel” in the ‘229 Patent (*see* Exh. 1012 to IPR2017-00136, Barceló Decl., at ¶ 14), a word that nowhere appears in the ‘525 Patent claims.

D. FALSE: Valve “chose to wait”

The Patent Owner speculates that “Valve was on notice of the ‘229 Patent at least as early as July 28, 2016 [...] but chose to wait so it can use the Board’s decision as a roadmap.” The undisputed evidence, however, shows that Valve did not discover the Wörn reference until it began preparing invalidity contentions for the newly-asserted ‘229 Patent (*see* Exh. 1012 to IPR2017-00136, Barceló Decl., at ¶ 15), which were not due until September 19, 2016.

E. FALSE: Valve “possessed ... but chose to withhold”

The Patent Owner speculates that Valve provides a “silent admission that Valve possessed [the Date and Lee] references at the time of filing its First Petition, but chose to withhold them for a ‘second bite at the apple.’” (Opp. at 11). On the contrary, Valve submitted undisputed evidence that it searched for and found the Date and Lee references only after discovering the Wörn reference, to

complement it in mapping to certain dependent claims (*see* Exh. 1012 to IPR2017-00136, Barceló Decl., at ¶ 18) – a complementary purpose that is logically subsequent to the discovery of Wörn.

III. THERE ARE PRACTICAL OPTIONS TO MERGE THE IPR2016-00948 AND IPR2017-0136 SCHEDULES.

Presently while opposing merger, the Patent Owner has an incentive to portray any required schedule modifications as impractical and prejudicial. However, if Valve’s motion for joinder is successful, then the case schedules can be readily and practically merged without prejudice to either party, at least because 37 CFR § 42.100(c) *expressly permits* the pendency of an IPR proceeding to be “extended” or “adjusted by the Board in the case of joinder.”

Appendix A hereto provides an example of a post-joinder merged schedule that would not unduly prejudice either party. Extending due dates #4 through #7 of IPR2016-00948 by approximately 12 weeks accommodates insertion of the three primary response, opposition, and reply deadlines for IPR2017-00136 (those outlined in a middle box). The joined proceedings would conclude with a PTAB decision in late November 2017, prior to the scheduled trial in the District Court.

Due dates #4 through #7 then become common to both IPR2016-00948 and IPR2017-00136, and therefore represent opportunities to simplify briefing and subsequent tasks. The PTAB has viewed such opportunities for simplification as favoring joinder, for example in *Sony Corp. of Am. v. Network-1 Sec. Solutions, Inc.*, IPR2013-00386, Paper 16 at 4 (July 29, 2013). The schedule in Appendix A

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