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From: Trials
Sent: Tuesday, May 8, 2018 3:06 PM
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Subject: FW: IPR2017-00319 - Patent Owner's Comments as Requested by the Panel during May 4, 2018, Teleconference

Please see below

Thanks
Andrew

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Subject: IPR2017-00319 - Patent Owner's Comments as Requested by the Panel during May 4, 2018, Teleconference

Dear Board:

Patent Owner and Petitioner conferred, but the parties were unable to reach agreement. Although Patent Owner is amenable to an agreed voluntary withdrawal of non-instituted claims 3-5 and associated grounds, Petitioner does not agree to this voluntary withdrawal.

Claims 4 and 5

SAS Institute does not require the Board to ignore statutory limits on the invalidity challenges that may be adjudicated in an IPR. For claims 4 and 5, the Petition presents an antecedent basis argument under 35 U.S.C. § 112, which "is not proper subject matter for an *inter partes* review. See 35 U.S.C. § 311(b)." Institution Decision, Paper 10 at 13. Based on that finding, the Board determined it has no jurisdiction on claims 4 and 5. Patent Owner is not required to concede that there is an issue under § 112 for the Board to make a finding that it has no jurisdiction. Because Patent Owner does not intend to file a response regarding claims 4 and 5, Petitioner is not entitled to a reply regarding those claims. See 37 C.F.R. §42.23(b). Nor does *SAS Institute* require the Board to adopt Petitioner's proposed construction of claims 4 and 5 and disregard its finding that it lacks jurisdiction. And the Board should reject Petitioner's invitation to engage in what would surely be considered "shenanigans" to get around its lack of jurisdiction to adjudicate validity challenges under section 112. Rather, the Board should merely incorporate into the Final Written Decision its finding that it lacks jurisdiction over Petitioner's challenge to these claims. As such, no further briefing is appropriate on claims 4 and 5.

Claim 3

Similarly, for claim 3, *SAS Institute* does not compel the Board to afford Petitioner a "do over" for its defective claim construction. Petitioner argued at the hearing that "a claim construction wasn't presented in the IPR because we didn't have the opportunity." Hr'g Tr. at 19:13-15. Petitioner is incorrect. The Petition posits that the term "application-specific interface (API)" is a typographical error, and Petitioner based its flawed construction on that assumption. See Petition, Paper 2, at 14. The Board's finding that

Petitioner's construction on numerous grounds, including that (1) there is no evidence of a typographical error, especially in light of the consistent use of "application-specific" in the specification and file history in addition to claim 3; (2) the Petitioner did not offer an alternative construction that would give meaning to all of the words of claim 3; and (3) the Petition argued for an incorrect claim construction standard that would prioritize extrinsic evidence over intrinsic evidence. See Institution Decision, Paper 10 at 8-12; see also Hr'g Tr. at 35:15-21.

Petitioner's argument that the Board's evaluation of its construction in light of the specification "could not have been anticipated at the time of filing the petition" (Hr'g Tr. at 34:15-19) is not credible, and does not justify permitting Petitioner to reframe its claim construction position under the guise of a reply brief. As the Board recognized, Rule 42.23 limits a petitioner's reply to arguments submitted in a patent owner response. See Hr'g Tr. at 23:6-11; see also 37 C.F.R. §42.23(b) ("A reply may only respond to arguments raised in the corresponding ... patent owner response."). And Patent Owner's decision to not file a response is based on its understanding that, absent a response, Petitioner may not file a reply. 37 C.F.R. §42.23(b). Nothing in the Supreme Court's *SAS Institute* decision, or the guidance that the Board has since issued, subverts the limitations of Rule 42.23 or forces a Patent Owner to provide new arguments in order that a Petitioner may reply to them. Thus, Patent Owner cannot be compelled to respond and, absent a Patent Owner response, there is no authority for Petitioner to file an additional reply brief.

Petitioner also argues that it has "a right to respond to a new claim construction that we were never given the opportunity to address." Hr'g Tr. at 24:8-10. As the Board noted, the Board did **not** provide "a new claim construction" as Petitioner mistakenly contends. See Hr'g Tr. at 26:20-23. But even if the Board's rejection of Petitioner's construction could somehow be considered a competing construction, Petitioner already had ample opportunity to address the Board's position in detail, and did so in its twelve-page Request for Rehearing. See Request, Paper 13. The very arguments it makes now were refuted in the Board's twelve-page Decision Denying Rehearing; See Decision Denying Rehearing, Paper 15. Further, during the trial, Petitioner again made arguments regarding the construction of the term "application-specific interface (API)." See Paper 34 at 18:11-19:6. Thus, Petitioner has had a full and fair opportunity to present its position about the claim construction issue, and no further briefing is warranted.

During the meet and confer, Petitioner raised, for the first time, a suggestion that it should be permitted to file a motion to submit supplemental information under 37 C.F.R. §42.123. Notwithstanding the impropriety of Petitioner's untimely suggestion, and the fact that it has never before sought leave to submit such a motion, the information Petitioner claims it now seeks to supplement is already part of the record. See Exhibit 1069. Petitioner cannot use Section 42.123 as a pretext to submit additional reply briefing when the testimony is already in the record and Petitioner does not choose to file a response.

Nor should the Board permit additional briefing based merely on extrinsic evidence that is already in the record. In analyzing Petitioner's construction of the term "application-specific interface (API)," the Board rightly relied upon the intrinsic record, and rejected Petitioner's invitation to rely instead upon extrinsic evidence. See Institution Decision, Paper 10 at 11 ("We decline to deviate from our claim construction standards based on Petitioner's presumed error in the claim language and to rely on extrinsic evidence over intrinsic evidence as to the claim term's meaning.") Indeed, the Board found that "contrary to Petitioner's arguments, the Specification explains that the 'application-specific interface (API)' is directed to a 'particular application,' rather than broadly to different applications." See Institution Decision, Paper 10 at 11; see also Decision Denying Reconsideration, Paper 15 at 10. Patent Owner rejects Petitioner's suggestion that Patent Owner's expert made an admission about the construction of claim 3. Patent Owner's expert did *not* opine about the construction of "application-specific interface (API)" or claim 3 in his declaration. See Ex. 2006 at ¶¶ 2, 66-72. Regardless, Petitioner has already filed the deposition transcript with the Board, and at oral argument Petitioner made the very same argument it now claims warrants additional briefing. See Paper 34 at 18:11-19:6. Thus, submission of yet further argument about extrinsic evidence is not appropriate or warranted. At best, this is just more *extrinsic* evidence, and as such cannot be elevated over the intrinsic evidence in the specification, evidence that Petitioner's faulty construction improperly ignores.

The twelve month statutory deadline is less than a month away. Adherence to the deadline is especially important here, as district court litigation is stayed pending the Board's final written decision. Patent Owner opposes Petitioner's request for a two-month extended period of briefing.

additional briefing. See Hr'g Tr. at 11:23-12:4. Presumably, the Board would also require additional time to evaluate any new briefing or evidence. The Board's recent guidance on the effect of *SAS Institute* states that "cases near the end of the 12 month statutory deadline may be extended, on a case by case basis, if required to afford all parties a full and fair opportunity to be heard." Here, Petitioner has already had twelve pages of briefing on its defective claim construction, and even referred to the testimony during oral argument, and thus has certainly been afforded "a full and fair opportunity to be heard." Additional briefing and more discovery will add further expense and delay, and is contrary to the goal of providing a just, speedy, and inexpensive procedure.

For the foregoing reasons, and those discussed during the conference call of May 4, Patent Owner opposes Petitioner's request to submit additional briefing, opposes additional discovery, does not agree that a new briefing schedule is required, and requests that the Board proceed to render a final written decision on all claims and grounds by the statutory deadline of June 6, 2018.

Respectfully submitted on behalf of,
Jeff Bragalone and Justin Kimble
Back-up and Lead Counsel for Patent Owner



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