

PTAB-IPR 2018-00410

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In Re:

CANON, INC., et al.,

vs.

PAPST LICENSING GmbH & CO. KG.

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Telephonic Conference Call

January 9, 2018

11:00 a.m.

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1 APPEARANCES:
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3 Judge Bisk
4 Judge Chang
5 Judge Quinn
6 Greg Donahue, Esq.
7 David M. Maiorana, Esq.
8 Mark Blackman, Esq.
9 Mark Ungerman, Esq.
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1 JUDGE BISK: Good morning. This is
2 Judge Bisk, and I have Judges Quinn and Chang on
3 the line with me.
4 Can we do a roll call for who is on
5 the line, starting with the patent owner?
6 MR. DONAHUE: Hi, Your Honor. This
7 is Greg Donahue for patent owner, Papst
8 Licensing.
9 JUDGE BISK: Okay. Thank you.
10 And then let's do -- let's go with
11 ZTE. Is ZTE on the phone? We don't have any
12 representative for ZTE, who is the current -- I
13 believe the only petitioner left in 2017-00415.
14 MR. DONAHUE: That's right, Your
15 Honor. This is Greg Donahue, for patent owner,
16 speaking. That's the only one left. I think I
17 remember seeing an e-mail suggesting they don't
18 have a dog in this fight and they may not have
19 anyone that attends. I'm not sure.
20 JUDGE BISK: Okay. I noticed that
21 the motion to terminate as to ZTE came in
22 yesterday, is that correct, for the 415 case?
23 MR. DONAHUE: Yes, Your Honor. I
24 believe it came in for two cases, including the
25 415.

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1 JUDGE BISK: Before we move on to
2 the other parties that are on the line, can I
3 ask you a question? I have a couple lingering
4 questions about the ZTE settlement.
5 One question I have is there's
6 another case, 2017-00713, involving ZTE and the
7 same claim for the same patent, or substantive
8 claims at least, but I haven't seen any motion
9 to terminate or request for a motion to
10 terminate in that case. So can you just update
11 me on what is going on with that case?
12 MR. DONAHUE: Your Honor, I'm glad
13 that you brought that to my attention. There
14 should be a request to terminate that. There's
15 a different law firm that's handling that IPR.
16 I will alert them immediately that they need to
17 contact the Board and notify them of their
18 desire to file a motion to terminate and also
19 get permission from the Board to do so.
20 JUDGE BISK: Okay. Thank you.
21 That's kind of what we were figuring. I just
22 wanted to make sure.
23 And while we're talking about those
24 cases, that set of cases, there's one more case,
25 IPR2017-00714. That's the same patent as

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1 2017-00443. It looks like that case is going to
2 continue, the 714 case. I believe Samsung is
3 still a petitioner in that case.
4 MR. DONAHUE: Your Honor, this is,
5 again, Greg Donahue for patent owner. I believe
6 that one, unlike the case that we may be talking
7 about here, Olympus and Samsung both joined that
8 proceeding --
9 JUDGE BISK: Okay.
10 MR. DONAHUE: -- in a timely
11 fashion, and, therefore, because Samsung has not
12 settled that one, I think that one is
13 continuing.
14 MS. BEYER: Your Honor, this is
15 Carrie Beyer on behalf of the Samsung
16 petitioner. He's correct. Samsung filed a
17 motion for joinder and was joined into
18 IPR2017-00714, and that one is continuing.
19 JUDGE BISK: Okay. Thank you.
20 We have on our schedule that there's
21 a hearing in February, so I think the only --
22 well, 714 is the only one that has right now a
23 request for oral hearing in that case. Is that
24 true, that we still want to have an oral hearing
25 in that case?

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1 MR. DONAHUE: So if that's the 714
2 proceeding that involves the '399 patent, again,
3 that's a different law firm that is handling
4 that.
5 JUDGE BISK: Oh, I see.
6 MR. DONAHUE: If they filed a
7 request, I'm sure that means that they wanted to
8 have a hearing in that one.
9 JUDGE BISK: Okay. Thank you.
10 Well, we don't have to talk about that anymore.
11 We can deal with that separately.
12 All right. So let's find out who's
13 on the line who are not parties right now to the
14 415 case but are in the newly filed case -- I
15 can't remember what it is -- 2018-00410. Who do
16 we have on the line just for that?
17 MR. MAIORANA: Good morning, Your
18 Honor. This is David Maiorana. I represent the
19 Canon petitioners in the 410 IPR and have been
20 of record in a number of these other ones
21 relating to Papst, and we've been before you in
22 oral hearing a few months ago as well.
23 JUDGE BISK: Okay. Anyone else? It
24 sounded like Samsung. Are you also involved in
25 the 410 case?

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1 MS. BEYER: Yes, we are.
2 JUDGE BISK: Okay.
3 MR. BLACKMAN: Good morning, Your
4 Honor. Mark Blackman is also on the line on
5 behalf of the Nikon petitioners.
6 JUDGE BISK: Okay. Thank you.
7 MR. UNGERMAN: Mark Ungerman, on
8 behalf of Sanyo as petitioner.
9 JUDGE BISK: Okay. Thank you.
10 Do we have a court reporter on the
11 phone?
12 THE COURT REPORTER: Yes. Renee
13 Pellegrino.
14 JUDGE BISK: Can whoever arranged
15 for the court reporter arrange to have the
16 transcript uploaded as an exhibit?
17 MR. MAIORANA: Yes, we will, Your
18 Honor. This is David Maiorana.
19 JUDGE BISK: Actually, the only
20 problem with that is that currently -- I guess
21 you would upload it in the 410 case because you
22 are not a party to the 415 case, so you can't
23 file. So maybe I could ask the patent owner if
24 they would file the transcript in the 415 case
25 for now.

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1 MR. DONAHUE: Yes, Your Honor, we
2 could do that.
3 JUDGE BISK: Okay. Thank you.
4 So let's get to the actual reason
5 we're on the call here, which is, I believe,
6 Mr. Maiorana, you wanted to talk about perhaps
7 filing a reply brief in the 415 case?
8 MR. MAIORANA: Yes. Thank you, Your
9 Honor. We have filed IPR2018-00410, as you
10 mentioned, and along with that, a motion to join
11 the 410 to the 415. And those two numbers are
12 so close together, I know I'm going to say them
13 backwards.
14 JUDGE BISK: Yes. It's hard to keep
15 track of all the numbers.
16 MR. MAIORANA: But right now pending
17 in the 410 IPR is a motion for joinder and a
18 motion to waive the rules because we filed our
19 motion for joinder outside of the one-month
20 period.
21 JUDGE BISK: Okay. Now, I think I
22 know the answer to my next question, but I just
23 want to be sure. In the 410 case, is that case
24 time barred if it isn't joined, if you're not
25 joined to the 415 case? Can it stand on its

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1 own?
2 MR. MAIORANA: It cannot, Your
3 Honor, because the original assertion of the
4 '449 patent against the petitioners was made in
5 2007 or 2008, depending on the --
6 JUDGE BISK: Okay. So go ahead.
7 I'm sorry. I interrupted you, Mr. Maiorana. Go
8 ahead with why you want to file a reply in the
9 415 case.
10 MR. MAIORANA: So, Your Honor, the
11 current schedule that is in play in the 415 IPR
12 has a date for petitioner's reply of January
13 5th, which was last Friday, and so we had tried
14 to unsuccessfully set up a call, this call,
15 earlier than January 5th, to get the Court's
16 guidance on this, but what we're seeking to do
17 -- because our motion for joinder is pending, we
18 were seeking to file a contingent reply in the
19 415 that would then, hopefully, be entered in
20 the record if the Court was to grant our motion
21 for joinder, and if not, and the motion for
22 joinder is denied, then 415 would be terminated
23 and the reply would be unnecessary and I guess
24 could be expunged.
25 So what we want to talk about today

<p style="text-align: right;">Page 10</p> <p>1 is a mechanism for how to do that. We met and 2 conferred with Mr. Donahue about their position 3 on this, and they not only opposed the joinder 4 motion, but also the idea of filing a contingent 5 reply. 6 What we would propose on today's 7 call -- and our motivation here, Your Honor, is 8 to keep the 415 IPR going. It's only a few 9 months away from decision. And as you can 10 imagine, the parties that are the petitioners in 11 the 410 IPR have a significant interest in 12 seeing the decision issued from the Board on the 13 415 IPR, given that we've all been defending 14 that patent for over ten years now. 15 What we would propose today is to 16 adjust the schedule in the 415 IPR to allow us 17 to submit a reply and still allow a time for 18 opposition from patent owner to the -- I'm 19 sorry, still allow time for motions for 20 observation, and all the other due dates that 21 come after that, without changing or adjusting 22 the oral argument date, which is currently 23 February 13. 24 We gave Mr. Donahue a heads-up on 25 our call yesterday that we were going to be</p>	<p style="text-align: right;">Page 12</p> <p>1 note that the original reply brief deadline for 2 this proceeding was actually November 17th, 3 2017, which was almost, I guess, two months ago. 4 The patent owner and the original petitioners 5 had worked together to continue to move that 6 date back because they were finalizing 7 settlement agreements and didn't want to incur 8 costs and time -- spend time associated with 9 reply briefing and depositions and whatever else 10 went into the motion and briefing practice, and 11 so the schedule got condensed on the back end to 12 an unworkable schedule. That was done because 13 it was irrelevant because the expectation was 14 that all the parties that were in the 15 proceeding, properly joined Olympus, timely 16 joined Olympus, and the original petitioners, 17 all were settling out and the expectation was 18 that there was going to be no proceeding to 19 continue. 20 So the idea that we're going to have 21 a reply brief at this late juncture, with an 22 oral hearing scheduled now for February 13th, 23 and condense everything that goes on between a 24 reply brief and that in the next month I think 25 is unrealistic, and it also is prejudicial to</p>
<p style="text-align: right;">Page 11</p> <p>1 proposing a revised schedule that just moves 2 those dates basically by a couple of weeks or 3 so, but maintains the February 13th date. So I 4 can tell you what the dates are we would propose 5 now or we can come up with another way to 6 present that to you, but our understanding is 7 that patent owner would oppose any efforts by 8 the petitioners in 410 to file any kind of a 9 contingent reply in 415. 10 JUDGE BISK: Can I ask a question 11 about the 410 case? I don't believe that one 12 has been officially paneled yet. I think we 13 discussed that last time. Have you received a 14 notice of filing date yet in that case? 15 MR. MAIORANA: No, we have not, Your 16 Honor. We filed that on the 29th of December, 17 so I think we're still within the window where 18 we would expect to get a notice of filing date. 19 JUDGE BISK: Okay. Thanks. 20 Patent owner, can I get your take on 21 this? 22 MR. DONAHUE: Sure. 23 I guess we'll start with the issue 24 he just addressed, which is a contingent reply 25 brief. I think it's important for the Board to</p>	<p style="text-align: right;">Page 13</p> <p>1 the patent owner at this point. 2 As you probably can imagine, we feel 3 like the parties that are attempting to join six 4 months after the joinder deadline -- and they're 5 alleging that it's because there was some 6 sweetheart deal given to Olympus to terminate 7 the IPRs. We think the Board can see for 8 themselves, by viewing the settlement agreement, 9 that is not the case. The entire premise for 10 which they are seeking joinder here is 11 irrational and also irrelevant. 12 The settlement agreements, which, 13 again, I can't say much about because they're 14 confidential -- the Board can see all of the 15 settlement agreements between Huawei, LG, ZTE 16 and the properly joined Olympus and see that all 17 of them individually, and in the aggregate, are 18 legitimate settlements that weren't done simply 19 to get rid of any IPR, and that regardless, 20 that's really not even the relevant inquiry. 21 The Board has rules in place for 22 joinder to avoid this type of prejudice to a 23 patent owner, the properly joined parties, and 24 original petitioners, and here we are almost six 25 months after the joinder deadline.</p>

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1 Samsung, as you noted earlier in the
2 call, wanted the petitioners actually joined
3 right around the same time as the 714 proceeding
4 with Olympus. There's no reason they couldn't
5 have done the exact same thing in this
6 proceeding and joined with Olympus in a timely
7 manner. They apparently did not do so to avoid
8 whatever estoppel consequences that come with
9 joinder, and they're trying now to have it both
10 ways, where they say we'll avoid estoppel by
11 staying out and hope the proceeding goes to the
12 final written decision without us in it, and
13 then, oh, if everybody is settled out, we'll
14 just seek late joinder, allege that the
15 settlements are a sham, without admittedly ever
16 even seeing them, and seek opportunity to join
17 late. And I think this would be, you know, a
18 dangerous precedence for the Board to set to
19 allow that.

20 So for all those reasons, we object
21 to all of this, including any type of a
22 contingent reply brief that would potentially --
23 you know, the public could see that would
24 insinuate the patent is invalid or that the
25 Board could see that could influence it in other

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1 proceedings. So we object to really all of
2 this.

3 JUDGE BISK: I just want to point
4 out, before anyone else says anything, one of my
5 panel members has brought up a good point to me,
6 which is that technically ZTE is still part of
7 the 415 case and, apparently, we do not have
8 them on the phone. Nobody indicated to us from
9 ZTE that they didn't care about this call. So
10 I'm feeling a little bit like we might be having
11 an ex-parte conversation here, since we don't
12 have any representative for the current
13 petitioner on the 415 case. In general, that's
14 just making me think that we should -- for the
15 410 case, we'll deny any extra filings into the
16 415 case for now. I just don't think it's
17 appropriate to really even be discussing that
18 case without the petitioner and with parties who
19 are not a party of that case yet. So we're
20 going to deny that request.

21 I guess I'd like to adjourn the
22 call, unless anyone has anything they think they
23 can say that's not problematic.

24 MR. MAIORANA: I don't know if this
25 would be problematic, Your Honor, but just to

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1 address the procedural point, we gave notice to
2 ZTE's counsel that this call was happening and
3 they chose not to attend. I guess I'm not sure
4 that we should be prejudiced by that. It's
5 their choice not to attend. They can't come in
6 later and complain that they weren't part of
7 this call, because they were given notice and
8 opportunity to join it, but I do understand what
9 Your Honor is saying.

10 I guess what is left -- I just heard
11 Mr. Donahue make substantive arguments about the
12 joinder issue, and I wasn't going to address
13 them on the call because we were talking about
14 the contingent reply, but if Your Honor would
15 like to hear from the petitioners on our view on
16 joinder, obviously you have the written papers
17 and there's a time frame for those to be
18 considered by the Board.

19 One issue is that the joinder motion
20 briefing schedule is going to bump up against
21 the current oral argument date in 415. So we
22 would ask the Board to consider that perhaps an
23 expedited briefing schedule would be useful to
24 get that joinder motion fully briefed in advance
25 of the February 13th date. In the event that

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1 the Board does grant joinder, we would seek to
2 participate in the oral hearing, whether it be
3 on February 13th or some later date at the
4 board's discretion.

5 JUDGE BISK: Okay. Hang on. I'm
6 going to confer with my panel. I will put you
7 on mute. I can hear you but you won't be able
8 to hear me.

9 (Short recess had.)

10 JUDGE BISK: Okay. This is Judge
11 Bisk. I'm back. I talked to the panel and we
12 just don't see a way to accommodate the 410
13 petitioners in the 415 case in any way that
14 doesn't prejudice the patent owner, so, again,
15 we're going to deny that request to file a
16 contingent reply. The 410 case and the motion
17 for joinder, that's a separate issue. We'll
18 take that up, you know, as we're actually
19 assigned that case.

20 Unless there's anything else, I
21 think we are ready to adjourn. Anything from
22 the patent owner?

23 MR. DONAHUE: No. I just want to be
24 clear. So the patent owner still needs to file
25 a response to the motion for joinder in that

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