

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

UNILOC LUXEMBOURG S.A.,
Patent Owner.

Case IPR2017-01993
Patent 9,414,199 B2

Before MIRIAM L. QUINN, KERRY BEGLEY, and
CHARLES J. BOUDREAU, *Administrative Patent Judges*.

QUINN, *Administrative Patent Judge*.

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

The Board received from the parties an email in which Patent Owner requested authorization to file: (1) a motion to strike portions of Petitioner’s Reply and (2) a sur-reply to respond to arguments raised in Petitioner’s Reply. In a responsive email, Petitioner indicated that it opposes Patent Owner’s requests.

The Board recently issued guidance in the form of a “Trial Practice Guide Update,” dated August 2018 (“Practice Guide”). *See* 83 Fed. Reg. 38,989 (Aug. 13, 2018) (notifying the public of the updated “Practice Guide” and its accessibility through the USPTO website: <https://go.usa.gov/xU7GP>). With regard to motions to strike, the Practice Guide provides the option to request authorization to file a motion “[i]f the party believes that a brief filed by the opposing party raises new issues, is accompanied by belatedly presented evidence, or otherwise exceeds the proper scope of reply or sur-reply.” Practice Guide 17. Concerning sur-replies the Practice Guide provides the option for patent owners to file a Sur-Reply to Petitioner’s Reply stating that the “sur-reply practice essentially replaced the previous practice of filing observations on cross-examination testimony.” *Id.* at 14. The Practice Guide states that the sur-reply is an *alternative* to a motion to strike. *Id.* at 17.

The Practice Guide addresses the distinct applicability of these two alternatives:

A motion to strike may be appropriate when a party believes the Board should disregard arguments or late-filed evidence in its entirety, whereas further briefing may be more appropriate when the party wishes to address the proper weight the Board should give to the arguments or evidence. In most cases, the Board is capable of identifying new issues or belatedly presented evidence when weighing the evidence at the close of trial, and

disregarding any new issues or belatedly presented evidence that exceeds the proper scope of reply or sur-reply.

Id. Here, Patent Owner contends that Petitioner’s Reply relies on a new reference and argues an issue of prosecution disclaimer for the first time. To address these matters, Patent Owner seeks both a sur-reply and a motion to strike. We are not persuaded that granting both requests would be in the interest of justice.

First, not every “new argument” is improper and suitable for a motion to strike. *See Ericsson Inc., v. Intellectual Ventures I LLC*, Case No. 2017-1521, slip op. at 13 (Fed. Cir. Aug. 27, 2018) (finding that an argument presented in the reply is not improper when it expands on the same argument made in the petition). Patent Owner has identified two exhibits (Exhibits 1018 and 1019) and footnote 3 of the Reply as allegedly providing “new” arguments and evidence. Petitioner’s position, however, is that footnote 3 and the exhibits rebut Patent Owner’s arguments regarding the claim scope of the term “predetermined maximum amount of time.” Indeed, upon review of the cited exhibits, we note that footnote 3 relates to the portion of the Reply that addresses the prosecution history arguments made by Patent Owner during an appeal to the Board and discusses the reference (Tseng, Exhibit 1018) that Patent Owner allegedly distinguished during the appeal. Reply 8–10. These are arguments and evidence on claim construction that address not only Patent Owner’s Response arguments, but also respond to our Decision on Institution. *See* Decision on Institution 8–9 (discussing Patent Owner’s proposed interpretation of “predetermined maximum amount of time”); PO Resp. 6–12 (arguing the scope of the claim term and positing that Petitioner should not provide a claim construction in the Reply); *see*

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also Practice Guide 14 (“[T]he Board will permit the petitioner, in its reply brief, to address issues discussed in the institution decision.”). Accordingly, we find that, on the present record, neither footnote 3 of the Reply nor Exhibits 1018 and 1019 are improper new arguments and evidence. In light of this finding, and because striking portions of a party’s brief is an exceptional remedy (Practice Guide 18), Patent Owner’s request to file a motion to strike is denied.

Second, a sur-reply is the proper vehicle to address the merits of the arguments raised in Petitioner’s Reply. Petitioner contends that Patent Owner has no need for a sur-reply because (a) Petitioner did not submit a Reply declaration and (b) Petitioner has not submitted any arguments or evidence in the Reply that exceed the scope of Patent Owner’s Response. We do not agree with Petitioner’s contention. The Practice Guide does not expressly limit the sur-reply to responding to declaration evidence filed with a petitioner’s reply. Nor is a sur-reply only available to respond to arguments that allegedly exceed the scope of a previous brief. The sur-reply is useful to respond to arguments raised in the preceding brief, to point to cross-examination testimony, and to crystalize issues for decision. Practice Guide 14–15.

We find here that a sur-reply would be an appropriate vehicle to respond to the arguments regarding prosecution disclaimer and the Tseng reference as requested by Patent Owner. The sur-reply should not raise new issues. Nor, in the absence of any reply witness testimony, should the sur-reply present any new evidence. *Id.* at 14–15.

ORDER

Accordingly, it is:

ORDERED that Patent Owner is authorized to file a Sur-Reply to Petitioner's Reply by DUE DATE 4 (date for motion for observation) in lieu of a motion for observation;

FURTHER ORDERED that the Sur-Reply is limited to 10 pages;

FURTHER ORDERED that the Scheduling Order (Paper 11) is hereby modified to remove from DUE DATE 5 the option for a "response to observation"; and

FURTHER ORDERED that Patent Owner's request for authorization to file a motion to strike is *denied*.

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