

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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WESTERN DIGITAL CORPORATION  
Petitioner

v.

SPEX TECHNOLOGIES, INC.  
Patent Owner

Patent No. 6,088,802  
Filing Date: June 4, 1997  
Issue Date: July 11, 2000  
Title: PERIPHERAL DEVICE WITH INTEGRATED SECURITY  
FUNCTIONALITY

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**SPEX TECHNOLOGIES, INC.'S  
PATENT OWNER'S SUR-REPLY**

Case No. IPR2018-00082

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## **I. Petitioner Inexcusably Delayed Filing the Petition**

### **A. Institution of *Inter Partes* Review Is Discretionary**

Petitioner’s argument that Congress did not authorize the Board to deny *inter partes* review under the *General Plastic* framework must be rejected. The Supreme Court interpreted 35 U.S.C. § 314(a) to mean that “the agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.” *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (citing 5 U.S.C. § 701(a)(2); 35 U. S. C. § 314(a)). The Board’s decisions in *General Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (Sept. 6, 2017) (precedential), and *NetApp Inc. v. Realtime Data LLC*, IPR2017-01354, Paper 16 at 10 (Nov. 4, 2017), provide guidance for the exercise of that discretion.

Petitioner’s contention that it lacked proper notice that the Board “changed its procedure” is undercut by the fact that the Board did not, in fact, adopt a new procedure, and even if it did, the *General Plastic* case adopted and made precedential the same non-exhaustive list of factors previously set forth in the *NVIDIA* case long before Petitioner filed its Petition. *General Plastic*, IPR2016-01357, Paper 19, at \* 3, 8-10 (Sept. 6, 2017), citing *NVIDIA*, IPR2016-00134, Paper 9 (May 4, 2016). In any event, the *General Plastic* factors are designed to promote fairness in the *inter partes* review process, and Petitioner cannot argue in

good faith that preventing it from prejudicing Patent Owner through the use of follow-on petitions somehow deprives Petitioner of due process.

**B. General Plastic Applies to Different Petitioners**

In addition to *NetApp*, the Board has consistently applied the *General Plastic* factors to protect patent owners from “unfair and inefficient” roadmapping by different petitioners. *See, e.g., Google LLC v. Uniloc Luxemborg S.A.*, IPR2017-01665, Paper 10 (P.T.A.B., January 11, 2018); *Samsung Electronics Co., Ltd. v. Elm 3DS Innovations, LLC*, IPR2017-01305, Paper 11 (P.T.A.B. October 17, 2017). Nothing restricts the Board’s discretion to deny institution of serial petitions based solely on the type of petitioner.

**C. The General Plastic Factors Favor Denial of Institution**

Factor 3 favors denial. Petitioner fails to address the fact that “all of the Challenged Claims were addressed in both prior petitions.” Paper 6 at 9. Confronted with strong evidence of Petitioner’s knowledge of the 430 IPR and 824 IPR and its failure to disclose them in its Mandatory Notices, Petitioner carefully contends that the April 3, 2017 status report “does not establish receipt” without ever denying actual knowledge. Paper 9 at 4. Requiring patent owners to show actual *receipt* of specific filings in prior *inter partes* reviews would eviscerate Factor 3. Circumstantial evidence indicating that Petitioner studied the POPRs and institution decisions for 2-6 months before filing should suffice.

Factor 4 favors denial. Petitioner does not deny awareness of three of the four prior art references as of at least March 30, 2017 (likely well before). Paper 6 at 10. Petitioner also does not contest that Wang is largely (and increasingly) irrelevant to the Petition. *Id.* at 10-11. Moreover, roadmapping and tailoring is evidenced by the inclusion of Wang after having six months to study the POPR in the 430 IPR (in which Patent Owner took a contrary position regarding petitioner's reliance on an FPGA). *See* IPR2017-00430, Paper 7 at 6, 17, and 22.

Factor 5 favors denial. Petitioner contends that it delayed this Petition to wait for the district court's claim construction ruling, Paper 9 at 5, but if Petitioner preferred to use the district court's constructions, it would have used the district court's tentative constructions issued on September 18, 2017 and attached to the Petition, Ex. 1014, and not Patent Owner's constructions. More likely, Petitioner chose Patent Owner's constructions because the district court's tentative indefiniteness ruling would have prevented Petitioner from challenging claims 6, 7, 23, 24 and 25. *Id.* at 40. Petitioner's explanation should be rejected as disingenuous.

Factor 6 favors denial. Petitioner does not explain why the joint defense group did not pursue joint petitions or multiple petitions filed at or around the same time. The fact that this Petition is different from the 824 IPR is irrelevant to whether it could not have been filed earlier to conserve Board resources.

## II. NON-COMPLIANCE WITH 37 C.F.R. § 42.104(b)(3)

### A. The Board Routinely Denies Institution for Non-Compliance 37 C.F.R. § 42.104(b)(3)

Patent Owner has not waived any challenge under § 42.104(b)(3).

Petitioner's position that any failure to construe claims in a petition must be challenged by a patent owner upon the issuance of a filing date is unsupported. The Board routinely denies institution (without a rehearing, post-POPR) for non-compliance with section 42.104(b)(3), particularly not identifying how a claim is to be construed. *Clearcorrect*, IPR2017-01829, Paper 10, at \*7 (February 5, 2018); *Unified Patents*, IPR2017-01525, Paper 11, at \*13-14 (December 1, 2017).

### B. Failure to Adopt a Claim Construction Is Fatal

Petitioner fails to comply with its obligation to show "how the challenged claim is to be construed." 37 C.F.R. § 42.104(b)(3). A petitioner cannot comply with this obligation by simply identifying constructions without providing any legal or factual support for the constructions. Petitioner seeks to game the system by avoiding its own indefiniteness positions advanced in the district court while seeking to foist on Patent Owner the burden of disproving its own constructions.

Section 42.104(b)(3) derives its authority, in part, from 35 U.S.C. § 312, which requires that "the petition identifies, in writing and *with particularity*, each claim challenged, *the grounds on which the challenge to each claim is based*, and

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