

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LG ELECTRONICS, INC., LG ELECTRONICS U.S.A., INC., LG
ELECTRONICS MOBILECOMM U.S.A. INC., LG ELECTRONICS
MOBILE RESEARCH U.S.A. LLC, AND LG ELECTRONICS
ALABAMA, INC.,

Petitioner

v.

FUNDAMENTAL INNOVATION SYSTEMS INTERNATIONAL LLC,
Patent Owner.

Cases:

IPR2018-00493 (Patent 7,834,586 B2)
IPR2018-00495 (Patent 7,239,111 B2)
IPR2018-00508 (Patent 8,232,766 B2)

Before BRYAN F. MOORE, LYNNE E. PETTIGREW,
JON B. TORNQUIST, CHRISTOPHER L. OGDEN, and
ARTHUR M. PESLAK, *Administrative Patent Judges*.¹

PESLAK, *Administrative Patent Judge*.

¹ Because this Order involves the same issue in three cases, the Administrative Patent Judges assigned to all three cases are listed. None of the three listed cases involves an expanded panel of judges.

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IPR2018-00495 (Patent 7,239,111 B2)
IPR2018-00508 (Patent 8,232,766 B2)

ORDER

*Denying Authorization for Petitioner Reply to
Patent Owner's Preliminary Response
37 C.F.R. §§ 42.5, 42.108(c)*

On June 12, 2018, counsel for Petitioner in IPR2018-00493, IPR2018-00495, and IPR2018-00508 sent an email to the Board stating that Petitioner “seeks an order authorizing Petitioner to file a 5-page Reply under 37 C.F.R. §§ 42.108(c) to Patent Owner’s Preliminary Response, in each of the identified proceedings.” Petitioner states in the email that the reason for the request is Patent Owner’s introduction of deposition testimony of a Mr. Garney² in the Patent Owner’s Preliminary Response. Petitioner asserts the testimony is “improper hearsay” because Petitioner was not a party to the litigation for which the deposition was taken. The email indicates that Patent Owner opposes the request.

The Board held a teleconference on June 21, 2018, to address Petitioner’s request. Counsel for both parties and Judges Moore, Pettigrew, Tornquist, Ogden, and Peslak participated in the teleconference. A transcript of the call is entered in the record as Exhibit 1031 in all three cases (“Tr.”). Because the issues raised by Petitioner’s request are substantially

² IPR2018-00493, Ex. 2005; IPR2018-00295, Ex. 2003; IPR2018-00508, Ex. 2005. Patent Owner filed excerpts of Mr. Garney’s deposition transcript, not the entire transcript of the testimony. *Id.*, *passim*.

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the same in all three cases, we issue one order that will be entered in each IPR proceeding.

DISCUSSION

Our rules state that “[a] petitioner may seek leave to file a reply to the preliminary response” and that “[a]ny such request must make a showing of good cause.” 37 C.F.R. § 42.108(c). During the teleconference, Petitioner stated that “there are three reasons why there is good cause . . . to file a reply to Patent Owner’s preliminary response.” Tr. 5:25–63. First, Petitioner asserts that “it wasn’t foreseen that Patent Owner would have filed the deposition transcript of Mr. Garney, who was not LG Electronics[’s] expert, and LG Electronics was not a part[y] to the proceeding to which the transcript pertains.” *Id.* at 6:4–8. Second, Petitioner states that while its District Court litigation counsel may have had access to Mr. Garney’s deposition transcript, counsel of record in these IPRs did not have access to the transcript at the time of the filing of the Petitions because of restrictions in a protective order entered in underlying litigation. *Id.* at 6:15–25. Third, Petitioner asserts that a reply “would inform the Board’s analysis and put proper context [for] Mr. Garney’s testimony.” *Id.* at 7:8–9. Petitioner also notes that as of the date of the teleconference, IPR counsel did not “have possession of that testimony” and requested that Patent Owner “file the full transcript of” Mr. Garney’s testimony. *Id.* at 12:22–23, 13:9.

Patent Owner responds that Petitioner appears to have abandoned the original premise stated in the email for filing a reply, i.e., that Mr. Garney’s

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testimony is hearsay. Tr. 9:6–10.³ Patent Owner asserts that the submission of Mr. Garney’s testimony is “totally foreseeable based on” Petitioner’s argument that SE1 signaling is “suitable for USB signaling” and has “obvious beneficial results.” *Id.* at 9:16–21 (quoting from Petition in IPR2018-00508). According to Patent Owner, “Mr. Garney’s testimony directly undermines those points, so it’s fair – it’s foreseeable that Patent Owner is going to raise such testimony by another neutral expert.” *Id.* at 9:25–10:4. Patent Owner next asserts that Petitioner “realize[s] a gap in the petition” caused by Mr. Garney’s testimony and is improperly “trying to make new arguments” to the Board to cure the gap in the Petition which would be “totally prejudicial for the patent owner.” *Id.* at 11:10–11, 21–22.

We are not persuaded that Petitioner has shown good cause for a reply to Patent Owner’s Preliminary Response.

Patent Owner’s arguments regarding SE1 signaling appear to be responsive to statements in the Petition (*e.g.*, IPR2018-00508, Pet. 23–24) that SE1 signals are suitable for USB signaling. Petitioner, however, does not argue that Patent Owner’s *arguments* regarding SE1 signaling are unforeseeable but rather that the submission of Mr. Garney’s testimony in support of Patent Owner’s arguments is unforeseeable. In that regard, we note that Patent Owner relies on the testimony of its own declarants, Dr. Kenneth Fernald (IPR2018-00493 and -00508) and Mr. Baranowski (IPR2018-00495) (Ex. 2001) and the USB 2.0 Specification (Ex. 1010), in

³ Petitioner denies that the hearsay argument has been abandoned. Tr. 12:16–19. Nevertheless, the existence of a disputed admissibility issue is not good cause to file a reply, because the proper time for objecting to evidence is after the institution of trial. *See* 37 C.F.R. § 42.64.

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addition to Mr. Garney's testimony to support these arguments. *See e.g.*, IPR2018-00508, Prelim. Resp. 29–30. Given that Petitioner relies on both documentary evidence and other testimonial evidence, whether the submission of Mr. Garney's testimony was unforeseeable is not determinative of whether good cause exists for the filing of a reply to Patent Owner's Preliminary Response. Petitioner's Request for Authorization to file a reply to Patent Owner's Preliminary Response is, thus, *denied* because Petitioner has not established that Patent Owner's arguments were unforeseeable and Patent Owner relies on evidence other than Mr. Garney's testimony in support of the argument.

Our rules provide that “the proponent of the testimony must arrange for providing a copy of the transcript to all other parties” and the transcript “must be filed as an exhibit.” 37 C.F.R. § 42.53(7). Because Patent Owner, as proponent of Mr. Garney's testimony, has not filed a complete copy of Mr. Garney's deposition transcript and Petitioner's counsel represented that the complete testimony had not been provided to Petitioner as of the date of the teleconference in this matter, we direct Patent Owner to file a complete copy of Mr. Garney's deposition transcript.

Accordingly, it is:

ORDERED that Petitioner's request for authorization to file a reply to Patent Owner's Preliminary Response is *denied*;

FURTHER ORDERED that this order shall be entered in the record of each of IPR2018-00493, IPR2018-00495, and IPR2018-00508; and

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