

**UNITED STATES PATENT AND TRADEMARK OFFICE**

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**BEFORE THE PATENT TRIAL AND APPEAL BOARD**

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SONOS, INC.  
Petitioner

v.

IMPLICIT, LLC  
Patent Owner

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IPR2018-00767  
U.S. Patent No. 8,942,252

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**PETITIONER'S OPPOSITION TO PATENT OWNER'S MOTION TO  
SUBMIT SUPPLEMENTAL INFORMATION**

## I. INTRODUCTION

Implicit's motion highlights its corroboration problem. Instead of engaging in the appropriate diligence up front to check with other people and corroborate Mr. Balassanian's invention story, Implicit strategically chose to rely solely on Mr. Balassanian and his own documents. It is simply too late and too prejudicial to allow Implicit to try and fix this problem.

As we are well past one-month after institution, Implicit must establish that it is entitled to relief under 37 C.F.R. § 42.123(b). Specifically, Implicit must show "why the supplemental information reasonably could not have been obtained earlier, and that consideration of the supplemental information would be in the interests-of-justice." 37 C.F.R. § 42.123(b). In deciding requests for late submission of supplemental information, panels "weigh both factors" and "tak[e] into consideration [the] mandate to construe the rules to secure the just, speedy, and inexpensive resolution of every proceeding." *Mylan Pharm. Inc., v. Yeda Research & Dev. Co. Ltd.*, IPR2015-00643, Paper 48 at 2 (PTAB Feb. 1, 2016).

Notably, to meet the "interest-of-justice" standard set forth in 37 C.F.R. § 42.123(b), Implicit must do more than merely show good cause for consideration of this information. Instead, Implicit must show that it was fully diligent in its discovery efforts and there would be no undue prejudice to Sonos. *See Ultratec, Inc. v. CaptionCall, LLC*, 872 F.3d 1267, 1272 (Fed. Cir. 2017) ("[T]he interests-of-

justice standard is slightly higher than good cause . . . [t]o show good cause, a party would be required to make a particular and specific demonstration of fact. Under the interests-of-justice standard, the moving party would also be required to show that it was fully diligent in seeking discovery and that there is no undue prejudice to the [non-movant].”’) (quoting 77 Fed. Reg. 48,719 (Aug. 14, 2012)).

Implicit has not met these requirements.

## II. ARGUMENT

### A. **Implicit Has Failed to Show That It Could Not Have Reasonably Obtained the Evidence Earlier**

Implicit has failed to show that it reasonably *could not have* obtained the evidence earlier. Implicit argues merely that it *did not* obtain the evidence earlier. But, this is not the standard.

Implicit could have reasonably – if not easily – obtained the Peterson Email had it simply asked Dr. Peterson or Mr. Fiucynski for the email. Under the facts as presented by Implicit, it was at least reasonable to have expected Implicit to conduct *some kind* of external search, and it was at least reasonable to have expected Implicit to reach out to either Dr. Peterson or Mr. Fiucynski seeking relevant documents.

Implicit explains that its records custodian (who is also the lead inventor of the patent and the founder of Implicit and its predecessor companies), Mr. Balassanian, searched his own records for relevant documents but did not uncover the Peterson Email. Mot. at 4-6. This was apparently the extent of Implicit’s

investigation for relevant material because Implicit and Mr. Balassanian stop short of explaining what, if anything, else they did to uncover relevant documents. Indeed, neither Implicit nor Mr. Balassanian allege that they even asked anyone else, particularly former employees and advisors, if they had relevant material. This failure was unreasonable given several facts apparent from Implicit’s Motion.

In particular, Implicit and Mr. Balassanian knew that: (i) around the relevant time period in 2001, “BeComm often migrated its email server . . . which caused emails to become lost”; (ii) “Mr. Balassanian did not backup or save his emails before the migration”; and (iii) “Mr. Balassanian also had a practice of deleting emails throughout the day.” Mot. at 5. The presence of any one of these facts – let alone all three – coupled with the fact that Implicit presented an evidence-heavy swear-behind defense to rebut Sonos’s prior-art case would have suggested to a reasonable party that they ought to ask previous employees or advisors for relevant documents. Implicit’s failure to do so was unreasonable under the circumstances, and thus belies any claim that it *could not* have uncovered the Peterson Email.<sup>1</sup>

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<sup>1</sup> Mr. Balassanian’s sudden assertions regarding lost and deleted emails is also inconsistent with his deposition testimony in which he testified that “[BeComm] had a practice of not throwing out hard drives with our computers,” and that BeComm “saved the hard drive[s]” and used “tape drives” to backup “servers in [BeComm’s] network.” Ex.1019 at 99:11-100:9.

Implicit alleges that it was not aware that Dr. Peterson or Mr. Fiucynski “might have potentially relevant information.” Telling, however, is that neither Implicit nor Mr. Balassanian allege that they forgot who these individuals were or that they did not know how to contact them. Instead, Implicit and Mr. Balassanian merely allege that they did not have actual knowledge that these individuals in fact possessed relevant evidence. But, in view of Implicit’s apparent failure to even ask, its lack of actual knowledge is insufficient to establish that “it could not reasonably have obtained the Peterson Email earlier.”

Moreover, this is not a case where the evidence did not exist during the IPR discovery period; to the contrary, the evidence has existed for over 17 years. And, like the defendants in Implicit’s other litigations, all Implicit had to do to obtain this evidence was ask for it.<sup>2</sup> Because Implicit failed to conduct any semblance of a reasonable investigation, its assertion that it “could not reasonably have obtained the Peterson Email earlier than it did” fails. *See Hyperbranch Med. Tech., Inc. v. Incept LLC*, IPR2016-01836, Paper 32 at 5-6 (PTAB Oct. 30, 2017) (denying motion to submit late supplemental evidence because “it appears that Patent Owner was unable to acquire the documents principally because it did not search for the information until [too late].”).

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<sup>2</sup> Indeed, Dr. Peterson produced this email within two days of the subpoena’s issue-date. Ex.2090; Mot. at 3, 6.

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