

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SONOS, INC.,
Petitioner,

v.

IMPLICIT, LLC,
Patent Owner.

IPR2018-00766 (Patent 7,391,791 B2)¹
IPR2018-00767 (Patent 8,942,252 B2)

Before MICHELLE N. WORMMEESTER, SHEILA F. McSHANE, and
NABEEL U. KHAN, *Administrative Patent Judges*.

McSHANE, *Administrative Patent Judge*.

DECISION

Denying Patent Owner's Motion to Submit Supplemental Information
37 C.F.R. § 42.123(b)

¹ This Order addresses issues that are identical in each of these cases. Therefore, we exercise our discretion to issue one order to be filed in each case. The parties, however, are not authorized to use this style heading in any subsequent papers without prior authorization.

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BACKGROUND

The Board granted leave for Patent Owner to file a Motion to Submit Supplemental Information in each *inter partes* review. Paper 19.² On April 4, 2019, Patent Owner filed the Motion (Paper 20, “Mot.”), and on April 24, 2019, Petitioner filed an Opposition (Paper 23, “Opp.”).

In its Motion, Patent Owner argues that it should be permitted to submit supplemental information consisting of an October 4, 2001 email from Dr. Larry Peterson (“the Peterson email”). Mot. 4. Patent Owner argues that the standard under 37 C.F.R. § 42.123(b) for late submission of information has been met because this evidence reasonably could not have been obtained earlier and consideration of this information would be in the interests of justice. *Id.* Patent Owner alleges that the Peterson email is highly relevant to its assertion that it can swear behind the primary invalidity reference in the case. *Id.* at 1–2. Patent Owner argues that the Peterson email could not have been reasonably obtained earlier because Patent Owner, Implicit, did not have the document in its possession, custody, or control. *Id.* at 4. Patent Owner contends that it only became aware of the email through a third-party subpoena in an unrelated litigation, *Implicit v. NetScout*. *Id.* at 2, 4; Ex. 2091 ¶ 5. Patent Owner further alleges that as soon as it became aware of the Peterson email, it diligently acted, produced the email to Petitioner, and advised that it sought to supplement the record on March 7, 2019. *Id.* at 4.

Patent Owner argues that it could not have earlier obtained the Peterson email because even though Mr. Edward Balassanian, the record

² We refer to the papers and exhibits filed in Case IPR2018-00767 as representative.

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custodian for Patent Owner, was copied on the email, that around the time the email was sent there was a migration of email systems that likely resulted in the deletion of the email. Mot. 5 (citing Ex. 2091 ¶ 9). Patent Owner contends that neither Dr. Peterson, the email recipient, nor Mr. Marc Fiuczynski, the email sender, were directly involved in the development that led to the invention, so Patent Owner was not aware that they would have had potentially relevant information from over 17 years ago. *Id.* at 4, 6 (citing Ex. 2091 ¶¶ 5–6; Ex. 2009, 5). Patent Owner contends that Mr. Balassanian as the record custodian and its counsel searched and re-searched for all potentially relevant documents and did not find the Peterson email. *Id.* at 4–5.

Patent Owner also argues that the submission of the Peterson email would be in the interests of justice because the evidence would be relevant to the actual reduction to practice of the invention, which is an issue in the case. Mot. 6–7. Patent Owner states that it notified Petitioner in advance of the depositions of Dr. Peterson and Mr. Fiuczynski in the *Implicit v. NetScout* case, which occurred in mid-March and early April, so Petitioner has had the opportunity to avoid delays associated with additional discovery. *Id.* at 7–8. Patent Owner also contends that the email is admissible because Dr. Peterson authenticated the email in the litigation, and evidentiary objections are not a basis to preclude submitting supplemental information. *Id.* at 8.

Petitioner opposes the Motion because it asserts that Patent Owner did not engage in appropriate diligence in its discovery efforts, and its failure to do so is unreasonable under the circumstances. Opp. 1–4. Petitioner asserts that Patent Owner does not indicate that it could not have obtained the

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evidence earlier, and fails to indicate that they asked anyone else, such as former employees and advisors, if they had relevant documents. *Id.* at 2–3. Petitioner also argues that it will be unduly prejudiced if the evidence is admitted now because the oral hearing is upcoming and there is insufficient time to re-open discovery prior to the hearing and permitting post-hearing briefing would not cure the prejudice to Petitioner. *Id.* at 6–7.

ANALYSIS

As the movant, Patent Owner bears the burden of demonstrating that it meets 37 C.F.R. § 42.123(b) for late submission of evidence. 37 C.F.R. § 42.20(c). Considering the circumstances here, we are not persuaded that Patent Owner engaged in a reasonable search for the document at issue.

As Petitioner argues, Patent Owner was aware that its own electronic files from the alleged time of the conception of the invention and its reduction to practice were potentially deficient because (1) its email server may have been migrated around that time period and emails were lost; (2) Mr. Balassanian did not back-up or save emails prior to the migration; and (3) Mr. Balassanian deleted emails through the day. Mot. 5 (citing Ex. 2092, 196:4–203:2, 201:3–202:2, 201:3–202:2); *see also* Opp. 3. Additionally, although Petitioner bears the burden of establishing that any reference upon which it relies constitutes prior art under 35 U.S.C. § 102, Patent Owner bears the burden of producing evidence supporting antedating the prior art. 35 U.S.C. § 316(e); *see Mahurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1576–77 (Fed. Cir. 1996).

Patent Owner’s Motion does not present sufficient evidence to support that it performed a diligent search. The only records that Patent Owner appeared to have searched were Implicit’s own document records, which it

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knew to be likely missing documents from the relevant time frame. Mot. 4–6. The record does not indicate that Patent Owner sought any additional discovery, including, more specifically, seeking documents from former employees and advisors, including those directly involved in the project. *See id.* Under these circumstances, we agree with Petitioner that Patent Owner has undercut its assertion that the document at issue reasonably could not have been obtained earlier because there has been no demonstration that Patent Owner performed a reasonably diligent search under these circumstances. And the appropriate time for Patent Owner to perform that search was prior to the filing of its Response because it bears the burden for antedating.

Considering the interests of justice, we agree that Patent Owner’s interests could potentially be served by allowing the submission of this information, however, Petitioner will also be prejudiced. The grant of this motion would require reopening discovery to potentially allow Petitioner to take two depositions,³ as well as entail a supplemental reply with a supplemental sur-reply. At this stage of the proceeding, reopening discovery would be prejudicial to Petitioner and is contrary to our objective to secure the just, speedy, and inexpensive resolution of every proceeding.

Additionally, Patent Owner has presented other evidence in support of an

³ The record is unclear as to whether Petitioner was provided sufficient notice of the Dr. Peterson and Mr. Fiucynski depositions in March/early April in the *Implicit v. NetScout* action, including an indication of Petitioner’s potential participation in the depositions. Mot. 8; Opp. 6, n.3. As Petitioner notes, the depositions were in an unrelated district court where it is not a party, and the depositions were being taken pursuant to subpoenas that were not issued by Patent Owner. *See* Opp. 6, n.3.

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