

Paper No. _____
Filed: March 2, 2020

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ALPHATEC HOLDINGS, INC. and ALPHATEC SPINE, INC.,
Petitioners,

v.

NUVASIVE, INC.,
Patent Owner.

Case No. IPR2019-00361
Patent No. 8,187,334

PATENT OWNER'S SUR-REPLY

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I. INTRODUCTION

Petitioner's Reply repeatedly mischaracterizes the facts, NuVasive's arguments, and the applicable burden of proof. Petitioner bears the burden of proof and it *never* shifts to NuVasive. Petitioner nonetheless attempts to require NuVasive to prove that the modular modification proposed by Petitioner would have been less safe and would have increased invasiveness and that alignment of implant markers with the spinous process was a benefit realized after the priority date. But NuVasive need not prove any of these things. It was Petitioner's burden to prove its case. It failed to do so.

It was Petitioner whose proposed reason for the modularity modification was to make the implant safer and less invasive. POR 1-2. NuVasive noted that this argument was wholly unsubstantiated and that there were many reasons a multipiece modular combination would decrease safety and increase invasiveness. POR 12-13, 42-45, 53-54. The Reply fails to substantiate the petition's proposed motivation and does not dispute that sequential insertion would be more invasive because, for example, it would involve "chewing up the endplate" or using multiple surgical pathways. Instead, Petitioner points to the state of the art as a thinly veiled pretext for attempting to switch obviousness theories to new references and new arguments that were not included with the petition. In the process, Petitioner abandons the obviousness case set forth in the petition and

betrays the teachings of Frey, Brantigan, and Michelson. This is fatal to Petitioner's case.

It was also Petitioner who relied on Baccelli to provide motivation to place two radiopaque markers in alignment with the spinous process. POR 2, 19-20. Petitioner's case hinges on a special interpretation of the term longitudinal length that is inconsistent with its plain meaning. POR 4-7. Based on this erroneous construction, Petitioner then misconstrued Baccelli as teaching placement of two radiopaque markers in alignment with the spinous process. POR 19-20, 60-61. The Reply does not meaningfully respond to these fatal deficiencies.

Petitioner's remaining reply arguments are likewise improper and unpersuasive. The Board should hold Petitioner failed to prove its case for each challenged claim.

II. PETITIONER FAILS TO ESTABLISH ESTOPPEL CAN OR SHOULD BE APPLIED

Invoking Rule 42.73(d)(3)(i) and the *MaxLinear* decision, the petition (at 32) asserted with very little explanation that NuVasive is estopped from arguing that claim 1 renders any dependent claim patentable over Frey and Michelson. Although the burden to establish entitlement to estoppel fell on Petitioner and not on NuVasive, the POR (at 21-41) explained (1) that Rule 42.73(d)(3)(i) is inapplicable, (2) that claim 1 may not be treated as prior art to cancel the challenged claims, (3) that Petitioner failed to establish the required elements of

collateral estoppel, (4) that Petitioner’s attempted application of collateral estoppel would be inequitable, (5) that intervening changes in law and procedure render collateral estoppel inapplicable, (6) that Petitioner failed to justify applying judicial estoppel, and (7) that Petitioner failed to show the Board has authority to cancel challenged claims based on estoppel.

Petitioner addresses “estoppel” (Reply 6-8), but this discussion abandons rule 42.73(d)(3)(i) and judicial estoppel entirely (arguments 1 and 6), cites no authority for treating a cancelled claim as prior art (argument 2), and fails to establish the Board has common law authority to invalidate challenged claims based on estoppel or address any of the cases cited in the POR showing the Board lacks such common law authority (argument 7). Petitioner’s failures to address arguments 1-2 and 6-7 are fatal to Ground 1.

Regarding arguments 3-5, Petitioner’s Reply arguments come too late. It is not enough that these reply arguments be responsive to the POR because entitlement to collateral estoppel was essential to Petitioner’s *prima facie* case.

“Petitioner may not submit new evidence or argument in reply that it could have presented earlier, e.g. to make out a *prima facie* case of unpatentability.”

Consolidated Practice Guide 73. Moreover, as discussed further below, Petitioner’s arguments for estoppel fail on the merits.

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