

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FLEX LOGIX TECHNOLOGIES INC.
Petitioner

v.

VENKAT KONDA
Patent Owner

Case IPR2020-00260
Patent No. 8,269,523

**PETITIONER'S REPLY TO
PATENT OWNER'S PRELIMINARY RESPONSE**

Pursuant to the Board's order dated May 28, 2020, Petitioner submits this reply to the Preliminary Response in order to address PO's argument that the Board should not institute a trial here concerning the U.S. Patent 8,269,523 ("the '523 patent") based on the existence of reissue application 12/202,067 ("the reissue application") of the '523 patent. (POPR at 5-6.) Contrary to PO's assertions, the Board should not deny the petition based on the reissue application as denial on that basis would severely prejudice Petitioner while rewarding PO's less-than-candid conduct before the PTO and the district court. Instead, institution here will provide an efficient vehicle for resolution of the issues surrounding the '523 patent as it will avoid duplication of efforts within the PTO, avoid the waste of the PTO and party resources, avoid potentially inconsistent results, and avoid prejudice to Petitioner.

On November 27, 2018, after PO became aware that he had failed to timely pay the PCT nationalization fee in 2009 for the application that led to the '523 patent, PO filed the reissue application declaring that the '523 patent is "wholly or partially inoperative or invalid" because of his late payment. (Ex. 2005 at 586, 589-590.)¹

¹ While PCT application US/08/64605 expired on November 22, 2009, PO paid the nationalization fee for the application leading to the '523 patent on December 22, 2009, which should not have been possible absent a showing of *unavoidable* delay.

On December 17, 2018, PO sued Petitioner alleging infringement of the '523 patent. (Ex. 1050 at 1-2, 7-11.) The complaint, which was served on Petitioner January 3, 2019, represented that “[t]he '523 patent is valid and enforceable” (*id.* at 8) and “was duly and lawfully issued” (*id.* at 7). PO did not inform the district court or Petitioner that he had filed the reissue application and had represented to the PTO that the '523 patent was defective.

While PO dismissed the lawsuit against Petitioner on April 3, 2019 without prejudice, Petitioner was still faced with a one-year time bar based on the complaint filed in December 2018 and served in January 2019. As such, Petitioner filed the present Petition and two related petitions with respect to the '523 patent on December 16, 2019. While the Petition acknowledges application no 16/202,067 (Petition at 2), details of the application, including the fact that it was a reissue application, were not available as the application was inaccessible on PAIR. Petitioner did not become aware that PO had filed a reissue application until the filing of PO's January 6, 2020 mandatory notices. While PO seeks to amend the claims of the '523 patent in the reissue proceeding in response to issues raised in

(Ex. 1004 at 150; Ex. 2005 at 600, 586.) *See* 37 C.F.R. § 1.495 (pre AIA); 35 U.S.C. § 371(d) (pre AIA).

litigation and co-pending PGR proceedings involving U.S. Patent 10,003,553 (“the ’553 patent”), as of at least the May 22, 2020, teleconference with the Board, PO did not inform the reissue application examiner of the ’523 IPR and ’553 PGR proceedings or the district court litigation. *See* PGR2019-00037, -00042; Ex. 1050; Ex. 2005. In fact, the reissue application involves some of the same claims at issue here. (Ex. 2005 at 11-28, 31.) No office action has issued in the reissue proceedings. (*See* Ex. 2005.)

Denial of institution in these IPR proceedings based on the pending reissue application would effectively allow Patent Owner to use the reissue application as a sword and a shield. If the Board were to deny institution, PO could simply drop the reissue application and keep the ’523 patent as is, which would severely prejudice Petitioner as it would be time barred from challenging the ’523 patent in an IPR proceeding. In contrast, institution would allow for the issues surrounding the ’523 patent to be adjudicated in an efficient, consistent, and fair manner that minimizes duplication of effort and avoids wasting the resources of the Office and the parties, especially given the overlap between the proceeding here and the reissue application. In fact, if trial is instituted here, as requested by Petitioner, it may be appropriate to stay or consolidate the reissue with the instant proceeding. *See* 35 U.S.C. § 315(d); 37 C.F.R. §42.122(a); 37 C.F.R. § 42.3(a). The parties can discuss those options with the Board after institution, as appropriate.

Respectfully submitted,

Dated: June 1, 2020

By: /Naveen Modi/
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