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Paper No. \_\_\_\_\_  
Date: November 27, 2019

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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INTEL CORPORATION,  
Petitioner,

v.

TELA INNOVATIONS, INC.,  
Patent Owner.

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Case IPR2019-01228  
Patent 7,943,966

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**PATENT OWNER'S SUR-REPLY**

**TABLE OF CONTENTS**

	<b>Page(s)</b>
I. THE IPRS ARE BARRED BASED ON EXPRESS INVALIDITY ALLEGATIONS.....	2
II. THE NDCA ACTION SUPPORTS DISCRETIONARY DENIAL.....	6
III. THE ITC ACTION HAS BEEN TERMINATED .....	7
IV. CONCLUSION.....	7

**TABLE OF AUTHORITIES**

	<b>Page(s)</b>
<b>CASES</b>	
<i>American Nat'l. Mfg., Inc. v. Sleep No. Corp.</i> , IPR2019-00514, Paper 10 (PTAB Aug. 5, 2019).....	5, 6
<i>Grimm v. Washington Mut. Bank</i> , No. 02:08CV0828, 2008 WL 2858377, at *7 (W.D. Pa. July 22, 2008) .....	4
<i>LG Elecs., Inc. v. Straight Path IP Grp., Inc.</i> , IPR2015-00196, Paper 20 (PTAB May 15, 2015) .....	3
<i>NHK Spring Co. v. Intri-Plex Techs., Inc.</i> , IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018).....	7
<i>Samsung Elecs Co., Ltd. v. Bitmicro, LLC</i> , IPR2018-01410, Paper 14 (PTAB Jan. 23, 2019) .....	5
<i>Totes-Isotoner Corp. v. United States</i> , 594 F.3d 1346 (Fed. Cir. 2010) .....	4
<b>STATUTES</b>	
35 U.S.C. § 282(b)(2).....	5
35 U.S.C. §314(a) .....	1, 6, 7
35 U.S.C. §315(a)(1).....	2, 4, 5, 6
37 C.F.R. § 42.5 .....	1

Pursuant to 37 C.F.R. §42.5 and the Board's Order - Conduct of the Proceeding dated November 15, 2019 (Paper 14), Patent Owner Tela Innovations, Inc. ("Tela"), respectfully submits the following Patent Owner's Sur-reply ("Sur-reply") to the Reply filed by Petitioner Intel, Inc. ("Intel") ("Reply") (Paper 16).<sup>1</sup>

Intel's Reply goes to great lengths to assert that Tela's Preliminary Response ("POPR") (Paper 11) misrepresented the status of ongoing litigation between the parties. Tela did no such thing. Intel's assertions are the true misrepresentations, and are designed to distract from its egregious conduct. Intel fails to point to even one false statement in the POPR. That is because the POPR accurately outlined Intel's burdensome, inefficient, and duplicative litigation strategy. The simple fact is Intel filed these IPR petitions while Intel was asserting the same invalidity theories in the U.S. District Court for the Northern District of California ("NDCA"), and in the U.S. International Trade Commission ("ITC")<sup>2</sup> and Intel intentionally did not seek to stay either action. Intel further filed a total of 16 IPR petitions directed to six related Tela patents for maximum burden, inefficiency, and duplication, which also supports denial under 35 U.S.C. §314(a).

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<sup>1</sup> The defined terms used herein have the same meaning as ascribed to them in the POPR.

<sup>2</sup> The POPR expressly disclosed that the '966 Patent was terminated from the ITC proceeding on October 2, 2019. Paper 11, p.15.

Intel's Reply also attacks Tela's statutory bar argument under 35 U.S.C. §315(a)(1) as "disingenuous" by pointing to a statement from counsel for Tela confirming Intel's careful efforts to obscure its challenge to validity in the NDCA Action. At the same time, Intel ignores its own allegations in its complaints in the NDCA Action (the "Complaints"), and its admissions in that same hearing that Intel's prior art arguments should not be disclosed in detail until the time required for invalidity contentions, confirming that Intel was directly and expressly challenging validity in the NDCA Action. EX2005, pp.9-10. These admissions by Intel are direct evidence that Intel was pursuing an invalidity challenge under the guise of non-infringement claims, as the Judge in the NDCA Action recognized: ["Intel now brings this action seeking declaratory relief for noninfringement, **invalidity**, and unenforceability with respect to six Tela patents."] EX2004, p.1 (emphasis added).

#### **I. THE IPRS ARE BARRED BASED ON EXPRESS INVALIDITY ALLEGATIONS**

Intel attempts to avoid application of the statutory bar under 35 U.S.C. §315(a)(1), by maintaining that its Complaints did not include a cause of action directly seeking a declaration that claims of the '966 Patent are invalid. However, Intel carefully avoids addressing its detailed allegations in the Complaints expressly challenging the validity of the '966 Patent under the guise of non-infringement claims.

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