

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

PARUS HOLDINGS, INC.,
Patent Owner.

IPR2020-00686; Patent 7,076,431 B2
IPR2020-00687; Patent 9,451,084 B2

Before DAVID C. McKONE, STACEY G. WHITE, and
SHELDON M. McGEE, *Administrative Patent Judges*.

McKONE, *Administrative Patent Judge*.

ORDER
Motion to Strike
37 C.F.R. § 42.5(a)

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Apple Inc. (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 1–7, 9, 10, 13, 14, 18–21, and 25–30 of U.S. Patent No. 7,076,431 B2 (Ex. 1001, “the ’431 patent”). Paper 1 (“Pet.”).¹ We instituted an *inter partes* review of those claims. Paper 9. Parus Holdings, Inc. (“Patent Owner”) filed a Response to the Petition (Paper 15), Petitioner filed a Reply (Paper 19), and Patent Owner filed a Sur-reply (Paper 21).

The Sur-reply attached two exhibits, a User Guide for a Nuance Dragon NaturallySpeaking product (Ex. 2026) and a Declaration of Benedict Occhiogrosso in Support of Patent Owner’s Sur-reply (Ex. 2027). Pursuant to our email authorization, Patent Owner filed a Motion to Strike Exhibit 2026, Exhibit 2027, and identified certain of the Sur-reply referring to those exhibits, including arguments and citations. Paper 26 (“Mot.”); Ex. 1042 (annotated Sur-reply identifying portions to strike). Patent Owner opposed the Motion to Strike (Paper 27, “Opp.”), and Petitioner replied to the Opposition (Paper 28, “Reply to Mot.”). We grant Petitioner’s Motion to Strike as to Exhibits 2026 and 2027, and as to citations to those exhibits in the Sur-reply, but deny Petitioner’s Motion to strike arguments from the Sur-Reply.

According to Board guidance, “[a] motion to strike may be appropriate when a party believes the Board should disregard arguments or late-filed evidence in its entirety.” Patent Trial and Appeal Board,

¹ Throughout this Order, we refer to papers filed in IPR2020-00686. Similar papers are filed in IPR2020-00687 (Paper 1 (Pet.), Paper 9 (Dec. to Inst.), Paper 19 (Reply), Paper 21 (Sur-reply), Paper 26 (Mot. to Strike), Paper 27 (Opp. to Mot. to Strike), Paper 28 (Reply to Mot. to Strike), Paper 29 (Mot. to Exclude), and Exhibits 1042, 2025, 2026, 2027).

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Consolidated Trial Practice Guide, 80 (Nov. 2019) (“TPG”).² For example, “[i]f a party believes that a brief filed by the opposing party raises new issues, is accompanied by belatedly presented evidence, or otherwise exceeds the proper scope of reply or sur-reply, it may request authorization to file a motion to strike.” *Id.* As it was in this proceeding, “[s]ur-replies to principal briefs (i.e., to a reply to a patent owner response . . .) normally will be authorized by the scheduling order entered at institution.” *Id.* at 73. However, “[t]he sur-reply may not be accompanied by new evidence other than deposition transcripts of the cross-examination of any reply witness.” *Id.* Petitioner’s Motion to Strike invokes this guidance as its basis for its request to strike Patent Owner’s evidence and argument. Mot. 1 (citing TPG 73).

As to Exhibit 2026, Petitioner complains that it is prejudiced because Petitioner does not have an opportunity to respond to it. Mot. 2–3. Patent Owner “agrees that Ex. 2026 could have been entered earlier in this proceeding and agrees to withdraw it.” Opp. 7. We accept Patent Owner’s agreement and order Exhibit 2026 expunged.

As to Exhibit 2027, Petitioner argues that Mr. Occhiogrosso provides new opinions, to which it has no opportunity to challenge via deposition or to provide a response. Mot. 2. Petitioner notes that the Sur-reply argues that Exhibit 2027 was submitted to respond to new arguments and evidence in the Reply. *Id.* at 5 (citing Reply 10 n.2). Petitioner argues that its Reply did not exceed proper scope. *Id.* at 5–6. Nevertheless, Petitioner argues, Patent

² Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

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Owner should have, but did not seek permission to submit new evidence in the Sur-Reply. *Id.* at 5.

Patent Owner argues that Exhibit 2027 is responsive to unauthorized new evidence, specifically a Supplemental Declaration of Loren Terveen (Ex. 1040), filed with the Reply, and thus the submission of Exhibit 2027 did not require authorization from the Board. Opp. 1–3.³ Here, Patent Owner focuses its arguments on showing that Petitioner’s Reply evidence was beyond permissible scope, rather than showing that the submission of purportedly new evidence in a reply justifies filing otherwise unauthorized new evidence in a sur-reply. *Id.* As Petitioner points out, however, the TPG’s prohibition on new evidence submitted with a sur-reply does not include an exception for evidence responsive to evidence submitted with a reply (beyond submitting new cross-examination testimony of a reply witness). TPG 73. Thus, Patent Owner should have sought authorization to file new evidence. As Petitioner notes, if Petitioner’s Reply or reply evidence exceeds proper scope, Patent Owner’s remedy is to challenge it directly, not to submit unauthorized sur-reply evidence.⁴ Reply to Mot. 3.

³ Patent Owner expresses an intent to file a motion to exclude Exhibit 1040, Opp. 2 n.1, upon which Patent Owner has since followed up with a Motion to Exclude, Paper 29.

⁴ Both parties spend much of their briefing arguing the propriety of the Reply evidence and whether it should be challenged via a motion to exclude (as Patent Owner has since filed) or via a motion to strike. Mot. 5–7; Opp. 1–3, 5–6; Reply to Mot. 2–3. We will address Patent Owner’s Motion to Exclude in due course and we decline to resolve, in connection with Petitioner’s Motion to Strike, issues regarding whether certain reply evidence and arguments were proper.

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Patent Owner, referring to an earlier Declaration of Mr. Occhiogrosso (Ex. 2025), also argues that Exhibit 2027 should not be struck because it does not include new opinions. Opp. 3–5. We are not persuaded. Patent Owner does not explain why it did not cite to Mr. Occhiogrosso’s earlier Declaration in the Sur-reply instead of Exhibit 2027 if, indeed, Exhibit 2027 really is the same in substance as evidence submitted earlier. Moreover, Patent Owner’s argument that Exhibit 2027 is not new is at least in friction with its argument that Exhibit 2027 is necessary to rebut Petitioner’s allegedly new evidence. Opp. 1–3.

As the Trial Practice Guide provides, “[t]he sur-reply may not be accompanied by new evidence other than deposition transcripts of the cross-examination of any reply witness.” TPG 73. Patent Owner submitted Exhibit 2027, new testimony from Mr. Occhiogrosso, with the Sur-reply and did not seek authorization to do so. Patent Owner has not provided any persuasive justification for submitting this evidence without obtaining authorization from the Panel. Accordingly, we grant Petitioner’s Motion to Strike as to Exhibit 2027 and this exhibit will be expunged. *See* TPG 80.

Petitioner also asks us to strike arguments in the Sur-reply that cite to Exhibits 2026 and 2027. Mot. 1, 3–5. Petitioner does not provide meaningful explanation as to why arguments in a sur-reply that rely on expunged evidence also should be struck. Rather, Petitioner argues that “[u]nder similar circumstances, the Board previously expunged late-filed exhibits and struck the related portions of the Patent Owner’s Sur-Reply.” Mot. 1 (citing *Mallinckrodt Pharms. Ireland Ltd. v. Biovie, Inc.*, IPR2018-00974, Paper 34, 7–10 (PTAB Nov. 13, 2019); *Apple Inc. v. Maxell, Ltd.*, IPR2020-00200, Paper 24, 2 (PTAB March 2, 2021)).

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