UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TIDE INTERNATIONAL (USA), INC.,
Petitioner,

v.

UPL NA INC.,
Patent Owner.

Case IPR2020-01113
U.S. Patent No. 7,473,685

PATENT OWNER'S SUR-REPLY

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Patent Owner UPL NA accurately explained in its preliminary response that (1) there is "no indication that the court would grant any request for a stay if this proceeding is instituted," and (2) the stipulation by Tide International (USA), Inc. ("Tide") failed to foreclose arguments in district courts based on any number of iterations of the grounds for invalidity in the petition. POPR at 2, 7. UPL NA submits this sur-reply to address Tide's mischaracterizations of events in the district court and the scope of Tide's own stipulation. POPR at 2, 7. The Board authorized this sur-reply in an email dated November 5, 2020.

I. The District Court Has Not Signaled that It Is Amenable to a Stay.

Petitioner incorrectly asserts that the district court's actions demonstrate "its amenability to a stay pending IPR." Reply at 1. The district court's actions suggest the opposite.

First, Tide specifically asked the court to extend the stay of litigation for five months pending the Board's decision on institution (Ex. 1036 at 5-6), and the court responded by issuing a revised case schedule, not an extension of the stay (Ex. 2001 at 1). And, contrary to Tide, the court's statement that the parties may seek to alter the case schedule due to "the COVID-19 pandemic" says nothing about whether the court is inclined to stay the litigation due to this IPR. *See* Reply at 3.

Next, the revised case schedule permits Tide to update its final invalidity contentions (due January 26, 2021) based on the Board's institution decision (due by January 25, 2021). This timing reflects an expectation that the litigation will proceed after the Board's decision on institution, potentially with updated grounds for invalidity. While Tide argues that the court "avoided setting any dates that would result in overlapping efforts by the Court and the Board" (Reply at 3), it is not possible to avoid overlapping efforts in view of the limited scope of Tide's district court stipulation, as explained in Section II.

Further, the court could have signaled an intent to stay the litigation by incorporating a gap in the schedule after the expected date for the Board's institution decision (January 25, 2021). Such a gap could address any attempt to conserve judicial and party resources while the court determines whether a stay is appropriate. But instead of building a gap into the schedule, the court set deadlines requiring that fact discovery end on February 2, 2021, and opening expert reports be served on February 16, 2021. Ex. 2001 at 1. Those deadlines do not provide sufficient time for the court to decide a contested motion to stay the litigation. Rather, the court's deadlines require the parties to prepare final contentions, conduct substantially all discovery, and invest considerable time and effort preparing opening expert reports (addressing, e.g., invalidity, infringement, and damages) prior to the Board's decision on institution. If anything, the court's

revised schedule seems to indicate that the district court expects the parties to continue litigating the case, regardless of the Board's decision on institution.

Finally, Tide is incorrect that the court's "willingness to stay these proceedings in favor of an instituted IPR is exactly consistent with its record of doing so in the past." Reply at 3 (citing Petition at 70-71) (citing *Transp. Techs., LLC v. Los Angeles Count. Metro. Transp. Auth*., No. 15-6423, 2016 WL 7444679, at *8 (C.D. Cal. July 22, 2016); *Cannarella v. Volvo Car USA LLC et al*., No. 16-6195, 2016 WL 9450451 (C.D Cal. Dec. 12, 2016); *Envisiontec, Inc. v. Formlabs, Inc.*, No. 16- 06812, 2017 WL 2468770 (C.D. Cal. June 6, 2017); *Spin Master Ltd. v. Mattel, Inc*., No. 18-3435, slip op. (C.D. Cal. Nov. 21, 2018)). The facts here contrast with those in the cases cited by Tide, which involved a case "in its procedural infancy" (*Cannarella*, 2016 WL 9450451, *12); a case where the parties had "not commenced discovery and the Court [had] not issued a Scheduling Order" (*Envisiontec*, 2017 WL 2468770, *2); a case where a motion to stay was filed the day after the Scheduling Order issued (*Spin Master*, No. 18-3435, slip op. at 5); and a case where "the claim construction process [was] in its infancy" (*Transp. Techs.*, 2016 WL 7444679, *7).

In short, there is no indication that the district court would grant a request to stay the litigation if the IPR is instituted.

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