

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ALTAIRE PHARMACEUTICALS, INC.,
Petitioner,

v.

PARAGON BIOTECK, INC.,
Patent Owner.

Case PGR2015-00011
Patent 8,859,623 B1

Before ZHENYU YANG and CHRISTOPHER G. PAULRAJ,
Administrative Patent Judges.

YANG, *Administrative Patent Judge.*

ORDER
Conduct of the Proceeding
37 C.F.R. § 42.5

On May 17, 2016, the Board held a telephonic conference at the request of Patent Owner. Counsel for both parties and members of the panel attended the conference. This Order summarizes the issues discussed during the conference and provides further guidance on challenging new evidence and argument as untimely and/or outside of scope of a reply.

Patent Owner raised two issues. First, Patent Owner alleged that certain arguments presented in and evidence filed with Petitioner's Reply (including new declarations and testing reports) are untimely and/or outside of the scope of the reply. Patent Owner sought leave to file a motion to strike. Alternatively, Patent Owner requested our authorization to file a sur-reply, to be supported by additional evidence. Petitioner disagreed with Patent Owner's characterization of the arguments and evidence. According to Petitioner, the allegedly new evidence filed with the Reply corroborated the results presented in the Petition. Patent Owner challenged the accuracy of Petitioner's representation.

During the conference, we explained that new evidence, including new testimonial evidence, filed in support of a reply, is not per se improper. Petitioner's Reply, however, may only respond to arguments raised in Patent Owner's Response. *See* 37 C.F.R. § 42.23(b); Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,767 (Aug. 14, 2012). Furthermore, "respond," in the context of 37 C.F.R. § 42.23(b), does not permit Petitioner to depart from the position originally taken in the Petition and embark in a new direction with a new approach. *See Apple Inc. v. E-Watch, Inc.*, IPR2015-00412, slip op. 44 (PTAB May 6, 2016) (Paper 50).

We noted that Patent Owner objected to, under 37 C.F.R. § 42.64(b)(1), the evidence at issue as untimely and/or exceeding the proper scope of a reply. *See* Paper 37. We acknowledge that different Board

panels may have approached the issue differently. Nevertheless, in this proceeding, a motion to exclude, together with the corresponding objection, is not an appropriate vehicle for challenging a reply or supporting evidence as being of improper scope. As we explained during the conference, the objection and the motion to exclude under § 42.64 are reserved for challenging the admissibility of evidence under the Federal Rules of Evidence. *See* Trial Practice Guide, 77 Fed. Reg. 48,767. Indeed, § 42.64(b)(2) provides a party an opportunity to respond to an objection by serving supplemental evidence. Untimeliness and improper scope, however, cannot be cured by supplemental evidence.

Under the circumstances, the panel authorized Patent Owner to file a two-page document, identifying with particularity each argument or evidence in the Reply that Patent Owner alleges as inappropriate new argument or evidence. We also authorized Petitioner to file a two-page response, identifying with particularity (1) the arguments in the Patent Owner's Response that each challenged argument or evidence is responsive to; and/or (2) the arguments in the Petition that provide a sufficient basis to justify characterizing each challenged argument or evidence as not improperly new. We further authorized Patent Owner to file a one-page reply, pointing out with particularity why the portions of the Petition identified by Petitioner do not justify characterizing each challenged argument or evidence as not improperly new. We hereby increase the page limit for Patent Owner's reply from one page to two. We reiterate, as we emphasized during the conference, the key to these papers is specificity. Instead of referring to a paper generally, or a section that spans pages, the parties must identify the arguments by paper/exhibit, page, and line numbers.

The second issue Patent Owner brought up during the conference relates to real party in interest. Patent Owner pointed out that in the Reply, Petitioner asserted this issue was beyond the scope of a proper Patent Owner's Response. *See* Paper 36, 17. As a result, Patent Owner sought authorization to file a motion to terminate. It is not improper to raise the real-party-in-interest issue in a patent owner's response. *See Atlanta Gas Light Co. v. Bennett Regulator Guards, Inc.*, IPR2013-00453, slip op. 3 (PTAB Jan. 6, 2015) (Paper 88) (addressing the real-party-in-interest issue briefed in the patent owner's response). During the conference, we explained that in our view, the issue had been fully briefed by both parties in Patent Owner's Response and Petitioner's Reply. Both parties agreed that no additional briefing on the issue is needed at this time.

Accordingly, it is

ORDERED that Patent Owner is authorized to file an Identification of Improper New Reply Materials, identifying item by item, and by paper/exhibit number, page number, and line numbers, each argument or evidence in the Reply Patent Owner alleges as improper new argument or evidence;

FURTHER ORDERED that the Identification of Improper New Reply Materials is limited to two pages and must be filed by May 20, 2016;

FURTHER ORDERED that Petitioner is authorized to file a response, identifying item by item, and by paper/exhibit number, page number, and line numbers, (1) the arguments in the Patent Owner's Response each challenged argument or evidence is responsive to; and/or (2) the arguments in the Petition that provide a sufficient basis to justify characterizing each challenged argument or evidence in the Reply as not improperly new;

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FURTHER ORDERED that the Response to Identification of Improper New Reply Materials is limited to two pages and must be filed by May 27, 2016;

FURTHER ORDERED Patent Owner is authorized to file a reply, pointing out item by item why the portions of the Petition identified by Petitioner do not justify characterizing each challenged argument or evidence as not improperly new;

FURTHER ORDERED that the Reply in Support of Identification of Improper New Reply Materials is limited to two pages and must be filed by June 2, 2016; and

FURTHER ORDERED no additional briefing on the issue of real party in interest is authorized at this time.

PETITIONER:

Dipu Doshi

Jonathan England

Mark Thronson

Blank Rome LLP

ddoshi@blankrome.com

jwengland@blankrome.com

mthronson@blankrome.com

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