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

Held: July 12, 2016

BEFORE: ZHENYU YANG, CHRISTOPHER G. PAULRAJ, and SHERIDAN K. SNEDDEN, Administrative Patent Judges.

The above-entitled matter came on for hearing on Tuesday, July 12, 2016, commencing at 2:00 p.m., at the U.S. Patent and Trademark Office, 600 Dulany Street, Alexandria, Virginia.



APPEARANCES:

ON BEHALF OF THE PETITIONER:

DIPU A. DOSHI, ESQUIRE JONATHAN W.S. ENGLAND, ESQUIRE Blank Rome, LLP 1825 Eye Street, N.W. Washington, D.C. 20006

ON BEHALF OF PATENT OWNER:

MICHAEL ROSATO, ESQUIRE SONJA GERRARD, ESQUIRE Wilson, Sonsini, Goodrich & Rosati 701 Fifth Avenue Suite 5100 Seattle, Washington 98104-7036



1	PROCEEDINGS					
2						
3	JUDGE YANG: Good afternoon, everyone. This is the					
4	hearing for PGR2015-00011. The patent in suit is U.S. patent					
5	number 8,859,623. Now, counsel, would you please introduce					
6	yourselves, please, starting from the petitioner.					
7	MR. DOSHI: Good afternoon, Your Honor. Dipu					
8	Doshi on behalf of petitioner, Altaire Pharmaceuticals, Inc. With					
9	me are Mark Bronson and Jonathan England.					
10	JUDGE YANG: Thank you. Welcome. Patent owner?					
11	MR. ROSATO: Good afternoon. Mike Rosato					
12	representing patent owner, Paragon BioTeck. And with me at					
13	counsel table is Sonja Gerrard.					
14	JUDGE YANG: Thank you and welcome. We have					
15	just a couple of housekeeping matters before we begin. As set					
16	forth in the trial order, each party has 45 minutes to present your					
17	argument. Petitioner will proceed first and patent owner to					
18	follow. Petitioner, you can reserve time for rebuttal, but during					
19	your rebuttal time, you can only respond to the argument that					
20	patent owner raised during their response time.					
21	We set 45 minutes. That's the maximum. You really					
22	don't have to fill every second. Second is the demonstratives.					
23	Both parties e-mailed us the demonstratives. Thank you. When					
2/1	you discuss the demonstratives please he specific. Please					



- 1 identify the slide number so when we read the transcript, we
- 2 know what we are talking about. And this goes with all the other
- 3 papers and exhibits, if you pull up a paper, tell us what the paper
- 4 number is, the Exhibit Number, the page number, line number,
- 5 whatever is necessary.
- 6 One last but very important issue, that is please don't
- 7 interrupt each other when the other party is presenting. If you,
- 8 for whatever reason, have an objection, you can raise it during
- 9 your own time. So patent owner, if you have any objection
- during petitioner's opening, do it during your response time. But
- if you have any objection during the reply time, you can just
- bring it up before we adjourn. And petitioner, you can raise your
- 13 objection during your reply time.
- So if there is no questions, petitioner, would you like to
- reserve any time for rebuttal?
- MR. DOSHI: Yes, Your Honor. I would like to reserve
- 17 15 minutes for rebuttal.
- JUDGE YANG: So you may begin whenever you are
- 19 ready.
- MR. DOSHI: Thank you, Your Honor. I have hard
- 21 copies of the demonstratives. Do you need those?
- JUDGE YANG: Yes, that would be good.
- MR. DOSHI: May it please the Board, good afternoon.
- 24 My name is Dipu Doshi for petitioner, Altaire Pharmaceuticals,
- 25 Inc. Along with me, as I said previously, Mark Bronson and John



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- 2 whether claims 1 through 13 of the '623 patent are unpatentable
- as obvious over Altaire's product. The petitioner submits that it
- 4 has met its burden, it's met its burden by a preponderance of the
- 5 evidence. The evidence is clear, it's well documented, it's
- 6 compelling and in many instances it's uncontroverted.
- 7 The parties are no strangers. I have turned to slide 3.
- 8 This is an agreement or excerpts of an agreement between
- 9 Altaire, the petitioner, and Paragon, the patent owner. As you can
- see, the agreement was executed in 2011. The parties are still --
- are in a District Court dispute regarding the contract, but there is
- 12 no pending patent infringement suit or declaratory judgment in
- 13 the District Court proceedings. But the main point here is to
- understand that the parties are no strangers to one another. They
- 15 have been working together and they continue to work together
- under this agreement. And as part of the agreement, petitioner
- would become the exclusive manufacturer and supplier of certain
- products that were covered by an NDA that were filed by -- the
- 19 NDA was filed by patent owner, and the patent owner would
- 20 become the exclusive marketing arm and distributor of those
- 21 products. Down at the bottom of slide 3, you can see that the
- term is ten years from the date of the execution, which would put
- 23 it at 2021.
- So the Board may be asking why are we here if the
- 25 parties are working together. Well, there's a District Court



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