

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SMITH & NEPHEW, INC.,
Petitioner,

v.

CONFORMIS, INC.,
Patent Owner.

Case IPR2017-00511
Patent No. 7,981,158 B2

Before PATRICK R. SCANLON, JAMES A. WORTH, and
AMANDA F. WIEKER, *Administrative Patent Judges*.

WIEKER, *Administrative Patent Judge*.

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

A conference call was held on May 1, 2018, between Administrative Patent Judges Scanlon, Bunting, Worth, and Wieker; counsel for Petitioner, Ms. Christy Lea, Mr. Joseph Re, and Mr. Colin Heideman; and counsel for Patent Owner, Mr. Timothy McAnulty, Mr. Sanya Sukduang, Mr. Daniel Klodowski, Ms. Kassandra Officer, and Ms. Sydney Kestle.¹ The conference call was held to discuss the impact of the U.S. Supreme Court's recent decision in *SAS Institute Inc. v. Iancu*, 2018 WL 1914661 (U.S. Apr. 24, 2018).²

I. BACKGROUND

In this proceeding, we instituted an *inter partes* review as to claims 66–72 and 81, under 35 U.S.C. § 103(a), as unpatentable over CAOS, Woolson, and Alexander. Paper 9 (“Dec. on Inst.”), 27. We did not institute an *inter partes* review as to claims 73–80, under 35 U.S.C. § 103(a), as unpatentable over CAOS, Woolson, Alexander, and Radermacher. Subsequent to the decision in *SAS*, however, we modified our Decision on Institution to include the ground challenging claims 73–80. Paper 42 (modifying the Decision on Institution to include all claims and all grounds presented in the Petition).

This proceeding is at a late stage. Specifically, an oral hearing was held on March 13, 2018, and a Final Written Decision is due, by statute, on June 14, 2018. *See* Paper 41 (hearing transcript); 35 U.S.C. § 316(a)(11);

¹ The parties arranged for a court reporter to transcribe the conference call. As stated during the call, the transcript must be filed as an exhibit in this proceeding, as soon as it becomes available.

² The conference call addressed several proceedings. Orders will issue for the additional proceedings in due course.

37 C.F.R. § 42.100(c). The panel convened this conference call to ascertain the parties' position as to whether any further briefing is needed, given the recent addition of the ground challenging claims 73–80 to the proceeding. *See, e.g.*, Paper 42. The parties indicated that they had met and conferred but were unable to reach agreement regarding a course of conduct for this proceeding.

Mr. McNulty expressed Patent Owner's opinion that no further briefing is needed, and that the Board could proceed to Final Written Decision on the current record. However, to the extent Petitioner requests and is granted an opportunity to brief this newly-added challenge, Patent Owner requests the same opportunity, including an opportunity to conduct discovery, provide briefing, and participate in a supplemental oral hearing. Relevant to other proceedings discussed during the call, but not relevant to IPR2017-00511, Mr. McNulty also expressed concern that several Petitions identify the grounds upon which the challenges are based using alternative language, as noted by the Board in its Decisions on Institution. *See, e.g.*, IPR2017-00778, Paper 7, 6–7. Accordingly, Mr. McNulty argued that the Petitions fail to set forth the grounds with particularity, and requested clarification as to the grounds at issue prior to offering supplemental briefs in these proceedings.³ 35 U.S.C. § 312(a)(3).

³ Mr. McNulty's argument in this regard does not take *SAS* into account, which requires the Board make "a binary choice—either institute review or don't." *SAS*, at *5. *SAS* states that 35 U.S.C. § 314(a) requires the USPTO Director "to decide whether the petitioner is likely to succeed on 'at least 1' claim. Once that single claim threshold is satisfied, it doesn't matter whether the petitioner is likely to prevail on any additional claims; the Director need not even consider any other claim before instituting review. Rather than contemplate claim-by-claim institution, then, the language

For Petitioner, Ms. Lea stated that Petitioner understood Patent Owner's position that no further briefing is required to be a waiver of argument with respect to the newly-added challenge. Regardless of Patent Owner's position, Ms. Lea indicated that Petitioner requests an opportunity to file its own brief, addressing the Decision on Institution and Patent Owner's Preliminary Response, and to file supplemental information under 37 C.F.R. § 41.123, regarding certain admissions purportedly made by Patent Owner's declarants during the course of the proceeding. Ms. Lea also indicated a desire to conduct discovery and participate in a supplemental oral hearing, although Ms. Lea indicated that Petitioner is unlikely to offer supplemental declaration testimony, if Patent Owner does not offer such testimony.

Mr. McNulty responded that Patent Owner was *not* waiving any arguments, but is of the opinion that briefing simply is not needed, in light of the Board's preliminary findings made in the Decisions on Institution. Mr. McNulty reaffirmed that, to the extent Petitioner desires briefing, Patent Owner does as well.

The panel stated that they would take the parties' arguments under advisement and would issue an Order in due course. At that time, the conference call was adjourned.

anticipates a regime where a reasonable prospect of success on a single claim justifies review of all." *Id.* at *6. Thus, even if the Petition presents ambiguity in identifying its grounds of challenge, our supplemental Order institutes an *inter partes* review of all claims and all grounds presented, because we have determined that Petitioner met its burden with respect to at least one claim.

II. SUPPLEMENTAL ACTIVITY

In light of the stated requests, we find good cause to permit additional briefing. 37 C.F.R. § 42.5. Therefore, the parties are authorized to file additional briefing to address the newly added challenge in this proceeding.

Patent Owner is authorized to file a Supplemental Patent Owner Response by May 17, 2018, in which Patent Owner may address only the newly added challenge to claims 73–80. The Supplemental Response is limited to five (5) pages, for which we waive 37 C.F.R. § 42.6(a)(3) to allow express incorporation by reference of material from Patent Owner’s Preliminary Response (Paper 7). Any arguments for patentability regarding the newly added challenge that are not raised in the Supplemental Patent Owner Response are waived.

Petitioner is authorized to file a Supplemental Reply to the Supplemental Patent Owner Response by May 28, 2018. The Supplemental Reply is limited to five (5) pages. In addition to addressing the Supplemental Patent Owner Response, the Supplemental Reply may respond to preliminary findings made by the Board in the Decision on Institution, but otherwise is subject to 37 C.F.R. § 42.23(b) (“A reply may only respond to arguments raised in the corresponding . . . [supplemental] patent owner response.”). The Supplemental Reply is limited to the existing record, and may not raise new arguments or new evidence without prior authorization by the Board.⁴

⁴ In lieu of filing a Supplemental Patent Owner Response and Supplemental Reply, the parties may file a paper stating that they agree not to file any additional papers regarding the newly-added challenge. In such a case, the Final Written Decision will address this challenge based on the existing record.

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