

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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NEW NGC, INC., dba NATIONAL GYPSUM COMPANY,  
Petitioner

v.

UNITED STATES GYPSUM COMPANY,  
Patent Owner.

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Case No. IPR2017-01011  
U.S. Patent No. 7,964,034

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**PATENT OWNER UNITED STATES GYPSUM COMPANY'S  
SURREPLY BRIEF TO PETITIONER'S REPLY BRIEF**

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US Patent and Trademark Office  
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This is the second time that Petitioner has moved for leave to change its invalidity contentions in this proceeding. The first time, Petitioner changed its contention regarding the statutory provision for asserting invalidity based on the prior art reference Graux (changing from § 102(a) to § 102 (e)). (*Compare* Paper 1 at 15 (original Petition) *with* Paper 7 at 15 (Corrected Petition).)

Now, after Patent Owner (“USG”) filed its Preliminary Response in which it demonstrated that U.S. Patent No. 5,980,628 (“Hjelmeland”) is not prior art under § 102(e), Petitioner again moves to change its contentions. Petitioner’s current attempt to change its contentions and add new arguments is too late, unjustified and prejudicial to USG.

**I. The Petition Does Not Assert The Hjelmeland PCT Publication As Prior Art Under § 102(a), and Petitioner’s Reply Brief Fails To Provide Any Reason To Allow That New Ground To Be Asserted In A Reply Brief**

The Board’s August 2, 2017 Order required Petitioner to show where the Petition asserted the Hjelmeland PCT Publication as prior art under § 102(a). (Paper 9 at 2.) The Reply fails to make that showing. The Board’s August 2, 2017 Order further required Petitioner to explain why it would be appropriate to consider that new ground, made for the first time in a reply brief. (*Id.* at 2–3.) The Reply fails to make that showing either. Therefore, the request to consider the new argument that the Hjelmeland PCT publication is prior art under § 102(a) should be summarily denied.

## **II. New Grounds Of Invalidity Are Not Permissible In A Reply Brief**

It is well-established by the Rules of Practice, Federal Circuit case law, and the Board's precedent that a petition for IPR must specify with particularity the specific grounds and evidence for challenging invalidity, and thus new grounds and/or new arguments of invalidity may not be asserted in a reply brief. 37 C.F.R. § 42.104(b)(2) (Rules of Practice); *Intelligent Bio-Sys., Inc. v. Illumina Cambridge, Ltd.*, 821 F.3d 1359, 1369 (Fed. Cir. 2016) (affirming exclusion of reply brief raising new argument of invalidity in IPR proceeding); *Maxlinear, Inc. v. Cresta Technology Corp.*, IPR2015-00594, Paper 90 at 29 (PTAB Aug. 15, 2016) (Final Written Decision prohibiting assertion of new § 102(a) argument made for the first time in a reply brief). Under these well-established rules and precedents, Petitioner may not assert its new arguments for invalidity under § 102(a) or (e) in its Reply.

## **III. Petitioner Fails To Show That Hjelmeland Has A § 102(e) Date That Is Earlier Than The Date Shown On The Face Of The Patent**

Petitioner provides no legal support for its new argument that the change in the law under the American Inventors Protection Act of 1999 ("AIPA") was retroactive regarding the effective § 102(e) date under 35 U.S.C. § 371. The AIPA became effective on November 29, 2000, more than a year after Hjelmeland issued on November 9, 1999. Petitioner cites no statutory provision, legislative history, USPTO precedent, or case law that suggests that the AIPA should be applied retroactively.

The legislative history cited by Petitioner does not suggest that the AIPA is intended to be applied retroactively. USPTO practice does not apply the AIPA retroactively, as explained in detail in MPEP § 706.02(a)(2)III (“Patents issued directly, or indirectly, from international applications filed before November 29, 2000 may only be used as prior art based on the provisions of pre-AIPA 35 U.S.C. § 102(e) as in force on November 28, 2000.”); *see also* “Examination Guidelines for 35 U.S.C. § 102(e), as amended by the American Inventors Protection Act of 1999, and further amended by the Intellectual Property and High Technology Technical Amendments Act of 2002, and 35 U.S.C. § 102(g).” (Ex. 2005.)

The pre-AIPA § 102(e) date is the earliest of the date of compliance with 35 U.S.C. § 371(c)(1), (2) and (4), or the filing date of the later-filed U.S. continuing application that claims the benefit of the international application. (*Id.* at 1.) Therefore, the face of the Hjelmeland patent is correct in stating that the § 102(e) date is March 6, 1998, the date of compliance with § 371(c)(1), (2) and (4).

#### **IV. USG Relied On Petitioner’s Assertion Of The August 21, 1997 Filing Date For The ’034 Patent**

Petitioner makes the baseless argument that Hjelmeland should be considered prior art because the August 21, 1998 filing date of the ancestral continuation-in-part application that led to the ’034 patent, rather than the August 21, 1997 filing date of the original application, should be used in this proceeding. However, the Petition specifically states “Each of the arguments below is made from the

standpoint of a PHOSITA in the field of the '034 patent as of the August 21, 1997 filing date of the earliest application.” (Paper 7 at 21.) Therefore, the Petition applies the August 21, 1997 effective filing date for the '034 patent for all of its asserted arguments of invalidity, and makes no argument that the August 21, 1998 CIP filing date should apply. Under these circumstances, USG was and is entitled to rely on the asserted August 21, 1997 filing date stated in the Petition.

Petitioner falsely argues that USG “asserted that the '034 Patent is entitled to a priority date of August 21, 1997.” (Paper 10 at 4.) To the contrary, *Petitioner* asserted the August 21, 1997 date in its Petition and never stated, suggested or otherwise put USG on notice that it was contending that the '034 patent was not entitled to the August 21, 1997 effective filing date. USG was not obligated to anticipate Petitioner’s later argument that that the '034 patent was not entitled to that effective filing date. *See, e.g., Ariosa Diagnostics, Inc. v. Illumina, Inc.*, IPR2014-01093, Paper 69 at 13–14 (PTAB Jan. 7, 2016), wherein the Board stated,

[T]he Petition would have put the Patent Owner on notice...but not..on notice that Petitioner was contending that the '794 patent was not entitled to priority back to September 2000. Specifically, as Petitioner never explicitly stated that [the reference] was prior art under 35 U.S.C. § 102(e), and never argued that the '794 patent was not entitled to its earliest effective filing date, it did not shift the burden of production to Patent Owner to demonstrate that the '794 patent was entitled to its earliest effective filing date.

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