

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

WESTERN DIGITAL CORPORATION,
KINGSTON TECHNOLOGY COMPANY, INC.,
TOSHIBA CORPORATION,
TOSHIBA AMERICA ELECTRONIC COMPONENTS, INC., and
APRICORN,
Petitioner,

v.

SPEX TECHNOLOGIES, INC.,
Patent Owner.

Case IPR2018-00082¹
Patent 6,088,802

Before LYNNE E. PETTIGREW, DANIEL N. FISHMAN, and
CHARLES J. BOUDREAU, *Administrative Patent Judges*.

FISHMAN, *Administrative Patent Judge*.

¹ Kingston Technology Company, Inc., which filed a Petition in Case IPR2018-01003, has been joined as a petitioner in this proceeding. Toshiba Corporation, Toshiba America Electronic Components, Inc., and Apricorn, which filed a Petition in Case IPR2018-01067, have been joined as petitioners in this proceeding.

ORDER
Conduct of Proceeding
Denying Petitioner's Motion To File A Reply
37 C.F.R. § 42.5

I. INTRODUCTION

On April 25, 2018, we entered our Decision on Institution (Paper 11, “Dec.” or “Decision”) instituting *inter partes* review of all challenged claims (i.e., claims 1, 2, 6, 7, 11, 12, 23–25, 38, and 39) under all asserted grounds. Dec. 42–43. Our Decision determined there was a reasonable likelihood that Petitioner would prevail in showing that at least one of claims 38 and 39 is unpatentable under one or more of the asserted grounds. *Id.* Our Decision also articulated reasons that Petitioner had not shown a reasonable likelihood of prevailing on other claims/grounds. *See* Dec. 24–42.

In a conference call on May 9, 2018, the parties inquired whether Petitioner would be allowed to file a Petitioner’s Reply if Patent Owner waived its opportunity to file a Patent Owner Response. *See* Ex. 2006. In that conference call, we advised the parties that we understood our rules to preclude a Petitioner’s Reply if Patent Owner were to waive its opportunity for a Patent Owner Response. Ex. 2006, 15:2–11.

On May 29, 2018, Petitioner filed a motion to submit supplemental information (Paper 17) accompanied by proposed new Exhibits 1022, 1023, and 1024 (renumbered as 3001, 3002, and 3003, respectively). Patent Owner filed an opposition to Petitioner’s motion. Paper 18. On July 23, 2018, we issued an Order (Paper 22) denying Petitioner’s motion. We determined that arguments in the motion and the proposed supplemental information (Exhibits 3001–3003) did not support the arguments made in the Petition but instead raised new arguments not presented in the Petition.

Paper 22, 8–11. Thus, we ordered that the proposed supplemental information would not be considered as evidence (though not expunged from the record). *Id.* at 11.

Our Order (Paper 22) also clarified that our rules require that a Petitioner’s Reply be limited to addressing *only* issues raised in a Patent Owner Response. Paper 22, 2 (citing 37 C.F.R. § 42.23(b)). Under the cited rule, our Order instructed the parties that, if Patent Owner waived its opportunity to file a Response, there would be nothing for Petitioner to respond to in a Reply, and, hence, no Petitioner’s Reply would be permitted. *Id.* at 2–3. We noted in our Order that Petitioner could request authorization to file a motion asking us to waive our rules upon a showing a good cause pursuant to 37 C.F.R. § 42.5. *Id.* at 3.

On August 2, 2018, another conference call was conducted with the parties. *See Ex. 2007*. In that conference call, Patent Owner informed the Board (and Petitioner’s counsel) that it did not intend to file a Patent Owner Response. *Id.* at 5:23–6:5. In the conference call, we also reiterated our interpretation of the rules (37 C.F.R. § 42.23(b)) as effectively precluding a Petitioner’s Reply in the absence of a Patent Owner Response. *Id.* at 15:16–19. We also authorized Petitioner to file a motion to waive our rules for good cause shown under 37 C.F.R. § 42.5 and authorized Patent Owner to file an opposition to that motion. *Id.* at 17:12–17.

On August 7, 2018, Patent Owner filed a paper notifying the Board and Petitioner that it did not intend to file a Patent Owner Response. Paper 23. On August 13, 2018, Petitioner filed a *Motion For Leave To File A Reply Under 37 C.F.R. § 42.5 In The Absence Of Patent Owner’s Response*.

Paper 24 (“Mot.” or “Motion”). On August 21, 2018, Patent Owner filed an opposition to Petitioner’s Motion. Paper 25 (“Opp.” or “Opposition”).

II. DISCUSSION

Due Process

Petitioner argues due process requires that we waive our rules to allow Petitioner to file a Reply despite the absence of a Patent Owner Response:

Absent waiver, Petitioner would not have had any opportunity to establish unpatentability during the trial based on the grounds instituted on claims 1, 2, 11 and 12. Depriving Petitioner of this opportunity would violate *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018), the APA, and Petitioner’s Due Process rights.

Mot. 1. Petitioner asserts the *SAS* decision impacts our rules such that Petitioner must be afforded an opportunity to file a Reply regardless of whether Patent Owner files a Patent Owner Response. *Id.*

Patent Owner argues Petitioner’s due process rights are not violated because the Petition recognized the District Court identified interface control device 910 of the ’802 patent as the corresponding structure of the means for mediating “but elected not to analyze whether any of the cited references, including Harari, disclose that structure.” Opp. 4 (citing Pet. 14). Patent Owner further argues Dr. Kaliski (Petitioner’s expert) admitted in his deposition that he was aware of device 910 as identified corresponding structure but decided not to address device 910 in his original declaration. *Id.* at 4–5 (citing Ex. 2008, 62:11–14). Therefore, Patent Owner contends Petitioner had “a full and fair opportunity to analyze its disclosure for a structure equivalent to the interface control device 910,” and thus, has no basis “to obtain a ‘do-over’ on reply” when it specifically decided not to present that argument in its Petition. *Id.* at 5.

We agree with Patent Owner that Petitioner had the opportunity in its Petition to identify equivalent structures in the references by comparisons with device 910 of the '802 patent—identified as the structure corresponding to the recited means for mediating element by the Petition and by the District Court—but made a choice not to present such a comparison. The Petition identifies modules 41 and 42 in Harari as disclosed in Figures 5B and 7 as the structure for the recited means for mediating. Pet. 43–45 (citing Ex. 1004, Figs. 5B, 7, 8:58–64, 9:18–30, 13:12–23, 13:63–14:19; Ex. 1003 ¶¶ 114–116). However, the Petition makes no attempt to compare the identified structures of Harari with device 910 of the '802 patent. *See id.* Thus, at the time of filing its Petition, Petitioner had the opportunity to present arguments comparing elements of the references (i.e., modules 41 and 42 of Harari) to interface control device 910 of the '802 patent to identify equivalent structures in the references but chose not to do so in its Petition.

Furthermore, under our rules, Petitioner had the opportunity to argue that our Decision on Institution was in error by filing a request for rehearing. 37 C.F.R. § 42.71. In the conference call on May 9, 2018: (1) counsel for Patent Owner noted that that day (May 9, 2018) was the deadline for it to submit a request for rehearing (Ex. 2006, 11:17–24), (2) we inquired of both parties if they intended to file a request for rehearing (*id.* at 13:9–13), (3) counsel for Petitioner, incorrectly believing the deadline was still in the future, indicated it was still considering whether to file a request for rehearing (*id.* at 14:15–20), and (4) we corrected Petitioner's counsel that the deadline for a request for rehearing was that day—May 9, 2018 (*id.* at 15:12–16:7). Therefore, Petitioner was reminded of the deadline for filing a

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