

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GUEST TEK INTERACTIVE ENTERTAINMENT LTD.,
Petitioner,

v.

NOMADIX, INC.,
Patent Owner.

Case IPR2019-01191
Patent 8,606,917 B2

Before SALLY C. MEDLEY, AMBER L. HAGY, and
MATTHEW J. McNEILL, *Administrative Patent Judges*.

HAGY, *Administrative Patent Judge*.

ORDER

Granting Petitioner's Request to File a Reply and
Sua Sponte Granting Patent Owner Authorization to File a Sur-Reply
37 C.F.R. §§ 42.5; 42.20(d)

On October 31, 2019, Petitioner requested authorization to file a reply to the Preliminary Response (Paper 5), for the purpose of addressing “Patent Owner’s newly raised arguments as to the priority date of the challenged claims and Patent Owner’s backup argument under 35 U.S.C. § 314(a).” *See* Ex. 3001 (email correspondence).¹ Upon receiving Petitioner’s request, the Board scheduled a conference call with the parties.

On November 5, 2019, Judges Hagy, Medley, and McNeill participated in a conference call with counsel for the parties. On the line for Petitioner was Jeffrey Lesovitz. On the line for Patent Owner was Doug Muehlhauser. No court reporter was present on the call.

The panel requested the parties to first address the status of the following co-pending district court litigation: *Nomadix, Inc. v. Guest Tek Interactive Entertainment Ltd.*, Case No. 2:16-CV-08033-AB-FFM, which is pending in the U.S. District Court for the Central District of California (“the Litigation”). Both parties have identified the Litigation as a “related matter” pursuant to 37 C.F.R. § 42.8. Paper 1, 3; Paper 3, 1. Counsel for both parties discussed the status of the Litigation on the call. Based on counsel’s statements, it appears the parties agree that the Litigation is an action for breach of a license agreement (but is not an action for infringement), is currently set for trial in April 2020, and involves, *inter alia*, Petitioner’s allegations of invalidity of the same claims of U.S. Patent No. 8,606,917 (“the ’917 patent”) based on the same references as Petitioner has raised in

¹ Petitioner’s email contained substantial arguments. On the call, counsel was reminded that emails to the Board seeking leave for additional briefing are not themselves an opportunity for briefing, and such emails should be kept short and non-argumentative.

its Petition. It is apparent from the discussion during the call that the parties disagree, however, as to a number of relevant underlying facts, including whether the Litigation will actually be tried in April 2020 or will be rescheduled for a later date (as Petitioner represented it plans to seek as part of consolidation with another matter). The parties also disagree whether Petitioner's invalidity defense will be part of the actual trial in the Litigation.

Counsel for Petitioner then addressed its request for additional briefing on Patent Owner's argument that the '917 patent should be entitled to a priority date that would antedate the references asserted in two of Petitioner's grounds for review. Counsel for Petitioner acknowledged that it had predicted and briefed in the Petition some of Patent Owner's priority arguments. Petitioner noted, however, that it could not have predicted all of Patent Owner's arguments for priority, as Patent Owner had not yet raised those arguments in the Litigation as of the filing date of the Petition. Petitioner then stated that it seeks additional briefing to respond to arguments and evidence presented by Patent Owner that Petitioner has not yet addressed. Counsel for Patent Owner stated that it opposes additional briefing, noting that Petitioner submitted with its Petition a declaration by an expert who has already studied the priority issue, and suggesting that Petitioner has therefore had sufficient opportunity to address this issue.

Although Board rules do not specifically authorize a reply to a Patent Owner's Preliminary Response, a Petitioner may seek leave to file such a reply, and any such request must make a showing of good cause. 37 C.F.R. § 42.108(c). After hearing the parties' arguments on these two issues and based on the totality of the circumstances presented, we are persuaded that permitting further briefing addressing (1) whether the Board should exercise

its discretion under 35 U.S.C. § 314(a) to deny institution in light of the Litigation, and (2) Patent Owner's arguments as to the priority date of the '917 patent, is supported by good cause, will not unduly burden either party, and will not disturb the schedule in this proceeding. Further, we determine that permitting the briefing by both parties may facilitate the Board's goal of securing the speedy, efficient, and fair resolution of the parties' dispute.

Accordingly, pursuant to our authority to "order briefing on any issue involved in the trial" (37 C.F.R. § 42.20(d)) and to "set times by order" (37 C.F.R. § 42.5(c)), we authorize additional briefing as set forth below.

ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Petitioner's request for additional briefing is *granted* subject to the conditions and schedule set forth herein;

FURTHER ORDERED that Petitioner is authorized to file a Reply Brief limited to addressing the arguments identified by Petitioner in Ex. 3001, and Petitioner is specifically requested to address the impact on this proceeding, if any, of the Board's precedential decision in *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018);

FURTHER ORDERED that Petitioner's Reply Brief shall be limited to ten (10) pages and shall be filed no later than seven (7) calendar days from the date of entry of this Order;

FURTHER ORDERED that Patent Owner is authorized to file a Sur-Reply Brief limited to addressing arguments raised in Petitioner's Reply Brief;

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FURTHER ORDERED that Patent Owner's Sur-Reply Brief shall be limited to seven (7) pages and shall be filed no later than seven (7) calendar days after the filing of Petitioner's Reply Brief; and

FURTHER ORDERED that no other briefing is authorized at this time.

PETITIONER:

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