

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BESTWAY (USA), INC.,
Petitioner,

v.

INTEX MARKETING LTD.,
Patent Owner.

Case PGR2017-00003
Patent 9,254,240 B2

Before KEN B. BARRETT, FRANCES L. IPPOLITO, and
KEVIN W. CHERRY, *Administrative Patent Judges*.

BARRETT, *Administrative Patent Judge*.

ORDER
Denying Petitioner's Motion to File Supplemental Information
37 C.F.R. § 42.223(a)

Introduction and Summary of the Decision

Petitioner filed, on June 18, 2018, a Motion to File Supplemental Information Pursuant to 37 C.F.R. § 42.223(a). Paper 37 (Mot. to Supp.). Petitioner seeks to submit supplemental information concerning one of its own products, which allegedly was unavailable to Petitioner until last year. Mot. to Supp. 1. Specifically, Petitioner proposes to submit a physical sample of an inflatable mattress and four declarations. *Id.* at 2–3, Appendix A. Patent Owner opposes Petitioner’s motion. Paper 38 (Opp. to Mot. to Supp.). For the reasons that follow, we deny Petitioner’s motion.¹

Procedural Posture

Bestway (USA), Inc. (“Petitioner”) filed a Petition requesting post-grant review of U.S. Patent No. 9,254,240 B2 (“the ’240 patent,” Ex. 1001). Paper 1 (“Pet.”). The Petition challenged the patentability of claims 1–7, 17–22, and 30 of the ’240 patent on the grounds of obviousness under 35 U.S.C. § 103. Intex Marketing Ltd. (“Patent Owner”) filed a Preliminary Response to the Petition. Paper 7 (“Prelim. Resp.”).

On May 11, 2017, a post-grant review was instituted on Petitioner’s challenge of claims 1–7 and 17 under 35 U.S.C. § 103 as unpatentable over Peterson and Fireman (“Ground 1”). Paper 9. However, the instituted review did not include Petitioner’s obviousness challenge of claims 18–22 and 30 based on Peterson, Fireman, and Guan ’797 (“Ground 2”), or

¹ Petitioner attached to the motion certain exhibits containing proposed supplemental information. We will allow those documents to remain in the record for purposes of any appeal of the denial of this motion, but we will not consider the information in determining the merits of Petitioner’s patentability challenges.

Petitioner's obviousness challenge of claims 18–22 based on Peterson, Fireman, Guan '797, and Wang '615 ("Ground 3"). We indicated, *inter alia*, that Petitioner's Ground 2 is fatally confusing and that both Grounds 2 and 3 lack an adequately articulated reason to combine the teachings of the cited prior art references. Paper 9, 19–21. We denied Petitioner's request for rehearing in which Petitioner requested that we institute a post-grant review of Ground 2. Papers 12, 15.

Petitioner filed another petition seeking *inter partes* review of claims 18–22 and 30 of the '240 patent in Patent Trial and Appeal Board Case IPR2017-01655 (Paper 1). In that case, the Board exercised its discretion under 35 U.S.C. § 314(a) to not institute an *inter partes* review. IPR2017-01655, Paper 9.

On May 2, 2018, we modified our institution decision in this case to institute on all of the challenged claims and all of the grounds presented in the Petition. Paper 30; *see* Guidance on the Impact of SAS² on AIA Trial Proceedings (April 26, 2018).³ An extension of the one-year period for issuing a Final Written Decision in this proceeding has been granted. Paper 31 (Grant of Good Cause Extension); *see also* Paper 32 (corresponding Order).

We authorized additional briefing and discovery by both parties regarding only Grounds 2 and 3. Paper 33. That round of briefing and discovery is nearing completion or has been completed.

² *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348 (2018).

³ Available at <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials/guidance-impact-sas-aia-trial>.

Discussion

The rule under which Petitioner filed its motion provides:

(a) *Motion to submit supplemental information.* Once a trial has been instituted, a party may file a motion to submit supplemental information in accordance with the following requirements:

- (1) A request for the authorization to file a motion to submit supplemental information is made within one month of the date the trial is instituted.
- (2) The supplemental information must be relevant to a claim for which the trial has been instituted.

37 C.F.R. 42.223(a). Thus, Rule 42.223(a) sets forth the requirements of timeliness of the request and of relevance. However, satisfaction of those requirements does not guarantee that a motion will be granted. *See Redline Detection, LLC v. Star Envirotech, Inc.*, 811 F.3d 435, 445–449 (Fed. Cir. 2015) (discussing the similar rule, 42.123(a), which is applicable to *inter partes* reviews). The Federal Circuit, in discussing the corresponding statute and rule applicable to *inter partes* reviews (IPRs), stated: “The guiding principle for the PTAB in making any determination is to ‘ensure efficient administration of the Office and the ability of the Office to complete IPR proceedings in a timely manner.’ . . . Requiring admission of supplemental information so long as it was timely submitted and relevant to the IPR proceeding would cut against this mandate and alter the intended purpose of IPR proceedings.” *Id.* at 445 (citations omitted); *see* 35 U.S.C § 326(b) (“In prescribing regulations under this section [concerning post-grant reviews], the Director shall consider the effect of any such regulation on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings instituted under this chapter.”).

Timeliness

This is not the typical case and we must be mindful of the effect of delays at the late stage of this proceeding. As mentioned, Petitioner chose to file its motion under 37 C.F.R. § 42.223(a). That rule required Petitioner to request authorization to file the motion within one month of institution. The requirement of requesting to submit the information soon after institution is to allow the patent owner sufficient time to address any new information submitted by the petitioner. 77 Fed. Reg. 48,680, 48,707 (Aug. 14, 2012). In this case, Petitioner's request was made concurrently with Patent Owner's notification that it would rest on its arguments made in the Preliminary Response regarding Grounds 2 and 3, and therefore would not be filing another substantive response to the Petition. *See* Paper 34. Thus, Petitioner, effectively, is—*after* the close of Patent Owner's case—seeking to supplement the evidence for its prima facie case as set forth in the Petition, which was filed over a year and a half ago.

While Petitioner characterizes the proposed supplemental evidence as relevant to Grounds 2 and 3—which pertain only to dependent claims—Petitioner does not assert that the information is not relevant also to Ground 1—pertaining, *inter alia*, to independent claim 1—for which we instituted a trial over a year ago. In other words, Petitioner has not explained adequately why the proposed supplemental information only became relevant upon the inclusion of Grounds 2 and 3 in this proceeding. *Compare* Pet. 7 (characterizing independent claim 1 as reciting an “inflatable pool that uses this multi-ply, reinforced material for internal support structures”) *with* Mot. to Supp., Appendix A (Fumagalli Decl.) ¶ 3 and Ex. A (referring to the

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