

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 Patent Owner's Request for a Sur-reply and
Granting Petitioner's Request for Oral Argument
37 C.F.R. §§ 42.5, 42.70

Procedural Posture

In the original Institution Decision, 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”), but a trial was not instituted as to Petitioner’s obviousness challenge of claims 18–22 and 30 based on Peterson, Fireman, and Guan ’797 (“Ground 2”), or Petitioner’s obviousness challenge of claims 18–22 based on Peterson, Fireman, Guan ’797, and Wang ’615 (“Ground 3”). Paper 9. An oral argument directed to Ground 1 was conducted on February 5, 2018. On May 2, 2018, we modified our institution decision 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 SAS¹ on AIA Trial Proceedings (April 26, 2018).²

Additional briefing regarding Grounds 2 and 3 was authorized. Paper 33. We ordered the parties to file, after the filing of Petitioner’s Reply concerning Grounds 2 and 3, “a joint submission setting forth their position(s) on any proposed modifications to the schedule and the proceeding prior to the issuance of a Final Written Decision on all claims and grounds challenged in the Petition.” *Id.* It is that joint submission (Paper 44) that is before us now. In that submission, each party makes a request. We deny Patent Owner’s request to file a sur-reply to Petitioner’s

¹ *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348 (2018).

² Available at <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials/guidance-impact-sas-aia-trial>.

Supplemental Reply and we grant Petitioner's request for a second oral argument.

Patent Owner's Request for a Sur-reply

In the latest round of briefing—concerning Grounds 2 and 3—Patent Owner, in Paper 34, opted to rely on its arguments set forth in the Preliminary Response, and Petitioner filed a Supplement Reply thereto (Paper 41). Patent Owner requests that it be allowed ten business days to “submit a sur-reply to address new arguments raised in Petitioner's Reply, including Petitioner's characterization of the asserted grounds.” Paper 44 (Joint Submission regarding further proceedings). Petitioner opposes this request. *Id.*

The Board will determine for itself whether arguments in Petitioner's Supplemental Reply are outside the appropriate scope for a reply and whether Petitioner mischaracterize the grounds set forth in the Petition, and, if so, we will not consider those arguments. Because we will not consider new arguments from Petitioner, there is no need for Patent Owner to address those arguments. Accordingly, Patent Owner's request to submit a sur-reply is denied. We note that Patent Owner will have the opportunity to respond to Petitioner's arguments regarding Grounds 2 and 3 at the oral argument.

Oral Argument

Petitioner requests a second oral argument in this case, pursuant to 37 C.F.R. § 42.70(a), to address Grounds 2 and 3. Papers 43, 44. Petitioner requests fifteen minutes to present its arguments. Paper 43. Patent Owner believes oral argument is unnecessary. Paper 44. In response to a query from the Board, the parties submitted via email a list of dates and times when both parties are available for a short, telephonic conference.

We grant the request for oral argument and further order that the argument will be conducted telephonically.

The telephonic hearing will commence at 11:00 AM ET, on Wednesday, August 1, 2018. Counsel will participate by telephone and will be provided with the call-in number prior to the date of the hearing. The hearing will be open to the public, on the ninth floor of Madison Building East, 600 Dulany Street, Alexandria, Virginia, for in-person attendance that will be accommodated on a first-come, first-served basis. The Board will provide a court reporter, and the reporter's transcript will constitute the official record of the hearings.

Each party will have a total of fifteen (15) minutes to present arguments. Petitioner bears the ultimate burden of proof that Patent Owner's patent claims at issue are unpatentable. Thus, Petitioner will proceed first to present its case with respect to the challenged patent claims and to Grounds 2 and 3. Thereafter, Patent Owner may respond to Petitioner's arguments. Petitioner may reserve some of its argument time to respond to Patent Owner's presentation.

Because an oral argument concerning Ground 1 has been completed, arguments at this second hearing will be limited to Grounds 2 and 3 as they are set forth in the Petition.

The parties are reminded that the presenter must identify clearly and specifically each demonstrative exhibit (e.g., by slide or screen number) referenced during the hearing to ensure the clarity and accuracy of the reporter's transcript and the ability of the judges and counsel participating telephonically to closely follow the presenter's arguments. Additionally, the parties are requested to provide a courtesy copy of any demonstrative

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exhibits to the Board by emailing them to Trials@uspto.gov no later than 4 pm ET on Tuesday, July 31, 2018.

Demonstrative exhibits are to be served on the opposing party no later than Monday, July 30, 2018, and are to be filed no later than the time of the oral argument. It is preferred that the demonstrative exhibits be filed before 5 pm ET on July 30, 2018, to ensure the judges and court reporter have access to those in advance of the hearing.

The Board asks that the parties attempt to resolve objections to the demonstratives, and, if any objections cannot be resolved, the parties may raise those objections with the Board at the hearing. The Board may reserve ruling on the objections until after the oral argument. The parties may refer to *St. Jude Medical, Cardiology Div., Inc. v. The Board of Regents of the University of Michigan*, IPR2013-00041 (PTAB Jan. 27, 2014) (Paper 65) regarding the appropriate content of demonstrative exhibits.

The Board expects lead counsel for each party to be present telephonically at the hearing, although lead or back-up counsel of record may make the presentation. If either party anticipates that its lead counsel will not attend the oral argument, the party is to notify the Board, via email to Trials@uspto.gov, no later than two business days prior to the oral hearing.

The parties are reminded that, at the oral argument, they “may rely upon evidence that has been previously submitted in the proceeding and may only present arguments relied upon in the papers previously submitted.” Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012). “No new evidence or arguments may be presented at the oral argument.” *Id.*

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