

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HTC CORPORATION and HTC AMERICA, INC.,
Petitioner,

v.

NFC TECHNOLOGY, LLC,
Patent Owner.

Case IPR2014-01198
Patent 6,700,551 B2

Before JAMES B. ARPIN, NEIL T. POWELL, and
BART A. GERSTENBLITH, *Administrative Patent Judges*.

ARPIN, *Administrative Patent Judge*.

ORDER

Denying Authorization to File Motion to Strike and
Granting Authorization to File a Sur-Reply
37 C.F.R. § 42.5(a)

On November 17, 2015, counsel for the parties and Judges Arpin, Powell, and Gerstenblith participated in a conference call to discuss Patent Owner's request for authorization to file (1) a motion to strike certain pages from the *rebuttal* declaration of Dr. Emmanouil Tentzeris (Ex. 1031) filed in

support of Petitioner's Reply (Paper 42), which were not cited in Petitioner's Reply; and (2) a sur-reply responsive to arguments in Petitioner's Reply directed to Patent Owner's efforts to antedate Sears (Ex. 1004). For the reasons set forth below, Patent Owner's request for authorization to file a motion to strike is *denied*, and Patent Owner's request for authorization to file a sur-reply is *granted*.

A. Authorization to File a Motion to Strike

During the conference call, Patent Owner argued that, because Petitioner did not cite to twenty-two (22) pages of Dr. Tentzeris's rebuttal declaration in its Reply, these pages are unnecessary to Petitioner's argument and should be stricken. Further, Patent Owner noted that Dr. Tentzeris currently is indisposed and, consequently, it has been necessary for the parties to schedule Dr. Tentzeris's deposition for two days, instead of one day, i.e., November 19 and 20, 2015. In view of Petitioner's alleged failure to rely on the entire declaration and Dr. Tentzeris's indisposition, Patent Owner requests authorization to remove unnecessary material from the record and to limit the scope of Dr. Tentzeris's deposition.

Petitioner may present its arguments in the manner that it chooses. Petitioner's decision to cite to certain portions of the record and not to cite to others may impact the persuasiveness of its arguments and the weight given to the evidence, but that decision alone does not justify our authorization of a motion to strike uncited evidence. Striking a portion of the record may be akin to a sanction and is not a suitable means of achieving Patent Owner's stated purposes.

We will consider the arguments and evidence in the Reply *as presented by Petitioner*, and we will not search through Dr. Tentzeris's

rebuttal declaration and attempt to piece together ourselves uncited evidence that might support Petitioner's position. *See DeSilva v. DiLeonardi*, 181 F.3d 865, 867 (7th Cir. 1999) (“[a] brief must make all arguments accessible to the judges, rather than ask them to play archeologist with the record”). Moreover, while we are sympathetic to Dr. Tentzeris's indisposition, both parties assured us during the conference call that Dr. Tentzeris will be able to appear at the scheduled deposition and that Patent Owner will be able to cross-examine Dr. Tentzeris concerning his declarations to the full extent permitted by our Rules and in accordance with our guidance. Consequently, authorization to file a motion to strike portions of Dr. Tentzeris's rebuttal declaration is not appropriate under these circumstances, and Patent Owner's request is *denied*.

B. Authorization to File a Sur-Reply

Patent Owner requests authorization to file a sur-reply to Petitioner's Reply for at least two reasons. First, for purposes of antedating Sears, Patent Owner contends that it bears the burden of showing actual reduction to practice. Paper 18, 10 (“*If a Patent Owner proves an actual reduction to practice of the claimed subject matter prior to the effective prior art date of a reference, that reference is removed as prior art.*” (emphasis added, citations omitted)). “While the burden of production in antedating a reference is on the patent owner, the burden of proof on the ultimate issue of unpatentability remains with the petitioner.” *Neste Oil OYJ v. REG Synthetic Fuels, LLC*, Case IPR2013-00578, Paper 29, slip op. at 3 (PTAB Sept. 9, 2014) (citing 35 U.S.C. § 316(e); *Corning Inc. v. DSM IP Assets B.V.*, Case IPR2013-00053, Paper 66, slip op. 6-7 (PTAB May 1, 2014) , *aff'd per curiam*, 616 Fed. Appx. 421 (Mem.) (Fed. Cir. 2015)), *aff'd per curiam*, 607 Fed. Appx.

988 (Mem.) (Fed. Cir. 2015). Because Patent Owner bears the burden of production on this issue, Patent Owner contends that it should be granted the opportunity to respond to arguments and evidence raised in Petitioner's Reply. Second, in considering the Board's procedures, the United States Court of Appeals for the Federal Circuit observed that not only may a patent owner cross-examine a petitioner's rebuttal declarant and file a motion for observations on that cross-examination testimony, but the Board may entertain a patent owner's request to file a sur-reply responding to arguments raised in the petitioner's reply. *Belden Inc. v. Berk-Tek LLC*, Nos. 2014-1575, -1576, 2015 WL 6756451, at *13 (Fed. Cir. Nov. 5, 2015). In noting that, under certain circumstances, the Board has allowed such sur-replies in *inter partes* reviews, the Federal Circuit recognized that "no rule provides patent owners the right to file surreplies to a petitioner's Reply." *Id.*

However, the Board has authorized a patent owner to file a sur-reply in order to respond to argument in the petitioner's reply with respect to the antedating of a reference. *See id.* (citing *ABB, Inc. v. ROY-G-BIV Corp.*, Case IPR2013-00063, Paper 71, slip op. at 6–8 (PTAB May 16, 2014)); *see also Neste Oil*, Paper 29, slip op. at 4 (denying request for sur-reply, but granting additional pages in a reply to an opposition to a motion to amend).

Because we are persuaded that Patent Owner bears the burden of production regarding actual reduction to practice for purposes of antedating Sears and because the Board has granted patent owners the opportunity to respond to petitioners' arguments regarding the antedating of references, we are persuaded that it is appropriate here to allow Patent Owner to file a sur-reply to Petitioner's Reply. *See* 37 C.F.R. § 42.5(a). The sur-reply shall be limited to five (5) pages and shall be filed on or before November 25, 2015,

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i.e., stipulated Due Date 4. *See* Paper 38, 3 (adjusting Due Date 4 for filing motion for observations on cross-examination). The sur-reply shall be responsive only to the arguments in Petitioner's Reply addressing Patent Owner's arguments and citations to supporting evidence in the Patent Owner Response seeking to antedate Sears by showing prior, *actual reduction to practice*. *See* 37 C.F.R. § 42.23(b) ("A reply may only respond to arguments raised in the corresponding opposition . . ."). Further, in view of the late stage in this proceeding and the adjustments already made to the trial schedule, Patent Owner may not introduce new evidence or rebuttal testimony with its sur-reply.

ORDER

Accordingly, it is:

ORDERED that Patent Owner's request for authorization to file a motion to strike is *denied*; and

FURTHER ORDERED that Patent Owner is authorized to file a sur-reply, limited to five (5) pages and responsive only to the arguments in Petitioner's Reply addressing Patent Owner's arguments and citations to supporting evidence in the Patent Owner Response seeking to antedate Sears by showing prior, actual reduction to practice, to be filed on or before November 25, 2015.

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