

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ZTE CORPORATION AND ZTE (USA) INC.
Petitioner,

v.

CONTENTGUARD HOLDINGS, INC.
Patent Owner.

Case IPR2013-00136
Patent 7,359,884

Before JAMESON LEE, MICHAEL W. KIM, and
MICHAEL R. ZECHER, *Administrative Patent Judges*.

LEE, *Administrative Patent Judge*.

ORDER
Conduct of Proceeding
37 C.F.R. § 42.05

Introduction

On November 4, 2013, counsel for Petitioner (“ZTE”) initiated a telephone conference to seek dismissal of Patent Owner’s (“ContentGuard”) Motion to Amend Claims (“motion”) (Paper 29) on the ground that it exceeds the 15-page limit for a motion to amend claims. Participants of the call include respective counsel for the parties and Judges Lee, Kim, and Zecher.

The Board denied ZTE’s request for authorization to file a motion to dismiss ContentGuard’s motion for exceeding the 15-page limit.

Discussion

According to ZTE, ContentGuard’s motion “effectively” incorporates by reference the testimony of Dr. Goodrich in his declaration (Ex. 2013), and incorporation of arguments from one document into another is prohibited by 37 C.F.R. § 42.6(a)(iii). However, Dr. Goodrich’s testimony is presumptively factual evidence, and a motion may properly refer to and rely on supporting evidence. Of course, the evidence has to be specifically referred to, and adequately explained in the motion itself. ZTE contends that the motion lacks adequate explanation of the supporting evidence. As an example, ZTE identified a sentence spanning pages 9 and 10 of the motion, which states that, as explained by Dr. Goodrich in his declaration, none of the cited references and other references disclose or suggest substitute claim 71. The sentence cites to paragraphs 42-58 of the declaration of Dr. Goodrich.

The Board explained that the matter is not amenable to a quick resolution without the Board familiarizing itself with the arguments made in the motion and the testimony referred to in the motion. It is true that a party may not make its case within the declaration of an expert and state in the motion itself that readers simply should refer to the presentation in the declaration. Even evidence has to be

explained, not to mention that it would be improper for any argument to be developed and presented, not in the motion itself, but in the declaration of an expert. Having in the motion the substantive equivalent of merely a pointer, conclusion, or a citation, without the arguments and the explanation of the evidence, circumvents the applicable page-limit. However, an expert simply “identifying” which features in the art satisfies which claim element may not need further explanation.

The Board declines to decide the issue prior to the rendering of a final written decision. Doing so would entail inefficient use of resources. Arguments contained only in a declaration, and not presented specifically in a motion referencing the declaration, may not be considered by the Board. Petitioner has the option of not responding to what it believes are arguments contained in a declaration but not reasonably deemed as having been raised in the motion itself. It would be safe in doing so, if the Board ultimately agrees with Petitioner’s view. However, Petitioner risks the Board not being persuaded by its contention.

In preparing for the conference call, the Board has reviewed the general form and content of ContentGuard’s motion. It appears that ContentGuard addresses only the references of record and other references which have been cited during foreign prosecution of a corresponding patent application. That reflects a misplaced understanding of the burden imposed on the Patent Owner with regard to a motion to amend claims, i.e., to show the patentability of the substitute claims. In that connection, ContentGuard is not in the position of responding to a rejection of its claims based on the references of record or the references cited during foreign prosecution. Therefore, it is insufficient simply to address the references of record in this proceeding and other references cited during foreign prosecution.

ContentGuard should have addressed the general level of ordinary skill in the art outside of the references of record and the references cited during foreign prosecution, with respect to the features ContentGuard added to the claims to render the claimed subject matter as a whole allegedly patentably distinct from the prior art. For instance, if the feature added was not known to have been in combination with the rest of the elements in a claim, it would be important to know whether the feature was known in some other context. It would also be important to know why one with ordinary skill would not have known to apply that feature, from another context, for use with the rest of the claim elements. The cited prior art may not be presumed as the closest prior art with respect to that element which ContentGuard adds to support patentability of the claimed invention as a whole. Note that ContentGuard has not represented that any feature it has added to the claims is completely novel and, therefore, not known to anyone in any context.

It also appears that ContentGuard has proposed multiple substitute claims for claim 1, and multiple substitute claims for claim 19, without providing any justification. In addition, the motion appears to include merely a conclusion that there is written description in the original disclosure for the proposed substitute claims, and a citation to large portions of that disclosure, without pointing out which feature is described where. That is another indication that the motion itself is conclusory and refers, instead, to a declaration for substantive analysis.

Upon specific inquiry from the Board, counsel for Patent Owner acknowledged, during the conference call, that the Patent Owner concedes the unpatentability of all the original patent claims for which this *inter partes* review was instituted. Note that although a paper titled “Patent Owner Response” (Paper 28) was filed on October 23, 2013, it actually included no substantive response

directed to claims 1-8, 14-22, and 55-62. Accordingly, claims 1-8, 14-22, and 55-62 will be cancelled by the Board at the time of entry of a final written decision.

Under these circumstances, where ContentGuard has conceded the unpatentability of claims 1-8, 14-22, and 55-62, and where the deficiencies of ContentGuard's motion are uncovered relatively early, the trial schedule perhaps may permit the filing of a Substitute Motion to Amend by ContentGuard, without prejudice to ZTE.

Order

It is

ORDERED that ZTE is not authorized to file a motion seeking to dismiss ContentGuard's Motion to Amend Claims on the ground of its exceeding the 15-page limit; and

FURTHER ORDERED that ContentGuard is authorized to initiate a conference call, no later than November 6, 2013, to discuss whether, without prejudice to ZTE, ContentGuard should be allowed an opportunity to file a substitute motion to amend claims, and whether the trial schedule can accommodate such an opportunity, without delaying final hearing.

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