

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

RACKSPACE US, INC. and RACKSPACE HOSTING, INC.,
Petitioners,

v.

PERSONALWEB TECHNOLOGIES, LLC and
LEVEL 3 COMMUNICATIONS,
Patent Owners.

Cases IPR2014-00057 (Patent 5,978,791)
IPR2014-00058 (Patent 8,099,420)
IPR2014-00059 (Patent 6,415,280)
IPR2014-00062 (Patent 7,802,310)
IPR2014-00066 (Patent 6,928,442)¹

Before JONI Y. CHANG and MICHAEL R. ZECHER,
Administrative Patent Judges.

CHANG, *Administrative Patent Judge.*

ORDER
Conduct of the Proceeding
37 C.F.R. § 42.5

¹ This Order addresses overlapping issues in the above-identified cases. Therefore, we issue one order to be filed in all cases. The parties, however, are not authorized to use this style heading in subsequent papers.

Cases IPR2014-00057 (Patent 5,978,791); IPR2014-00058 (Patent 8,099,420); IPR2014-00059 (Patent 6,415,280); IPR2014-00062 (Patent 7,802,310); IPR2014-00066 (Patent 6,928,442)

On April 15, 2014, the Board instituted the above-identified *inter partes* reviews and entered a Scheduling Order that sets forth the due dates for the parties to take action for all of the cases, ensuring that the reviews will be completed within one year of institution. Papers 9, 10.² An initial conference call was held on April 29, 2014, between respective counsel for Patent Owners and Petitioners, and Judges Chang and Zecher. The purpose of the call was to discuss any proposed changes to the Scheduling Order (Paper 10), as well as any motions that the parties intend to file. Patent Owners (Paper 12) and Petitioners (Paper 11) each filed a list of proposed motion(s). The following issues were discussed.

Trial Schedule

During the conference call, the Board indicated that the schedules for the above-identified proceedings had been coordinated and that oral argument would be combined. The Board explained that the oral argument transcript would be useable across all proceedings, given the similarity in claimed subject matter and overlapping asserted prior art.

Petitioners indicated that it does not foresee, at this time, any problems with meeting its due dates. Upon inquiry from the Board, Patent Owners indicated that it will not file a motion to amend claims and, therefore, DUE DATE 3 in the Scheduling Order is not necessary. Patent

² For the purpose of clarity and expediency, we treat IPR2014-00057 as representative, and all citations are to IPR2014-00057 unless otherwise noted.

Cases IPR2014-00057 (Patent 5,978,791); IPR2014-00058 (Patent 8,099,420); IPR2014-00059 (Patent 6,415,280); IPR2014-00062 (Patent 7,802,310); IPR2014-00066 (Patent 6,928,442)

Owners further noted that the parties will stipulate to different dates for DUE DATES 1 and 2. The Board asked the parties to file a notice of the stipulation, specifically identifying the changed due dates.

Combined Cross-Examination of Petitioners' Declarant

Patent Owners expressed the desire to coordinate and combine discovery between the above-identified proceedings. Petitioners agreed to a combined cross-examination of each Petitioners' declarant. The Board explained that the parties should coordinate the day and time limits for cross-examination of each Petitioners' witness appearing in all five proceedings. The Board further indicated that the transcript of the combined cross-examination will be useable in all of the above-identified proceedings.

Motion to Exclude Evidence

As explained by the Board, Patent Owners are not required to seek prior authorization for filing a motion to exclude evidence under 37 C.F.R. § 42.64(c), a motion for observation regarding cross-examination of reply witness, and a response to observation. *See* Paper 10, 6. The Board also explained that the scope of a motion to exclude evidence was limited to arguments to exclude evidence believed to be inadmissible. The Board noted that arguments regarding the sufficiency or weight of evidence, or concerning an allegedly improper scope of a reply, would not be proper in a motion to exclude evidence. *See* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,765, 48,767 (Aug. 14, 2012).

Cases IPR2014-00057 (Patent 5,978,791); IPR2014-00058 (Patent 8,099,420); IPR2014-00059 (Patent 6,415,280); IPR2014-00062 (Patent 7,802,310); IPR2014-00066 (Patent 6,928,442)

A motion to exclude evidence also must include the following:

- (a) Identify where in the record the objection originally was made;
- (b) Identify where in the record the evidence sought to be excluded was relied upon by an opponent;
- (c) Address objections to exhibits in numerical order; and
- (d) Explain each objection.

Id.

Motion to Submit Supplement Information under 37 C.F.R. § 42.123.

Petitioners sought leave to file a motion to submit supplemental information pursuant to 37 C.F.R. § 42.123. In particular, Petitioners indicated that they seek to file an expert declaration addressing the claim constructions of certain claim terms in the following three proceedings: IPR2014-00057, IPR2014-00058, and IPR2014-00062. Petitioners alleged that the Board failed to adopt all of Petitioners' claim constructions in those three proceedings. Petitioners expressed the desire to submit a new expert declaration to demonstrate why the Board's claim constructions in its Decision on Institution (Paper 9) are incorrect. Petitioners argued that the Board should authorize the filing of a motion to submit such new testimonial evidence because Petitioners' request was made within one month from the institution date and the evidence would be relevant to a claim for which trial had been instituted. Petitioners also alleged that Patent Owners would not be prejudice, as Patent Owners will have the opportunity to cross-examine the new expert declarant before filing the patent owner responses.

Cases IPR2014-00057 (Patent 5,978,791); IPR2014-00058 (Patent 8,099,420); IPR2014-00059 (Patent 6,415,280); IPR2014-00062 (Patent 7,802,310); IPR2014-00066 (Patent 6,928,442)

Patent Owners opposed and argued that such evidence regarding claim construction should have been presented at the time of filing the petition. According to Patent Owners, such late submission of evidence regarding claim construction would prejudice Patent Owners, who are preparing for discovery and patent owner responses in all five proceedings. Patent Owners requested the authorization to file an opposition should the Board grant Petitioners' request.

We are not persuaded by Petitioners' argument that the Board should grant its request because it was made within one month from the institution date and the evidence would be relevant to a claim for which trial had been instituted. An important consideration in determining whether to authorize the filing of a motion to submit supplemental information is that the above-identified proceedings must be completed within one year of institution. 35 U.S.C. § 316(a)(11). Consequently, all of the Board's trial rules are "construed to secure the just, speedy, and inexpensive resolution of every proceeding." 37 C.F.R. § 42.1(b); *see also* 35 U.S.C. § 316(b) (regulations for AIA post-grant proceedings take into account "the efficient administration of the Office" and "the ability of the Office to timely complete [instituted] proceedings"). Petitioners' new expert declaration for each of the three proceedings would impact Patent Owners' ability to file its patent owner responses timely in all five above-identified proceedings. Petitioners have not explained sufficiently why its motion is necessary in that regard.

Cases IPR2014-00057 (Patent 5,978,791); IPR2014-00058 (Patent 8,099,420); IPR2014-00059 (Patent 6,415,280); IPR2014-00062 (Patent 7,802,310); IPR2014-00066 (Patent 6,928,442)

A motion to submit supplemental information is not a mechanism to challenge the Board's claim construction set forth in a Decision on Institution. As indicated in the Decision on Institution, the Board considered Petitioners' expert declaration and disagreed with the expert testimony on certain claim constructions. *See, e.g.*, Paper 9, 11-15. If Petitioners were dissatisfied with the Decision on Institution, it should have filed a request for rehearing under 37 C.F.R. § 42.71(d) within 14 days from the decision and identified all matters it believes the Board misapprehended or overlooked and the place where each matter was addressed previously in the petition. Petitioners' attempt to circumvent the requirements set forth in the rule is not a sufficient reason for filing a motion to submit supplemental information.

We also observe that Petitioners already had the opportunity to submit expert declarations concerning claim construction. In fact, 37 C.F.R. § 42.104 *requires* Petitioners to identify how the challenged claim is to be construed *in the petition*. We agree with Patent Owners that Petitioners should have filed all of its expert declarations regarding claim construction *with the petition*. Moreover, the mere fact that the Board, in its Decision on Institution, did not adopt Petitioners' claim construction proposed in the petition is not a sufficient reason for filing a motion to submit supplemental information.

Additionally, as the Board explained in the conference call, Petitioners may challenge the Board's claim construction in its reply under 37 C.F.R. § 42.23. To support its argument in the reply, Petitioners may file

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an expert declaration. Patent Owners would have the opportunity to cross-examine Petitioners' reply witness and file a motion for observation. *See* Paper 10, 6, Due Date 4. Petitioners have not explained adequately why it cannot file its expert declaration addressing the Board's claim construction with its reply.

During the conference call, Petitioners directed our attention to the decisions entered in *Palo Alto Networks, Inc. v. Juniper Networks, Inc.*, IPR2013-00369, slip op. at 2-5 (PTAB Jan. 17, 2014) (Paper 37) and *Hayward Industries, Inc. v. Pentair Water Pool and Spa, Inc.*, IPR2013-00287, slip op. at 2-5 (PTAB Jan. 27, 2014) (Paper 24). Petitioners' reliance of those cases is misplaced, as those cases do not substantiate Petitioners' position that the Board must authorize a motion to submit supplemental information, such that Petitioners may present arguments for filing an expert declaration to challenge the Board's claim construction. In fact, the decision in *Palo Alto Networks*, has little to do with, as here, new expert testimony concerning claim construction. *Palo Alto Networks*, slip op. at 2-5. That decision merely authorized the submission of evidence to confirm the public accessibility of a prior art reference, which already served as the basis of a ground of unpatentability instituted in that proceeding. *Id.* at 3. The decision in *Hayward Industries* granted only the request to submit evidence concerning the authenticity of a prior art reference. *Hayward Industries*, slip op. at 2-5. Neither case changed the evidence initially presented in the petition to support the instituted grounds of unpatentability, as Petitioners now seek to do in the

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three proceedings before us. Accordingly, we do not share Petitioners' view that the cited cases support its argument that 37 C.F.R. § 42.123 provides Petitioners the right to file a motion to submit an expert declaration when the Board, in the Decision on Institution, does not adopt its claim construction proposed in the petition.

ORDER

For the foregoing reasons, it is

ORDERED that Petitioners' request for leave to file a motion to submit supplemental information under 37 C.F.R. § 42.123 is *denied*.

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