

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS AMERICA, INC.,
Petitioner,

v.

PRISUA ENGINEERING CORP.,
Patent Owner.

Case IPR2017-01188
Patent 8,650,591 B2

Before BARBARA A. PARVIS, MATTHEW R. CLEMENTS, and
TERRENCE W. McMILLIN, *Administrative Patent Judges*.

CLEMENTS, *Administrative Patent Judge*.

DECISION
Granting Patent Owner's Request for Rehearing
37 C.F.R. § 42.71

I. INTRODUCTION

Pursuant to 37 C.F.R. § 42.71(d), Prisia Engineering Corp. (“Patent Owner”) requests rehearing of our expungement of its Sur-Reply (Paper 64, “Sur-Reply”). Paper 67 (“Req. Reh’g”). In an email to the parties, we explained

Although our Trial Practice Guide was recently updated to permit patent owners to file sur-replies to principal briefs, the update states explicitly that sur-replies “normally will be authorized by the scheduling order entered at institution” and that “[t]his sur-reply practice essentially replaces the previous practice of filing observations on cross-examination testimony.” See announcement at 83 Fed. Reg. 39,989 (Aug. 13, 2018); see also full text of update at <https://go.usa.gov/xU7GP> (“Trial Practice Guide Update”).

In some cases instituted prior to the Trial Practice Guide Update, the Board has allowed patent owners, upon request, to file a sur-reply in lieu of a motion for observations on cross-examination testimony if Due Date 4 has not yet passed. In this case, however, we are well beyond Due Date 4 and even Due Date 7 (oral argument). Our Final Written Decision is due October 11, 2018, less than six weeks from now. As a result, a sur-reply at this late stage of the proceeding is untimely and unauthorized. Patent Owner’s Sur-Reply filed August 31, 2018 (Paper 64) is, therefore, expunged.

Ex. 2017.

In its request for rehearing, Patent Owner submits that we erred by expunging its Sur-Reply because (1) the recent Trial Practice Guide Update provides for a sur-reply to a principal brief “as a matter of right;” and (2) its Sur-Reply could not have been untimely because Due Date 4 lapsed before the Trial Practice Guide Update was published in the Federal Register on August 13, 2018. Req. Reh’g *passim*. Patent Owner also requests that, if there is insufficient time to consider its Sur-Reply before the statutory

deadline for the Final Written Decision on October 11, 2018, the Chief Administrative Patent Judge authorize an extension of the statutory deadline so the panel can consider the Sur-Reply. *Id.* at 4–5.

For the reasons set forth below, Patent Owner’s Request for Rehearing *granted*.

II. STANDARD OF REVIEW

A party requesting rehearing bears the burden of showing that the decision should be modified. 37 C.F.R. § 42.71(d). The party must identify specifically all matters we misapprehended or overlooked, and the place where each matter was addressed previously in a motion, an opposition, or a reply. *Id.* With this in mind, we address the arguments presented by Patent Owner.

III. ANALYSIS

A. Background

On August 22, 2018, we held an oral hearing in this case.

On August 31, 2018, Patent Owner filed a document titled “Patent Owner’s Sur-Reply.” Paper 64.

On September 4, 2018, Petitioner emailed the Board to request a call with the panel to seek expungement of the Sur-Reply on the grounds that “[t]his sur-reply was not authorized by any order in the case and was filed after all briefing and an oral hearing had taken place,” “Patent Owner did not seek prior authorization to file a sur-reply, including at the oral hearing,” and “Patent Owner also did not request a meet-and-confer with Petitioner prior to” filing the Sur-Reply. Ex. 2017.

On September 5, 2018, we emailed the parties, as quoted above, explaining that “a sur-reply at this late stage of the proceeding is untimely and unauthorized.” Ex. 2017.

The Final Written Decision is due October 11, 2018.

B. Patent Owner’s Arguments

Patent Owner argues, “[t]he [Trial Practice Guide] Update provides for sur-replies to principal briefs ‘as a matter of right,’ rendering prior authorization unnecessary.” Req. Reh’g 2. Patent Owner does not quote from the Trial Practice Guide Update, however, because the Trial Practice Guide Update includes no such language. Instead, Patent Owner relies entirely on a bullet point summary of the Trial Practice Guide Update. *Id.* (citing <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/ptab-trial-practice-guide-august-2018>).

This argument is not persuasive because the bullet point summary of the Trial Practice Guide update does not supersede the Trial Practice Guide Update itself. The Trial Practice Guide Update describes sur-replies being provided for in newly-instituted cases, i.e., ones in which sur-replies “will be authorized by the scheduling order entered at institution.” *See* announcement at 83 Fed. Reg. 39,989 (Aug. 13, 2018) (“Sur-replies to principal briefs (i.e., to a reply to a patent owner response or to a reply to an opposition to a motion to amend) normally will be authorized by the scheduling order entered at institution.”); *see also* full text of update at <https://go.usa.gov/xU7GP> (“Trial Practice Guide Update”). The Trial Practice Guide Update further explains that a sur-reply to petitioner’s reply is intended to replace the previous practice of filing a motion for observations on cross-examination testimony. *Id.* (“This sur-reply practice

essentially replaces the previous practice of filing observations on cross-examination testimony.”).

The Trial Practice Guide Update did *not* grant Patent Owner a sur-reply “as a matter of right,” and does not address explicitly whether a Patent Owner may file a sur-reply in a case that was instituted prior to the Trial Practice Guide Update. Because the Trial Practice Guide Update did not authorize Patent Owner to file its Sur-Reply “as a matter of right,” we are not persuaded that we erred in determining that Patent Owner’s Sur-Reply was unauthorized.

We also are not persuaded that we erred in determining that Patent Owner’s Sur-Reply was untimely. As we explained in our email to Patent Owner, “[i]n some cases instituted prior to the Trial Practice Guide Update, the Board has allowed patent owners, upon request, to file a sur-reply in lieu of a motion for observations on cross-examination testimony if Due Date 4 has not yet passed.” Ex. 2017. Authorizing a sur-reply in those instances is consistent with the Trial Practice Guide’s intent for sur-reply practice to “essentially replace[]” the filing of observations on cross-examination testimony. Authorizing a sur-reply in this case, however, is not consistent with that intent because the time for motions for observations on cross-examination testimony has passed.

Patent Owner argues that our “rationale overlooks the fact that in this case Due Date 4 lapsed before the TPG Update was even issued, and that Due Date 7 overlapped with the PALM database outage.” Req. Reh’g 3–4. We could not have overlooked that Due Date 4 lapsed prior to publication of the Trial Practice Guide Update because that was part of the basis for our expungement. This proceeding is in its advanced stages, as Patent Owner

recognizes (Req. Reh’g 2–3). Following the Supreme Court’s decision in *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348 (2018), we rescheduled the oral hearing from July 10, 2018, to August 22, 2018, in order to accommodate additional briefing from both parties on the claims that were newly-added after SAS. Paper 38. In doing so, we rescheduled Due Date 4 from June 1, 2018, to July 30, 2018, which gave both parties more time to file motions for observations on cross-examination. Patent Owner, however, did not avail itself of the opportunity to file a motion for observation on cross-examination testimony. Moreover, after Petitioner’s Supplemental Reply was filed on July 23, 2018, Patent Owner had nearly a month prior to the hearing on August 22, 2018, to request authorization to file a sur-reply if it needed one, but again it made no such request. Patent Owner even had nine days between the issuance of the Trial Practice Guide Update on August 13, 2018, and the hearing on August 22, 2018, to request authorization to file a sur-reply, but again Patent Owner made no such request. The PALM database outage does not excuse Patent Owner’s inaction. Even assuming Patent Owner could not upload a paper, the PALM database outage did not impede Patent Owner’s ability to email Trials@uspto.gov to request authorization to file a sur-reply or otherwise seek advice, none of which Patent Owner did. As a result, we are not persuaded that we erred in determining that Patent Owner’s Sur-Reply, filed nine days after the oral hearing, is untimely.

Notwithstanding all of the above, and out of an abundance of fairness to Patent Owner, Patent Owner is authorized to re-file its Sur-Reply no later than Friday, September 28, 2018.

IV. ORDER

Accordingly, it is

ORDERED that Patent Owner's Request for Rehearing is *granted*;
and

FURTHER ORDERED that Patent Owner is authorized to re-file its
Sur-Reply no later than Friday, September 28, 2018.

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