

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Proceeding No. : IPR2023-00521
Filing Date : 01/24/2023 Technology Center : 1700
Patent No. : 10,689,740
Attorney Docket : GBHNZH002-IPR
Parties : Chongqing Yanmei Technology Co. LTD v. Terves, LLC

Mail Stop – Petition

Chief Administrative Patent Judge of the Patent Trial and Appeal Board

Commissioner for Patents

P.O. Box 1450

Alexandria, Virginia 22313-1450

**PETITION UNDER 37 CFR 1.181(a)(3), 1.182, AND/OR 41.3 TO INVOKE
SUPERVISORY AUTHORITY OF THE DIRECTOR AND/OR CONSIDERATION
OF QUESTION NOT SPECIFICALLY PROVIDED FOR**

Petitioner now files this petition under 37 CFR 1.181(a)(3), 1.182, and/or 41.3 to invoke the supervisory authority of the Director as delegated to the Chief Administrative Patent Judge of the Patent Trial and Appeal Board (PTAB). The Director is authorized to charge the Deposit Account No. 506203 to satisfy either the fee under 37 CFR 41.20(a) required by 37 CFR 41.3 or the undiscounted fee under 37 CFR 1.17(f) required by 37 CFR 1.182.

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I. Introduction

On January 24, 2023, Petitioner filed a petition seeking *Inter Partes* Review of claims 1-81 of U.S. Patent No. 10,689,740. On March 7, 2023, the Board accorded a filing date to the petition. Then on June 5, 2023 the Patent Owner filed a preliminary response to the petition.

The Patent Owner's June 5, 2023 preliminary response statutorily disclaimed claims 1-18 and 62 and submitted arguments against institution of an IPR trial on the grounds that the trial should be discretionarily denied (a) under 35 USC 325(d) on the basis of federal district court litigation, (b) that an executive order of the President of the United States of America compels discretionary denial under 35 USC 314(a) and 316(b), and (c) cites to obscure cases and makes numerous inaccuracies in arguments that the Petitioner will not be likely to prevail on at least one claim.

Beginning on June 5, 2023, the Petitioner and their representative reviewed the Patent Owner Preliminary Response and determined that the a Reply from the Petitioner should be warranted because of the unforeseeable nature of the arguments made by the Patent Owner and the fact that Petitioner believed that the Board would benefit from a Reply from the Petition.

On July 17, 2023 the Back-up Counsel for the Petitioner emailed the Lead and Back-up Counsel for the Patent Owner requesting consent to the filing of a Reply to the Patent Owner Preliminary Response. On July 17, 2023, Mr. Cupar responded "Your email below does not identify any good cause as required by statute. Does your email below accurately identify Petitioner's good cause? If so, then Terves opposes."

On July 20, 2023, the Back-up Counsel for the Petitioner emailed the Board at Trials@uspto.gov to request permission under 37 CFR 42.20(b) to request permission to file a motion for leave to file a Reply and corresponding Reply to the Patent Owner

Preliminary Response. Back-up Counsel briefly described the three unforeseeable arguments that the Petitioner was requesting leave to respond to.

On July 21, 2023, Mr. Hawthorne, Supervisory Paralegal Specialist of the PTAB, responded to the request for permission: “Petitioner’s request to file a Motion requesting leave to file a Reply in IPR2023-00521 is denied. In view of the statutory timeframes related to issuing an Institution Decision (*See* 35 U.S.C §314(b)(1)), requests to file a Reply to a Preliminary Response must be made promptly. Patent Owner’s Preliminary Response was filed June 5, 2023. In this case, a delay of 45 days between the filing of the Preliminary Response and the request for authorization to file a Reply leaves insufficient time to complete briefing and draft the Institution Decision.”

Petitioner requests review and reversal of the decision of the Board to deny authorization under 37 CFR 42.20(b) to file a Motion and Reply to the Patent Owner preliminary response.

II. Analysis

A. Authority of the Chief Administrative Patent Judge to review the Board decision to deny authorization under 37 CFR 42.20(b).

37 CFR 1.181(a) provides “(a) Petition may be taken to the Director: ... (3) To invoke the supervisory authority of the Director in appropriate circumstances. For petitions involving action of the Patent Trial and Appeal Board, see § 41.3 of this title.”

37 CFR 41.3 provides:

“(a) Deciding official. Petitions must be add addressed to the Chief Administrative Patent Judge. A panel or an administrative patent judge may certify a question of policy to the

Chief Administrative Patent Judge for decision. The Chief Administrative Patent Judge may delegate authority to decide petitions.

(b) Scope. This section covers petitions on matters pending before the Board (§§ 41.35, 41.64, 41.103, and 41.205); otherwise, see §§ 1.181 to 1.183 of this title. The following matters are not subject to petition:

(1) Issues committed by statute to a panel, and

(2) In pending contested cases, procedural issues. See § 41.121(a)(3) and § 41.125(c).

(c) Petition fee. The fee set in § 41.20(a) must accompany any petition under this section except no fee is required for a petition under this section seeking supervisory review.

(d) Effect on proceeding. The filing of a petition does not stay the time for any other action in a Board proceeding.

(e) Time for action.

(1) Except as otherwise provided in this part or as the Board may authorize in writing, a party may:

(i) File the petition within 14 days from the date of the action from which the party is requesting relief, and

(ii) File any request for reconsideration of a petition decision within 14 days of the decision on petition or such other time as the Board may set.

(2) A party may not file an opposition or a reply to a petition without Board authorization.”

37 CFR 1.182 provides “All situations not specifically provided for in the regulations of this part will be decided in accordance with the merits of each situation by or under the authority of the Director, subject to such other requirements as may be imposed, and such decision will be communicated to the interested parties in writing. Any

petition seeking a decision under this section must be accompanied by the petition fee set forth in § 1.17(f).”

MPEP 1002.02(f)(6)(e) provides that the “Petitions under 37 CFR 1.181, 1.182, and 1.183 from actions of the Patent Trial and Appeal Board” are petitions which is delegated to be decided by the Chief Administrative Patent Judge of the Patent Trial and Appeal Board.

A petition to the director to invoke the supervisory authority of the director under 37 CFR 1.181(a)(3) for matters involving the Board is delegated to the Chief Administrative Patent Judge under 37 CFR 41.3(a). Further a request for review of a denial of authorization under 37 CFR 42.20(b) is not specifically provided for in 37 CFR 41.3. Therefore, the matter should be decided as a petition not specially provided for under 37 CFR 1.182. Under MPEP 1002(f)(6)(e) the authority to decide petitions under 37 CFR 1.182 rests with the Chief Administrative Patent Judge of the Patent Trial and Appeal Board.

Petitioner has paid the fee of \$420 herewith, which satisfies the petition fee under 37 CFR 41.20(a) set in 37 CFR 41.3(c) or the undiscounted fee under 37 CFR 1.17(f) set in 37 CFR 1.182.

Petitioner files this Petition within 14-days from the date of the action from which the party is requesting relief. See 37 CFR 41.3(e)(1)(i).

Accordingly, Petitioner submits that the Chief Administrative Patent Judge has jurisdiction to decide this petition. Relief is respectfully requested for the following reasons.

B. The Board's claim that waiting 45 days in requesting authorization in the 3 months period for rendering an institution decision is not reasonable and appears arbitrary; the Patent Owner Preliminary response contains numerous unforeseeable arguments which the Petitioner should have the right to respond to.

Petitioner's process of reviewing the Patent Owner Preliminary Response began shortly after the response was received. However, the Petitioner required some time to assess the Patent Owner Preliminary response and review the arguments that were made in the Preliminary Response, the 38-page declaration of Dr. Cohen and novel legal arguments based on an Executive Order of the President of the United States, as well as consider obscure cases cited, and all of the inaccuracies and mis-characterizations that were contained in the Patent Owner Preliminary Response.

Petitioner did not brazenly demand authorization under 37 CFR 42.20(b) immediately upon receiving the Preliminary Response because Petitioner wanted to ensure that any Reply would be well formulated and be able to be filed *promptly* upon a granting of request for the authorization to file under 37 CFR 42.20(b). Petitioner is apparently being punished for being prudent and deliberate in seeking authorization to file a Reply to the Patent Owner Preliminary Response.

The reasoning of the Board does not appear to be reasonable and appears arbitrary to the Petitioner. The Board has 3 months under 35 USC 314(b)(1) after receiving the preliminary response to determine whether to institute *Inter Partes* Review under Chapter 31. At the time of the request on July 20, 2023, the Board still had *over half of the time available* to render the Institution Decision. Nowhere in the cited statute of 35 USC 314(b)(1) is there time limit or deadline that would cut off the Petitioner's right to file a Reply if requesting authorization at 45 days. Furthermore, Petitioner's Reply is intended to *help the Board* in making their institution determination by pointing out flaws in the

Patent Owner Preliminary Response. The Board will be benefited by authorizing the motion and Reply because Petitioner will be providing alternative legal analysis from that submitted by the Patent Owner, which the Board may choose to incorporate into their institution decision if they disagree with the Patent Owner's arguments. Therefore, by denying the Petitioner the authorization to submit a motion and reply the Board is deprived of the benefit of Petitioner's careful review of the Preliminary Response and alternative legal analysis.

Also, Petitioner submits that justice requires that Petitioner be permitted to file a Reply. The Petitioner had to devote substantial word count in the original Petition to address the merits of why claims 1-81 '740 patent are invalid and could only briefly address factors related to discretionary denial under 35 USC 325(d) and 314(a). However, the Patent Owner used substantially the same word count in the Preliminary response to address only the issue on why the institution should be denied. Petitioner deserves a fair opportunity respond to these arguments especially because these arguments were not foreseeable when the petition was drafted and filed. The Patent Owner makes novel legal arguments based on an Executive Order of the President of the United States that Petitioner has never encounter before, and the arguments contain numerous inaccuracies an cite obscure cases. Further, because the decision to institute or not under 35 CFR 314(d) is not an appealable decision, the Petitioner is being provided *no opportunity to respond* to the Preliminary Response, *and there will be no remedy* for the Petitioner if the Board decides to exercise discretion to deny to institution on the grounds put forth by the Patent Owner. Therefore, Petitioner is being deprived of a fair proceeding because the Board is denying an opportunity to respond to the unforeseeable arguments against institution made by the Patent Owner Preliminary Response and because there will be no remedy for the Petitioner if the Board adopts the position of the Patent Owner.

III. Request for Relief

THEREFORE, Petitioner respectfully requests that the Chief Administrative Patent Judge of the Patent Trial and Appeal Board to review and reverse the decision of the Board to deny authorization to file a motion and reply under 37 CFR 42.20(b). The Petitioner request the Board to authorize the filing of the Motion for leave to file a Reply and Reply. Along with this petition under 37 CFR 1.181(a)(3), 1.182, and/or 41.3, Petitioner files the original Motion and Reply, which were intended to be filed, so that there will be no delay and the Board will not be deprived of any further time under 35 USC 314(b) when this petition to reverse the decision of the Board, which denied authorization under 42.20(b), is granted by the Chief Administrative Patent Judge of the Patent Trial and Appeal Board. Furthermore, if the motion is granted and the Reply is entered, petitioner would not oppose the Patent Owner filing a sur-reply to the Reply which is limited to 5,600 words and is responsive to the arguments made in Petitioner's Reply to the Patent Owner Preliminary Response, and to be filed by a deadline set by the Board. No fee is submitted with the filing, instead, director authorization to satisfy the fee is provided.

The director is authorized to charge the Deposit Account No. 506203 to satisfy either the fee under 37 CFR 41.20(a) required by 37 CFR 41.3 or the undiscounted fee under 37 CFR 1.17(f) required by 37 CFR 1.182 for entry and consideration of this petition.

Respectfully submitted,

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Date: 7/27/2023