

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETFLIX, INC.,

Petitioner

v.

VIDEOLABS, INC.,

Patent Owner

IPR2023-00628
U.S. Patent 7,233,790

PATENT OWNER'S SUR-REPLY

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PATENT OWNER'S EXHIBIT LIST

Exhibit	Description
2001	<i>Ex Parte</i> Reexam Request in Reexam Control No. 90/015,063
2002	Reexam Order in the '063 Reexam
2003	Non-Final Office Action in the '063 Reexam
2004	U.S. Patent Application Publication No. 2002/0078178 to Senoh
2005	U.S. Patent No. 6,035,339 to Agraharam et al.
2006	U.S. Patent No. 6,421,726 to Kenner et al.
2007	U.S. Patent No. 6,345,279 to Li et al.
2008	Response to the Non-Final Office Action in the '063 Reexam
2009	Final Rejection in the '063 Reexam
2010	Response to Final Rejection the '063 Reexam
2011	Notice of Intent to Issue Reexam Certificate in '063 Reexam
2012	Amendment After Final or under 37CFR 1.312, initialed by the examiner
2013	'063 Reexam Transactions Docket in Patent Center
2014	Scheduling Order for <i>Starz Entertainment, LLC v. VL Collective IP, LLC</i> , Case 1-21-cv- 01448 (D. Del.)
2015	Starz's Second Amended Disclosure of Invalidity Contentions in <i>Starz Entertainment, LLC v. VL Collective IP, LLC</i> , Case 1-21-cv- 01448 (D. Del.)
2016	Declaration of Jaime F. Cardenas-Navia in Support of Motion For Admission <i>Pro Hac Vice</i>
2017	Correspondence in <i>Starz Entertainment, LLC v. VL Collective IP, LLC</i> , Case 1-21-cv- 01448 (D. Del.)
2018	Reexam Certificate from the '063 Reexam
2019	Hearing Transcript from <i>Intramedic Co. Ltd. v. Given Imaging Ltd</i> IPR2015-00579, EX2003 (PTAB Aug. 5, 2015)

Pursuant to the Board's Order (Paper 12), Patent Owner submits this Sur-Reply in response to Petitioner's Reply and to address the Board's questions.

Petitioner asks the Board to institute trial on, and determine the patentability of, claims that are not in the Petition. Petitioner's request is contrary to black letter law, would require the Board to go beyond its authority, and thus should be rejected.

Petitioner filed the Petition on February 22, 2023, challenging claims 1-14 of U.S. Patent No. 7,233,790 (the "'790 patent"), including the original versions of claims 1 and 8 (the "Original Claims"). Claims 1 and 8 were amended in the '063 Reexam (the "Amended Claims"). The Reexam Certificate issued the same day this brief was filed. EX2018. The Petition only challenges the Original Claims and does not reference the Amended Claims.

Petitioner now asks the Board to address the patentability of the Amended Claims—despite the fact that the claims are not addressed in the Petition. Petitioner claims there is "ample legal authority" authorizing the Board to address the Amended Claims. But Petitioner has not pointed to *any* instance where the Board has addressed similarly amended claims that were not included in the petition. Petitioner's failure to identify any such examples is telling, albeit unsurprising. The Board does not have the authority to address the Amended Claims because they are not included in the Petition. Nor does it make sense for the Board to address the Original Claims, as they no longer exist. Finally, the Board cannot partially institute

(only on the unamended claims) in light of the Supreme Court’s decision in *SAS*.

I. The Board Should Not Institute on the Amended Claims 1 and 8 (Q2).

A. The Board Cannot Adopt Arguments About Claims That Were Not Included in the Petition (Q2.A.2).

There is no dispute that the Petition does not address the Amended Claims. Thus, the question is whether the Board can institute on amended claims not addressed in the Petition. It cannot.

It is black letter law that the Board can only institute on grounds identified in the petition “with particularity.” 35 U.S.C. § 312 (a)(3) (Petition must identify “in writing and with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim.”).

Consistent with § 312 (a)(3), the Supreme Court and Federal Circuit have repeatedly held that the Board is limited to what is in the Petition. The Supreme Court in *SAS Inst., Inc. v. Iancu* stated that the Board does not “enjoy a license to depart from the petition and institute a different *inter partes* review of his own design.” 138 S. Ct. 1348, 1355-56 (2018) (“Congress chose to structure a process in which it’s the petitioner, not the Director, who gets to define the contours of the proceeding.”). Following *SAS*, the Federal Circuit held that “[i]t is the petition, not the Board’s ‘discretion,’ that defines the metes and bounds of an inter partes review.” *Koninklijke Philips N.V. v. Google LLC, et al.*, 948 F.3d 1330, 1336 (Fed. Cir. 2020);

In re Magnum Oil Tools Int'l, Ltd. 829 F.3d 1364, 1381 (Fed. Cir. 2016).

Based on this precedent, the Board has recognized that it does not have the authority to address amended claims that are not included in the Petition. For example, in *Juniper Networks, Inc. v. Chrimar Systems, Inc.* (which Petitioner itself relies on), the Board explained that “we did not institute an *inter partes* review in this proceeding with respect to original claim 101 or amended claims 73, 106, 112, 134, 142, and 145” because “Petitioner does not challenge the patentability of original claim 101 or [the] amended claims . . . in the Petition.” IPR2016-01399, Paper 73 at 60, (PTAB, April 26, 2018) (refusing to address the patentability of the un-instituted, amended claims). And in *Intromedic Co. Ltd. v. Given Imaging Ltd.*, the Board similarly refused to consider claim amendments from a parallel reexam proceeding that were not addressed in the petition, and accordingly denied institution of the IPR. IPR2015-00579, Paper 9 at 7-8 (PTAB Aug. 5, 2015).

Petitioner’s arguments to the contrary are unavailing. Petitioner first argues that §315(d) “expressly authorizes” the Board to review the Amended Claims. Paper 15 at 2. Petitioner mischaracterizes §315(d), which merely states that “the Director may determine the manner in which the *inter partes* review . . . may proceed” in light of “another proceeding or matter involving the patent.” 35 U.S.C. §315(d). Nothing in the language of §315(d) “authorizes” (expressly or otherwise) the Board to institute on claims that are not included in the Petition. Petitioner also argues that

Patent Owner would not be “burdened.” Paper 15 at 2. Patent Owner disagrees.

But the question at hand is one of the Board’s authority; burden is irrelevant.

Finally, Petitioner points to *GEA Process Engineering, Inc. v. Steuben Foods, Inc.* and *Eizo Corp. v. Barco N.V.*, but neither provide support for its argument. In *GEA*, the Petition included both the original claims **and** the amended claims (unlike here). IPR2014-00051, Paper 14 at 11 (PTAB Mar. 10, 2014). In this pre-*SAS* decision, the Board only addressed the amended claims because “GEA’s petition already challenges the amended claims (as they appear in the reexamination certificate) and proposes specific grounds of unpatentability for such claims.” *Id.* *GEA* reinforces that the Board can only consider claims addressed in the Petition. Similarly, in *Eizo*, the Board considered an amended claim (claim 64) because it was a combination of two claims that were addressed in the petition (original claim 64 and claim 94). IPR2014-00358, Paper 11 at 5-6, 18-19, (PTAB July 23, 2014).

B. The “Substantially Identical” Analysis from *SHFL Entertainment* Is Not Applicable to the Present Case (Q2.A.1).

The “substantially identical” analysis from *SHFL Entertainment, Inc. v. DigiDeal Corp.* also does not provide authority for the Board to address the Amended Claims. 729 Fed. App’x. 931, 935 (2018). The Federal Circuit in *SHFL Entertainment* held that, in the context of summary judgment in the **district court**, “amended or new claims incorporated into reexamined patents do not automatically abate—let alone moot—any pending action against the accused infringer based on

the patents if the amended or new claims are ‘substantially identical’ to the original claims.” 729 F. App’x at 935. The holding of *SHFL Entertainment* is, explicitly, limited to “pending action[s] against the accused infringer,” *id.*, and is thus not applicable to an IPR. Indeed, the source and scope of authority of district courts and the Board are vastly different, and Petitioner does not even attempt to bridge the gap.

Nor does the reasoning of *SHFL Entm’t* suggest the Board may address claims that are not included in the petition. The Court’s holding in *SHFL Entm’t* is based on 35 U.S.C.A. § 307(b) and 35 U.S.C.A. § 252, which together support the proposition that “in so far as the claims of the original and [reexamined] patents are substantially identical, such surrender shall not affect any action then pending nor abate any cause of action then existing.” *SHFL Entm’t, Inc.*, 729 F. App’x at 935 (citing § 307(b) and § 252). *SHFL Entm’t*, § 307(b), and § 252 thus concern when a claim amendment affects a “cause of action.” They do not authorize the Board to do anything that it otherwise does not have the authority to do. The Board is limited to the claims included in the Petition. *See supra* Section I.A. Whether a claim amendment affects a “cause of action” has no bearing on whether the Board has the authority to consider claims not raised in the Petition.

Petitioner did not provide any legal authority to support the application of *SHFL Entm’t* here, instead apparently arguing that it would otherwise be unfair because Patent Owner is “maintain[ing] its accusation of infringement after

reexam.” Paper 15 at 4-5. Petitioner’s argument fails to provide a legal basis for its claim, and, in any event, is factually incorrect as well. Patent Owner does not intend to assert the Amended Claims in the pending case *Starz v. VideoLabs*, C.A. No. 21-1448-JLH. EX2017. And in VideoLabs’ litigation against Petitioner, the deadline for VideoLabs to identify the claims it is asserting has yet to occur.

Finally, even if the Board were inclined to conduct a *SHFL Entm’t* style analysis, Petitioner has not shown that the claims are substantially identical.¹ Nor does the Petition provide such an analysis, and the Board, being bound by the Petition, cannot undertake it *sua sponte*. Even if the “substantially identical” test were applicable, it does not allow the Board to institute on the Amended Claims.

C. Petitioner Cannot Amend Its Petition (Q2.B).

There is no legal basis to permit Petitioner to amend the Petition to newly include the Amended Claims. Correcting or amending a Petition is *only* for typographical or clerical errors, 37 CFR § 42.104(c), not to add claim limitations. *See Nat’l Envtl. Prods. Ltd. v. Dri-Steem Corp.*, IPR2014-01503, Paper 11 at 3 (PTAB Nov. 4, 2014) (denying request to substantially amend a Petition because

¹ Petitioner does not even attempt to make this showing, instead asserting that Patent Owner has not “show[n] [that] the claims are not substantially identical.” Paper 15 at 5 n.2. Petitioner thus improperly switches the burden to Patent Owner. Regardless, the Amended Claims contain different terms than the Original Claims or any other petitioned claims and so would necessarily require an additional analysis, including a mapping of the references to the new claim terms. Petitioner has done nothing to show equivalence at any level of detail.

“[t]he Board’s procedures for amendment of a Petition typically are limited to correction of a clerical or typographical mistake”).

1. Petitioner Cannot File Supplemental Evidence Under 37 C.F.R. §42.123 to Address the Amended Claims (Q2.B.1).

37 C.F.R. §42.123 cannot be used to add the Amended Claims to the Petition.

37 C.F.R. §42.123 only applies *after* trial has been instituted, not during the pre-institution phase. 37 C.F.R. §42.123 (“*Once a trial has been instituted*, a party may file a motion to submit supplemental information” (emphasis added)). A rule that allows post-institution supplementation is inapplicable to attempts to amend a Petition to institute trial in the first place.

Even if trial were to be instituted on claims other than the Amended Claims, Petitioner still cannot use 37 C.F.R. §42.123 to add in the Amended Claims. “[T]he provision for submitting supplemental information is not intended to offer a petitioner a routine avenue for bolstering deficiencies in a petition.” *Pacific Market International, LLC v. Ignite USA, LLC*, IPR2014-00561, Paper 23 at 3 (PTAB, Dec. 2, 2014). That makes sense. 37 C.F.R. §42.123 is intended to allow additional *evidence* related to the claims and arguments in the petition—not to enlarge the scope of the proceeding to allow additional claims and an entirely new analysis of them. Allowing a petitioner to add new claims (and, by necessity, new arguments) post-institution would be inconsistent with *SAS*. See *supra* Section I.A.

2. The Board’s Process for Addressing Claims Amended

During an *Inter Partes* Review Is Not Relevant (Q2.B.2).

The Board's process for addressing claims amended during an *inter partes* review also does not authorize the Board to address the Amended Claims. Patent Owner may move to amend claims during an *inter partes* review only in response to an unpatentability ground raised by Petitioner. *See* 37 CFR § 42.121. In that case, the Board may consider those amendments, because the proposed IPR amendment is not yet a new claim, but merely a proposed response to the Petitioner's argument that the Board must consider as part of the *inter partes* review process. In contrast, the claims here have already been amended in a different proceeding. As such, there is no reason (and no authorization) for the Board to address the Amended Claims.

3. Petitioner Is Time Barred and Thus Cannot Amend Its Petition to Address the Amended Claims (Q2.B.3).

The §315(b) time bar further reinforces that Petitioner cannot add the Amended Claims to its Petition. As Petitioner's Reply suggests, Paper 15 at 10, Petitioner is time-barred from filing an additional IPR to challenge the claims of the '790 patent. Paper 15 at 10. Any attempt now to add the Amended Claims in a corrective petition would circumvent this time-bar by allowing Petitioner to challenge the validity of the Amended Claims even though the time-bar has lapsed.

II. The Board Should Not Institute on the Original Claims (Q1).

The Board should not institute on the Original Claims because those versions of the claims no longer exist. As the Board has previously held, the patentability of

no-longer-existing claims should not be addressed as any resulting decisions “would be moot and purely advisory.” *Intromedic*, Paper 9 at 8; EX2019 at 14:12-21 (“So whatever determination that we might reach on the patentability of that original claim, the original claim will not be part of the patent the minute a Reexams certificate issues.”).² Moreover, an advisory decision regarding the patentability of nonexistent claims is an inefficient use of the Board’s resources. Notably, Petitioner does not identify *any* benefit to addressing the patentability of nonexistent claims.

Petitioner’s reliance on *Juniper Networks* is inapposite. In *Juniper Networks*, the Board was not made aware of the reexam until the oral hearing, long after institution. *See e.g., Juniper Networks*, Paper 73 at 59-60. Thus, the question of whether the Board has the authority to institute on the original version of amended claims was never presented or decided.

III. The Board Cannot Institute on a Subset of the Claims (Q1.B)

Statutory disclaimer has the effect of relinquishing the rights of the patent owner and cancelling the claims subject to disclaimer. *See Guinn v. Kopf*, 96 F.3d 1419, 1422 (Fed. Cir. 1996); *see also Lemaire Illumination Techs., LLC v. HTC Corp.*, No. 2:18-CV-00021-JRG, 2019 U.S. Dist. LEXIS 58108, at *4 (E.D. Tex. Apr. 4, 2019). Here, the Original Claims have not been canceled, but instead were amended—a very different beast than disclaiming a claim. Petitioner does not point

² The hearing transcript from *Intromedic* is submitted as EX2019.

to any support for treating amended claims as disclaimed for the purposes of an IPR.

Artificially treating the Original Claims as disclaimed would result in a patentability determination of only a subset of the claims challenged by the Petitioner—in direct contradiction of *SAS*. The Supreme Court held that the Board must issue a final written decision for all the challenged claims in the Petition if trial is instituted. *SAS Inst.*, 138 S. Ct. at 1355; *see also Medtronic, Inc. v. Barry*, 891 F.3d 1368, 1371 n.1 (Fed. Cir. 2018) (“[T]he statute does not permit a partial institution leading to a partial final written decision.”); *PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1359 (Fed. Cir. 2018). The Petition challenges claims 1-14. If the Board is to institute trial, it must do so on each of the challenged claims (which, as discussed above, it should not do because the Original Claims no longer exist).

Petitioner points to *DynaEnergetics Europe GmbH et al v. SWM International, LLC*. Paper 15 at 9 (citing IPR2022-01372, Paper 7 at 2-3 (PTAB Feb. 15, 2023)). But *DynaEnergetics* does not provide support for partial institution, nor, in any event, could it contravene *SAS*. In *DynaEnergetics*, the Patent Owner explicitly disclaimed a subset of the claims. Here, the Original Claims were not disclaimed and cannot be treated as canceled claims.

IV. The Reexam Certificate Has Already Issued (Q1.A)

The Reexam Certificate has issued and thus the '063 Reexam cannot be stayed. EX2018.

Dated:

By: /Christine E. Lehman/
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PTO Reg. No. 38,535
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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6, the undersigned certifies that on August 11, 2023
a copy of the foregoing document was served by email to counsel for Petitioner:

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