
BEFORE THE PATENT TRIAL AND APPEAL BOARD

EARLY WARNING SERVICES, LLC,
Petitioner

v.

INTELLECTUAL VENTURES II, LLC,
Patent Owner

Case No. IPR2024-01221
U.S. Patent No. 7,314,167

AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST

I. Introduction

Patent Owner's Request for Director Review (Paper 13) is rooted in procedure rather than a substantive disagreement with the Board's analysis or conclusion. It exalts form over substance. As explained below, the Board's handling of this proceeding was consistent with statutory, regulatory, and precedential authority. The request should be denied.

II. Argument

A. Federal Circuit precedent permits Petitioner to submit new evidence responsive to arguments raised in a POPR.

Patent Owner argues that the Board can only consider evidence submitted with the Petition. The Federal Circuit has held otherwise stating: “[T]he petitioner may ‘respond to arguments raised in the...patent owner preliminary response....’” *Axonics, Inc. v. Medtronic, Inc.* 75 F.4th 1374, 1380 (Fed. Cir. 2023) (quoting 37 C.F.R. § 42.23(b)) (emphasis added). Moreover, “there is no blanket prohibition against the introduction of new evidence during an IPR,” provided it expands on and is a fair extension of a previously raised argument. *Rembrandt Diagnostics, LP v. Alere, Inc.*, 76 F.4th 1376, 1384-1385 (Fed. Cir. 2023). In fact, the APA **requires** that the Board “allow a party ‘to submit rebuttal evidence...as may be required for a full and true disclosure of the facts.’” *EmeraChem Holdings v. Volkswagen*, 859 F.3d 1341, 1348 (Fed. Cir. 2017). Contrary to Patent Owner's contentions, this requirement applies both pre- and

post-institution. *See Vector Flow v. HID Global*, IPR2023-00353, Paper 11 at 3, 8 (PTAB Aug. 10, 2023) (holding institution under 35 U.S.C. § 314(a) must be evaluated “in light of all pre-institution papers, including the Petitioner’s reply and Patent Owner’s sur-reply.”).

In this case, the evidence submitted with Petitioner’s reply was a legitimate reply to unforeseeable evidence introduced by Patent Owner. Moreover, the reply was limited to a narrow issue: Patent Owner’s unforeseeable construction of the term “embedded.” Additionally, Petitioner’s arguments and evidence were a fair extension of previously raised arguments in the Petition. *Compare* Pet. at 14 (“Terms not discussed... [e.g., “embedded”] should be construed to have their ordinary and customary meanings.”) *with* Reply at 1 (asserting “embedded” should be given its “ordinary and customary meaning”). The Board’s reliance on Petitioner’s reply and exhibits was proper.

B. The Board’s rules and practice permit new evidence with replies.

Rule 42.108 states “a petitioner may seek leave to file a reply to the preliminary response in accordance with §§42.23....” Rule 42.23, in turn, discusses replies and sur-replies from POPR’s and differentiates the two, indicating that *no new evidence may be submitted with a sur-reply*.¹ In contrast, however, *the rule*

¹ The Board exercised its discretion and permitted PO to submit new evidence.

does not prohibit new evidence with a reply. Thus, a plain reading of Rule 42.23 permits filing new evidence with an authorized reply. As such, the Board’s authorization for Petitioner to submit new evidence with its reply—limited to the narrow claim construction issue—was consistent with Board rules.

Patent Owner’s position is also contradicted by Board practice. The Trial Practice Guide (TPG) states: “[t]he decision concerning whether the petitioner will be afforded a reply and the appropriate scope of such a reply rests with the panel deciding the proceeding to take into account the specific facts of the particular case.” TPG at 52. Thus, the Board has broad discretion in deciding whether to permit a reply and the scope of that reply. Here, the Board properly exercised its discretion in authorizing a reply with new evidence. Patent Owner’s protestations otherwise are inconsistent with the rules, PTAB practice, and precedent.

C. Leave to file a reply to a POPR does not require motions practice or a conference call.

Patent Owner incorrectly reads Rule 42.20 as requiring that a request for a reply cannot be granted without first filing a motion for leave to file a reply. Paper 13 at 6. However, it is Rule 42.108—not Rule 42.20—that governs seeking leave to file a reply to a POPR. Rule 42.108 expressly authorizes Petitioners to seek leave to file a reply with a showing of good cause. In this case, Petitioner demonstrated good cause in its Nov. 26, 2024 email, and the Board properly authorized a reply. Notably, Patent Owner expressed its disagreement regarding

good cause in its Dec. 4, 2024 e-mail but *never* requested motions practice *or even a call with the Board*.

Moreover, under Rule 42.5(a)-(b), the Board has broad discretion in determining the proper course of a proceeding. As such, it is within the Board's discretion to grant leave to file a reply without a conference call and unnecessary motions practice, and the Board routinely does so. *See, e.g., Playtika v. NexRF*, IPR2021-00952, Ex. 1019 (PTAB, Sept. 20, 2021); *Ericsson & Nokia of Am. v. Collision*, IPR2022-01233, Ex. 2012 (PTAB, Nov. 29, 2022) (authorizing reply to POPR via email). Here, the Board operated consistent with the law, rules, and precedent in permitting a reply without a conference call or motions practice.

D. Patent Owner suffered no prejudice.

Patent Owner's allegations of due process concerns are baseless.² As the Federal Circuit has explained, under the APA:

[t]he [USPTO] must...give all interested parties the opportunity to submit and consider facts and arguments, and allow a party "to submit

² In fact, it would have violated *Petitioner's* due process had the Board denied *Petitioner's* request to submit a reply and additional evidence. *See Axonics*, 75 F.4th at 1382 ("[P]etitioner is entitled under the APA to respond to new claim construction arguments made by a patent owner....").

rebuttal evidence...as may be required for a full and true disclosure of the facts.”

EmeraChem, 859 F.3d at 1348. That is what happened here.

It is indisputable that good cause existed because of Patent Owner’s unforeseeable and nuanced construction of the term “embedded.” Importantly, Patent Owner was given a full and fair opportunity to respond by filing a sur-reply and submitting additional supporting evidence. In fact, *it was Patent Owner—not Petitioner—who had the final word on the interpretation of “embedded.”*

Because Patent Owner had an opportunity to (i) consider and respond to Petitioner’s arguments in its sur-reply, and (ii) submit additional evidence, there was no denial of due process.

Lastly, Patent Owner’s objection to the volume of Petitioner’s exhibits is disingenuous and legally irrelevant. In fact, Patent Owner submitted at least **13 exhibits** on the claim construction issue, including more than **240 pages**.

Petitioner, in contrast, submitted only **7 exhibits** on the issue, and the vast majority of pages in those exhibits were irrelevant to the term “embedded.” In any event, there is no rule or law limiting the number of exhibits that can be cited in support of a claim construction position.

III. Conclusion

In view of the foregoing reasons, Patent Owner’s request for Director Review lacks merit and should be denied.

Respectfully submitted,

Dated: March 10, 2025

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the date below a copy of this **Authorized Response to Director Review Request** has been served by email upon the following:

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