

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LG ELECTRONICS, INC.,
Petitioner,

v.

ATI TECHNOLOGIES ULC,
Patent Owner.

Case IPR2015-00325
Patent 7,742,053 B2

Before JONI Y. CHANG, BRIAN J. McNAMARA, and
RAMA G. ELLURU, *Administrative Patent Judges*.

CHANG, *Administrative Patent Judge*.

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

On December 14, 2015, Judges, Chang, McNamara, and Elluru conducted a conference call with respective counsel for Patent Owner ATI Technologies ULC (“ATI”) and Petitioner LG Electronics, Inc. (“LG”).¹ ATI requested leave to file a surreply to LG’s Reply (Papers 33, 34) with respect to the antedating issue. For the reasons stated below, ATI’s request is *granted*.

During the conference call, ATI asserted that it has the burden of production for establishing that the date of its claimed invention at issue here is prior to the effective dates of the reference patents involved in the grounds of unpatentability on which trial has been instituted—namely, Lindholm², Stuttard³, and Moreton⁴. ATI also alleged that a surreply as to the antedating issue is warranted in this case because a motion for observation is insufficient for presenting explanations to put its supporting evidence in the proper context in response to LG’s arguments and new expert testimony.

In an *inter partes* review, the petitioner has the burden of persuasion to prove “unpatentability by a preponderance of the evidence,” and this burden never shifts; and the petitioner also the initial burden of production, which is a shifting burden—“the allocation of which depends on where in the process of the trial the issue arises.” *See Dynamic Drinkware, LLC v. Nat’l Graphics, Inc.*, 800 F.3d 1375, 1378–80 (Fed. Cir. 2015) (citing

¹ ATI provided a court reporter and indicated that it will file the transcript of the conference call as an exhibit.

² Lindholm, U.S. Patent No. 7,015,913 B1, filed Jun. 27, 2003 (Ex. 1004).

³ Stuttard, U.S. Patent No. 7,363,472 B2, filed Oct. 9, 2001 (Ex. 1005).

⁴ Moreton, U.S. Patent No. 7,233,335 B2, filed Apr. 21, 2003 (Ex. 1006).

IPR2015-00325
Patent 7,742,053 B2

35 U.S.C. § 316(e) and *Tech. Licensing Corp. v. Videotek, Inc.*, 545 F.3d 1316, 1326–27 (Fec. Cir. 2008)).

LG, in its Petition, supposedly has satisfied its initial burden of production by arguing that claims 1, 2 and 5–7 of U.S. Patent 7,742,053 B2 (the '053 patent) are either anticipated by Moreton, or unpatentable over Moreton and Whittaker, or over either Lindholm or Stuttard, in view of the Admitted Prior Art. Pet. 22–51, Paper 13, 10–37. Therefore, the burden of production then shifted to ATI.

ATI presented arguments in its Response, along with supporting evidence, purportedly to antedate Lindholm, Stuttard, and Moreton. Papers 21, 22. LG, in its Reply, responded to ATI's arguments and submitted a Declaration of Mr. Raymond Vargas. Papers 30, 31; Ex. 1013.

“Although no rule provides patent owners the right to file surreplies to a petitioner's Reply, the Board has allowed such surreplies in *inter partes* reviews.” *Belden Inc., v. Berk-Tek LLC*, 805 F.3d 1064, 2015 U.S. App. LEXIS 19307, at *35–36 (Fed. Cir. 2015) (citing *Sensio, Inc. v. Select Brands, Inc.*, IPR2013-580, 2015 Pat. App. LEXIS 2313, 2015 WL 1009189, at *1, *4-7 (PTAB Feb. 9, 2015); *Zodiac Pool Sys., Inc. v. Aqua Prods., Inc.*, IPR2013-159, 2014 WL 4244016, at *1, *22 (PTAB Aug. 22, 2014); *ABB, Inc. v. ROY-G-BIV Corp.*, IPR2013-63, 2014 Pat. App. LEXIS 3384, 2014 WL 2112556, at *4 (PTAB May 16, 2014)). Further, if the petitioner submits a new expert declaration with its reply, as here, the patent owner can respond in multiple ways—e.g., “[i]t can move for permission to submit a surreply responding to the declaration's contents.” *See id.*

During the conference call, LG argued that a surreply should not be provided in every case in which a patent owner raises an antedating issue, and, this case does not warrant a surreply. According to LG, an authorization to file a surreply would be premature because the cross-examination of Mr. Vargas is currently scheduled on December 16, 2015. LG further argued that ATI does not need another brief as it can respond to LG's expert testimony by filing a motion for observation on the cross-examination of Mr. Vargas, and that ATI should have anticipated LG's arguments.

ATI countered that a motion for observation on the cross-examination of Mr. Vargas is insufficient for this particular case. ATI pointed out that it has submitted four Declarations and over 100 exhibits to support its Response. According to ATI, a motion for observation would not be a proper vehicle to present explanations regarding the case law cited by LG in connection with the issue of antedating prior art, or explanations to put its evidence in the proper context in response to LG's new expert testimony. ATI also maintained that it could not have reasonably anticipated all of the LG's arguments.

We have considered the parties' contentions and reviewed the record before us. As discussed above, it is ATI who bears the burden of production as to the antedating issue. And based on our review of the current record, ATI indeed has filed four Declarations and over 100 exhibits, including source codes, to support its Response. Under the circumstances presented here, we determine a surreply that is limited to the sole issue of antedating Lindholm, Stuttard, and Moreton is appropriate and helpful. Therefore, we

authorize ATI to file a surreply as to the antedating issue. The surreply is limited 5 pages and no additional evidence is permitted other than the transcript of Mr. Vargas's cross-examination deposition. No sur-surreply by LG is authorized.

Accordingly, it is:

ORDERED that ATI is authorized to file a surreply limited to the issues raised in LG's Reply (Papers 33, 34) concerning ATI's attempt to antedate Lindholm, Moreton, and Stuttard; except for the transcript of Mr. Vargas's cross-examination deposition, no additional evidence is permitted; and

FURTHER ORDERED that the surreply shall not exceed five (5) pages in length and is due no later than December 23, 2015.

IPR2015-00325
Patent 7,742,053 B2

PETITIONERS:

Robert G. Pluta
John X. Zhu
MAYER BROWN LLP
rpluta@mayerbrown.com
jzhu@mayerbrown.com

PATENT OWNER:

Jason D. Eisenberg
Michael D. Specht
STERNE, KESSLER, GOLDSTEIN & FOX P.L.L.C.
Jasone-PTAB@skgf.com
mspecht-PTAB@skgf.com