

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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AVER INFORMATION INC. AND IPEVO, INC.,  
Petitioner,

v.

PATHWAY INNOVATIONS AND TECHNOLOGIES, INC.,  
Patent Owner.

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Case IPR2017-02108  
Patent 8,508,751 B1

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Before JONI Y. CHANG, THOMAS L. GIANNETTI, and  
NORMAN H. BEAMER, Administrative Patent Judges.

Opinion for the Board filed by *Administrative Patent Judge* BEAMER.

Opinion Dissenting by *Administrative Patent Judge* CHANG.

ORDER  
Conduct of the Proceedings  
*37 C.F.R. § 42.5*

On September 15, 2017, Petitioner filed a Petition requesting an *inter partes* review of claims 1–5, 7–10, 12–14, 16, 18, and 20 (“the challenged original claims”) of U.S. Patent No. 8,508,751 B1. Paper 3, 1. A conference call was held between the panel and counsel for the parties on November 27, 2018. The panel requested the call to clarify whether Patent Owner’s Motion To Amend (Paper 12) (hereafter, “MTA”) is contingent or non-contingent. During the call, counsel for Patent Owner advised the panel that the motion is non-contingent. Indeed, Patent Owner’s Motion to Amend stated, as to the proposed substitute claims, “PO’s MTA is *not contingent* upon the originally issued claims being found unpatentable.” Paper 12, 1 (emphasis added). A “non-contingent” motion to amend means that the panel will not determine the patentability of the original substituted claims, which will be cancelled, and instead the panel will consider the merits of the motion to amend and, if the procedural requirements are met, provide a final written decision on the patentability of the substitute claims.

There are two additional procedural issues that require immediate attention. First, Patent Owner’s MTA used one-and-a-half line spacing, in contravention of 37 C.F.R. §42.6(a)(2)(iii), which requires that “[d]ouble spacing must be used except in claim charts . . . .” Paper 17, 11. Petitioner asserts in its Opposition that the MTA would have been 27 pages long, even allowing the included claim charts to remain in their original form, thus exceeding the applicable 25-page limit provided in 37 C.F.R. §42.24(a)(1)(vi). Paper 17, 12. Accordingly, Petitioner submits the MTA should be denied on this ground alone. *Id.*

Patent Owner’s Reply To Petitioner’s Opposition To Patent Owner’s Motion To Amend (hereafter, “Reply”) represents that the failure to comply with

the line spacing requirement was inadvertent, that the claim charts included in the brief could have been included in an appendix, which would not have been subject to the 25-page limit, and therefore a properly-spaced and arranged brief would have been in compliance with the page limit.<sup>1</sup> Paper 19, 1–2. Patent Owner argues Petitioner has not been prejudiced by this lapse, and in any event has failed to promptly raise the issue after becoming aware of it, and therefore Patent Owner’s “line spacing oversight may be excused.” Paper 19, 2–3.

We agree that Petitioner should have brought up this issue in a more timely fashion, particularly in view of the fact that Petitioner sought and obtained a six-day extension to the due date of its opposition. Paper 15. Also, the claim support chart in the body of the motion does not appear to raise substantive issues requiring response from the Petitioner. Therefore, we will not deny the MTA based on the failure to comply with 37 C.F.R. §§ 42.6(a)(2)(iii) and §42.24(a)(1)(vi). In addition, as ordered below, Petitioner is authorized to submit a five-page sur-reply brief directed to the MTA.

The second procedural issue requiring attention arises from Patent Owner’s attempt to further amend the proposed substitute claims in its Reply. Paper 19, 4. In the MTA, Patent Owner proposed to replace challenged original claims 1-3, 5, 8, 10, 12-14, and 16 with substitute claims 21-30, respectively. Paper 12, 1. In its Opposition, Petitioner pointed out inconsistencies arising from Patent Owner’s failure to amend the dependency relationships of the proposed substitute dependent claims, and failure to even propose a substitute claim for at least original dependent claim 4. Paper 17, 13–14. Accordingly, in

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<sup>1</sup> However, the *Western Digital* guidelines state “The motion to amend itself, not the claim listing (discussed below), must set forth the written description support.” *Western Digital Corp. v. SPEX Techs., Inc.*, Case IPR2018-00082, slip op. at 8 (PTAB April 25, 2018) (Paper 13).

its Reply, Patent Owner sought to propose new substitute claims 21–37 in place of original claims 1–17. The new substitute claims add to the previous amendments by changing the dependencies of some dependent claims to refer to a substitute independent claim rather than an original independent claim. Paper 19, App. A, B.<sup>2</sup>

There are two problems with this approach. First, the Reply would replace original claims 6, 11, 15, and 17 with substitute claims 26, 31, 35, and 37. Paper 19, 16–18. However, original claims 6, 11, 15, and 17 are not subject to review because they were not challenged by Petitioner. Paper 3, 1. *See* 35 U.S.C. § 316(d)(1)(B) (which only permits amendment to *challenged* claims). Therefore substitute claims 26, 31, 35, and 37, corresponding to those claims, will not be considered.

The second problem is that Patent Owner did not follow the proper procedures for amending the claims a second time:

*Additional motion to amend.* In addition to the requirements set forth in paragraphs (a) and (b) of this section, any additional motion to amend may not be filed without Board authorization. An additional motion to amend may be authorized when there is a good cause showing or a joint request of the petitioner and the patent owner to materially advance a settlement. In determining whether to authorize such an additional motion to amend, the Board will consider whether a petitioner has submitted supplemental information after the time period set for filing a motion to amend in paragraph (a)(1) of this section.

37 C.F.R. § 42.121(c). Given that the Trial Hearing is scheduled for December 13, 2018, and in the interest of expediting this proceeding, we will treat the pertinent portions of the Reply as a request for authorization pursuant to the rule.

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<sup>2</sup> No substitute claims have been proposed for challenged original claims 18 and 20. Paper 19, 18. Original claim 19 is not at issue. Paper 3, 1.

As Petitioner has not raised any objections to Patent Owner's attempt to further amend the claims, and given the pro forma nature of the additional amendments, we will proceed with new substitute claims 21–25, 27–30, 32–34, and 36 set forth in the Reply Appendices. Petitioner may address any issues raised by the new substitute claims in the sur-reply ordered below.

Finally, the Trial Hearing Order is being modified to reflect the fact that Patent Owner's MTA is not contingent.

We have considered the points raised in the Dissent, but have determined that this Order best serves the goal of securing the just, speedy, and inexpensive resolution of this proceeding. 37 C.F.R. §42.1.

Therefore, it is

ORDERED that Petitioner may file, by December 11, 2018, a five page sur-reply brief directed to the MTA; and

FURTHER ORDERED that the November 21, 2018 Trial Hearing Order (Paper 24) is modified to read:

Petitioner and Patent Owner each shall have 45 minutes of total time to present arguments. The hearing will proceed as follows. Petitioner will open the hearing by presenting its case regarding original challenged claims 18 and 20 and the proposed substitute claims 21–25, 27–30, 32–34, and 36 set forth in Paper 19, Appendices A and B. Patent Owner then will respond to Petitioner's presentation. Petitioner may reserve rebuttal time (of no more than half its total argument time) to reply to Patent Owner's arguments. Patent Owner may reserve sur-rebuttal time (of no more than half its total argument time) to respond to Petitioner's rebuttal.

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Before JONI Y. CHANG, THOMAS L. GIANNETTI, and  
NORMAN H. BEAMER, Administrative Patent Judges.

CHANG, *Administrative Patent Judge*, dissenting.

I respectfully disagree with the Majority’s position to waive the rule requirements set forth in 37 C.F.R. §§ 42.6(a)(2)(iii), 42.23(b), 42.24(a)(1)(vi), and 42.121(c). Patent Owner has not demonstrated that there is a good cause showing to excuse the improper Motion to Amend and Reply, including the submission of the second set of substitute claims.

There is no dispute that Patent Owner’s Motion to Amend does not comply with the relevant rule requirements. Patent Owner admits that it “inadvertently submitted its Motion to Amend (‘MTA,’ Paper No. 12) with 1.5X line spacing instead of double-line spacing as required by 37 C.F.R. [§ 42.6(a)(2)(iii)].” Reply 1. Patent Owner also concedes that it “could have easily double spaced its MTA after submission.” *Id.* Yet Patent Owner has

never sought authorization to submit a corrected Motion to Amend, or took other reasonable steps to remedy the improper filing.

In addition, Patent Owner does not dispute that its Motion would have exceeded the 25-page limit under § 42.24(a)(1)(vi), if the Motion were filed with double-line spacing in compliance with § 42.6(a)(2)(ii). *See generally* Reply. Nor does Patent Owner provide an explanation why it did not seek authorization for extending the page limit. *Id.* Rather, Patent Owner argues that “[t]he claim charts could have been submitted via an appendix, which would not count against the page limit.” *Id.* at 1–3.

However, that argument does not amount to a good cause showing as to why the rule requirements set forth in §§ 42.6(a)(2)(ii) and 42.24(a)(1)(vi) should be waived. In fact, Patent Owner already submitted *the claim charts* in the Motion, itself, setting forth the written description support in the original disclosure of the patent for each substitute claim, as well as *a claim listing* in the Appendix, showing the changes to each claim. Paper 12, 4–12, App. A.

Significantly, Patent Owner’s argument ignores the rule requirement under § 42.121(b), which “requires that a motion to amend set forth written description support in the originally filed disclosure of the subject patent for each proposed substitute claim.” *See Western Digital Corp. v. SPEX Techs., Inc.*, Case IPR2018-00082 (PTAB Apr. 25, 2018) (Paper 13) (informative), slip op. at 7. “The motion to amend itself, not the claim listing . . . , must set forth the written description support.” *Id.* at 8. Although “the claim listing may be filed as an appendix,” “[t]he appendix . . . shall not contain any substantive briefing” and “[a]ll arguments and evidence in support of the motion to amend shall be in the motion itself.” *Id.*

Furthermore, in its Reply, Patent Owner submits a second set of substitute claims, proposing for the first time to (1) replace claims 6, 11, 15, and 17, which are not challenged in this proceeding, with substitute claims 26,

31, 35, and 37; and (2) replace claims 4, 7, and 9 with substitute claims 24, 27, and 29. Paper 19, 16–18, App. A, App. B. Patent Owner’s Reply is improper because the second set of substitute claims raises new issues.

Under 37 C.F.R. § 42.23, a “reply may only respond to arguments raised in the corresponding opposition.” *Office Patent Trial Practice Guide*, 77 Fed. Reg. 48,756, 48,767 (Aug. 14, 2012). “[A] reply that raises a new issue . . . will not be considered,” and “[t]he Board will not attempt to sort proper from improper portions of the reply.” *Id.* Therefore, Patent Owner’s Reply should not be considered. *See Intelligent Bio-Systems, Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1369–70 (Fed. Cir. 2016) (holding that the Board did not err in refusing the reply as improper under 37 C.F.R. § 42.23(b) because the reply raised new issue); *Trial Practice Guide August 2018 Update*<sup>3</sup>, pp. 14–15.

More importantly, Patent Owner’s second set of substitute claims fails to comply with the statutory provisions under 35 U.S.C. §§ 316(d)(1) and 316(d)(2).<sup>4</sup> In particular, Patent Owner proposes to replace *non-challenged* claims 6, 11, 15, and 17, ignoring 35 U.S.C. § 316(d)(1)(B), which only permits amendment to *challenged* claims. Moreover, under § 42.121(c), “any additional motion to amend may not be filed without Board authorization” and “[a]n additional motion to amend may be authorized when there is a good cause showing.” Patent Owner did not request prior authorization to file a

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<sup>3</sup> *available at* [www.uspto.gov/sites/default/files/documents/2018\\_Revised\\_Trial\\_Practice\\_Guide.pdf](http://www.uspto.gov/sites/default/files/documents/2018_Revised_Trial_Practice_Guide.pdf).

<sup>4</sup> Section 316(d)(1) provides that “[d]uring an inter partes review instituted under this chapter, the patent owner *may file 1 motion to amend* the patent . . . (B) [f]or each *challenged claim*, propose a reasonable number of substitute claims.” Emphases added. Section 316(d)(2) provides that “[a]dditional motions to amend may be permitted . . . by regulations prescribed by the Director.”



second motion to amend or provided a good cause showing in compliance with § 42.121(c).

For the foregoing reasons, I respectfully disagree with the Majority's position to waive the rule requirements set forth in §§ 42.6(a)(2)(iii), 42.23(b), 42.24(a)(1)(vi), and 42.121(c).

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