

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MOBOTIX CORP.
Petitioner

v.

E-WATCH, INC.
Patent Owner

Case IPR2013-00335
Patent 7,228,429

Before JAMESON LEE, MICHAEL W. KIM, and MATTHEW R. CLEMENTS,
Administrative Patent Judges.

KIM, *Administrative Patent Judge.*

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

On April 4, 2014 and April 9, 2014, the Board issued Orders denying Patent Owner's Motion for Leave to File a First Revised Patent Owner's Response to Decision to Institute Trial for Inter Partes Review. Papers 32, 33. On April 10, 2014, Patent Owner filed a Motion for Reconsideration of Patent Owner's Motion for Leave to File Patent Owner's First Amended Response to Decision to Institute Trial for *Inter Partes* Review (Paper 34; "Request for Rehearing"). For the reasons set forth below, the Request for Rehearing is denied.

A request for rehearing can only point out that which the Board misapprehended or overlooked. 37 C.F.R. § 42.71(d). In the Request for Rehearing, Patent Owner alleges two such points, neither which is persuasive.

First, Patent Owner asserts the following:

[T]he Board's decision of February 19, 2014 misapprehends a concession by Patent Owner that, because by order any argument not raised in Patent Owner's Response is deemed waived, leave of the Board is also necessary for amendment of Patent Owner's Response; Patent Owner at the time of the question was not expressly informed by the Board, the statute, or the Rules, that the Board sought, without express notice, to limit the Patent Owner's rights to amend pleadings and papers in a manner inconsistent with established jurisprudence.

Request for Rehearing 2. The assertion is misplaced in several respects. A party does not have to concede that leave is required to amend a Patent Owner Response after the due date for filing a Patent Owner Response. There simply is no right to amend a Patent Owner Response after its due date. The Board merely informed Patent Owner there is no "right to amend pleadings" after their due date. Also, in requesting leave to amend the Patent Owner response, counsel for Patent Owner never identified anything in the applicable rules which provided the Patent Owner with any such right. It is inaccurate to state that the Board sought to limit Patent Owner's "right to amend pleadings."

It has become apparent that Patent Owner was under a mistaken belief that it had an unencumbered “right to amend pleadings.” Patent Owner asserts it should not be penalized for having had this mistaken belief, because the Board did not provide express notice that it did not have the “right to amend pleadings.” But that is not an argument misapprehended or overlooked by the Board. In any event, we are unpersuaded that a party must be expressly informed that it does not possess an absolute right to amend pleadings after their due date. Aside from the fact that none of the statutes, Rules, or Trial Practice Guide set forth any “right to amend pleadings” after their due date, the Rules recite expressly that papers not otherwise provided for require Board authorization (37 C.F.R. §§ 42.5, 42.25). The Scheduling Order also was explicit that all arguments not set forth in the Patent Owner Response are waived (Paper 32, 6 (citing Paper 14, 3)). Moreover, the requirements for an extension of time and late action are set forth in 37 C.F.R. § 42.5. Further still, the Board set forth expressly the following in the Order of February 19, 2014 set forth:

ORDERED *in the absence of an authorized supplemental patent owner response* that substantively addresses Ground 2, E-Watch will be deemed to have conceded the unpatentability of claims 1-6, 8-14, 22, 26-28, 32, 38, 44-49, and 65 as obvious over the Mobotix Brochure;

FURTHER ORDERED that ***in the absence of an authorized supplemental patent owner response*** that substantively addresses Ground 2, claims 1-6, 8-14, 22, 26-28, 32, 38, 44-49, and 65 will be cancelled, regardless of the merits of Grounds 1 and 3;

FURTHER ORDERED that ***if there is no authorized supplemental patent owner response*** that substantively addresses Ground 2, Mobotix in its reply need not address claims 1-6, 8-14, 22, 26-28, 32, 38, 44-49, and 65 even for Grounds 1 and 3;

FURTHER ORDERED that *prior authorization from the Board is required prior to the filing of any supplemental patent owner response;*

FURTHER ORDERED that *if E-Watch desires to file a supplemental patent owner response, it should institute a joint conference call, immediately, to seek authorization for filing a supplemental patent owner response, and be prepared to answer why it did not seek an extension of time for Due Date 1 and also did not approach the Board about a supplemental patent owner response, for at least two weeks after filing of the patent owner response;*

Paper 27, 3-4 (emphasis added). As is evident from the above-quoted text, ample express notice was provided to the Patent Owner with regard to the urgency of requesting an opportunity to file an amended Patent Owner Response.

Second, Patent Owner asserts the following:

[T]he decision of April 9, 2014 misapprehends or overlooks that the Board first raised the matter of whether the Patent Owner was aware that by order of the Board any argument not raised in the Patent Owner's Response was waived, and for this reason, at least, it was not incumbent on Patent Owner to again raise the issue in the Hearing of April 2, 2014.

Request for Rehearing 3. To the extent Patent Owner is asserting that the Board was the first to inform Patent Owner that there is no "right to amend pleadings," we agree. Indeed, as set forth above, the Board informed Patent Owner of this on multiple occasions. That, however, does not translate to any misapprehension of an argument made by the Patent Owner. Rather, the notice is expected to have informed Patent Owner of the urgency of requesting authorization to amend the Patent Owner Response.

Patent Owner sets forth many other alleged points of error. Request for Rehearing 3. In the interests of showing Patent Owner that the Board has fully considered Patent Owner's arguments, we address each, specifically, in turn.

Patent Owner submits that expungement of Patent Owner's First Amended Response is error. Request for Rehearing 3. We disagree because the Board Rules require the parties to seek authorization to file papers not otherwise provided for in the Rules. 37 C.F.R. § 42.20. Patent Owner did not seek such authorization prior to filing Patent Owner's First Amended Response. It is provided in 37 C.F.R. § 42.7(a) that the Board may expunge any paper that is not authorized. This also addresses Patent Owner's next submission that "requiring Patent Owner to seek and obtain leave of the Board for filing the Patent Owner's First Amended Response is error."

Patent Owner then submits that requiring Patent Owner to show good cause for leave to file Patent Owner's First Amended Response is error. Request for Rehearing 3. We disagree because a showing of good cause is required to justify an extension of time or late action. 37 C.F.R. § 42.5(c)(2) and § 42.5(c)(3). Also, a party should seek relief promptly after the need for relief is identified. 37 C.F.R. § 42.25.

Patent Owner next submits that finding/considering/ruling that good cause/interests of justice does not support leave for filing Patent Owner's First Amended Response is error. Request for Rehearing 3. We are not persuaded of any error for the reasons set forth above.

Patent Owner further submits that characterizing Patent Owner's First Amended Response as presenting new argument is error. Request for Rehearing 3. To the extent Patent Owner's First Amended Response does not present arguments or evidence not set forth in the Patent Owner Response, then Patent Owner's First Amended Response is unnecessary.

Patent Owner additionally submits that the Board's denial of leave to file Patent Owner's First Amended Response is in error because it considered "the

statutory mandate of speedy conduct of this proceeding, without giving equal weight to the two other mandates: the just and inexpensive conduct of this proceeding by Patent Owner.” Request for Rehearing 3. We disagree. As an initial matter, the Board considered the effect of Patent Owner’s request on all three aspects—“just, speedy, and inexpensive”—recited in 37 C.F.R. § 42.1. Moreover, we are not persuaded that the “just” and “inexpensive” considerations weigh in favor of Patent Owner. Petitioner has already filed its Reply to the Patent Owner Response. Allowing Patent Owner to file a First Amended Response would at a minimum require us to allow Petitioner to file another Reply, which would increase the cost of the proceedings. Furthermore, allowing the Patent Owner to file an amended Patent Owner Response after having reviewed Petitioner’s Reply also is unjust.

Finally, Patent Owner submits that asserting that Patent Owner has conceded that leave of the Board is necessary for filing Patent Owner’s First Amended Response, or for amending any paper, is error. Request for Rehearing 3. We have already addressed this issue above, and thus our analysis need not be repeated here.

Order

It is

ORDERED that Patent Owner’s Motion for Reconsideration of Patent Owner’s Motion for Leave to File Patent Owner’s First Amended Response to Decision to Institute Trial for *Inter Partes* Review is DENIED.

IPR2013-00335
Patent 7,228,429

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