

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MOBOTIX CORP.
Petitioner

v.

E-WATCH, INC.
Patent Owner

Case IPR2013-00334
Patent 7,733,371

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

CLEMENTS, *Administrative Patent Judge.*

ORDER
Conduct of Proceedings
37 C.F.R. § 42.05

On April 7, 2014, a telephone conference was held. The participants were respective counsel for the parties Mobotix (“Petitioner”) and e-Watch (“Patent Owner”), and Judges Lee, Kim and Clements. Counsel for Patent Owner initiated the call to request authorization to file three motions: (1) Motion for Leave to File Patent Owner’s First Amended Response (“Motion for Leave”); (2) Motion for Amendment of the Schedule; and (3) Motion for Stay of Proceeding.

Background

On November 13, 2013, the Board granted a petition for *inter partes* review, and instituted a trial on claims 1-10 of U.S. Patent No. 7,733,371 (“the ’371 patent”). Paper 14. In an accompanying Scheduling Order, the Board set Due Date 1, the date for filing a patent owner response, as January 21, 2014. Paper 15, 6. In the explanation of Due Date 1, the Scheduling Order reads as follows: “The patent owner is cautioned that any arguments for patentability not raised and fully briefed in the response will be deemed waived.” Paper 15, 3. On December 4, 2013, the initial telephone conference for this *inter partes* review was held. Paper 17, 1. Each party indicated that the various due dates set in the Scheduling Order did not present a problem. *Id.* at 2.

On January 20, 2014, Patent Owner filed a Joint Notice of Stipulation to Adjust Schedule notifying the Board that the parties had agreed to extend Due Date 1 from January 21, 2014, to January 24, 2014. Paper 19.

On January 22, 2014, newly-appointed counsel for Patent Owner requested an immediate conference call with the Board to seek an extension of time. Paper 25, 2. Because Patent Owner’s counsel offered no explanation as to why Patent Owner’s previously designated lead counsel needed additional time to prepare a patent owner response, the Board denied Patent Owner’s request for an extension of Due Date 1. *Id.* at 3.

On January 23, 2014, counsel for Patent Owner again requested an emergency conference call with the Board to discuss an extension. Paper 26, 3. The Board extended Due Date 1 by ten days to February 3, 2014. Paper 26, 4.

On February 3, 2014, Patent Owner filed a Patent Owner Response with a supporting Declaration from Mr. Michael Craner. Paper 28; Ex. 2001.

On March 21, 2014, Patent Owner filed a Revised Patent Owner Response. Paper 32. On March 25, 2014, the Board expunged the unauthorized Revised Patent Owner Response. Paper 33.

On April 3, 2014, Petitioner filed a Reply to Patent Owner's Response. Paper 34.

Conference Call of April 7, 2014

During the call, counsel for Patent Owner indicated that the requests in the instant proceeding were based on the same reasons as the counterpart requests in related case IPR2013-00335, which the parties and Board discussed on April 1, 2014, and in related case IPR2013-00334, which the parties had just finished discussing. Specifically, Patent Owner previously had insufficient funds to retain a technical expert to (1) assist counsel in understanding the prior art and (2) provide a declaration in support of their positions in this and six other trials pending before the Board.

Counsel for Petitioner indicated that it opposed the authorization of the filing of the Motion for Leave. Counsel indicated that (1) Patent Owner had previously sought and received two extensions; (2) Patent Owner's request for this conference call was the first indication of its desire to file an Amended Response; and (3) Petitioner had already filed a Reply to Patent Owner's Response.

Discussion

We deny Patent Owner's request for authorization to file the Motion for Leave. At a minimum, the relief requested puts the burden on Patent Owner to make a showing of good cause, and we are not persuaded that Patent Owner has made that showing.

In creating these trials under the America Invents Act, Congress codified explicitly in the statute a requirement that the trials be completed within one year upon institution, with certain narrow exceptions. 35 U.S.C. § 316(a)(11). As the tribunal tasked with administering these trials, we must comply with the statute. In order to comply with the statute, the Board promulgated rules. The rules are necessary to comply with the statute, and thus the rules must be followed. Of course, exceptional circumstances do present themselves, and should the facts warrant relief for good cause, the Board will be reasonable in granting such relief. We are not persuaded, however, that such circumstances exist here.

Concerning Patent Owner's financial constraints, Patent Owner had the opportunity, at numerous points in this proceeding, to request that the Board consider granting various relief based on those constraints. In general, raising such requests earlier in the proceeding would have allowed the Board to consider the matter earlier, and would have also made available more options for possible relief, if we determined relief was warranted. Yet, Patent Owner did not request such relief in this trial until April 4, 2014, which is more than two months after Due Date 1. The Board cannot consider granting relief until Patent Owner requests such relief, expressly. Patent Owner did not express previously any concern that its financial constraints would prevent it from filing a complete Patent Owner Response by Due Date 1. The Scheduling Order states expressly the following: "The patent owner is cautioned that any arguments for patentability not raised and

fully briefed in the response will be deemed waived.” Paper 15, 3. During the initial conference held on December 4, 2013, Patent Owner indicated that it had no problem with the Due Dates set in the Scheduling Order. Paper 17, 2. Indeed, the Patent Owner Response was filed, on time, and with a Declaration. We have reviewed the contents of the Patent Owner Response, as well as the Declaration, and are unable to ascertain any indication by Patent Owner that the substance in the Patent Owner Response was somehow incomplete due to financial constraints.

Granting Patent Owner’s Motion for Leave would effectively grant Patent Owner a *de facto* two month extension of time for Due Date 1. Granting such a request, however, would result in compressing what was originally a ten month process into less than eight months for the sole benefit of Patent Owner and to the detriment of Petitioner, who at a minimum would have to file another reply. Such a request is unreasonable in view of the fact that the entirety of the delay would be attributable to Patent Owner. Moreover, granting such a request would not leave sufficient time to complete this proceeding within the one-year period required under 35 U.S.C. § 316(a)(11).

Patent Owner had a full and fair opportunity to file a Patent Owner Response, and indeed filed such a Patent Owner Response, on time, with an expert Declaration. Patent Owner did not request authorization for leave to file an Amended Patent Owner Response for more than two months. On these facts, we are not persuaded that Patent Owner has made a showing of good cause for the Board to grant authorization to file the Motion for Leave.

Other Motions

During the conference call in related case IPR2013-00335 held on April 1, 2014, Patent Owner explained that its requests, in that case, for authorization to file a Motion for Amendment of the Schedule and a Motion for Stay of the Proceeding

are based on the same aforementioned difficulties with raising funds to pay for its participation in this proceeding. On the call of April 7, 2014, Patent Owner indicated that there were no additional reasons that supported its requests in this proceeding. As we explained above, granting Patent Owner an extension of time on Due Date 1 would unfairly prejudice the Petitioner and would leave the Board insufficient time to complete this proceeding within the one-year period required under 35 U.S.C. § 316(a)(11). Likewise, granting Patent Owner a stay until such time as it has raised adequate funds for its participation in this proceeding would leave the Board insufficient time to complete this proceeding within the one-year period required under 35 U.S.C. § 316(a)(11). On these facts, we are not persuaded that Patent Owner has made a showing of good cause for the Board to grant authorization to file these Motions.

Order

It is ORDERED that Patent Owner's request for authorization to file the following motions is DENIED: (1) Motion for Leave to File Patent Owner's First Amended Response; (2) Motion for Amendment of the Schedule; and (3) Motion for Stay of Proceeding.

IPR2013-00334
Patent 7,733,371

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