

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SHIRE DEVELOPMENT LLC,  
Petitioner,

v.

LCS GROUP, LLC,  
Patent Owner.

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Case IPR2014-00739  
Patent 8,318,813 B2

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PER CURIAM.

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

A conference call was held on Thursday, December 19, 2014, among Edgar Haug, Sandy Kuzmich, Laura Fanelli, Russell Garman, and David Banchik, representing Petitioner; Joseph Lucci and David Farsiou, representing Patent Owner; and Judges Green, Gaudette, and Kalan. Counsel for Petitioner requested the call for the purpose of obtaining authorization to file a motion for sanctions against Patent Owner.

In response to our order of December 9, 2014 (Paper 11), Patent Owner filed Paper 12, in which Patent Owner “submit[ted] the statement that was read during the initial conference call.” Attached to Paper 12 was an e-mail from the inventor of the patent at issue, Dr. Louis Sanfilippo, to Petitioner. According to Petitioner, the e-mail was in violation of our order of December 9, 2014, which stated that “the inventor, Dr. Louis Sanfilippo, is prohibited from contacting Shire, Shire’s employees, the expert retained by Shire for this proceeding (Dr. Timothy Brewerton), and counsel for Petitioner, except through counsel for Patent Owner or in the presence of counsel for Patent Owner.” Paper 9. Petitioner stated that the e-mail, as well as the hyperlink contained within the e-mail, contained misrepresentations, and constituted harassment, as well as veiled threats against Petitioner. Petitioner requested authorization to file a motion for sanctions against Patent Owner. In particular, Petitioner stated that it was appropriate to enter adverse judgment against Patent Owner, especially in view of Dr. Sanfilippo’s statement in the e-mail that “Patent Owner has determined that in order to best protect its interests it is foregoing any further involvement in the IPR process so that it can take the appropriate actions, including legal remedies, to resolve such representations made to the Board that have now caused Patent Owner harm, and so that it can pre-empt further harm from the undue burden of such representations.”

Counsel for Patent Owner responded that Dr. Sanfilippo is not a sophisticated client, and that he is trying to conserve limited resources and proceed efficiently. According to Counsel, Dr. Sanfilippo felt he was complying with our order, as the e-mail was written in the presence of counsel, Joseph Lucci. Counsel explained that after Petitioner’s

interpretation of the order in Paper 12 was explained to Dr. Sanfilippo, Dr. Sanfilippo ceased any further communication with Petitioner and Petitioner's representatives. Counsel stated that it was not the intention of Patent Owner, or Dr. Sanfilippo, to abandon the contest.

The Board may impose sanctions against a party for misconduct, including for failure to comply with an order, abuse of the process, or any other improper use of the proceeding, such as harassment. 37 C.F.R. § 42.12. Sanctions may include expunging or precluding a party from filing a paper, or judgment in the trial. *Id.* In this instance, we note that we precluded Dr. Sanfilippo from proceeding *pro se* in this proceeding, because a juristic entity, LCS Group, LLC, and not Dr. Sanfilippo, in his individual capacity, is the real party-in-interest. Paper 9.

Moreover, in Paper 11, we stated:

ORDERED that if Patent Owner is planning on forgoing any further participation in this proceeding, it should file and is hereby authorized to file a paper to that effect;

FURTHER ORDERED that if Patent Owner does file a paper stating that it will not be participating in this proceeding, that paper will be viewed as a request for adverse judgment, and judgment will be entered against Patent Owner;

Patent Owner's Paper 12 did not conform to the filing authorized in Paper 11, because the paper directed to the Board did not state clearly that Patent Owner was forgoing any further participation in the instant proceeding.

Thus, we decline to read Dr. Sanfilippo's statement in his e-mail to Shire, attached to Paper 12, as a statement to the Board requesting adverse judgment against Patent Owner in this proceeding. We do agree with Petitioner, however, that the e-mail was not in compliance with our order of

December 9, 2014, and also agree with Petitioner's characterization of that e-mail. We, therefore, expunge Paper 12.

We further clarify our order of December 9, 2014. In particular, Dr. Sanfilippo is prohibited from contacting Petitioner, Petitioner's employees, Petitioner's expert, Petitioner's counsel, or anyone associated with Petitioner, in relation to this proceeding. Further, any communication from Patent Owner to Petitioner or Petitioner's representatives regarding this proceeding must be signed by Patent Owner's counsel of record. Moreover, Dr. Sanfilippo cannot sign any paper to be filed with the Board in this proceeding, but all papers must be signed by Patent Owner's counsel of record. We remind counsel that they are subject to the USPTO Rules of Professional Conduct set forth in 37 C.F.R. §§ 11.101 *et. seq.* and disciplinary jurisdiction under 37 C.F.R. § 11.19(a).

We also authorize Petitioner to file a seven (7) page motion for sanctions, to be filed no later than December 29, 2014. Patent Owner is authorized to file a seven (7) page opposition, to be filed no later than January 7, 2015. Petitioner is not authorized to file a reply to the opposition at this time. In its motion, Petitioner should specifically state what sanction(s) it is seeking, taking into account 37 C.F.R. § 42.12, as well the discussion during the conference call.

Accordingly, it is

ORDERED that Paper 12 is expunged;

FURTHER ORDERED that the inventor, Dr. Louis Sanfilippo, cannot contact Petitioner, Petitioner's employees, Petitioner's expert, Petitioner's counsel, or anyone associated with Petitioner, regarding this proceeding;

FURTHER ORDERED that any communication from Patent Owner to Petitioner or Petitioner's representatives regarding this proceeding must be signed by Patent Owner's counsel of record;

FURTHER ORDERED that Dr. Sanfilippo cannot sign any paper to be filed with the Board in this proceeding, but all papers must be signed by Patent Owner's counsel of record;

FURTHER ORDERED that Petitioner is authorized to file a seven page motion for sanctions against Patent Owner, which motion is due on December 29, 2014;

FURTHER ORDERED that Patent Owner is authorized to file a seven page opposition, which opposition is due on January 7, 2015; and

FURTHER ORDERED that Petitioner is not authorized to file a reply to the opposition at this time.

IPR2014-00739  
Patent 8,318,813 B2

Petitioner:

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