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Paper 52
Entered: January 25, 2016

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 January 21, 2016, 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] LG requested ATI's Motion for Observation (Papers 43, 44) be expunged. For the reasons stated below, LG's request is *granted*.

As stated in the Scheduling Order, the purpose of a motion for observation is to provide a party a mechanism to draw the Board's attention to relevant cross-examination testimony of a reply witness because no further substantive paper is permitted after the reply by the party. Paper 14, 5. The Trial Practice Guide clearly indicates that the filing of a motion for observation may be authorized in the event that "cross-examination occurs after a party has filed its last substantive paper on an issue." Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,767–68 (Aug. 14, 2012).

Although the Scheduling Order does not authorize a party to file a surreply, after LG filed its Reply, we granted ATI's request for authorization to file a surreply with respect to the issue of antedating the asserted prior art reference patents involved in the grounds of unpatentability on which trial has been instituted—namely, Lindholm[2], Stuttard[3], and Moreton[4]. Paper 37. In our Order, we specifically provided ATI sufficient time to file the

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[1] LG provided a court reporter for the teleconference and shall file the transcript of the teleconference 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).

surreply after cross-examining LG's Reply witness, Mr. Raymond Vargas, was deposed. *Id*. at 4–5. Mr. Vargas's cross-examination deposition was conducted on December 16, 2005. Paper 35. ATI filed a surreply with respect to the antedating issue, and the transcript of Mr. Vargas's cross-examination testimony, on December 28, 2015. Papers 39, 40; Ex. 2153. This record clearly shows that Mr. Vargas's cross-examination occurred *before* the filing of ATI's surreply, which is its last substantive paper. ATI had the opportunity to present its arguments as to the antedating issue in its surreply. Yet, as ATI acknowledged during the conference call, ATI's Motion for Observation is directed only to the antedating issue. Therefore, ATI's Motion for Observation is improper.

In addition, an observation "is not an opportunity to raise new issue, re-argue issues, or pursue objections," and the Board may refuse entry of excessively long or argumentative observations. Office Patent Trial Practice Guide, 77 Fed. Reg. at 48,768. During the conference call, LG alleged that ATI's Motion for Observation includes arguments and citations to case law. As an example, LG pointed out that Observation 4 in ATI's Motion:

> This testimony is relevant to whether the R400 RTL code—which undisputedly meets every limitation of the challenged claims—is an embodiment that was actually reduced to practice. See POR at 16-21; Petitioner Reply at 1-13; Surreply at 3-5. This testimony is relevant because the proper inquiry is whether the embodiment meets every claim element. *See Yorkey v. Diab*, 601 F.3d 1279, 1290-91 (Fed. Cir. 2010); *Cooper v. Goldfarb*, 154 F.3d 1321, 1328 (Fed. Cir. 1998); *see also Scott v. Finney*, 34 F.3d 1058, 1063 (Fed. Cir. 1994) ("All cases deciding the sufficiency of testing to show reduction to practice share a

> common theme. In each case, the court examined the record to discern whether the testing in fact demonstrated *a solution to the problem intended to be solved by the invention*.") (emphasis added).

Paper 44, 3–4. We agree with LG that these sentences include arguments. Accordingly, ATI's Motion for Observation is improper also for including arguments.

ATI countered that it did not raise new issues or new arguments and the citations to case law are the same as those in its substantive papers. However, an observation is not an opportunity to re-argue an issue. Office Patent Trial Practice Guide, 77 Fed. Reg. at 48,768. During the conference call, ATI also argued that if the petitioner submits a new expert declaration with its reply, the patent owner can respond in multiple ways, citing *Belden Inc., v. Berk-Tek LLC*, 805 F.3d 1064 (Fed. Cir. 2015) for support. ATI's reliance on *Belden* is misplaced here. ATI overlooks the fact that, in addition to filing a Preliminary Response and a Patent Owner Response, ATI had the opportunity to cross-examine LG's Reply witness, and the opportunity to present substantive arguments *after* the cross-examination in a surreply with respect to the antedating issue, as ATI requested. ATI also could have filed a motion for observation on other issues, which it chose not to. Therefore, ATI has sufficient opportunity to present its arguments and to response in this trial.

For the reasons discussed above, we determine that ATI's Motion for Observation is improper, and, as a result, ATI's Motion for Observation and

related papers, including LG's Response to ATI's Motion for Observation, will be expunged from this record.

In consideration of the foregoing, it is hereby:

ORDERED that the following Papers will be expunged from the record of this proceeding:

ATI's Motion for Observation (Papers 43, 44);

ATI's Motion to Seal the Motion for Observation (Paper 42);

LG's Response to ATI's Motion for Observation (Papers 49, 50); and

LG's Motion to Seal its Response to ATI's Motion for Observation (Paper 48).

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