

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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CYANOTECH CORPORATION  
Petitioner

v.

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS  
Patent Owner

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Cases IPR2013-00401 and IPR2013-00404 (consolidated)  
Patent 5,527,533

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Before SCOTT E. KAMHOLZ and GEORGIANNA W. BRADEN,  
*Administrative Patent Judges.*

KAMHOLZ, *Administrative Patent Judge.*

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

By email dated June 5, 2014 (copy attached), the University requests guidance regarding the proper way to challenge Cyanotech's Reply and reply evidence for exceeding the proper scope of reply. This request follows a conference call held on May 29, 2014 between the Board and the parties to discuss the same issue. During that call, the Board suggested that the parties attempt to resolve the dispute by considering whether any portions of the University's Response and/or Cyanotech's Reply could be withdrawn from consideration.

The University explains that the parties have been unable to agree to reach agreement. The University maintains that its Response was responsive to Cyanotech's Petition, and Cyanotech maintains that its Reply does not exceed the proper scope of reply. The University requests guidance from the Board as to how to challenge the Reply, given its perception that panels of the Board have not handled such challenges uniformly.

After considering the parties' contentions, we determine that the question of whether Cyanotech's Reply exceeds the proper scope of reply is one that we will take up in preparing the final written decisions for these cases. We decline to authorize the University to file any sort of challenge to the Reply at this time. The University similarly may not raise the issue in a motion to exclude. The University may address the issue during oral argument if it chooses.

We remind the parties that a petitioner's 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) (citing 37 C.F.R. § 42.23). We caution Cyanotech that a reply that raises new issues or belatedly introduces new evidence will not be considered, and we will not distinguish proper portions of the reply from improper portions. *See id.* We further caution Cyanotech that,

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should we determine that it has submitted a Reply that exceeds the proper scope of reply in any way, Cyanotech runs the risk that the entire Reply, and all Reply evidence, will be given no consideration in the final written decisions. *See id.*

Accordingly, it is hereby

ORDERED that the University is not authorized to file any paper or exhibit challenging the scope of Cyanotech's Reply.

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FOR PETITIONER:

Joseph A. Rhoa  
NIXON & VANDERHYE P.C.

George E. Darby  
PARADISE PATENT SERVICES, INC.

FOR PATENT OWNER:

Mark D. Schuman  
Iain A. McIntyre  
Todd Werner  
CARLSON CASPERS

**From:** Todd Werner [mailto:TWerner@carlsoncaspers.com]  
**Sent:** Thursday, June 05, 2014 5:09 PM  
**To:** Todd Werner; Trials  
**Cc:** Mark Schuman; 'Joseph A. Rhoa'; darbypatent@teleport-asia.com; Rhonda Firner; Diana Lutz-Clark; Peter Kohlhepp  
**Subject:** Case No. IPR2013-00401: Request for Teleconference by Patent Owner

Dear PTAB:

Patent Owner hereby requests a second telephone conference for Case No. IPR2013-00401 so that it may seek additional guidance regarding how to proceed with its request to exclude Petitioner's Reply and new supporting evidence. As requested by the Board, the parties have discussed whether this issue can be resolved by withdrawing certain portions of Petitioner's reply materials. As reflected in the appended correspondence, Petitioner will not withdraw any portion of the Dorey declaration, or any of its other reply materials/evidence, unless Patent Owner voluntarily withdraws portions of its own timely-filed expert declaration and response. Patent Owner will not agree to do so, as the period for issuing any objections to those timely-filed materials passed without any objections from Petitioner as to the relevance or propriety of the submissions. Thus, the parties are unfortunately at an impasse.

As explained during the previous call, the petition at issue argued that vitamin A deficiency (VAD) *inherently* involves the same types of damage, disease, and disorders to which the claims at issue are directed, and the cited art therefore anticipated the claimed invention. Petitioner based this argument on the notion that vitamin A serves as an antioxidant, and that vitamin A deficient rats were therefore subjected to free radical attack without the protection offered by vitamin A. (*E.g.*, Petition at 49-50.) The Board granted the petition on this basis:

The evidence presented by Cyanotech *tends to demonstrate that retinal damage is inherent to the condition of vitamin A deficiency-induced xerophthalmia* and Grangaud discloses that administration of astaxanthin to vitamin A-deficient rats treats ocular lesions, a visible sign of xerophthalmia, thereby improving the vision of the rats. Pet. '401, 14-16; Grangaud, 44. In view of this evidence, we conclude that there is a reasonable likelihood that Cyanotech will prevail in proving unpatentability of claim 1 for anticipation by Grangaud. *See Perricone v. Medicis Pharm. Corp.*, 432 F.3d 1368, 1376 (Fed. Cir. 2005) (“*Under the principles of inherency, if the prior art necessarily functions in accordance with, or includes, the claims limitations, it anticipates.*” (citation omitted)).

(Decision at 13 (emphasis added).) Patent Owner's Response squarely focused on this issue—challenging the conclusion that vitamin A provides anti-oxidant protection to the eye, as well as the conclusion that VAD inherently involves the damage, disease, or disorders to which the claimed methods are directed. Petitioner's Reply, did not defend its original argument (that vitamin A acts as an antioxidant and its absence in the eye causes free radical damage), but substitute that argument with a new theory to support the conclusion that VAD inherently involves the damage, disease, or disorder to which the claims are directed (*i.e.*, that vitamin A deficiency causes retinal cells to die, and the process the body uses to metabolize dead cells produces free radicals, which, in turn, inherently cause free radical damage). While the reason *why* something is inherent may not be critical, here the parties dispute whether the relevant

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diseases/disorders are, in fact, inherent. Accordingly, Patent Owner requests a conference call to obtain permission to file a motion to exclude these materials.

Counsel for all of the named parties are available for a call anytime tomorrow afternoon (June 6) after 2 pm Eastern.

Counsel for Petitioner is not available Monday June 9. Under the Scheduling Order, Motions to Exclude are due June 9. Accordingly, to the extent the Board is not available for a call tomorrow, Patent Owner also seeks an extension to this deadline solely for purposes of pursuing a motion to exclude as set forth herein.

Best regards,

Todd S. Werner  
Counsel for Patent Owner (pro hac vice)  
Carlson, Caspers, Vandenburg,  
Lindquist & Schuman  
225 South Sixth Street, Suite 4200  
Minneapolis, MN 55402  
[twerner@carlsoncaspers.com](mailto:twerner@carlsoncaspers.com)  
(612) 436-9655