

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NESTE OIL OYJ,
Petitioner,

v.

REG SYNTHETIC FUELS, LLC,¹
Patent Owner.

Case IPR2013-00578
Patent No. 8,231,804

Before RAMA G. ELLURU, SHERIDAN K. SNEDDEN, and
CHRISTOPHER L. CRUMBLEY, *Administrative Patent Judges*.

CRUMBLEY, *Administrative Patent Judge*.

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

¹ On June 24, 2014, REG Synthetic Fuels, LLC filed updated Mandatory Notices informing the Board that it had acquired Syntroleum Corporation, the originally-named Patent Owner in this proceeding. Paper 21. REG also informed the Board that it had filed with the Office a Power of Attorney for U.S. Patent No. 8,231,804, retaining the same counsel that previously represented Syntroleum. *Id.*

On August 27, 2014, Patent Owner REG Synthetic Fuels, LLC (“REG”) contacted the Board via e-mail, requesting a conference call to seek authorization to file a sur-reply brief regarding the issue of the date of invention of the subject matter claimed in U.S. Patent No. 8,231,804 (“the ’804 patent”). REG also wished to discuss the opportunity to file a motion for observation on cross-examination with respect to the original claims of the ’804 patent. On September 3, 2014, the requested conference call was held among Michael Flibbert, representing Petitioner Neste Oil Oyj (“Neste”); Michael Houston, representing REG; and Judges Elluru, Snedden, and Crumbley.

Authorization to File Sur-Reply Brief

During the call, REG provided the following information as context for its request for authorization to file a sur-reply brief. In its Patent Owner Response of May 27, 2014, REG argued that one of the prior art references relied on in our Decision to Institute—US Patent Application Publication No. 2008/0312480 to Dindi (Ex. 1036, “Dindi”)—was not prior art to the ’804 patent under 35 U.S.C. § 102(e). Paper 16 (“PO Resp.”) at 41. To support this argument, REG provided a declaration from Ramin Abhari, the inventor of the ’804 patent, “swearing behind” Dindi. Ex. 2001.

In its August 11, 2014 Reply to the Patent Owner’s Response, Neste contested REG’s attempt to antedate Dindi, on a number of grounds into which we need not delve at this juncture. During the call, REG highlighted three arguments that it asserts it “could not have anticipated” Neste would make in its Reply, and therefore argues it could not have addressed these issues in its Patent Owner Response. REG also stated that it bears the burden of proof on the date of invention issue, and thus, should be given the last word before the Board resolves

the issue of prior invention. For these reasons, REG requested the opportunity to file a sur-reply brief on the date of invention issue, as well as the ability to file additional evidence and testimony to support its attempt to antedate Dindi.

Neste opposed REG's request, contending that the three arguments sought to be addressed by REG were elements of its case-in-chief. As such, Neste was concerned that REG would use the sur-reply as an opportunity to prove elements of its case that should have been established as part of its Patent Owner's Response, or to make arguments beyond the scope of its prior briefing.

At the outset, we wish to clarify that—contrary to REG's assertion—Patent Owner does not bear the burden of proof to antedate a reference in an *inter partes* review proceeding. While the burden of production in antedating a reference is on the patent owner, the burden of proof on the ultimate issue of unpatentability remains with the petitioner. *See* 35 U.S.C. § 316(e); *Corning Inc. v. DSM IP Assets B.V.*, Case IPR2013-00053, Paper 66, slip op. 6-7 (PTAB May 1, 2014). REG's argument that the burden of proof entitles it to the final brief on the date of invention is, therefore, misplaced.

REG, as Patent Owner, does bear the burden of proof on one issue in this proceeding, however; whether its proposed amended claims are patentable. *See* 37 C.F.R. § 42.20(c); *Idle Free Systems, Inc. v. Bergstrom, Inc.*, IPR2012-00027, Paper 26, slip op. 7 (PTAB June 11, 2013). As such, REG will be given the opportunity to have the last word on its Motion to Amend. Our Scheduling Order set Due Date 3 as September 9, 2014, by which Patent Owner's Reply to Petitioner's Opposition to the Motion to Amend is due. Paper 11, Appendix. We note that, in conjunction with this Reply, REG will have the opportunity to introduce additional testimony and documentary evidence that responds to

arguments made in Neste's Opposition, including arguments regarding the invention date. We see no reason why the Board should not consider REG's reply evidence as it relates to the patentability of the original claims, as well. On the facts before us, refusal to consider evidence that is properly before the Board—and relevant to the patentability of the original claims—merely because it was introduced in the context of the Motion to Amend briefing would not lead to the “just, speedy, and inexpensive resolution” of this proceeding. *See* 37 C.F.R. § 42.1(b).

For this reason, during the phone call the panel granted REG an additional two pages for its Reply to the Opposition to the Motion to Amend, in lieu of the requested sur-reply brief. REG will be permitted to introduce additional testimonial and documentary evidence at that time, which the Board may consider in the context of both the original and proposed substitute claims. REG is cautioned, however, that all arguments and evidence must be in the nature of a reply to Neste's prior briefs, and not an attempt to make arguments or establish facts that should have been made in its opening briefs.

Motions for Observation on Cross-Examination

REG also requested the opportunity to file a motion for observation on cross-examination of Neste's witnesses with respect to the original claims. Such motions are a mechanism for a party to draw the Board's attention to relevant cross-examination of a reply witness, because depositions of that witness will have occurred after the filing date of a party's final substantive paper. *See* Office Trial Practice Guide, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012). As Petitioner, Neste is provided with the final reply brief on the original claims. The panel, therefore, granted REG's request for authorization to file a motion for observation on cross-

examination of Neste's reply witnesses with respect to the original claims. We noted, however, that given our decision to grant REG the opportunity to address the date of invention issue above in its Reply to the Opposition to the Motion to Amend Claims, it has the final word on this issue and may not address it in a motion for observation.

Both parties shall file any motion for observation on cross-examination by Due Date 5, currently set for October 14, 2014, and any reply to a motion for observation by Due Date 6, October 21, 2014. The motions may not exceed 15 pages in total, regardless of the number of witnesses cross-examined.

In light of the foregoing, it is

ORDERED that Patent Owner is granted two additional pages for its Reply to Petitioner's Opposition to the Motion to Amend Claims;

FURTHER ORDERED that both parties shall file any motions for observation on cross-examination by October 14, 2014; and

FURTHER ORDERED that both parties shall file any replies to motions for observation on cross-examination by October 21, 2014.

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