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Paper 24
Entered: August 5, 2013

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

REDLINE DETECTION, LLC
Petitioner

v.

STAR ENVIROTECH, INC.
Patent Owner

Case IPR2013-00106
Patent 6,526,808

Before SALLY C. MEDLEY, JENNIFER S. BISK, and, JAMES B. ARPIN,
Administrative Patent Judges.

BISK, *Administrative Patent Judge*

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

On August 1, 2013, the initial conference call for this proceeding was held between respective counsel for the parties and Judges Medley, Bisk, and Arpin. A court reporter was present on the call and a transcript of the call was filed on August 2, 2013. Paper 23 (“Transcript”). Both parties filed a list of intended

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motions list prior to the call. Paper 21 (“Petitioner’s List”); Paper 22 (“Patent Owner’s List”).

Motion to Submit Supplemental Information

On July 30, 2013, Petitioner (“Redline”) filed a “Motion for Supplemental Disclosure of New Exhibits” (“Motion”). Paper 19 (“Mot.”). With respect to the filing of the Motion, we noted that section 37 C.F.R. § 42.123(a) requires the filing party to request authorization to file a motion to submit supplemental information. Redline made no such request prior to filing the Motion. Because the Motion was filed within one month of date of institution, July 1, 2013, we stated that we would consider the filing of the Motion itself to include the request to file. However, any future motions that require advance authorization may result in dismissal or expungement if they are filed without prior authorization.

The Motion seeks to submit four new exhibits: (1) Ex. 1039, a sixty page declaration of Dr. Michael St. Denis, a purported expert who “explains several aspects of the references on which the IPR was granted and further helps establish reasons for combining the references, and the reasons for unpatentability of claims 9 and 10 based on the references on which IPR was granted” (Mot. 2); (2) Ex. 1040, the resume of Michael St. Denis (Mot. 3); (3) Ex. 1041, a copy of U.S. Patent 3,250,723 (“Fortney”) (*id.*); and (4) Ex. 1042, a copy of U.S. Patent 3,432,439 (“Dickman”) (*id.*). During the call, Redline stated that the Motion is consistent with our rules, in particular, § 42.53(d)(2), which provides for submission of further evidence before deposition or testimony is to be taken. Transcript 6. Redline added that Patent Owner (“Star Envirotech”) would not be prejudiced by the new exhibits because there is nothing new in the declaration. *Id.* at 6-7. Further, according to Redline, “submission of the declaration at this point makes things far less complex than had we had an expert opine as to all 12 grounds

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as originally submitted in our petition.” *Id.* at 7.

Star Envirotech responds that submitting the new declaration violates both the law and the rules, and is extremely prejudicial. *Id.* at 8. First, Star Envirotech points to 35 U.S.C. § 312 (a)(3), which states that a petition “may be considered only if—the petitioner identifies in writing . . . the evidence that supports the grounds for the challenge to each claim, including-- (B) affidavits or declarations of supporting evidence and opinions, if the petitioner relies on expert opinions.” *Id.* at 8-9. According to Star Envirotech, the statute requires a declaration to be filed with the petition, and not after institution. *Id.* at 9. Second, Star Envirotech argues that the new declaration is not just supplemental evidence, but is a completely new argument, with brand new claim charts that include new information and new claim terms that were not argued in the petition. *Id.* at 9-10. In addition to the claim charts, Star Envirotech asserts that the declaration adds information not included in the petition, including argument regarding the knowledge of a person of skill in the art, new characterizations of references that were not part of the petition, and discussions of references that are not part of the petition. *Id.* at 10. Finally, Star Envirotech argues that this declaration is a *responsive* declaration post-initiation in that it actually references the Board’s decision and takes positions that are inconsistent with positions taken in the petition—for example, by adopting the Board’s definition of “flammable,” which is different than proposed in the petition. *Id.* at 10-11.

Star Envirotech asserts that it is extremely prejudicial to have to respond to what amounts to essentially a new petition with only two months left before the response is due. *Id.* at 11. According to Star Envirotech, Redline essentially has waited for the petition to be granted and then “sandbagged” Star Envirotech by creating a declaration including new argument and theories in response to the

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Board's decision. *Id.* at 12.

Under 37 C.F.R. § 42.123, a party may file a motion to submit supplemental information if a request for authorization to file such a motion is made within one month of the date the trial is instituted. Nothing in the rule suggests, however, that such a motion would be granted no matter the circumstance. We do not read 37 C.F.R. § 42.123 as permitting a petitioner to wait for the Board to narrow the grounds submitted in the petition in order to create a more focused declaration at less expense that will bolster its position in the chosen grounds. *See id.* at 7, 12. This is particularly true if the evidence contained in the declaration was reasonably available at the time of filing of the petition. “The filing of a petition for *inter partes* review should not be turned into a two-stage process,” first to get the Board to narrow the issues, and second to complete the petition based on the issues left in the case. *ZTE Corp. v. ContentGuard Holdings, Inc.*, IPR2013-00139, Paper 27 at 3.

Here, Redline does not make any attempt to justify the submission of an expert declaration after filing its petition and after a decision to institute has been made except to note that the move was cost effective—“submission of the declaration at this point makes things far less complex than had we had an expert opine as to all 12 grounds as originally submitted in our petition.” Transcript 7. Redline's petition did not rely on any expert opinion and Redline has not alleged that any of the arguments or evidence in the newly submitted declaration is information that reasonably could not have been submitted with the Petition. The Board chose two of twelve grounds proposed by Redline, thus Redline could have submitted expert opinion testimony to support those grounds with the petition itself. Further, Redline was aware of both Fortney and Dickman at the time of the filing of the Petition, yet chose not to introduce either reference at that time for the

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Board's consideration. *ZTE Corp. v. ContentGuard Holdings, Inc.*, IPR2013-00139 (Paper 27) 3. Therefore, Redline has not established sufficient basis now for submitting Fortney or Dickman.

Moreover, Redline's submission of the "supplemental evidence" is in essence something more than just supplemental evidence; at least the declaration contains arguments and responses to the Board's decision to institute the *inter partes* review. For example, the newly submitted declaration responds to the Board's claim interpretation and other points made in the decision. However, the proper course is for the Patent Owner to file a Patent Owner Response, followed by the filing of a reply by the Petitioner. Redline has not explained in any meaningful way why we should deviate from that course.

For the foregoing reasons, Redline has not established sufficient basis for submitting Exhibits 1039, 1040, 1041, and 1042 at this point in the proceeding.

Motion for Additional Discovery

Counsel for Star Envirotech requests authorization to file a motion for additional discovery relating to the defense of assignor estoppel. In particular, Star Envirotech seeks additional evidence relating to whether Mr. Pieroni, an inventor of the '808 patent is in privity with Redline, including a deposition of Mr. Pieroni, several related documents and contracts, and half a dozen or so interrogatories specifically directed to this issue. Transcript 23-24; Patent Owner's List 1.

Upon consideration of Star Envirotech's request, we determine that briefing on this matter is warranted. Therefore, Star Envirotech is authorized to file a motion for additional discovery. Star Envirotech should prepare its motion for additional discovery with the statutory and regulatory considerations and the relevant precedent regarding the defense of assignor estoppel in mind when explaining specifically what discovery is being requested and including a showing

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of why each item is necessary in the interests of justice. In particular, the “Decision on Motion for Additional Discovery” entered in IPR2012-00001, Paper 26 can be used as guidance. A discovery request will not be granted if the request is unduly broad or burdensome or if the showing consists of a mere allegation that something useful will be found. In its motion, Star Envirotech also should apprise the Board of any efforts made to contact Mr. Pieroni to obtain his voluntary cooperation and the results of any such efforts.

Redline is authorized to file an opposition to the motion. In its opposition, Redline should inform the Board of the extent to which, if any, they have control over Mr. Pieroni (i.e. Redline should inform the Board if Mr. Pieroni is an officer or employee that they can require to attend a deposition).

Other Potential Motions

Counsel for Redline represented that they may seek discovery from archive.org in the event that Star Envirotech challenges the authenticity of the 1999 smokemachines.com Web site. We noted that in the event that authorization for such a motion is requested, this would be considered additional discovery.

Counsel for Star Envirotech represented that Star Envirotech may file a motion to amend. As discussed, in filing its motion to amend, Star Envirotech should note the guidance provided in Paper 26 of IPR2012-00027, dated June 11, 2013. Further guidance is available in the Office Patent Trial Practice Guide¹, 37 C.F.R. § 42.121, and IPR2012-00005, Paper 27. Further, prior to filing a motion to amend Star Envirotech should request a call with the panel to confer.

Finally, the parties represented that they have no settlement discussions to report and that there are no problems, at the present time, with the Scheduling

¹ 77 Fed. Reg. 48766 (Aug. 14, 2012).

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Order, entered July 1, 2013.

Accordingly, it is

ORDERED that Redline's Motion to Submit Supplemental Information is *denied*;

FURTHER ORDERED that Exhibits 1039, 1040, 1041, and 1042 are expunged from the record;

FURTHER ORDERED that Star Envirotech is authorized to file a motion for additional discovery under 37 C.F.R. § 42.51(b)(2) by August 8, 2013, limited to 10 pages; Redline is authorized to file an opposition by August 13, 2013, also limited to 10 pages; and no reply is authorized;

FURTHER ORDERED that no other motions are authorized at this time; and

FURTHER ORDERED that the due dates specified in the Scheduling Order dated July 1, 2013 remain unchanged.

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