

**UNITED STATES PATENT AND TRADEMARK OFFICE**

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**BEFORE THE PATENT TRIAL AND APPEAL BOARD**

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**SILICON LABORATORIES, INC.**

**Petitioner**

**v.**

**CRESTA TECHNOLOGY CORPORATION**

**Patent Owner**

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**CASE IPR2015-00626**

**Patent 7,265,792**

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**PATENT OWNER'S REPLY TO PETITIONER'S RESPONSE TO  
PATENT OWNER'S MOTION TO EXCLUDE**

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Patent Trial and Appeal Board  
U.S. Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450

## **I. INTRODUCTION**

In its petition, Petitioner argued that Zenith's sync detector 20 teaches "detecting a carrier signal" as recited in the '792 patent claim 28. Pet. at 47. Patent Owner explained in its Patent Owner's Response that Zenith's sync detector 20 does not teach "detecting a carrier signal" as required by the '792 patent claim 28. POR at 43-48. Petitioner's reply then provided a new reference, Balaban (Ex. 1053), and argued for the first time that Balaban teaches "detecting a carrier signal" as recited in the '585 patent claim 28. Reply at 10. Petitioner further improperly incorporated alleged claim construction evidence by reference to a Reply Declaration of its expert, Dr. Holberg. Petitioner's claim construction position itself is untimely because it was not presented in the original Petition. *Id.* Patent Owner's motion to exclude should be granted because the evidence is untimely, unexplained, and prejudicial.

## **II. BALABAN IS IMPROPER NEW EVIDENCE, UNTIMELY, AND THUS IRRELEVANT AND PREJUDICIAL**

Petitioner argues that Balaban is directly relevant because a POSITA would consider a synchronization signal a "carrier signal." Response at 2. Even if this were true (which it is not), Petitioner tries to brush aside that it uses Balaban in its Reply to add to the deficient disclosure of the actual reference of the asserted ground. Petitioner tries to present Balaban as further evidence of the "carrier signal" claim element missing from Zenith. Reply at 10-12. Patent Owner provided

proof that Zenith's sync detector 20 shown in Figure 2 does not detect a carrier signal in the input RF signal. POR at 43-48. Because the ground actually presented in its petition fails, Petitioner tries to use the Reply to fill in gaps and save its case, augmenting the Zenith disclosure with a new reference. Reply at 10-12. Petitioner's argument in opposition to the motion to exclude is contradicted by the record; Petitioner does exactly what it cannot do, relying on the new reference to complete its obviousness case.

Balaban is irrelevant and untimely because it was not submitted with the Petition. Balaban was not discussed in the Board's institution decision and was not a ground on which the IPR was instituted. In fact, the Board made it clear that it granted only three grounds based on specifically enumerated prior art (which did not include Balaban) and "that no other ground of unpatentability is authorized for this *inter partes* review." Institution Decision ("ID"), Paper 9 at 27. Balaban was not presented as Supplemental Evidence in response to Patent Owner's objections pursuant to 37 C.F.R. 42.64(b)(2), or as Supplemental Information pursuant to 37 C.F.R. 42.123. As a matter of fact, Balaban was **never** raised in the IPR before Patent Owner filed its Patent Owner Response.

The Federal Circuit recently reiterated just how improper these tactics are in an IPR. In *Intelligent Bio-Systems, Inc. v. Illumina Cambridge LTD.*, Slip. Op.

2015-1693, p.16 (Fed. Cir. May 9, 2016), the Court addressed almost this exact issue, and held (internal cites and quotes omitted):

It is of the utmost importance that petitioners in the IPR proceedings adhere to the requirement that the initial petition identify "with particularity" the evidence that supports the grounds for the challenge to each claim. All arguments for the relief requested in a motion must be made in the motion.

Moreover, Patent Owner's argument that Zenith does not teach detecting a carrier signal does not justify Petitioner raising a new reference and associated arguments. Despite their assertions to the contrary, Petitioner did not respond that Zenith teaches detecting a carrier signal. Rather, they argue that, only in view of Balaban added to the mix, the claim would be obvious. Petitioner withheld all of its arguments regarding Balaban until well after Patent Owner had any opportunity to respond, maximizing the unfair prejudice to Patent Owner.

### **III. PETITIONER'S NEW CLAIM CONSTRUCTION POSITIONS AND DECLARATION PORTIONS THAT WERE NOT SUBSTANTIVELY DISCUSSED IN ITS REPLY SHOULD BE EXCLUDED**

Petitioner also improperly incorporates by reference Holberg Reply declaration arguments, and presents a new proposed definition for "carrier signal" in the Petitioner's Reply. Reply at 2, 10-12. This is improper. *See* 37 C.F.R. § 42.6(a)(3). Petitioner asserts that "Petitioner's claim construction position has remained consistent throughout this proceeding." Response at 4. This is simply

false. Petitioner offered no particular claim construction for "carrier signal" in its Petition. But in its Reply it asserts a new specific meaning for that term: "the BRI of 'carrier signals' is '[a] wave having at least one characteristic that may be varied from a known reference value by modulation.'" Reply at 2. Once again, the position taken by Petitioner in opposition to Patent Owner's motion to exclude is belied by the record.

In addition to being untimely presented, the new claim construction position and other issues in the Reply are purportedly supported by argument in a declaration that is not discussed in the substantive Reply paper itself. Importantly, Patent Owner does not even attempt to argue that this basis to exclude the material is incorrect. Nor could it. The material is undisputedly not contained in Petitioner's substantive Reply paper. While Petitioner scrambles to offer some excuses for its non-compliance with the Board's rules against incorporation by reference, they are just that: excuses. The Board's rules on this issue are crystal clear: "Arguments **must not** be incorporated by reference from one document into another document." 37 C.F.R. 42.6(a)(3). Petitioner did just that, and arguments presented in violation of the Board's rules should be excluded.

#### **IV. CONCLUSION**

In its petition, Petitioner chose to assert invalidity Ground 3, which the Board instituted, but did not choose to include Balaban in that asserted ground. It

also chose to take certain claim construction positions, and not others. "Unlike district court litigation – where parties have greater freedom to revise and develop their arguments over time and in response to newly discovered material – the expedited nature of IPRs brings with it an obligation for petitioners to make their case in their petition to institute." *Intelligent Bio-Systems, Inc. v. Illumina Cambridge LTD.*, Slip. Op. 2015-1693, p.16 (Fed. Cir. May 9, 2016). Contrary to this controlling Federal Circuit precedent, Petitioner did not comply with its "obligation . . . to make their case in their petition to institute." *Id.* Patent Owner's motion to exclude should be granted.

Dated: May 27, 2016

Respectfully submitted,

/s/ Michael R. Fleming

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**CERTIFICATE OF SERVICE**  
**BY ELECTRONIC MAIL**

Pursuant to 37 C.F.R. § 42.6, the undersigned certifies that on May 27, 2016, a copy of the foregoing document **PATENT OWNER'S REPLY TO PETITIONER'S RESPONSE TO PATENT OWNER'S MOTION TO EXCLUDE** was served by electronic mail, as agreed to by the parties, upon the following:

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