Paper No._____

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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COX COMMUNICATIONS, INC.
Petitioner

v.

AT&T INTELLECTUAL PROPERTY I, L.P.
Patent Owner

_____

Case IPR2015-01227
Patent 7,907,714
Title: PROFILE MANAGEMENT SYSTEM INCLUDING USER INTERFACE FOR ACCESSING AND MAINTAINING PROFILE DATA OF USER SUBSCRIBED TELEPHONY SERVICES

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PATENT OWNER'S RENEWED REQUEST FOR REHEARING

I. Introduction

Patent Owner AT&T Intellectual Property I, L.P. ("AT&T IP" or "Patent Owner") submits this Request for Rehearing following the Board's Order of September 7, 2016 (Paper No. 63, "Order"). The Board's decision to expunge AT&T's second sur-reply (Paper 62), the Supplemental Declaration of Dr. Robert Akl, D.Sc. (Ex. 2052), and the file history of U.S. Patent Application No. 08/878,966 (Ex. 2053) misapprehends or overlooks the facts and circumstances justifying AT&T's submission of evidence and the due process-denying ramifications of the decision to expunge. Accordingly, the Order should be vacated, and Paper 62, Exhibit 2052, and Exhibit 2053 re-entered. AT&T addresses each of the Board's justifications in turn.

II. The Board's Justifications for Denying AT&T its Due Process Misapprehend and Overlook the Facts and Circumstances of the Instant Case.

As a preliminary, it is notable that no conference call hearing preceded or followed the Order for which rehearing is hereby requested. Likewise, no briefing was authorized or received by the Board. Indeed, although the Board's Order responded to a detailed email *request for a conference call* and for relief from just one party, namely Cox (*see* Order, p. 2), the Board summarily indicated in an e-mail from Andrew Kellogg (trials@uspto.gov) that no conference was needed and that an order would issue shortly. The Order for which rehearing is requested

followed later that day. Of further note, in a version of this Request for Rehearing (paper 66 and Exhibits 2054-57), filed September 21, 2016 and subsequently expunged (*see* paper 67), AT&T included as an exhibit the e-mail exchanges[1] that memorialize relevant party positions advanced relative to the issues decided by the Order. AT&T respectfully requests that the Board itself, in its disposition of this Request for Rehearing, make of formal record the aforementioned e-mails. For avoidance of doubt, and in accordance with the Board's Order of September 22, 2016 (paper 67), AT&T does not file or introduce new evidence with this renewed Request for Rehearing.

The Board's failure to convene a conference call hearing prevented the Board from receiving and memorializing in the formal record AT&T's arguments and positions, and accordingly, they are memorialized herein ***for the formal record***. Though the Board routinely denies rehearing requests on the basis that

[1] *See* e-mail from Andrew Kellogg (trials@uspto.gov) to counsel for both parties dated Sept. 7, 2016 (noting that the Board will issue Order without conference call), *see also* e-mail from David O'Brien to trials@uspto.gov dated September 8, 2016 (noting the Order's effect of striking of AT&T's evidence without affording AT&T the opportunity to be heard, renewing the requesting for hearing by telephone conference and, in the alternative, requesting a page count accommodation; each request was subsequently denied without hearing).

they present arguments for the first time, this justification simply cannot apply here, where (i) the Board denied AT&T a hearing and the opportunity to make its arguments in the first instance, (ii) the Board expunged from the record exhibits containing e-mail communications that were intended to formally document and memorialize the record, and (iii) the Board precluded AT&T from filing or introducing same with this renewed Request for Rehearing. In short, any absence of prior argument in the formal record is the result of the panel's decision to deny hearing and entry of party communications with the Board, not AT&T's failure to present the arguments.

Turning to substance, in the Order for which rehearing is requested, the Board first states that the "nature of a sur-reply is to respond to arguments and evidence that each party already had the opportunity to brief." Order, p. 2. The Board's premise is faulty, because each party did not have the opportunity to brief the *An Provisional's* alleged support for the claims of *An* under the Board's governing statute, rules, and procedures. As the Board itself has acknowledged, the Revised Amended Petition contained no evidence to contend that the *An Provisional* supported the claims of *An*. Paper 65, 82:23-83:5. Cox failed its burden of production on this issue, and AT&T was forced, in its Patent Owner Response, to argue against a non-existent case. Paper 65, 66:21-67:4. A patent

owner response is meant to ***respond*** to a petitioner's case; it need not hypothecate such a case and prebut the hypothetical.

Accordingly, AT&T's first and only opportunity to respond to Cox's purported *prima facie* case (introduced by Cox in its Reply) was in the sur-reply authorized by paper 61. Under the Board's governing statute, that response ***requires*** that AT&T include "affidavits or declarations [and] any additional factual evidence and expert opinions on which the patent owner relies in support of the response." 35 U.S.C. § 316(a)(8). Simply stated, the Board's expungement of Paper 62, Exhibit 2052, and Exhibit 2053 does not comport with the statutory expectation that a patent owner be afforded an opportunity to respond with affidavits, declarations, factual evidence and/or expert opinions on which it relies.

Only in its Reply did Cox provide evidence that, if afforded weight, would be necessary for its *prima facie* case and, in doing so, Cox violated the rules governing this trial. AT&T has made itself clear: this is improper, at least because it denies AT&T the due process and Administrative Procedure Act-guaranteed ability to respond to Cox's theory of the case.[2] The simplest way to deal with

[2] As AT&T has argued, recognizing that *Dynamic Drinkware* issued after the Revised Amended Petition, the proper course of action for Cox was to (1) request additional briefing prior to institution, or (2) request authorization to file supplemental information under 37 C.F.R. § 42.123. Paper 65, 64:17-65:3. Cox

Cox's violation of the rules is for the Board to strike Cox's Reply, either *sua sponte* or based on a motion for which AT&T has previously requested authorization, but for which the Board denied authorization. [3]

While denying consideration of Cox's Reply and reply evidence or striking and expunging portions of same remain options for the Board, the Board has yet to indicate that it will strike or expunge, and accordingly, given the current state of the record, AT&T must have a "full and fair opportunity" (*see* paper 61, p. 3) to respond. Specifically, AT&T must be able to respond, ***with testimonial and documentary evidence***, to Cox's new Reply arguments and evidence. AT&T's Patent Owner Response did not provide the required opportunity to respond because Cox had not even advanced a position at that point in trial. To be clear, in its Revised Amended Petition, Cox did not make any necessary factual showing for the proposition first advanced in its Reply that the *An Provisional* supported claims

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even admitted that supplemental briefing was an option in this case, but did not pursue that option, instead choosing to violate 37 C.F.R. § 42.23. The Board acknowledged that Cox should have asked it for supplemental briefing, and Cox had no response. Paper 65, 84:14-85:22.

[3] *See* e-mail from Raghav Bajaj to trials@uspto.gov dated July 1, 2016, requesting authorization for motion to strike; Paper 48.

of the *An* patent. Even Cox characterizes its Revised Amended Petition showing as just a "modicum of evidence." Paper 65, 50:1-21.

In any case, due process requires that AT&T have the opportunity to respond to Cox's Reply evidence with its own countervailing evidence. Cox stayed silent in its Revised Amended Petition and tried to tactically game the system in contravention of the clear scope-of-reply rules set out for these trials. The Board should not condone or reward this abuse by considering Cox's Reply, but if the Board (in an exercise of discretion) wishes to excuse Cox's violation of the rules, then the Board must re-enter the AT&T evidence that it expunged (without even hearing from AT&T[4]) to provide AT&T a "full and fair opportunity" to respond. Allowing Cox's untimely Reply and reply evidence while expunging AT&T's responsive and countervailing evidence would be an abuse of discretion, if not arbitrary and capricious.

Turning to the content of sur-reply authorizations in this trial, the Board knows how to authorize a sur-reply without evidence, as it previously did in this very proceeding (*see* Paper 50); it includes language to that effect in its authorizing orders, providing the parties clarity on the issue. But instead of clearly

[4] *See* e-mail from Andrew Kellogg, trials@uspto.gov dated Sept. 8, 2016, denying AT&T request for extensions of page limit and time and denying requested conference call hearing.

circumscribing the scope of its initial, *sua sponte* order authorizing the sur-reply (*see* paper 61) to explicitly preclude evidence, and notifying AT&T that its purported "full and fair opportunity" (which should necessarily include testimonial and documentary evidence) would not truly be "full" or "fair," the Board was silent on any circumscription or preclusion. Based simply on Cox's *post hoc* email request, and indeed without so much as a telephone conference on the issue, the Board struck and retroactively barred the AT&T evidence that the Board should consider under the statute. AT&T respectfully requests rehearing and rescission of that decision to strike and bar.

The Board alleges that a "sur-reply is not an invitation to introduce or file new evidence and testimony." *See* Order, p. 2. However, the Board cites no authority for that proposition, and it finds no support in the statute, regulations, or case law. Indeed and quite to the contrary, in a case with which this panel is unquestionably familiar, the Board ***authorized new testimonial evidence with a patent owner's sur-reply*** where the patent owner did not have a fair opportunity to respond to an issue raised by the petitioner for the first time in its reply. *See Apple Inc. v. SightSound Techs, LLC*, Case CBM2013-00020, Paper 100, slip op at 2 (PTAB May 15, 2014) (authorizing sur-reply with new declaration testimony); *aff'd*, 809 F.3d 1307 (Fed. Cir. 2015). There, the Board noted that it was ensuring the patent owner's "full and fair opportunity to be heard," which included

testimonial evidence. *Id.* Indeed, his honor, Judge Zecher, during oral hearing in IPR2015-01187, indicated that the patent owner in *Apple v. SightSound* "was given a fair opportunity to respond throughout trial." Paper 65, 24:18-24.

To be sure, a "fair opportunity" in *SightSound* ***included new testimonial evidence***. For a "fair opportunity" to be provided here, AT&T must likewise have its new evidence entered, considered by the Board and included as part of the record for the court of review. Given the fact that the statute explicitly requires AT&T to submit evidence in its response and opposition to Cox's contentions, and given the fact that the Board has previously authorized sur-replies with new evidence in cases with similar factual situations, AT&T's submission of Exhibit 2052 and 2053 was entirely consistent with the Board's initial order authorizing the sur-reply (paper 61). The Board's expungement of Exhibits 2052 and 2053 and its retroactive bar to same is inconsistent with its own handling of the same issue in the very proceeding that this panel itself points to as an exemplary measure of an adequately full and fair opportunity to respond.

Without testimonial and documentary evidence, AT&T's allegedly "full and fair opportunity" to respond rings hollow and does nothing to preserve AT&T's due process rights or its rights under the Administrative Procedure Act (APA). The Federal Circuit has recognized that the APA requires that a patent owner be given "notice of and a fair opportunity to meet the grounds of rejection" which includes

"***submission and consideration of facts*** [and] argument" and "***rebuttal evidence***…as may be required for a full and true disclosure of the facts." *Dell, Inc. v. Acceleron, LLC*, 818 F.3d 1293, 1301 (Fed. Cir. 2016) (emphasis added), *quoting Belden Inc. v. Berk-tek LLC*, 805 F.3d 1064, 1080 (Fed. Cir. 2015) and 5 U.S.C. § 553(c)-(d). Thus, the Federal Circuit and APA each acknowledge that a response and opposition to evidence itself requires evidence.

Instead of providing AT&T that fair opportunity to respond, the Board has tied one hand behind AT&T's back, and seems to expect that AT&T and the reviewing court will be satisfied with a one-sided, evidentiary record. On the current state of orders from the Board, AT&T is permitted to rebut Cox's untimely Reply *evidence*, but only with attorney *argument*. Specifically, the present record is limited because of the Board's decision (in the Order from which rehearing is requested) to expunge AT&T's documentary and testimonial evidence[5]. AT&T respectfully requests rehearing of that decision which, unless rescinded, deprives AT&T of its due process rights and those under the APA.

[5] For avoidance of doubt, and although AT&T's sur-reply (paper 64) should be legally persuasive, re-entry of Exhibits 2052 and 2053 (now expunged) would confirm and buttress AT&T's arguments with additional evidence, from the perspective of a person of skill in the art, that Cox's Reply argument regarding support for *An* claims in the *An Provisional* is unsustainable.

The Board has opined that it would be "unfair to allow AT&T to introduce new, additional evidence or rebuttal testimony," because discovery is closed. *See* Order, p. 3. With respect, what is fundamentally "unfair" is Cox's tactic of not presenting evidence necessary to make its *prima facie* case until its Reply. The consequences of Cox's failure to timely present its case should be borne by Cox and, in any case, cannot be arbitrarily assessed against AT&T in derogation of its due process and APA rights. Furthermore, in the *Apple v. SightSound* case, the Board provided the petitioner the opportunity to cross-examine the patent owner's sur-reply witness and to file observations on cross-examination, ***even though the sur-reply was authorized and filed after oral hearing***. *Apple*, slip op. at 2-3. The Board can certainly do so here as well.[6] In any case, "unfairness" hypothecated by the Board simply cannot justify expungement of AT&T's evidence and denial of AT&T's due process, particularly where, as demonstrated by *SightSound*, the Board knows how to balance interests through authorization of observations on cross.

Finally for completeness, the undersigned must note that the Board's excusal of, or apparent blindness to, Cox's tactics should not be used to justify denial of AT&T's due process. Specifically, the Board appears to, in effect (*see* Order, p. 3),

[6] Again, for avoidance of doubt, AT&T maintains that the Board should strike the Reply, which would obviate the need for further discovery.

assess against AT&T the Board-ordered extensions of time for Due Dates 6 and 7. Lest the Board remain confused, it was Cox who engaged in dilatory tactics and Cox who caused the trial schedule to be delayed by failing to timely produce complete and responsive documents within the scope of additional discovery authorized by the Board. As the Board is well aware, AT&T was forced to seek the Board's guidance multiple times in light of Cox's failure to produce documents.[7] Even at the time of filing the Patent Owner Response, AT&T's separate counsel was still seeking complete production from Cox; ultimately, that production never occurred. While the Board has taken a hands-off approach to issues in this proceeding and has encouraged the parties to resolve issues through meet and confer processes, insinuating that one party is to blame for extensions when the facts are completely inconsistent with that conclusion is unjustified given the Board's adjudicative role and its stated objective to "call [] balls and strikes." In any case, the Board's misapprehension of actual facts cannot be used to justify denial of AT&T's due process right to submit countervailing evidence in support of its contentions relative to Cox's untimely Reply evidence and argument.

[7] *See, e.g.*, e-mail from David O'Brien to trials@uspto.gov dated February 22, 2016, noting Cox failure to timely serve discovery.

III. Conclusion

Because the Board's justifications for expunging Exhibits 2052 and 2053 and the sur-reply filed as Paper 62 misapprehend and overlook the Order's inconsistencies with the statute, regulations, and case law, and further misapprehend or overlook the Order's effect of denying AT&T's rights under due process and the APA, the Board should vacate paper 63 and re-enter AT&T's second sur-reply (Paper 62), the Supplemental Declaration of Dr. Robert Akl, D.Sc. (Ex. 2052), and the file history of U.S. Patent Application No. 08/878,966 (Ex. 2053).

Dated: 26-September-2016

Respectfully submitted,
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CERTIFICATE OF SERVICE

The undersigned certifies, in accordance with 37 C.F.R. § 42.6, that service was made on the Petitioner as detailed below.

Date of service	September 26, 2016
Manner of service	Electronic mail
Documents served	Patent Owner's Request for Rehearing
Persons served	Steven M. Bauer Proskauer Rose LLP One International Place Boston, MA 02110 PTABMattersBoston@proskauer.com

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