UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY, LTD.
Petitioner

v.

GODO KAISHA IP BRIDGE 1
Patent Owner

Case IPR2016-01376
Patent 6,197,696

Before the Honorable JUSTIN T. ARBES, MICHAEL J. FITZPATRICK, and JENNIFER MEYER CHAGNON, *Administrative Patent Judges*.

PATENT OWNER'S SUR-REPLY

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Petitioner's Reply (Pap. 9) first violates the Board's authorizing Order by arguing at length "whether a burden has been met" (Pap. 7 (Order) at 3; *see* Reply 1 (arguing "satisfied . . . initial burden," etc.)), and then proceeds to misstate the two distinct burdens of proof imposed in an IPR: a burden of persuasion that is always on Petitioner, and a burden of production that can shift. *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015).

As to entitlement *for purposes of institution* to the priority claim made on the face of the '696 patent, where (as here) that issue is "raised by Petitioner in its petition, by identifying, specifically, the features, claims, and ancestral applications allegedly lacking . . . support," Patent Owner meets its burden of production by addressing those arguments "in a manner that is commensurate in scope with the specific points and contentions raised by Petitioner." *Polaris Wireless, Inc. v. TruePosition, Inc.*, IPR2013-00323, Pap. 9 (Inst. Dec. (I.D.)), at 29-34 (Nov. 15, 2013). Petitioner's suggestion that *Drinkware* implicitly overruled *Polaris* (Reply 2; *see also* EX. 1019, 16:12-22) is simply wrong: the Board continues to apply, post-*Drinkware*, the law regarding institution and reasonable likelihood of prevailing as explained in *Polaris*. *See, e.g., Varian Med. Sys., Inc. v. William Beaumont Hosp.*, IPR2016-00163, Pap. 14 (I.D.), at 10-12 (May 6, 2016) (expressly following both *Drinkware* and *Polaris* in finding Patent Owner rebutted for institution Petitioner's contention regarding priority for element of challenged claim); *Sam-*

sung Elecs. Co., Ltd. v. Imperium (IP) Holdings, IPR2015-01233, Pap. 14 (I.D.), at 3-4 (Dec. 1, 2015) (applying *Polaris* at institution); *Lupin Ltd. v. Pozen Inc.*, IPR2015-01775, Pap. 15 (I.D.), at 10-12 (Mar. 1, 2016) (Owner sufficiently showed entitlement to priority for institution by rebutting specific contentions).

TSMC also incorrectly argues (Reply 2) that the Board in *Core Survival* broadly rejected this approach, when in fact the *Core* panel simply recognized, as did *Polaris* (at 29), that a patent's entitlement to an ancestral application's priority date is not *presumed*. *Core Survival, Inc. v. S&S Precision, LLC*, PGR2015-00022, Pap. 8 (I.D.), at 8-9 (Feb. 19, 2016). To the contrary, the *Core* panel expressly noted it was "not confronted by [the] situation"—as in the present case—where the Petition included specific arguments that certain claim elements were not entitled to priority and Patent Owner rebutted those specific contentions. *Id.* at 9 n.3 ("Patent Owner in this case has produced no evidence or argument").[1] When

[1] Nor does *Goeddel v. Sugano*, 617 F.3d 1350 (Fed. Cir. 2010) —addressing *final interference rulings* with no mention of burden-shifting—support Petitioner's assertion (contradicted by the post-*Drinkware* decisions above) that, "[w]here there is a foreign priority claim, Patent Owner must identify §112 support in the priority document for all limitations of the claims" *at the institution stage of an IPR*. Reply 1. Similarly inapt are *Tech. Licensing Corp. v. Videotek, Inc.*, 545 F.3d 1316,

a Patent Owner provides rebuttal "commensurate in scope" with Petitioner's arguments, it meets its burden and the patent is accorded its priority date for institution.

It is Petitioner's burden to show *in its Petition* that a reference is prior art to the challenged claims, *Varian* at 9, and as discussed in Paper 6 (Prel. Resp.) at 20-23, here this required showing Grill is entitled to its provisional application's priority date, *as Petitioner clearly recognized* from the face and substance of the '696 patent. *Compare Alarm.com Inc. v. Vivint, Inc.*, IPR2016-00129, Pap. 13 (I.D.) at 16 (May 3, 2016) ("Petitioner recognized . . . the evidence of record demonstrate[d] a need to show" entitlement), *with* Petition (Pap. 2) at 28-29 n.3. *Cf. Drinkware,* 800 F.3d at 1381 (claim to *earlier reduction to practice* not apparent from patent, and petitioner had no way of knowing owner would attempt to swear behind). Indeed, the same *Core* decision Petitioner relies on belies the picture of respective burdens it now tries to paint: "[a]lthough the patent owner initially bears the burden of production on the issue of priority, . . . ***if the patent owner meets its burden and the petition contains nothing to rebut preemptively patent owner's evidence supporting a priority claim, the petitioner's case is in peril.***" *Core*, at 9 n.3.

1327-28 (Fed. Cir. 2008) (a 2008 *district court trial* appeal), and *In re Magnum Oil Tools Int'l, Ltd.*, 829 F.3d 1364 (Fed. Cir. 2016) (discussing burdens in reviewing IPR *final written decision on obviousness*, not priority issues or at institution).

Respectfully submitted by: Dated: December 1, 2016

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **PATENT OWNER'S SUR-REPLY** has been served in its entirety by causing the aforementioned document to be electronically mailed, pursuant to Petitioner's agreement (Paper 2 at 76), to the following attorneys of record for the Petitioner listed below:

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