

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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VALEO NORTH AMERICA, INC. and VALEO EMBRAYAGES,  
Petitioner,

v.

SCHAEFFLER TECHNOLOGIES AG & CO. KG,  
Patent Owner.

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Case IPR2017-00442  
Patent 8,573,374 B2

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Before JOSIAH C. COCKS, MICHAEL W. KIM, and  
JAMES J. MAYBERRY *Administrative Patent Judges*.

COCKS, *Administrative Patent Judge*.

ORDER  
Conduct of the Proceeding  
*37 C.F.R. § 42.5(a)*

### *1. Introduction*

A conference call was held on April 19, 2017 between counsel for the respective parties and judges Cocks, Kim, and Mayberry. Petitioner, Valeo North America, Inc. and Valeo Embrayages (“Petitioner”), was represented by Lisa Mandrusiak. Patent Owner, Schaeffler Technologies, AG & Co. KG (“Patent Owner”), was represented by Cary Kappel. The purpose of the call was to discuss Petitioner’s request for leave to file a reply to Patent Owner’s Preliminary Response (Paper 7).<sup>1</sup>

### *2. Discussion*

Pursuant to 37 C.F.R. § 42.108(c) (revised April 2016), “[a] Petitioner may seek leave to file a reply to the preliminary response in accordance with §§ 42.23 and 42.24(c). Any such request must make a showing of good cause.” During the call, Petitioner urged that good cause exists here for the filing of a reply on the theory that the Preliminary Response raised a legal argument of first impression. More particularly, Petitioner generally characterized the new legal argument as one touching issues surrounding interplay between 35 U.S.C. §§ 119(a) and (c). According to Petitioner, those issues could not have been anticipated by Petitioner when filing its Petition. Thus, Petitioner seeks to file a reply to address particular legal issues surrounding Patent Owner’s discussion of 35 U.S.C. §§ 119(a) and (c).

Patent Owner opposed Petitioner’s request for leave to file a reply to the Preliminary Response. Patent Owner also disagreed with Petitioner’s

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<sup>1</sup> Petitioner had arranged for court reporter to transcribe the call. When the transcript becomes available, Petitioner should file it as an exhibit in this proceeding.

characterization that the Preliminary Response raised any novel legal issues. Patent Owner also requested that if the panel does permit Petitioner to file a reply, that Patent Owner be given leave to file a sur-reply. Petitioner indicated that it did not oppose Patent Owner's request for a sur-reply should a reply be authorized.

In reviewing the record, we observe that, in connection with this proceeding, the core dispute between the parties centers on an issue of a claim for priority arising under 35 U.S.C. § 119. That § 119 is at the forefront of this proceeding lends a measure of support to permitting additional briefing that is focused on legal issues pertaining specifically to that section. The panel also observes that the Preliminary Response was filed on April 4, 2017, and Petitioner responded quickly in seeking a conference call with the panel to obtain leave to file a reply.

Given the particular circumstances present here, the panel believes that short, focused briefing from both sides may aid the panel in resolving the conflict between the parties that is at the heart of this proceeding. Thus, we conclude that there is good cause to permit additional briefing. Accordingly, we authorize Petitioner to file a reply to the Preliminary Response no longer than three (3) pages in length and due no later than April 26, 2017. We also authorize Patent Owner to file a sur-reply no longer than three (3) pages in length and due no later than one week from the filing of Petitioner's reply.

*3. Order*

It is

ORDERED that Petitioner is authorized to file a reply to the Preliminary Response that is no longer than three (3) pages in length and is due no later than April 26, 2017;

FURTHER ORDERED that Patent Owner is authorized to file a sur-reply to Petitioner's reply that is no longer than three (3) pages in length and is due no later than one week from the date that Petitioner files its reply; and

FURTHER ORDERED that Petitioner should file a transcript of the conference call as an exhibit when the transcript becomes available.

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For PETITIONER:

Robert Mattson  
Philippe Signore  
Lisa Mandrusiak  
OBLON LLP  
cpdocketmattson@oblon.com  
cpdocketsignore@oblon.com  
cpdocketmandrusiak@oblon.com

For PATENT OWNER:

Cary Kappel  
William Gehris  
David Petroff  
DAVIDSON & KAPPEL, LLC  
ckappel@ddkpatent.com  
wgehris@ddkpatent.com  
dpetroff@ddkpatent.com