UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FLEX LOGIX TECHNOLOGIES, INC.,

Petitioner,

v.

VENKAT KONDA,

Patent Owner.

IPR2020-00260

IPR2020-00261

IPR2020-00262

Patent 8,269,523 B2

** 2ND REVISED **

** T E L E P H O N I C H E A R I N G

Friday, May 22, 2020

BEFORE: Judge Jo-Anne M. Kokoski
Judge Sally C. Medley
Judge Thomas L. Giannetti
(Appearing Telephonically)

Reported by:
Angela M. Shaw-Crockett, CCR, CRR, RMR, CSR
Job No. 180134

May 22, 2020

2:15 p.m.

TELEPHONIC HEARING, taken before Angela M. Shaw-Crockett, a Certified Court Reporter, Certified Realtime Reporter, Registered Merit Reporter and Notary Public of the States of New York, New Jersey and Connecticut.

TELEPHONIC HEARING

A P P E A R A N C E S:

PAUL HASTINGS
Attorneys for The Petitioner
MetLife Building
200 Park Avenue
New York, NY 10166

BY: NAVEEN MODI, ESQ.
PAUL ANDERSON, ESQ.
(Appearing Telephonically)

VENKAT KONDA
Pro Se Patent Owner
(Appearing Telephonically)

** ** **

TELEPHONIC HEARING

JUDGE KOKOSKI: This is Judge Kokoski, and Judges Medley and Giannetti are on the line with me.

This is call concerns IPR2020-00260, 261 and 262. Let's start with a roll call.

Who do we have for Petitioner?

MR. MODI: Good afternoon, your Honor. This is Naveen Modi from the law firm of Paul Hastings. With me is Paul Anderson, both on behalf of Petitioner, Flex Logix.

JUDGE KOKOSKI: Thank you. And who do we have for Patent Owner?

MR. KONDA: Good afternoon, your Honor. This is Venkat Konda, pro se plaintiff -- pro se counsel for the Patent Owner.

JUDGE KOKOSKI: Thank you. I understand that Petitioner engaged a court reporter for today's call; is that correct?

MR. MODI: Yes, your Honor. Kristin, are you on?

THE COURT REPORTER: My name is Angie Shaw-Crockett. I am the court reporter.

MR. MODI: Okay. Sorry. I had the wrong name. Hi, Angie.

TELEPHONIC HEARING

(A discussion was held off the record.)

JUDGE KOKOSKI: Okay. Thank you. If you could -- Petitioner, if you could submit a copy of the transcript of this call as an exhibit and send as soon as it's available, we'd appreciate that.

MR. MODI: Sure, your Honor. Will do.

JUDGE KOKOSKI: Thank you. So we have a few issues to discuss today, but the original purpose of the call was Petitioner's request for authorization to file reply to Patent Owner's preliminary response.

As an initial matter, we'll just note that a request for such reply requires a showing of good cause.

With that in mind, Petitioner, why don't you go ahead.

MR. MODI: Thank you, your Honor. We appreciate you making the time today.

So as the board is aware, Petitioner filed three petitions challenging the claims of the '523 patent. Patent Owner filed its preliminary responses in May after receiving an extension due to COVID-19.

TELEPHONIC HEARING

In its preliminary responses, Patent Owner argues that the IPR petitions should be denied in light of the pending reissued application, which is seeking to reissue the '523 patent that's at issue in the IPR petitions.

Petitioner seeks a three-page reply to address Patent Owner's arguments in its preliminary responses regarding the reissue application and to make sure the board has all the pertinent facts surrounding the reissue application and Petitioner's position regarding the reissue application.

Petitioner believes that there is good cause for a short reply here. And let me explain why. So first, as respect to the facts that we believe the board really needs to be aware of:

Number one, there is an overlap in the claims at issue in the IPR proceedings and the reissue application. In fact, Patent Owner is seeking to amend the claims in the reissue application that are also at issue in the IPRs.

Number two, Patent Owner does not appear to have informed the examiner of the reissue

application about the existence of these IPR proceedings. So the examiner, as far as we know, does not know that there are these co-pending IPR proceedings. Patent Owner certainly has filed IDSs in the reissue application, but none of those IDSs make the examiner aware of the IPR proceedings.

Additionally, Patent Owner did not inform the district court that the -- about the reissue application when it sued Petitioner for infringement of the patent at issue. And that's pretty important, your Honor, and here's why.

The complaint in the district court was filed in December of 2018. Patent Owner, again, did not tell district court or Petitioner that it had actually filed a reissue application prior to or after filing of the lawsuit. To the contrary, he actually represented to the district court that the patent was valid and enforceable while at the same time telling the PTO in the reissued application that there's a defect that needs to be cured through the reissue.

TELEPHONIC HEARING

And why this is a problem? Because the Petitioner was not aware of the reissue application until earlier this year, specifically on January 6, 2020, when the Patent Owner filed his mandatory notices in each IPR. So Petitioner did not become aware of the reissue until after it had filed the IPR petitions.

You'll actually see, if you go back and look at our petitions, in each petition, Petitioner certainly noted that Application Number 162020607, which is -- which we now know is the reissue application, that that claim filed prior to the '523 patent, but nowhere were we -- nowhere did the -- so the application history indicated a resolution. We were not able to access the reissue application until recently.

And an initial fact is that Petitioner had no choice but to file IPRs here given the one-year bar under Section 315E. The reissue application is still awaiting first office action on the merits.

And then finally, Patent Owner can seek to

withdraw the reissue application before issuance which, as your Honor may know, may restore the initial patent.

So we believe all of these facts are pertinent and we would like to make sure that the board has them in the form of a reply.

And then also we believe the appropriate course of action would be consolidation of the reissue application with these IPR proceedings or at a minimum stay of the reissue application pending the outcome of the IPR proceedings.

As you can see, there's a lot going on here between -- in terms of what the Patent Owner has done. And in this type of situation, the board -- the statute and the board's rules certainly enable the board to exercise exclusive jurisdiction over a later proceeding such as the reissue application.

And Petitioner believes in a situation like this one, the board normally considers consolidating or staying the reissue application to simplify and to avoid duplication of efforts within the office, to avoid waste of the office and party resources,

to avoid potentially inconsistent results, and to avoid prejudice to the Petitioner. And we believe all of those are applicable here given the facts.

So -- and I think the final point I'll make here your Honor and then I'll stop, is that Petitioner wants to make sure the board appreciates that the denial of the IPRs, as the Patent Owner has argued in light of the reissue, really would let the Patent Owner use the reissue application both as a sword and a shield. And we think that's highly prejudicial. If the board were to deny the IPRs in light of the reissue application, which, again, we were not even aware of until after filing of the IPRs, the Patent Owner here can simply drop the reissue application and keep the '523 patent as is, which, again, would severely prejudice Petitioner.

So for all of these reasons, Petitioner believes good cause certainly exists and we're only asking for a short three-page reply. And I can sort of go over the schedule if -- what we would propose in terms of a schedule.

TELEPHONIC HEARING

Your Honor, but let me stop there and see if you have questions.

JUDGE KOKOSKI: I think that that's a good place to stop right now and let's see Patent Owner make a response.

Patent Owner, would you like to go ahead?

MR. KONDA: Thank you, your Honor. Thank you, your Honor, for your time. The board should not alert the Petitioner to file a motion to consolidate that Patent Owner's co-pending 067 reissue applications for three reasons:

Number one, it is premature because the board has not instituted any IPR -- any of those three.

Number two, Petitioner has failed to show that any claim is obvious over the prior art, so the IPR should not be instituted rendering the consolidation as stay of the reissue application, not takable.

And I have several reasons which I notified in the preliminary response. Here are a few. I'll list them here:

One, Petitioner used unqualified person of

ordinary skill in the art who made many errors in the petition.

Number two, Petitioner falsely claiming that only amendment made on the '523 patent filed on May 8, 2012, introduced a new subject matter and lacked enablement, so the effective priority date of -- just prior to 2008, November 22, 2009.

Number three, Petitioner falsely claimed that publication of the co-pending same parts as PCT by the Patent Owner made the '394 application public on September 12, 2008.

Number four, ignoring the fact that the same prior art and arguments were previously considered by the obvious during the prosecution of the '523 patent.

Number five, knowing that they are introducing, rather intentionally concealing, the fact that Petitioner's co-founders Wong and Markovic admitted it in their own publication, that Wong first made previous unsuccessful attempts and commercial liquid migration of the two -- the layouts of the two -- '523 patent and barely knowing the known evidence second

reconsideration.

Number six --

JUDGE KOKOSKI: Patent Owner, could I break in here for a minute? I think we're kind of getting a little bit off of the point here.

I'd like you to focus on why you oppose Petitioner filing a reply to your Patent Owner response. That's really just what we're talking about right now, is whether Petitioner could -- should be able to file a reply to your Patent Owner response.

So what are your reasons for opposing that request?

MR. KONDA: Yes, your Honor. Thank you.

So basically I have listed several things why it should be denied. So it is premature.

JUDGE KOKOSKI: That is why that the petition should be denied? Yes, I understand that.

And that you think that the -- any request to consolidate or stay the reissue should be denied, as well.

Now, do you oppose them filing a three-page reply to the Patent Owner

preliminary response in these proceedings?

MR. KONDA: Yes, your Honor. I have several reasons. The board has denied the institution of the IPR, but indefinitely made issues and they're not able to reclaim construction since IPR addresses only U.S.C. 102 and 103 grounds. So that hasn't been determined yet.

Number two, it's not right because Petitioner has not and cannot identify any claim that is uncommon with the petition.

Number three, there are no claims pending in the reissue application which are not delivered to claims challenge in the IPR.

Number four, reissue application contains 20 claims. And no claims there indicate there were 48 claims at issue in the IPR. Patent Owner has already matter with the only independent claim of the '523 patent in '067 reissue application. Because there's only one independent claim in the '523 patent, the IPR would preclude Patent Owner from obtaining the new claims it has been seeking in the '067 reissue application.

TELEPHONIC HEARING

Staying the issue would cut off Patent Owner's right if the IPR moved forward and the reissues stay.

Number five, Patent Owner has appropriately brought the reissue matter as implemented by the Congress in Section 251. Where the financial resources that Petitioner has enlisted, there are -- follows a Patent Owner's right to claim his invention to the full extent allowed by the law.

Number six, the examiner of '067 reissue application will enable issue or resist the claims, or they will result in one or more different claims than originally challenged in the IPR if it was on a larger scale patent being reissued, after a petition for IPR reasons.

Five. Number seven --

JUDGE KOKOSKI: Excuse me. Patent Owner, could we just cut this off right here.

It seems that you're trying to argue the merits of patent's institution question and the propriety of the reissue application.

So we're getting a little bit far afield

of kind of what we need to be focusing on here. So if you don't have anything else that's directed just to the question of whether Petitioner should be allowed to file this three-page reply, I think we are going to have to move on.

MR. KONDA: Okay, your Honor. One last thing. IPR2014-41, IPR2014-1002, IPR-2016-1690, IPR-2017-190 are denied consolidation of staying of the reissue application, your Honor.

This is Petitioner's request to consolidate will not prejudice the Petitioner as it is premature now to the contrary staying or consolidating the issue will severely prejudice Patent Owner. Thank you, your Honor.

JUDGE KOKOSKI: Okay. Thank you.

Petitioner, do you have anything else that you needed to point out to us at this point?

MR. MODI: Your Honor, maybe give you like a 15-second response. I really haven't heard anything that would -- we believe show that we shouldn't get a reply, a short reply. We're only asking for three pages.

TELEPHONIC HEARING

And as you know, I pointed out, we're really only going to bring the facts and circumstances surrounding the reissue application to the board's attention so the board is fully informed.

JUDGE KOKOSKI: Okay. Thank you. Based on what we've heard here, we are going to go ahead and authorize Petitioner to file the requested three-page reply that's just focusing on these -- this reissue issue that you've pointed out here.

I understand, Petitioner, you said that you could get that filed within about a week or so; is that correct?

MR. MODI: Yes, your Honor. We would be willing to do that.

JUDGE KOKOSKI: Okay. With the holiday on Monday, why don't we go ahead and -- why don't you get that on file by Monday, June 1. I think that's --

MR. MODI: We really appreciate that. Thank you, your Honor.

JUDGE KOKOSKI: Yeah, Monday, June 1. And Patent Owner, we're going to go ahead and also

allow you to do a three-page sur-reply that only replies to whatever Petitioner says in their papers. And you'll get to do that a week after you get their filing.

We will set forth the parameters of these papers in an order that will issue after this call. Again, we're just going to focus it on the reissue application points that the Petitioner has brought up from the Patent Owner preliminary response.

We don't need you to be talking about any potential motions for consolidation or stays at this point. That's premature. If we get to a point where any of these cases are instituted, we can revisit the question of consolidation and/or stays with the reissue.

Is that clear? Any questions, Petitioner?

MR. MODI: No, your Honor. It's clear. Thank you.

JUDGE KOKOSKI: Patent Owner, do you have any questions?

MR. KONDA: Your Honor, I did not understand the last point -- you said "consolidation of the stay."

TELEPHONIC HEARING

JUDGE KOKOSKI: Right. So Petitioner noted in the remarks and I think in their email that they believe that consolidating these cases with the reissue application or staying the reissue application is a course of action that they would like to seek going forward.

At this point, because there is no instituted case yet here, there's nothing to talk about consolidating and there's no reason yet to ask for a stay of the reissue.

So we will revisit that question should it become necessary if any of these cases are instituted at trial. So we don't need to talk about consolidation or anything about staying the reissue unless and until any or all of these cases are instituted.

MR. KONDA: Thank you, your Honor.

JUDGE KOKOSKI: Okay.

MR. MODI: Your Honor, this is that Naveen Modi. Can I just make a point that just occurred to me?

JUDGE KOKOSKI: Sure.

MR. MODI: So as I pointed out, as far as we know, the examiner that's examining the

reissue application does not even know about the IPRs. So we would request -- I know the board certainly has the authority to enter papers in the pending applications and notifying the examining core of pending cases, you know, we would ask that either the board do something like that or, you know, Patent Owner be required to notify the examiner, because we, of course, don't want to let these two proceedings -- or two sets of proceedings to go in sort of different paths until the board has had a chance to look at the -- you know, and decide whether it wants to institute.

JUDGE KOKOSKI: Thank you for reminding me.

Patent Owner, have you notified the examining unit that these IPRs have been filed against this patent?

MR. KONDA: No, your Honor. Possible further, examiner hasn't even looked at the application. There is no office action so far.

JUDGE KOKOSKI: Okay. Well, I believe under the rules, that you were required to do that, but we will make sure that the examiner

knows about the reissue so that way we can put that concern, Petitioner, to the side and make sure that everyone in the office is on the same page with what's going on here.

Does that address your concern?

MR. KONDA: Yes, your Honor. If that's the rule, I will do it.

JUDGE KOKOSKI: Okay. So if that clears up that first point, we've got a couple other things to talk about.

First, we got another email from Petitioner shortly before this call asking to talk -- to address the motions to exclude that Patent Owner filed in each of these proceedings.

What I can say about that is Patent Owner, at this point of the proceedings, a motion to exclude is not allowed. So what we're going to do is expunge those from the record.

Just for your information going forward, our rules provide that you would be able to or any party can object to evidence submitted during this preliminary part of the proceeding within ten business days of institution of a

trial. And then once you file that objection, you would preserve that objection later by filing a motion to exclude, which the timing of which would be set forth in a scheduling order that would issue along with the institution should we institute in any of these cases.

For further information and guidance on how to deal with objecting to evidence in these IPR proceedings, Patent Owner, we're going to direct you to our Consolidated Trial Practice Guide. Pages 78 to 80, in particular, discuss how to challenge the admissibility of evidence during trial. But, again, those are -- it's premature at this point, so we're going to expunge those motions from the record. And, Petitioner, we will not need you to respond in any way.

Patent Owner, do you have any questions about that?

MR. KONDA: Thank you, your Honor, for clarification.

JUDGE KOKOSKI: Petitioner, anything else on that?

MR. MODI: No, your Honor. Thank you.

TELEPHONIC HEARING

JUDGE KOKOSKI: Okay. And then we do have one third -- or a third issue that we need to discuss.

As you noted, Petitioner, you did file three petitions here challenging the same patent. And as I'm sure you are aware at this point, our Consolidated Trial Practice Guide notes that typically one petition should be sufficient to challenge the claims of the patent, and in a situation where more than one petition is filed, that the Petitioner is generally directed to identify a ranking of the petitions in the order that you would like the board to consider them and an explanation as to why the three petitions -- or the multiple petitions, the differences -- what the differences are and why those differences are material.

I'm sure you've seen that in some of your other cases. You did not file that here, did you, Petitioner?

MR. MODI: No, we did not, your Honor. We discussed, I think, in the petition, there was some discussion of the different proceedings,

the co-pending proceedings, but we did not file such a paper, but we're certainly happy to do, your Honor, if you'd like.

JUDGE KOKOSKI: We are going to need you to file a paper with the rankings.

Can you explain to us kind of briefly right now why you think you need three petitions against this one patent here?

MR. MODI: Sure. I can certainly do that. And then I may have even my colleague, Mr. Anderson, jump in on this.

But briefly, if you look at two of the petitions, your Honor, they are directed to attacking the priority of the '523 patent and then using an intervening application. And so that's the 260 IPR and the 261 IPR.

And the reason we had to do two petitions is because of the numerosity of claims, but they go to the same prior art in terms of, you know, the prior art positions.

And then the second -- the third petition, which is the 262 IPR, is directed to non-intervening art, which is the Wong reference. And that addresses all of the

claims that are at issue. I would say the first two -- actually no, the 260, 261, that is the two petitions and 262, the claim overlap is the same, the 262 just uses a different prior art reference because it's a non-intervening reference. And the reason we filed the petitions, as you can tell now, the 260, 261 are the same reference, just a lot of claims, and we had to address the priority issue. That's why we had to split that into two petitions.

And the 262, we wanted to have a separate petition in case the board disagreed with us on the priority attack and have a petition using prior art that was not intervening, if that makes sense, your Honor.

JUDGE KOKOSKI: Yes, I think that I do understand what you are saying there. I appreciate that explanation.

We are going to go ahead and request that you file the ranking paper. We'll set forth the parameters of that in the order that follows, but it will probably be pretty similar to things you have seen before within the

parameters of the Consolidated Trial Practice Guide. And we will also give Patent Owner an opportunity to respond to that paper.

And as I said, we'll set all of that forth in the order that's to come.

MR. MODI: Thank you, your Honor.

JUDGE KOKOSKI: Is there anything else that we need to discuss today, Petitioner?

MR. MODI: Not from us, your Honor. Thank you.

JUDGE KOKOSKI: Patent Owner, do you have anything else that you'd like to discuss?

MR. KONDA: You've covered everything, your Honor. Thank you.

JUDGE KOKOSKI: Okay. Give me a minute.

Okay. Well, then I think that we have covered everything that we intended to cover today. We will, as I said, issue an order in due course.

And with that, this call is adjourned. Thank you.

(Telephonic hearing continues - Next page)

TELEPHONIC HEARING

MR. MODI: Thank you, your Honor. Have a good weekend.

MR. KONDA: Thank you, your Honor. Bye.

(Time noted: 2:41 p.m.)

TELEPHONIC HEARING

CERTIFICATE

STATE OF NEW YORK)
: ss

I, Angela M. Shaw-Crockett, a Certified Court Reporter, Registered Merit Reporter and Notary Public within and for the States of New York, New Jersey and Connecticut, do hereby certify:

That THE TELEPHONIC HEARING, herein before set forth, was duly sworn by me and that such HEARING is a true record of the testimony given by such witness.

I further certify that I am not related to any of the parties to this action by blood or marriage and that I am in no way interested in the outcome of this matter.

In witness whereof, I have hereunto set my hand this 26th day of May, 2020.

Angela Shaw- Crockett

ANGELA M. SHAW-CROCKETT, CCR, CRR, RMR, CSR
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