Trials@uspto.gov
571-272-7822

Paper 42
Entered: July 15, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MASTERIMAGE 3D, INC. and
MASTERIMAGE 3D ASIA, LLC,
Petitioner,

v.

REALD INC.,
Patent Owner.

Case IPR2015-00040
Patent 8,220,934 B2

Before NATHAN K. KELLEY, *Deputy Chief Administrative Patent Judge*, SCOTT R. BOALICK, *Vice Chief Administrative Patent Judge*, JAMESON LEE, JAMES B. ARPIN, BART A. GERSTENBLITH, and SUSAN L.C. MITCHELL, *Administrative Patent Judges*.

LEE, *Administrative Patent Judge*.

Order
Conduct of Proceedings
37 C.F.R. § 42.5

INTRODUCTION

On July 14, 2015, a conference call was held to discuss Patent Owner's intent to file a Motion to Amend, pursuant to 37 C.F.R. § 42.121(a). Judges Lee, Arpin, and Gerstenblith, and respective counsel for the parties participated in the conference call. Patent Owner requested the conference call a mere two business days prior to the due date of its Motion to Amend. We suggest that, in the future, such a conference call be requested at least ten business days ahead of the due date of the motion.

DISCUSSION

With regard to its Motion to Amend, Patent Owner still should follow all requirements articulated by the Board in *Idle Free Systems, Inc. v. Bergstrom, Inc.*, Case IPR2012-00027 (PTAB June 11, 2013) (Paper 26) (informative). However, we take this opportunity to make three points of clarification regarding the following statement in *Idle Free*:

> The burden is not on the petitioner to show unpatentability, but on the patent owner to show patentable distinction over the *prior art of record* and also *prior art known to the patent owner*.

Id. at 7 (emphases added).

1.

The reference to "prior art of record" in the above-quoted text, as well as everywhere else in *Idle Free*, should be understood as referring to:

a. any material art in the prosecution history of the patent;

b. any material art of record in the current proceeding, including art asserted in grounds on which the Board did not institute review; and

c. any material art of record in any other proceeding before the Office involving the patent.

2.

The reference to "prior art known to the patent owner" in the above-quoted text, as well as everywhere else in *Idle Free*, should be understood as no more than the material prior art that Patent Owner makes of record in the current proceeding pursuant to its duty of candor and good faith to the Office under 37 C.F.R. § 42.11, in light of a Motion to Amend.[1] Because a proposed substitute claim is considered after the corresponding patent claim is determined unpatentable, Patent Owner's addition of a limitation to render the claim as a whole patentable places the focus, initially, on the added limitation itself.

Thus, when considering its duty of candor and good faith under 37 C.F.R. § 42.11 in connection with a proposed amendment, Patent Owner should place initial emphasis on each added limitation. Information about the added limitation can still be material even if it does not include all of the rest of the claim limitations. *See VMWare, Inc. v. Clouding Corp.*, Case IPR2014-01292, slip op. at 2 (PTAB Apr. 7, 2015) (Paper 23) ("With respect to the duty of candor under 37 C.F.R. § 42.11, counsel for Patent Owner acknowledged a duty for Patent Owner to disclose not just the closest primary reference, but also closest secondary reference(s) the teachings of which sufficiently complement that of the closest primary reference to be material.").

[1] 37 C.F.R. § 42.11 states: "Parties and individuals involved in the proceeding have a duty of candor and good faith to the Office during the course of a proceeding."

3.

With respect to a motion to amend, once Patent Owner has set forth a *prima facie* case of patentability of narrower substitute claims over the prior art of record, the burden of production shifts to Petitioner. In its opposition, Petitioner may explain why Patent Owner did not make out a *prima facie* case of patentability, or attempt to rebut that *prima facie* case, by addressing Patent Owner's evidence and arguments and/or by identifying and applying additional prior art against proposed substitute claims. Patent Owner has an opportunity to respond in its reply. The ultimate burden of persuasion remains with Patent Owner, the movant, to demonstrate the patentability of the amended claims. *See Microsoft Corp. v. Proxyconn, Inc.*, Nos. 2014-1542, 2014-1543, 2015 WL 3747257, at *12 (Fed. Cir. June 16, 2015).

CONCLUSION

The guidance provided by the Board in *Idle Free*, Case IPR2012-00027, Paper 26 (informative), should be read with the three points of clarification discussed above.

ORDER

It is

ORDERED that the due date for Patent Owner's Motion to Amend is set to July 22, 2015;

FURTHER ORDERED that the due date for Petitioner's Opposition to Patent Owner's Motion to Amend, and the due date for Petitioner's Reply to the Patent Owner Response,[2] are set to October 7, 2015;

FURTHER ORDERED that the due date for Patent Owner's Reply to Petitioner's Opposition to Patent Owner's Motion to Amend is set to October 30, 2015; and

FURTHER ORDERED that Due Dates 4–6 are set as follows:

Due Date 4: November 11, 2015

Due Date 5: November 25, 2015

Due Date 6: December 2, 2015.

[2] The Patent Owner Response (Paper 40), filed on July 14, 2015, was late by one day due to technical difficulties with the Patent Review Processing System. The late filing is excused. Petitioner indicated that it does not object to accepting the late Patent Owner Response.

For PETITIONER:

Evan Finkel
Roger R. Wise
PILLSBURY WINTHROP SHAW PITTMAN LLP
evan.finkel@pillsburylaw.com
roger.wise@pillsburylaw.com

For PATENT OWNER:

Brian McCormack
William D. McSpadden
BAKER & McKENZIE LLP
brian.mccormack@bakermckenzie.com
william.mspadden@bakermckenzie.com