

In the  
Supreme Court of the United States

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CHRIMAR SYSTEMS, INC.,

*Petitioner,*

v.

JUNIPER NETWORKS, INC.,  
RUCKUS WIRELESS, INC., AND NETGEAR, INC.,

*Respondents.*

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On Petition for Writ of Certiorari to the  
United States Court of Appeals for the Federal Circuit

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PETITION FOR WRIT OF CERTIORARI

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DECEMBER 18, 2019

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## QUESTION PRESENTED

When a party files a petition for *Inter Partes* Review, the petition “*must* identify ‘each claim challenged,’ the grounds for the challenge, and the evidence supporting the challenge. § 312(a)(3).” *SAS Institute Inc. v. Iancu*, 138 S.Ct. 1348, 1353 (2018) (emphasis added). A patent owner has the right to respond to the petitioner’s arguments and evidence. 35 U.S.C. § 316(a)(8). Yet the Respondents filed *Inter Partes* Review petitions that presented no evidence (for Ground 1) and conclusory evidence (for Ground 2) on essential elements of their *prima facie* case, and then submitted extensive new evidence to support these grounds with their “replies.”

### THE QUESTION PRESENTED IS:

Did the Patent and Trademark Trial and Appeal Board violate 35 U.S.C. § 312(a)(3) when it allowed, and refused to strike, Respondents’ extensive new reply evidence, and 35 U.S.C. § 316(a)(8) when it refused Petitioner’s request to submit responsive evidence?

**PARTIES TO THE PROCEEDING BELOW AND  
RULE 29.6 STATEMENT**

Petitioner Chrimar Systems, Inc. has no parent corporation, and no publicly held company holds 10% or more of its stock.

**LIST OF PROCEEDINGS**

United States Court of Appeals for the Federal Circuit

No. 2018-1499

*Chrimar Systems, Inc., v. Juniper Networks, Inc.,  
Ruckus Wireless, Inc., Netgear, Inc.*

Decision Date: September 19, 2019

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United States Patent Trial and Appeal Board

No. IPR2016-01399

*Juniper Networks, Inc., Ruckus Wireless, Inc., Brocade  
Communication Systems, Inc., and Netgear, Inc. v.  
Chrimar Systems, Inc.*

Decision Date: April 26, 2018

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United States Patent Trial and Appeal Board

No. IPR2016-01389

*Juniper Networks, Inc., Ruckus Wireless, Inc., Brocade  
Communication Systems, Inc., and Netgear, Inc. v.  
Chrimar Systems, Inc.*

Decision Date: January 23, 2018

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United States Patent Trial and Appeal Board

No. IPR2016-01397

*Juniper Networks, Inc., Ruckus Wireless, Inc., Brocade  
Communication Systems, Inc., and Netgear, Inc. v.  
Chrimar Systems, Inc.*

Decision Date: December 29, 2017

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United States Patent Trial and Appeal Board

No. IPR2016-01391

*Juniper Networks, Inc., Ruckus Wireless, Inc., Brocade  
Communication Systems, Inc., and Netgear, Inc. v.  
Chrimar Systems, Inc.*

Decision Date: December 20, 2017

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## PETITION FOR A WRIT CERTIORARI

Petitioner Chrimar Systems, Inc. (“Chrimar”) respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit.



## OPINIONS BELOW

The order of the United States Court of Appeals for the Federal Circuit summarily affirming the Final Written Decisions of the Patent Trial and Appeal Board (“Board”) appears at 777 Fed. Appx. 518 (Fed. Cir. 2019) and is reprinted in the Appendix to the Petition (“App.”) at 1a-2a. The Final Written Decisions of the Board are unreported and are reprinted at App. 3a-385a.



## JURISDICTION

The Federal Circuit entered judgment on September 19, 2019. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1) (1988).



### STATUTORY PROVISIONS INVOLVED

**35 U.S.C. § 312(a)(3) (2011) is titled “Requirements of a Petition” for inter partes review and states:**

A Petition filed under Section 311 may be considered only if—

[ \* \* \* ]

(3) the petition identifies, in writing and with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim, including—

(A) copies of patents and printed publications that the petitioner relies upon in support of the petition; and

(B) affidavits or declarations of supporting evidence and opinions, if the petitioner relies on expert opinions; . . . .

**35 U.S.C. § 316(a)(8) (2011) states:**

(a) Regulations.—The Director shall prescribe regulations—

[ \* \* \* ]

(8) providing for the filing by the patent owner of a response to the petition under section 313 after an inter partes review has been instituted, and requiring that the patent owner file with such response, through affidavits or declarations, any additional factual evidence and expert opinions on

which the patent owner relies in support of the response; . . .



## INTRODUCTION

35 U.S.C. § 312(a)(3) (2011) requires that a petition for *Inter Partes* Review (“IPR”) identify “with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge.” 35 U.S.C. § 316(a)(8) (2011) requires regulations granting the patent owner a right to provide evidence in response. The statutes do not provide for a reply, but the Board’s rules allow it. 37 C.F.R. § 42.23(b) (2016).

The Board created a procedure where a petitioner can file a petition for IPR that does *not* identify “with particularity” the “grounds” and “evidence” supporting the challenge, and the patent owner is *not* given a chance to provide responsive evidence. The four IPRs at issue here each contained two “Grounds” challenging the patent claims and for both grounds, the Board’s improper procedure reached an extreme. Ground 1 relied on an “isoEthernet” system, yet the IPR petitions offered no analysis of an isoEthernet system. After Chrimar submitted a response, Respondents raised for the first time in “replies” extensive analysis and new evidence on isoEthernet systems. Ground 2 turned on the “reason to combine” two prior art references, and while the petitions presented a single conclusory declaration paragraph on the issue, the Respondents’ “replies” added 23 new declaration paragraphs, 5 new

items of prior art, and 11 other new exhibits, on this issue.

The Board violated § 312(a)(3) and § 316(a)(8), when it accepted and cited Respondents' late-submitted evidence, denied Chrimar's motions to strike the extensive new reply evidence, and refused to let Chrimar submit responsive evidence.



## STATEMENT OF THE CASE

### **A. The Challenged Patent Claims Refer to an Improved Ethernet Network That Employs a DC Current Signal Over ECS Pairs to Convey Information About a Piece of Ethernet Terminal Equipment**

Chrimar's four patents describe a communication system that generates and monitors data relating to electronic equipment in a computer network using the pre-existing wiring or cables that connect pieces of networked computer equipment to a network. App. 294a. This can be done over the preexisting network wiring or cables without disturbing other network communications. App.295a

The patents disclose an improved 10Base-T "Ethernet" system that enables remote asset tracking. App.8a. By adding circuitry previously not found in standard Ethernet systems, a central piece of equipment can receive information about a piece of remote "Ethernet terminal equipment" ("ETE")<sup>1</sup> even when

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<sup>1</sup> Petitioner uses the following abbreviations in this petition:

that remote equipment is powered off. App.16a. The patented equipment enables remote asset tracking by employing a DC current signal over two pairs of Ethernet contacts normally used to carry “Ethernet communication” (“EC”) signals. App.220a. Chrimar refers to these EC signal-carrying contact pairs as “ECS pairs.”

**B. The *Inter Partes* Reviews and the Federal Circuit’s Affirmance**

In 2016, Respondent, Juniper Networks, filed four petitions for *Inter Partes* Review (“IPR”) of Chrimar’s four patents. With each petition, Juniper Networks also filed a dozen exhibits, including a declaration from a technical expert. Respondents Ruckus Wireless, Brocade Communication Systems, and Netgear joined the Juniper Networks IPR petitions.

Chrimar filed responses to the four IPR petitions identifying the flaws it perceived in the arguments made in the petitions.

Juniper Networks then filed replies in each IPR. Each reply cited to 23 *new* exhibits, including a lengthy new declaration from Juniper Networks’ technical expert. JA6381.<sup>2</sup>

As required by Board procedures, Chrimar asked the Board for leave to file a motion to strike the replies or, in the alternative, to file sur-replies. JA6381. The

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|           |   |
|-----------|---|
| EC        | Ethernet communication                  |
| ECS pairs | EC signal-carrying wire/connector pairs |
| ETE       | Ethernet terminal equipment             |

<sup>2</sup> “JA\_\_” refers to the Joint Appendix page(s) as filed in the Court of Appeals for the Federal Circuit

Board denied the request to file sur-replies. App. 376a. It granted Chrimar leave in each IPR to file a motion to strike, but limited Chrimar’s motions to seven pages. JA4710. In the Board’s Final Written Decision in each IPR, the Board found the challenged claims unpatentable and denied the motions to strike. App.87a, App.211a, App.287a-288a, App.384a.

**1. For Both Prior Art Combinations, Respondents Relied on Prior Art Disclosing Something *Other than an Ethernet Network*, and a DC Current Signal Over Something Other than *ECS Pairs***

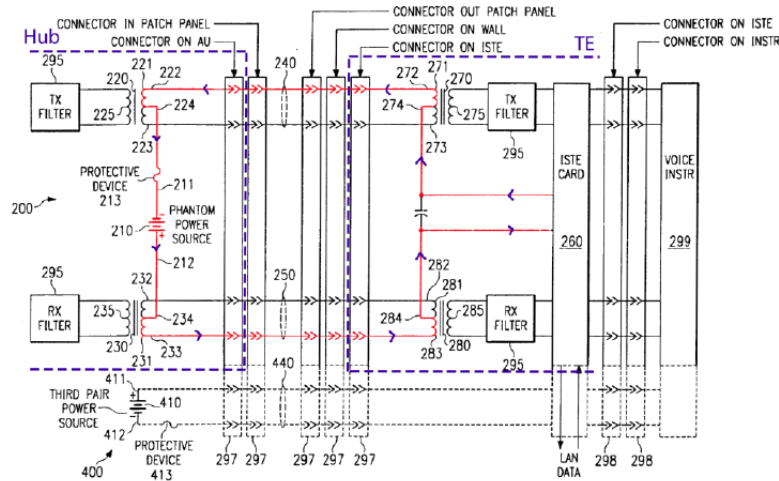
Where Chrimar’s challenged claims require equipment within (1) an Ethernet system that have (2) a DC current signal over ECS pairs, the IPRs raised two Grounds *not* based on (1) an Ethernet system nor (2) a DC current signal over ECS pairs. As the table below summarizes, Ground 1 relied on an isoEthernet system with a path across contacts of an integrated service terminal equipment (“ISTE”), and Ground 2 relied on a telephone system with a path across contacts of a telephone station.

| Reference         | System             | Path                                |
|-------------------|--------------------|-------------------------------------|
| Chrimar Patents   | Ethernet System    | Path across ECS Pairs               |
| Ground 1 (Hunter) | isoEthernet System | Path across ISTE contact pairs      |
| Ground 2 (Bloch)  | Phone System       | Path across telephone contact pairs |

Ground 1 relied on a prior art (“Hunter”) reference, in particular Hunter Figure 2, reproduced below. The

Board found that Hunter Figure 2 shows an isoEthernet system with a current path (illustrated in red) across contacts for an “ISTE [Integrated Services Terminal Equipment] Card.” App.319a-320a (“Hunter’s Figure 2 depicts an ‘isoEthernet system’”); App.314a (red arrows indicate current path across ISTE contacts).

**PETITION FIGURE 1**



JA7967.

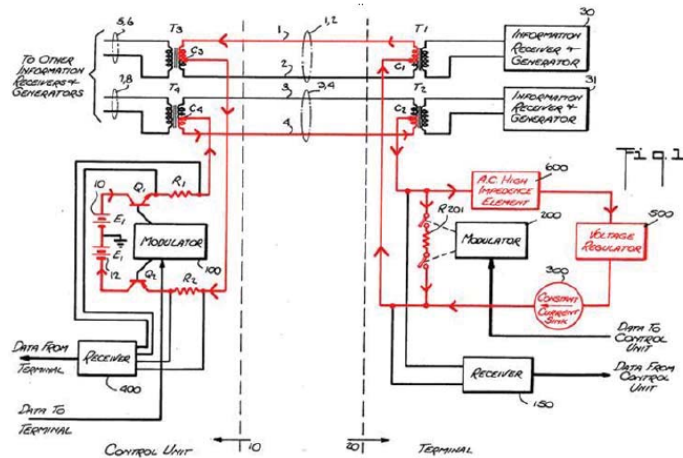
Ground 2 relied on a telephony patent (“Bloch”) disclosing the “phantom power”<sup>3</sup> in a traditional telephone system, combined with an Institute of Electrical and Electronics Engineers (“IEEE”) document describing the standard they created for ordinary, unmodified Ethernet devices. In Bloch, the “phantom power”

<sup>3</sup> Phantom power refers to one device supplying operating power to a remote device over electrical wires normally used for communications signals. “Phantom power” was employed in “old” phone lines; that is why “old” telephones could operate even when the power went out.



delivers a DC current across two contact pairs of a telephone station. JA22284; JA2287. Although neither reference disclosed the claimed ETE with current signal over ECS pairs, Respondents argued that a person of ordinary skill in the art (“ordinary artisan”) would have had reason to apply Bloch’s “phone system” phantom power in an Ethernet system, and would have known how to create the claimed ETE with a DC current signal over its ECS pairs.

**Petition Fig. 6**



JA8003.

## 2. Respondents’ Replies Raised Significant New Evidence, and the Board Relied on the New Evidence

### a. Ground 1 (Hunter isoEthernet System)

The Board found that Hunter Figure 2 shows an isoEthernet system. App.319a-320a. The Board also found that “isoEthernet includes a 10Base-T [Ethernet] mode.” App.321a-322a.

Yet the petitions contained no evidence that an isoEthernet system includes an Ethernet mode that delivered phantom power across ECS pairs of an ETE. The Petitions did not even assert that an isoEthernet system has an Ethernet mode. They contained no analysis of how an isoEthernet system operates; they referenced isoEthernet only five times, all without explanation. JA7966, JA7984. Instead, the petitions asserted that Hunter teaches the claimed ETE because it “teaches Ethernet data signals sent between a central device (herein ‘Hub’) and an Integrated Services Terminal Equipment (‘ISTE’) device over a *10Base-T* bus.” JA7982 (emphasis in original).

After Chrimar explained in its Patent Owner responses that Hunter’s reference to a “10Base-T bus” merely refers to a set of twisted-pair wire, Respondents’ replies substantively addressed an “isoEthernet” system for the first time. The replies offered significant new evidence, and relied on new, never-before-cited portions of submitted evidence. Where the IPR petitions merely quoted Hunter’s references to “isoEthernet,” without explanation, the Replies asserted that “[i]soEthernet, defined by IEEE 802.9a standard, includes both 10Base-T [Ethernet] and ISDN [not Ethernet] modes,” JA10562, and then discussed “isoEthernet” and its application at length. JA10563-10569. The Replies also added a 400+ page exhibit on “isoEthernet®” (Exhibit 1032; JA11171-11607) (and numerous other Exhibits supporting Ground 2, discussed below), and cited a never-before-mentioned section of Exhibit 1010, a 300+ page book. JA7399-7793.

The Board relied heavily on Respondents’ untimely isoEthernet arguments in its decisions. For example,

the Board’s IPR decisions discuss “isoEthernet standards” extensively. *See, e.g.*, App.317a-323a. The Board quoted the Respondents’ reply when it found that “isoEthernet standards . . . teach the ‘Ethernet’ limitation.” App.317a (quoting Reply at 11). The Board also quoted Respondents’ Reply when it found that “Hunter’s Figure 2 depicts an ‘isoEthernet system where ISTE splits isoEthernet data, a combined ISDN and 10Base-T signal, into ISDN data for Voice Instrument 299 and 10Base-T LAN data for other equipment.” App.319a (quoting Reply at 11-12).

#### **b. Ground 2 (Bloch Telephone System)**

For Ground 2, Respondents relied on an old telephone patent’s (Bloch) disclosure of a telephone system with a current path across contacts of a telephone station. JA22287; JA22325. Although Bloch admittedly has nothing to do with Ethernet devices (it predates the Ethernet standard, JA22287-22288), Respondents argued that it could somehow be combined with the generic IEEE specifications for Ethernet to create the inventions of Chrimar’s patents.

Because Bloch had nothing to do with Ethernet, and the Ethernet standards say nothing of Chrimar’s claimed invention, the critical issue for Ground 2 was the reason to combine—*i.e.*, how would an ordinary artisan have created the Chrimar invention merely based on issuing the IEEE standards. *Cf. KSR Intern. Co. v. Teleflex, Inc.*, 550 U.S. 398, 401 (2007) (“A patent composed of several elements is not proved obvious merely by demonstrating that each element was, independently, known in the prior art.”). The petitions devoted a single paragraph to an ordinary artisan’s reasons for combining “Bloch and IEEE 802.3

(-93 and-95)” to create the patented ETE. JA8011-8012. The single paragraph cited a single paragraph from Respondents’ expert report that merely parrots, word for word, the petitions’ single paragraph. JA8011-8012 (citing JA8139-8140 ¶167). The single petition/declaration paragraph refers only once to the actual prior art references in the combination, quoting Bloch for the generic statement that “the inventive circuit arrangement can find application in *many different control units/terminal applications*.” JA8011 quoting JA801 (Bloch) 4:49-52 (emphasis in original).

On the important question of *how* an ordinary artisan would have applied Bloch’s phantom power circuit to ETE’s, the petition/declaration contains only one sentence, which merely asserts the conclusion: “[an ordinary artisan] would understand that Bloch’s phantom power circuit could be used in a 10BASE-T (or 100Base-T) Ethernet network with the Ethernet control and terminal units connected over the same twisted pairs of telephone wire used in the telephone system discussed by Bloch.” JA8011; JA8139-8140 ¶167. The petitions/declaration cite nothing to support this conclusory assertion.

After Chrimar’s responses exposed the weakness of Respondents’ evidence supporting Ground 2, the Respondents’ replies expanded their arguments and evidence even more than in Ground 1. Respondents cited 5 new prior art references, 11 other new exhibits, and 23 new declaration paragraphs.

First, the replies added extensive new prior art. The petitions never asserted that the Bloch+IEEE combination taught delivering operating power via the ECS pairs of an ETE (*i.e.*, Ethernet phantom

power). Yet, the replies argued broadly: “Ethernet Phantom Power Is Prior Art” and cited five new expert declaration paragraphs, which cited four new purported prior art patents. JA3302-3304 (citing JA11869-11871 (Crayford Reply Decl.) ¶¶28-33, citing JA11106-11150 (Exhibits 1025-1028—two Fisher patents and two De Nicolo patents).) And Respondents’ expert cited a fifth new prior art patent elsewhere in his “Reply Declaration.” JA11859 ¶1, JA11862-11863 ¶13 (citing JA11151-11159 (Exhibit 1029—Smith Patent).) The Board relied on Respondents’ new reply argument and evidence. App.61a-62a (citing Fisher patents); App.361a (citing same).

Second, where the petitions contained a single unsupported sentence on “how” an ordinary artisan would have made Chrimar’s inventions from the prior art, Respondents’ replies added an entire section titled “[Ordinary Artisan] Knew How To Implement Grounds 1 [Hunter+Bulan] And 2 [Bloch+IEEE].” JA10554-10555. Respondents’ expert devoted five full paragraphs to this argument that received one sentence in his original declaration. JA11866-11868 ¶¶22-26. Respondents then cited four new exhibits. JA10555 (citing JA11061-11105 (Exhibits 1021-1024)). The Board relied on Respondents new reply arguments and new reply evidence. App.45a (citing JA11866-11868 (Crayford Reply Decl.) ¶¶22-26; App.339a-340a (citing same)).

Finally, in their one paragraph petition argument, Respondents asserted, *without citation*: “Using the phantom pair circuit taught by Bloch in an Ethernet network topology has the obvious benefit of supplying power over the same wires used for the Ethernet communication channel; this eliminates the need to

provide a local power supply for separate conductors and connectors for powering the DTE device.” JA8011 (citing JA8139-8140 ¶167). But in their replies, Respondents created a section titled “The Prior Art Favored Phantom Power” and cited nine brand new exhibits. JA10560 (citing JA11643-11723 (“Fisher,” “De Nicolo,” and Exs. 1036-1042)). Equally important, Respondents’ expert, whose opening declaration devoted a single sentence to this concept, discussed these exhibits at length in over ten paragraphs in his “Reply Declaration.” JA11872-11876 ¶¶36-44; JA11883-11884 ¶¶56-58. Again, the Board relied on Respondents’ new reply argument and evidence. App.342a (citing Crayford Reply Decl. ¶¶36-44 and Exs. 1037 and 1040); App.47a (citing same).

The following table summarizes the extensive new evidence Respondents raised for the first time in their replies.

|   | Petition                                      | Reply: New Evidence                                  |
|---|---|--|
| Ground 1<br>(iso<br>Ethernet<br>System) | No discussion of isoEthernet system operation | Extensive discussion of isoEthernet system operation |
|   | No mention of Ethernet “mode”                 | First assertion of Ethernet “mode”                   |
|   |   | New Exhibit addressing alleged Ethernet “mode”       |

|  | Petition   | Reply: New Evidence  |
|--|--|--|
| Ground 2<br>(Telephone System + IEEE Standard) | One conclusory paragraph on reason to combine                          | 23 new declaration paragraphs  |
|  | One exhibit cited  | 5 new items of prior art; 11 other new exhibits  |
|  | One sentence on “how” ordinary artisan would create patented equipment | Entire Reply section on how ordinary artisan would create equipment, citing 9 new exhibits |

And there is no dispute the evidence was new, as the Board addressed it in connection with Chrimar’s motion to exclude and motion to strike. App.190a-194a, App.204a, App.206a, App.208a-209a.

**C. The Board refused Chrimar’s request to respond to Respondents’ late-raised evidence**

Had Respondents raised their new theories and extensive new evidence in their IPR petitions, Chrimar could and would have responded in its Patent Owner responses under 35 U.S.C. § 316(a)(8). Because Respondents did not, Chrimar could not. Chrimar tried to address the situation by asking the Board to strike the replies/new evidence or grant Chrimar a sur-reply with more evidence, but the Board rejected Chrimar’s request. App.375a-376a.

The Federal Circuit affirmed the decisions of the Board in a summary affirmance under Fed. R. App. P. 36.



## REASONS FOR GRANTING THE PETITION

### A. THE BOARD VIOLATED 35 U.S.C. § 312(a)(3) AND § 316(a)(8), WHEN IT LET RESPONDENTS SUBMIT MASSIVE NEW EVIDENCE AND RAISE NEW THEORIES IN THEIR REPLIES, AND REFUSED CHRIMAR'S REQUEST TO SUBMIT RESPONSIVE EVIDENCE

Under 35 U.S.C. § 312(a), the “Requirements of a Petition” for IPR include:

A Petition filed under Section 311 may be considered only if—

[ \* \* \* ]

(3) the petition identifies, in writing and with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim, including—

- (A) copies of patents and printed publications that the petitioner relies upon in support of the petition; and
- (B) affidavits or declarations of supporting evidence and opinions, if the petitioner relies on expert opinions;. . .



As this Court recently stated, “the petition *must* identify ‘each claim challenged,’ the grounds for the challenge, and the evidence supporting the challenge. § 312(a)(3).” *SAS Institute Inc. v. Iancu*, 138 S.Ct. 1348, 1353 (2018).<sup>4</sup>

The statute also mandates that the Director “prescribe regulations” for a patent owner “response” including “any additional factual evidence.” 35 U.S.C. § 316(a)(8). The statute does not expressly allow reply evidence, but the Board’s rules allow it. 37 C.F.R. § 42.23(b).

The Board violated 35 U.S.C. § 312(a)(3) when it invalidated the challenged claims after the petitioners provided no (in Ground 1) and conclusory (in Ground 2) evidence on critical *prima facie* issues and extensive evidence for the first time in reply. The Board violated 35 U.S.C. § 316(a)(8) when it refused to let Chrimar respond to the massive new reply evidence. The Federal Circuit erred when it affirmed and when it provided no opinion explaining how the Board did not violate 35 U.S.C. § 312(a)(3) and § 316(a)(8). 35 U.S.C. § 144.

Because Respondents relied on Hunter Figure 2, and the Board found that Hunter Figure 2 discloses an “isoEthernet” system, how “isoEthernet” operates is necessarily a significant part of Respondents’ *prima facie* case. Likewise, whether Hunter’s “isoEthernet” includes an Ethernet “mode” with a DC current signal over the ECS pairs of an ETE also goes directly to Respondents’ *prima facie* case. Yet, Respondents presented nothing on these points in their Petitions. The Board violated 35 U.S.C. § 312(a)(3) when it let

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<sup>4</sup> All emphasis is added unless otherwise stated.

Respondents present their *prima facie* case for the first time in their Replies. *See, SAS Institute*, 138 S.Ct. at 1353.

The Board and Federal Circuit likewise violated 35 U.S.C. § 312(a)(3) when they let Respondents add extensive new evidence in their Replies for Ground 2. As explained *supra*, the petitions raised a single conclusory paragraph on a reason to combine for Ground 2, and a single sentence on “how” an ordinary artisan would create the claimed invention. The replies added 5 new items of prior art, 11 other new documents, and 23 new declaration paragraphs on these issues.

The Board violated 35 U.S.C. § 316(a)(8) when it went further and rejected Chrimar’s attempt to submit responsive evidence. For Ground 1, Chrimar had an IEEE document expressly refuting Respondents’ new isoEthernet argument. Chrimar asked to submit the IEEE document, which stated, in 1999 (after the filing date of Chrimar’s patents), “In the 10Base-T [Ethernet] mode of operation remote powering *shall not be supported*.” JA11976 ¶4; JA27033, quoting IEEE 802.9f standard draft. Thus, the isoEthernet system in Hunter could not have had, and did not disclose, an Ethernet phantom power mode of operation as required to render the challenged claims unpatentable. Yet the Board refused to let Chrimar submit that rebuttal evidence.<sup>5</sup>

Finally, the Federal Circuit violated those statutes when it affirmed.

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<sup>5</sup> The Board stated that it did not “exclude any evidence offered by Patent Owner,” App.376a, but that is incorrect. Chrimar made an offer of proof for this dispositive evidence at the oral argument. JA27033.

**B. THE BOARD’S REASONS FOR ALLOWING RESPONDENTS’ EXTENSIVE NEW EVIDENCE AND THEORIES CONFLICT WITH THE STATUTE**

The Board allowed Respondents’ extensive new evidence and argument, relying on 37 C.F.R. § 42.23(b), which states: “All arguments for the relief requested in a motion must be made in the motion. *A reply may only respond to arguments raised in the corresponding opposition, patent owner preliminary response, or patent owner response.*” For Ground 1, the Board allowed Respondents’ new isoEthernet evidence/argument because it was purportedly a proper response to an argument raised by Chrimar. App.374a (“Petitioner’s argument regarding isoEthernet in the Reply properly responds to an argument raised by Patent Owner in the Response. *See* 37 C.F.R. § 42.23(b).”). The Board made the same finding, using the same reasoning, when it allowed Respondents’ extensive new evidence on Ground 2. App.377a-381a. In these findings, the Board effectively analyzed Respondents’ new evidence/argument as if § 42.23(b) creates a “safe harbor,” *i.e.*, evidence/argument raised in Reply is permissible if it “responds to an argument raised by Patent Owner in the Response.”

But 37 C.F.R. § 42.23(b) establishes a prohibition, not a safe harbor. It *prohibits* reply evidence/argument unless it responds to arguments raised in the patent owner response. Where, as here, a Patent Owner identifies failures in a Petitioner’s *prima facie* case, § 42.23(b) does not supersede the statute and does not give the Petitioner license to add new evidence and argument to create, or even buttress, a failed petition. Such a rule would violate 35 U.S.C.

§ 312(a)(3). Under the Board’s broad, “safe-harbor” reading of 37 C.F.R. § 42.23(b), a Petitioner effectively has no limitations under the “safe harbor” view of § 42.23(b)—a Petitioner can justify any amount of new evidence/argument merely by linking it to a Patent Owner’s argument.

This Court has clarified that the statute, not the Board’s rules, control IPR proceedings. As this Court explained in *SAS*: “Start where the statute does. . . . [T]he statute envisions that a petitioner will seek an inter partes review of a particular kind—one guided by a petition describing ‘each claim challenged’ and ‘the grounds on which the challenge to each claim is based.’ § 312(a)(3).” *SAS Institute*, 138 S.Ct. at 1355. “The statutory provisions before us deliver unmistakable commands. The statute hinges inter partes review on the filing of a petition challenging specific patent claims; it makes the petition the centerpiece of the proceeding both before and after institution.” *SAS Institute*, 138 S.Ct. at 1358.

The Board also tried to justify Respondents’ new evidence/argument by pointing to fleeting references in the Petitions. For example, the Board justified Respondents’ new isoEthernet evidence/argument (Ground 1) by quoting (with emphasis) the petitions’ use of the *word* “isoEthernet” when it quoted passages from Hunter. App.373a-374a. It justified Respondents’ new prior art (Ground 2) allegedly teaching Ethernet phantom power, because the petitions baldly asserted that *Hunter* taught phantom power and Ethernet. App.378a-379a (citing JA7961-7963 (relying only on Hunter for allegedly “providing DC power . . . over the same conductors used for Ethernet communica-

tion”)). The statute requires that the *petition* contain all evidence and grounds of the IPR; it does not allow a petitioner to raise new evidence and argument in reply untethered to the evidence and arguments made in the petition. As this Court recognized, the statute states that “the *petition must identify* ‘each claim challenged,’ the grounds for the challenge, and *the evidence supporting the challenge*. § 312(a)(3).” *SAS Institute*, 138 S.Ct. at 1353.

Finally, the Board, in its Final Written Decision, stated that it did not need the evidence Chrimar sought to exclude. *See, e.g.*, App.375a. Whatever value that point may have in the abstract, it cannot justify the Board’s decisions where, as here, the Board cited the evidence that Chrimar challenged. Further, the Board’s decisions allowed new theories and two-dozen new exhibits on the key issues. In that context, statements that the allowed evidence was unnecessary cannot remedy the Board’s clear violation of 35 U.S.C. §§ 312(a)(3) and 316(a)(8).

This matter is unlike the general rule in court cases involving garden variety motions, where a reply can branch out beyond the original motion paper if the response raises a new issue. The Board reviewing an IPR petition should not apply that general procedural court rule. Much more is at stake (*i.e.*, the entire dispositive decision on cancellation of a vested property right). Congress rejected the looser court procedural rules when it required “particularity” in both the “petition” and “the evidence that supports” it. 35 U.S.C. § 312(a)(3). And, while the statute expressly allows a patent owner response to the peti-

tion, 35 U.S.C. § 316(a)(8), it does not statutorily authorize a reply.

**C. THIS IS NOT AN ISOLATED CASE—THE BOARD IMPROPERLY ALLOWS NEW ARGUMENTS IN VIOLATION OF THE STATUTE**

The issue presented is fully percolated and ripe for review and correction. Even the Patent and Trademark Office (“PTO”) recognizes that petitioners often use their replies to make new arguments and present new evidence after the patent owner responds. But, instead of forbidding that practice, as required by statute, it accepts the violation and offers the ineffective remedy of a patent owner sur-reply.

On August 13, 2018 (after the close of briefing on the IPR petitions in this case and just days before oral argument), the PTAB amended its Trial Practice Guide to permit patent owners to file “sur-replies to principal briefs as a matter of right.” [www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/ptab-trial-practice-guide-august-2018](http://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/ptab-trial-practice-guide-august-2018) (last accessed Dec. 12, 2019); 83 Fed. Reg. 156 at 39989 (2018) (republished in November 2019 as a Consolidated Trial Practice Guide, 84 Fed. Reg. 225 at 64280). App.386a. In the new rule, the PTAB expressly acknowledges that a petitioner may “submit[ ] a new expert declaration with its reply,” App.388a-389a, a direct violation of 35 U.S.C. 312(a)(3), which states, “A Petition filed under Section 311 may be considered *only if* . . . [it] identifies . . . with particularity . . . the evidence that supports the grounds for the challenge.”

Rather than prohibiting new issues and new evidence, the Trial Practice Guide allows the Board

to consider such evidence if it wishes: “a reply . . . that raises a new issue or belatedly presents evidence *may* not be considered.” App.388a-389a. The PTO’s actions confirm (1) that the violations of § 312(a)(3) are common, and (2) the PTO’s response is to permit the violations rather than forbid them as required by the statute.



## CONCLUSION

Chrimar asks this Court to reverse the Federal Circuit’s affirmance of the Board’s unpatentability determinations because they conflict with 35 U.S.C. § 312(a)(3) and § 316(a)(8), and lack substantial evidence on a proper record.

Respectfully submitted,

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