

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APOTEX INC. and APOTEX CORP., and
ARGENTUM PHARMACEUTICALS LLC,
Petitioners,
v.
NOVARTIS AG,
Patent Owner.

Case IPR2017-00854¹
Patent 9,187,405 B2

Before LORA M. GREEN, CHRISTOPHER M. KAISER,
and ROBERT A. POLLOCK, *Administrative Patent Judges*.

POLLOCK, *Administrative Patent Judge*.

ORDER
Conduct of the Proceeding
37 C.F.R. § 42.5

¹ Case IPR2017-01550 has been joined with this proceeding.

In response to an August 15, 2017, email communication from Patent Owner, the panel conducted a pre-trial conference with counsel on August 25, 2017, to discuss the five motions set forth in Patent Owner's List of Proposed Motions (Paper 19). Present were Judges Pollock, Kaiser, and Green; Jane Love and Robert Trenchard for Patent Owner, Novartis; Steven Parmelee and Michael Rosato for Petitioner, Apotex. Counsel for Petitioner Argentum did not attend. The call was recorded by a court reporter engaged by the parties, and a transcript will be filed as an exhibit in due course.²

1. Motion to Amend

Patent Owner indicated that it intends to file a motion to amend the claims of the '405 Patent. Having satisfied its obligation under 37 C.F.R. § 121(a) to confer with the Board prior to such filing, Patent Owner may file its Motion to Amend as a matter of right, and in conformance with our rules. 37 C.F.R. § 121; *see also*, *Microsoft Corp. v. Proxyconn, Inc.*, 789 F.3d 1292, 1307–8 (Fed. Cir. 2015) (affirming the Board's denial of a motion to amend claims where the patent owner failed to establish the patentability of the substitute claims over the prior art of record); *MasterImage 3D, Inc. v. RealD Inc.*, Case IPR2015-00040 (PTAB July 15, 2015) (Paper 42) (precedential) (clarifying the scope of prior art to be addressed in the motion); *Idle Free Sys., Inc. v. Bergstrom, Inc.*, Case IPR2012-00027 (PTAB June 11, 2013) (Paper 26) (informative) (setting forth considerations the Board

² This order summarizes the statements made during the conference call. A more detailed record may be found in the transcript.

typically makes when deciding on the motion); *Office Patent Trial Practice Guide*, 77 Fed. Reg. 48756, 48766–67 (Aug. 14, 2012) (Section II.G. Motions to Amend).

2. Motion for Protective Order

Patent Owner indicated that it intends to file a motion for a protective order that differs from our default protective order. According to Patent Owner, the differences are designed to accommodate discovery subject to Swiss privacy laws. Petitioner indicated that it is currently analyzing a draft of Patent Owner’s proposed order. We appreciate that the parties are cooperating in this endeavor and encourage them to reach agreement on a proposed protective order without resort to the Board’s involvement. Parties are reminded that in seeking to protect information under a non-standard protective order, the offering party should file, as an additional exhibit to the motion to seal, a marked-up comparison of the proposed and default protective orders for the Board’s review. *See* IPR2017-00854, Paper 12 (Scheduling Order).

3. Motion to Increase Word Limits

Patent Owner seeks authorization to file a motion to increase the word limits of its Patent Owner’s Response by 439 words because Petitioners used non-standard citation formats that reduced the word count of the Petitions. In accord with Patent Owner’s allegations, the Petitions invoke a non-standard format that omits certain spaces, e.g., “EX1002, ¶10” rather than “Ex. 1002, ¶ 10.” *See, e.g.,* IPR2017-00854, Paper 2, 17. According to Patent Owner, this format decreased the word count of Petitioner Argentum’s Petition by 439 extra words, and somewhat fewer in Petitioner Apotex’s Petition. Patent Owner directs us to the decisions of several panels indicating, for example, that the “use of atypical

citations amounts to formatting tricks designed to avoid the word count limit for petitions set forth in our rules” See, *EMC Corp. v. Intellectual Ventures I LLC*, case IPR2017-00429, 27–29 (PTAB July 5, 2017) (Paper 11). Other than as a tit-for-tat sanction on Petitioners, Patent Owner could not articulate any other purpose for expanding the word limits in its Petition.

Counsel for Petitioner Apotex asserts that its Petition would not exceed the 14,000 word limit permitted under 37 C.F.R. § 42.24(a)(1)(i) even if standard formatting was used. Accordingly, we do not view this as a formatting trick designed to avoid the word count limit.

Considering the allegedly more egregious example, Argentum’s Petition contains a certification under 37 C.F.R. § 42.24(d) attesting that its Petition contains 13,715 words. IPR2017-01550, Paper 1, 67. Presuming that Patent Owner’s calculations are correct, this amounts to 154 words over the allotted 14,000 limit. Given that Argentum substantially copied Apotex’s earlier-filed Petition, we are hesitant to impute nefarious motives to Argentum’s acceptance of the same formatting convention. Nevertheless, rather than further waste judicial resources on this minor matter, Patent Owner may have an additional 154 words for its Patent Owner Response. The parties are strongly encouraged to work these type of minor issues out among themselves rather than resorting to a conference call with the panel.

4. Termination of Ground 3

Patent Owner seeks authorization to file “[a] motion to terminate Ground 3 as outside of 35 U.S.C. § 311 limiting institution of an *inter partes* review to ‘a ground that could be raised under section 102 or 103 and only on the basis of prior

art consisting of patents or printed publications.’” Paper 19. Patent Owner contends that our reliance on *In re Magnum Oil Tools Int’l, Ltd.*, 829 F.3d 1364, 1376 (Fed. Cir. 2016), was distinguishable. *See* IPR2017-00854, Paper 11, 26. Patent Owner further indicated that a motion was necessary because addressing this matter as a jurisdictional issue takes more space than they are willing to give it in the Patent Owner Response.

Patent Owner’s request is denied. As set forth in our Decision on Institution, in accordance with §311, “Petitioner has not challenged the instant claims on any ground other than those that could be raised under sections 102 and 103. Moreover, ascertaining whether an asserted reference qualifies as prior art is integral to our analysis under these sections.” Paper 11, 24. That our analysis may require us to ascertain the priority date of the challenged patent does not exceed our authority under § 311, even where the analysis requires us to consider the adequacy of written description under § 112. *See Bioactive Labs. v. BTG Int’l Inc.*, Case IPR2015-01305 (PTAB Dec. 15, 2015) (Paper 19); *Dr. Reddy’s Labs. v. Galderma Labs.*, Case IPR2015-01778 (PTAB Feb. 16, 2016) (Paper 11).

Patent Owner is welcome to address this issue in its Patent Owner Response.

5. Relief Pursuant to *Oil States*

Patent Owner further seeks a permission to file

A motion to dismiss this proceeding as violating the U.S. Constitution by seeking to extinguish private property rights through a non-Article III forum without a jury or a fair opportunity to be heard, or alternatively a motion to stay this proceeding pending the outcome of review by the U.S. Supreme Court of the *Oil States Energy Services*,

LLC v Greene's Energy Group LLC, cert. granted (from IPR2014-00215) case.

Paper 19, 2. Patent Owner's proposed motion is foreclosed under existing Federal Circuit precedent. *See MCM Portfolio LLC v. Hewlett-Packard Co.*, 812 F.3d 1284 (Fed. Cir. 2015) (holding *inter partes* review does not violate Article III or the Seventh Amendment right to a jury trial). Patent Owner's request is, however, sufficient to preserve this issue for appeal.

Patent Owner's proposed motion to stay these proceedings is also denied because the outcome of the Supreme Court's decision is too speculative to overcome our mandate to "secure the just, speedy, and inexpensive resolution of every proceeding." 37 C.F.R. § 42.1. Moreover, the backlog resulting from a stay of this, and similarly situated cases, would jeopardize the Board's ability to issue final determinations within the statutory mandates of 35 U.S.C. § 316(a)(11).

Accordingly, we enter the following order.

ORDER

ORDERED that Patent Owner has satisfied its obligation under 37 C.F.R. § 121(a) to confer with the Board prior to filing any motion to amend the claims of the '405 patent.

ORDERED that Patent Owner may contact the Board to discuss a non-standard protective order if the parties cannot reach agreement after negotiating in good faith.

ORDERED that the Patent Owner Response may not exceed 14,154 words.

ORDERED that Patent Owner's request to file a motion to terminate Ground 3 as beyond the scope of 35 U.S.C. § 311 is denied.

ORDERED that Patent Owner's request to file a motion to dismiss or stay this proceeding in light of the U.S. Supreme Court's grant of certiorari in *Oil States Energy Servs., LLC v. Greene's Energy Grp., LLC*, 137 S. Ct. 2239, 198 L. Ed. 2d 677 (2017), is denied; Patent Owner's request to file a motion to dismiss is sufficient to preserve this matter for appeal.

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