UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ELYSIUM HEALTH, INC.,
Petitioner

v.

TRUSTEES OF DARTMOUTH COLLEGE,
Patent Owner

Case IPR2017-01795

Patent 8,383,086

PATENT OWNER'S REPLY ON MOTION FOR REHEARING

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Patent Owner Trustees of Dartmouth College ("Dartmouth") submits this reply in support of its Motion for Rehearing (Paper 24). Nothing in Petitioner Elysium Health, Inc.'s ("Petitioner") Response to the Motion (Paper 26) provides any support for the notion that the Supreme Court's decision in *SAS Institute v. Iancu*, 138 S. Ct. 1348 (2018) permits the Board to issue an Institution Decision that contravenes the requirements of 35 U.S.C. § 314 or 37 C.F.R. §§ 42.4 and 42.5. Accordingly, Dartmouth respectfully requests that the Board vacate the Modified Institution Decision (Paper 22).

I. *SAS* DID NOT CHANGE THE STATUTORY REQUIREMENTS FOR INSTITUTION DECISIONS

Petitioner's summary of the "conceptual points that underlie" the *SAS* opinion as they relate to institution decisions is irrelevant to the question of whether the Board's Modified Institution Decision is improper under the applicable statute and regulations. Paper 26, at 5. As Petitioner correctly points out, "*SAS* does not prescribe any particular form for an institution decision." *Id.* at 6. In fact, the holding of *SAS* relates only to the scope of a final written decision, and dictates "[35 U.S.C.] § 318(a) means that the Board *must* address *every* claim the petitioner has challenged." 138 S. Ct. at 1351 (emphasis in original). But, Patent Owner's request for rehearing is based on the Board's violation of ***35 U.S.C. § 314*** and the related regulations relevant to institution decisions.

In its May 22 order of the Conduct of the Proceedings, the Board stated that "the Supreme Court held that a decision to institute under 35 U.S.C. § 314 may not institute on fewer than all claims challenged in the petition." Paper 25, at 2. However, as described above and as Petitioner confirms, the *SAS* holding concerns the scope of final written decisions, which is governed by ***35 U.S.C. § 318(a)***. Accordingly, nothing in *SAS* changes the requirements of 35 U.S.C. § 314 or of 37 C.F.R. §§ 42.4 and 42.5, because those statutes and regulations govern institution decisions. The Modified Institution Decision did not comply with those requirements and should therefore be vacated.

II. 37 C.F.R. § 42.5 DOES NOT AUTHORIZE THE MODIFIED INSTITUTION DECISION

Petitioner incorrectly argues that its entitlement to a final written decision addressing all challenged claims (Paper 26, at 7) permits the Board to issue an order that does not comply with applicable statutes and regulations. It does not. Moreover, Petitioner's argument that it is entitled to a final written decision addressing all challenged claims and grounds does nothing more than suggest that the proper way to address the holding of *SAS* in this proceeding would be to issue a final written decision that includes findings regarding the previously uninstituted claims and grounds (*i.e.*, a finding that claim 2 is not unpatentable over Ground 1 and that the '086 patent claims are not unpatentable over Ground 2).

In any event, although 37 C.F.R. § 42.5(a) gives the Board power to control the proceedings of an *inter partes* review, it also limits such power to circumstances "not specifically covered by this part." Even the case upon which Petitioner relies acknowledges this same limitation by noting that the Board may "control its own proceedings, ***consistent with its governing statutes, regulations***, and practice." *Ariosa Diagnostics v. Verinata Health, Inc.*, 805 F.3d 1359, 1367 (Fed. Cir. 2015). The Modified Institution Decision does not comply with these limitations because it addresses a circumstance (*e.g.*, an institution decision) that is expressly covered by 37 C.F.R. § 42.4. Accordingly, it does not properly fall within the province of 37 C.F.R. § 42.5.

The Modified Institution Decision instead amounts to the institution of a completely new and different trial. Petitioner does not dispute that the Board relied on 35 U.S.C. § 314 in the Modified Institution Decision and that, pursuant to that statutory section, decided whether to institute review of the '086 patent. Because the Modified Institution Decision instituted trial on a new claim and a new ground, it did not comply with the timing and notice requirements of 35 U.S.C. § 314 and 37 C.F.R. § 42.4.

III. PETITIONER'S REMAINING ARGUMENTS ARE IRRELEVANT TO THE RESOLUTION OF DARTMOUTH'S MOTION

Petitioner next accuses Patent Owner of "wreaking havoc" on the other proceedings pending before the Board. Setting aside the extreme nature of this

baseless claim, Petitioner's argument is irrelevant to whether the Modified Institution Decision should be vacated as an abuse of discretion. Petitioner incorrectly claims that Patent Owner is "ignor[ing] entirely the implications of its argument." Paper 26, at 10. To the contrary, Patent Owner acknowledges that the *SAS* decision has and likely will continue to impact many parties that have availed themselves of *inter partes* review proceedings before the Board, but maintains that any orders entered in such proceedings must still comply with the governing statutes and regulations. Petitioner further argues without support that it is Patent Owner's burden to discuss all of the procedural implications of its request, presumably as to all pending proceedings before the Board. Although Patent Owner does not bear such a burden, it also would be unnecessary to do so given the limited scope of relief requested here (*i.e.*, issue an order vacating the Modified Institution Decision). Moreover, Patent Owner never suggested Petitioner's purported outcome that "the whole proceeding requested by the petitioner must be dismissed" (Paper 26, at 10), but has simply requested that Patent Owner not be subject to an improper order.

Similarly, Petitioner's argument regarding prejudice (Paper 26, at 11-12) is irrelevant. The issue of prejudice has no bearing on whether or not the Modified Institution Decision complies with the unambiguous timing and notice requirements of 35 U.S.C. § 314 and 37 C.F.R. § 42.4. Nevertheless, Petitioner's

prejudice argument also ignores that the Modified Institution Decision amounts to institution of a completely new and different review from that previously instituted on the '086 patent. Because the statutes and regulations do not contemplate such a result, the Modified Institution Decision itself is inherently prejudicial to the orderly resolution of the review that existed prior to its entry. But any such prejudice is secondary to the basis for Patent Owner's request, which is that the Modified Institution Decision was an abuse of discretion because it did not comply with 35 U.S.C. § 314 or 37 C.F.R. §§ 42.4 and 42.5.

IV. CONCLUSION

For the foregoing reasons and those in Patent Owner's Motion for Rehearing (Paper 24), Patent Owner respectfully requests that the Board vacate the Modified Institution Decision.

Respectfully submitted,

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§ 42.6(e), the undersigned hereby certifies that a copy of the foregoing PATENT OWNER'S REPLY ON MOTION FOR REHEARING was served on June 4, 2018 by filing this document through the Patent Trial and Appeal Board End to End as well as by delivering a copy via the delivery method indicated to the attorneys of record for the Petitioner as follows:

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