

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE

SPECTRUM SOLUTIONS LLC,
Petitioner,

v.

LONGHORN VACCINES & DIAGNOSTICS, LLC,
Patent Owner.

IPR2021-00847 (Patent 8,084,443 B2)
IPR2021-00850 (Patent 8,293,467 B2)
IPR2021-00854 (Patent 8,669,240 B2)
IPR2021-00857 (Patent 9,212,399 B2)
IPR2021-00860 (Patent 9,683,256 B2)¹

Before KATHERINE K. VIDAL, *Under Secretary of Commerce for
Intellectual Property and Director of the United States Patent and
Trademark Office.*

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

¹ This Order applies to each of the above listed proceedings.

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I. INTRODUCTION

On May 3, 2023, the Board issued a Sanctions Order (Papers 111 (confidential), 113 (public))² entering adverse judgment against Longhorn Vaccines & Diagnostics, LLC (“Patent Owner”) as to the Final Written Decisions (Papers 112 (confidential), 114 (public)) and Patent Owner’s Revised Contingent Motions to Amend (Paper 90) in each of the above captioned cases. Applying adverse judgment in the Final Written Decisions, the Board deemed all challenged claims, as well as all substitute claims proposed in the Revised Contingent Motions to Amend, unpatentable. The Board also found separately that Spectrum Solutions LLC (“Petitioner”) had demonstrated by a preponderance of the evidence that certain challenged claims, as well as certain substitute claims, were unpatentable based on the merits of the asserted grounds of unpatentability.

I initiated *sua sponte* Director Review of the Board’s Final Written Decision. Paper 126, 4. This Order identifies the decisions subject to review and sets forth the schedule for the Director Review process, including setting forth limited issues for briefing. *See* Paper 126, 4; *see also* Revised Interim Director Review Process³ §§ 4(C) (“If Director Review is initiated *sua sponte* by the Director, the parties to the proceeding will be given notice and may be given an opportunity for briefing. If briefing is

² IPR2021-00847, IPR2021-00850, IPR2021-00854, IPR2021-00857, and IPR2021-00860 include similar papers and exhibits. Unless otherwise noted, all citations are to papers and exhibits in IPR2021-00847 as representative. This Order applies equally to all captioned proceedings.

³ Available at www.uspto.gov/patents/ptab/decisions/revised-interim-director-review-process.

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requested, the USPTO will set forth the procedures to be followed.”), 5A(ii)(b) (“Responsive or *amici curiae* briefing may only be submitted if requested by the Director. If a request for either is made by the Director, the USPTO will set forth the procedures to be followed. . . . The Director has discretion to order additional discovery the Director deems necessary to assist the Director in evaluating the issues presented.”).

II. BACKGROUND

A. *The Board’s Sanctions Order*

On May 3, 2023, the Board entered its Sanctions Order granting Petitioner’s Motion for Sanctions (Papers 56 (confidential), 60 (public)) and issuing sanctions of adverse judgment as to all challenged claims and denial of Patent Owner’s Revised Contingent Motions to Amend (Paper 90). Papers 111 (confidential), 113 (public).⁴ The Board “determine[d] that Patent Owner, through its counsel, failed to meet its duty of candor and fair dealing in its actions before the Board” and “selectively and improperly withheld material results that were inconsistent with its arguments and the patentability of both original and proposed substitute claims.” Paper 111, 2; Paper 113, 2. As a result, the Board ordered, in part, (1) “that Patent Owner, through its counsel, has failed to meet its duty of candor and fair dealing in its actions before the Board under 37 C.F.R. § 1.56, § 11.106(c), § 11.303, § 42.11(a), and § 42.51(b)(1)(iii)”; (2) “that Adverse Judgment against Patent Owner under 37 C.F.R. § 42.12 shall be entered in the Final Written

⁴ The Board’s Sanction Order includes a description of the facts leading thereto. *See* Papers 111 (confidential), 113 (public).

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Decisions in each of” the above captioned proceedings; and (3) “that Patent Owner’s Revised Contingent Motion to Amend in each of [the above captioned proceedings] shall be denied with Adverse Judgment being entered in each of the Final Written Decisions.” Paper 111, 59; Paper 113, 59. A separate concurring opinion concluded that an additional sanction, namely providing Petitioner with compensatory expenses, including attorney fees, was warranted under the circumstances. Paper 111, 61–63; Paper 113, 61–63.

B. Director Review

On June 12, 2023, I ordered *sua sponte* Director Review of the Board’s Final Written Decision in each of the above captioned proceedings. The Board’s Final Written Decision incorporates all matters and all orders, including the Board’s Sanctions Order, entered in the proceeding. *See* Revised Interim Director Review Process § 4(B).

On June 23, 2023, Patent Owner emailed the Office: (1) requesting authorization to file a motion to withdraw and substitute counsel, and including a motion for admission *pro hac vice* for Paul M. Schoenhard and a declaration of Mr. Schoenhard in support of the motion for admission *pro hac vice*,⁵ in each of the above captioned proceedings; (2) requesting clarification regarding the period for filing a Notice of Appeal to the Federal Circuit after initiation of *sua sponte* Director Review; and (3) requesting

⁵ The emailed motion for admission *pro hac vice* for Paul M. Schoenhard and declaration in support thereof have been entered as a paper and an exhibit, respectively, in each of the above captioned proceedings. *See* Paper 132; Ex. 3102.

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authorization to submit additional briefing and declaratory evidence to address the Board's Sanctions Order. Ex. 3101, 2–4 (email attaching proposed motions, declaration, request for clarification, and request for authorization).

On June 30, 2023, the Office emailed Patent Owner: (1) authorizing Patent Owner's counsel of record at that time to file the requested motions to withdraw counsel either prior to, or concurrently with, its motions to substitute counsel; (2) notifying Patent Owner that an order for *sua sponte* Director Review is treated like a timely request for rehearing for purposes of 37 C.F.R. § 90.3(b) and, therefore, resets the time for appeal or civil action to no later than sixty-three (63) days after final resolution of the Director Review process;⁶ and (3) reminding Patent Owner that authorization is required prior to submitting any additional briefing and evidence.

Ex. 3101, 1–2.

That same day, Patent Owner notified the Office that it filed Notices of Appeal in each of the above identified proceedings. Ex. 3103 (email attaching Notices of Appeal). Per the Office's emailed instructions, Patent Owner's counsel of record at that time additionally filed Motions for Withdrawal and Substitution of Counsel (Paper 129), updated mandatory notices (Paper 130), and powers of attorney (Paper 131). The Federal Circuit ordered limited remand of Patent Owner's appeals on October 19, 2023. Ex. 3104.

⁶ See Revised Interim Director Review Process § 4(C).

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For the reasons set forth below, I authorize briefing on the specific issues identified below. I additionally grant Patent Owner's Motions for Withdrawal and Substitution of Counsel and Patent Owner's Motions for *Pro Hac Vice* Admission of Paul M. Schoenhard.

III. DISCUSSION

When the Board identifies sanctionable misconduct, the Board retains discretion to enter sanctions including, *inter alia*, “[a]n order providing for compensatory expenses, including attorney fees” or “[j]udgment in the trial.” 37 C.F.R. §§ 42.12(b)(6), (8). Although I agree with the Board's finding that Patent Owner withheld factual evidence, I determine that the Board's sanctions decision and analysis in these cases, which may be the first of its kind, warrants my review.

In particular, the following issues and questions are relevant:

1. When the Board determines that a party has withheld relevant factual evidence during an AIA proceeding, which USPTO regulations are implicated? Do such regulations include 37 C.F.R. § 1.56?
2. When the Board determines that a party has withheld relevant factual evidence during an AIA proceeding, is it an appropriate sanction for the Board to apply adverse judgment in a final written decision to deem claims unpatentable? Is such a sanction proportionate to the harm caused by the party, taking into account the integrity of the patent system? and
3. When the Board determines that a party has withheld relevant factual evidence during an AIA proceeding, what other sanctions are appropriate, either in addition to, or in place of, applying adverse judgment in a final written decision to deem claims unpatentable?

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Both parties shall address these issues in their briefing. The parties may raise new arguments directed only to these issues, but are prohibited from submitting new evidence. Additionally, *amici curiae* are permitted to submit briefing on these issues, as set forth below. Any briefing by *amici curiae* in this case will be considered submitted in each of the above captioned proceedings.

IV. BRIEFING AND SCHEDULE

Petitioner and Patent Owner are authorized to submit initial briefing, limited to the policy issues and questions identified above, of no more than twenty (20) pages, due four (4) weeks after the entry date of this order.

Additionally, *amici curiae* are authorized to submit a brief to Director_PTABDecision_Review@uspto.gov, limited to the issues and questions identified above, of no more than twenty (20) pages and due four (4) weeks after the entry date of this order. Amici are not authorized to submit evidence. The Board will enter compliant *amicus curiae* briefs into the record. See Revised Interim Director Review Process § 5(A)(ii)(b) (“Any amicus brief submitted by a party with whom the Director has a conflict will be struck. This process is consistent with Federal Rule of Appellate Procedure 29(a)(2) as adopted by the United States Court of Appeals for the Federal Circuit.”).

Petitioner and Patent Owner are further authorized to file responsive briefing of no more than twenty (20) pages, due two (2) weeks after the date on which Patent Owner and Petitioner, as appropriate, files its initial briefing. The parties may also respond to any *amicus curiae* briefing in their responsive briefs.

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All evidence cited in each party's briefs shall be referenced by existing exhibit number. *See* Revised Interim Director Review Process § 3(E) ("The Director will not consider new evidence or new arguments not part of the official record. . . . Subject to authorization by the Director, . . . exceptions regarding new evidence or arguments may be warranted in cases addressing issues of first impression or issues involving intervening changes in the law or USPTO procedures, guidance, or decisions."). No new evidence is permitted.

V. PATENT OWNER'S MOTIONS FOR WITHDRAWAL AND SUBSTITUTION OF COUNSEL

As described above, Patent Owner filed Motions for Withdrawal and Substitution of Counsel in each of the above captioned proceedings. Paper 129. Patent Owner's Motions request withdrawal of lead counsel, Elliott Williams, and back-up counsels Matthew Smith, James Remenick, and Nathan Brunette, in these proceedings. *Id.* at 2. Patent Owner further moves to designate Nicole M. Jantzi as lead counsel and Paul M. Schoenhard as back-up counsel in these proceedings. *Id.* Patent Owner states that Petitioner does not oppose Patent Owner's Motions for Withdrawal and Substitution of Counsel in these proceedings. *Id.*

Patent Owner's motions assert its "new lead counsel meets the requirements of 37 C.F.R. § 42.10(c) as a registered practitioner, and Patent Owner's new back-up counsel has filed a motion for *pro hac vice* admission concurrently herewith."⁷ Paper 129, 2–3. Patent Owner's motions further

⁷ I address below Patent Owner's motion for admission *pro hac vice* for Paul M. Schoenhard.

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represent that, “[i]n designating Patent Owner’s chosen counsel as new lead counsel, reasonable steps have been taken to avoid foreseeable prejudice to the rights of the client.” *Id.* at 3 (citing 37 C.F.R. § 10.40(a)). Concurrently, Patent Owner submitted powers of attorney and updated mandatory notices identifying Nicole M. Jantzi as lead counsel and Paul M. Schoenhard as back-up counsel in each of the above captioned proceedings. Papers 130, 131.

Upon consideration of the above, Patent Owner’s Motions for Withdrawal and Substitution of Counsel are *granted*.

VI. PATENT OWNER’S MOTIONS FOR *PRO HAC VICE*
ADMISSION OF PAUL M. SCHOENHARD

As described above, Patent Owner’s emailed Motions for *Pro Hac Vice* Admission of Paul M. Schoenhard and Declarations of Paul M. Schoenhard in Support of the Motions for *Pro Hac Vice* Admission have been entered into each of the above captioned proceedings.⁸ Paper 132; Ex. 3102. Patent Owner represents that Petitioner does not oppose the motions. Paper 132, 2.

Pursuant to 37 C.F.R. § 42.10(c), I may recognize counsel *pro hac vice* during a proceeding upon a showing of good cause. In authorizing a motion for *pro hac vice* admission, the Board requires the moving party to provide a statement of facts showing there is good cause for the Board to recognize counsel *pro hac vice* and an affidavit or declaration of the

⁸ Once Patent Owner’s substitute counsel are entered into P-TACTS, Patent Owner must pay the *pro hac vice* fee for each of the above captioned proceedings. *See* 85 Fed. Reg. 46932, 46947.

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individual seeking to appear in the proceeding. *See Unified Patents, Inc. v. Parallel Iron, LLC*, IPR2013-00639 (PTAB Oct. 15, 2013) (Paper 7) (representative “Order – Authorizing Motion for *Pro Hac Vice* Admission”).

Based on the facts set forth in Patent Owner’s motions and the accompanying declarations, I conclude that Mr. Schoenhard has sufficient legal and technical qualifications to represent Patent Owner in this proceeding, that Mr. Schoenhard has demonstrated sufficient litigation experience and familiarity with the subject matter of this proceeding, and that Mr. Schoenhard meets all other requirements for admission *pro hac vice*. *See* Ex. 3102 ¶¶ 1–8. Accordingly, Patent Owner has established good cause for *pro hac vice* admission of Mr. Schoenhard.

Accordingly, Patent Owner’s Motions for Admission *Pro Hac Vice* of Paul M. Schoenhard are *granted*.

VII. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Director Review of the Board’s Final Written Decision is limited to the Board’s Sanctions Order (Papers 111 (confidential), 113 (public));

FURTHER ORDERED that Petitioner and Patent Owner may submit initial briefing, which shall be limited to the issues and questions identified above, shall be filed within four (4) weeks of this Order, and shall be limited to twenty (20) pages;

FURTHER ORDERED that *amici curiae* may submit briefing to Director_PTABDecision_Review@uspto.gov, which shall be limited to the

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issues and questions identified above, shall be filed within four (4) weeks of this Order, and shall be limited to twenty (20) pages;

FURTHER ORDERED that no new evidence is permitted;

FURTHER ORDERED that Petitioner and Patent Owner may submit responsive briefing, which shall be filed within two (2) weeks of the date on which Patent Owner or Petitioner, as appropriate, files its initial briefing and shall be limited to twenty (20) pages;

FURTHER ORDERED that Patent Owner's Motions for Withdrawal and Substitution of Counsel are *granted*;

FURTHER ORDERED that Patent Owner's Motions for Admission *Pro Hac Vice* of Paul M. Schoenhard are *granted*;

FURTHER ORDERED that Patent Owner continue to have a registered practitioner represent it as lead counsel for the instant proceedings, but that Mr. Schoenhard is authorized to act as back-up counsel;

FURTHER ORDERED that Mr. Schoenhard comply with the Patent Trial and Appeal Board's Consolidated Trial Practice Guide⁹ (84 Fed. Reg. 64,280 (Nov. 21, 2019)), and the Board's Rules of Practice for Trials, as set forth in Part 42 of Title 37, Code of Federal Regulations; and

FURTHER ORDERED that Mr. Schoenhard is subject to the Office's disciplinary jurisdiction under 37 C.F.R. § 11.19(a), and the USPTO Rules of Professional Conduct set forth in 37 C.F.R. §§ 11.101 *et seq.*

⁹ Available at www.uspto.gov/TrialPracticeGuideConsolidated.

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FOR PETITIONER:

Joseph F. Jennings
Ali S. Razai
Paul N. Conover
Benjamin B. Anger
KNOBBE MARTENS, OLSON & BEAR, LLP
2jfy@knobbe.com
2azr@knobbe.com
paul.conover@knobbe.com
2bba@knobbe.com

FOR PATENT OWNER:

Nicole M. Jantzi
Paul M. Schoenhard
FRIED, FRANK, HARRIS, SHRIVER & JACOBSON LLP
nicole.jantzi@friedfrank.com
paul.schoenhard@friedfrank.com

Elliot J. Williams
STOEL RIVES, LLP
elliott.williams@stoel.com

Matthew Smith
James Remenick
REMENICK PLLC
msmith@remenicklaw.com
mail@remenicklaw.com