

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MOTOROLA MOBILITY LLC,
Petitioner,

v.

INTELLECTUAL VENTURES II LLC,
Patent Owner.

Case IPR2014-00504
Patent 7,382,771 B2

Before MICHAEL KIM, PATRICK R. SCANLON, and
KRISTINA M. KALAN, *Administrative Patent Judges*.

SCANLON, *Administrative Patent Judge*.

DECISION
Denying Patent Owner's Request for Rehearing
37 C.F.R. § 42.71

I. INTRODUCTION

Petitioner, Motorola Mobility LLC, filed a Revised Petition (Paper 4) requesting *inter partes* review of claims 1–4, 7, and 18 of U.S. Patent No. 7,382,771 B2 (Ex. 1001). Patent Owner, Intellectual Ventures II LLC, filed a Preliminary Response (Paper 7) opposing institution of review. We subsequently issued a Decision on Institution, instituting an *inter partes* review as to claims 1 and 2 under 35 U.S.C. § 102(e) as anticipated by Boehm; claims 1, 3, 4, 7, and 18 under 35 U.S.C. § 103(a) as unpatentable over Mitchell and Boehm; and claims 1–4 and 18 under 35 U.S.C. § 103(a) as unpatentable over Veeck, Boehm, and Mitchell. Paper 12, 20. We did not institute an *inter partes* review on any of the other grounds set forth in the Petition. *Id.*

After a trial, and pursuant to 35 U.S.C. § 317, we issued a Final Written Decision concluding that claims 1–4, 7, and 18 were unpatentable on the grounds as asserted and instituted. Paper 46; Paper 47. The Final Written Decision was appealed by Patent Owner to the United States Court of Appeals for the Federal Circuit. *See* Paper 49. The Federal Circuit vacated our determination as to all claims and remanded for further consideration. *Intellectual Ventures II LLC v. Motorola Mobility LLC*, No. 2016-1361 (Fed. Cir. May 31, 2017).

On July 13, 2018, a telephone conference call was held with respective counsel for the parties to discuss Petitioner’s request (Petitioner’s Request”) that the Board institute on remand all grounds in the Petition that were not previously instituted in view of the U.S. Supreme Court’s recent decision in *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348 (2018). On July 31, 2018, the panel entered an Order (the “SAS Order”) that modified the

Decision on Institution to include review of all challenged claims and all grounds presented in the Petition, in accordance with the SAS decision. Paper 54.

On August 14, 2018, Patent Owner requested rehearing of the SAS Order. Paper 57 (“Rehearing Request” or “Reh. Req.”). For the reasons set forth below, Patent Owner’s Rehearing Request is *denied*.

II. STANDARD OF REVIEW

A party requesting rehearing bears the burden of showing the decision should be modified. 37 C.F.R. § 42.71(d). In particular, “[t]he request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.” *Id.*

III. ANALYSIS

Patent Owner’s Rehearing Request sets forth four primary arguments. Reh. Req. 1–15. We address each argument below.

A. Assertion the Board Misapprehended the Nature of Petitioner’s Request

In the SAS Order, we found Patent Owner’s argument that Petitioner’s Request was akin to a request for reconsideration¹ unpersuasive because Petitioner’s Request was “not based on any matter it asserts the Board misapprehended or overlooked; rather, the request is based on the significant change in the law resulting from SAS.” Paper 54, 5. Patent Owner argues that this determination is incorrect. Reh. Req. 1. In particular, Patent Owner

¹ We understand Patent Owner’s references to a “request for reconsideration” to refer to a request for rehearing as set forth in 37 C.F.R. § 42.71(d).

argues that Petitioner’s Request necessarily relies on an assertion—made “at least implicitly”—that our Decision on Institution “misapprehended the statutory requirement to make ‘a binary choice—either institute review or don’t.’” *Id.* at 1–2 (quoting *SAS*, 138 S. Ct. at 1355).

That there was a statutory requirement of a “binary choice,” however, was not clear until the Supreme Court rendered the *SAS* decision earlier this year. As such, the Board could not have overlooked or misapprehended this statutory requirement when our Decision on Institution was issued in 2014. Thus, we do not agree that Petitioner necessarily made an implicit assertion that our Decision on Institution misapprehended this statutory requirement. Nor do we agree that Petitioner’s Request relied on an explicit assertion that the Board misapprehended the statutory requirement. Rather, the record indicates that the *SAS* decision was the explicit basis for Petitioner’s Request. *See* Ex. 2041, 4:7–5:7 (arguing that *SAS* and subsequent Federal Circuit decisions make clear that the Board should consider on remand all grounds that were asserted in the Petition).

Patent Owner also argues that “[t]he Board’s contention that [Petitioner’s Request] is ‘based on the significant change in the law resulting from *SAS*’ misapprehends that doctrine.” *Reh. Req. 2*. Patent Owner, however, does not explain adequately how the Board misapprehended the “doctrine.” Instead, Patent Owner argues

[i]n essence, *SAS* reset the clock, giving [Petitioner] another chance to request reconsideration of the Board’s partial institution decision. But the fundamental nature of [Petitioner’s Request] remains the same as if [Petitioner] had made the request in 2014. [Petitioner] requested that the Board reconsider its original partial institution decision and instead institute on all grounds.

Id.

This argument is based on the erroneous position that Petitioner's Request is fundamentally the same as a hypothetical request for rehearing timely made after the Decision on Institution. As noted above, such a hypothetical request for rehearing would have to have been based on something the Board misapprehended or overlooked in the Decision on Institution, while Petitioner's Request was based on SAS. Rather than merely "resetting the clock" to allow Petitioner to request rehearing of the Decision on Institution at this stage of the proceeding, SAS held that, if instituted, an *inter partes* review must proceed in accordance with or in conformance to the petition. SAS, 138 S. Ct. at 1355. Thus, the basis of Petitioner's Request differs fundamentally from the basis of the hypothetical rehearing request, even though the desired outcome (i.e., institution on all claims and all grounds) is the same.

For the above reasons, we are not persuaded that the Board misapprehended the nature of Petitioner's Request.

B. Assertion the Board Misapprehended or Overlooked Office Policy Regarding the Timeliness of Petitioner's Request

Patent Owner argues that "[b]ecause the Board misapprehended that [Petitioner] requested reconsideration of the Board's partial institution decision, the Board also misapprehended the weight that should be given to expressions of Board policy regarding the timeliness of such a request." Reh. Req. 3. According to Patent Owner, "because [Petitioner's Request] was, in fact, a request for reconsideration, the Board should have considered the 30-day rule [of 37 C.F.R. § 42.71(d)(2)] to be highly analogous and probative of whether a post-SAS request for reconsideration is timely." *Id.*

This argument is not persuasive because, for the reasons discussed above, we disagree that the Board misapprehended the nature of Petitioner's Request or that Petitioner's Request was a request for rehearing.

Patent Owner further argues that “[t]he Board also misapprehended or overlooked the Director’s expressly stated position that a ‘motion requesting remand for consideration of non-instituted grounds is untimely’ when the requesting party ‘waited nearly two months after the SAS decision to seek relief.’” *Id.* at 4 (quoting *BioDelivery Scis. Int’l v. Aquestive Therapeutics, Inc.*, Nos. 2017-1265, 2017-1266, & 2017-1268, 2018 WL 3625151, at *3 (Fed. Cir. July 31, 2018)).

In *BioDelivery Sciences*, BioDelivery filed three petitions for *inter partes* review of the challenged patent. *BioDelivery Scis.*, 2018 WL 3625151, at *1. In the first proceeding, the Board instituted *inter partes* review based on less than all asserted grounds and on less than all challenged claims. *Id.* In the second and third proceedings, the Board instituted *inter partes* review based on less than all asserted grounds but did institute on all challenged claims. *Id.* After the Board issued final written decisions in each proceeding, BioDelivery appealed each decision to the Federal Circuit. *Id.* Nine days after SAS was decided, BioDelivery requested the Federal Circuit remand the final decision in the first proceeding to consider the patentability of the non-instituted claims. *Id.* at *2. BioDelivery made a second request for SAS-based relief (presumably in connection with the second and third proceedings) soon after the Federal Circuit began ordering remands when the Board considered less than all asserted *grounds*, explaining that such requests were appropriate in view of

SAS.² *Id.* at *3. The Director, who had intervened, argued “that BioDelivery’s motion requesting remand for consideration of non-instituted grounds is untimely.” *Id.*

We are not persuaded that this argument necessarily reflects the “Director’s expressly stated position” regarding the timeliness of a request for remand to consider non-instituted grounds, as Patent Owner asserts. First, it is difficult to assess the full nature of the Director’s argument because the brief containing this argument has not been entered into the record. The discussion of the Director’s argument in the *BioDelivery Sciences* decision does not discuss the argument in detail and is insufficient to persuasively establish that the argument is necessarily Office policy. *See id.*

Second, Patent Owner does not explain adequately why the Director’s argument, which pertained to the particular facts in *BioDelivery Sciences*, would represent Office policy regarding the timeliness of Petitioner’s Request.³ *BioDelivery Sciences* involves requests to remand appeals before the Federal Circuit to the Board for further consideration in view of SAS, while Petitioner’s Request is a request for the Board to institute on non-instituted grounds in a proceeding that has already been remanded to the Board.

² It appears that this second request was made on June 19, 2018, slightly less than two months after SAS was decided. *See BioDelivery Scis.*, 2018 WL 3625151, at *3 (noting that ECF No. 91 was dated June 19, 2018).

³ Indeed, Patent Owner concedes that “the Federal Circuit rejected the Director’s position based on procedural facts uniquely applicable to a motion for remand filed in the Federal Circuit, but which are not applicable . . . here.” Reh. Req. 4.

Third, even if the discussion of the Director’s argument in the *BioDelivery Sciences* decision could have been considered Office policy at the time of the filing of the Director’s brief, Patent Owner has not shown sufficiently that it continued to be Office policy as of the date of its brief.

Last, even if the Director’s argument represents a “position” applicable to the timeliness of Petitioner’s Request, Patent Owner does not point to any evidence that this “position” was made public prior to *BioDelivery Sciences* being decided on July 31, 2018. We could not have misapprehended or overlooked a position that was not public when the SAS Order was issued.

In sum, we are not persuaded that the Board misapprehended or overlooked Office policy regarding the timeliness of Petitioner’s Request.

C. Assertion the Board Misapprehended the Need to Construe its Regulations in view of 37 C.F.R. § 42.1(b)

In the SAS Order, we determined that Patent Owner’s argument that the Board must consider the policy of securing a just, speedy, and inexpensive resolution, as set forth in 37 C.F.R. § 42.1(b), was unpersuasive because “the policy of securing a speedy resolution is outweighed by the Supreme Court’s directive that the Board make ‘a binary choice—either institute review or don’t.’” Paper 54, 6 (citing *SAS*, 138 S. Ct. at 1355). Patent Owner argues our reasoning suggests we misunderstood Patent Owner’s argument. Reh. Req. 6. Patent Owner further argues that we ignored a significant portion of the argument, namely “that the Board should construe IPR rules, partially in view of 37 C.F.R. § 42.1(b), to include a reasonable timeliness requirement for requesting reconsideration in view of *SAS*.” *Id.* at 7. According to Patent Owner, “the Board effectively held that there is **no** deadline by which a party may request reconsideration in view of

SAS,” and the Board failed to conduct an analysis of what the deadline should be “for requesting reconsideration in view of SAS.” *Id.*

Contrary to Patent Owner’s assertions, we did consider the policy of securing a just, speedy, and inexpensive resolution and did not ignore any portion Patent Owner’s argument. Our determination that this policy (which is applicable to construing Board Rules) is outweighed by the Supreme Court’s SAS decision interpreting the statute does not mean that we overlooked or ignored the policy. Furthermore, we determined in the SAS Order that Petitioner’s Request was timely given the circumstances of this case. *See* Paper 54, 5 (“we are not persuaded that Petitioner was required to make its request within 30 days of SAS,” as asserted by Patent Owner). Thus, a determination of the particular time at which such a request would have been untimely was not necessary for deciding Petitioner’s Request.

In addition, noting that 35 U.S.C. § 316(a)(11) requires “the final determination in an inter partes review be issued not later than 1 year after the date on which the Director notices the institution of a review under this chapter” (unless extended for good cause), Patent Owner argues that the Board’s obligation to promptly adjudicate patentability challenges weighs in favor of finding Petitioner’s Request untimely in this case. *Reh. Req.* 8. According to Patent Owner, “the paper designated ‘Final Written Decision’ (Paper 46) is not a statutory ‘final written decision with respect to the patentability of any patent claim challenged by the petitioner’ under 35 U.S.C. § 318(a),” such that “no ‘final determination’ of this IPR issued within the mandatory time period required by 35 U.S.C. § 316(a)(11), in violation of [Patent Owner’s] statutory and due process rights.” *Id.* at 9.

We disagree that our Final Written Decision (Paper 46), which issued within the one-year statutory period, is not a “final written decision” in accordance with 35 U.S.C. § 318(a). Patent Owner’s position appears to be that our Final Written Decision is not a “final determination” because this proceeding is still pending past the one-year statutory period. Such a position is flawed, however, because the reason this proceeding is still pending is that the Final Written Decision was appealed to the Federal Circuit and subsequently remanded, as noted above. We do not agree that a party’s statutory and due process rights can be violated solely because a final written decision is appealed, a right provided expressly by 35 U.S.C. § 319.

To the extent Patent Owner is asserting that our Final Written Decision is not a “final written decision” in accordance with 35 U.S.C. § 318(a) because it did not address all challenges asserted in the Petition, we note that such a position would be inconsistent with Federal Circuit precedent at the time the Final Written Decision was issued (i.e., prior to *SAS*). See *BioDelivery Scis.*, 2018 WL 3625151, at *3 (indicating “any attempt to argue against partial institution [prior to *SAS*] would have been futile under the Board’s regulations and our precedent” (quoting *Polaris Indus. Inc., v. Arctic Cat, Inc.*, 724 F. App’x 948, 950 (Fed. Cir. 2018))).

*D. Assertion the Board Misapprehended or Overlooked its
Statutory Obligation to Reevaluate the Petition’s Compliance
with 35 U.S.C. § 312(a) in view of SAS*

Patent Owner argues that “[t]he Board also misapprehended or overlooked express statutory requirements that the Board was obligated to assess before considering the Petition for re-institution.” Reh. Req. 10 (citing 35 U.S.C. § 312(a)). Specifically, Patent Owner argues “the Petition fails to meet the **particularity** requirement [of 35 U.S.C. § 312(a)(3)] at least

with respect to the multiple grounds identified on pages 47–59 of the Petition” because of the “vague formulation” (i.e., Veeck in view of Kellerer, Boehm, and/or Mitchell). *Id.* at 12. Patent Owner, however, does not identify where this “matter was previously addressed in a motion, an opposition, or a reply,” as required by 37 C.F.R. § 42.71(d). We could not have misapprehended or overlooked something that was not presented previously. A Request for Rehearing is not an opportunity to raise new arguments against a petition. To the extent Patent Owner believes the grounds newly instituted in the SAS Order lack sufficient particularity under 35 U.S.C. § 312(a)(3), it can make such arguments in its supplemental briefing.

E. Suggestion for Expanded Panel

Patent Owner suggests an expanded panel may be required because of the following two significant issues presented in this Rehearing Request:

(1) how long a party may wait, after a significant change in law or Board policy, to request reconsideration of a previously decided issue in view of the change in law or Board policy; and (2) whether the Board must reevaluate whether the Petition as a whole complies with 35 U.S.C. § 312(a) in view of SAS before re-instituting an IPR that was partially instituted before SAS.

Reh. Req. 15.

Our governing statutes and regulations do not provide for parties to request, or panels to authorize, an expanded panel. *See generally* 35 U.S.C. § 6; 37 C.F.R. §§ 41.1–42.412. The Chief Judge may consider panel expansions upon a “suggestion” from a judge, panel, or party. PTAB SOP 1, 15; *see also Apple Inc. v. Rensselaer Polytechnic Inst.*, Case IPR2014-

00319, slip op. at 2 n.1 (PTAB Dec. 12, 2014) (Paper 20) (expanded panel) (per curiam).

The standard operating procedure exemplifies some of the reasons for which the Chief Judge may expand a panel. PTAB SOP 1, 15 (§ III.M). For example, the Chief Judge may expand a panel “where appropriate, to secure and maintain uniformity of the Board’s decisions, e.g., in related cases ordinarily involving different three judge panels.” *Id.* (§ III.M.1).

In this case, the acting-Chief Judge has considered Patent Owner’s suggestion for an expanded panel, but has determined that an expanded panel is not warranted.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Patent Owner’s Rehearing Request is *denied*.

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