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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INTERNATIONAL BUSINESS MACHINES CORPORATION,
Petitioner,

v.

INTELLECTUAL VENTURES II, LLC,
Patent Owner.

Case IPR2014-00587
Patent 6,826,694 B1

Before JAMES T. MOORE, MEREDITH C. PETRAVICK, and BENJAMIN D. M. WOOD, *Administrative Patent Judges*.

PETRAVICK, *Administrative Patent Judge*.

DECISION ON REQUEST FOR REHEARING
37 C.F.R. § 42.71(d)

I. BACKGROUND

On September 29, 2015, International Business Machines Corporation ("Petitioner") filed a Request for Rehearing (Paper 55 ("Req.")) asking the Board to reconsider its Final Written Decision (Paper 54 ("Dec.")).

In the Final Written Decision, we determined that Petitioner failed to demonstrate by a preponderance of the evidence that claim 1 of U.S. Patent

No. 6,826,694 B1 ("the 694 patent") is unpatentable over Hughes[1] and Abraham[2] because Hughes and Abraham are not prior art. Dec. 19. Hughes and Abraham would qualify under prior art only under 35 U.S.C. §§ 102(a) or 102(e). *Id*. at 11–12. Patent Owner sought to disqualify Hughes and Abraham as prior art by demonstrating that the claimed invention of the '694 patent was actually reduced to practice "at least as early as early 1996 but no later than June 11, 1996," which is prior to the filing dates of Hughes and Abraham. *Id*. Patent Owner proffered a declaration of inventor Mr. Partha Dutta, a set of AT&T documents, and a declaration of non-inventor Dr. Dalibor Vrsalovic as evidence. *Id*. at 13. After weighing all of the evidence and taking into account Petitioner's arguments, we determined that the evidence sufficiently established that the claimed invention was reduced to practice "at least as early as early 1996 but no later than June 11, 1996." *Id.* at 18.

In Petitioner's Reply, Petitioner argued that, contrary to Patent Owner's evidence, the claimed subject matter could not have been reduced to practice by June 11, 1996. Paper 37, 11–12 ("Pet. Reply"). The '694 patent has three named inventors, Mr. Partha Dutta, Mr. Mahesh Kumar, and Dr. Michah Lerner. Ex. 1004, 1. Mr. Dutta, Mr.Kumar, and Dr. Lerner were all employed by AT&T as part of the GeoPlex project, and Mr. Dutta testified that the claimed subject matter was one part of the GeoPlex project. *See* Dec. 13–14. Petitioner alleged that Mr. Kumar was not employed at AT&T until July 1997 and, thus, argued that the claimed invention could not have been conceived or reduced to practice earlier than July 1997. Pet.

[1] Hughes et al., U.S. Patent No. 5,842,040 (issued Nov. 24, 1998)(Ex. 1006).
[2] Abraham et al., U.S. Patent No. 5,983,270 (issued Nov. 9, 1999)(Ex. 1007).

Reply 11–12. We were not persuaded by this argument because "the discrepancy between Mr. Kumar's alleged date of employment and the alleged date of reduction to practice may be the result of an error in ascribing inventorship, and is not persuasive evidence that the claimed subject matter could not have been reduced to practice in 1996." Dec. 17–18.

In the Request for Rehearing, Petitioner argues that we "overlooked the factual and legal argument showing that IV's argument regarding inventorship was both (i) unsupported by clear and convincing evidence and (ii) improperly raised." Req. 2. We have considered Petitioner's request but decline to modify our Decision for the reasons given below.

II. ANALYSIS

A. Standard of Review

When rehearing a decision on petition, the Board will review the decision for an abuse of discretion. *See* 37 C.F.R. § 42.71(c). An abuse of discretion may be determined if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors. *See Arnold Partnership v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004). "The burden of showing a decision should be modified lies with the party challenging the decision." 37 C.F.R. § 42.71(d).

B. Analysis

Petitioner argues that "the panel overlooked that it is not sufficient to find that IV's argument [regarding the discrepancy with Mr. Kumar's date of

employment] ***may*** be true, because IV must prove misjoinder of an inventor by clear and convincing evidence." Req. 2–4.

Petitioner's argument is unpersuasive. As Petitioner acknowledges, Req. 4, it bears the ultimate burden of persuasion, by a preponderance of the evidence, that Hughes and Abraham are prior-art references, which includes, in this case, the burden of showing that IV is not entitled to an invention date earlier than Hughes's and Abraham's earliest effective filing dates. This means that "if the fact trier of the issue is left uncertain, the party with the burden loses." *Dynamic Drinkware, LLC v. National Graphics, Inc.*, 800 F.3d 1375, 1379 (Fed. Cir. 2015) (internal citation and quotation marks omitted). In contrast, Patent Owner bears a "second and distinct burden," the burden of production or of "going forward with the evidence," that it is entitled to an earlier invention date. *See id.* The burden of production "may entail producing additional evidence and presenting argument based on new evidence or evidence already of record." *Id*. (internal quotation marks omitted).

Patent Owner's defense to the alleged ground of unpatentability was to disqualify Hughes and Abraham as prior art by producing evidence that the claimed subject matter was reduced to practice no later than June 11, 1996. *See* Paper 29, 33–54. Patent Owner proffered Mr. Dutta's declaration, Dr. Vrsalovic's declaration, and the AT&T documents to meet its burden of production. *See id.* We weighed all of Patent Owner's evidence, as well as Petitioner's evidence and arguments, and determined that Petitioner did not persuade us that Hughes and Abraham were prior-art references. *See* Dec. 11–19.

Petitioner raised the issue of Mr. Kumar's date of employment in the Petitioner's Reply in an attempt to rebut Patent Owner's evidence of prior

inventorship. Pet. Reply 11–12. Petitioner argued that the alleged discrepancy with Mr. Kumar's date of employment *ipso facto* established that the date of conception and the reduction to practice of the subject matter of claim 1 of the '694 patent could not have occurred prior to July 1997. *Id.* In essence, Petitioner argued Mr. Kumar's alleged date of employment outweighs all of Patent Owner's evidence and necessarily leads to the conclusion that the date of conception and the reduction to practice of the subject matter of claim 1 of the '694 patent could not have occurred prior to July 1997.

Petitioner's argument was and remains unpersuasive because, as we determined in our decision, "the discrepancy between Mr. Kumar's alleged date of employment and the alleged date of reduction to practice may be the result of an error in ascribing inventorship, and is not persuasive evidence that the claimed subject matter could not have been reduced to practice in 1996." Dec. 17–18. We are also not persuaded that Patent Owner was required to prove by clear and convincing evidence that Mr. Kumar was misjoined as an inventor of the '694 patent in order to meet its burden of going forward with evidence of prior invention. The clear-and-convincing-evidence standard applies to burdens of persuasion, not to burdens of production. *See Dynamic Drinkware*, 800 F.3d at 1378 ("The burden of persuasion is the ultimate burden assigned to a party who must prove something to a specified degree of certainty, such as by a preponderance of the evidence *or by clear and convincing evidence*" (emphasis added) (internal citation and quotation marks omitted)). *Hess v. Advanced Cardiovascular Sys., Inc.*, 106 F.3d 976 (Fed. Cir. 1997), the case on which Petitioner relies in asserting this standard, is inapposite because there the appellant sought to correct inventorship under 35 U.S.C. § 256. Id. at 978–

79. Here, in contrast, Mr. Kumar's status as a named co-inventor of the '694 patent is relevant only to the extent that it relates to Patent Owner's asserted date that the invention was reduced to practice. It is not an issue that we need to decide per se, and thus it does not make sense under these circumstances to impose on Patent Owner the burden of persuading us that Mr. Kumar was improperly named as an inventor.

In its Petitioner's Reply and Request, Petitioner cites to *Davis v. Reddy*, 620 F.2d 885, 888 (C.C.P.A. 1980) for the proposition that "patent owner could not claim a conception date that was before one of the joint inventors began to work for the patent owner." Pet Reply 11; Req. 6. In *Davis*, a case regarding priority in an interference context, the court makes a passing reference to the fact that the Board noted that the senior party was not entitled to a conception date prior to when one of the co-inventors was employed at the senior party's patent's assignee. *Davis*, 620 F.2d at 888. *Davis*, however, does not include any discussion as to what facts the Board relied upon to make such a determination, and thus, Petitioner's reliance on *Davis v. Reddy* is unpersuasive in this case because Petitioner has not established that the facts of *Davis* are similar to the facts of this case.

Petitioner also argues that we overlooked Petitioner's evidence concerning the issue of inventorship and concerning Mr. Kumar's alleged date of employment because we dismissed Patent Owner's motion to exclude such evidence as moot. Req. 1–2. Patent Owner's motion to exclude sought to exclude Exhibits 1032, 1034, 1035 and 1036. Paper 40. Petitioner proffered exhibit 1032 and 1034 to establish that Mr. Kumar was an inventor. Pet. Reply 11. However, it is apparent from the '694 patent, itself, that Mr. Kumar was named as an inventor when the '694 patent was filed. Ex. 1004, 1. Petitioner proffered exhibits 1035 and 1036 to establish

that Mr. Kumar did not start work at AT&T until July 1997. Pet. Reply 11–12. In reaching our decision, we assumed that Petitioner was correct that Mr. Kumar did not start until July 1997. *See* Dec. 17–18. We, thus, dismissed Patent Owner's motion to exclude as moot because we did not rely upon exhibits 1032, 1034, 1035, and 1036 in reaching our Decision. *Id.* at 19. As indicated in our Decision, even assuming that Mr. Kumar, a named inventor, did not start work at AT&T until July 1997, we were not persuaded that the alleged discrepancy between Mr. Kumar's alleged date of employment and Patent Owner's alleged date of reduction to practice *ipso facto* leads to the conclusion that the claimed subject matter could not have been reduced to practice by June, 1996. *See Id*. at 17–18.

Petitioner further argues that consideration of Patent Owner's argument is improper procedurally because it was first raised in Patent Owner's motion to exclude. Req. 6–7. We acknowledge that previous Board decisions have stated that a motion to exclude is not an opportunity for submitting new arguments or a sur-reply. *See Id*. We, however, are not persuaded this was an abuse of our discretion that requires us to modify our decision to determine that Petitioner's argument outweighs Patent Owner's evidence of prior invention. We note that Patent Owner responded to Patent Owner's argument regarding inventorship in its opposition to Patent Owner's motion to exclude and had an opportunity to respond to the issue during oral argument. *See* Paper 48, 5–6; Paper 54, 14–16, 20–24.

III. CONCLUSION

We are not persuaded of an abuse of discretion by Petitioner. Petitioner's request for rehearing denied.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Petitioner's Request for Rehearing is *denied*.

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