

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HTC CORPORATION and HTC AMERICA, INC.,
Petitioner,

v.

NFC TECHNOLOGY, LLC,
Patent Owner.

Case IPR2015-00384
Patent 7,665,664 B2

Before JAMES B. ARPIN, NEIL T. POWELL, and
BART A. GERSTENBLITH, *Administrative Patent Judges*.

ARPIN, *Administrative Patent Judge*.

DECISION
Denying Request for Rehearing
37 C.F.R. § 42.71(d)

A. INTRODUCTION

HTC Corp. and HTC America, Inc. (“Petitioner”) filed a Petition (Paper 1 (“Pet.”)) to institute an *inter partes* review of claims 13–15 and 19 (the “challenged claims”) of Patent No. US 7,665,664 B2 (Ex. 1001, “the ’664 patent”), pursuant to 35 U.S.C. §§ 311–319. Pet. 2–3, 60. Claim 13 is independent, and each of claims 14, 15, and 19 depends, directly or indirectly, from claim 13. Petitioner challenged claims 13–15 and 19 of the ’664 patent on the following grounds (Pet. 10–60):

Ground	Reference(s)	Challenged Claim(s)
35 U.S.C. § 103(a)	Akiho	13–15 and 19
35 U.S.C. § 103(a)	Amtmann	13
35 U.S.C. § 103(a)	Amtmann and Arisawa	14, 15, and 19
35 U.S.C. § 103(a)	Amtmann and ECMA-340	13
35 U.S.C. § 103(a)	Amtmann, ECMA-340, and Arisawa	14, 15, and 19
35 U.S.C. § 103(a)	Charrat and Kuhl	13–15
35 U.S.C. § 103(a)	Charrat, Kuhl, and Arisawa	19

In IPR2015-01199, Petitioner similarly challenged claim 13 as unpatentable under 35 U.S.C. § 103(a) over Akiho, Amtmann, Amtmann and ECMA-340, and Charrat and Kuhl. *HTC Corp. v. NFC Tech., LLC*, Case IPR2014-01199, slip op. at 3 (PTAB Feb. 4, 2015) (Paper 10) (“1199 Dec. on Inst.”). On July 6, 2015, we entered a decision denying institution of *inter partes* review in IPR2015-00384. Paper 11 (“384 Dec. on Inst.”).

For the reasons described in our Decision on Institution, we exercised our discretion pursuant to 35 U.S.C. §§ 314(a) and 325(d) and denied institution of an

inter partes review of claims 13–15 and 19 of the '664 patent. 384 Dec. on Inst. 12. Petitioner has filed a Request for Rehearing (Paper 14, “Reh’g Req.”), seeking reconsideration of our Decision on Institution. For the reasons set forth below, Petitioner’s Request for Rehearing is *denied*.

B. DISCUSSION

The applicable standard for submitting a request for rehearing is set forth in 37 C.F.R. § 42.71(d), which provides in relevant part:

A party dissatisfied with a decision may file a request for rehearing, without prior authorization from the Board. The burden of showing a decision should be modified lies with the party challenging the decision. *The 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, opposition, or a reply.*

(Emphasis added.) When rehearing a Decision on Institution, the Board reviews the decision for an abuse of discretion. 37 C.F.R. § 42.71(c).

Petitioner asserts three bases for its Request for Rehearing. Reh’g Req. 1. First, Petitioner argues that the two petitions challenge different sets of claims and raise different unpatentability theories. *Id.* at 6–8. In particular, Petitioner argues that independent claim 13 was not challenged in the Petition in IPR2015-00384; that dependent claims 14, 15, and 19 were not challenged in the Petition in IPR2014-01199; and that Arisawa was not relied upon in IPR2014-01199. *Id.* at 1, 3–4. Second, Petitioner argues that the Petition in IPR2015-00384 challenges claims and raises evidence and arguments that Petitioner had no reason to raise in the Petition in IPR2014-01199. *Id.* at 8–10. Third, Petitioner argues that our decision denying institution in IPR2015-00384 creates “dangerous incentives” that may encourage gamesmanship and increase the Board’s workload unnecessarily. *Id.* at 10–11.

1. Different Sets of Claims and Different Unpatentability Theories

With regard to Petitioner's first basis for the Request for Rehearing, we note that, contrary to Petitioner's argument, the two petitions challenge overlapping sets of claims.¹ In particular, Petitioner *expressly* challenges claim 13 in both IPR2014-01199 (*see* 1199 Dec. on Inst. 3) and IPR2015-00384 (Pet. 60 (“*This Petition demonstrates that there is a reasonable likelihood that Petitioners will prevail in their challenge of patentability for Claims 13, 14, 15 and 19.*” (emphasis added))). Further, to the extent that Petitioner argues that it only challenges the dependent claims, challenges to independent claim 13 are made expressly as part of the challenges to each of dependent claims 14, 15, and 19. Pet. 12–26 (claim 13 as unpatentable over Akiho); 31–39 (claim 13 as unpatentable over Amtmann); 44–46 (claim 13 as unpatentable over Amtmann and ECMA-340); 49–57 (claim 13 as unpatentable Charrat and Kuhl).² With respect to claim 13, the asserted grounds in the Petition in IPR2015-00384 rely on the same references and make substantially the same arguments against claim 13 as those asserted in the Petition in IPR2014-01199.

As we indicated in the Decision on Institution, “we may exercise our discretion and decline to institute *inter partes* review under 35 U.S.C. § 325(d)” based on the assertion of the same references against claim 13. 384 Dec. on Inst. 9–10. Moreover, although at the time Petitioner filed its second Petition, Petitioner did not know on which, if any, of its asserted grounds we might institute review, Petitioner's request that we consider identical challenges to claim 13 in each

¹ Each of dependent claims 14, 15, and 19 further limits the subject matter recited in independent claim 13 and includes all of the limitations of independent claim 13. *See* 35 U.S.C. § 112, ¶ 4.

² More than half of the pages of the Petition in IPR2015-00384 are dedicated to challenging the patentability of claim 13.

Petition is unquestionably an attempt to obtain a “second bite at the apple,” at least with respect to claim 13.³ 384 Dec. on Inst. 11; *see* Reh’g Req. 1.

Moreover, to the extent that Petitioner also relies upon Arisawa to challenge claims 14, 15, or 19 on another ground(s), Petitioner’s asserted grounds and arguments make clear that Akiho or Charrat and Kuhl, or both, allegedly teach the additional limitations recited in claims 14, 15, or 19. *See, e.g.*, Pet. 26–30 (applying the teachings of Akiho to claims 14, 15, and 19), 39–43 (applying the teachings of Amtmann and Arisawa to claims 14, 15, and 19). Petitioner presents no evidence or argument that Arisawa was not known or available to Petitioner at the time the Petition was filed in IPR2014-01199. We also note that Arisawa is listed among the “References Cited” on page 2 in Kuhl. *See Conopo, Inc. v. The Proctor & Gamble Co.*, Case IPR2014-00506, slip op. at 6 (PTAB July 7, 2014) (Paper 17) (informative) (“The instant Petition relies on thirteen pieces of prior art: six that were raised in the 505 Petition . . .; and seven that are new to this proceeding Unilever, however, presents no argument or evidence that the seven newly cited references were not known or available to it at the time of filing of the 505 Petition.”); *see also Samsung Elecs. Co. v. Rembrandt Wireless Techs., LP*, Case IPR2015-00555, slip op. at 7 (PTAB June 19, 2015) (Paper 20) (“Petitioner simply presents arguments now that it could have made in [its earlier Petition], had it merely chosen to do so.”). Therefore, we deny Petitioner’s Request for Rehearing on this basis.

³ As noted below, however, Petitioner waited until after Patent Owner had filed a Preliminary Response in IPR2014-01199 before filing the follow-on Petition in IPR2015-00384.

2. *No Reason to Challenge Dependent Claims or Raise Arguments in the Earlier Petition*

Petitioner argues that the Petition in IPR2015-00384 challenges claims and presents evidence (e.g., Arisawa) and arguments that Petitioner had no reason to raise in the Petition in IPR2014-01199. Reh’g Req. 8–10. In particular, Petitioner argues that Patent Owner had not asserted that Petitioner infringed dependent claims 14, 15, and 19 until *after* the Petition in IPR2014-01199 was filed. *Id.* Petitioner presents a timeline in its Request for Rehearing, in which Petitioner suggests that Patent Owner filed an amended complaint in the related litigation alleging for the first time that Petitioner infringed dependent claims 14, 15, and 19. *Id.* at 2. Petitioner argues in the Request for Rehearing that,

on August 19, 2014, Patent Owner served a second set of infringement contentions in the lawsuit, asserting dependent claims 14, 15, and 19 for the very first time. *Because it was too late to address those claims in the first petition, Petitioner[] prepared and filed this second petition for inter partes review on December 6, 2014.*

Id. at 3 (emphasis added). Petitioner does not identify, however, where it raised this argument in its Petition in IPR2015-00384, as required by 37 C.F.R.

§ 42.71(d). *See id.* We determine that neither the timeline nor the fact that Patent Owner filed an amended complaint was raised or argued in the Petition in IPR2015-00384, as justification for filing a second petition. We could not have “misapprehended or overlooked” evidence or argument not previously presented. Therefore, we also deny Petitioner’s Request for Rehearing on this basis.

3. *Dangerous Incentives*

Finally, Petitioner argues that our decision denying institution in IPR2015-00384 creates “dangerous incentives” that might encourage patent owners to withhold allegations of infringement until later in litigation in the hope that the Board will decline to institute on claims subject to infringement allegations raised

in an amended complaint. Reh’g Req. 10–11. As with Petitioner’s second basis, discussed above, Petitioner did not bring the infringement assertion timeline to our attention in its Petition. Thus, we take no position on whether that information would have led us to exercise our discretion in a similar manner had Petitioner done so.

In addition, neither Patent Owner’s complaint nor its amended complaint alleging infringement limited the particular claims which Petitioner may have chosen to challenge in its Petition in IPR2014-01199. *See* 384 Dec. on Inst. 12 (citing *ZTE Corp. v. ContentGuard Holdings, Inc.*, Case IPR2013-00454, slip op. at 5–6 (PTAB Sept. 25, 2013) (Paper 12) (informative) (“The Board is concerned about encouraging, unnecessarily, the filing of petitions which are partially inadequate.”)). Thus, Patent Owner’s decision only to allege Petitioner’s infringement of claims 14, 15, and 19 in an amended complaint neither limited Petitioner to challenging only independent claims 13 and 29 nor prevented Petitioner from also challenging claims 14, 15, and 19, in its earlier Petition.

Further, almost four months passed between Patent Owner’s filing of the amended complaint on August 19, 2014, and Petitioner’s filing of the Petition in IPR2015-00384 on December 6, 2014. Reh’g Req. 2. Consequently, Petitioner did not file its Petition in IPR2015-00384 until a month after Patent Owner filed its Preliminary Response in IPR2014-01199. IPR2014-01199, Paper 9 (filed Nov. 6, 2014). This delay allowed Petitioner the opportunity to craft its follow-on Petition in view of Patent Owner’s Preliminary Response, but, more importantly, the delay increased the likelihood that the Decision to Institute in IPR2014-01199 would be issued months before any Decision on Institution in IPR2015-00384. Under these circumstances, “consolidation of IPR2015-00384 with the *inter partes* review

instituted in IPR2014-01199 is not practical.”⁴ 384 Dec. on Inst. 11–12 (citing 37 C.F.R. § 42.1(b)). Therefore, we are not persuaded that denying institution under the particular circumstances presented in this case is likely to provide “dangerous incentives” for parties to engage in gamesmanship.

In addition, as with the second basis discussed above, Petitioner also does not identify where it raised this “dangerous incentives” argument in its Petition in IPR2015-00384. Again, we could not have “misapprehended or overlooked” evidence or argument not previously presented. Therefore, we also deny Petitioner’s Request for Rehearing on this basis.

C. ORDER

For the reasons given, it is

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

⁴ Further, Petitioner did not update its mandatory notices in IPR2014-01199 to inform us of the filing of the Petition in IPR2015-00384, until one month *after* the entry of the Decision on Institution in IPR2014-01199. IPR2014-01199, Paper 13, 1–2 (filed Mar. 4, 2015); *see* 37 C.F.R. § 42.8(b).

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