

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

CONTENTGUARD HOLDINGS, INC.,
Patent Owner.

Case IPR2015-00454
Patent 7,269,576 B2

Before MICHAEL R. ZECHER, PATRICK R. SCANLON, and
GEORGIANNA W. BRADEN, *Administrative Patent Judges*.

SCANLON, *Administrative Patent Judge*.

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

I. INTRODUCTION

Petitioner, Apple Inc., filed a Request for Rehearing (Paper 10, “Req. Reh’g”) of the Decision mailed July 13, 2015 (Paper 9, “Dec.”), which denied institution of *inter partes* review of claims 18, 19, 21, 24–27, 29, 32, and 34 of U.S. Patent No. 7,269,576 B2 (Ex. 1009, “the ’576 patent”). Petitioner seeks reconsideration of our decision not to institute *inter partes* review of claim 18¹ on the asserted ground of obviousness over Rosen² and Hartrick.³ Req. Reh’g 2. For the reasons that follow, the Request for Rehearing is *denied*.

II. STANDARD OF REVIEW

When rehearing a decision on a petition, we review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). The party requesting rehearing bears the burden of showing a decision should be modified, and “[t]he request must specifically identify all matters the party believes [we] misapprehended or overlooked, and the place where each matter was previously addressed in” the petition. 37 C.F.R. § 42.71(d).

III. ANALYSIS

In our Decision, we denied institution of *inter partes* review of the challenged claims of the ’576 patent, including claim 18, because of several significant procedural defects in the Petition (Paper 1, “Pet.”) resulting in a

¹ After explicitly identifying only claim 18 for reconsideration, Petitioner states that it “requests institution on *these claims* because *they are the only claims* of the ’576 patent still asserted in district court.” Req. Reh’g 2–3 (emphases added). We, however, will confine our reconsideration to independent claim 18, because it is the only claim specifically identified by Petitioner in its Request for Reconsideration.

² U.S. Patent No. 5,557,518, issued Sept. 17, 1996 (“Rosen”) (Ex. 1020).

³ European Patent Application 0 567 800 A1, published Nov. 3, 1993 (“Hartrick”) (Ex. 1021).

failure to comply with 35 U.S.C. § 312(a)(3), 37 C.F.R. § 42.22(a)(2), and 37 C.F.R. § 42.104(b)(4)–(5). Dec. 4–5. In particular, we determined that:

(1) “[t]he entire Petition is riddled with vague, nested string citations to broad swaths of the references, the [Declaration of Alan Sherman (‘Sherman Declaration’)], and internal cross-references to whole sections of the Petition” (*id.* at 5); (2) the Petition utilizes a convoluted structure resulting in an “unpatentability analysis [that] is at least two or three levels removed from the actual disclosure of the references” (*id.* at 6–7); and (3) the Petition relies on an improper incorporation by reference of the Sherman Declaration⁴ (*id.* at 7–8).

In addition to these procedural defects, we also determined “that the Petition’s obviousness analysis does not provide sufficient information to enable us to perform a proper *Graham* analysis, is driven by improper hindsight, and lacks sufficient articulated reasons with rational underpinnings to support the modifications it proposes.” *Id.* at 9; *see also id.* at 9–15 (discussing deficiencies of the obviousness analysis).

To succeed on its Rehearing Request, Petitioner must show where we misapprehended or overlooked arguments in making the aforementioned determinations and that we abused our discretion in reaching each of these determinations. As we explain below, Petitioner has not done so.

A. Procedural Defects: Non-Compliance with 35 U.S.C. § 312(a)(3) and 37 C.F.R. §§ 42.22(a)(2), 42.104(b)(4)–(5)

In its Rehearing Request, Petitioner disputes our determination that the Petition does not comply with 35 U.S.C. § 312(a)(3), 37 C.F.R. § 42.22(a)(2), and 37 C.F.R. § 42.104(b)(4)–(5), arguing that the Petition “clearly

⁴ Ex. 1013, “Sherman Declaration”

identifie[s]” the supporting evidence and that the Decision “unfairly criticized the form of the Petition and supporting evidence.” Req. Reh’g 2, 13.

Petitioner asserts, “[n]o rule requires a petition to present an analysis in a certain order or prohibits use of internal citations” (*id.* at 2), and that the Board has accepted elsewhere the manner in which the Petition presents the asserted grounds (*id.* at 12). According to Petitioner, “the descriptions in the Petition . . . [are] clear, well-organized, understandable and supported by direct citations to Rosen and/or Hartrick, and to evidence showing how a person of ordinary skill would have understood their interrelated teachings.” *Id.* at 2. Petitioner also contends, “[t]he cites to the Sherman Declaration support the analysis but are not required to understand it.” *Id.* at 11.

Petitioner’s Rehearing Request fails to convince us that the Petition’s lengthy, nested string citations to vast sections of the record are comprehensible. A sampling of the exemplary citations from the Petition quoted in our Decision include: “See § IV.C; . . . Ex. 1013 at ¶¶ E104–E114, E124–E135,” “See §§ IV.B.2, C, D.1; . . . Ex. 1013 at ¶¶ E125–E130, E108–E114,” “See Ex. 1020 at 19:37–39, 24:52–54, 4:54–55, Fig. 2; §§ IV.A2–3, A.5,” and “See §§ IV.A.3, B.#, C; . . . Ex. 1013 at ¶¶ E117–E118, E233.” Dec. 5. That these and other citations in the Petition sometimes include citations to Rosen and Hartrick, as Petitioner argues, is insufficient to bring them in conformance with our governing statute and rules.

Similarly, Petitioner’s conclusory and unsupported assertion that the citations to the Sherman Declaration “are not required to understand” the Petition’s analysis (Req. Reh’g 11), does not persuade us that we erred in concluding that “without referring heavily to the Sherman Declaration many sections of the Petition would be unintelligible” (Dec. 8). This assertion also

fails to persuade us that the Petition does not rely on an improper incorporation by reference of the Sherman Declaration. Our conclusion is based on a thorough review of both the Petition and the Sherman Declaration, which is cited extensively throughout the Petition.

Moreover, regarding Petitioner's contention that our rules do not prohibit internal cross references (Req. Reh'g 2), our determination in the Decision that the Petition does not comply with 35 U.S.C. § 312(a)(3), 37 C.F.R. § 42.22(a)(2), and 37 C.F.R. § 42.104(b)(4)–(5) did not rest merely on the use of internal cross references. Rather, the Decision discussed the repeated use of internal cross references throughout both the Petition and the supporting Sherman Declaration to such an extent that it obfuscates the evidentiary support for the Petition's assertions. *See* Dec. 5–9. Moreover, the Decision made clear that the Petition lacks otherwise adequate supporting evidence for its assertions. *See id.*

In sum, having considered Petitioner's arguments on rehearing, we remain unpersuaded that the Petition (1) sufficiently specifies where the limitations of claim 18 of the '576 patent are taught or suggested by Rosen or Hartrick, or (2) adequately explains the significance of the supporting evidence. The combination of the numerous evidentiary deficiencies in the Petition—vague, nested string citations; pervasive internal cross references; and improper incorporation by reference of the Sherman Declaration—leaves the Petition's supporting evidence far afield from the particularity and specificity required by 35 U.S.C. § 312(a)(3), 37 C.F.R. § 42.22(a)(2), and 37 C.F.R. § 42.104(b)(4)–(5).

B. Deficient Obviousness Analysis

As noted above, we determined in our Decision “that the Petition’s obviousness analysis does not provide sufficient information to enable us to perform a proper *Graham* analysis, is driven by improper hindsight, and lacks sufficient articulated reasons with rational underpinnings to support the modifications it proposes.” Dec. 9.

On rehearing, Petitioner argues that the Petition explains which claim elements are missing from Rosen by stating, “Rosen did not explain how to implement its ‘usage’ field functionality.” Req. Reh’g 2 (citing Pet. 20). According to Petitioner, we “failed to appreciate [that] the Petition actually describe[s] a single change to Rosen: integrating Hartrick’s usage rights specification and enforcement features to support Rosen’s ‘Usage’ field,” and that “doing this would cause the skilled person to make four modifications to Rosen.” *Id.* at 3–4. Petitioner asserts that, “[i]nstead of viewing these changes for what they [are] stated to be in the Petition – a description [of] how the skilled person would have implemented Rosen’s ‘Usage’ field using elements from Hartrick – the Board considered the modifications to be ‘additional modifications’ unsupported by sufficient reasoning.” *Id.* at 4–5 (citing Dec. 13–14; Prelim. Resp. at 46–47). Petitioner concludes that our determination that the proposed modifications rely on impermissible hindsight was based on a “misunderstanding of the changes being proposed.” *Id.* at 5.

We disagree. First, the statement in the Petition to which Petitioner directs our attention in its Rehearing Request does not identify sufficiently or with any particularity the limitations of claim 18 that allegedly are absent from Rosen. *See id.* at 2 (citing Pet. 20). In particular, the Petition’s statement that “Rosen explains that content is distributed in encrypted form

along with a decryption ticket that has a ‘Usage’ field that specifies ‘restrictions on usage of the electronic object,’ but it does not elaborate how those restrictions are specified or explicitly describe enforcing them,” (Pet. 20), lacks any direct reference to the claim language.

Second, the Rehearing Request, like the Petition, improperly blurs the proposed modifications required to create the system combining Rosen and Hartrick proposed in § IV.C of the Petition (“hypothetical Rosen-Hartrick System”), which the Petition argues satisfies the claim limitations required by claim 18. *See* Dec. 12–13. On rehearing, Petitioner attempts to classify these modifications as a “*single change*.” Req. Reh’g 3 (emphasis added). Yet, in the next sentence, Petitioner asserts that this single change involves “*four modifications to Rosen*.” *Id.* at 4 (emphasis added). We are not persuaded by Petitioner’s attempt on rehearing to classify the modifications necessary to reach the hypothetical Rosen-Hartrick System as a single change. Petitioner’s arguments on rehearing further exemplify the lack of clarity in the changes proposed in the Petition, rather than bringing any clarity to the changes.

As we explained in our Decision, even Petitioner’s attempt to classify the changes as limited to four modifications is unconvincing. Dec. 12–14. Having considered Petitioner’s arguments on rehearing, we reaffirm our conclusion in the Decision that the Petition does not explain sufficiently “why a person of ordinary skill would simultaneously make all of the many particular proposed changes [(i.e., ‘modifications’)] and implementation choices to combine Rosen and Hartrick,” for the reasons explained in the Decision. *Id.* at 13.

Third, Petitioner has not shown any error in our conclusion that the Petition lacks adequate reasoning to support a legal conclusion of obviousness

based on these proposed changes. Despite Petitioner’s characterization of the reasons given in the Petition as “detailed” (Req. Reh’g 4), we remain persuaded that the Petition “lacks adequate reasoning, with rational underpinning, to show sufficiently that a person of ordinary skill would have had reason to combine the teachings of Rosen and Hartrick” (Dec. 13). Moreover, we note that merely disagreeing with our analysis or conclusions in this regard does not serve as a proper basis for a rehearing. It is not an abuse of discretion to provide analysis or conclusions with which Petitioner disagrees.

Finally, we note that Petitioner’s assertions that we misapprehended the analysis in § IV.D of the Petition, “believing it to propose additional modifications” when it “simply maps portions of Rosen, Hartrick, and their combined teachings to two key claim terms” (Req. Reh’g 13) is an incorrect characterization of our Decision. The Decision addressed and analyzed the proposed changes in § IV.C of the Petition to reach the Hypothetical Rosen-Hartrick System and found that these proposed changes lack adequately supported reasoning. Dec. 12–13. We, therefore, concluded that “the Petition improperly uses the challenged claims of the ’576 patent as a guide in constructing a system loosely based on Rosen and Hartrick that resembles the claimed invention embodied in the challenged claims.” *Id.* at 13–14.

Accordingly, Petitioner has not shown any abuse of discretion in our determination that the Petition fails to show “sufficiently why one of ordinary skill in the art—without improper hindsight—would have combined Rosen and Hartrick, to account for all the features of the challenged claims of the ’576 patent.” *Id.* at 14.

C. Conclusion

We have reviewed Petitioner's arguments and find them to be without merit. Based on the foregoing discussion, Petitioner fails to meet its burden of showing error or an abuse of discretion in our decision not to institute *inter partes* review of claim 18 of the '576 patent.

IV. ORDER

Accordingly, it is hereby:

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

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PETITIONER:

Jeffrey P. Kushan
Michael R. Franzinger
SIDLEY AUSTIN LLP
IPRNotices@sidley.com

PATENT OWNER:

Nicholas T. Peters
Timothy P. Maloney
FITCH EVEN TABIN & FLANNERY, LLP
ntpete@fitcheven.com
tpmalo@fitcheven.com

Robert A. Cote
McKOOOL SMITH, P.C.
rcote@mckoolsmith.com