

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TWILIO INC.,
Petitioner,

v.

TELESIGN CORPORATION,
Patent Owner.

Case IPR2016-00450
Patent 8,462,920 B2

Before SALLY C. MEDLEY, JUSTIN T. ARBES, and
KIMBERLY McGRAW, *Administrative Patent Judges*.

McGRAW, *Administrative Patent Judge*.

DECISION
Petitioner's Request for Rehearing
37 C.F.R. § 42.71

I. SUMMARY

Petitioner filed a Request for Rehearing (Paper 19, “Req. Reh’g”) of the Board’s decision (Paper 17, “Dec. on Inst.”), which declined to institute *inter partes* review of claims 1–10, 13, and 17–22 of U.S. Patent No. 8,462,920 B2 (Ex. 1001, “the ’920 patent”). In its Request, Petitioner seeks reconsideration of the denial of institution of (1) independent claim 1 and dependent claims 2, 4, and 5 in light of Petitioner’s arguments regarding the unpatentability of dependent claim 4 (Req. Reh’g 6–9), and (2) all challenged claims in light of Petitioner’s argument that Bennett (Ex. 1005) allegedly teaches notifying the user of the occurrence of a notification event during the reverification process (Req. Reh’g 10–12). Pursuant to our authorization (Paper 20), Patent Owner filed an Opposition (Paper 25) opposing Petitioner’s Request for Rehearing and Petitioner filed a Reply (Paper 28).

For the reasons stated below, Petitioner’s Request for Rehearing is *denied*.

II. STANDARD FOR RECONSIDERATION

When rehearing a decision on petition, the Board will review the decision for an abuse of discretion. 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. *Star Fruits S.N.C. v. United States*, 393 F.3d 1277, 1281 (Fed. Cir. 2005). The party requesting rehearing has the burden of showing that the decision should be modified and “[t]he request must specifically identify all matters the party believes the Board misapprehended or

overlooked.” 37 C.F.R. § 42.71(d).

III. DISCUSSION

The '920 patent states the invention generally relates to on-line website registration and a process for notifying registrants of predetermined events using information obtained during the registration process. Ex. 1001, 1:6–13. Claim 1 of the '920 patent recites three limitations regarding a “notification event,” namely: (1) “establishing a notification event associated with the registrant;” (2) “identifying an occurrence of the established notification event;” and (3) “after identifying the occurrence of the established notification event, re-verifying the registrant electronic contact wherein re-verifying includes” certain steps.

In the Petition, Petitioner argued that the broadest reasonable interpretation of “notification event” is “an event that results in the registrant being contacted either for re-verification or for notification that event occurred.” Paper 1, 9 (“Pet.”). Petitioner repeatedly argued that a notification event does not require notifying the registrant that the notification event occurred and that it is sufficient if the registrant is reverified. *See id.* at 9, 10 (stating “a ‘notification event’ does *not necessarily result in notifying the registrant of the occurrence*” and that a notification event “may result in either re-verification or notification) (italics added, underlining in original), 22 (stating a notification event is an event that results in the registrant being contacted either for re-verification or for notification that event occurred), 30 (stating “[a]s explained above, . . . notification events are identified for the purpose of re-verifying the user”).

Petitioner asserted Bennett discloses the “notification event” limitations of claim 1 because Bennett discloses events, including decision

rules, that can result in the re-verification of the user. *See, e.g., id.* at 22 (“Bennett teaches that all attempts to access an account by the registrant are subjected to re-verification”), 24 (“Bennett expressly teaches establishing rules to determine whether to require subsequent two-factor authentication based on the user logging in from a different device than she had used in the past”), 25 (stating “any rule in Bennett’s decision engine corresponds to the claimed notification event” because the engine decides “whether a return user must be re-verified through two-factor authentication”). Petitioner also argued that if Bennett does not expressly disclose configuring the rules in Bennett’s decision making module to correspond to the claimed notification event associated with a registrant, it would have been obvious to modify Bennett to do so “because the purpose of Bennett’s decision engine is to determine whether to require a subsequent two-factor authentication for a particular user during a particular transaction.” *Id.* at 26.

Patent Owner argued, *inter alia*, the Petitioner’s construction reads “notification” out of “notification event” and that a notification event is “an event that results in the registrant being notified that the event occurred.” Paper 7, 5, 11, 15.

We agreed with Patent Owner’s proposed claim construction and construed a “notification event” as an event that results in the registrant being notified that the event occurred. Dec. on Inst. 7–11. We determined that Petitioner failed to show sufficiently that Bennett teaches a “notification event” as required by claim 1. *Id.* at 12–14. We noted that Petitioner did not argue that Bennett teaches notifying the user that the notification event occurred, but rather, in accordance with its proposed interpretation of “notification event” as allowing for re-verification or notification that the

event occurred, that the notification event in Bennett is an event that results in the subsequent two-factor authentication (reverification) of the user. *Id.* at 12–13. Consequently, we determined the information presented in the Petition did not demonstrate a reasonable likelihood that Petitioner would prevail in its challenge to claim 1 or the claims that depend therefrom. *Id.* at 14.

Petitioner argues in its Request for Rehearing that our Decision “overlooked two arguments in the Petition that show the Board’s only rationale for denying institution was based on an incorrect finding of fact.” Req. Reh’g 5. First, Petitioner asserts that the Board overlooked Petitioner’s arguments, made only in connection with claim 4, that (1) Bennett and (2) Bennett in view of Rolfe (Ex. 1006) render obvious notifying the registrant of the occurrence of the notification event. *Id.* at 6–9. Next, Petitioner asserts the Board overlooked arguments that Bennett discloses notifying the registrant of the occurrence of the notification event as part of the re-verification process. *Id.* at 10–12.

We address these arguments in turn.

1. *Request for Rehearing of Denial of Institution of Inter Partes Review of Claims 1, 2, 4, and 5 in Light of Arguments Regarding Unpatentability of Claim 4*

Petitioner asserts the Board overlooked arguments and evidence (1) that Bennett in view of Rolfe render obvious notifying the user of the occurrence of the notification event and (2) that it would have been obvious to modify Bennett to notify the registrant of the occurrence of the established notification event. Req. Reh’g 6–9 (citing Pet. 44–46). Petitioner requests the Board rehear its denial of institution of *inter partes*

review of claims 1, 2, 4, and 5. *Id.*

Contrary to Petitioner's assertion, we did not overlook arguments or evidence supporting Petitioner's position. Rather, Petitioner only made these arguments in connection with dependent claim 4¹ and did not state that these arguments were applicable to Petitioner's asserted ground of unpatentability of independent claim 1. Pet. 44–46.

As noted in the Decision, the Petition only asserted two grounds of unpatentability as to claim 1, namely that the claim is unpatentable either over Bennett alone or over Bennett and Thoursie (Ex. 1008). *See* Dec. on Inst. 5; Pet. 3–4. Significantly, the Petition did not assert the Rolfe reference as a basis for its challenge to independent claim 1. *See, e.g.*, Pet. 3–4 (only asserting Rolfe in Grounds 3 and 4 relating to claims 4 and 5, not claim 1). Similarly, the Petition did not assert in connection with claim 1 that it would have been obvious to modify the re-verification process of Bennett to include, along with the verification code, a message that a notification event occurred, as now asserted in the Petition for Rehearing. Req. Reh'g 7. We will not consider a ground not asserted in the Petition and first raised in the Request for Rehearing.

Petitioner next asserts that the Board incorrectly denied institution as to claim 1 because claim 4 depends from claims 1 and 2, and Petitioner's arguments for claim 4 apply equally to claims 1 and 2. Req. Reh'g 8. We disagree.

¹ Claim 4 depends from claim 2, which depends from claim 1, and further requires “notifying the registrant of the occurrence of the established notification event by establishing a telephonic connection with the registrant via a registrant electronic contact.”

A petition must identify, “in writing and with particularity, each claim challenged, the grounds on which the challenge to *each claim* is based, and the evidence that supports the grounds for the challenge to *each claim*.” 35 U.S.C. § 312(a)(3) (emphasis added). Our regulations explain the petition must provide “a statement of the precise relief requested for each claim challenged” and that the statement must identify the claim, “the specific statutory grounds [] on which the challenge to the claim is based and the patents or printed publications relied upon for each ground,” “[h]ow the construed claim is unpatentable,” and “where each element of the claim is found in the prior art patents or printed publications relied upon.” 37 C.F.R. § 42.104; *see also* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,757 (Aug. 14, 2012) (stating the proceeding “begin[s] with the filing of a petition that identifies all of the claims challenged and the grounds and supporting evidence *on a claim-by-claim basis*” (emphasis added)).

Petitioner provided no indication in the Petition that the arguments as to claim 4 should be applied to claim 1. Rather, the arguments set forth in the Petition regarding dependent claim 4 only relate to the *additional* limitation found in claim 4. *See, e.g.*, Pet. 45 (stating if “Bennett, alone, does not render obvious claim 4, Bennett in view of Rolfe renders *this limitation* obvious”) (emphasis added)); *see also id.* 44–45 (only discussing the notification event of claim 4).

Neither Patent Owner nor the Board has an obligation to evaluate the similarities and differences in claim limitations of different claims to determine whether the limitations are sufficiently similar, or insufficiently different, such that Petitioner’s arguments as to one should be deemed automatically as also directed to another. *See Medtronic, Inc. v. Lifepoint*

Sciences LLC, Case IPR2014-00284 (PTAB July 22, 2014) (Paper 15) (determining the Board did not abuse its discretion when arguments made in the Petition with respect to claim 3 were not considered with regard to claims 4 and 5).

Petitioner, in its Request for Rehearing, also asserts the Board improperly denied *inter partes* review of dependent claim 4 without articulating its reasoning or explaining the basis for its finding, as the Decision did not address the Petition's arguments regarding claim 4's notification requirement. Req. Reh'g 9.

This argument is not persuasive. The Decision stated that Petitioner did not establish a reasonable likelihood of prevailing with respect to the dependent claims because the Petition did not establish a reasonable likelihood of prevailing with respect to the sole independent claim. *See* Dec. on Inst. 14; *see also Ortho-McNeil Pharm., Inc. v. Mylan Labs., Inc.*, 520 F.3d 1358, 1365 (Fed. Cir. 2008) (“[D]ependent claims are nonobvious if the independent claims from which they depend are nonobvious.”). Even if the Board were to determine that Bennett, or Bennett and Rolfe, would have rendered obvious the specific limitations set forth in dependent claim 4, the Petition's arguments regarding independent claim 1 were insufficient to demonstrate a reasonable likelihood of prevailing as to claim 1; therefore, Petitioner also had not established a reasonable likelihood of prevailing as to claims depending from claim 1. Petitioner has not demonstrated that we abused our discretion in denying *inter partes* review of claims 1, 2, and 4 of the '920 patent.

2. *Request for Rehearing of Denial of Institution of Inter Partes Review of Claims 1–10, 13, and 17–22 in Light of Arguments that a*

Completion Code Provides Notification of Occurrence of Notification Event

Petitioner also asserts that the Board overlooked Petitioner's evidence and argument that Bennett discloses notifying the registrant of the occurrence of a "notification event" as part of the two-factor authentication "re-verification process." Req. Reh'g 10 (citing Pet. 19–20, 22–26, 32–33). Specifically, Petitioner asserts the Board overlooked that Bennett's re-verification process includes notifying the registrant of the occurrence of the notification event in the form of communicating a verification code to the registrant for use in two-factor authentication. *Id.*

This argument is not persuasive, as the Petition did not assert in connection with claim 1 that communicating the verification code to the registrant results in the registrant being notified that the event occurred.

The Petition stated that the broadest reasonable interpretation of a "notification event" is an event that *either* (1) results in the registrant being contacted for re-verification *or* (2) results in the registrant being contacted for notification that the event occurred. Pet. 9–10; *see also id.* at 10 ("a 'notification event' does not necessarily result in notifying the registrant of the occurrence; it may result in either re-verification or notification"). Petitioner's declarant testified that the '920 patent's Specification "indicates that the occurrence of the particular 'notification event' is not necessarily communicated to the registrant." Ex. 1002 ¶ 28. In accordance with its proposed "either/or" interpretation of "notification event," the Petition argued that Bennett teaches a notification event because Bennett satisfied the first prong of its proposed construction, as Bennett requires the user to be contacted during the two-factor authentication "reverification" process. Pet.

22–27; Dec. on Inst. 14.

We disagreed with Petitioner’s construction and determined that a notification event is an event that results in the registrant being notified that the event occurred, not an event that results in the registrant being contacted for re-verification. Dec. on Inst. 7–11, 14.

We recognized that Bennett’s two-factor authentication “reverification process” involved transmission of a verification code to the user. *Id.* at 12–13. However, we determined that Petitioner did not establish Bennett teaches notifying the user of the occurrence of a notification event. *Id.* at 14.

Therefore, we did not overlook or misapprehend Petitioner’s arguments relating to Bennett, but considered these arguments in our analysis and found them insufficient. Petitioner’s contention in this Request for Rehearing is merely a disagreement with the Board’s Decision. Mere disagreement with the Board’s decision is not a sufficient basis on which to request rehearing. Petitioner has shown no abuse of discretion in the Decision denying institution of *inter partes* review of claims 1–10, 13, and 17–22 of the ’920 patent.

IV. CONCLUSION

For the foregoing reasons, Petitioner has not demonstrated that we abused our discretion in denying *inter partes* review of claims 1–10, 13, and 17–22 of the ’920 patent, and Petitioner’s Request for Rehearing is *denied*.

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