Trials@uspto.gov
Tel: 571-272-7822

Paper 10
Entered: November 10, 2016

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORPORATION,
Petitioner,

v.

KEITH A. RANIERE,
Patent Owner.

Case IPR2016-00663
Patent 7,215,752 B2

Before KALYAN K. DESHPANDE, DAVID C. McKONE, and JOHN A. HUDALLA, *Administrative Patent Judges.*

HUDALLA, *Administrative Patent Judge*.

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

I. INTRODUCTION

Petitioner, Microsoft Corporation ("Microsoft"), filed a Petition (Paper 2, "Pet.") requesting an *inter partes* review of claims 1, 5, 7, 9, 12, and 21 of U.S. Patent No. 7,215,752 B2 (Ex. 1001, "the '752 patent") pursuant to 35 U.S.C. §§ 311–319. Microsoft challenged these claims on three different grounds of unpatentability. Pet. 2–3. Patent Owner, Keith A.

Raniere ("Raniere"), filed a Preliminary Response. Paper 6 ("Prelim. Resp.").

In our Decision on Institution of September 14, 2016, we instituted *inter partes* review of the challenged claims on two of the three asserted grounds of unpatentability, Paper 7 ("Dec."), 26, but denied institution on Microsoft's anticipation ground based on U.S. Patent No. 6,061,440 (Ex. 1005, "Delaney").[1] Dec. 17. In particular, we found that "Microsoft ha[d] not established that Delaney qualifies as prior art to the challenged claims under 35 U.S.C. § 102(b)." *Id.* Accordingly, we determined that Microsoft had not established a reasonable likelihood that it would prevail in asserting that claims 1, 5, 7, 9, 12, and 21 are anticipated by Delaney. *Id.* Microsoft filed a Request for Rehearing asking that we reconsider our decision not to institute the anticipation ground. Paper 9 ("Req. Reh'g.").

We deny Microsoft's Request for Rehearing.

[1] As described in the Decision on Institution, Delaney issued from a continuation application filed in 1998, and the '752 patent issued from a related continuation application filed in 2004. *See* Dec. 5 (diagram). These applications, along with other related continuation applications filed in 2000 and 2001, form an unbroken line of continuation applications leading back to a common ancestor application filed in 1995 ("the 1995 ancestor application"). *See id.* at 5 (diagram), 12–13.

II. ANALYSIS

When reconsidering a decision on institution, we 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 Star Fruits S.N.C. v. United States*, 393 F.3d 1277, 1281 (Fed. Cir. 2005); *Arnold P'ship v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004); *In re Gartside*, 203 F.3d 1305, 1315–16 (Fed. Cir. 2000). The party requesting rehearing has the burden of showing the decision should be modified, which includes specifically identifying all matters the party believes we misapprehended or overlooked. *See* 37 C.F.R. § 42.71(d).

A. Microsoft's Burden-Shifting Theory

Microsoft contends we misapprehended the controlling law in our Decision on Institution. Reh'g Req. 1. Specifically, Microsoft cites *Research Corp. Technologies, Inc. v. Microsoft Corp.*, 627 F.3d 859, 871 (Fed. Cir. 2010), which, as here, pertained to a priority contest involving a series of continuation applications. Reh'g Req. 10. Based on *Research Corp.*, Microsoft contends Raniere bore the burden of production to show that the claims of the '752 patent are entitled to the priority date of an earlier application and that we wrongly put this burden on Microsoft. *Id.* at 1, 4. Microsoft quotes the following passage from *Research Corp.* regarding the allocation of burdens for its unpatentability challenge:

> The challenger has the burden of going forward with invalidating prior art. The patentee then has the burden of going forward with evidence to the contrary, i.e., the patentee must show that the prior art does not actually invalidate the patent or that it is not prior art because the asserted claim is entitled to the benefit of an earlier filing date.

Reh'g Req. 3–4 (quoting *Research Corp.*, 627 F.3d at 870 (internal citations omitted)). Microsoft contends that it met its threshold burden by "introduc[ing] evidence that the challenged claims are anticipated by Delaney, which was published more than one year before the filing date of the application issuing as the '752 patent." *Id.* at 4. As such, Microsoft argues that the burden of production then shifted to Raniere "to present evidence that the 2000 application supported the full breadth of the challenged claims."[2] *Id.* Microsoft contends that Raniere did not meet that burden. *Id.*

We make our decisions on institution based on whether the information presented in the petition and the patent owner's preliminary response "shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the

---

[2] Microsoft's reference here to the 2000 application pertains to its contentions (1) that the 1998 and 2000 applications "were nearly identical to the 1995 [ancestor] application" (Pet. 10 n.3); (2) that disclosures in these three applications require certain limitations ("five limiting elements") that are absent in the challenged claims (Reh'g Req. 6–9; Pet. 10–17); and (3) that, as a consequence, the challenged claims are entitled to "an effective filing date no earlier than October 31, 2001" (Pet. 9). Accordingly, Microsoft contends that Raniere can overcome the supposed priority issue by showing written description support for the challenged claims in the 2000 application. *See* Reh'g Req. 4. In actuality, the relevant priority issue is disposed of with reference to specification of the 1995 ancestor application, which is common to all applications in the chain that led to the '752 patent.

petition." 35 U.S.C. § 314(a). "In an *inter partes* review, the burden of persuasion is on the petitioner to prove 'unpatentability by a preponderance of the evidence,' . . . and that burden never shifts to the patentee." *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015) (quoting 35 U.S.C. § 316(e)). The burden of production can shift to the patent owner, however. *See id.* at 1379. This shift happens where it is "warranted because the patentee affirmatively seeks to establish a proposition not relied on by the patent challenger and not a necessary predicate for the unpatentability claim asserted—effectively an affirmative defense." *In re Magnum Oil Tools Int'l, Ltd.*, 829 F.3d 1364, 1376 (Fed. Cir. 2016). For example, in the context of an *inter partes* review, the Federal Circuit has held that the burden of production shifted to a patent owner to produce evidence that the challenged claims were reduced to practice prior to the filing date of an asserted prior art reference. *See Dynamic Drinkware*, 800 F.3d at 1379–80.

In the case of a patent claiming priority to an earlier continuation-in-part application, for example, the burden of going forward with evidence of anticipating prior art is on the patent challenger. *See Tech. Licensing Corp.*

v. Videotec, Inc., 545 F.3d 1316, 1327 (Fed. Cir. 2008).[3] "At that point [the patent owner] has the burden of going forward with evidence either that the prior art . . . is not prior art because the asserted claim is entitled to the benefit of a filing date prior to the alleged prior art," which "requires [the patent owner] to show not only the existence of the earlier application, but why the written description in the earlier application supports the claim." *Id.* Once such sufficient evidence is presented, "the burden of going forward again shifts to the proponent of [unpatentability] . . . to convince the court that [the patent owner] is not entitled to the benefit of the earlier filing date." *Id.* at 1328. The Federal Circuit considered it worth repeating that the "ultimate burden never shifts, however much the burden of going forward may jump from one party to another as the issues in the case are raised and developed." *Id.* at 1329.

---

[3] As Patent Owner points out (Prelim. Resp. 4–7), *Technology Licensing* discussed the relative burdens in the case where a patent claims priority by virtue of a continuation-in-part application that added new matter. As the Federal Circuit has explained, "when neither the PTO nor the Board has previously considered priority, there is simply no reason to presume that claims in a CIP application are entitled to the effective filing date of an earlier filed application." *PowerOasis, Inc. v. T-Mobile USA, Inc.*, 522 F.3d 1299, 1305 (Fed. Cir. 2008). The Federal Circuit has distinguished this from instances, such as detailed in *Ralston Purina Co. v. Far-Mar-Co, Inc.*, 772 F.2d 1570 (Fed. Cir. 1985), in which the Office has made a priority determination. *See PowerOasis*, 522 F.3d at 1304. The *Ralston* court placed the burden of proving insufficient disclosure in the parent application on the patent challenger. *See Ralston*, 772 F.2d at 1573–74. Because the '752 patent claims priority to Delaney and earlier applications through an unbroken chain of continuations, it is arguable that the framework of *Ralston*, rather than that of *Technology Licensing*, should apply here. Nevertheless, Microsoft has failed to show a reasonable likelihood of success on this ground even under the framework of *Technology Licensing*.

Having considered the relevant case law, we are not persuaded by Microsoft's burden-shifting arguments. Rather, Microsoft confuses the burden of production with the burden of persuasion. Microsoft has asserted that Delaney discloses each limitation of the challenged claims and that Delaney predates those claims. Microsoft has the burden of persuasion, based on all of the evidence, on both of these assertions. *See Dynamic Drinkware*, 800 F.3d at 1378. In some instances, evidence in the possession of a patent owner might be necessary to rebut a petitioner's evidence and, in those cases, the patent owner has a burden to produce such evidence. *See, e.g.*, *id.* at 1380 (stating the burden of production was properly shifted to a patent owner to establish the reduction to practice date of the challenged patent claims). Although Raniere has not introduced additional evidence into the record, Raniere has made an adequate showing, as described below, such that the burden returns to Microsoft to persuade us that the '752 patent is not entitled to earlier priority.

This proceeding does not present a situation in which we would expect Raniere to be in unique possession of rebuttal evidence, as the case might be if it sought to present evidence of prior invention. *See, e.g.*, *Dynamic Drinkware*, 800 F.3d at 1380. The 1995 ancestor application itself, already part of the record, is the best evidence of whether an earlier application provides support, under 35 U.S.C. § 120, for the challenged claims. *See* Ex. 1002. Microsoft does not contest that the common specification, included in both Delaney and the '752 patent, describes examples within the scope of each of the challenged claims. Nor could Microsoft reasonably maintain such a position in light of its position that Delaney anticipates those same claims. *See Net MoneyIN, Inc. v. VeriSign*,

Inc., 545 F.3d 1359, 1370 (Fed. Cir. 2008) (stating that to anticipate, a reference must "show all of the limitations of the claims arranged or combined in the same way as recited in the claims"). It was not necessary for Raniere to re-establish this. Rather, the issue raised in the Petition (and addressed in the Decision on Institution) was whether those examples were sufficient to describe claims that Microsoft argued had been broadened beyond what those examples support. Raniere presented arguments, with reference to the evidence already of record, disputing this point. *See* Prelim. Resp. 8–20. At that point, the burden shifted back to Microsoft to persuade us that the '752 patent is not entitled the benefit of an earlier priority date. *See Tech. Licensing Corp.*, 545 F.3d at 1328. As explained below, Microsoft failed to meet that burden.

B. The Common Specification Supports the Challenged Claims

Considering all the evidence in the current record, we concluded in the Decision on Institution that Microsoft was not reasonably likely to show that the 1995 ancestor application fails to provide written description support (and thus priority under § 120) for the challenged claims of the '752 patent. *See* Dec. 16–17. Nevertheless, Microsoft continues to maintain that the specification that is common to the 1995 ancestor application, to Delaney, and to the '752 patent somehow describes the invention as being more narrow than the challenged claims of the '752 patent. Req. Reh'g 6–9; Pet. 17–19. Microsoft, however, does not specifically point out what we misapprehended or overlooked, but rather maintains arguments that we have already considered and found to be unpersuasive. Specifically, Microsoft contends that the disclosures in the 1995, 1998, and 2000 applications,

including Delaney, require that the claims include certain limitations ("five limiting elements") absent in the challenged claims. Reh'g Req. 6–9; Pet. 10–17. But the evidence does not reasonably support such a conclusion. In particular, we determined that Microsoft did not show that the common specification requires those five elements to be included in any claim as part of the invention. Dec. 15–16. Having again considered Microsoft's arguments, we discern no matters that we overlooked in our analysis.

For example, Microsoft contends that the "ancestor specifications . . . require '<u>tele</u>conferencing,' yet the challenged claims recite the broader 'conferencing.'" Req. Reh'g 7. Microsoft further contends that "teleconferencing" requires "a <u>voice</u> conversation about common data shared by the conference participants." Pet. 10. Nevertheless, the common specification describes the user interface for "the conferencing system of the present invention." Ex. 1002, 22. The common specification also describes "two general conferencing modes: voice mode and data mode." *Id.* at 11. These representative examples refute Microsoft's arguments that "conferencing" in the challenged claims is broader than the scope of the disclosed invention and/or that "conferencing" must be inexorably and solely linked to voice communications.

Furthermore, we are persuaded by Raniere's showing that the claims of the '752 patent include comparable limitations for the following "limiting elements" that are supposedly missing: "common set of data objects stored"; "object selection control signal sent to other user sites"; and "display object at each other site." *See* Prelim. Resp. 15–19. Moreover, with respect to its anticipation challenge, Microsoft shows how each of these limitations is supported in the common specification. Pet. 13–16.

The only remaining issue pertains to whether a claim is supported if it does not include express temporal language (e.g., "prior to a conference") about when the common data is stored. *See* Reh'g Req. 7. The method of conferencing in claim 1 of the '752 patent requires retrieving a set of data objects from a host computer and processing them at a user site in a storage device that is attached to a display device. Ex. 1001, 16:11–18. A selected data object is then displayed in response to a received control signal. *Id.* at 16:20–25. Although claim 1 does not expressly recite "prior to a conference," the interplay of the retrieving and displaying steps implies a sequence, because the data objects must be retrieved from the host computer before they can be displayed at a user site. *See Loral Fairchild Corp. v. Sony Corp.*, 181 F.3d 1313, 1322 (Fed. Cir. 1999) (holding that the language of a process claim can limit it to a particular order). This sequence is, at least, commensurate with the disclosure in the common specification on storing a set of data objects prior to the start of a conference. *See, e.g.*, Ex. 1002, 6. For this reason, we agree with Raniere that the lack of an express temporal limitation in claim 1 does not give rise to a deficiency in written description support. *See* Prelim. Resp. 17.

Therefore, based on the evidence of record, we concluded that the evidence of record did not "show that any particular claim limitation in the challenged claims is unsupported in the specification that is common to all

five applications in the family of continuations."[4] Dec. 17. Because substantial evidence supports our conclusion, we are not persuaded that we abused our discretion or that we misapprehended or overlooked Microsoft's arguments.

C. Chester and Lukach Are Distinguishable from this Case

Microsoft also argues that we wrongly presumed that "a published ancestor application cannot anticipate a patent claim without also supporting it under the written description requirement." Req. Reh'g 2, 5–6. In support of its argument, Microsoft cites two cases for the proposition that certain ancestor application disclosures can serve as prior art to later related applications. *Id.* (citing *Chester v. Miller*, 906 F.2d 1574 (Fed. Cir. 1990); *In re Lukach*, 442 F.2d 967 (CCPA 1971)). Yet our Decision made no broad pronouncements rendering it impossible for an ancestor application to anticipate without providing written description support. As such, we could not have erred in the manner suggested by Microsoft.

Furthermore, each of Microsoft's cited cases is distinguishable from the instant case for two important reasons. First, each of these cases

[4] In contrast, the *Research Corp.* court pointed to several statements of limitation in a parent application, as well as admissions by the inventors, in concluding that the parent did not support certain claims of a continuation application. *See Research Corp.*, 627 F.3d at 871–72 ("the 1990 and 1991 Applications limit the invention to a 'blue noise mask'"; "the specifications repeatedly refer to a blue noise mask as 'the present invention'"; "[t]hese references to 'the present invention' strongly suggest that the claimed invention is limited to a blue noise mask"; "[a named inventor] repeatedly acknowledged that the 1991 Application's disclosure was limited to a blue noise mask").

includes a priority chain with an intervening continuation-in-part application. *See Chester*, 906 F.2d at 1575; *Lukach*, 442 F.2d at 967. By definition, such applications "add[] matter not present in [an] earlier application." *Transco Prod. Inc. v. Performance Contracting, Inc.*, 38 F.3d 551, 555 (Fed. Cir. 1994). Here, in contrast, there is no intervening continuation-in-part application, and, as noted by Raniere, Microsoft did not show that any matter had been added to the application that led to the challenged claims. *See* Dec. 14 (citing Prelim. Resp. 4–7). Second, both *Chester* and *Lukach* involved the parent reference merely disclosing a species of the genus that is the subject of challenged claims. *See Chester*, 906 F.2d at 1577; *Lukach*, 442 F.2d at 969. Although Microsoft purports to show such a genus/species issue, s*ee* Pet. 31 ("[T]he issued Delaney claims disclose a narrow embodiment of the broader challenged claims."), Microsoft's analysis reveals nothing more than claims having different scope and different terminology between Delaney and the '752 patent, as would be expected from related continuation applications. *See* Dec. 15 (citing *Transco*, 38 F.3d at 555). Therefore, *Chester* and *Lukach* relate to factual circumstances that are not present in the instant case.

III. CONCLUSION

For the reasons above, we conclude that Microsoft has not met its burden of showing an abuse of discretion, or that we misapprehended or overlooked any of Microsoft's arguments, in our determinations (1) that Microsoft had not established that Delaney qualifies as prior art to the challenged claims under 35 U.S.C. § 102(b), and (2) that Microsoft failed to establish a reasonable likelihood that it would prevail in asserting on the Delaney anticipation ground. *See* Dec. 17. We, therefore, *deny* Microsoft's request to reverse our determination not to institute an *inter partes* review as to the Delaney anticipation ground.

IV. ORDER

Accordingly, it is:

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

PETITIONER:

Todd Siegel
John Vandenberg
KLARQUIST SPARKMAN, LLP
todd.siegel@klarquist.com
john.vandenberg@klarquist.com

PATENT OWNER:

Jason A. Murphy
Arlen L. Olsen
SCHMEISER, OLSEN & WATTS LLP
jmurphy@iplawusa.com
Aolsen@iplawusa.com