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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

KINGSTON TECHNOLOGY COMPANY, INC.,
Petitioner,

v.

POLARIS INNOVATIONS LTD.,
Patent Owner.

Case IPR2016-01622
Patent 6,850,414 B2

Before SALLY C. MEDLEY, JEAN R. HOMERE,
and KEN B. BARRETT, *Administrative Patent Judges*.

BARRETT, *Administrative Patent Judge.*

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

I. INTRODUCTION

On March 7, 2018, Polaris Innovations Ltd. ("Patent Owner") filed a Request for Rehearing (Paper 36, "Request" or "Req. Reh'g") of our Final Written Decision (Paper 35, "Final Dec."), particularly our denial of Patent Owner's Motion to Amend (Paper 18, "Mot. to Amend") U.S. Patent No. 6,850,414 B2 ("the '414 patent," Ex. 1001). Concurrent with its Request for Rehearing, Patent Owner filed Exhibit 2015. For the reasons provided below, Patent Owner's Request for Rehearing is *denied*. We also expunge Exhibit 2015.

II. SUGGESTION FOR PANEL EXPANSION

In its Request, Patent Owner "suggests that the panel 'suggest to the Chief Judge the need for the designation of an expanded panel'" before consideration of the Request. Req. Reh'g 3 (citing PTAB Standard Operating Procedure (SOP) 1).

Standard Operating Procedure 1 identifies some of the reasons for which the Chief Judge may expand a panel. PTAB SOP 1, 3 (§ III.A). For example, an expanded panel may be appropriate when "[t]he proceeding or AIA Review involves an issue of exceptional importance" or when "[c]onsideration by an expanded panel is necessary to secure and maintain uniformity of the Board's decisions." *Id.* (§ III.A.1, 2).

In this case, the Chief Judge has considered Patent Owner's suggestion for an expanded panel, but has determined that an expanded panel is not warranted.

III. ANALYSIS

A party requesting rehearing bears the burden of showing that the decision should be modified. 37 C.F.R. § 42.71(d). "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, an opposition, or a reply." *Id.* When rehearing a decision on a petition, we review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c).

Patent Owner's Motion to Amend proposed to substitute a newly-presented claim 9 for dependent claim 8 and sought to cancel all the instituted challenged claims. Patent Owner requests reconsideration regarding both aspects of the Motion to Amend. Req. Reh'g 1.

A. Arguments Regarding Proposed Substitute Claim 9

As an initial matter, we note that Patent Owner's current arguments regarding the proposed substitute claim focus almost exclusively on policy and procedural matters rather than our substantive determination that proposed substitute claim 9 is unpatentable. *See, e.g.*, Req. Reh'g 7–8. Patent Owner, in effect, argues that it was erroneous for us to consider any arguments or evidence not in the Petition in evaluating the patentability of the proposed substitute claim. *See, e.g., id.* at 10 (quoting Final Dec. 21) (Patent Owner asserting that "[t]he FWD's [Final Written Decision's] suggestion that it must always determine whether the substitute claim is patentable 'based on the entirety of the record, including any opposition made by the petitioner'" is incorrect in this case.) (citations omitted). In so arguing, Patent Owner does not direct our attention to any matter we misapprehended or overlooked.

Patent Owner argues: "As for the FWD's denial of [the Motion to Amend as to] proposed substitute Claim 9, it misapprehended the Board's sole prior decision on point, *Amerigen Pharmaceuticals v. Shire*, IPR2015-02009, Paper 38 (PTAB Mar. 31, 2017), and the law that it applied." Req. Reh'g 1; *see also id.* at 9 (arguing that we overlooked or misapprehended that decision "and the law it applied"). As to that "law," Patent Owner contends that the Final Decision "cannot be squared with *Amerigen's* central holding that IPR has no requirement to ***re***-prove the patentability of subject matter of non-instituted claims." *Id.* at 10; *see also id.* at 2 (characterizing the holding of *Amerigen* as pertaining to there being no requirement for a patent owner to prove original, non-amended claims are patentable). Patent Owner, however, does not point to any portion of the Final Decision that could be construed as placing a requirement on Patent Owner to prove patentability. *Cf.* Final Dec. 7, 15, 21 (indicating the applied legal framework where the burden is *not* on the patent owner to prove patentability). We addressed, in the Final Decision, Patent Owner's arguments regarding *Amerigen*, Final Dec. 19–20, and determined that "*Amerigen* does not, as Patent Owner implies, establish a procedural rule that precludes a petitioner from opposing a motion to amend," *id.* at 20. Contrary to Patent Owner's arguments, we did not misapprehend or overlook its arguments; rather, we disagreed with Patent Owner's position. We note that merely disagreeing with our analysis or conclusions does not serve as a proper basis for a rehearing. It is not an abuse of discretion to provide analysis or conclusions with which a party disagrees.

Patent Owner argues, with emphasis added: "The FWD further overlooks or misapprehends contrary Board practice and law in post-grant

inter partes reexamination, which, as Patent Owner and the Federal Circuit's judges have explained, should guide the Board in interpreting the requirements for amending patents in IPR." Req. Reh'g (citing Paper 33, 27). Similarly, Patent Owner argues that the "conclusion" reached in the Final Decision "is just the opposite of what happens in *inter partes reexamination*." *Id.* at 12 (emphasis added) (citing Paper 33, 27-28; Paper 34, 98:19-99:10). The cited sources of this argument, Papers 33 and 34, are, respectively, Patent Owner's demonstrative exhibits for the hearing and the hearing transcript. The Request does not identify where in the record this matter—concerning *inter partes* reexamination practice as opposed to that of *inter partes* review—was raised in a brief or other substantive paper. Thus, this appears to be improper argument raised for the first time at the hearing[1] or appearing for the first time in a demonstrative exhibit slide that was not even discussed at the hearing.[2] We could not have, in the Final Decision, overlooked or misapprehended briefing made for the first time in the present Request and after the issuance of the Final Decision.

Patent Owner argues that "[t]he FWD's holding not only misapprehends past reexamination practice, Board decisions, and Federal Circuit guidance: it misapprehends IPR's statutory structure" and that "the

[1] The cited portion of the hearing transcript indicates that the few sentences contained little argument and were more of an invitation for the panel to explore the matter on its own. *See* Hearing Tr. (Paper 34), 98:19–21 ("So I'm almost out of time, but just quickly, they say, well, you should actually look to inter partes reexamination proceedings as the backdrop.").
[2] We note that Patent Owner was given the opportunity to provide the last word during briefing, and did file a paper titled "Patent Owner's Brief Addressing Impact of *Aqua Products v. Matal*" (Paper 30).

FWD overlooks the unfairness of its rule to patent owners." Req. Reh'g 13, 15 (citing Paper 23 (Patent Owner's Reply to Petitioner's Opposition to Motion to Amend) and Paper 33 (Patent Owner's demonstrative exhibits)). These arguments appear to be a reiteration of Patent Owner's assertions premised on the incorrect belief that we ruled conclusively on patentability of a dependent claim at the institution phase, or, as characterized in the Request, the purported "exclusion of non-instituted Claim 4 from trial." *Id.* at 15; *see id.* at 2 (referring to "the patentability of the subject matter of non-instituted claims, notwithstanding that it had been excluded from trial at institution."). Similarly, Patent Owner is using this Request as an opportunity to reargue its position that Petitioner should have presented all its arguments against the Motion to Amend in the Petition, prior to institution of a trial and well before the Motion was filed. *See id.* at 10, 13, 14, 15 (repeatedly referring to "unpetitioned attacks" (or similar) on the substitute claim proposed in the later-filed Motion to Amend). To the extent that these arguments were raised in substantive briefs, we considered those arguments in reaching the Final Decision. *See* Final Dec. 16–21. Patent Owner has not directed our attention to any briefed argument in this regard that we overlooked or misapprehended. Any of these arguments not made in substantive briefing could not have been overlooked or misapprehended. *See* Req. Reh'g 14 (citing the hearing transcript (Paper 34) and Exhibit 2015 filed concurrently with the present Request for Rehearing); *id.* at 15 (citing Paper 33 (Patent Owner's demonstrative exhibits)).

B. Arguments Regarding the Proposed Cancelation of All the Challenged Instituted Claims

Patent Owner argues that we "erred in denying the Motion to Amend's noncontingent request to cancel Claims 1 and 5-8." Req. Reh'g 3. Patent Owner faults us for first determining—before moving on to consideration of Patent Owner's Motion to Amend—whether Petitioner had met its burden to prove the unpatentability of the challenged and instituted claims. *See id.*[3] In effect, Patent Owner faults us for not treating the two components of the single proposed amendment[4] as severable and for not analyzing the motion in a piecemeal fashion.

Patent Owner has not identified where the matter was raised such that we misapprehended or overlooked it. Specifically, Patent Owner does not identify where it previously stated, argued, represented, or requested that the cancelation portion of the Motion to Amend be treated as "noncontingent" or as severable from the portion of the motion seeking to substitute a new claim. *Contra* Mot. to Amend 2 (listing together "the proposed claim cancellations and amendments . . . ."); *id.* at 5 (concluding with simply "Patent Owner respectfully requests that its Motion To Amend be granted."); Paper 33, Slide 7 (Patent Owner's demonstrative exhibits for the hearing include a slide titled "Issues For Oral Argument" that states "Motion To

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[3] In the Final Decision, we determined that the claims Patent Owner seeks to have canceled are unpatentable. Final Dec. 27. 35 U.S.C. § 318 provides: "If the Patent Trial and Appeal Board issues a final written decision . . . and the time for appeal has expired or any appeal has terminated, the Director shall issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable . . . ."

[4] *Cf.* 37 C.F.R. § 42.121 (c) (providing for an additional motion to amend in certain circumstances).

Amend: . . . *cancel* instituted Claims 1, 5-8, *add* substitute Claim 9."). Further, Patent Owner, in addition to seeking cancelation of independent claim 1, presented arguments that independent claim 1 was patentably distinct over the prior art of record. Reply to Petitioner's Opposition to Motion to Amend (Paper 23) 10–12. Thus, in light of the ambiguous record, we opted to analyze Petitioner's case regarding patentability of the challenged claims, including consideration of Patent Owner's arguments directed to the patentability of independent claim 1, before reaching Patent Owner's Motion to Amend. Final Dec. 11. We thereafter denied the Motion to Amend because the proposed substitute claim was not patentable. *Id.* at 27. Where Patent Owner did not request separate treatment of the cancelation and substitution portions of the Motion, we could not have misapprehended or overlooked such a request.

Patent Owner argues that we "overlooked 35 U.S.C. § 316(d)." Req. Reh'g at 1. The basis for Patent Owner's assertion is not readily clear. That provision provides that a patent owner may file a motion to amend to cancel and/or substitute claims. Such a motion was filed and considered, and thus we did not overlook Section 316(d).

Patent Owner argues that our treatment of the Motion to Amend "contradict[s] all prior Board decisions on point." Req. Reh'g 3. Specifically, Patent Owner argues "[i]n every such previous case, no matter what the stage of trial and regardless whether the patent owner filed a response to the petition, the Board has granted the patent owner's request

and canceled the claims without entering adverse judgment."[5] *Id.* at 5 (citing, *inter alia*, IPR2016-01600, Paper 35; IPR2016-01186, Paper 61). Patent Owner's own characterization of those cases as having "considered noncontingent requests in motions to amend to cancel fewer than all claims for trial" (*id.* at 4) highlights the distinction between those cases and the situation before us. *See, e.g.*, IPR2016-01600, Paper 16 (clearly stating: "This motion to amend is not contingent on a determination that the original claims are unpatentable."); IPR2016-01186, Papers 29, 61 (granting "a non-contingent Motion to Amend . . . requesting [only] cancellation of claims 1, 3, 5, and 7."). As mentioned, Patent Owner never clearly and unambiguously identified the cancelation portion of its Motion as "noncontingent."

Similarly, Patent Owner misplaces reliance on *Liberty Mut. Ins. v. Progressive Cas. Ins.*, CBM2013-00002, Paper 27 at 2 (PTAB May 14, 2013) for the proposition that "the Board has consistently held that requests to cancel some of the triable claims 'will be entered, as it will reduce issues and streamline the trial,' and render the patentability of the canceled claims

[5] In apparent contradiction to its implied assertion that the two aspects of its Motion to Amend stand independently of each other, Patent Owner's arguments in the Request suggest it strategically tied together the proposed substitute claim to the cancelation of all the instituted claims in an attempt to avoid its actions being construed as a request for adverse judgment. *See, e.g.*, Req. Reh'g 6–7 (implying that an entry of "adverse judgment" is only appropriate where the motion seeks cancelation of all challenged claims without proposing a substitute claim); *see also* 37 C.F.R. § §42.73(b)(2) ("Actions construed to be a request for adverse judgment include . . . [c]ancellation or disclaimer of a claim such that the party has no remaining claim in the trial.").

moot by taking the canceled claims entirely out of the case." Req. Reh'g 4. The cited Paper 27 of *Liberty Mutual* is a summary of a conference call where Patent Owner explicitly indicated to the panel the desire to immediately cancel three claims out of the fifty-nine challenged and where no substitute claim was being proposed. *Liberty Mut. Ins. v. Progressive Cas. Ins.*, CBM2013-00002, Papers 27, 28 (the motion itself). In the case before us, Patent Owner did not simply move to immediately cancel claims, but tied to that a request to add a substitute claim, and then continued to maintain, after filing the Motion to Amend, that independent claim 1—a claim requested to be canceled—was patentably distinct over the prior art. We did not abuse our discretion in considering such arguments.

IV. EXHIBIT 2015

Patent Owner filed Exhibit 2015 concurrently with its Request for Rehearing. That exhibit appears to be an article published on the internet and is dated March 5, 2018, a month after the issuance of the Final Decision. Patent Owner cites the exhibit as "press coverage" regarding briefing being allowed by other panels in other cases involving motions to amend. Req. Reh'g 14. The filing of Exhibit 2015, which was not in the record at the time of the Final Decision, is unnecessary to deciding the merits of Patent Owner's Request for Rehearing, and Patent Owner has not shown good cause for admitting the exhibit now. For these reasons, we expunge Exhibit 2015 pursuant to our authority under 37 C.F.R. § 42.7(a). *See also* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012) ("Evidence not already of record at the time of the decision will not be admitted [with a Rehearing Request] absent a showing of good cause.").

V. ORDER

For the foregoing reasons, it is

ORDERED that Patent Owner's Request for Rehearing is *denied*.

FURTHER ORDERED that Exhibit 2015 is *expunged*.

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