

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ASKELOADDEN L.L.C.,
Petitioner,

v.

ENCODITECH, LLC,
Patent Owner.

Case IPR2017-00452
Patent 6,321,095 B1

Before KEVIN F. TURNER, GREGG I. ANDERSON, and
CHARLES J. BOUDREAU, *Administrative Patent Judges*.

ANDERSON, *Administrative Patent Judge*.

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

I. INTRODUCTION

Askeladden L.L.C. ("Petitioner") requests rehearing (Paper 9, "Request" or "Req. Reh'g") of the Board's Decision (Paper 8, "Dec.")

denying *inter partes* review of claims 1–8 (“challenged claims”) of U.S. Patent 6,321,095 (’095 patent, Ex. 1001). In its Petition (Paper 1, “Pet.”), Petitioner alleged claims 1–7 were all obvious over Chieu (Ex. 1005) combined with other prior art and claim 8 was anticipated by Ford (Ex. 1006). Pet. 12–13.

In the Decision, we concluded Petitioner did not show sufficiently that Chieu taught the “direct limitation,” i.e., a “first mobile station” transmitting a signal “*directly* to the second mobile station,” as required by claims 1–7 of the ’095 patent. Dec. 16–19 (citing Ex. 1001, col. 21, ll. 34–39 (claim 1); Ex. 1001, col. 23, ll. 8–16 (claim 7)). We also concluded that Petitioner did not point to any teaching in Ford that expressly shows a “first communications device” or a “second communications device” as required by the preamble to independent claim 8. *Id.* at 19–21. Accordingly, the Petition was denied as to all challenged claims. *Id.* at 21.

Insofar as the Request relates to claims 1–7, Petitioner contends “the Decision erred in finding that Chieu (Ex. 1005) fails to disclose ‘direct’ communication between two mobile stations.” Req. Reh’g 1. Concerning claim 8, the Request alleges we erred in finding that Ford fails to disclose “protecting data communicated” between “communications devices.” *Id.* at 2.

The Request does not dispute our finding that the Chieu system requires a base station, which the claimed invention does not. Neither does the Request show that we misapprehended or overlooked evidence or argument in the Petition that Ford expressly or impliedly disclosed communication between first and second “communications devices.” The Request is denied for these reasons and the further reasons discussed below.

II. ANALYSIS

When rehearing a decision on institution, the Board reviews the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion may be indicated 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); *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 Request must identify, specifically, all matters the party believes the Board misapprehended or overlooked. 37 C.F.R. § 42.71(d).

A. Petitioner's Allegation that the Decision Misapprehended and Overlooked Chieu's Disclosure of "Direct" Communication Between Mobile Devices (claims 1–7)

Petitioner alleges the Decision confused Chieu's base station, which "synchroniz[es] signals to the user stations," with systems in which the base station is an "intermediary." Req. Reh'g 1–2, 4. The Request asserts that the use of a base station as an "intermediary" is described in Chieu as prior art. *Id.* at 4. Petitioner argues that the direct limitation requires only "that mobile stations communicate directly, which is met by Chieu." *Id.*

Preliminarily, Petitioner now alleges "during the initial prosecution of the '095 patent, the Examiner found that Chieu disclosed these same [direct] limitations." Req. Reh'g 4 (citing Pet. at 20 (citing Ex. 1004, 124–125)). Neither page 20 nor any other portion of the Petition argues the prosecution history as a basis for unpatentability. To the extent the prosecution history is

a new argument, a request for rehearing is not an opportunity to make new arguments. Accordingly, we are not persuaded to change the Decision based on this assertion.

Petitioner argues specifically “the Decision: (1) misunderstood the disclosure of Chieu as it relates to the claims of the ‘095 Patent; (2) overlooked the relevant portions of Chieu cited by Petitioner; and (3) erred by reading-in limitations from the specification.” Req. Reh’g 4. Each is addressed below.

1. Alleged Misunderstanding of the Disclosure of Chieu

The Request argues the Decision misapprehended Chieu’s base station as an “intermediary” when it is not. Req. Reh’g 4–7. Petitioner emphasizes a statement from the Decision that “Chieu’s handshaking operations all include communication ***through a base station*** before communication is established between the first and second ‘user stations.’” *Id.* at 5 (quoting Dec. 18). Petitioner argues our use of “through a base station” means that we “misapprehended” the base station of Chieu functioned as an “intermediary.” *Id.* This interpretation is contrary to the Decision’s language, which makes clear that the base station is part of the system “*before* communication is established between the first and second ‘user stations.’” Dec. 18 (emphasis added). We also found that “Chieu explains that the disclosed handshaking protocol can be used to establish *direct communications*.” *Id.* (emphasis added). Petitioner’s reliance on the “through a base station” language to show we misapprehended Chieu does not show we misapprehended Chieu’s disclosure. Rather, the argument takes the “through the base station” language out of context. As discussed

below, Petitioner's assertion is further contradicted by other parts of the Decision.

As we explained in the Decision, the '095 patent provides for communication "between two or more participating mobile stations, [where] *one of the participating mobile stations takes on the role of a pseudo base station (PBS)*".¹ Dec. 4 (quoting Ex. 1001, col. 6, ll. 60–64) (emphasis added). The Decision determined that "indirect communication *through a base station* is not a part of the claimed invention." *Id.* at 17 (emphasis added). The claim language establishes communication without a base station. *See id.* at 18.

As detailed in the Decision, and in contrast to the '095 patent, Chieu's disclosed "handshaking protocol can be used to establish direct communications among '*at least one base station* and a plurality of portable units.'" Dec. 18 (quoting Ex. 1005, col. 3, ll. 57–60²). The Decision described Chieu's first handshaking operation as requiring a base station. *Id.* at 14 (citing Ex. 1005, col. 2, ll. 24–44). The Request does not dispute Chieu requires a base station. That Chieu requires a base station, for synchronization or otherwise, precludes it from teaching the direct limitation. *See id.* at 18.

Fundamentally, the Request reargues the Petition, again asserting that Chieu discloses the direct limitation. Req. Reh'g 4–6. Petitioner contends

¹ Petitioner makes an analogy that Chieu's handshaking process can be analogized to the movement of dance partners to "synchronization signals," e.g., the beat of the music played by a band. Req. Reh'g 7. Applying the analogy to the '095 patent, one of the dancers sings without the need for a band.

² Hereinafter referred to as "column 3."

that other parts of the Petition cite to portions of Chieu that teach the direct limitation and were not addressed in the Decision, and presumably “overlooked.” *Id.* at 5 (citing Pet. 27 (citing Ex. 1005, col. 5, ll. 63–67, col. 2, ll. 3–18), 36–37 (citing Ex. 1005, col. 6, ll. 6–18, Figs. 3A-F and 5A-C)); *see also id.* at 6–7 (citing to additional disclosure that Chieu’s base station does not function as an “intermediary” and thus discloses the direct limitation).

A request for rehearing is not an opportunity to reargue the Petition. Chieu’s base station and its function was analyzed as part of the Decision. *See* Dec. 18 (citing Pet. 29, 37–40). As explained above, we did not misapprehend that the base station of Chieu acted as an “intermediary.” That our Decision does not cite to every piece of evidence from the Petition does not, by itself, require we change our Decision. Beyond its “through a base station” argument, Petitioner does not include any explanation of how these portions of Chieu would dictate a change in result.

We have also considered the Request’s citations to the Geier Declaration regarding the operation of Chieu. *See, e.g.*, Req. Reh’g 5 (citing Geier Declaration (Ex. 1002) ¶¶ 83–88). The Geier Declaration supports the understanding of Chieu presented in the Decision, as further discussed in section II.A.3. below.

We are not persuaded that we misapprehended how the base station of Chieu functioned. Further, Petitioner has not shown why additional disclosures from Chieu not cited in the Decision were of such significance that we should change the Decision.

2. Allegations Concerning “Prior Art” Described in Chieu

The Request claims we confused the prior art shown in Figure 1 of Chieu with the described invention. Req. Reh’g 8–10. Specifically, the Request asserts the base station disclosure of column 3 of Chieu, discussed in section II.A.1., is prior art. *Id.* at 8. The Request argues the Decision “omits key language from Col. 3:57–60 of Chieu stating that this passage relates to Fig. 1,” which is labeled “Prior Art.” *Id.* Petitioner presents conflicting assertions regarding column 3. The Petition described Chieu using the same column 3 disclosure Petitioner now alleges is prior art. Pet. 29. The Request recognizes this fact but does not explain Petitioner’s justification for arguing the Decision misapprehended that column 3 was instead prior art. Req. Reh’g 8 n. 2. For reasons discussed below, the fact that Figure 1 is labeled “Prior Art” does not preclude it from being part of the Chieu invention.

Although Figure 1 is labelled separately as “Prior Art,” the column 3 disclosure cited in the Decision says nothing about “Prior Art.” The column 3 language appears under “The Detailed Description of the Preferred Embodiments,” not under “Description of the Prior Art.” The description of Figure 1 does not assert it is “Prior Art,” only that it “depicts a cell of a TDMA radio communication system.” Ex. 1005, col. 3, ll. 31–32. Chieu references “base station 2” in column 3 and throughout the written description of the hardware to implement the various embodiments of Chieu. *See* Ex. 1005, col. 4, l. 4–col. 5, l. 39.

We disagree that the “Prior Art” label of Figure 1 means that the column 3 disclosure is prior art and not part of Chieu’s invention. Rather, the column 3 disclosure describes the basic system implementing the various methods of Chieu. *See* Ex. 1005, col. 5, l. 21–col. 9, l. 54 (describing the

steps of the first embodiment immediately following the description of the system base station 2 and portable units 4). Indeed, claim 1 of Chieu recites a system, including a base station, that implements the claimed method. *Id.* at col. 17, ll. 58–62. All of the apparatus claims of Chieu also positively recite a base station. *See, e.g.*, Ex. 1005, col. 24, ll. 64–66 (“49. An apparatus for use in a communication system wherein communication between *a base station* and user stations . . .”) (emphasis added). This conclusion is further supported by the “Summary of the Invention,” which was summarized in the Decision and describes the base station as part of the invention. Dec. 14 (citing Ex. 1005, col. 2, ll. 24–44 (the first handshaking operation)). We are not persuaded the “Prior Art” label of Figure 1 is a significant fact that we either misapprehended or overlooked.

The sentence from column 3 of Chieu above was partially quoted in the Petition. The “base station” language was omitted. *See* Pet. 29 (describing Chieu); *see also* Dec. 18 (noting the omission of “base station”). The Request addresses the omission by stating the “same lines” were in its summary of Chieu and the Petition’s claim charts. Req. Reh’g 8 n. 2. These statements are not supported. *See* Pet. 29, 36–42 (claim 1 chart), 60–63 (claim 7 chart). The omission is of importance because, without the omitted base station language, one might be lead to believe that Chieu does not include a base station. Chieu does require a base station, again, a fact never disputed in the Request.

The Request characterizes Chieu as an “improvement” over the prior art. Req. Reh’g 8. But Chieu still requires a base station in order to implement its invention. The Request argues that Chieu ultimately establishes direct communication between mobile stations. *Id.* at 9. As

discussed in section II.A.1., this was recognized in the Decision. Dec. 18 (citing Ex. 1005, col. 3, ll. 57–60).

The Request also suggests that the Decision did not understand the difference between a “base station” and a “base station channel.” *See* Req. Reh’g 9. The Decision described in detail the first handshaking operation in which Chieu establishes a first calling signal over a base station channel. Dec. 14. (citing Ex. 1005, col. 2, ll. 30–32). The calling signal is established during a first predetermined period of time when the base station was neither transmitting nor receiving data. *Id.* (citing Ex. 1005, col. 2, ll. 24–29). The Decision also acknowledged that Chieu’s invention differed from the prior art “direct communication among portable units,” which “do not use the base station channel for initial communications setup.” *Id.* at 15 (citing Ex. 1005, col. 1, ll. 35–39). In other words, the Decision conveys an understanding that Chieu uses a base station to initially set up communication between portable units. As discussed in section II.A.1. above, the Geier Declaration is consistent with the Decision concerning use of a base station channel. *See* Req. Reh’g 5 (citing Ex. 1005, col. 14, l. 59–col. 15, l. 2; Ex. 1002 ¶88).

The Request does not address that part of Chieu, which disparages “portable units to perform direct communication when communication cannot be performed via a base station.” Ex. 1005, col. 1, ll. 40–43. Chieu then explains “[s]uch a method is inefficient because the portable units consume large amount of power when routinely scanning all of the channels of the system for connection to an origination side portable unit.” *Id.* at

col. 1, ll. 55–59.³ The column 1 disclosures of Chieu are cited in the Decision as further supporting our determination that Chieu requires a base station. *See* Dec. 18–19 (citing). The Decision concludes “[w]e are not persuaded that the person of ordinary skill would look to Chieu to solve the ‘direct’ communication problem identified in the ’095 patent.” *Id.* at 19.

3. Allegations that the “Prior Art” not Include a Base Station

The Request argues the Decision erred by requiring that the prior art, i.e., Chieu, not include a base station. Req. Reh’g 10–12. Specifically, the Request asserts that “[u]nder the broadest reasonable construction, the presence or absence of a base station is not determinative of whether Chieu discloses the ‘direct communication’ limitations.” *Id.* at 10. The Request further argues that claims 1–7, which recite, in relevant part, selecting a “radio frequency (RF) band to carry communications between a first mobile station and a second mobile station,” do not preclude the “aid of another device.” *Id.* This argument, while paying lip service to the claim language, ignores that the claims recite only the first and second “mobile stations.”

We are not persuaded by Petitioner’s arguments attempting to overcome the fact that the claim language does not recite a third device. *See* Req. Reh’g 11. Petitioner understands that the Decision found that one of the mobile stations⁴ takes on the role of a “pseudo-base station” (PBS). *Id.* (citing Dec. 4). Petitioner cites to other embodiments of the ’095 patent that

³ Although not cited in the Decision, Chieu also explains “[a]nother object of the present invention is to provide a method of direct communication between portable units that does not impact the standard protocols for communicating between portable units *and the base station*.” Ex. 1005, col. 2, ll. 11–14 (emphasis added).

⁴ The Request mistakenly references the “first base station.”

“utilize third-party timing signals.” *Id.* (citing Ex. 1001, col. 10, ll. 6–12). However, the claim does not need to cover all embodiments.

The Request argues that these “preferred embodiments” where the communication channel is provided by a third party were “impermissibly ‘read out’” by the analysis in the Decision. *Id.* at 11–12 (citing *In re Van Geuns*, 988 F.2d 1181, 1184 (Fed. Cir. 1993) (“[L]imitations are not to be read into the claims from the specification.”); *Nat’l Steel Car, Ltd. v. Canadian Pac. Ry., Ltd.*, 357 F.3d 1319, 1336 n.19 (Fed. Cir. 2004) (“Claim interpretations that do not read on the preferred embodiment are rarely, if ever correct.”)). The issue in *Van Geuns* was claim construction. We did not read in a limitation from the specification of the ’095 patent, rather we proceeded using the plain and ordinary meaning of the “direct” claim language without explicit resort to the specification. *See* Dec. 11. As to the argument that claims 1 and 7 do not read on the preferred embodiment, the Request does not cite to the ’095 patent specification for support that the third party communication channel embodiment is the preferred embodiment. Furthermore, the Petition argued plain and ordinary meaning in connection with the direct limitation. Pet. 37 (regarding limitation [1.B]); *see also* Dec. 11 (citing Petitioner’s position as plain and ordinary meaning).

In essence, Petitioner proposes that Chieu be modified to omit the base station, thus meeting the direct limitation. However, “a proposed modification [is] inappropriate for an obviousness inquiry when the modification [would] render[] the prior art reference inoperable for its intended purpose.” *In re Fritch*, 972 F.2d 1260, 1266 n.12 (Fed. Cir. 1992) (citing *In re Gordon*, 733 F.2d 900, 902 (Fed. Cir. 1984)). As discussed in section II.A.2. above, both the method and apparatus claims of Chieu require

a base station. Chieu requires a base station in order to implement the methods and apparatus claimed and ignoring the base station would be counter to the invention described and claimed in Chieu. The invention would be “inoperable” in that nowhere in Chieu is there any suggestion that the base station could be omitted while still achieving the objects of the invention.

B. Petitioner’s Allegation that the Decision Overlooked Ford’s Disclosure of “Communications Devices” (claim 8)

Concerning claim 8, the Request alleges “Ford discloses a process for ‘protecting data communicated’ between networked computers (see, e.g., Ex. 1002, ¶¶ 90 and 94, quoting Ford, Abstract and 2:51–67), which are ‘communications device[s]’ under the plain and ordinary meaning.” Req. Reh’g 2. The Request cites to the Petition and the Geier Declaration as disclosing “networked computers,” communication networks, digital networks, including voice communications, and encrypted communications between two parties. *Id.* at 12–15. The Request concludes that, “[t]aken together, these passages expressly disclose secure communications between two computers connected to a network, as required by the preamble of Claim 8.” *Id.* at 14.

The entirety of the argument and evidence cited in the Petition for the preamble⁵ of claim 8 is reproduced below.

To the extent that the preamble is a limitation, Ford discloses a hybrid communications protocol for one party to communicate securely with a second party.

⁵ Petitioner does not dispute in the Request that the preamble of claim 8 is limiting. See Dec. 11 (finding the preamble limiting).

See, e.g., Ford, Col. 1:5–11 (“The present invention relates generally to computer networks in which cryptographic techniques are used for data confidentiality purposes. More specifically, the invention is directed to a computer network in which decryption of data is only possible when a decryptor is authorized in accordance with a set of access control attributes specified by the encryptor.”);
See also id. at 2:51–67.

Pet. 63 (emphasis in original). The Request cites to portions of the Geier Declaration, none of which were cited in the Petition. The arguments made in the Request were either not made in the Petition or made only implicitly. The Petition alleged Ford “expressly” disclosed all the limitations of claim 8. *See* Pet. 63; *see also* Dec. 21 (inherency was not alleged).

A request for rehearing is not an opportunity to make new arguments. The Request does just that. The Petition relies on a “communications protocol” in Ford and does not point to any “communications device.” Pet. 63. We declined to fill in the gaps in the Petition in the first instance, and the Request does nothing more than add arguments not previously made. There is no assertion that we misapprehended or overlooked anything, only that our determinations were “clearly erroneous.” Req. Reh’g 15. The standard is not “clearly erroneous” and that Petitioner disagrees with the Decision is not a basis for rehearing.

III. CONCLUSION

For the foregoing reasons, Petitioner has not shown we misapprehended or overlooked the disclosures of Chieu or Ford or any of the arguments made in the Petition. Further, Petitioner does not allege we abused our discretion in our analysis of the disclosures of Chieu and Ford. Accordingly, Petitioner’s Request is denied.

IV. ORDER

Petitioner's Request for Rehearing is denied.

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