

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AXON ENTERPRISE, INC.,
Petitioner,

v.

DIGITAL ALLY, INC.,
Patent Owner.

Case IPR2017-00515
Patent 9,253,452 B2

Before PHILLIP J. KAUFFMAN, MINN CHUNG, and
ROBERT L. KINDER, *Administrative Patent Judges*.

CHUNG, *Administrative Patent Judge*.

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

I. INTRODUCTION

Axon Enterprise, Inc. (“Petitioner”) filed a Request for Rehearing (Paper 15, “Request” or “Req. Reh’g”) of the Decision (Paper 10, “Dec.”), in which, based on the information presented in the Petition (Paper 1, “Pet.”), we denied institution of an *inter partes* review of claims 10–17 and 20 (the “challenged claims”) of U.S. Patent No. 9,253,452 B2 (Ex. 1001, “the ’452 patent”). The Petition presented two separate grounds of unpatentability under 35 U.S.C. § 103(a): one based on the combination of Pierce (Ex. 1014) and Brundala (Ex. 1015) (“Ground 1”); and the other based on the combination of Vasavada (Ex. 1010) and Tabak (Ex. 1009) (“Ground 2”). Pet. 4. In our Decision, we determined the Petition did not demonstrate a reasonable likelihood that Petitioner would prevail in showing the unpatentability of any of the challenged claims on any of these asserted grounds. Dec. 2, 38. Petitioner’s Request for Rehearing does not discuss our denial of institution on the ground based on Pierce and Brundala; rather, Petitioner’s Request is directed only to the Decision’s denial of the ground based on Vasavada and Tabak (i.e., Ground 2). Req. Reh’g 1. Petitioner contends that, in denying institution of Ground 2, the Decision overlooked Petitioner’s evidence on a key claim limitation and misapplied the law on obviousness. *Id.* at 1–3. For the reasons stated below, Petitioner’s Request for Rehearing is *denied*.

II. STANDARD OF REVIEW

“The burden of showing a decision should be modified lies with the party challenging the decision,” and the challenging party “must specifically identify all matters the party believes the Board misapprehended or

overlooked, and the place where each matter was previously addressed” in a paper of record. 37 C.F.R. § 42.71(d). Because Petitioner seeks rehearing of our Decision denying institution of trial based on the Petition, it must show an abuse of discretion. *See* 37 C.F.R. § 42.71(c) (“When rehearing a decision on petition, a panel will review the decision for an abuse of discretion.”). An abuse of discretion occurs when a “decision was based on an erroneous conclusion of law or clearly erroneous factual findings, or . . . a clear error of judgment.” *PPG Indus., Inc. v. Celanese Polymer Specialties Co.*, 840 F.2d 1565, 1567 (Fed. Cir. 1988).

III. ANALYSIS

In the Decision, we determined that Petitioner did not demonstrate sufficiently that the combination of Vasavada and Tabak teaches or renders obvious all limitations of independent claim 10. Dec. 30–37. Our analysis focused on the limitations of claim 10 identified by Petitioner as limitations 10[D] and 10[G] (Pet. 58, 64), which recite “a recording device manager operable” (limitation 10[D]) to “broadcast, in response to receiving the trigger signal, at least one communication signal including correlation data to the first recording device and the second recording device instructing the first recording device to begin recording said first set of record data and instructing the second recording device to begin recording said second set of record data” (limitation 10[G]). Dec. 30–37. Claim 10 refers to the signal broadcast to the first and second recording devices as “the broadcast communication signal.” Ex. 1001, 16:52–53.

In the Petition, Petitioner asserted that Vasavada alone discloses limitation 10[G], or, in the alternative, the combination of Vasavada and Tabak teaches or renders obvious limitation 10[G]. Pet. 64–66.

A. Petitioner’s Contention That Vasavada Discloses Limitation 10[G]

In the Decision, addressing Petitioner’s contention that “Vasavada discloses limitation 10[G]” (Pet. 64), we found that “Petitioner does not identify, nor do we discern, any express disclosure in Vasavada that signals 204 and 206 (the alleged ‘broadcast communication signal’) *instruct* the first and second recording devices (radio units 104 and 106) to begin recording.” Dec. 32 (emphasis added). In its Request for Rehearing, Petitioner contends our Decision “applied an overly-restrictive test for obviousness (requiring ‘express disclosure’) when analyzing Vasavada” (Req. Reh’g 2) and “overlooked that Vasavada at least suggests” limitation 10[G], including the “‘instructing’ requirement.” (*id.* at 9).

Petitioner mischaracterizes our Decision. We did not “require” Petitioner to show Vasavada expressly discloses limitation 10[G]. Rather, it was *Petitioner’s contention* that “Vasavada *discloses* limitation 10[G].” Pet. 64 (emphasis added).

Petitioner’s Request for Rehearing cites pages 64, 51–52, and 54 of the Petition as demonstrating Vasavada at least suggests the claimed “instructing” feature. Req. Reh’g 6 (citing Pet. 64), 7 (citing Pet. 54), 8 (citing Pet. 64), 10 (citing Pet. 51–52), 11 (citing Pet. 51–52). As discussed below, the only argument presented in these pages was that Vasavada *expressly discloses* limitation 10[G]. Contrary to Petitioner’s contention in

the Request for Rehearing, none of these pages (nor any other portions) of the Petition discussed or explained that Vasavada suggests limitation 10[G].

Page 64 of the Petition addressing the “instructing” feature of limitation 10[G] is reproduced below in its entirety.

Vasavada *discloses* limitation 10[G]. With regard to Fig.2 (above), Vasavada *discloses* that central control station 210 (i.e., recording device manager) retransmits signal 202 (i.e., communication signal, with the retransmission represented as signals 204, 206 in Fig.2) to radio units 104, 106 (i.e., first and second recording devices) over a communications network, such as cellular or WiFi, instructing the radio units to begin recording data related to the event. (Ex.1010, 2:31-46, 4:1-6, Fig.2; Ex.1003, ¶285). Vasavada *discloses* that this retransmission is in response to central control station 210 receiving signal 202 (“trigger signal”) from radio unit 102. (Ex.1010, 4:4-6, Fig.4). In response to receiving the same retransmitted signal, radio units 104, 106 begin recording. (Ex.1010, 5:58-64, Fig.4 box 428; Ex.1003, ¶285). As such, central control station 210 sends a transmission simultaneously to multiple synced radio units instructing the devices to record. (Ex.1003, ¶285).

Pet. 64 (emphases added). Thus, page 64 of the Petition argued *only* that Vasavada *discloses* limitation 10[G]; Petitioner did not argue, much less explain, Vasavada at least suggests the “instructing” feature of limitation 10[G]. Pages 51–52 of the Petition present summaries of the Vasavada and Tabak references, while page 54 discusses the preamble of claim 10. *See id.* at 51–52, 54. Petitioner does not identify where in these pages the Petition presented arguments that Vasavada suggests limitation 10[G]. Thus, the record shows that, contrary to Petitioner’s contention in the Request, the Petition did *not* present any argument that Vasavada at least *suggests* limitation 10[G]. Nor does Petitioner contend that it argued inherent

disclosure. Therefore, the only argument presented in the Petition based on Vasavada alone was that Vasavada *expressly discloses* limitation 10[G], including the claimed “instructing” feature (*see id.* at 64), which we found unpersuasive as lacking support in the evidence of record cited in the Petition (Dec. 32–34).

In its Request for Rehearing, Petitioner mischaracterizes this record and misattributes Petitioner’s “express disclosure” argument as our requirement for obviousness. Req. Reh’g 2, 9–10. As explained above, the record shows that, rather than applying an overly-restrictive test for obviousness requiring “express disclosure,” our Decision simply considered the argument and evidence Petitioner presented in the four corners of the Petition, arguing “Vasavada discloses limitation 10[G]” (Pet. 64), and found them unpersuasive.

In addition to Petitioner’s unpersuasive argument discussed above, Petitioner also contends that the Decision made erroneous findings of facts regarding Figure 4 of Vasavada, and misapprehended and overlooked the fact that Figure 4, including Step 428, teaches or suggests the “instructing” feature of limitation 10[G]. Req. Reh’g 6–9.

Again, Petitioner mischaracterizes the record and our Decision. As discussed above, the Decision found unpersuasive Petitioner’s argument that Vasavada discloses limitation 10[G]. Petitioner’s Request for Rehearing does not identify where in the Petition Petitioner discussed or explained the significance of Figure 4 or Step 428 as teaching or suggesting the “instructing” feature of limitation 10[G]. Similar to our discussion above, the portions of the Petition cited in the Request for Rehearing—pages 64,

51–52, and 54 of the Petition (Req. Reh’g 6 (citing Pet. 64), 7 (citing Pet. 54), 8 (citing Pet. 64), 10 (citing Pet. 51–52), 11 (citing Pet. 51–52))—do not contain any discussion or explanation of why Vasavada’s Figure 4 or Step 428 teaches or suggests the “instructing” feature of limitation 10[G]. At best, Petitioner’s arguments in its Request for Rehearing attempt to address the deficiencies in the Petition we identified in the Decision.

A request for rehearing is not a supplemental petition. Nor is it an opportunity to present new arguments or evidence that could have been presented and developed in the first instance in the Petition. Simply put, we could not have misapprehended or overlooked arguments that were not presented or developed in the Petition.

B. Combination of Vasavada and Tabak

In the Request, Petitioner contends that our Decision improperly required an “actual, physical substitution” of Tabak’s content recording device for Vasavada’s radios. Req. Reh’g 11, 13. The Decision did not require Petitioner to prove an actual physical substitution or bodily incorporation of Tabak’s content recording device into Vasavada’s system. Instead, the Decision properly determined that the Petition failed to explain adequately *how* Petitioner’s proposed combination of Vasavada and Taka produces the claimed invention. *See* Dec. 34–38; *see also TriVascular, Inc. v. Samuels*, 812 F.3d 1056, 1066 (Fed. Cir. 2016) (an explanation of how the references would be combined to produce the claimed invention is necessary to show obviousness).

As explained in the Decision, the Petition relied on Tabak’s content recording devices 110 to teach *both* a “recording device” and a “recording

device manager” that broadcasts a communication signal “instructing” the first and second recording devices to “begin recording,” as recited in claim 10. Dec. 36 (citing Pet. 51–52, 65); Pet. 51 (“Tabak *teaches* a *manager* . . . that *transmits* an *instruction* to a number of *other recording devices* to record and also sends metadata.” (emphases added)), 52 (“According to Tabak, a first ‘*content recording device 110* can communicate metadata to *the other content recording devices 110.*’” (emphases added)); 65 (“Tabak *teaches* a *manager* that *instructs other recording devices* to record and also sends correlation data in the form of metadata.” (emphases added)). The Petition asserted that Tabak’s content recording device 110 teaches *both* a “recording device” and a “recording device manager” because Tabak teaches a “manager” that is *inside* a “recording device.” Pet. 51 (“Tabak *teaches* a *manager* (in Tabak the *manager* is within a *recording device*) that transmits an instruction to a number of *other recording devices* to record and also sends metadata.” (emphases added)); Dec. 35 (citing Pet. 51).

The Petition did *not* propose modifying these teachings of Tabak when combining with the teachings of Vasavada. Rather, as Petitioner acknowledges in the Request, the Petition proposed “*modifying Vasavada* to employ Tabak’s communication.” Req. Reh’g 12–13 (citing Pet. 52–54, 65–66). Thus, as explained in the Decision, in Petitioner’s proposed combination of Vasavada and Tabak, the claimed “recording device manager” is included *within* each of the claimed “first recording device” and “second recording device,” and the “manager” within each of the recording

devices broadcasts a signal “instructing” the other recording devices to “begin recording.” Dec. 36 (citing Pet. 51–52, 65).

As discussed in the Decision, the Petition did not explain adequately how this proposed combination produces the claimed invention. *Id.* Among other reasons, the Petition did not explain adequately how the proposed combination can be squared with Petitioner’s contentions on other limitations of claim 10, e.g., limitation 10[F]. For example, the Decision explained that “Petitioner does not explain how ‘a recording device manager’ would ‘receive a trigger signal,’ as recited in claim 10, when every single radio unit in Vasavada’s system is a ‘recording device manager.’” *Id.* (citing Pet. 61 (discussing limitation 10[F])).

In addition, we determined that “Petitioner’s analysis is insufficient because Petitioner does not explain in sufficient detail *how* the proposed combination is supposed to work.” *Id.* at 37 (citing *Personal Web Techs., LLC v. Apple, Inc.*, 848 F.3d 987, 994 (Fed. Cir. 2017) (“[A] clear, evidence-supported account of the *contemplated workings of the combination* is a *prerequisite* to adequately explaining and supporting a conclusion that a relevant skilled artisan would have been motivated to make the combination and reasonably expect success in doing so.”) (emphases added)). Ultimately, the Petition did not explain adequately how the proposed combination of Vasavada and Tabak renders obvious the subject matter of claim 10, *as a whole*, to a person having ordinary skill in the art. See *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007).

The Request for Rehearing does not identify where in the Petition Petitioner explained how Vasavada and Tabak, combined in the manner

proposed in the Petition, produce the claimed invention, or how the proposed combination is supposed to work. Therefore, the Request does not sufficiently demonstrate that a modification of the Decision denying institution is warranted.

C. Knowledge of a Person of Ordinary Skill in the Art

The Request for Rehearing contends that the Decision overlooked the fact that “instructing two recording devices to begin recording was well known to a [person of ordinary skill in the art]” placing “the disputed ‘instructing’ of limitation 10[G] within the baseline knowledge of a [person of ordinary skill in the art].” Req. Reh’g 4 (citing Pet. 6–11; Ex. 1003 ¶¶ 92–113). The Request asserts that “Petitioner’s proffered prior art” cited in the Petition “confirms” that the “instructing” feature of limitation 10[G] was known to a person of ordinary skill in the art at the time of the invention of the ’452 patent (Req. Reh’g 4–5 (citing Pet. 7–11)), citing “prior-art evidence,” including the following: the ’452 patent’s background section (*id.* at 4 (citing Ex. 1001, 1:20–24)); Raytheon’s 20/20 system (*id.* (citing Ex. 1006, 8–9)); and Petitioner TASER’s communications system (“TACOM”) (*id.* at 5 (citing Pet. 10)).

The Request does not identify, however, where in the Petition a ground of unpatentability based on these “proffered prior art” references was presented. The portions of the Petition and the Declaration of Dr. Houh (Ex. 1003) the Request cites (as discussing these “prior-art evidence”) are titled “State of the Art as of the ’452 Priority Date” (Pet. 7) or “State of the Art” (Ex. 1003 ¶ 92).

Under § 42.104(b), the Petition was required to set forth:

(b) *Identification of challenge*. Provide a statement of the precise relief requested for each claim challenged. The statement must identify the following:

(1) The claim;

(2) The specific statutory grounds under 35 U.S.C. 102 or 103 on which the challenge to the claim is based and the patents or printed publications relied upon for each ground;

37 C.F.R. § 42.104(b) (underlined emphases added). As discussed above in Section I, pursuant to 37 C.F.R. § 42.104(b), the Petition identified only two grounds of unpatentability: Ground 1 based on the combination of Pierce and Brundala; and Ground 2 based on the combination of Vasavada and Tabak. Pet. 4–6. Thus, the Petition’s § 42.104(b) statement did *not* specifically identify a ground of challenge based on Raytheon’s 20/20 system, the “TACOM” system, the background section of the ’452 patent, or any other “prior-art evidence” discussed in the “State of the Art” section.

The Request does not point to, nor do we discern, any discussion in the Petition’s analysis of the ground based on Vasavada and Tabak¹ of using the purported “proffered prior art” described in the “State of the Art” section or any other knowledge of a person of ordinary skill in the art to teach the “instructing” feature of limitation 10[G]. *See id.* at 64–66. Nor does the Petition provide an analysis of how any such “proffered prior art” would be combined with Vasavada and Tabak to teach any claim.

¹ As discussed above, the Request is directed only to our denial of the ground based on Vasavada and Tabak. Req. Reh’g 1.

Plainly, we could not have misapprehended or overlooked arguments or grounds of unpatentability that were not presented or developed in the Petition.

At best, the Request’s argument that the Decision overlooked “what a [person of ordinary skill in the art] would have known” (*see* Req. Reh’g 3) appears to be an attempt to introduce a new ground of unpatentability based on Raytheon’s 20/20 system, the “TACOM” system, or other prior art described in the “State of the Art” section (*see id.* at 4–5) that was not presented initially in the Petition. As discussed above, a request of rehearing is not a supplemental petition. Nor is it an opportunity to present a new theory of unpatentability that could have been presented and developed in the first instance in the Petition. We decline to consider this new ground of unpatentability asserted for the first time in Petitioner’s Request for Rehearing because Petitioner’s belated assertion disregards the requirements under § 42.104(b), as well as “the requirement that *the initial petition* identify ‘with particularity’ the ‘evidence that supports the grounds for the challenge to each claim.’” *Intelligent Bio-Systems, Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1369 (Fed. Cir. 2016) (emphasis added) (quoting 35 U.S.C. § 312(a)(3)). *Cf. Sirona Dental Sys. GmbH v. Institut Straumann AG*, 892 F.3d 1349, 1356 (Fed. Cir. 2018) (“It would . . . not be proper for the Board to deviate from *the grounds in the petition* and raise its own obviousness theory.” (emphasis added)) (citing *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1356–57 (2018)).

D. Dr. Houh's Testimony

The Petition cited Dr. Houh's testimony in support of Petitioner's contention that Vasavada discloses limitation 10[G]. Pet. 64 (citing Ex. 1003 ¶ 285). In the paragraphs of his Declaration addressing limitation 10[G], Dr. Houh relied on essentially the same disclosures of Vasavada discussed in the Petition. *Compare* Ex. 1003 ¶¶ 284–286 (citing Ex. 1010, 4:1–13, 5:51–61, Figs. 2, 3, 4), *with* Pet. 64 (citing Ex. 1010, 4:1–6, 5:58–64, 2:31–46, Figs. 2, 4). Thus, for essentially the reasons discussed above, our Decision found that Dr. Houh's testimony that Vasavada discloses limitation 10[G] was not supported by the cited disclosures of Vasavada. Dec. 32–33. In particular, we determined that

None of the portions of Vasavada cited by Dr. Houh contain an explicit disclosure that signals 204 and 206 instruct the first and second recording devices (units 104 and 106) to begin recording a first set of record data and a second set of record data, respectively.

Id. at 33.

The Request asserts that the Decision overlooked “the record evidence that corroborates” Dr. Houh's testimony. Req. Reh'g 13. The Request, however, does not identify specifically what “record evidence” the Decision overlooked or explain how Dr. Houh's testimony was corroborated by the cited disclosures of Vasavada or any other evidence of record. *Id.* at 13–15.

The Request appears to simply disagree with our determination that Dr. Houh's testimony was not supported or corroborated by the disclosures of Vasavada. Mere disagreement with a decision is not a proper basis for rehearing when a party's arguments were considered and addressed in the decision.

The Request also contends that we “overlooked Dr. Houh’s expertise in the field” (Req. Reh’g 13) and “[b]ased on his qualifications, Dr. Houh indisputably possesses sufficient technical expertise to be of assistance to the trier of fact” (*id.* at 15). We were not, however, required to accept Dr. Houh’s testimony merely because Petitioner offered it. *See Skky, Inc. v. MindGeek, s.a.r.l.*, 859 F.3d 1014, 1022 (Fed. Cir. 2017) (the Board was not required to credit expert evidence simply because [a party] offered it) (citing *In re Ethicon, Inc.*, 844 F.3d 1344, 1352 (Fed. Cir. 2017); 37 C.F.R. § 42.65(a)). Dr. Houh’s qualifications, impressive as they may be, do not by themselves render Dr. Houh’s testimony credible without being supported by underlying facts or evidence of record. *See* 37 C.F.R. § 42.65(a) (“Expert testimony that does not disclose the underlying facts or data on which the opinion is based is entitled to little or no weight.”). As discussed above, upon review of the disclosures of Vasavada cited by Dr. Houh, we determined on our own that Dr. Houh’s testimony was not supported by Vasavada, and found Dr. Houh’s testimony not credible. Dec. 32–33.

Finally, the Request asserts that Dr. Houh’s testimony was un rebutted because Patent Owner did not submit a declaration disputing Dr. Houh’s testimony. Req. Reh’g 13–15. Petitioner appears to turn the burdens requirement of an *inter partes* review proceeding on its head. Patent Owner had no obligation to “rebut” Petitioner’s contentions or submit a declaration “rebutting” Petitioner’s contention that Vasavada discloses limitation 10[G]. *See* 37 C.F.R. §§ 42.107(a) (“The patent owner *may* file a preliminary response to the petition.” (emphasis added)), 42.108(c) (“The Board’s decision will take into account a patent owner preliminary response *where*

such a response is filed, including any testimonial evidence, ...” (emphasis added)). Rather, it was Petitioner’s burden to demonstrate sufficiently in the Petition that the cited prior art renders the challenged claims unpatentable, including showing that the Petition’s contentions (e.g., Vasavada discloses limitation 10[G]) are supported by evidence. *See* 35 U.S.C. § 314(a); *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) (“In an IPR, the petitioner has the burden *from the onset* to show *with particularity* why the patent it challenges is unpatentable.” (emphases added)) (citing 35 U.S.C. § 312(a)(3)); *Intelligent Bio-Sys.*, 821 F.3d at 1369 (requiring “*the initial petition* identify ‘*with particularity*’ the ‘evidence that supports the grounds for the challenge to each claim.’” (emphases added))). As discussed above, the Decision properly determined that the Petition did not meet this burden required on Petitioner.

IV. CONCLUSION

For the foregoing reasons, Petitioner has not demonstrated that we abused our discretion or that we misapprehended or overlooked any matter in our Decision denying institution of *inter partes* review of the challenged claims of the ’452 patent. Petitioner, therefore, has not carried its burden of demonstrating that the Decision denying institution should be modified. *See* 37 C.F.R. § 42.71(d).

V. ORDER

Accordingly, it is ORDERED that Petitioner’s Request for Rehearing is DENIED.

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