

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNITED FIRE PROTECTION CORP.,
Petitioner,

v.

ENGINEERED CORROSION SOLUTIONS, LLC,
Patent Owner.

Case IPR2018-00991
Patent 9,144,700 B2

Before WILLIAM V. SAINDON, PATRICK R. SCANLON, and
BARRY L. GROSSMAN, *Administrative Patent Judges*.

Opinion for the Board filed by *Administrative Patent Judge* SCANLON.

Opinion Dissenting filed by *Administrative Patent Judge* SAINDON.

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

I. INTRODUCTION

United Fire Protection Corp. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting an *inter partes* review of claims 1–9 of U.S. Patent No. 9,144,700 B2 (Ex. 1001, “the ’700 patent”). Engineered Corrosion Solutions, LLC (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”).

On November 15, 2018, we issued a Decision Denying Institution of *Inter Partes* Review. Paper 10 (“Decision” or “Dec.”).

Petitioner timely filed a Request for Rehearing under 37 C.F.R. § 42.71(d) on December 14, 2018. Paper 11 (“Reh. Req.”). With our authorization, Petitioner filed a Brief in Support of its Request for Rehearing (Paper 16, “Brief”), and Patent Owner filed a Response to Petitioner’s Brief in Support of its Request for Rehearing (Paper 17, “Resp.”). For the reasons set forth below, Petitioner’s Request for Rehearing is *denied*.

II. ANALYSIS

A. *Legal Standard*

The applicable requirements for a request for rehearing are set forth in 37 C.F.R. § 42.71(d), which provides:

A party dissatisfied with a decision may file a single request for rehearing, without prior authorization from the Board. The burden of showing a decision should be modified lies with the party challenging the decision. 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.

We review our Decision under an abuse of discretion standard. 37 C.F.R. § 42.71(c). An abuse of discretion may arise 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).

B. The Decision Denying Institution

In the Decision, the majority exercised discretion under 35 U.S.C. § 314(a) to deny institution of *inter partes* review in view of an earlier challenge (Case IPR2016-00136 (the “136 IPR”)) to the ’700 patent by different petitioners (the “Prior Petitioners”). Dec. 9–18. In particular, the majority considered the non-exhaustive factors set forth in *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19, 15–16 (PTAB Sept. 6, 2017) (designated precedential)¹ (“*General Plastic*”) (citing *NVIDIA Corp. v. Samsung Elec. Co.*, IPR2016-00134, Paper 9, 6–7 (PTAB May 4, 2016)), and determined that these factors weighed in favor of invoking discretion under § 314(a) to deny institution of *inter partes* review. *Id.* at 12–18. The *General Plastic* factors are:

1. whether the same petitioner previously filed a petition directed to the same claims of the same patent;
2. whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it;
3. whether at the time of filing of the second petition the petitioner already received the patent owner’s preliminary response to the first petition or received the Board’s decision on whether to institute review in the first petition;

¹ Section II.B.4.i. of the decision in *General Plastic* was designated precedential on October 18, 2017.

4. the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition;
5. whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;
6. the finite resources of the Board; and
7. the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.

Gen. Plastic, Paper 19 at 15–16.

C. Petitioner’s Arguments on Rehearing

Petitioner now argues that the Board abused its discretion in denying institution, asserting that “[t]he majority opinion failed to address facts of record.” Reh. Req. 4. Specifically, Petitioner argues that it made the following facts of record:

1. Petitioner is unrelated to, and a competitor of, the Prior Petitioners;
2. Petitioner was not involved in the 136 IPR and learned of this prior proceeding only after the Board made its final decision;
3. the Petition is based in part on grounds not raised in the 136 IPR; and
4. the 136 IPR was on appeal and remanded on non-instituted grounds.

Id. at 4–5 (citing Pet. 3, 4; Paper 9, 2; Dec. 9). Petitioner then argues “[i]n view of these facts, there is no equitable reason to deny [Petitioner] the opportunity to be heard.” *Id.* at 5.

Petitioner has not shown, however, how we overlooked or misapprehended these facts as required by 37 C.F.R. § 42.71(d). For instance, regarding the first item listed above, the Petition states “[t]he ’700 Patent was the subject of an *inter partes* review (IPR), IPR2016-00136 filed

by competitors.” Pet. 3. Thus, the Petition merely identifies the Prior Petitioners as “competitors” of Petitioner,² but does not explain any significance of this status with respect to the Board exercising discretion under § 314(a). In other words, Petitioner did not provide any reasoning why being a competitor of the Prior Petitioners should weigh against the Board exercising its discretion under § 314(a) to deny institution of *inter partes* review. In any event, although not mentioning specifically that Petitioner is unrelated to, or a competitor of, the Prior Petitioners, the majority opinion did acknowledge and address that different petitioners filed the 136 IPR. Dec. 11–12; *see also id.* at 12–13 (addressing that Petitioner was not a petitioner in the 136 IPR while assessing the first two *General Plastic* factors).

Regarding the second item identified by Petitioner, the majority opinion explicitly mentioned that Petitioner asserted it was not involved in the 136 IPR and learned of this prior proceeding only after the Board made its final decision, but explained that this assertion did not provide a reasonable explanation for the timing of filing the Petition relative to when the petition was filed in the 136 IPR.³ *Id.* at 16. Thus, Petitioner does not establish that the majority opinion overlooked or misapprehended this assertion.

² Although Petitioner does not point to any evidence in the record supporting this assertion, we treat the statement as factual for the purposes of this decision.

³ Petitioner does not point to any evidence in the record supporting the assertion that it did not learn of the 136 IPR until after the Board made its final decision, but we treat this statement as factual for the purposes of this decision.

Regarding Petitioner’s third identified item, the majority opinion sets forth the specific grounds asserted in both the 136 IPR and the Petition, thereby recognizing the differences between the two sets of grounds. *Id.* at 6–8. The majority opinion, however, also determined that there were many similarities between the grounds asserted in the 136 IPR and in the Petition. *Id.* at 12, 14–15. Petitioner does not establish that the majority opinion overlooked or misapprehended the differences in the grounds asserted in the two proceedings.

Last, the majority opinion did not overlook or misapprehend that the 136 IPR was on appeal and remanded on non-instituted grounds. *See id.* at 9. Furthermore, Petitioner does not identify where in the record it explains why this appeal and remand should weigh against the Board exercising its discretion under § 314(a) to deny institution of *inter partes* review.

For these reasons, we are not persuaded that we abused our discretion by failing to address facts of record.

Next, Petitioner argues “[t]he majority opinion . . . improperly weighted or failed to address factors relevant to the circumstances of a follow-on petition by a different petitioner,” and “the *General Plastic* factors, when informed by the equities to both parties, favor[] institution.” Reh. Req. 4, 5. Petitioner, however, does not assert explicitly that the majority opinion used unreasonable judgment in weighing the *General Plastic* factors. *See Star Fruits*, 393 F.3d at 1281 (holding an abuse of discretion may arise if a decision represents an unreasonable judgment in weighing relevant factors). Rather, Petitioner uses its Request for Rehearing to present arguments in support of its position that the *General Plastic* factors favor institution. Reh. Req. 5–13. Merely disagreeing with our

analysis of the *General Plastic* factors does not serve as a proper basis for a rehearing. It is not an abuse of discretion to provide an analysis with which a party disagrees. Thus, Petitioner's challenge does not meet the standard set forth for a request for rehearing.

Nevertheless, upon consideration of Petitioner's arguments, we are not convinced that the majority opinion improperly weighted, or failed to address, relevant factors. In the Decision, the majority determined that the first *General Plastic* factor weighs only moderately against exercising discretion to deny institution. Dec. 13. Petitioner argues that the first factor should weigh strongly—not moderately—in favor of institution. Reh. Req. 5. According to Petitioner, our determination to weigh the first factor moderately conflicts with prior Board decisions. *Id.* at 5–6 (citing *W. Digital Corp. v. SPEX Techs., Inc.*, IPR2018-00084, Paper 14, 17 (PTAB Apr. 25, 2018)). Petitioner argues that the equities here align with *Western Digital* because Petitioner was not aware of the '700 patent or the 136 IPR until after the final written decision was entered in the 136 IPR, Petitioner is unrelated to the Prior Petitioners, and there is no evidence that Petitioner is similarly situated with, or cooperating in any way with, the Prior Petitioners. *Id.* at 6.

In *Western Digital*, the Board found that the first factor weighed “heavily” in favor of institution because the petitioner of the proceeding at issue was not a party to two earlier proceedings challenging the same patent. *W. Digital*, Paper 14 at 17. The Board further found that the second through fifth *General Plastic* factors bore little relevance because the petitioner had not filed a previous petition against the same patent. *Id.* Despite this decision, however, application of the *General Plastic* factors is not limited

solely to instances where multiple petitions are filed by the same petitioner. Rather, when different petitioners challenge the same patent, we consider any relationship between those petitioners when weighing the *General Plastic* factors. *Valve Corp. v. Elec. Scripting Prod., Inc.*, IPR2019-00062, Paper 11, 9 (PTAB Apr. 2, 2019) (designated precedential).

In *Valve*, a different petitioner had filed an earlier petition challenging the same claims of the same patent challenged by the petitioner in the proceeding at issue, and the two petitioners were co-defendants in district court litigation and were both accused of infringing the challenged patent based on the same product. *Id.* at 9–10. The Board found that, although the petitioners were different in the two proceedings, the complete overlap in the challenged claims and the significant relationship between the petitioners favored denying institution. *Id.* at 10.

Here, we agree that the record does not establish a relationship between Petitioner and the Prior Petitioners. Unlike the *Valve* case, however, the majority opinion did not find that the first factor favors denying institution. Rather, the majority opinion determined that the first factor weighs against exercising discretion to deny institution, but only moderately because of the complete overlap in the challenged claims between the Petition and the petition in the 136 IPR, as well as the overlap of many issues and arguments raised by the Petition and the 136 IPR petition. Dec. 12–13. Petitioner’s arguments do not establish that we overlooked or misapprehended anything, or used unreasonable judgment, in determining that the first factor weighs only moderately against exercising discretion to deny institution. Furthermore, even if we were to determine that the first factor *heavily* weighs against exercising discretion to deny

institution, as advocated by Petitioner, this determination would not alter our overall weighing of the *General Plastic* factors.

The majority opinion determined that the second *General Plastic* factor has little probative value in this case and thus weighs neither for nor against exercising our discretion. Dec. 13. Petitioner agrees that this factor has little probative value and, thus, does not appear to challenge our analysis of this factor. Reh. Req. 6.

Regarding the third and fourth *General Plastic* factors, Petitioner argues that “[t]hese factors were written with the understanding that the petitioner in *General Plastic*[] was aware of the prior *inter partes* review proceeding while it was pending.” *Id.* at 7. We are not persuaded that *General Plastic* requires a follow-on petitioner to be aware of the prior proceeding *while the prior proceeding was pending*. The third factor applies to “the time of filing of the second petition” and makes no reference to when the prior proceeding was pending. *Gen. Plastic*, Paper 19 at 16. In addition, “factor 3 is directed to Petitioner’s potential benefit from receiving and having the opportunity to study Patent Owner’s Preliminary Response, as well as our institution decisions on the first-filed petitions, prior to its filing of follow-on petitions.” *Id.* at 17. This benefit still was available even though Petitioner did not learn of the 136 IPR until after the final decision was entered. Similarly, the fourth factor applies to “the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition,” without referencing the time the prior proceeding was pending. *Id.* at 16. Neither factor is dependent upon the follow-on petitioner being aware of the prior proceeding while the prior proceeding was pending.

Thus, Petitioner’s assertion that it was not aware of the 136 IPR until after a final decision was entered (Reh. Req. 8)—an assertion the majority considered in the Decision (*see* Dec. 16)—does not establish that the majority opinion overlooked or misapprehended anything in its analyses of the third and fourth factors. Petitioner also argues that nothing in the record suggests that it has abused the process or otherwise sought to gain an unfair advantage by timing the filing of its petition. Reh. Req. 8. The Board, however, previously has explained that

Multiple, staggered petitions challenging the same patent and same claims raise the potential for abuse. The absence of any restrictions on follow-on petitions would allow petitioners the opportunity to strategically stage their prior art and arguments in multiple petitions, using our decisions as a roadmap, until a ground is found that results in the grant of review. All other factors aside, this is unfair to patent owners and is an inefficient use of the *inter partes* review process and other post-grant review processes.

Gen. Plastic, Paper 19 at 17–18 (footnote omitted) (emphasis added). Thus, it is the potential for abuse raised by the staggered, follow-on Petition that the majority opinion found weighed in favor of exercising discretion to deny institution. Petitioner’s argument does not persuade us that we overlooked or misapprehended anything, or used unreasonable judgment, in our analysis.

Petitioner also argues that the majority opinion found “fault” with the Petition “for improving the grounds asserted in the prior petition.” Reh. Req. 8. This argument is not persuasive because the majority opinion did not fault Petitioner for merely “improving” the grounds from the 136 IPR. Rather, the majority opinion found that Petitioner had used the information available from the 136 IPR “as a roadmap” in an effort to find a successful

challenge. Dec. 14. This finding does not present a “no win” situation, as asserted by Petitioner (*see* Reh. Req. 8–9), because a follow-on petition presenting substantively different grounds, such as in the *Western Digital* case, would not necessarily be found to have used the information from the prior proceeding as a roadmap. *Compare W. Digital*, Paper 14 at 6 with *Kingston Tech. Co. v. SPEX Techs., Inc.*, IPR2017-00825, Paper 8, 6–7 (PTAB Aug. 17, 2017) and *Kingston Tech. Co. v. SPEX Techs., Inc.*, IPR2017-01021, Paper 7, 6 (PTAB Oct. 4, 2017).

Regarding the fifth *General Plastic* factor, the majority opinion found:

Petitioner does not provide any explanation related to the timing of filing its Petition in relation to the petition filed in the 136 IPR. Rather, Petitioner merely asserts that it “was not involved with the previous IPR of the ’700 Patent and only learned of this preceding [sic] after the Board made its final decision.”

Dec. 16 (quoting Pet. 4). Petitioner argues that asserting it was unaware of the 136 IPR until after a final decision was entered “is all the explanation that is required,” and now contends that this “explanation” soundly rebuts any inference that Petitioner was seeking to gain an unfair advantage or otherwise abusing the *inter partes* review process. Reh. Req. 11. We disagree.

The entire passage that contains this assertion, which is found under the heading “Grounds for Standing,” reads as follows:

Petitioner certifies that the patent for which review is sought is available for *inter partes* review, and further certifies that Petitioner is not barred from requesting an *inter partes* review challenging the patent claims on the grounds identified in this Petition. Petitioner was not involved with the previous IPR of the ’700 Patent and only learned of this preceding [sic] after the Board made its final decision. Further, this Petition is based on grounds not raised in the prior proceeding.

Pet. 4. Thus, the Petition does not discuss expressly the time elapsed between the availability of the Final Written Decision in the 136 IPR and the filing of the Petition in the case before us.⁴ Indeed, rather than providing an explanation for the elapsed time, Petitioner appears to assert that it learned of the 136 IPR only after a final decision to support its other assertion that Petitioner was not involved in the 136 IPR. Based on the record before us at the time of the Decision, it would have been speculation to conclude that Petitioner's assertion was intended as an explanation for the time elapsed between the filings. For these reasons, we are not persuaded that we abused our discretion in determining that Petitioner did not offer an explanation for the time elapsed between the filings. *See* Dec. 16.

In asserting that it was unaware of the 136 IPR prior to the final decision, Petitioner now appears to be suggesting that it did not seek an unfair advantage by purposely delaying filing this Petition until after learning the outcome of the 136 IPR. The fifth *General Plastic* factor, however, pertains to the timing of filing a follow-on petition more generally and is not limited to addressing only the type of "gamesmanship" denied by Petitioner. Here, Petitioner's assertion does not explain why or how learning of the 136 IPR after the final decision influenced the timing of filing this Petition. Therefore, we are not persuaded that Petitioner's assertion provides an adequate explanation for the timing of this Petition relative to the filing of the 136 IPR.

In determining that Petitioner has not provided adequate explanation for the time elapsed between the filings of the petition in the 136 IPR and

⁴ The Final Written Decision was issued on May 10, 2017. The Petition in the case before us was filed on May 7, 2018.

this Petition, we disagree with the dissent's view that we have placed a burden on Petitioner to justify the filing of the Petition. The potential for abuse of follow-on petitions exists not only with overlapping petitions by the same petitioner, as occurred in *General Plastic*, but also with any follow-on petitions. For that reason, as one of many factors, we look to the time elapsed, and activities that occurred, between knowledge of a first proceeding and filing of a second petition. Here, the time elapsed is not explained adequately.

Petitioner further argues that the majority opinion “notes that almost one year elapsed from the time a decision was rendered in the first *inter partes* review, but does not explain how this fact changes the equities between the parties.” *Id.* at 12. The majority opinion, however, does explain the significance of this timing as follows: “To the extent a reasonable explanation exists for the time elapsed between when Petitioner learned about the prior proceeding and the filing of this Petition, it was incumbent upon Petitioner to identify those circumstances to the Board.” Dec. 16. In other words, even though Petitioner may not have been aware of the 136 IPR until after a final decision was entered, the Petition fails to provide any explanation for the time that elapsed from when Petitioner learned of the 136 IPR to when it filed the Petition. The fact that the 136 IPR ended nearly a year prior to the filing of the Petition shows Petitioner still had ample opportunity to study the arguments raised by Patent Owner in the 136 IPR. *See id.* at 14. Petitioner's arguments do not persuade us that we overlooked or misapprehended anything, or used unreasonable judgment, in our analysis of the fifth factor.

The majority opinion determined that the sixth and seventh *General Plastic* factors are not implicated in this case and, therefore, do not weigh for or against exercising our discretion. Dec. 17. Petitioner argues the majority opinion concluded these factors are neutral “without considering the fact that the prior proceeding is still pending and [Petitioner] raised new grounds and arguments not considered by the Board,” and asserts that the sixth and seventh factors should strongly favor Petitioner. Reh. Req. 13. We disagree. As discussed above, we did consider that the 136 IPR was on appeal and remanded on non-instituted grounds, and thus still pending. Dec. 9. We also addressed the grounds asserted in the 136 IPR as compared to the grounds asserted the Petition, and therefore considered the differences and similarities between the two sets of grounds. *Id.* at 6–8. Moreover, we are not directed to any place in the record where Petitioner previously argued that these factors should weigh against exercising discretion to deny institution. For these reasons, we are not persuaded that our analysis of the sixth and seventh factors used unreasonable judgment or is otherwise improper.

Next, Petitioner argues that we should consider Patent Owner’s litigation behavior—a factor not enumerated expressly in *General Plastic* but considered by the Board in other cases. Reh. Req. 13–14 (citing *W. Digital*, Paper 14 at 18). This argument is not persuasive because, again, we are not directed to any place in the record where Petitioner previously argued that Patent Owner’s litigation behavior should weigh against exercising discretion to deny institution, and we could not have overlooked or misapprehended an argument that was not made.

In determining whether to exercise our discretion to deny institution under 35 U.S.C. § 314(a), the Board seeks to balance the equities between a petitioner and a patent owner. For the reasons discussed above, Petitioner's arguments with respect to the *General Plastic* factors do not persuade us that we failed to balance the equities between Petitioner and Patent Owner or used unreasonable judgment in weighing relevant factors. Accordingly, we are not persuaded that we abused our discretion.

Subsequent to Petitioner's Request for Rehearing, the 136 IPR was terminated by an order of the Board granting a joint motion to terminate. *See* IPR2016-00136, Paper 64 (PTAB Jan. 17, 2019). We authorized Petitioner to file a brief addressing how the termination of the 136 IPR impacts its Request for Rehearing and Patent Owner to file a reply responding to Petitioner's brief. We have considered the parties briefing (Paper 16; Paper 17) and determine that the termination of the 136 IPR does not impact our decision on the Request for Rehearing. For instance, Petitioner argues that the termination of the 136 IPR is relevant to the first *General Plastic* factor because the termination was based on a confidential settlement that did include Petitioner, thereby underscoring that Petitioner was not a party to the 136 IPR, was not working in cooperation with the Prior Petitioners, and was not similarly situated as the Prior Petitioners.⁵ Paper 16, 1. This argument is not persuasive because the majority opinion recognized that Petitioner was not a party to the 136 IPR, did not cooperate with the Prior Petitioners, and was not similarly situated. Also, we could not

⁵ Petitioner does not point to any evidence in the record supporting these assertions, but we treat the statement as factual for the purposes of this decision.

have overlooked or misapprehended the confidential settlement because it did not exist when the Decision was entered.

Petitioner also argues that the termination of the 136 IPR prejudices Petitioner because Petitioner has not had an opportunity to be heard or defend itself against charges of infringement, and has now been threatened with patent litigation by Patent Owner. *Id.* at 1–2. In response, Patent Owner argues the main reasons that Petitioner has not been heard on infringement are that there is no pending infringement litigation. Paper 17, 2. Patent Owner also argues that, if Petitioner had no involvement in the 136 IPR as Petitioner asserts, then the termination of the 136 IPR had no bearing on Petitioner’s opportunity to be heard because it never had an opportunity to be heard in the 136 IPR. *Id.* We agree with Patent Owner. The termination of the 136 IPR does not prejudice Petitioner with respect to any charges of infringement.

Last, Petitioner argues that the termination of the 136 IPR impacts the sixth and seventh *General Plastic* factors “because resources will not be expended to issue a final determination on the first IPR nor affect the timing for a final determination in this case.” Paper 16, 2 (citing *W. Digital*, Paper 14 at 17–18). As discussed above, the majority determined that the sixth and seventh *General Plastic* factors are not implicated in this case and, therefore, do not weigh for or against exercising our discretion. Dec. 17. We are not persuaded that the termination of the 136 IPR would have any impact on the seventh factor. Accordingly, we determine that the seventh factor still does not weigh for or against exercising our discretion. With respect to the sixth factor, the termination of the 136 IPR does suggest that Board resources that would have been devoted to reaching a final determination in the 136 IPR

are now free to be applied to other cases. Petitioner, however, does not argue specifically that this factor should now weigh against exercising discretion to deny institution, and we are not convinced that the resources made available by the termination of the 136 IPR should change our analysis of the sixth factor. Moreover, even if we were to determine that the sixth factor weighs against exercising discretion to deny institution, this determination would not alter our overall weighing of the *General Plastic* factors.

III. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Petitioner's Request for Rehearing (Paper 11) is *denied*.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNITED FIRE PROTECTION CORP.,
Petitioner,

v.

ENGINEERED CORROSION SOLUTIONS, LLC,
Patent Owner.

IPR2018-00991
Patent 9,144,700 B2

Before WILLIAM V. SAINDON, PATRICK R. SCANLON, and
BARRY L. GROSSMAN, *Administrative Patent Judges*.

SAINDON, *Administrative Patent Judge*, DISSENTING:

I respectfully dissent. In the Decision on Institution, I dissented and explained why I believed the *General Plastic* factors on whole did not merit a denial without reaching the merits of the Petition. In my view, there were no facts in the record to suggest that Petitioner filed its Petition when it did in order to gain an advantage and there were no facts in the record to suggest harassment of Patent Owner. Although I believe that the proper course of action was to consider the merits of the Petition, on rehearing that matter is

settled and we now review whether the Decision on Institution, i.e., the majority opinion denying institution, was based on an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion occurs, *inter alia*, “if the decision represents an unreasonable judgment in weighing relevant factors.” *Arnold P’ship v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004).

In my view, the majority abused its discretion in our Decision on Institution in at least its *General Plastic* factor 5 analysis. *See* Dec. on Inst. 16 (majority factor 5 analysis). As I explained in my dissent there, Petitioner provided what I believe is an explanation for the elapsed time between petitions, given the particular facts of this case. *Id.* at 20 (“Petitioner did not know of the prior proceeding until it was over.”) (Saindon, dissenting) (citing Pet. 4 (“Petitioner . . . learned of [the prior IPR] after the Board made its final decision”)). Petitioner was not aware of the earlier petition and thus could not have deliberately filed it after. This is a cogent reason proffered by the Petitioner that should be fully deliberated in a *General Plastic* analysis. The majority acknowledged that Petitioner “only learned of [the prior IPR] after the Board made its final decision” (Dec. on Inst 16 (quoting Pet. 4)), but dismissed this in its factor 5 analysis: “Petitioner does not provide any explanation related to the timing of filing its Petition in relation to the petition filed in the [prior] IPR” (*id.*). The record was clear and uncontested that the Petition was filed after the earlier proceeding without knowledge of the earlier proceeding. In my view, the only conclusion we could have made on these facts is that the Petitioner could not have filed its Petition after the earlier proceeding in order to gain an advantage.

Now on rehearing, the majority's decision above suggests that "Petitioner's assertion [of when it learned of the prior petition] does not explain why or how learning of the 136 IPR after the final decision influenced the timing of the filing of this Petition." I respectfully disagree. *General Plastic* factor 5 requires "adequate explanation for the time elapsed." *General Plastic*, Paper 19 at 16 (setting forth factor 5: "whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent"). In my view, Petitioner gave an "adequate explanation"—an explanation that makes clear that the elapsed time was not to gain an unfair advantage—when it stated that it was not aware of the prior petition until after that proceeding ended. The majority's view appears to be that, in this case, the Petitioner must explain why it filed the Petition at all, or perhaps why Petitioner filed the Petition on the day it did (as opposed to any other point in time prior to that). But by requiring additional explanation in the absence of facts tending to show inequity or harassment, the majority in this case has effectively placed a burden on Petitioner to justify the filing of the Petition.

As I stated in my prior dissent, I disagree that *General Plastic* imposes any such burden or requirement. Dec. on Inst. 21 ("The majority effectively puts the burden on Petitioner I view no particular requirement under *General Plastic* Factor 5 for a petitioner to establish a reason for filing its petition.") (Saindon, dissenting). As I read *General Plastic*, it is not a petitioner's burden to prove that the filing of a petition is not inequitable or not harassment in the absence of facts to the contrary. *Id.* ("[U]nless the timing of a petition's filing gives the outward appearance of

. . . seeking advantage . . . I view no particular requirement under *General Plastic* Factor 5 . . . for a petitioner to establish a reason for filing.”).

Instead, we are to consider the facts as we have them, and in the event that we believe *institution* would be inequitable or harassing based on the record before us, then *General Plastic* provides the option to discretionarily deny the petition without consideration of the merits. *General Plastic*, Paper 19, 17 (“Our intent in formulating the factors was to take undue inequities and prejudices to Patent Owner into account.”).

In summary, I see no indication of inequity toward Patent Owner regarding the timing of the Petition for which we should require further explanation. There is no evidence that suggests that Petitioner filed its Petition at the time it did *in order to* benefit from the earlier petition. Notwithstanding, the majority requires further explanation. I believe that such a requirement under these facts strays from the intent of *General Plastic*, and misweighs the relevant factors. Accordingly, I respectfully dissent from the majority opinion in this Rehearing concluding to the contrary.

IPR2018-00991
Patent 9,144,700 B2

PETITIONER:

David E. Bennett
Brandee N. Woolard
COATS & BENNETT, PLLC
dbennett@coatsandbennett.com
bwoolard@coatsandbennett.com

PATENT OWNER:

Jason E. Stach
Benjamin A. Saidman
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.
jason.stach@finnegan.com
benjamin.saidman@finnegan.com