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Paper 23
Entered: December 30, 2019

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

3SHAPE A/S AND 3SHAPE INC.,
Petitioner,

v.

ALIGN TECHNOLOGY, INC.,
Patent Owner.

Case IPR2019-00151
Patent 8,638,448 B2

Before BRIAN J. McNAMARA, NEIL T. POWELL, and ELIZABETH M. ROESEL, *Administrative Patent Judges*.

POWELL, *Administrative Patent Judge*.

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

I. INTRODUCTION

On November 12, 2018, Petitioner filed a Petition (Paper 3, "Pet.") requesting an *inter partes* review of claims 15–30 of U.S. Patent No. 8,638,448 B2 (Ex. 1001, "the '448 patent"). On April 24, 2019, Patent Owner filed a Preliminary Response. Paper 9 (Prelim. Response).

In view of those submissions, on July 18, 2019, we instituted an *inter partes* review of claims 15–30 of the '448 patent. Paper 10 ("Institution Decision" or "Dec. on Inst."). In our Institution Decision, we determined Petitioner had demonstrated a reasonable likelihood of establishing unpatentability of claims 15–18. Dec. on Inst. 11–28.

We have also instituted *inter partes* review in related cases IPR2019-00150 and IPR2019-00152. In IPR2019-00150, Petitioner challenged claims 17–25 of U.S. Patent No. 8,638,447 B2 ("the '447 patent") (IPR2019-00150, Paper 11, 2–3), and we determined Petitioner had demonstrated a reasonable likelihood of establishing unpatentability of claims 17, 18, 22, 23, and 25 of the '447 patent (*id.* at 11–27). In IPR2019-00152, Petitioner challenged claims 1–20 of U.S. Patent No. 9,615,901 B2 ("the '901 patent") (IPR2019-00152, Paper 11, 2–3), and we determined Petitioner had demonstrated a reasonable likelihood of establishing unpatentability of claims 1, 2, 7–9, 14, 15, and 20 of the '901 patent (*id.* at 10–29).

In this proceeding, on August 1, 2019, Patent Owner filed a Rehearing Request (Paper 13, "Reh'g Req."), which requests reconsideration of the Institution Decision. In the Rehearing Request, Patent Owner argues that we overlooked informative decisions that weigh heavily in favor of denying *inter partes* review due to efficiency considerations. Reh'g Req. 3–5. Additionally, Patent Owner argues that when we did not conclude claim construction in the Institution Decision, we misapprehended the law. *Id.* at 5–9. Patent Owner also argues that

we misapprehended or overlooked arguments in the Preliminary Response regarding an allegedly "illogical arrangement" of components in Petitioner's proposed combination of the teachings of Picard and Ishihara. *Id.* at 9–13. Finally, Patent Owner argues that we misapprehended the extent of overlap between the claim challenges in this proceeding and the related proceeding at the International Trade Commission ("ITC"). *Id.* at 13–15.

On August 22, 2019, pursuant to our authorization, Petitioner filed an Opposition to Patent Owner's Rehearing Request. Paper 14 ("Opposition" or "Opp."). Petitioner's Opposition disputes the Rehearing Request's assertions regarding why we overlooked informative decisions that allegedly weigh heavily in favor of denying institution for efficiency reasons. Opp. 1–2.

II. STANDARD OF REVIEW

The applicable standard for a request for rehearing of the Institution Decision is set forth in 37 C.F.R. § 42.71(c), which provides that, [w]hen rehearing a decision on petition, a panel will review the decision for an abuse of discretion." A request for rehearing "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." 37 C.F.R. § 42.71(d). The party challenging a decision bears the burden of showing the decision should be modified. *Id.*

III. DISCUSSION

A. Patent Owner's Argument That We Overlooked Informative Decisions Weighing Heavily in Favor of Denying *Inter Partes* Review for Efficiency Reasons

As noted above, the Petition challenges claims 15–30 of the '448 Patent. The Institution Decision determined the Petition demonstrates a reasonable likelihood of prevailing on its assertion that claims 15–18 would have been

obvious over Picard and Ishihara, but did not determine that Petitioner had demonstrated a reasonable likelihood of prevailing on its other claim challenges. Dec. on Inst. 28, 37, 41.

The Rehearing Request argues that the Institution Decision overlooks two informative Board decisions that allegedly weigh heavily in favor of denying institution. Reh'g Req. 3–5. In particular, the Rehearing Request contends that the Institution Decision overlooks *Deeper, UAB v. Vexilar, Inc.*, IPR2018-01310, Paper 7 (P.T.A.B. Jan. 24, 2019) (informative), as well as *Chevron Oronite Company LLC v. Infineum USA L.P.*, IPR2018-00923, Paper 9 (P.T.A.B. Nov. 7, 2018) (informative). Reh'g Req. 3–5. Patent Owner contends that the Institution Decision "misapprehends or overlooks that efficiency considerations, such as those outlined in *Deeper* and *Chevron*, weigh strongly in favor of denial of this case." *Id.* at 5. In support of this contention, Patent Owner argues that "[a]ccording to the Board's decision on institution, [Petitioner] has demonstrated, at best a reasonable likelihood of prevailing on four of the 20 claims challenged in its petition based on only one of four asserted grounds." *Id.* at 4. Consequently, Patent Owner contends, instituting *inter partes* review on all challenges and all claims would not use the limited time and resources of the Board efficiently (*id.*), as in *Deeper* and *Chevron*. *See Deeper* at 41–43; *Chevron* at 10–11.

In its Opposition, Petitioner argues that Patent Owner misstates this case's facts, which Petitioner asserts differ significantly from those in *Chevron* and *Deeper*. Opp. 1–2. Petitioner notes that, contrary to Patent Owner's assertion that the Institution Decision found a reasonable likelihood of prevailing on four out of 20 challenged claims, we actually found a reasonable likelihood of prevailing on four out of sixteen challenged claims. *Id.* at 1. Petitioner also argues that each of *Deeper* and *Chevron* involved a far different proportion of claim challenges for

which a reasonable likelihood of prevailing had been demonstrated. *Id.* at 1–2. Additionally, Petitioner argues that it demonstrated a reasonable likelihood of prevailing with respect to every challenged claim in the ground based on Picard and Ishihara, whereas the petitioners in *Deeper* and *Chevron* demonstrated a reasonable likelihood with respect to only a subset of challenged claims within a ground. *Id.* at 2.

Having considered the parties' arguments, we are not persuaded that we overlooked or misapprehended *Deeper*, *Chevron*, or the principle on which those cases rest. Instead, we maintain that unlike the facts in *Deeper* and *Chevron*, the facts of the present case do not compel denying *inter partes* review due to considerations of efficiency. As an initial matter, in *Deeper* and *Chevron*, a reasonable likelihood of success had been shown for the challenges of only a very small proportion of the challenged claims. In *Deeper*, there was a reasonable likelihood of success for only two among 23 challenged claims. *Deeper* at 42–43. In *Chevron*, there was a reasonable likelihood of success for only two dependent claims among 20 challenged claims. *Chevron* at 11. Although we do not have a specific threshold in mind, here, there is a larger portion of claim challenges for which a reasonable likelihood exists than in either *Deeper* or *Chevron*.

More importantly, in our view, Patent Owner's efficiency arguments overlook that this proceeding involves one of multiple, similar patents that Patent Owner has asserted against Petitioner, and which Petitioner has challenged in petitions for *inter partes* review in IPR2019-00150, IPR2019-00151, and IPR2019-00152. In these proceedings, the asserted prior art and the issues overlap. In each proceeding, Petitioner asserts the prior art references Picard, Ishihara, Tiziani, Gmitro, and Kino. Pet. 7; IPR2019-00150, Paper 3, 7–8; IPR2019-00152, Paper 3, 7. In IPR2019-00150, IPR2019-00151, and IPR2019-00152 collectively,

Petitioner demonstrated a reasonable likelihood of prevailing with respect to 17 of 45 challenged claims. *See* Dec. on Inst. 3, 28 (noting reasonable likelihood of prevailing on challenge of four claims); IPR2019-00150, Paper 11, 3, 27 (noting reasonable likelihood of prevailing on challenge of five claims); IPR2019-00152, Paper 11, 3, 28–29 (noting a reasonable likelihood of prevailing on challenge of eight claims). Given that Petitioner has demonstrated a reasonable likelihood of prevailing on a significant portion of similar assertions of unpatentability of the claims of multiple, similar patents asserted by Patent Owner against Petitioner, we do not agree with Patent Owner's assertion that the efficiency considerations noted in *Deeper* and *Chevron* weigh heavily in favor of denying *inter partes* review of the present case.

B. Patent Owner's Argument That We Misapprehended the Law By Not Substantively Addressing Claim Construction in the Institution Decision

The Petition asserts that certain language in the challenged claims invokes 35 U.S.C. § 112, sixth paragraph. Pet. 11–13, 15–16; Dec. on Inst. 9–10. In the Preliminary Response, Patent Owner countered that the claim language in question does not invoke § 112, sixth paragraph. Prelim. Resp. 18–22. Instead, Patent Owner argued, the claim language in question should be interpreted according to its plain and ordinary meaning. *Id.*

Addressing this dispute, the Institution Decision explained that

> Patent Owner's proposal to adopt the plain and ordinary meaning would broadly define the scope of the claims, whereas Petitioner's proposal to construe the claims under § 112, sixth paragraph would more narrowly define the scope of the claims. For example, Patent Owner contends that an "illumination unit" according to claim 15 may include any "one or more light sources" (Prelim. Res. 18–19), whereas Petitioner's construction requires one of the specific examples of light sources disclosed in the '448 patent, or equivalents thereof (Pet. 12).

> We agree with Patent Owner that, even though Patent Owner's plain and ordinary meaning constructions are broader, Petitioner's unpatentability contentions are based solely on Petitioner's narrower § 112, sixth paragraph constructions. Prelim. Resp. 18. As discussed below, we find Petitioner has demonstrated a reasonable likelihood of establishing that the prior art meets its narrow § 112, sixth paragraph constructions. Patent Owner does not rely on its proposed claim constructions as support for any patentability argument. *See generally*, Prelim. Resp. Accordingly, at this stage, in order to determine whether Petitioner has demonstrated a reasonable likelihood of prevailing, we need not resolve whether the disputed claim language invokes § 112, sixth paragraph.

Dec. on Inst. 10.

Patent Owner argues that the Institution Decision misapprehended the law. Reh'g Req. 5. Patent Owner notes the Supreme Court has explained that "Congress chose to structure a process in which it's the petitioner, not the Director, who gets to define the contours of the proceeding." *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1355 (2018). Patent Owner argues that "as the Board recognized, and *SAS* requires, [Petitioner's] entire challenge rests on the correctness" of its proposed claim constructions. Reh'g Req. 6. Citing precedent that the permissible scope of Petitioner's trial arguments is limited, Patent Owner argues that "the Board must decide *now* whether [Petitioner's] proposed constructions are sustainable. Failure to do so is a misapprehension of the Supreme Court's mandate in *SAS*." *Id.* at 7–8 (citing *Ariosa Diagnostics v. Verinata Health, Inc.* 805 F.3d 1359, 1367 (Fed. Cir. 2015); *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1272, 1286 (Fed. Cir. 2017)). Patent Owner further argues that "withholding judgment as to the sufficiency and correctness of [Petitioner's] proposed constructions will give rise to unnecessary and prejudicial ambiguity during any resulting trial on the merits." *Id.* at 8–9.

Patent Owner does not persuade us that we misapprehended the law. Having

considered the arguments and precedent presented by Patent Owner, we disagree with Patent Owner's suggestion that Petitioner's proposed means-plus-function constructions must be substantively addressed in the Institution Decision. Only those terms that are in controversy need be construed, and only to the extent necessary to resolve the controversy. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (citing *Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)). As the Institution Decision explained, the Preliminary Response did not identify any specific reason that the differences between the parties' proposed claim constructions would affect the ultimate analysis of the patentability of the challenged claims over the cited prior art. Dec. on Inst. 10. In particular, the Preliminary Response did not present any specific reason that the alleged teachings of the cited prior art would not meet Patent Owner's proposed claim constructions, if we adopted Patent Owner's proposed claim constructions over Petitioner's. Thus, the Preliminary Response's general disagreement regarding the correct construction of the claims did not create any controversy regarding the patentability of the challenged claims over the cited references, making it unnecessary for the Institution Decision to reach a conclusion on claim construction. Thus, the Rehearing Request does not persuade us that we overlooked or misapprehended the law by not construing the claims in the Institution Decision.

To the extent Patent Owner later identifies any specific reason that the ultimate question of patentability is affected by specific claim construction issues, those issues can be resolved in the *inter partes* review. The Federal Circuit has noted expressly a lack of concern for "the Board adopting a construction in its final written decision, as the Board is free to do." *SAS Institute, Inc. v. ComplementSoft, LLC*, 825 F.3d 1341, 1352 (Fed. Cir. 2016). Indeed, the Board may construe claim

language in its final written decision, after omitting any construction of the language in a decision to institute. *TQ Delta, LLC, v. DISH Network LLC*, 929 F.3d 1350, 1355 (Fed. Cir. 2019). The Supreme Court's observation that Petitioner "gets to define the contours of the proceeding" addresses the Board's prior practice of instituting *inter partes* review only for a subset of the claim challenges brought by a Petitioner. *See SAS*, 138 S. Ct. at 1354–1355. Patent Owner does not persuade us that the Supreme Court's *SAS* decision requires the Board to adopt a claim construction in its institution decision. .

Here, having reviewed the record evidence, including the language of the claims, the Specification of the '448 patent, and the asserted art, we found the claim constructions and prior art mapping advanced by Petitioner sufficiently viable to demonstrate a reasonable likelihood of prevailing with respect to at least one claim challenged in the Petition. The Rehearing Request does not persuade us of error in that determination.

For the foregoing reasons, Patent Owner does not persuade us that we misapprehended the law, or that we erred in determining that Petitioner has demonstrated a reasonable likelihood of prevailing on its assertions of unpatentability.

C. Patent Owner's Argument That We Overlooked or Misapprehended Arguments in the Preliminary Response Regarding an Allegedly "Illogical Arrangement" of Components in Petitioner's Proposed Combination of the Teachings of Picard and Ishihara

Challenged independent claim 15 recites, among other things, "an illumination unit configured to generate a plurality of incident light beams" and "an optical system configured to focus the plurality of incident light beams." Ex. 1001, 10:7–11. The Petition asserts that a combination of the components of Picard and Ishihara teaches these claim limitations. Pet. 18–24. With respect to

the "illumination unit," the Petition cites Picard's source in combination with either Nipkow disk 8 or, in the alternative, Picard's "affixed mask 24." *Id.* at 19. The Petition asserts that, in combination, Picard and Ishihara teach the claimed optical system, including Picard's separator cube 11, Ishihara's confocal imaging system, and Picard's fiber-optic bundle 30, lens 32, endoscope, and lens 15. *Id.* at 21–24.

The Preliminary Response argued that Petitioner's proposed combination of the components of Picard and Ishihara stemmed from impermissible hindsight. Prelim. Resp. 34–35. Specifically, the Preliminary Response asserted that "[Petitioner] fails to address why a [person of ordinary skill in the art] would have situated the Nipkow disk, which [Petitioner] alleges generates the 'plurality of incident light beams,' *between* Picard's alleged 'partially transparent mirror or beam splitter' and 'endoscopic probing member.'" *Id.*

The Institution Decision did not agree with the Preliminary Response's assertion that the proposed arrangement of components stemmed from improper hindsight. Specifically, the Institution Decision explained that

> Picard itself appears to teach arranging the components in the manner proposed by Petitioner and questioned by Patent Owner, i.e., with "the Nipkow disk . . . *between* Picard's alleged 'partially transparent mirror or beam splitter' and 'endoscopic probing member.'" Prelim. Resp. 34–35. Therefore, on this record, we do not agree with Patent Owner's suggestion that Petitioner's failure to explain why a person of ordinary skill in the art would have so arranged the components demonstrates impermissible hindsight reconstruction.

Dec. on Inst. 27.

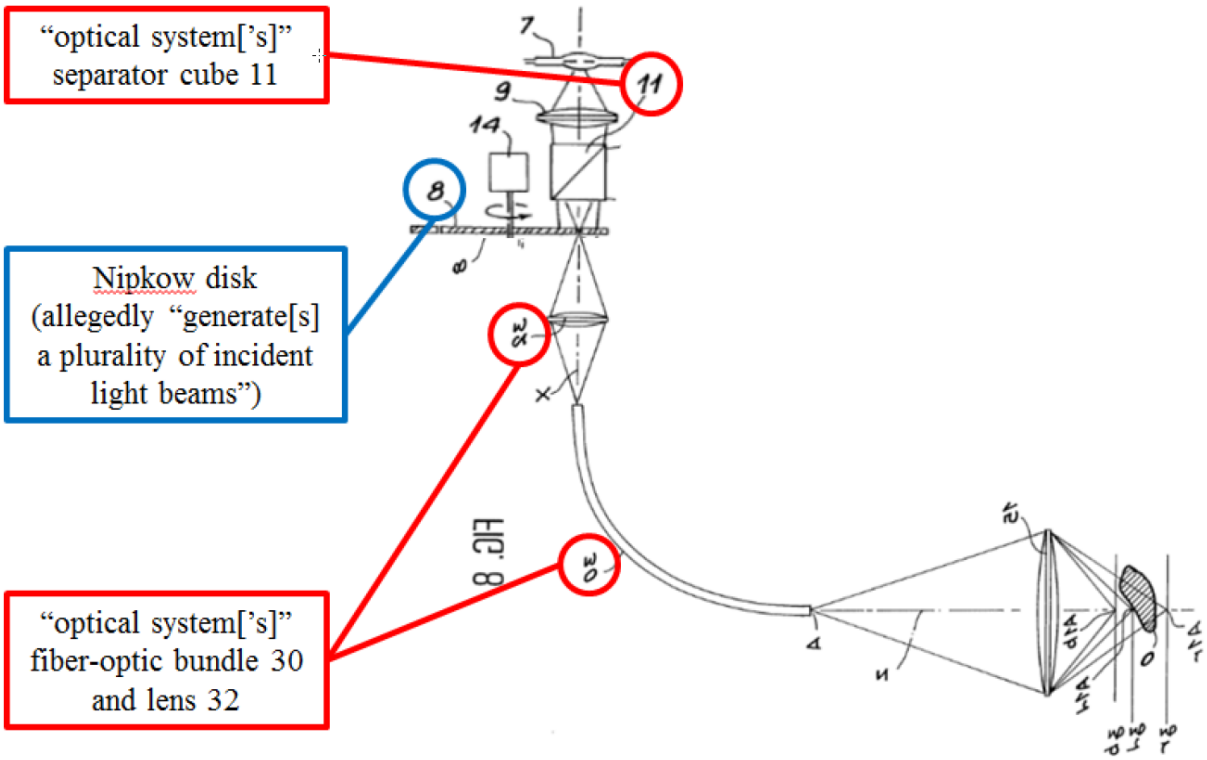
The Rehearing Request asserts that the Preliminary Response argued Petitioner "failed to explain why and how the *proposed system* could have operated, i.e., with the alleged 'illumination unit configured to generate a plurality

of incident light beams' *downstream* of the alleged 'optical system configured to focus the plurality of incident light beams.'" Reh'g Req. 11 (citing Prelim. Resp. 31–35). Patent Owner contends that we overlooked or misapprehended this argument. *Id.*

According to the Rehearing Request, in the apparatus of claim 15, "the 'illumination unit' that 'generate[s] a plurality of incident light beams' must be located *upstream* of the 'optical system' that 'focus[es] the plurality of incident light beams.'" *Id.* at 9. Patent Owner argues that logic dictates this arrangement because the "module" must generate the plurality of incident light beams before the "optical system" can focus them. *Id.*

Patent Owner asserts that the Petition's explanation of which prior art components correspond to the claimed "illumination unit" and "optical system" does not comport with the asserted requirement for the illumination unit to be upstream of the optical system. *Id.* at 9–12. Instead, Patent Owner argues, Petitioner's combination of the references' components "situates at least one portion of the alleged 'illumination unit' downstream of the alleged 'optical system.'" *Id.* at 11–12.

When addressing Petitioner's mapping of the references' components to the claimed module, the Rehearing Request provides an annotated version of Picard's Figure 8, which is reproduced below.



Patent Owner's annotated version of Picard's Figure 8 contains annotations identifying a number of components allegedly included in the "optical system," as well as an annotation that the "Nipkow disk (allegedly 'generate[s] a plurality of incident light beams')."

The Rehearing Request does not persuade us that we overlooked or misapprehended anything previously presented by Patent Owner. First, the Rehearing Request cites only pages 31–35 of the Preliminary Response as presenting arguments that we allegedly overlooked or misapprehended with respect to the respective positions of the alleged "module" and "optical system." Reh'g Req. 11. Pages 31–32 of the Preliminary Response address Petitioner's challenge based on Tiziani, Gmitro, and Ishihara (*see* Prelim. Resp. 28–32), not to Petitioner's challenge based on Picard and Ishihara (*see id.* at 33–35). We did not overlook or misapprehend the arguments on pages 31–32 of the Preliminary

Response. We considered those arguments as discussing Petitioner's challenge based on Tiziani, Gmitro, and Ishihara, as presented in the Preliminary Response, rather than a discussing Petitioner's challenge based on Picard and Ishihara.

On pages 33–35 of the Preliminary Response, Patent Owner argued that Petitioner failed to explain why a person of ordinary skill in the art would have placed certain components in certain relative positions, as well as how those components would have worked in those positions. The Institution Decision addressed those arguments. Inst. Dec. 25–27. The Rehearing Request does not reiterate or further explain the arguments from the Preliminary Response that Petitioner failed to explain why a person of ordinary skill in the art would have arranged the components in a certain way, or how such an arrangement would have worked. Instead, the Rehearing Request argues that the arrangement of Picard's and Ishihara's components proposed by Petitioner does not meet the claims. Pages 31–35 of the Preliminary Response simply did not make such an argument. For that reason alone, we find unpersuasive the Rehearing Request's assertion that we overlooked or misapprehended arguments regarding the "illogical arrangement" of certain components. Reh'g Req. 9–13.

Additionally, even if the Preliminary Response had made the arguments presented in the Rehearing Request, at this stage, we do not find Patent Owner's arguments persuasive. In particular, we do not agree with Patent Owner's assertion that Petitioner places at least a portion of the alleged "illumination unit" downstream of the alleged "optical system." Instead, Petitioner's mapping places components of the alleged "illumination unit" upstream of some components of the alleged "optical system" and downstream of one component of the alleged "optical system."

Indeed, such positioning appears in the Rehearing Request's annotated

version of Picard's Figure 8, which shows Nipkow disk 8 upstream of the alleged optical system's fiber optic bundle 30 and lenses 15, 32[1], but downstream of the alleged optical system's separator cube 11. As Patent Owner notes, Petitioner asserts that Nipkow disk 8 forms part of the claimed "illumination unit . . . configured to generate a plurality of incident light beams." Reh'g Req. 9–10; Pet. 18–21. Thus, Petitioner identifies a portion of the alleged illumination unit as sitting upstream of the alleged optical system's fiber optic bundle 30 and lens 15, 32, while placing the same portion of the alleged illumination unit downstream of the alleged optical system's separator cube 11.

This arrangement of components appears to satisfy Patent Owner's asserted requirement that the illumination unit must create the plurality of incident light beams before the optical system can focus them. Reh'g Req. 9. In particular, Petitioner asserts that Picard's Nipkow disk 8 generates a plurality of incident light beams and that lens 15, situated downstream of Nipkow disk 8, focuses the plurality of incident light beams. Pet. 20–21, 23–24. With Nipkow disk 8 situated upstream of lens 15, any light beam produced by Nipkow disk 8 would be generated before lens 15 receives it. Because lens 15 is part of the alleged optical system, to the extent lens 15 focuses light beams from Nipkow disk 8, it seemingly would follow that the optical system focuses the plurality of incident light beams after Nipkow disk 8 (the alleged module) generates them.

For these reasons, we are not persuaded that it was an abuse of discretion to institute review of claim 15 based on the arrangement of components proposed by

[1] Although Patent Owner's annotated version of Picard's Figure 8 does not identify Picard's lens 15 as part of the alleged optical system, the Petition asserts that it forms part of the optical system and serves to focus the plurality of incident light beams. Pet. 23–24.

Petitioner. Patent Owner's argument rests on a claim interpretation that requires that the claimed "optical system" be positioned, in its entirety, downstream of the claimed "illumination unit." At this stage, neither party has fully addressed the correctness of Patent Owner's claim interpretation. We, therefore, do not decide at this stage whether Patent Owner's claim interpretation is correct and make no final determination as to whether Petitioner's proposed arrangement of components falls within the scope of the claim.

D. Patent Owner's Argument That We Misapprehended the Extent of Overlap Between the Claim Challenges in This Proceeding and the Related Proceeding at the ITC

The Preliminary Response argued that we should exercise discretion to deny institution under 35 U.S.C. § 314(a), asserting, among other things, overlap between Petitioner's invalidity assertions at the ITC and here. Prelim. Resp. 53–56. The Institution Decision found this argument unpersuasive, explaining that

> [a]lthough the prior art asserted here and at the ITC overlaps some, we do not agree that the grounds of unpatentability Petitioner asserts here are "essentially the same" as in the ITC. The set of claims challenged in the two proceedings differ significantly. In the ITC proceeding, Patent Owner asserted, and Petitioner challenged the validity of, only claims 15 and 18–20. Ex. 2002, 17. Here, Petitioner challenges claims 15–30. Pet. 7. The Petition's grounds rest on combinations of prior art that facially differ significantly from the prior art asserted in the ITC proceeding. In this proceeding, Petitioner alleges (1) obviousness of claims 15–18 over Picard and Ishihara, (2) obviousness of claims 15–19 and 21 over Tiziani, Gmitro, Ishihara, and Kino (3) obviousness of claims 20 and 22–30 over Tiziani, Gmitro, Ishihara, Kino, and Watson. Pet. 7. In the ITC proceeding, Petitioner presents the following significantly different grounds: (1) anticipation or obviousness of claims 15 and 18–20 over Picard (Ex. 2002, 83–89) and (2) obviousness of claims 15 and 18–20 over Xiao and Gmitro. (Ex. 2002, 89–97).

Dec. on Inst. 50.

The Rehearing Request argues that we misapprehended the degree of overlap between the unpatentability challenges presented in this case and at the ITC. Reh'g Req. 13–15. Patent Owner argues that the only ground for which we found a reasonable likelihood of Petitioner prevailing "is *exactly the same* as the ground [Petitioner] raised before the ITC with respect to claim 15." *Id.* at 13. Patent Owner argues that "[s]ince [Patent Owner] filed its [Preliminary Response], the ALJ [presiding over the related ITC proceeding] has determined that claim 15 of the '448 patent is non-obvious over Picard and Ishihara." *Id.* (citing Ex. 2010[2], 108–11[3]). Patent Owner further argues that "[i]f claim 15 is non-obvious over Picard and Ishihara, then all of the dependent claims challenged here, whether challenged before the ITC or not, are also non-obvious." *Id.*

Patent Owner does not persuade us that we misapprehended or overlooked the overlap between the claim challenges in this proceeding and those in the related ITC proceeding. Although we recognize that both the present proceeding and the related ITC action involve a challenge of claim 15 as allegedly obvious over Picard and Ishihara, we found a reasonable likelihood of Petitioner prevailing on its

[2] Patent Owner asserts that there is good cause for entering Exhibit 2010, which is the Initial Determination of the Administrative Law Judge in the related proceeding at the International Trade Commission. We note that the Initial Determination contains claim constructions. Ex. 2010, 43–48. Because of this, we find good cause for entering the Initial Determination in the record. *See* Trial Practice Guide July 2019 Update, 16 ("Parties should submit a prior claim construction determination by a federal court or the ITC in an AIA proceeding as soon as that determination becomes available.")

[3] Exhibit 2010 contains two sets of page numbers. The first set of page numbers begins on the very first page of the exhibit, i.e., the caption page. The second set of page numbers begins on the fifth page of the exhibit. We cite to the first set of page numbers.

assertions that a number of other claims, including claims 16–18, would have been obvious. We maintain that this constitutes a significant difference between the scope of this proceeding and that of the ITC.

When arguing that the dependent claims would not have been obvious over Picard and Ishihara if claim 15 would not have been obvious, Patent Owner appears to presuppose we will find claim 15 non-obvious, apparently based on the Initial Determination (Ex. 2010, "ID") of the Administrative Law Judge ("ALJ") in the related ITC proceeding. We find this argument unpersuasive because Patent Owner's citation of the ALJ's ID does not persuade us that our Institution Decision overlooked or misapprehended anything Patent Owner had presented prior to the Institution Decision. We could not have overlooked or misapprehended Patent Owner's arguments regarding the ID, as Patent Owner's Preliminary Response did not present arguments regarding the ID. Additionally, although the ID issued after Patent Owner filed its Preliminary Response, the ID issued long before we issued our Institution Decision. Specifically, the ID issued on April 26, 2019, and we issued our Institution Decision on July 18, 2019. Patent Owner had ample time after the issuance of the ID and before our Institution Decision to request additional briefing regarding the ALJ's ID, but did not do so.

Moreover, even if Patent Owner had previously presented the arguments its Rehearing Request makes regarding the ID, we find those arguments unpersuasive, in part because they misstate the ALJ's determination. Further, the ITC will not resolve the issues in the Petition because the Patent Owner may continue to assert the claims at issue here in the district court. *See Renesas Elecs. Corp. v. Broadcom Corp.*, IPR2019-01040, Paper 9 at 8 (PTAB Nov. 13, 2019) (taking into account as a reason not to deny institution that the ITC's decision is not preclusive as to the claims in the parallel district court action). Given the appealable, non-preclusive

nature of the ID we do not find Patent Owner's arguments regarding the current status of the obviousness challenge at the ITC a persuasive reason to deny Petitioner's request for institution of *inter partes* review.

IV. CONCLUSION

For the foregoing reasons, Patent Owner does not persuade us that we overlooked or misapprehended anything presented by Patent Owner prior to its Rehearing Request. Nor does Patent Owner persuade us that we erred in our decision to institute *inter partes* review.

V. ORDER

Accordingly, it is hereby ORDERED that Patent Owner's request for rehearing is *denied*.

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