

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PAYPAL, INC., UPWORK GLOBAL INC., SHOPIFY, INC.,
SHOPIFY (USA), INC., STRAVA INC., VALASSIS
COMMUNICATIONS, INC., RETAILMENOT, INC., and
DOLLAR SHAVE CLUB, INC.
Petitioner,

v.

PERSONALWEB TECHNOLOGIES, LLC,
Patent Owner.

IPR2019-01091
Patent 8,099,420 B2

Before DENISE M. POTHIER, MICHAEL R. ZECHER, and
DAVID C. McKONE, *Administrative Patent Judges*.

ZECHER, *Administrative Patent Judge*.

DECISION

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

I. INTRODUCTION

Petitioner, Upwork Global Inc., Shopify, Inc., Shopify (USA), Inc., Strava Inc., Valassis Communications, Inc., RetailMeNot, Inc., and Dollar Shave Club, Inc. (collectively, “Petitioner entities”), filed a Request for Rehearing under 37 C.F.R. § 42.71(d).¹ Paper 28 (“Req. Reh’g”). The Request for Rehearing seeks reconsideration of the Decision Denying Institution of *inter partes* review of claims 1, 13, 25–27, 29, 30, 32, 34–36, and 166 of U.S. Patent No. 8,099,420 B2 (Ex. 1001, “the ’420 patent”). Paper 27 (“Dec.”).

In the Request for Rehearing, Petitioner entities contend that our decision not to institute an *inter partes* review is improper for three reasons. First, Petitioner entities argue that we should decline to consider Patent Owner’s, PersonalWeb Technologies, LLC (“PersonalWeb’s”), claim construction arguments with respect to the claim terms “message digest function or hash function” because these same terms appear in claims of two related, but different, patents previously challenged in three *inter partes* reviews requested by Rackspace US, Inc., and Rackspace Hosting Inc. (collectively “Rackspace”) and Apple Inc. (“Apple”), and PersonalWeb did not propose a construction for these terms in each of those three cases. Req. Reh’g 1–3. Second, Petitioner entities argue that, even assuming that our construction of the claim terms “message digest function or hash function” is correct, we misapprehended or overlooked the argument that it

¹ The Request for Rehearing states that Petitioner entity, “PayPal, Inc.[.] does not join this group seeking rehearing of the Board’s Decision [Denying Institution].” Req. Reh’g 2.

would have been obvious to a person of ordinary skill in the art to implement Francisco's system using a more complex hashing algorithm. *Id.* at 3–5. Third, Petitioner entities argue that our concern regarding Francisco's periodically varying algorithm is inconsistent with a previous Board panel's preliminary findings in IPR2014-00058 ("the Rackspace IPR"). *Id.* at 5–7.

As we explain below, we have considered the arguments presented by Petitioner entities in the Request for Rehearing, but we discern no reason to modify the Decision Denying Institution. As a result, we *deny* the Request for Rehearing.

II. STANDARD OF REVIEW

A party requesting rehearing bears the burden of showing that the decision should be modified. 37 C.F.R. § 42.71(d). The party must identify specifically all matters we misapprehended or overlooked, and the place where each matter was addressed previously in a motion, an opposition, or a reply. *Id.* When rehearing a decision on a petition, we review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). "An abuse of discretion occurs if the decision (1) is clearly unreasonable, arbitrary, or fanciful; (2) is based on an erroneous conclusion of law; (3) rests on clearly erroneous fact findings; or (4) involves a record that contains no evidence on which the Board could rationally base its decision." *Redline Detection, LLC v. Star Envirotech, Inc.*, 811 F.3d 435, 442 (Fed. Cir. 2015). With this in mind, we address the arguments presented by Petitioner entities in turn.

III. ANALYSIS

A. We properly considered PersonalWeb’s claim construction arguments with respect to the claim terms “message digest function or hash function”

Petitioner entities contend the claim terms “message digest function or hash function” appear in two related, but different, patents previously challenged in three *inter partes* reviews requested by Rackspace and Apple, and PersonalWeb did not propose a construction for these terms in each of those three cases. Req. Reh’g 1–2. Petitioner entities also argue that, in each of those three cases, the Board declined to construe the claim terms “message digest function or hash function.” *Id.* at 2. Conversely, in this case, PersonalWeb proposed a construction for the claim terms “message digest function or hash function,” and we accepted that construction in the Decision Denying Institution. *Id.* (citing Paper 14, 43–45; Dec. 8–15). Relying on two decisions from the U.S. Court of Appeals for the Federal Circuit, Petitioner entities argue that PersonalWeb should not be permitted to shift its claim construction arguments in view of the unpatentability arguments raised in one petition, but not another. *Id.* at 3 (citing *Google Inc. v. SimpleAir, Inc.*, 682 F. App’x 900, 902–05 (Fed. Cir. 2017); *Finnigan Corp. v. Int’l Trade Comm’n*, 180 F.3d 1354, 1363 (Fed. Cir. 1999)). Petitioner entities also argue that the change in claim construction standards before the Board is inconsequential, and the specification of the ’420 patent remains the same now as it was at the time of requesting the three prior *inter partes* reviews. *Id.*

We could not have misapprehended or overlooked this argument because it is a new argument presented for the first time in the Request for Rehearing. As we explained in the Decision Denying Institution, the extent

of the claim construction arguments presented by Petitioner entities with respect to the claim term “message digest function” included arguing that the specification of the ’420 patent does not define this claim term explicitly, but that the specification “generally describes it as ‘reduc[ing] a data block B of arbitrary length to a relatively small, fixed size identifier.’” Dec. 11 (citing Paper 1 (“Pet.”) 40). Petitioner entities also argued that the specification cites well-known cryptographic hash functions as examples of a “message digest function”—namely, MD4, MD5, and Secure Hash Algorithm. *Id.* For purposes of claim construction, Petitioner entities did not rely on the two related, but different, patents previously challenged by Rackspace and Apple that include claims reciting the claim terms “message digest function or hash function”; nor do Petitioner entities predicate their claim construction arguments presented and developed in the Petition on the positions taken by PersonalWeb in those three cases. *See generally* Pet. Notably, Petitioner entities do not even allege in the Request for Rehearing that our construction of the claim terms “message digest function or hash function” is incorrect.

In any event, Petitioner entities do not direct us to, nor are we aware of, controlling precedent that prevents PersonalWeb from raising a claim construction argument with respect to the claim terms “message digest function or hash function” that appear in independent claim 25 of the ’420 patent merely because PersonalWeb chose not to raise the same claim construction argument when responding to previous challenges of two related, but different, patents. The cases relied on by Petitioner entities to support their new argument are distinguishable from the circumstances presented here. *See* Req. Reh’g 3. The *Google* case involved an *inter partes* review in which a Board panel ultimately adopted previous district court

constructions of the claim term “central broadcast server.” 682 F. App’x at 902–03. Here, unlike the *Google* case, the previous Board panels that presided over the three *inter partes* review cases that involved two related, but different, patents challenged by Rackspace and Apple did not construe the claim terms “message digest function or hash function.” Petitioner entities acknowledge as much. Req. Reh’g 2 (“[I]n each instance, the Board *declined* to construe the term ‘message digest function or hash function.’”). In the *Finnigan* case, the quote “[a] party’s argument should not be a moving target” relates to the notion that a party cannot introduce a new or altered claim construction *on appeal*. 180 F.3d at 1363. It is not clear to us how this reasoning applies to this case because, as Petitioner entities readily admit, PersonalWeb did not propose a construction for the claim terms “message digest function or hash function” in each of the previous three cases involving related, but different, patents challenged by Rackspace and Apple. Req. Reh’g 2 (“In each instance, PersonalWeb *declined* to provide any construction for the term ‘message digest function or hash function.’”).

In fact, Petitioner entities do not indicate that any party, including the petitioner in each of the previous three cases, proposed a construction of the claim terms “message digest function or hash function.” Also, Petitioner entities do not explain how the construction of the claim terms “message digest function or hash function” was relevant to the specific issues raised in the previous three cases. Neither the Board nor a patent owner are required to construe each and every term of the claims challenged in a petition, including terms that are not in dispute or relevant to the issues raised by a petitioner. On the contrary, “we need only construe terms ‘that are in controversy, and only to the extent necessary to resolve the controversy.’”

Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co., 868 F.3d 1013, 1017 (Fed. Cir. 2017) (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)). Petitioner entities provide no controlling authority for the proposition that a patent owner waives its ability to propose a construction of a claim term in an *inter partes* review because the patent owner did not propose a construction of that claim term in a prior *inter partes* review involving a different, but related, patent, where a construction of that term was not proposed by any party, nor relevant to the issues raised in the prior petition requesting an *inter partes* review. Accordingly, we are not persuaded that PersonalWeb improperly proposed a construction of the claim terms “message digest function or hash function” in this case that is inconsistent with the previous three cases involving two different, but related, patents.

B. We did not misapprehend or overlook the obviousness argument presented by Petitioner entities

Petitioner entities contend that, even assuming our construction of the claim terms “message digest function or hash function” is correct, we overlooked the argument that “it would have been obvious to a [person of ordinary skill in the art] to implement Francisco’s system using a more complex hashing algorithm.” Req. Reh’g 3–4 (quoting Pet. 46²). According to Petitioner entities, this is because “[t]here were many well-known, more complex algorithms known by the time of the ’420 patent’s 1995 priority

² Petitioner entities cite to page 42 of the Petition. This citation, however, is incorrect because the obviousness argument presented by Petitioner entities and their citation to paragraph 86 of Exhibit 1002 appears on page 46 of the Petition.

date.” *Id.* at 4 (quoting Pet. 46) (citing Ex. 1002 (“Declaration of Andrew Hospodor, Ph.D.”) ¶ 86). Petitioner entities assert that our Decision Denying Institution makes no reference to this obviousness argument, but rather we held that they did “not explain how Francisco’s algorithm satisfies the ‘must have’ properties of the claim terms ‘message digest function or hash function.’” *Id.* at 4–5 (quoting Dec. 26).

We could not have misapprehended or overlooked the obviousness argument presented by Petitioner entities because they only presented and developed this argument in the context of addressing claim 29, which depends from independent claim 25 and further recites “wherein the first content-dependent name for the particular sequence of bits comprises a digital fingerprint of the particular sequence of bits.” *See* Pet. 45–47. In essence, Petitioner entities request that we search through the entire Petition to find support for their theory that Francisco discloses the “message digest function or a hash function” recited in independent claim 25 because it would have been obvious to a person of ordinary skill in the art to implement Francisco’s system using a more complex hashing algorithm. If Petitioner entities desired for us to consider one portion of the Petition as supporting arguments presented and developed in another portion of the Petition, they should have provided citations to those portions with particularity.

Moreover, the obviousness argument that Petitioner entities present with respect to dependent claim 29 appears to be setting forth an alternative ground based on proposed modifications to Francisco in view of the admitted prior art of the ’420 patent and secondary references. *See* Pet. 45–47 (arguing that “Francisco meets th[e] limitation” of dependent claim 29,

but further arguing that it would have been obvious to implement a more complex algorithm in Francisco because the '420 patent “acknowledges that the MD5 hash algorithm . . . is prior art” and relying on Exhibit 1009 (Langer) and Exhibit 1010 (Browne) for teachings regarding MD5). The only statutory ground the Petition identifies under 37 C.F.R. § 42.104(b)(2) is obviousness under 35 U.S.C. § 103(a) in view of the combined teachings of Wyman and Francisco. *See id.* at 5. The Request for Rehearing does not explain why one of ordinary skill in the art would have understood the MD5 algorithm to be taught or suggested by the teachings of Wyman or Francisco, as opposed to substituting the MD5 algorithm taught in alleged admitted prior art or secondary references for Francisco’s algorithm. Stated differently, the Request for Rehearing does not suggest that we should have granted institution on any grounds other than under § 103(a) in view of the combined teachings of Wyman and Francisco. Accordingly, Petitioner entities have not persuaded us to modify the Decision Denying Institution with respect to claims 25 or 29.

C. We did not misapprehend or overlook the preliminary findings in the Rackspace IPR

Petitioner entities contend that our concern regarding Francisco’s periodically varying algorithm is unfounded and contrary to a previous Board panel’s preliminary findings in the Rackspace IPR. Req. Reh’g 5. Petitioner entities explain that Rackspace filed a petition requesting an *inter partes* review of independent claim 166 of the '420 patent as being obvious, among other things, over the combined teachings of Woodhill and Francisco. *Id.* In the context of addressing an inoperability argument presented by PersonalWeb in the Preliminary Response filed in the

Rackspace IPR, Petitioner entities assert that the previous Board panel noted that Francisco’s periodically varying algorithm was an “optional” feature and, even if employed as an option, a person of ordinary skill in the art “would have a system implementation plan to update all the binary object identifiers or content identifiers with the new algorithm.” *Id.* at 6 (quoting *Rackspace US, Inc. v. PersonalWeb Techs., LLC*, IPR2014-00058, Paper 10, 33–34 (PTAB Apr. 15, 2014) (Decision on Institution)). According to Petitioner entities, the previous Board panel’s preliminary findings with respect to Francisco are “correct” and we overlooked those findings in the Decision Denying Institution. *Id.* at 6–7.

Once again, we could not have misapprehended or overlooked this argument because it is a new argument presented for the first time in the Request for Rehearing. Although Petitioner entities affirmatively discuss the Rackspace IPR in the Petition, they only do so in the context of explaining that the Petition is not a follow-on petition to the petition filed in the Rackspace IPR because it involves a different petitioner, different claims, different asserted grounds of unpatentability, and different arguments and evidence. *See* Pet. 12–13. Indeed, Petitioner entities do not address squarely Francisco’s disclosure of periodically varying the algorithm in the Petition, much less take the position that periodically varying the algorithm is an “optional” feature. *See generally* Pet. Petitioner entities’ failure to address Francisco’s periodically varying algorithm was the reason for our concern with the Petition, especially given that Petitioner entities bear the burden to demonstrate unpatentability. *See* Dec. 24–25 (explaining that Petitioner entities “do[] not address Francisco’s disclosure of ‘periodically vary[ing]’ the algorithm . . . [which] is problematic as

[Petitioner entities] bear[] the burden of demonstrating . . . unpatentability” (first alteration in original) (quoting Ex. 1003, 2:43)). We did, however, further explain that, even assuming that there may be an embodiment in Francisco in which the algorithm would not be varied (a fact that Petitioner entities did not establish), we would have still exercised our discretion to deny institution given the other shortcomings of the Petition. *Id.* at 25. Accordingly, our Decision Denying Institution did consider the possibility of embodiments where Francisco’s algorithm would not be varied, even though Petitioner entities did not address this issue squarely in the Petition itself.

In any event, as Petitioner entities readily admit, the Rackspace IPR is different from this case in certain respects because it only challenged independent claim 166 of the ’420 patent based on four grounds of unpatentability, one of which was that independent claim 166 would have been obvious over the combined teachings of Woodhill and Francisco. *See* Pet. 12; *Rackspace US, Inc. v. PersonalWeb Techs., LLC*, IPR2014-00058, Paper 2, 4 (PTAB Oct. 10, 2013) (Petition). When discussing Rackspace’s reliance on Francisco in the asserted ground based on obviousness over the combined teachings of Woodhill and Francisco, Petitioner entities state that “Francisco . . . served a more limited purpose in [the Rackspace] IPR than here.” Pet. 12–13. In the context of addressing PersonalWeb’s argument that Francisco’s system would have rendered Woodhill’s distributed storage management system inoperable for its intended purpose, the previous Board panel stated that periodically varying the algorithm “is an optional feature of Francisco.” IPR2014-00058, Paper 10, 34. The previous Board panel further stated that, “[e]ven if the algorithm is to be varied periodically, . . . one with ordinary skill in the art would have a system implementation plan

to update all of the binary object identifiers or content identifiers with the new algorithm.” *Id.* These statements made by the previous Board panel, however, amount to preliminary findings based on an incomplete record. To the extent Petitioner entities wanted to rely on the preliminary findings made by the previous Board panel in the instant Petition, they should have done so explicitly and explained, with supporting evidence, why a person of ordinary skill in the art would have viewed Francisco’s periodically varying algorithm in this way. Because Petitioner entities did not take this position in the Petition, we decline to consider this argument for the first time on rehearing.

IV. CONCLUSIONS

For the foregoing reasons, Petitioner entities have not demonstrated that we abused our discretion in not instituting an *inter partes* review of claims 1, 13, 25–27, 29, 30, 32, 34–36, and 166 of the ’420 patent. In particular, Petitioner entities have not persuaded us that (1) we should decline to consider PersonalWeb’s claim construction arguments with respect to the claim terms “message digest function or hash function”; (2) we misapprehended or overlooked the argument that it would have been obvious to a person of ordinary skill in the art to implement Francisco’s system using a more complex hashing algorithm; and (3) we misapprehended or overlooked a previous Board panel’s preliminary findings in the Rackspace IPR.

V. ORDER

Accordingly, it is ORDERED that the Request for Rehearing is *denied*.

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