

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAND REVOLUTION II, LLC,
Petitioner,

v.

CONTINENTAL INTERMODAL GROUP – TRUCKING LLC,
Patent Owner.

IPR2019-01393
Patent 8,944,740 B2

Before SCOTT C. WEIDENFELLER, *Vice Chief Administrative Patent Judge*, SCOTT C. MOORE, and RYAN H. FLAX, *Administrative Patent Judges*.

FLAX, *Administrative Patent Judge*.

DECISION

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

I. INTRODUCTION

Sand Revolution II, LLC (“Petitioner”) filed a Petition for an *inter partes* review of claims 1, 2, 4, 6–14, and 16–20 of U.S. Patent 8,944,740 B2 (“the ’740 patent,” Ex. 1001). Paper 7 (“Pet.”). Continental Intermodal Group-Trucking LLC (“Patent Owner”) timely filed a Preliminary Response. Paper 8 (“Prelim. Resp.”). In a divided decision, the Board denied institution pursuant to 35 U.S.C. § 314(a), reasoning that this case, as evidenced by the preliminary record, was controlled by the Board’s precedential decision in *NHK Spring Co., Ltd. v. Intrix-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential). Paper 12 (“Denial Decision”).

Petitioner filed a Request for Rehearing of the Denial Decision. Paper 15 (“Pet. Req. Reh’g” or “Petitioner’s Request for Rehearing”). Concurrently therewith, Petitioner requested that the Board’s Precedential Opinion Panel (“POP”) reconsider the Denial Decision. Paper 17; Ex. 3002 (“Petitioner’s POP Request”). The POP declined to review the issue raised in Petitioner’s POP Request. Paper 18. We proceeded to the rehearing on Petitioner’s Request and determined that further briefing was warranted as a result of the Board’s intervening precedential opinion in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (March 20, 2020) (precedential) (“*Fintiv*”). Paper 19. Among other things, *Fintiv* clarified that discretionary denial when there is an earlier trial date in a parallel proceeding in a district court was never compelled but, rather, is based on a holistic assessment of multiple factors. *Id.* at 6. Each of the parties filed supplemental briefing to address the *Fintiv* factors. Papers 20, 22.

We concluded that, in light of new evidence of record submitted by the parties with the aforementioned supplemental briefing, the circumstances of this proceeding are distinguishable from those in *NHK* and that the application of discretion to deny under 35 U.S.C. § 314(a) was not warranted when we applied the factors set forth in *Fintiv*. We, therefore, granted Petitioner’s Request for Rehearing. Paper 24 (“Institution Decision”). After reviewing the parties’ submissions, we also concluded that on the preliminary record Petitioner demonstrates a reasonable likelihood that it would prevail in showing that certain claims of the ’740 patent are unpatentable under at least one ground and instituted *inter partes* review of all challenged claims (1, 2, 4, 6–14, and 16–20) on Grounds 1 and 2 raised in the Petition, pursuant to 35 U.S.C. § 314. *Id.*

Patent Owner has now requested rehearing of our Institution Decision granting Petitioner’s Request for Rehearing. Paper 27 (“PO Req. Reh’g” or “Patent Owner’s Request for Rehearing”). Concurrently therewith, Patent Owner requested that the POP reconsider the Institution Decision in its grant of Petitioner’s Request for Rehearing. Paper 29; Ex. 3004 (“Patent Owner’s POP Request”). The POP declined to review the issues raised in Patent Owner’s POP Request. Paper 30.

Thus, we consider Patent Owner’s Request for Rehearing. We deny the request.

II. STANDARD OF REVIEW

A party requesting rehearing of a Board decision has the burden to show that the decision should be modified. Pursuant to 37 C.F.R. § 42.71(d), the rehearing request must identify, specifically, 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. When rehearing a decision on a petition, we review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c) (2019). 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 an unreasonable judgment is made in weighing relevant factors. *In re Gartside*, 203 F.3d 1305, 1315–16 (Fed. Cir. 2000).

We review Patent Owner’s Request for Rehearing in view of these standards of law and the evidence of record.

III. DISCUSSION

Patent Owner asserts that the Board granted the Petitioner’s Rehearing Request,

not based on any error or oversight in its Decision denying institution (Paper 12, “Denial Decision”), . . . but rather based on a reassessment of the very same discretionary denial factors it had explicitly addressed in its Denial Decision, and consideration of new evidence that came into existence solely through the passage of time and in direct response to its Denial Decision.

PO Req. Reh’g 1. Therefore, Patent Owner argues, “[t]he Board thus disregarded, and failed to apply, the applicable abuse of discretion standard under 37 C.F.R. § 42.71, and in doing so erred.” *Id.*

The Board did not disregard the applicable standard of review. As is expressly set forth at the Institution Decision’s relevant portion on Petitioner’s Request for Rehearing, and as set forth above, the consideration of matters either misapprehended or overlooked and whether such amounts to an abuse of discretion, for example, where a factual finding is not supported by substantial evidence, was the standard of review under which we reviewed Petitioner’s Request. Institution Decision, 4; *see also supra*

Standard of Review Section. This is the standard of review we also apply here in considering Patent Owner's Request for Rehearing.

Patent Owner takes issue with the Board's basis for granting Petitioner's Request for Rehearing being in facts not available as of our Denial Decision, for example, the continuously changing schedule of the related district court litigation's trial date and Petitioner's stipulation. PO Req. Reh'g 5–9, 11–14. Patent Owner also takes issue with the similarities between our rationale for granting Petitioner's Request for Rehearing and the dissent to our Denial Decision. *Id.* at 7–8, 11–12; *see also* Denial Decision, 19–24 (dissent).

Here, a new and relevant Board decision in *Fintiv* was entered subsequent to our Denial Decision and during the course of the Board's consideration of the Petitioner's Request for Rehearing; a decision that has been designated precedential and is now controlling. *Fintiv*, Paper 11. The Board has regularly considered intervening case law in reconsidering a decision on institution. *See Shenzhen Zhiyi Tech. Co. Ltd. v. iRobot Corp.*, IPR2017-02061, Paper 11 (PTAB May 1, 2018) (granting a request rehearing when considering the intervening Supreme Court decision in *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348 (2018)); *Comcast Cable Comm., LLC v. Realtime Adaptive Streaming LLC*, IPR2019-00760, Paper 45 (PTAB Jan. 17, 2020) (granting-in-part patent owner's motion to terminate an instituted *inter partes* review in view of the intervening precedential decision in *GoPro, Inc. v. 360Heros, Inc.*, IPR2018-01754, Paper 38 (PTAB Aug. 23, 2019) (precedential)). Foundationally, “administrative agencies possess inherent authority to reconsider their decisions, subject to certain limitations, regardless of whether they possess explicit statutory authority to do so.”

GTNX, Inc. v. INTTRA, Inc., 789 F.3d 1309, 1313 (Fed. Cir. 2015) (quoting *Tokyo Kikai Seisakusho, Ltd. v. United States*, 529 F.3d 1352, 1360 (Fed. Cir. 2008)).

The relevant factors identified as important by *Fintiv* are not identical to the relevant facts of *NHK*, which warranted authorization of additional briefing and evidence. *See* Paper 19. The new evidence resulting therefrom very clearly illustrated, *inter alia*, the uncertain nature of the related district court litigation’s schedule (changed at the requests of the parties and because of circumstances beyond the control of the district court), which established that our Denial Decision was premised on facts that were not supported by substantial evidence. *See* Denial Decision, 15–16; *compare* Ex. 2004 with Ex. 1012, *and* Ex. 2009, *and* Ex. 3003.

We understand the currently scheduled trial date of the related district court litigation is set for “February 8, 2021 (or as available).” Ex. 3003; *see also* Institution Decision, 9. Had the Board declined to exercise discretion under 35 U.S.C. § 314(a) and instituted trial in its initial decision in this proceeding on February 5, 2020, as then urged in the dissent, this current (tentative) district court trial date would fall *after* what our statutory deadline for a final written decision would have been. *See* Denial Decision, 19–24. This supports that the dissent to our Denial Decision, at least in its ultimate conclusion, was correct and the majority’s decision to exercise discretion under § 314(a) to deny institution was error.

Patent Owner also asserts that the Board’s grant of Petitioner’s Request for Rehearing “incentivizes gamesmanship” because it invites withholding evidence or arguments at the petition stage and the filing of request for rehearing. PO Req. Reh’g, 14–15. As an initial matter, there is

no evidence of gamesmanship here. We do not share Patent Owner's concerns nor are they germane to our decision granting Patent Owner's Request for Rehearing based on indisputable facts that distinguish this case from *NHK*.

Thus, we are unpersuaded by Patent Owner's arguments. Patent Owner has not identified any issues the Board misapprehended or overlooked and we find no abuse of discretion in our conclusions in the Institution Decision.

IV. CONCLUSION

For the reasons discussed above, we deny Patent Owner's Request for Rehearing.

ORDER

Accordingly, it is hereby:

ORDERED that, Patent Owner's Request for Rehearing is *denied*; and

FURTHER ORDERED that this proceeding shall adhere to the schedule set forth in the Scheduling Order (Paper 25).

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