

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,
Petitioner,

v.

UNILOC 2017 LLC,
Patent Owner.

Case IPR2019-01584
Patent 6,519,005 B2

**Petitioner's Request for Rehearing
Under 37 C.F.R. § 42.71(d)(2)**

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I. STATEMENT OF THE PRECISE RELIEF REQUESTED

Petitioner Google LLC (“Google” or “Petitioner”) requests rehearing of the Patent Trial and Appeal Board’s Decision entered March 24, 2020 (Paper 7, “Decision”), denying institution of Google’s petition for *inter partes* review for claims 1-3, 5, 6, 8, 39, and 41 (“the challenged claims”) of U.S. Patent No. 6,519,005 (“the ’005 patent”). Over a dissent by Judge Giannetti, the panel majority denied institution because “Petitioner does not explain why a third petition or *inter partes* proceeding is needed in light of two on-going reviews,” namely IPR2019-01126 (“Unified IPR”) and IPR2019-01270 (“Sling TV IPR”). *See* Dec. at 12-16. But the petition explained in detail why institution is appropriate, i.e., this petition is Google’s first challenge to the ’005 patent, was filed prior to any preliminary responses or institution decisions in the Unified and Sling TV IPRs, and relies upon different prior art references and different grounds for all of the challenged claims. Pet. at 72-79. Google respectfully submits that the panel majority overlooked the relevant factors for consideration of discretionary denial under binding precedent and the denial puts multiple parties defending against the same patent in a dilemma that is inconsistent with both the AIA statutory scheme and Congressional intent, as the dissent recognizes. *See* Dec. at 17-19.¹

¹ Petitioner is citing to the page numbers in the PDF file of the Decision.

For these reasons, and as discussed in detail below, Google respectfully requests rehearing.

II. LEGAL STANDARD

“A party dissatisfied with a decision may file a single request for rehearing.” 37 C.F.R. § 42.71(d). “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.” *Id.*

III. STATEMENT OF REASONS FOR RELIEF REQUESTED

The majority exercised its “discretion under . . . § 314(a)” to deny institution “[t]aking into consideration the efficient administration of the Office under 35 U.S.C. § 316(b).” Dec. at 16. Respectfully, the majority erred for several reasons.

First, the panel majority failed to fully evaluate and address binding precedent regarding discretionary denials involving multiple petitions under section 314(a). *Id.* at 12-13 (citing *General Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper No. 19 (Sep. 6, 2017) (designated precedential in relevant part)), 18 (citing *Valve Corp. v. Elec.Scripting Prods., Inc.*, IPR2019-00062, Paper 11 (PTAB Apr. 2, 2019) (precedential)). Second, had the panel majority properly considered applicable Board precedent, it would have concluded that the relevant factors weigh in favor of institution, given that Google had never previously challenged the ’005 patent, and had good reason to file its own petition challenging

the '005 patent as explained in detail in the petition. Third, the panel majority's analysis is at odds with the AIA statutory scheme and Congressional intent behind it. Specifically, the panel majority effectively truncates or nullifies the statutory one-year period in 35 U.S.C. § 315(b) deliberately selected by Congress and sets up "a race to file the first petition" at the PTAB for future petitioners when multiple defendants are sued by a patent owner (as here). Dec. at 19 (Giannetti, APJ, dissenting).

A. The Panel Majority Overlooked Binding Board Precedent Involving Follow-On Petitions

The precedential *General Plastic* and *Valve Corp.* decisions directly address the issue of whether the Board should exercise its discretion when faced with multiple petitions involving the same patent, like here. *Gen. Plastic Indus. Co.*, IPR2016-01357, Paper 19 at 2-3; *Valve Corp.*, IPR2019-00062, Paper 11 at 1-2. The panel majority, however, overlooked this precedent. Indeed, as the dissent recognizes: "[t]he majority decision does not rely on any precedential authority" and "[t]he fact is, recent Board jurisprudence on discretionary denials is not supportive of the panel majority's denial here." Dec. at 17 (Giannetti, APJ, dissenting).

The Board is bound by its own precedential jurisprudence relating to discretionary denials in the multiple petitions context, such as here. Nothing in the Consolidated Trial Practice Guide ("CTPG") (which the majority cites to for the

proposition that the *General Plastic* factors are non-exclusive), Dec. at 12, permits the Board to ignore binding precedent involving similar facts or issues. Indeed, a precedential decision establishes “binding agency authority concerning major policy or procedural issues, or other issues of exceptional importance.” Patent Trial and Appeal Board Standard Operating Procedure 2 (rev. 10) at 3-4 (September 2018); *see also id.* at 11 (“A precedential decision is binding Board authority in subsequent matters involving similar facts or issues”). The error here was not harmless because had the panel majority correctly applied that precedent (i.e., *General Plastic* and *Valve Corp.*), it would have reached a different conclusion. *See infra* Section III.B; Pet. at 72-76.

The panel majority appears to presume that the CTPG gives the Board a broad license to apply discretion however it sees fit in a given situation. *See* Dec. at 12 (citing CTPG at 58). Such a freewheeling approach has significant pitfalls as the decision here illustrates. For instance, the panel majority concluded that Google should have sought joinder with the Sling TV or Unified IPRs instead of filing its own petition “to mitigate efficiency concerns.” Dec. at 13. According to the majority, instituting a third petition would simply be an inefficient use of Board resources and that seeking joinder would have best served the Board’s interests. *Id.* at 15. But the majority ignores the catch-22 situation it creates for a defendant like Google. When Google filed its petition, the Board had not instituted trial in either

the Sling TV or Unified IPRs. Had Google waited for institution in those IPRs and the Board denied institution there, Google would have had to file its own petition. Surely then, Google would have been faulted for taking a wait-and-see approach and adapting its positions in light of Uniloc’s preliminary responses and the Board’s institution decisions in those IPRs. The majority’s analysis thus does not offer a reasonable alternative to a party like Google. Google did what any prudent litigant would do under the circumstances—it filed a petition as soon as it could with grounds it thought were most effective. Denying institution simply because Google did not win the race to the PTAB and instituting Google’s IPR would not be an “efficient use of Board resources” is unsupported by Board precedent or the AIA. *See infra* Section III.C.

B. The Panel Majority Failed to Properly Apply the Board’s Binding Precedent Regarding Follow-On Petitions

As also explained in the petition, a reasoned balancing of the *General Plastic* factors favors institution here. *See* Pet. at 72-76.

Under the first *General Plastic* factor, the Board considers “whether the same petitioner previously filed a petition directed to the same claims of the same patent.” *Gen. Plastic Indus. Co.*, IPR2016-01357, Paper 19 at 16. Applicability of this first factor “is not limited solely to instances when multiple petitions are filed by the same petitioner.” *Valve Corp. v. Elec. Scripting Prods., Inc.*, IPR2019-00062, Paper 11

at 2. “Rather, when different petitioners challenge the same patent, [the Board] consider[s] any relationship between those petitioners when weighing the *General Plastic* factors.” *Id.* In *Valve Corp.*, the Board found that the petitioner (Valve) had a “significant relationship” with the previous petitioner (HTC) and filed its petition only after HTC’s petition had been denied by the Board. *Id.* at 9-10, 12-13.

But the instant petition is distinguishable from both the first *General Plastic* factor and its expanded interpretation in *Valve Corp.* Indeed, the majority acknowledges that “it is clear that this is the first petition filed against the ’005 Patent by Petitioner.” Dec. at 13. Thus, Google is not the “same petitioner” as the petitioners in the Unified and Sling TV IPRs. And it is undisputed, that unlike *Valve Corp.*, there is no relationship between Google and the prior petitioners with respect to the challenged claims. Pet. at 73. Thus, the first factor weighs heavily in favor of institution given the lack of any relationship between petitioners in connection with the challenged claims. *Unified Patents, Inc. v. Certified Measurement, LLC*, IPR2018-00548, Paper No. 7 at 7-8 (Sep. 5, 2018).

Furthermore, the second *General Plastic* factor is inapplicable, given Google did not file any previous petition. Pet. at 73-74. While not directly addressing the second factor, the majority asserts that “Petitioner does not provide a meaningful distinction between the references applied here and the references applied in the two previous petitions,” in light of the “overlap in authorship/inventorship between the

references” and the “many features in common, including the determination of optimum motion vectors, according to different predictive modes, for motion compensation in moving images.” Dec. at 14-15. But these inquiries, which relate to the similarity between the prior art across the petitions, may have been relevant if Google was party to the Unified or Sling TV IPRs or had a relationship with Unified and Sling TV in connection with those IPRs. Neither is true here.²

The third *General Plastic* factor also weighs heavily in favor of institution. Pet. at 74. At the time Google filed its petition, no preliminary responses were filed or institution decisions rendered in the Unified and Sling TV IPRs and so Google could not have road mapped its IPR petition based on any such developments. *Id.* The absence of any road mapping here weighs heavily in favor of institution because allowing road mapping through follow on petitions was one of the primary concerns behind the *General Plastic* factors. *See General Plastic*, Paper No. 19 at 16-18. But

² The majority’s focus on “why [Google] could not have filed the Petition earlier” (Dec. at 14) or opining that “[i]t is difficult to assume that one being aware of the first reference (Ishihara) would not have located the second (Hanami) through a typical search of the prior art” are similarly irrelevant under the Board’s binding precedent regarding multiple petitions. And as discussed below in Section III.C, such inquiries would effectively nullify the one-year bar under 35 U.S.C. § 315(b).

the majority neither addresses this third factor nor balances it with the other factors to reach its conclusion. Dec. at 12-16. Indeed, the Board has repeatedly weighed this factor heavily in favor of instituting an IPR in similar circumstances. Pet. at 74-75 (citing relevant cases).

In its petition, Google explained the inapplicability of the fourth and fifth *General Plastic* factors given it did not file the first two IPRs nor did it coordinate with Unified and Sling TV in connection with challenging claims of the '005 patent. Pet. at 75; *see also Gen. Plastic*, IPR2016-01357, Paper 19 at 16. While the majority notes that “the length of time between when Petitioner was first sued for infringement . . . and when Unified [] filed its petition [] is not insignificant”, Dec. at 14, it misapprehends the factors at issue which relate to knowledge of the asserted prior art and the timing of the second petition. The majority fails to cite to any precedential authority allowing it to consider a timeframe based on when petitioner was “sued” for infringement.³

³ The majority seems to give a negative inference to the timing of Google’s petition because “the prior petitions were filed over four months [] or over three months [] before the instant Petition, even though it appears that Petitioner was served by Patent Owner for patent infringement prior to the other petitioners.” Dec. at 14. The majority’s observations, however, find no support in the Board’s binding precedent

Thus, if considered properly (particularly in light of the first factor), the second through fifth factors are either inapplicable or weigh in favor of institution.

As for the sixth factor, while the majority notes that “a third trial under these circumstances it [*sic*] is not an efficient use of the Board’s resources,” Dec. at 15, the majority does not provide a reasoned basis for this conclusion. Dec. at 19 (Giannetti, APJ, dissenting) (“The majority does not attempt to quantify how much additional work might be necessary to manage a third trial involving a patent that is identical and prior art that is substantially the same [according to the majority]. It would not seem to be such a heavy lift for the Board.”). Finally, as for the seventh factor, although Google persuasively argued that it favors institution, Uniloc did not even address it other than improperly combining with the sixth factor. *Compare* Pet. at 75-76, *with* Paper 6 at 13-14.

Respectfully, the majority decision simply does not properly balance the *General Plastics* factors. Instead, it focuses too narrowly on similarity of prior art and arguments. *See Ericsson Inc. v. Intellectual Ventures I LLC*, IPR2018-01256, Paper No. 6 at 47-55 (Jan. 9, 2019) (refusing to exercise discretion under section

involving multiple petitions. Unified was not sued by Uniloc, and taking into account such a factor with respect to the Sling TV IPR leads to the undesirable result of a race to the PTAB amongst multiple defendants. *See infra* Section III.C.

314(a) after weighing all *General Plastic* factors even though there was an overlap in the prior art and arguments between the instant petition and previous petitions considered by the Board).

Indeed, the facts discussed above, including this being Google's first petition, Google's lack of relationship with Unified and Sling TV in connection with their challenges to the '005 patent, and Google's petition not benefitting from any road mapping based on the Unified or Sling TV IPRs, are significant and weigh heavily in favor of institution. *See also* Pet. at 72-76.

C. The Panel Majority Essentially Nullifies the Statutory One-Year Bar and Improperly Binds a Petitioner Like Google to the Unpatentability Positions of Another Petitioner

The Board denied Google's petition because two other Petitioners (Unified and Sling TV) beat Google to the PTAB. *See* Dec. at 15-16. The majority noted that once Sling TV and Unified beat Google to the PTAB, Google should have sought joinder to those petitions. *Id.* at 13. None of this can justify denial.

Uniloc served Google and Sling TV less than a week apart. *Uniloc 2017 LLC et al. v. Google LLC*, No. 2-19-cv-00500, D.I. 1 (E.D. Tex.) (summons served January 28, 2019); *Uniloc 2017 LLC v. Sling TV, LLC*, No. 1-19-cv-00278, D.I. 1 (E.D. Tex.) (summons served February 4, 2019). After being served, Sling TV choose to self-expedite its *inter partes* review petition by filing within five months, on June 25, 2019. Sling TV IPR, Paper No. 2 (June 25, 2019). But Sling TV's

choice to self-expedite should not count against Google's right to fashion a challenge of its own at a later time. Under the majority's reasoning, if Google wanted to fashion a challenge to the '005 patent based on *Hanami* as Google saw fit, it needed to beat Sling TV to the PTAB—i.e., Google had to file its petition within approximately *four-and-a-half* months from when it was served by Uniloc.

Congress, however, provided a one-year safe harbor for accused infringers to challenge validity at the Patent Office. *See* 35 U.S.C. § 315(b). This one-year period was carefully chosen, over another proposal requiring IPR petitions to be filed within six months of service of a complaint, to provide a petitioner with “a reasonable opportunity to identify and understand the patent claims that are relevant to the [district court] litigation,” given the challenge of determining “in the first few months of the litigation which claims will be relevant and how those claims are alleged to read on the defendant's products.” Cong. Rec. at S5429 (statement of Sen. Kyl). Section 315(b), thus, reflects Congress' considered judgment that an IPR petition is timely if filed within one year from service of an infringement complaint.

The panel majority's reasoning, however, nullifies or effectively truncates the one-year period set forth in section 315(b) because under the majority's reasoning, the timeliness of a petition under section 315(b) is largely irrelevant, instead what matters is winning the race to the PTAB. Under the majority's analysis, if a petitioner wants to have its petition considered with respect to particular prior art

(e.g., *Hanami*), it either must be the first (or at most the second) petitioner to file at the PTAB or must join the prior filed petitions and be bound by the unpatentability positions therein. As the dissent notes, “[t]he net result of the panel majority’s decision is that we are now one step closer to setting up a race to file the first petition. The losers of the race are denied a chance to present their own case to the Board, and must depend on others whose interests may not align fully with theirs.” *See* Dec. at 19 (Giannetti, APJ, dissenting). Such a result and jurisprudence certainly cannot be consistent with Congressional intent behind the AIA and § 315(b) in particular. *Silicon Labs., Inc. v. Cresta Tech. Corp.*, IPR2015-00615, Paper No. 9 at 24-25 (Aug. 14, 2015) (“[I]t would be more convenient for the Board to have had all challenges raised at the same time. But we are not persuaded that it would be a prudent exercise of the discretion granted by § 325(d) to truncate the ability of a petitioner to make full use of the one-year window Congress expressly provided through § 315(b).”).

Even if the Board has some discretion to deny institution on non-statutory grounds, the Board cannot exercise discretion to effectively negate an express statutory provision. *See Cuozzo Speed Techs. v. Lee*, 136 S. Ct. 2131, 2141-42 (2016) (institution decisions that are “outside ... statutory limits” or arbitrary and capricious are judicially reviewable). A denial cannot be justified solely based on the Board’s subjective belief that instituting trial would not be “an efficient use of

the Board’s resources.” Dec. at 15-16. Indeed, Congress did not vest the Board with unbounded discretion to deny institution merely for reasons of administrative convenience, especially where such denial would prejudice the party seeking review and effectively negate a statutory provision. Instead, Congress intended that the Director (and therefore, the Board) exercise its discretion in applying the enumerated statutory factors. *See, e.g.*, 35 U.S.C. § 325(d) (providing discretion to deny a petition “because, the same or substantially the same prior art or arguments previously were presented to the Office”); *see also id.* at § 313 (permitting patent owner to file a preliminary response “that sets forth reasons why no inter partes review should be instituted based upon the failure of the petition ***to meet any requirement of this chapter***”) (emphasis added). Forcing defendants accused of infringing the same patent into a race to the PTAB and denying institution based on the results of that race has no basis in the statute and should not be considered when determining whether to institute review.⁴

The error in the majority’s analysis cannot be salvaged by its assertion that Google’s prior art is similar to that at issue in the Unified and Sling TV IPRs. Dec.

⁴ Uniloc has asserted the ’005 patent alone against *at least* fifteen entities in separate litigations. Pet. at 1-2, 75-76. Thus, a race to the PTAB amongst multiple defendants would be especially advantageous for a serial litigator like Uniloc.

at 15. Specifically, the panel majority concluded that it was “not persuaded that [the grounds of unpatentability provided in the instant Petition] are distinctive [from the grounds provided in the petitions of the Unified and Sling TV IPRs]; nor [was it] persuaded that the instant grounds are not cumulative with respect to the grounds provided in the petitions of the Unified and Sling TV IPRs.” Dec. at 15. In support of this conclusion, the majority observes that “Hanami and Ishihara have many features in common” and that Hanami was listed as a co-author on the prior art in the Sling TV IPR. *Id.* But even the majority acknowledges that none of Google’s prior art references is at issue in the Sling TV or Unified IPRs. *Id.* The mere overlap between prior art inventors in these proceedings and the presence of certain basic common features in the prior art (which one would expect all relevant prior art to have) cannot justify denial.

Ultimately, neither Congress nor the Board in *General Plastic* or *Valve Corp.* envisioned that a defendant’s ability to assert the unpatentability grounds it believes are most likely to succeed would be limited by reasons entirely out of its control, i.e., IPR filings by other parties and manipulative complaint timing by patent owner. But the majority’s reasoning, which blocks the IPR petition of another defendant, namely Google (who has not yet had a fair chance to challenge the asserted patent) due to *Hanami* allegedly “hav[ing] many features in common” with *Ishihara* relied

upon in the previous IPRs, does precisely that and unfairly limits a defendants' ability to file an IPR petition on the grounds of their choosing.

IV. CONCLUSION

Google respectfully requests that the Board reconsider its Decision and institute *inter partes* review of the challenged claims of the '005 patent.

Respectfully submitted,

Dated: April 23, 2020

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), I certify that I caused to be served on the counsel for Patent Owner a true and correct copy of the foregoing Petitioner's Request for Rehearing Under 37 C.F.R. § 42.71(d)(1) by electronic means on the date below at the following address of record:

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