

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS AMERICA, INC.,
Petitioner,

v.

KANNUU PTY LTD.,
Patent Owner.

IPR2020-00737
Patent 9,436,354 B2

Before KRISTEN L. DROESCH, MINN CHUNG, and
JESSICA C. KAISER, *Administrative Patent Judges*.

CHUNG, *Administrative Patent Judge*.

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

I. INTRODUCTION

On March 17, 2020, Samsung Electronics America, Inc. (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 1–14 (the “challenged claims”) of U.S. Patent No. 9,436,354 B2 (Ex. 1001, “the ’354 patent”). Paper 1 (“Pet.”). Kannuu Pty Ltd. (“Patent Owner”) filed a Corrected Preliminary Response. Paper 18 (“Prelim. Resp.”). Additionally, we authorized additional briefing to address a contractual estoppel issue. Paper 17. Petitioner filed a Preliminary Reply addressing the contractual estoppel issue on July 22, 2020. Paper 21 (“Reply”). Patent Owner in turn filed a Preliminary Sur-Reply on July 29, 2020. Paper 22 (“Sur-Reply”).

On September 23, 2020, we issued a Decision instituting an *inter partes* review. Paper 23 (“Decision” or “Dec.”). Patent Owner filed a Request for Rehearing of our Decision. Paper 25 (“Rehearing Request” or “Reh’g Req.”). Patent Owner also requested Precedential Opinion Panel (“POP”) review of its Rehearing Request. Ex. 3001. On December 23, 2020, the POP denied that request. Paper 33.

For the reasons that follow, we deny Patent Owner’s Rehearing Request.

II. STANDARD OF REVIEW

The party challenging a decision in a request for rehearing bears the burden of showing the decision should be modified. 37 C.F.R. § 42.71(d) (2019). 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.” 37 C.F.R. § 42.71(d). When rehearing a decision on a petition, the decision will be reviewed for an abuse of discretion. 37 C.F.R. § 42.71(c).

III. ANALYSIS

In its Preliminary Response, Patent Owner asked that we exercise our discretion under 35 U.S.C § 314(a) and deny the petition on the basis that Petitioner is “contractually estopped from requesting *inter partes* review.” Prelim. Resp. 14, 17. Patent Owner asserted that on April 5, 2012, Petitioner and Patent Owner executed a non-disclosure agreement (“NDA”) “for the purpose of sharing confidential information to further a business relationship between the parties.” *Id.* at 11. Patent Owner further asserted that the NDA included a forum selection clause in which the parties “agreed to resolve any disputes regarding the NDA and ‘the transactions contemplated hereby’ . . . under ‘the laws of the State of New York’ in ‘a court of competent jurisdiction, federal or state, located within the Borough of Manhattan, City of New York, State of New York and in no other jurisdiction.’” *Id.* at 11–12 (citing Ex. 2006 ¶ 15).

In our Decision, we noted that other panels of the Board have held that contractual estoppel is not a defense to *inter partes* review. Dec. 10–11. We agreed with Patent Owner, however, that we could take equitable considerations into account when determining whether to exercise our discretion under 35 U.S.C. § 314(a). *Id.* at 11. We determined, however, not to exercise that discretion under the facts and circumstances presented on the record before us. *Id.* at 12–13.

In its Rehearing Request, Patent Owner contends that we erred by “not articulating a legitimate basis for [not] exercising its statutory or discretionary authority to deny review.” Reh’g Req. 3–4. In particular, Patent Owner argues that the Board has both statutory authority and inherent authority to consider “private agreements that bar challenges at the USPTO.”

Id. at 5. Patent Owner further argues that in determining not to exercise that discretion, we misapprehended Patent Owner’s “arguments and the law.” *Id.*

We have considered Patent Owner’s arguments on rehearing, and we determine that we did not abuse our discretion in determining not to deny institution under either § 314(a) or inherent authority we may possess. We clarify, as Patent Owner appears to recognize (*compare id.* at 5 n.10, *with id.* at 9), that we never found we could not consider contractual estoppel arguments under our discretionary authority; instead we agreed with Patent Owner that we could take into account equitable considerations (including contractual agreements between the parties) in determining whether to exercise our discretion to decline institution. *See* Dec. 9. We also did not identify the factors in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 6 (PTAB Mar. 20, 2020) (precedential) as the “only” such equitable considerations, as Patent Owner suggests (Reh’g Req. 5–6). We cited those factors as an “example.” Dec. 11–12.

We have considered Patent Owner’s other contentions in its Request for Rehearing, and we determine that we did not misapprehend or overlook any arguments Patent Owner made as to contractual estoppel. We fully considered those arguments in determining not to exercise our discretion to deny institution. *See* Dec. 10–13. Patent Owner has represented that the district court in the related litigation has indicated it will rule on Patent Owner’s motion to enjoin Petitioner from participating in this proceeding in early January. *See* Ex. 3006. Thus, we decline to further comment on the merits of Patent Owner’s contractual estoppel argument, as Patent Owner now invites the Board to do. Reh’g Req. 13–15. At this stage of the proceeding, rather than further clarify our reasoning, we determine the

prudent course is to allow the district court to address the record before it, as Patent Owner indicates the district court intends to do shortly.

IV. ORDER

Accordingly, it is:

ORDERED that Patent Owner's Rehearing Request is *denied*.

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