Trials@uspto.gov
571-272-7822

Paper 11
Entered: September 7, 2023

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CROWDSTRIKE, INC,
Petitioner,

v.

OPEN TEXT INC,
Patent Owner.

IPR2023-00289
Patent 8,418,250 B2

Before PATRICK M. BOUCHER, MICHELLE N. WORMMEESTER and AARON W. MOORE, *Administrative Patent Judges*.

BOUCHER, *Administrative Patent Judge*.

DECISION
Denying Patent Owner's Request for Rehearing of
Decision Granting Institution of *Inter Partes* Review
37 C.F.R. § 42.71(d)

I. INTRODUCTION

CrowdStrike, Inc. ("Petitioner") filed a Petition requesting an *inter partes* review of claims 1–30 of U.S. Patent No. 8,418,250 B2 (Ex. 1001,

"the '250 patent"). Paper 1 ("Pet."). Open Text Inc. ("Patent Owner") filed a Preliminary Response. Paper 6 ("Prelim. Resp."). After consideration of the parties' contentions and evidence, we instituted an *inter partes* review of the '250 patent. Paper 7 ("Decision" or "Dec."). In doing so, we declined Patent Owner's request that we exercise our discretion under 35 U.S.C. § 314(a), *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) ("*Fintiv*"), to deny the Petition.

Patent Owner filed a Request for Rehearing of the Decision. Paper 9 ("Req. Reh'g"). For the reasons that follow, Patent Owner's Request for Rehearing is *denied.*

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). Under 37 C.F.R. § 42.71(d), a patent owner who requests rehearing of a decision denying institution must identify specifically all matters we misapprehended or overlooked, and the place where each matter was previously addressed in its preliminary response. *Id.* When reconsidering a decision on institution, we review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion may be determined if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors. *Star Fruits S.N.C. v. U.S.*, 393 F.3d 1277, 1281 (Fed. Cir. 2005).

III. ANALYSIS

Patent Owner contends that we erred in our interpretation of law and facts in analyzing the *Fintiv* factors, which Patent Owner argues weigh in favor of exercising our discretion to deny institution of *inter partes* review under 35 U.S.C. §314(a). Req. Reh'g 3. Patent Owner's contention that we improperly weighed the *Fintiv* factors is, ultimately, a contention that Patent Owner would have weighed the factors differently. *Id.* But the weight assigned to the *Fintiv* factors, like the ultimate decision on whether to institute trial, is left to the Board's discretion. *See Deloach v. Shinseki*, 704 F.3d 1370, 1380 (Fed. Cir. 2013) (finding "the evaluation and weighing of evidence are factual determinations committed to the discretion of the factfinder," and the factfinder's weighing of the evidence is reversible error only when the entirety of the evidence leads to a "definite and firm conviction that a mistake has been committed"). The fact that Patent Owner would have us weigh the *Fintiv* factors differently is insufficient to show we erred in our interpretation of law or fact finding.

We address Patent Owner's arguments below in correspondence with each argued *Fintiv* factor.

A. Apple v. Fintiv Factor 1 – Possibility of Stay

Patent Owner argues that our analysis of *Fintiv* factor 1 is based on an erroneous interpretation of law. Specifically, Patent Owner contends that the district court has not granted a stay and that the panel ignored evidence that demonstrates a stay appears unlikely. Req. Reh'g. 3–4.

Fintiv factor 1 identifies the existence of a stay as weighing strongly against exercising discretion to deny institution. *Fintiv* at 6. Similarly,

when "there is no stay, but the *district court has denied* a motion for stay . . . and indicated to the parties that it will consider a renewed motion or reconsider a motion to stay if a PTAB trial is instituted[, s]uch guidance from the district court, if made of record, . . . has usually weighed against exercising authority to deny institution." *Id.* at 6–7 (emphasis added). Conversely, "[i]f *a court has denied* a defendant's motion for a stay pending resolution of a PTAB proceeding, and has not indicated to the parties that it will consider a renewed motion or reconsider a motion to stay if a PTAB trial is instituted, this fact has sometimes weighed in favor of exercising authority to deny institution." *Id.* at 7 (emphasis added). Patent Owner accurately quotes *Fintiv* as summarizing that "the first *Fintiv* factor asks whether the *court* granted a stay or evidence exists that one may be *granted* if a proceeding is instituted." Req. Reh'g 3 (quoting *Fintiv* at 6) (emphases added). We agree with Patent Owner that the answer to these inquiries is "no," such that we evaluated this factor as neutral in our analysis. *Id.*; Dec. 13.

Specifically, Petitioner states that it "may seek a stay if institution is granted" (Pet. 65; *see also* Prelim. Resp. 5); but there has been no request for one presented to the court. Although we agree with Patent Owner that a stay appears unlikely even if we institute trial, there has been no actual denial of a stay as contemplated by *Fintiv* to weigh this factor in favor of exercising discretion to deny institution. *See Fintiv* at 6–7. Patent Owner would nonetheless have us evaluate this factor as favoring an exercise of discretion to deny the Petition without citing any binding support from *Fintiv* itself that commands such weighing under the situation before us. Instead, Patent Owner cites certain routine (nonbinding) Board decisions that have weighed

this factor in favor of discretionary denial under the specific factual circumstances present in those cases, which include an absence of a stay motion. *See* Prelim. Resp. 5; Req. Reh'g 4–5. While we have considered such decisions, we find them of limited relevance to the specific facts before us, as applied within *Fintiv*'s binding guidance.

Accordingly, we determine that Patent Owner has not demonstrated we misapprehended or overlooked any matter in our *Fintiv* factor 1 analysis.

B. Apple v. Fintiv Factor 2 – Schedules

In considering the relative timing of the district court trial and the projected statutory deadline for a Final Written Decision in this proceeding, we determined that the second *Fintiv* factor weighed against exercising discretion to deny institution. Dec. 13–14. Patent Owner contends that this factor should instead have been weighed as neutral because "it is not sufficient to consider projected trial dates in isolation, without appreciating the implications of those dates." Req. Reh'g. 8.

When applying this factor, the PTAB has generally taken the "courts' trial schedules at face value absent some strong evidence to the contrary." *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 13 (PTAB May 13, 2020) (informative). When presented with median time-to-trial statistics, the Board also takes those statistics and supporting factors into account when weighing this factor. Director's Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation, 8–9. [1]

[1] Available at https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf.

Here, according to the median time-to-trial statistics in the Western District of Texas, where the related litigation is pending, the expected trial date would be around the same time as the scheduled trial date of August 19, 2024. Pet. 65–66; Prelim. Resp. 13. The deadline for entering a final decision in this proceeding is July 21, 2024, and we generally agree with Patent Owner's observation that *Fintiv* advises that "[i]f the court's trial date is at or around the same time as the projected deadline," the analysis "will likely implicate other factors . . . such as the resources that have been invested." Req. Reh'g 8; *Fintiv* at 9. The resources that have been invested in the parallel proceeding have been further considered in our analysis of *Fintiv* factors 3 and 4 below. Regardless of whether we weigh the scheduled or median time-to-trial date more heavily, given their general consistency, and that the deadline for a final decision in this proceeding is about a month later than the expected trial date, this factor is neutral.

We determine that Patent Owner has not demonstrated we misapprehended or overlooked any matter in our *Fintiv* factor 2 analysis.

C. Apple v. Fintiv Factor 3 – Party and Court Investment

In addressing the third *Fintiv* factor, Patent Owner reiterates certain points made in its Preliminary Response, namely that there has been some investment in the parallel proceeding, including briefing that has resulted in a claim-construction order. Req. Reh'g 9; *see* Prelim. Resp. 14–15. This has resulted in "inconsistencies between Petitioner's claim construction position and the district court's claim construction order," a fact that Patent Owner concedes we acknowledged in our Decision. Req. Reh'g 9; Dec. 14.

Indeed, we agreed that "this supports Patent Owner's position," but found the strength of that support mitigated by the district court's deferral of its reasoning for that claim-construction position. Dec. 14–15. Patent Owner appears to disagree. Req. Reh'g 9 ("The fact that the district court intends to later issue a more-detailed order . . . does not negate the fact that the parties and the court had already invested in completing the *Markman* process . . . more than four months before institution."). We discern no error in our weighing of this factor as neutral. Clearly the court's deferral of its reasoning is consistent with more limited investment by the court.

Regardless, Patent Owner has not identified any matter that we misapprehended or overlooked in our evaluation of this factor.

D. Apple v. Fintiv Factor 4 – Issue Overlap

For the fourth *Fintiv* factor, Patent Owner argues we gave too much weight to Petitioner's stipulation not to "seek resolution in the District Court of any ground of invalidity for the '250 Patent that utilizes *Kester*, *Honig*, or *Kennedy*—the prior art references relied upon in the Proposed Grounds." Req. Reh'g. 10–11; *see* Pet. 66. Notably, we treated this factor as "weighing against exercising discretion to deny institution," whereas Patent Owner would have us weigh this factor "only marginally in favor of institution." Dec. 15; Req. Reh'g 11–12. That is, Patent Owner *agrees* that this factor weighs against exercising discretion to deny institution, but would prefer that we add the qualifier "marginally." Patent Owner's contention is thus ultimately a semantic disagreement with how we stated this factor. Regardless, Petitioner provided a stipulation that is more restrictive than a *Sand Revolution* stipulation, which weighs against exercising our discretion

to deny institution. *See Sand Revolution II, LLC v. Continental Intermodal Group — Trucking LLC*, IPR2019-01393, Paper 24 (PTAB June 16, 2020) (informative).

Patent Owner further contends the "stipulation should carry *no weight* because the stipulation does not bar the other defendants in the parallel litigation from placing the very same invalidity challenges before the district court." Req. Reh'g. 12. But Patent Owner cites no authority supporting the proposition that litigation theories presented by other defendants should bear on our evaluation of this factor. Indeed, Patent Owner's argument would appear to apply with equal force to a *Sotera* stipulation, in conflict with the Director's binding guidance that such a stipulation precludes discretionary denial of a petition under *Fintiv*. *See* Director's Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation,[2] 7–8.

Accordingly, Patent Owner has not demonstrated we misapprehended or overlooked any matter in our *Fintiv* factor 4 analysis.

E. Apple v. Fintiv Factor 5 – Party Overlap

Patent Owner further argues we erred in our weighing of factor 5 because Petitioner is a defendant in a parallel proceeding and the issues are the same or substantially similar to those about to be litigated by the other defendants. Reg. Reh'g. 13. Consistent with several previous Board decisions, we weighed this factor against exercising discretion to deny

[2] Available at https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf.

institution because the related litigation is scheduled well after the Board's deadline for Final Written Decision. Dec. 13; *see Huawei Tech. Co. v. WSOU Inv., LLC*, IPR2021-00225, Paper 11 at 14 (PTAB June 14, 2021) ("this factor favors denial if trial precedes the Board's Final Written Decision and favors institution if the opposite is true") (internal quotation marks omitted); *Google LLC v. Parus Holdings, Inc.*, IPR2020-00846, Paper 9 at 21 (PTAB Oct. 21, 2020) ("Here, . . . Petitioner is the defendant in the parallel proceeding. This fact could weigh either in favor of, or against, exercising discretion to deny institution, depending on which tribunal was likely to address the challenged patent first."); *Samsung Electronics Co., LTD, and Samsung Electronics America, Inc., v. Staton Techiya, LLC*, IPR2022-00243, Paper 15 at 17 (PTAB June 21, 2022) ("We agree with the conclusion in prior decisions that this factor favors denial if trial precedes the Board's Final Written Decision and favors institution if the opposite is true, due to the 35 U.S.C. 315(e)(2) estoppel provision.") (internal quotation marks omitted). While the cited decisions are nonprecedential, we accept their reasoning.[3]

Accordingly, Patent Owner has not demonstrated we misapprehended or overlooked any matter in our *Fintiv* factor 5 analysis.

[3] Patent Owner reiterates its position that "the petitioned grounds are the same as or substantially similar to those about to be litigated by the district court (because the other defendants have placed those issues before the district court)." Req. Reh'g 14. This argument more properly relates to the fourth *Fintiv* factor, which we address above.

F. Whether we Abused Our Discretion in Balancing the Fintiv Factors

We have carefully considered the arguments and evidence before us in view of Patent Owner's arguments. Patent Owner does not dispute our determination that *Fintiv* factor 6 is neutral. *See* Dec. 16–17; Req. Reh'g 14. As noted in our original Decision, no single factor is dispositive of whether we exercise our discretion to deny institution under § 314(a), but rather we take a holistic view of all the factors. *Id.* at 12 (citing *Fintiv* at 6). Although we continue to recognize that the investment in the parallel proceeding has advanced to some degree, this remains counterbalanced by Petitioner's stipulation, which mitigates concerns about overlapping issues with the related litigation.

We accordingly conclude that Patent Owner has not carried its burden of showing that we overlooked or misapprehended material matter amounting to an abuse of discretion in declining to exercise our discretion under *Fintiv* to deny the Petition.

III. ORDER

In consideration of the foregoing, it is

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

For PETITIONER:

Adam P. Seitz
Paul R. Hart
ERISE IP, P.A.
Adam.Seitz@eriseip.com
Paul.Hart@eriseip.com

For PATENT OWNER:

Brian Eutermoser
Russell E. Blythe
Mikaela Stone
KING & SPALDING LLP
beutermoser@kslaw.com
rblythe@kslaw.com
mikaela.stone@kslaw.com