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Paper No. 9
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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ADT LLC and THE ADT CORP.
Petitioner

v.

APPLIED CAPITAL, INC.
Patent Owner

Case IPR2017-01825
Patent No. 8,378,817 B2

Before JONI Y. CHANG, GEORGIANNA W. BRADEN, and MICHAEL J. ENGLE, *Administrative Patent Judges.*

ENGLE, *Administrative Patent Judge*.

DECISION
Denying Petitioner's Request for Rehearing
Under 37 C.F.R. § 42.71(c) and (d)

I. INTRODUCTION

Petitioner requests rehearing of our decision denying institution of *inter partes* review, arguing the Board overlooked how Petitioner mapped the prior art to the claimed "communication destination" and misinterpreted the claim language. For the reasons discussed below, Petitioner's request seeks to introduce a new mapping not found in the Petition. Thus, Petitioner fails to demonstrate that we misapprehended or overlooked matter previously addressed in its Petition.

Accordingly, Petitioner's request is DENIED.

II. PROCEDURAL HISTORY

ADT LLC and The ADT Corporation (collectively, "Petitioner") filed a Petition (Paper 1, "Pet.") under 35 U.S.C. § 311 to institute an *inter partes* review of claims 1–4 and 6–16 of U.S. Patent No. 8,378,817 B2 ("'817 patent"). The Petition alleged obviousness based on combinations with U.S. Patent No. 6,661,340 B1 ("Saylor," Ex. 1002). Pet. 16.

The Patent Trial & Appeal Board ("Board") issued a decision denying institution after determining that the information in the Petition failed to show a reasonable likelihood that Petitioner would prevail with respect to at least one challenged claim. Paper 7.

Petitioner then filed this Request for Rehearing under 37 C.F.R. § 42.71(c) and (d). Paper 8 ("Req.").

III. PRINCIPLES OF LAW

By regulation, "[t]he burden of showing a decision should be modified lies with the party challenging the decision. 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." 37 C.F.R. § 42.71(d). "When rehearing a decision on petition, a panel will review the decision for an abuse of discretion." *Id.* § 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 finding; or (4) involves a record that contains no evidence on which the Board could rationally base its decision." *Rapoport v. Dement*, 254 F.3d 1053, 1058 (Fed. Cir. 2001).

IV. ANALYSIS

Claim 1 of the '817 patent recites "determining one or more communication methods and communication destinations based on the device identifier and the device condition" and "dispatching the enhanced information to the one or more communication destinations using the one or more communication methods." Ex. 1001, 18:51–56.

The Decision noted Petitioner's assertion that the claimed "communication destination" was taught by Saylor's personal computer. Paper 7 at 12–13 (citing Pet. 21). The Decision held, in part, that the Petition failed to explain how Saylor's personal computer was determined "based on the device identifier and the device condition," as required by claim 1. Paper 7 at 13–14, 16.

In the Request, Petitioner argues the Board "overlooked" the Petition's argument that the claimed "communication destination" is the *user* (i.e., the individual or entity to contact if an alarm occurs), not just the personal computer. Req. 5. In particular, the Request argues that

> the Petition expressly states that "Saylor teaches determining one or more communication methods and ***communication destinations*** based on the device identifier and the device

> condition" by allowing users to "set up personalized alarms and alert services; identify various methods of contact; order at which to be contacted; ***individuals and entities to be contacted; type of situations to be alerted of***." (Paper 1 at 20.)

Req. 2.

We are not persuaded by Petitioner's argument. The portion of the Petition relied on by Petitioner merely discusses a general background of Saylor, as can be seen in its full context:

> Saylor teaches determining one or more communication methods and communication destinations based on the device identifier and the device condition. ***In general***, Saylor provides a security network where users "set up personalized alarms and alert services; identify various methods of contact; order at which to be contacted; individuals and entities to be contacted; type of situations to be alerted of." Ex. 1002, Abstract.

Pet. 20 (emphasis added). Nowhere does the Petition tie this general background to the claimed "communication destination." Elsewhere, the Request relies on statements from the Petition that, in context, are unambiguously addressed at the "communication *method*," not the "communication *destination*." *Compare* Req. 5, *with* Pet. 20–21 (showing the quoted paragraph is addressed to whether "Saylor teaches the communication *method* of sending information via web") (emphasis added).

In contrast, the Petition's statements regarding the "communication destination" are unambiguous. For the "dispatching" step, the Petition states: "the communication destination is a user's personal computer." Pet. 23. The Petition is equally unambiguous in addressing the "communication destination" for the "determining" step: "Saylor discloses the 'communication destination' of the user's personal computer." *Id.* at 21.

Thus, the Petition expressly stated that the claimed "communication destination" was Saylor's personal computer. *Id.* at 21, 23.

The Request argues that "[w]hen the Petition asserts, 'Saylor discloses the "communication destination" of the user's personal computer[,]' Petitioner is noting that each designated user is a communication destination (as well as that user's personal computer)." Req. 5 (citation and emphasis omitted). But the Petition's statements are unambiguous. The Petition identified the *personal computer* as the claimed communication destination, not the *user*. Pet. 21, 23. In hindsight, Petitioner may wish it had said the communication destination was the user *and* the user's personal computer, but that is not what the Petition states. It is not an abuse of discretion for the Board to take the Petition at its unambiguous word.

The Petition itself "must specify where each element of the claim is found in the prior art." 37 C.F.R. § 42.104(b)(4). Moreover, "[t]he Board may exclude or give no weight to the evidence where a party has failed to state its relevance." *Id.* § 42.104(b)(5). Petitioner cannot reasonably expect the Board to search through the entire record for statements or evidence that might support an argument that the Petition did not clearly make. *Cf. DeSilva v. DiLeonardi*, 181 F.3d 865, 866–67 (7th Cir. 1999) ("A brief must make all arguments accessible to the judges, rather than ask them to play archaeologist with the record."); *see also In re Baxter Travenol Labs.*, 952 F.2d 388, 391 (Fed. Cir. 1991) ("It is not the function of this court to examine the claims in greater detail than argued by an appellant"); *Novartis AG v. Torrent Pharms. Ltd.*, 853 F.3d 1316, 1328 (Fed. Cir. 2017) ("there is no requirement that the Board expressly discuss each and every negative and positive piece of evidence lurking in the record to evaluate a cursory argument"). Here, the Petition fails to specify that the claimed

"communication destination" is the *user* (i.e., the individual or entity to contact if an alarm occurs), rather than just the personal computer.

Dependent claim 13 further illustrates how the Request's "user" argument was not in the Petition. The Request points out that dependent claim 13 recites the "determining" step comprises "determining one or more *entity* communication destinations of an authority, a first responder, a service company, an owner, a manager, a staff, an occupant, a supplier, a customer, a neighbor, and a custom entity." Req. 6–7. If the Petition had intended for the "communication destination" in claim 1 to be Saylor's user, then one would have expected the Petition to say the same for dependent claim 13, such as the Request's argument that "a Saylor user" could be "the owner of the system." *Id.* at 6. Instead, for dependent claim 13, the Petition mapped the "entity communication destination" to Saylor's disclosure of "the fire department," not Saylor's user. Pet. 38. This further shows that there is insufficient evidence or argument in the Petition—whether for claim 1 or dependent claim 13—that the Petition intended the claimed "communication destination" to be the user. The Board cannot have overlooked an argument that was not presented in the Petition.

None of the Request's arguments resolve this fundamental problem that the Petition identified the claimed communication destination as the user's personal computer, not the user, and that the Petition failed to explain how the personal computer was determined "based on the device identifier and the device condition." *See* Req. 4–15. A request for rehearing is not an opportunity to introduce new arguments that were not in the Petition, nor to bolster insufficient arguments. By statute, "[t]he Director may not authorize an inter partes review to be instituted unless the Director determines that the information *presented in the petition* . . . shows that there is a reasonable

likelihood that the petitioner would prevail." 35 U.S.C. § 314(a) (emphasis added). New arguments in a request for rehearing cannot circumvent this statutory requirement that the information have been presented in the petition.

Petitioner, therefore, has failed to meet its burden of showing that the Board abused its discretion by overlooking or misapprehending any argument in the Petition.

V. CONCLUSION

For the reasons discussed above, Petitioner's Request is DENIED.

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