

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PALO ALTO NETWORKS, INC.,
Petitioner,

v.

BT AMERICAS INC.,
Patent Owner.

IPR2023-00888
Patent 7,159,237 B2

Before KARL D. EASTHOM, GEORGIANNA W. BRADEN, and
SCOTT RAEVSKY, *Administrative Patent Judges*.

BRADEN, *Administrative Patent Judge*.

DECISION

Denying Petitioner's Request on Rehearing of Decision Denying Institution
of *Inter Partes* Review
37 C.F.R. § 42.71(d)

I. INTRODUCTION

A. *Background*

Petitioner, Palo Alto Networks, Inc., filed a Petition under 35 U.S.C. § 311 requesting *inter partes* review of 1–42 (the “challenged claims”) of U.S. Patent No. 7,159,237 B2 (Ex. 1001, “the ’237 patent”). Paper 2 (“Pet.”). BT Americas Inc. (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). With our permission (Ex. 3001), Petitioner filed a Reply to address claim construction arguments. Paper 7 (“Reply”). Patent Owner filed a Sur-reply. Paper 8 (“Sur-reply”). We denied Petitioner’s request to institute trial on November 17, 2023. Paper 9 (“Dec.” or “Institution Decision”). In our Institution Decision, we evaluated the obviousness of the claim limitation “dynamically modifying an analysis capability of said probe during operation thereof based on said received feedback” in light of the prior art presented in the Petition.

Petitioner filed a Request for Rehearing of our Institution Decision on December 12, 2023 contending the Board misapprehended the law concerning non-obviousness and the claimed “dynamically modifying” functionality in the ’237 patent. Paper 10 (“Reh’g Req.” or “Request for Rehearing”). For the reasons expressed below, we deny the Request for Rehearing.

B. *Standard for Reconsideration*

When rehearing a decision on petition, the Board will review the decision for an abuse of discretion. *See* 37 C.F.R. § 42.71(c). An abuse of discretion occurs when a “decision was based on an erroneous conclusion of law or clearly erroneous factual findings, or . . . a clear error of judgment.” *PPG Indus. Inc. v. Celanese Polymer Specialties Co.*, 840 F.2d 1565, 1567

(Fed. Cir. 1988) (citations omitted). An abuse of discretion may be determined if a decision: (1) is clearly unreasonable, arbitrary, or fanciful; (2) is based on an erroneous conclusion of law; (3) rests on clearly erroneous fact findings; or (4) involves a record that contains no evidence on which the Board could rationally base its decision. *Redline Detection, LLC v. Star Envirotech, Inc.*, 811 F.3d 435, 442 (Fed. Cir. 2015) (internal citations omitted). The party challenging the decision has the burden of showing a decision should be modified, and the 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 in its papers. 37 C.F.R. § 42.71(d).

A request for rehearing is not an opportunity merely to disagree with the panel's assessment of the arguments or weighing of the evidence. “It is not an abuse of discretion to have made an analysis or conclusion with which a party disagrees,” and “mere disagreement with the Board’s analysis or conclusion is not a proper basis for rehearing.” *EMC Corp. v. PersonalWeb Techs., LLC*, IPR2013-00085, Paper 29 at 4 (PTAB June 5, 2013).

II. ANALYSIS

Petitioner contends we misapprehended the law concerning non-obviousness and the claimed “dynamically modifying” functionality in the ’237 patent. Paper 10 (“Reh’g Req.” or “Request for Rehearing”). Petitioner first argues that the Board’s non-obviousness conclusion rests on a misapprehension of law that Duvall’s system must explicitly disclose the “*dynamically modifying*” functionality. Req. Reh’g 3. Petitioner notes the Board’s statement that “Petitioner explains sufficiently that dynamic

modification provides an advantage and why a skilled artisan would want to use it in solving a problem, but fails to sufficiently demonstrate that the prior art provided *such a solution*.” *Id.* at 3–4 (citing Dec. 35) (emphasis altered). Petitioner then argues that the Board stopped its obviousness inquiry there and “did not correctly apply *KSR* because it did not consider that the Petition sufficiently provided evidence that a POSA would have inferred and taken creative steps to reach the claim limitation.” *Id.* at 4. Petitioner further cites to several cases from the Court of Appeals for the Federal Circuit, where the court determined certain apparatus claims were obvious despite a limitation not being expressly described by the prior art. *Id.* at 4–5. According to Petitioner, the “Board seemingly requires that the prior-art references must spell out the finite choices” of identified, predictable solutions available to a person of ordinary skill. *Id.* at 7–8. Petitioner concludes that “if it was obvious to a POSA that Duvall had the reasonable capability to provide dynamic modification, ‘it certainly was well within the possibilities available to [the POSA]’ to recognize the choice as dynamic or non-dynamic modification.” *Id.* at 8 (citing *C.R. Bard, Inc. v. Medline Indus., Inc.*, No. 2020-1900, 2021 WL 3574043 (Fed. Cir. Aug. 13, 2021) at *4).

Petitioner does not persuade us that we misapprehended the applicable law concerning non-obviousness and the claimed “dynamically modifying” functionality in the ’237 patent. As explained in our Decision, we do not find dynamic modification of an analysis capability of a probe to be one of “a finite number of identified, predictable solutions [that] a person of ordinary skill has good reason to pursue.” Dec. 34 (citing *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398, 421 (2007)). We further explained this is not a matter of providing a person of ordinary skill with a simple design

choice between two options. *Id.* (citing *ACCO Brands Corp. v. Fellowes, Inc.*, 813 F.3d 1361, 1367 (Fed. Cir. 2016) (explaining that where an “ordinary artisan would . . . be left with two design choices . . . [e]ach of these two design choices is an obvious combination”)). Based on our analysis of Duvall and Chu, in light of the testimony of Dr. Jeffay, we determined on the record before us that the recited claim limitation is a technical feature not taught or suggested by the combined teachings of Duvall and Chu.

It is Petitioner’s burden to articulate both a *reason why* a person of ordinary skill in the art would have modified Duvall in light of Chu to arrive at the limitation, as well as explaining *how* Duvall would be modified to render the limitation obvious. *Belden Inc. v. Berk–Tek LLC*, 805 F.3d 1064, 1073 (Fed. Cir. 2015) (“obviousness concerns whether a skilled artisan not only *could have made* but *would have been motivated to make* the combinations or modifications of prior art to arrive at the claimed invention”); *Personal Web Technologies, LLC v. Apple, Inc.*, 848 F.3d 987, 994 (Fed. Cir. 2017) (holding that an explanation is needed to demonstrate that there would have been a motivation to pick out those two references and combine them to arrive at the claimed invention).

Petitioner explains sufficiently that dynamic modification provides an advantage a skilled artisan would have received if they *used* it in solving a problem, but fails to sufficiently demonstrate that a person of ordinary skill in the art would have *arrived at* the dynamic modification functionality based on the teachings of Duvall and Chu. *See* Dec. 33–35. Without more, Petitioner’s arguments appear to be based on the hindsight analysis of the challenged claims. In our Decision, we found that Petitioner failed to

explain sufficiently how the comparison in Duvall modifies an analysis capability of the probe during operation based on feedback. *Id.* at 33. We further found that a “comparison of the input data to the filter entries does not modify the analysis capability.” *Id.* at 34. Without this information and a credible explanation from Petitioner, then Petitioner’s position is one filled with “the prejudice of hindsight bias.” *Power Integrations, Inc. v. Fairchild Semiconductor Int’l, Inc.*, 711 F.3d 1348, 1368 (Fed. Cir. 2013); *KSR*, 550 U.S. at 421 (instruction that the factfinder to be mindful “of the distortion caused by hindsight bias and must be cautious of arguments reliant upon *ex post* reasoning”). We understand that a person of ordinary skill is a person of ordinary creativity, not an automaton, but without an explanation as to how or why the references would be combined or modified to arrive at the claimed invention, we are left with only hindsight bias that *KSR* warns against.” *Metalcraft of Mayville, Inc. v. The Toro Company*, 848 F.3d 1358, 1367 (Fed. Cir. 2017) (“[T]he obviousness analysis cannot be confined by a formalistic conception of the words teaching, suggestion, and motivation,” we also recognize that we cannot allow hindsight bias to be the thread that stitches together prior art patches into something that is the claimed invention.” (quoting *KSR*, 550 U.S. at 420–21)). Indeed, the Decision properly applies the law concerning non-obviousness, including *KSR*’s instructions regarding design choice and hindsight bias in finding that the Petition fails to provide sufficient explanation as to how Duvall and Chu render the challenged limitation obvious. *See* Dec. 11, 34–36.

Furthermore, Petitioner’s lack of clarity regarding “how the infringement-related distinction [of *Parkervision*] applies to the obviousness issues here” is telling. *See* Reh’g Req. 11–12 (referring to *ParkerVision*,

903 F.3d at 1361, 1363). This case falls squarely within the principle that a “patent may not, like a nose of wax, be twisted one way to avoid anticipation and another to find infringement.” *CommScope Techs LLC v. Dali Wireless Inc.*, 10 F.4th 1289, 1299 (Fed. Cir. 2021). We find no distinction in the application of *Parkervision* from an infringement context to an obviousness analysis. Rather, as discussed in the Decision, we determine that the difference between the ’237 patent in the instant case and U.S. Patent No. 7,895,641 challenged in concurrently filed IPR2023-00889 is that the challenged claims of the ’237 patent have a narrower claim scope than the broader “capable of” language recited in challenged claim 1 involved in IPR2023-00889. *See* Dec. 34 n.7. Despite Petitioner’s general statement to the contrary that the claim limitation issues are the same in the two proceedings (Reh’g Req. 5 n.3), Petitioner concedes that it is “true” that claim 1 here does not recite “the mere capability of performing dynamic modification.” Then, further obfuscating the claim scope at issue here, Petitioner argues that it made the ““capable of” performing the claim functions. . . . showing[] here.” *Id.* at 11. Petitioner’s obfuscation fails to show why the Board misapprehended claim scope or otherwise improperly determined that Petitioner failed to show that the narrower set of claims here would have been obvious.

Petitioner’s argument that the law concerning non-obviousness was “misapprehended” is merely an attempt to reargue its case, which is not a proper ground for rehearing. Petitioner simply disagrees with our findings in the Decision regarding the disclosure of Duvall and whether a person of ordinary skill in the art would have modified Duvall to arrive at “dynamically modifying an analysis capability of said probe during

operation thereof based on said received feedback.” A request for rehearing is not an opportunity merely to disagree with the Board’s assessment of the arguments or weighing of the evidence. It is not an abuse of discretion to have performed an analysis or reached a conclusion with which Petitioner disagrees, and mere disagreement with the Board’s analysis or conclusion is not a proper basis for rehearing. Thus, we are not persuaded by Petitioner’s arguments.

III. CONCLUSION

For the reasons given, Petitioner has not demonstrated that we abused our discretion in denying institution of *inter partes* review of claims 1–42 of the ’237 patent as obvious over the combination of Duvall and Chu. Neither has Petitioner shown that we misapprehended or overlooked matters raised in the Petition in our Decision. Accordingly, we decline to change our Institution Decision and, thus, deny Patent Owner’s Request for Rehearing.

In summary,

Claims	35 U.S.C §	References/Basis	Denied	Granted
1–42	103	Duvall, Chu	1–42	
Overall Outcome			1–42	

IV. ORDER

For the reasons given, it is:

ORDERED Patent Owner’s Request for Rehearing of the Institution Decision is *denied*.

IPR2023-00888
Patent 7,159,237 B2

For PETITIONER:

Jonathan Tuminaro
Dan Block
Michael Specht
Steven Pappas
STERNE, KESSLER, GOLDSTEIN & FOX P.L.L.C.
jtuminar-ptab@sternekessler.com
dblock-ptab@sternekessler.com
mspecht-ptab@sternekessler.com
spappas-ptab@sternekessler.com

PATENT OWNER:

Nolan M. Goldberg
Baldassare Vinti
PROSKAUER ROSE LLP
NGoldbergPTABMatters@proskauer.com
BVinti@proskauer.com

Jonathan A. Roberts
Raymond Mah
Joseph Rhoa
NIXON & VANDERHYE P.C.
jr@nixonvan.com
rym@nixonvan.com
jar@nixonvan.com