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Paper 12
Dated: October 21, 2024

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TIKTOK INC.,
Petitioner,

v.

CELLSPINSOFT, INC.,
Patent Owner.

IPR2024-00768
Patent 11,234,121 B2

Before GREGG I. ANDERSON, CYNTHIA M. HARDMAN, and MICHAEL A. VALEK, *Administrative Patent Judges*.

VALEK, *Administrative Patent Judge*.

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

I. INTRODUCTION

Patent Owner Cellspin Soft, Inc. requests rehearing of our decision instituting *inter partes* review (Paper 8, "Decision" or "Dec.") in this proceeding. Paper (Paper 10, "Request" or "Req.").

In the Decision, we disagreed with Patent Owner's arguments for discretionary denial under 35 U.S.C. §§ 314(a) and 316(b). Dec. 10–13. More specifically, we adhered to the Director's guidance and did not discretionarily deny institution in view of the parallel district court proceeding because Petitioner TikTok Inc. provided a *Sotera* stipulation. *Id.* at 10. We also rejected Patent Owner's argument that the Petition should be discretionarily denied under § 316(b) because "[t]he Government is presently executing a preexisting and dynamic policy initiative against the Petitioner and Real Party in Interest (TikTok)" that "implicates foreign policy, national security, and national competitiveness in connection with the technology the Patent Owner accuses of infringement (namely, TikTok's Data Upload Algorithms)." *Id.* at 12 (quoting Paper 6, 22 ("Prelim. Resp.")).

Patent Owner requests rehearing of these aspects of the Decision.[1] *See* Req. 1–6. As explained below, Patent Owner's Request is *denied*.

II. STANDARD OF REVIEW

A party requesting rehearing of a Board decision has the burden to show that the decision should be modified. Pursuant to 37 C.F.R. § 42.71(d), a rehearing request must identify, specifically, all matters the party believes

[1] Patent Owner does not seek rehearing of our refusal to discretionarily deny the Petition under 35 U.S.C. § 325(d), or our determination that Petitioner has met the burden for institution on the merits of its asserted grounds. *See* Dec. 14–62.

the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply. When rehearing a decision on a petition, we review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion may arise if: (1) a decision is based on an erroneous interpretation of law, (2) a factual finding is not supported by substantial evidence, or (3) an unreasonable judgment is made in weighing relevant factors. *In re Gartside*, 203 F.3d 1305, 1315–16 (Fed. Cir. 2000).

III. ANALYSIS

A. Discretion under 35 U.S.C. § 314(a)

Patent Owner asserts that we abused our discretion by not exercising discretion to deny the Petition in view of the parallel district court proceeding. *See* Req. 2–4. According to Patent Owner, we erred in our analysis of *Fintiv*[2] factor 4 because Petitioner is "effectively taking multiple bites at the same apples" by filing an IPR Petition against each of the seven patents asserted in the parallel district court proceeding and "with the help of Unified Patents, fil[ing] *four* additional *ex-parte* Petitions" for reexamination of four of those seven patents. *Id.* at 2. Patent Owner argues this is "lawfare" that "circumvent[s] the spirit of the Director's guidance memo for *Sotera*" because Petitioner "now has *two* actively funded invalidity challenges before the USPTO for [the] same exact patents (via IPR and *ex-parte*)."[3] *Id.* at 2–3.

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[2] *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (Mar. 20, 2020) (precedential) ("*Fintiv*").

[3] Patent Owner has not identified any reexamination involving the '121 patent. Thus, Patent Owner's assertion that there are currently two "challenges before the USPTO" for the patent in this proceeding is incorrect.

Patent Owner's arguments are unavailing. The Decision specifically addressed the reexamination requests filed by Unified Patents, explaining that even if those requests could be attributed to Petitioner they were filed before Petitioner's obligations under the *Sotera* stipulation went into effect. Dec. 11–12. Moreover, *Fintiv* factor 4 is focused on the overlap between the Office and district court proceedings. *See Fintiv* at 12–13 (explaining factor 4). Nothing in Patent Owner's request suggests Petitioner has not abided, or will not continue to abide, by its stipulation in the district court proceeding. Accordingly, we are unpersuaded by Patent Owner's arguments that Petitioner's actions constitute "lawfare," "gaming of the system," or that they otherwise "circumvent[] the spirit of the Director's guidance" regarding *Sotera* stipulations. Req. 2–4.

B. Patent Owner's arguments concerning 35 U.S.C. § 316(b)

Patent Owner asserts that its Preliminary Response "raised the important issue of discretionary denial under both 35 U.S.C. §§ 314(a) and 316(b)" in view of "the rapidly-approaching (January 19, 2025) TikTok Ban mandated by H.R. 815 and its impacts on the national security of the United States," but "the Board declined to consider it." *See* Req. 4. We disagree.

The Decision specifically addressed Patent Owner's theory for discretionary denial under § 316(b). Dec. 12–13. In particular, we credited Petitioner's argument that this proceeding does not concern Petitioner's intellectual property or business activities, but is solely directed to the patentability challenges raised against Patent Owner's patent claims in the Petition. *See id.* Patent Owner in its Request again fails to address this disconnect between what it refers to as the "TikTok Ban" and the subject matter of this proceeding. *See* Req. 4–6.

Moreover, the Decision explained that while § 316(b) relates to effects "the Director shall consider" when "prescribing regulations," Patent Owner in its Preliminary Response did not identify any regulation, rule, or Office guidance to support its argument for discretionary denial. Dec. 13 (quoting 35 U.S.C. § 316(b)). In its Request, Patent Owner asserts that the Office "has *always* had a charter that supports inventors, encourages investments in intellectual property, secures U.S. global technology leadership, and *protects economic and national security*." Req. 4–5 (emphasis in original). Even so, Patent Owner does not explain how instituting review of its patent claims based on a showing sufficient to demonstrate a reasonable likelihood those claims are unpatentable, undermines that "charter" in any way. Instead, the Request repeats the same arguments we already considered and rejected at the time of the Decision. *Compare* Dec. 12 (noting Patent Owner's § 316(b) arguments), *with* Req. 4–6.

IV. CONCLUSION

Upon review, we see no error in our findings of fact or conclusions of law, nor any unreasonable judgment in our rejection of Patent Owner's arguments for discretionary denial under 35 U.S.C. §§ 314(a) and 316(b). For the reasons stated, Patent Owner has not demonstrated an abuse of discretion in the Decision to institute *inter partes* review.

V. ORDER

Accordingly, it is

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

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