

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SQUARE, INC.,
Petitioner,

v.

THINK COMPUTER CORPORATION,
Patent Owner.

Case CBM2014-00159
Patent 8,396,808 B2

Before TONI R. SCHEINER, MICHAEL W. KIM, and
BART A. GERSTENBLITH, *Administrative Patent Judges*.

KIM, *Administrative Patent Judge*.

DECISION ON REQUEST FOR REHEARING
37 C.F.R. §§ 42.5, 42.71(d)

On December 28, 2015, Patent Owner filed a Request for Rehearing Pursuant to 37 C.F.R. § 42.71 (Paper 51; "Req.") concerning a Final Written Decision mailed November 27, 2015 (Paper 47; Dec.).

A request for rehearing can only point out that which the Board misapprehended or overlooked, and will be reviewed for abuse of discretion.

37 C.F.R. § 42.71(d). Moreover, as the moving party, the burden of persuasion falls on Patent Owner. 37 C.F.R. § 42.20(c). The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and where each matter was previously addressed in a motion, an opposition, or a reply. Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012).

1. *“wherein the first account and the second account are adapted to selectively function as either a merchant or a purchaser account during any particular transaction”*

Fundamentally, most of Patent Owner’s assertions, on this issue but also others, are misplaced, because while Patent Owner liberally uses the phrase “misapprehend or overlook,” Patent Owner actually uses the phrase predominantly as a substitute for “disagree.” In doing so, Patent Owner misunderstands the purpose of requests for rehearing, and the importance of “specifically identify[ing] all matters the party believes the Board misapprehended or overlooked, *and where each matter was previously addressed in a motion, an opposition, or a reply.*” Office Patent Trial Practice Guide, 77 Fed. Reg. at 48,768 (emphasis added). This guidance is particularly important for a request for rehearing of a Final Written Decision, as the trial portion of the proceeding is now closed, and neither party is allowed to enter new arguments, citations, or evidence.

In the vast majority of its assertions, Patent Owner fails to identify where the arguments, citations, or evidence were previously addressed in a substantive paper. A request for rehearing must necessarily be limited to such arguments already made, and citations and evidence already presented, because to do otherwise would be fundamentally unfair to the opposing party, in this case, the Petitioner. Specifically, due process and fairness

dictates that for every assertion made by one party, the opposing party must have the opportunity to rebut that assertion. That is why these trial proceedings provide very specific times and papers for which each party is allowed to make and rebut substantive assertions. Allowing one party to make assertions outside of those confines upsets that balance. To be sure, the Board is fallible, and so requests for rehearing are provided to ensure that every argument, citation, or evidence presented was properly considered in rendering a decision. Nevertheless, it is to balance this desire for completeness with the aforementioned notions of due process and fairness that, in requests for rehearing, the moving party is scrupulously limited to identifying assertions already made, and citations, or evidence previously presented in conjunction with a substantive paper where the opposing party had the opportunity to respond, especially here where the trial portion of the proceeding has concluded. When we apply this framework to most of Patent Owner's assertions, we see that Patent Owner has failed to meet both the letter and spirit of the aforementioned rules governing requests for rehearing.

For example, independent claim 1 recites "wherein the first account and the second account are adapted to selectively function as either a merchant or a purchaser account during any particular transaction," which all parties and the Board refer to as "bidirectional accounts." Dec. 11–12. Independent claims 20, 21, and 22 each recite a similar claim limitation. Patent Owner asserts that the Board misapprehended or overlooked the prosecution history of U.S. Patent No. 8,396,808 B2 ("the '808 Patent") in construing "bidirectional accounts." Req. 4–5. In making that assertion, however, Patent Owner does not identify, and we are unable to discern independently, any previous motion, opposition, or reply in which Patent

Owner argued that the prosecution history specifically informs the construction of that term, thus failing to meet the aforementioned portion of the Office Trial Practice Guide. Applying the above-referenced due process framework, consideration of this assertion would not be proper. Because this assertion was not set forth in a previous motion, opposition, or reply, Petitioner did not have the chance to rebut this assertion, especially here, where the trial portion of the proceeding has concluded. Accordingly, if we were to now make a construction in favor of Patent Owner based on assertions concerning which Petitioner did not have a chance to respond, such a determination would be fundamentally unfair to Petitioner, and thus cannot be allowed.

Patent Owner does identify “Paper 7 at 8, 17” (Req. 2), and may be asserting that this identification alone forms a proper basis in a previous motion, opposition, or reply for the aforementioned assertion. This assertion is problematic for several reasons. As an initial matter, Paper 7 is Patent Owner’s Preliminary Response, to which Petitioner was not afforded a chance to reply. A preliminary response is normally only a substantive paper in that it is used to assist the Board in deciding whether or not to institute a trial. Once the Decision on Institution (Paper 9) was made, however, any substantive assertions Patent Owner wished the Petitioner to consider should have been made in the proper papers following institution and before the Final Written Decision to which Petitioner would have had a chance to reply, in this case, the Patent Owner Response (Paper 21) (to which Petitioner filed a Reply (Paper 30)) or Patent Owner’s Motion to Amend (Paper 20) (to which Petitioner filed an Opposition (Paper 29)). To hold otherwise would be procedurally unfair to Petitioner, who had

expected, and should only have expected, to respond to substantive assertions set forth in those papers, and not in the preliminary response. *See* Scheduling Order (Paper 10) at 4 (“The patent owner is cautioned that any arguments for patentability not raised in the response will be deemed waived.”). To that end, Patent Owner has not identified, and we are unable to discern independently, where Patent Owner previously made the aforementioned assertions concerning “bidirectional accounts” and the prosecution history in either the Patent Owner Response or the Patent Owner’s Motion to Amend.

Setting aside the fact that Patent Owner relies upon its *Preliminary Response*, even when we consider the cited portions of the Preliminary Response, we are still unable to identify anything that could be considered a previous basis for assertions concerning “bidirectional accounts” and the prosecution history. Indeed, the entirety of Patent Owner’s analysis in the cited portions of the Preliminary Response that could even remotely be interpreted as relating to a proper claim construction of “bidirectional accounts” is as follows:

The ’808 Patent also solves the technical problem of the lack of role flexibility in traditional payment systems, which for decades has complicated data retrieval tasks for countless businesses by forcing them to maintain multiple accounts and/or identities for transaction counterparts due to legacy technical design flaws. The ’808 Patent solves the problem by flexibly assigning roles linked to a centralized legal entity database to create bi-directional account functionality, as opposed to using fixed roles with no bi-directionality and with no uniform entity identifiers, as in the prior art.

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