

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TWILIO INC.,
Petitioner,

v.

TELESIGN CORPORATION,
Patent Owner.

Case IPR2016-00451
Patent 8,687,038 B2

Before SALLY C. MEDLEY, JUSTIN T. ARBES, and
KIMBERLY McGRAW, *Administrative Patent Judges*.

McGRAW, *Administrative Patent Judge*.

DECISION
Petitioner's Request for Rehearing
37 C.F.R. § 42.71

I. SUMMARY

Petitioner filed a Request for Rehearing (Paper 18, “Req. Reh’g”) of the Board’s decision (Paper 17, “Dec. on Inst.”), which declined to institute *inter partes* review of claims 1–22 of U.S. Patent No. 8,687,038 B2 (Ex. 1001, “the ’038 patent”). In its Request, Petitioner seeks reconsideration of the denial of institution of (1) claims 1, 11, 13, and 21 in light of Petitioner’s arguments regarding the unpatentability of dependent claims 11 and 21 (Req. Reh’g 6–10), and (2) all challenged claims in light of Petitioner’s argument that Bennett (Ex. 1005) allegedly teaches notifying the user of the occurrence of a notification event during the reverification process (Req. Reh’g 10–12). Pursuant to our authorization (Paper 19), Patent Owner filed an Opposition (Paper 24) opposing Petitioner’s Request for Rehearing and Petitioner filed a Reply (Paper 27).

For the reasons stated below, Petitioner’s Request for Rehearing is *denied*.

II. STANDARD FOR RECONSIDERATION

When rehearing a decision on petition, the Board will 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. United States*, 393 F.3d 1277, 1281 (Fed. Cir. 2005). The party requesting rehearing has the burden of showing that the decision should be modified and “[t]he request must specifically identify all matters the party believes the Board misapprehended or overlooked.” 37 C.F.R. § 42.71(d).

III. DISCUSSION

The '038 patent states the invention generally relates to on-line website registration and a process for notifying registrants of predetermined events using information obtained during the registration process. Ex. 1001, 1:19–26. Independent claims 1 and 13 of the '038 patent each recite two limitations regarding “notification event,” namely: (1) “establishing a notification event associated with the user;” and (2) “upon detecting an occurrence of the established notification event, re-verifying the electronic contact address, wherein re-verifying the electronic contact address includes” certain steps.

In the Petition, Petitioner argued that the broadest reasonable interpretation of “notification event” is “an event that results in the user being contacted either for re-verification or for notification that event occurred.” Paper 9 (“Pet”), 18. Petitioner repeatedly argued that a notification event does not require notifying the user that the notification event occurred and that it is sufficient if the user is reverified. *See id.* at 10 (stating “a ‘notification event’ does *not necessarily result in notifying the user of the occurrence*” and that a notification event “may result in either re-verification or notification”) (italics added, underlining in original), 18 (stating a notification event is an event that results in the user being contacted either for re-verification or for notification that event occurred), 23 (stating “[a]s explained above . . . notification events are detected for the purpose of re-verifying the user”).

Petitioner asserted Bennett discloses the “notification event” limitations of claims 1 and 13 because Bennett discloses events, including “decision rules,” that can result in the re-verification of the user. *See, e.g.,*

id. at 19 (“Bennett teaches that all attempts to access an account are subjected to re-verification”), 20 (stating “Bennett expressly teaches establishing rules to determine whether to require subsequent two-factor authentication based on the user logging in from a different device than she had used in the past” and that any rule in Bennett’s decision engine corresponds to the claimed notification event because the engine can be configured to implement per-user decisions as to whether a return user must be re-verified). Petitioner also argued that if Bennett does not expressly disclose configuring the rules in Bennett’s decision making module to correspond to the claimed notification event associated with a registrant, it would have been obvious to modify Bennett to do so “because the purpose of Bennett’s decision engine is to determine whether to require a subsequent two-factor authentication for a particular user during a particular transaction.” *Id.* at 21.

Patent Owner argued, *inter alia*, the Petitioner’s construction reads “notification” out of “notification event” and that a notification event is “an event that results in the user being notified that the event occurred.” Paper 7, 5, 12, 16.

We agreed with Patent Owner’s proposed claim construction and construed a “notification event” as an event that results in the registrant being notified that the event occurred. Dec. on Inst. 7–11. We determined that Petitioner failed to show sufficiently that Bennett teaches a “notification event” as required by claim 1. *Id.* at 12–14. We noted that Petitioner did not argue that Bennett teaches notifying the user that the notification event occurred, but rather, in accordance with its proposed interpretation of “notification event” as allowing for re-verification *or* notification that the

event occurred, that the notification event in Bennett is an event that results in the subsequent two-factor authentication (reverification) of the user. *Id.* at 13–14. Consequently, we determined the information presented in the Petition did not demonstrate a reasonable likelihood that Petitioner would prevail in its challenge to claims 1 or 13 or the claims that depend therefrom. *Id.* at 14.

Petitioner argues in its Request for Rehearing that our Decision “overlooked two arguments in the Petition that show the Board’s only rationale for denying institution was based on an incorrect finding of fact.” Req. Reh’g 5–6. First, Petitioner asserts that the Board overlooked Petitioner’s arguments, made only in connection with claims 11 and 21, that (1) Bennett and (2) Bennett in view of Rolfe (Ex. 1006) render obvious notifying the registrant of the occurrence of the notification event. *Id.* at 6–10. Next, Petitioner asserts the Board overlooked arguments that Bennett discloses notifying the registrant of the occurrence of the notification event as part of the re-verification process. *Id.* at 10–12.

We address these arguments in turn.

1. *Request for Rehearing of Denial of Institution of Inter Partes Review of Claims 1, 11, 13, and 21 in Light of Arguments Regarding Unpatentability of Claims 11 and 21*

Petitioner asserts the Board overlooked arguments and evidence (1) that Bennett in view of Rolfe render obvious notifying the user of the occurrence of the notification event and (2) that it would have been obvious to modify Bennett to notify the registrant of the occurrence of the established notification event. Req. Reh’g 6–10 (citing Pet. 45–49, 25–26, 54, 58–59). Petitioner requests the Board rehear its denial of institution of

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