

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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UNIFIED PATENTS INC.,  
Petitioner,

v.

INTELLECTUAL VENTURES I, LLC,  
Patent Owner.

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Case IPR2016-01643  
Patent 6,775,745 B1

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Before JEFFREY S. SMITH, GEORGIANNA BRADEN, and  
DANIEL J. GALLIGAN, *Administrative Patent Judges*.

SMITH, *Administrative Patent Judge*.

DECISION

Denying Request for Rehearing  
*37 C.F.R. § 42.71*

## I. INTRODUCTION

Patent Owner filed a Request for Rehearing (Paper 52, “Req. Reh’g”) of our Final Written Decision of March 26, 2018 (Paper 51, “FWD”), which held that claims 1, 2, 4, 12, and 14 of US Patent No. 6,775,745 B1 (Ex. 1001, the “’745 patent”) are unpatentable. In its Request, Patent Owner argues that the FWD improperly relied on Petitioner’s Reply evidence in finding the challenged claims unpatentable. Req. Reh’g 1.

For the reasons set forth below, Patent Owner’s Request for Rehearing is denied.

## II. STANDARD OF REVIEW

Section 37 C.F.R. § 42.71(d) states:

A party dissatisfied with a decision may file a single request for rehearing without prior authorization from the Board. The 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.

## III. DISCUSSION

Patent Owner contends that the Board failed to apply a concrete legal standard for assessing whether Petitioner’s Reply improperly raises new evidence. Req. Reh’g 4. According to Patent Owner, the Board erroneously applied *Idemitsu Kosan Co., LTD. v. SFC Co. LTD.*, 870 F.3d 1376, 1381 (Fed. Cir. 2017) in stating that “Petitioner’s arguments . . . are not beyond the proper scope of a reply because we find that they fairly respond to Patent Owner’s arguments raised in Patent Owner’s Response.” Req. Reh’g 4–5 (citing FWD 50).

In *Idemitsu*, the Federal Circuit stated that:

[W]hat *Idemitsu* characterizes as an argument raised “too late” is simply the by-product of one party necessarily getting the last word. If anything, *Idemitsu* is the party that first raised this issue, by arguing—at least implicitly—that Arakane teaches away from non-energy-gap combinations. SFC simply countered, as it was entitled to do. To the extent *Idemitsu* suggests that the Board could not reach a counterargument because it was not preemptively addressed by the petition or institution decision, *Idemitsu* is plainly mistaken. See *Genzyme Therapeutic Prod. Ltd. P’ship v. Biomarin Pharm. Inc.*, 825 F.3d 1360, 1366 (Fed. Cir. 2016) (“There is no requirement, either in the Board’s regulations, in the APA, or as a matter of due process, for the institution decision to anticipate and set forth every legal or factual issue that might arise in the course of the trial.”).

870 F.3d at 1381.

According to Patent Owner, its Response, unlike that of *Idemitsu*, contained “garden-variety ‘missing limitation’ arguments,” and “argued simply that the evidence submitted with the Petition did not show that the alleged prior art discloses all of the claim limitations.” Req. Reh’g 5–6. However, Patent Owner’s Response asserted that “[o]ne cannot combine elements from different embodiments to support a finding of anticipation.” PO Resp. 30 (citing *NetMoneyIN, Inc. v. Verisign, Inc.*, 545 F.3d 1359, 1371 (Fed. Cir. 2008)). Contrary to Patent Owner’s contention, asserting that the relied-upon disclosures were from different embodiments and could not be combined to support a finding of anticipation is not a garden-variety missing limitation argument. Here, as in *Idemitsu*, Patent Owner “is the party that first raised this issue,” and Petitioner “simply countered, as it was entitled to do.” 870 F.3d at 1381. Patent Owner has not persuasively explained why Petitioner’s Reply to Patent Owner’s arguments pertaining to *NetMoneyIN*,

*Inc.* was beyond the scope of a proper reply.

Patent Owner contends that the Board should have applied the concrete legal standard set forth in the Trial Practice Guide. Req. Reh’g 6–10. The Trial Practice Guide states that “a reply that raises a new issue or belatedly presents evidence will not be considered and may be returned.” 77 Fed. Reg. 48756, 48767. As we discussed above, however, Patent Owner, not Petitioner, first raised the issue of whether the allegedly different embodiments could be combined to support a finding of anticipation. We disagree that we did not follow the legal standard in the Trial Practice Guide.

Patent Owner contends that the Reply Declaration of Dr. Franzon asserts a new anticipation theory that “a reference may still anticipate if that reference teaches that the disclosed components or functionalities may be combined and one of skill in the art would be able to implement the combination” and provides new testimony that “the disclosed components or functionalities in Karedla may be easily combined and implemented.” Req. Reh’g 10–11 (citing Ex. 1016 ¶¶ 7, 82–88). Patent Owner, however, “is the party that first raised this issue,” and Petitioner “simply countered, as it was entitled to do.” *Idemitsu*, 870 F.3d at 1381. Patent Owner has not persuasively explained why Petitioner’s Reply to Patent Owner’s arguments pertaining to *NetMoneyIN, Inc.* was beyond the scope of a proper reply.

Patent Owner, in a footnote, tells us that it is disconcerted by our finding that “a skilled artisan would at once envisage using a read-ahead strategy with a variation on LRU algorithm, such as the frequency-based LRU algorithm of Karedla.” Req. Reh’g 11 n.1 (citing FWD 31). According to Patent Owner, there is no evidence in the record supporting our finding,

either in the Petition or the Reply. *Id.* Patent Owner's contention, however, disregards the evidence cited in the Petition, which we cited in the FWD to support our finding. *See* Pet. 21–22 (citing Ex. 1004, 8; Ex. 1002 ¶ 82); FWD 28–31 (citing Ex. 1004, 8; Ex. 1002 ¶ 82).

Patent Owner contends that the Board erred in denying its request for authorization to file a sur-reply to rebut Petitioner's arguments and evidence presented in the Reply. Req. Reh'g 13–14. Patent Owner, however, did address the issue of whether embodiments could be combined to support a finding of anticipation in its Response. Patent Owner's contention that it should have an additional chance to address this issue is “simply the by-product of one party necessarily getting the last word.” *Idemitsu*, 870 F.3d at 1381. Having determined that Petitioner's Reply briefing and evidence were not improper, we discern no reason that Patent Owner, who does not bear the burden of persuasion on patentability (*see* 35 U.S.C. § 316(e)), should be entitled to the last word.

#### IV. CONCLUSION

For the foregoing reasons, Patent Owner did not show that the Board misapprehend or overlooked any arguments or evidence presented by Patent Owner in determining that claims 1, 2, 4, 12, and 14 of the '745 patent are unpatentable.

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