

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

EBAY INC., ALIBABA.COM HONG KONG LTD., AND
BOOKING.COM B.V.,
Petitioner,

v.

GLOBAL EQUITY MANAGEMENT (SA) PTY. LTD.,
Patent Owner.

Case IPR2016-01828
Patent 6,690,400 B1

Before KARL D. EASTHOM, MATTHEW R. CLEMENTS, and
KEVIN C. TROCK, *Administrative Patent Judges*.

TROCK, *Administrative Patent Judge*.

DECISION

Granting-in-Part Patent Owner's Motion for Rehearing
37 C.F.R. § 42.71

Patent Owner filed a Motion for Rehearing (Paper 65) of our Final Written Decision (Paper 64), arguing that the Supreme Court’s subsequent ruling in *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348 (2018), made it improper for us to grant *inter partes* review as to claims 1 and 2, but deny review as to claims 16 and 28. Paper 65, 1–2 (“While institution was denied on independent claims 16 and 28 due to § 112 issues, it is respectfully submitted that, in light of the decision in SAS, such failure to institute was improper.”). Thus, according to Patent Owner, “the prior art should have been applied to independent claims 16 and 28, especially in light of the SAS decision which specifically strikes down partial review of a petitioner’s request.” *Id.* at 2.

For the reasons explained below, we *grant* Patent Owner’s request for rehearing to the extent we (1) modify our Institution Decision to institute on all of the challenged claims, including claims 16 and 28, and all of the grounds presented in the Petition, including Ground 2; and (2) modify our Final Written Decision to include a determination with respect to claims 16 and 28. We deny, however, Patent Owner’s request for rehearing to the extent we decline to read claims 16 and 28 on the prior art.

I. PROCEDURAL HISTORY

Petitioner filed the Petition on September 22, 2016, requesting review of claims 1, 2, 16 and 28 of U.S. Patent No. 6,690,400 (“the ’400 patent”) as obvious under 35 U.S.C. § 103 in view of PartitionMagic 3.0 User Guide (Ground 1) and PartitionMagic 4.0 User Guide (Ground 2). Paper 1, 18. On April 21, 2017, we instituted a review of claims 1 and 2 based on Ground 1, but did not institute as to claims 16 and 28, or as to Ground 2. Paper 14 (“Inst. Dec.”). We declined to institute with respect to claims 16 and 28

because we determined that the scope and meaning of certain limitations in those claims could not be determined. *Id.* at 10–12.

On January 22, 2018, a hearing was held, a transcript of which has been made part of the record. Paper 60 (“Tr.”). On April 17, 2018, we issued a Final Written Decision holding claims 1 and 2 unpatentable based on Ground 1. Paper 64. On April 24, 2018, the Supreme Court issued its decision in *SAS*. On May 17, 2018, Patent Owner filed its Motion for Rehearing.¹

II. STANDARD OF REVIEW

When reconsidering a decision on institution, the Board reviews the decision for an abuse of discretion. *See* 37 C.F.R § 42.71(c). An abuse of discretion occurs 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. *See Star Fruits S.N.C. v. United States*, 393 F.3d 1277, 1281 (Fed. Cir. 2005); *Arnold P’ship v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004); *In re Gartside*, 203 F.3d 1305, 1315–16 (Fed. Cir. 2000). “The burden of showing a decision should be modified lies with the party challenging the decision.” 37 C.F.R § 42.71(d); *accord* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012).

In a request for rehearing, in general, including for final written decisions, the dissatisfied party must, in relevant part, “specifically identify all matters the party believes the Board misapprehended or overlooked.”

¹ Pursuant to the Board’s April 26, 2018, “Guidance on the impact of *SAS* on AIA Trial Proceedings,” the parties filed a joint motion to withdraw Ground 2 from the Petition. Paper 67. We granted that motion. Paper 68.

37 C.F.R. § 42.71(d); Office Patent Trial Practice Guide, 77 Fed. Reg. at 48,768. We address Patent Owner’s arguments with these principles in mind.

III. ANALYSIS

A. Whether We Must Address Claims 16 and 28

Patent Owner argues that the Supreme Court’s ruling in *SAS*, which issued after our Final Written Decision, made it improper for us to deny review as to claims 16 and 28, but grant review as to claims 1 and 2. Paper 65, 1–2.

In *SAS*, the Supreme Court held that a decision to institute under 35 U.S.C. § 314 may not institute on less than all claims challenged in the petition. *SAS Inst., Inc.*, 1348 at 1359–60. In our Institution Decision, we determined that Petitioner demonstrated a reasonable likelihood that it would establish that at least one of the challenged claims of the U.S. Patent No. 8,650,591 B2 is unpatentable. Inst. Dec. 23. Because of the Supreme Court’s ruling in *SAS*, we now modify our Institution Decision to institute on *all* of the challenged claims, including claims 16 and 28, and on all of the grounds presented in the Petition, including Ground 2, and we determine, in this Decision on Patent Owner’s Motion for Rehearing, whether claims 16 and 28 have been shown, by a preponderance of the evidence, to be unpatentable.

B. Whether We Must Apply Claims 16 and 28 to the Prior Art

Patent Owner argues that “the prior art should have been applied to independent claims 16 and 28, especially in light of the *SAS* decision which specifically strikes down partial review of a petitioner’s request” (Paper 65,

2) because “it is not within [the Board’s] jurisdiction to address § 112 issues in an IPR” (*id.* (citing *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2141-42 (2016))).

Patent Owner misreads *Cuozzo*, which states, “our interpretation [does not] enable the agency to act outside its statutory limits by, for example, *cancelling* a patent claim for ‘indefiniteness under § 112’ in inter partes review.” *Cuozzo Speed Techs.* 136 S. Ct. at 2141–42 (emphasis added). Thus, while *Cuozzo* held that in an IPR proceeding the Board may not *cancel* a claim under § 112, *Cuozzo* does not require the Board to ignore issues arising under § 112 when determining whether a challenged claim is unpatentable under § 102 or § 103.

Moreover, Patent Owner’s argument is predicated on the false premise that, if we cannot determine the scope of a claim for § 112 reasons, then we must find it unpatentable under § 112. Patent Owner ignores the possibility that we may determine that Petitioner has not met its burden with respect to such claims.

Claim 16 of the ’400 patent recites “means for configuring said at least one partition of said at least one secondary storage device through said secondary storage partitions window,” “means for manipulating said at least one cabinet record through said cabinet visible partition window,” and “means for modifying said at least one cabinet record through said cabinet visible partition window.” Ex. 101, 9:66–10:25. In related litigation, the district court found in its claim construction opinion that the ’400 patent does not provide structure corresponding clearly to the functions of these limitations. Ex. 1010, 49–61. We have reviewed and considered the district court’s analysis and findings and we concur with the district court’s

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