

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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DELPHI TECHNOLOGIES, INC.,  
Petitioner,

v.

MICROCHIP TECHNOLOGY INC.,  
Patent Owner.

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Case IPR2017-00864  
Patent 7,523,243 B2

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Before BRIAN J. McNAMARA, DANIEL N. FISHMAN, and  
MATTHEW R. CLEMENTS, *Administrative Patent Judges*.

FISHMAN, *Administrative Patent Judge*

ORDER  
Denying Patent Owner's Request for Rehearing  
*37 C.F.R. §§ 42.5, 42.71*

## I. INTRODUCTION

We entered a Decision on Institution in this matter on August 29, 2017. Paper 12 (“Dec.” or “Decision”). In that Decision, we instituted a review for some claims/grounds and denied a review on other claims/grounds. On April 24, 2018, 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. v. Iancu*, 2018 WL 1914661, at \*10 (U.S. Apr. 24, 2018). In response to the *SAS* decision, on May 3, 2018, we entered an order modifying our Decision to institute trial on all claims and all grounds. Paper 33 (“*SAS* order”).

Our rules require a party to file a request for rehearing “[w]ithin 14 days of entry of a non-final decision or a decision to institute a trial as to at least one ground of unpatentability asserted in the petition.” 37 C.F.R. § 42.71(d)(1). On May 21, 2018, Microchip Technology Inc. (“Patent Owner”) filed a Request for Rehearing of our *SAS* order. Paper 40 (“Req.” or “Request”).

At the request of the Board, the parties filed additional briefing directed to timeliness of the Request and directed to the substantive basis for Patent Owner’s Request (allegedly in excess of our statutory authority). Petitioner filed its Opposition to Patent Owner’s Request for Rehearing on July 13, 2018 (Paper 54, “Opp.” or “Opposition”) and Patent Owner filed its Reply in Support of Request for Rehearing on July 27, 2018 (Paper 57, “Reply”).

## II. DISCUSSION

### A. *Statutory Authority*

The thrust of Patent Owner’s argument is that our Decision on Institution exceeded our statutory authority to consider the Petition after the Supreme Court’s *SAS* decision. Specifically, Patent Owner argues, 35 U.S.C. § 312(a) precludes us from considering a Petition that fails to comply with rules promulgated by the Director (such as 42.6 and 42.104). Req. 2–4. The cited statute reads, in pertinent part:

(a) REQUIREMENTS OF PETITION.—A petition filed under section 311 *may be considered only if—*

. . .

(4) *the petition provides such other information as the Director may require by regulation*

35 U.S.C. § 312(a) (emphasis added). According to Patent Owner, this statutory subsection requires that, to be considered by the Board, a Petition must comply with rules promulgated by the Director. Req. 2 (“a Petition that does not provide the information required by regulation may not be considered”).

Petitioner contends, and we agree, that “Patent Owner’s every-claim-every-ground regulatory compliance theory turns *SAS* on its head.” Opp. 1. Patent Owner’s argument is contrary to both 35 U.S.C. § 314(a) and *SAS*, which both make clear that a reasonable likelihood of success as to one ground for one claim is sufficient to institute. *Id.* at 5–7; 35 U.S.C. § 314(a) (“The Director may not authorize an inter partes review to be instituted unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to *at least 1* of the claims challenged in the petition” (emphasis added)). The Supreme Court states:

Section 314(a) does not require the Director to evaluate every claim individually. Instead, it simply requires him to decide whether the petitioner is likely to succeed on “at least 1” claim. Once that single claim threshold is satisfied, it doesn't matter whether the petitioner is likely to prevail on any additional claims; the Director need not even consider any other claim before instituting review. Rather than contemplate claim-by-claim institution, then, the language anticipates a regime where a reasonable prospect of success on a single claim justifies review of all.

*SAS*, 138 S. Ct. at 1356. Moreover, the Board may exercise its authority under 37 C.F.R. § 42.5(b) to waive or suspend regulations and Patent Owner has not articulated a persuasive reason why that authority may not be used in situations such as this to consider the meritorious grounds in a Petition.

Reply 9. Indeed, as Petitioner correctly points out, not being able to use our authority under § 42.5(b) would lead to absurd results in which non-compliance with regulatory requirements for things such as page size, fonts, and margins would preclude us from considering a Petition. Opp. 8–9. Our Decision on Institution, in view of the *SAS* decision’s change in our proceedings, may be reasonably understood to include an implied waiver of any rule allegedly violated by the Petition.

For the foregoing reasons, we are not persuaded that we exceeded our statutory authority under § 312(a)(4) by issuing our original Decision on Institution or by issuing our *SAS* order instituting on all claims and grounds, including those which we deemed non-compliant with 37 C.F.R. § 104(b)(4) and 37 C.F.R. § 42.6(a)(3) in our Decision on Institution.

*B. Timeliness of Request Relative to Our SAS Order*

Patent Owner's Request asserts it is directed to rehearing of our SAS order that modifies our Decision on Institution. Req. 1. To the extent our SAS order is a "non-final decision" as referenced in 37 C.F.R. § 42.71, and to the extent Patent Owner's Request is directed at the SAS order, a request for rehearing under our rules must be *filed* "[w]ithin 14 days of the entry" of our SAS order. The filing date of Patent Owner's Request (May 21, 2018) is more than 14 days after entry of our SAS order (May 3, 2018). Thus, Patent Owner's Request ordinarily would not be timely filed under our rules.

However, Patent Owner contacted the Board by e-mail on May 18, 2018 indicating it had experienced a technical problem in attempting to file the Request on May 17, 2018 and, therefore, sought permission to file its motion late. The e-mail message indicated that the parties had conferred and that Petitioner did not object to the late filing of the Request.

Staff at the Board determined that Patent Owner had used an incorrect account in its failed attempt to electronically file its Request on May 17, 2018. However, in view of Patent Owner's assertion that Petitioner did not object to the late filing, the Board sent an email message to the parties on May 21, 2018 granting permission to belatedly file the Request on that day, thus, impliedly waiving our rules regarding the timely filing of the Request relative to the date of entry of our SAS order. *See* 37 C.F.R. §§ 42.5, 42.71(d)(1).

Accordingly, assuming Patent Owner's Request is directed to dissatisfaction with our SAS order, the Request is timely filed relative to the date of entry of our SAS order. However, as discussed below, we find the

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