

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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AMAZON.COM, INC., AMAZON DIGITAL SERVICES, INC.,  
AMAZON FULFILLMENT SERVICES, INC., HULU, LLC,  
and NETFLIX, INC,  
Petitioner,

v.

UNILOC LUXEMBOURG S.A.,  
Patent Owner.

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Case IPR2017-00948  
Patent 8,566,960 B2

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Before DAVID C. MCKONE, BARBARA A. PARVIS, and  
MICHELLE N. WORMMEESTER, *Administrative Patent Judges*.

MCKONE, *Administrative Patent Judge*.

DECISION  
PATENT OWNER'S REQUEST FOR REHEARING  
*37 C.F.R. § 42.71(d)*

## I. INTRODUCTION

Amazon.com, Inc., Amazon Digital Services, Inc., Amazon Fulfillment Services, Inc., Hulu, LLC, And Netflix, Inc. (collectively “Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting an *inter partes* review of claims 1–25 of U.S. Patent No. 8,566,960 B2 (Ex. 1001, “the ’960 patent”). Pursuant to 35 U.S.C. § 314, in our Institution Decision (Paper 10), we instituted this proceeding as to claims 1–25. Inst. Dec. 34. Patent Owner<sup>1</sup> filed a Patent Owner’s Response (Paper 15, “PO Resp.”), and Petitioner filed a Reply to the Patent Owner’s Response (Paper 18, “Reply”).

Patent Owner also filed a Contingent Motion to Amend (Paper 17, “Mot. to Amend”), seeking to replace claims 1, 22, and 25 with substitute claims 26, 27, and 28 if claims 1, 22, and 25 were found unpatentable. Petitioner filed an Opposition to the Motion to Amend (Paper 19, “Opp. to Mot. to Amend”), and Patent Owner filed a Reply supporting its Motion to Amend (Paper 24, “Mot. to Amend Reply”). Because we found that claims 1, 22, and 25 are unpatentable, we considered, and ultimately denied, Patent Owner’s Motion to Amend, concluding that the proposed substitute claims are directed to non-statutory subject matter under 35 U.S.C. § 101. Paper 31, Final Written Decision (“FWD”) 53, 63, 70.

In a Request for Rehearing (Paper 33, “Req.”), Patent Owner contends that we misapprehended the law and improperly considered whether substitute claims 26–28 constitute statutory subject matter under § 101.

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<sup>1</sup> Patent Owner represents that Uniloc 2017 LLC is the owner of the ’960 patent, and that Uniloc USA, Inc. and Uniloc Licensing USA LLC are real parties-in-interest. Paper 6; Paper 32.

Req. 2–3. For the reasons explained below, we deny Patent Owner’s Request for Rehearing.

## II. BACKGROUND

In a related matter, a district court determined that independent claims 1, 22, and 25 are non-statutory subject matter under § 101. *See Uniloc USA, Inc. v. Amazon.com, Inc.*, 243 F. Supp. 3d 797, 811 (E.D. Tex. 2017) (“For the reasons listed above, the Court finds that all claims of the ’960 Patent are drawn to ineligible subject matter under 35 U.S.C. § 101.”). The Federal Circuit has affirmed the District Court’s decision. *See Uniloc USA, Inc. v. Amazon.com, Inc.*, 2017-2051 (Fed. Cir. Aug. 9, 2018) (Fed. Cir. R. 36 decision). Substitute claims 26, 27, and 28 propose amendments to claims 1, 22, and 25, respectively. Mot. to Amend, 1, App. A.

Petitioner opposed Patent Owner’s Motion to Amend, *inter alia*, on the ground that substitute claims 26–28 are non-statutory subject matter under § 101. Opp. to Mot. to Amend 1–11. Patent Owner did not respond substantively to this argument; rather, Patent Owner argued that Petitioner was not permitted to raise § 101 in opposition to a motion to amend in an *inter partes* review. Mot. to Amend Reply 12–13. We fully considered and rejected Patent Owner’s argument and found that a preponderance of the evidence showed that substitute claims 26–28 are non-statutory subject matter. FWD 57–63, 69.

## III. ANALYSIS

The burden of showing that the Decision should be modified is on Patent Owner, the party challenging the Decision. *See* 37 C.F.R. § 42.71(d).

In addition, “[t]he 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.” *Id.*

Patent Owner argues that, by overruling the Board’s practice of placing on the patent owner the burden of showing patentability of amended claims in *Aqua Products Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017) (en banc), the Federal Circuit also foreclosed review of proposed amended claims under § 101. Req. 3–4. Under Patent Owner’s theory, Board cases such as *Ariosa Diagnostics v. Isis Innovation Limited*, Case IPR2012-00022 (PTAB Sept. 2, 2014) (Paper 166), considered § 101 only as part of a patent owner’s burden to show patentability of the amended claims, and the Federal Circuit’s removal of that burden “overruled the very basis for *Ariosa Diagnostic*’s holding that a motion to amend must address patent eligibility under § 101.” Req. 3–4. However, as we explained in our Final Written Decision, *Aqua Products* makes clear that Patent Owner does not bear the burden of persuasion on issues of patentability in a motion to amend,<sup>2</sup> but does not foreclose an analysis of whether substitute claims comply with

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<sup>2</sup> To be clear, our Decision did not place the burden of showing patentability of substitute claims 26–28 on Patent Owner. FWD 59–63. The District Court determined that claims 1, 22, and 25 are non-statutory subject matter (which the Federal Circuit affirmed) and Petitioner introduced persuasive evidence and argument that the amendments proposed in substitute claims 26–28 did not address the statutory defect in claims 1, 22, and 25. *Id.* Patent Owner was silent as to whether the substitute claims recite statutory subject matter. *Id.* at 57 (citing Mot. to Amend Reply 12–13; Tr. 50:13–17). On the complete record, Petitioner proved by a preponderance of the evidence that substitute claims 26–28 recite non-statutory subject matter. *Id.* at 59, 62–63, 69.

§ 101. FWD 58–59. Although the panel in *Ariosa Diagnostic* noted that the burden to show patentability of amended claims required the patent owner to address § 101, the panel did not find that § 311(b) precludes us from considering the patentability of amended claims under other statutory provisions, such as § 101. Case IPR2012-00022, slip op. at 51–52.

By its terms, § 311(b) limits a petitioner to requesting cancellation of *existing* claims of a patent only under § 102 and § 103. 35 U.S.C. § 311(b) (“A petitioner in an inter partes review may request to cancel as unpatentable *1 or more claims of a patent only* on a ground that could be raised under section 102 or 103 . . . .” (emphasis added)). It does not, however, limit the grounds of unpatentability that can be raised in response to proposed substitute amended claims presented in a motion to amend. In contrast to § 311(b), the statutory provision providing a right to a motion to amend, 35 U.S.C. § 316(d), does not prevent us from considering unpatentability under sections other than § 102 and § 103 with respect to substitute claims.<sup>3</sup>

This distinction between claims of a patent and amended claims is further reflected in the statute. For example, the statute makes clear that amended claims are proposed claims until they are added following a final written decision and action of the Director. *See* 35 U.S.C. §§ 318(a)–(b). Specifically, § 318(a) (emphases added) directs us to “issue a final written

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<sup>3</sup> Section 316(d)(1) provides that “(1) *In general.*—During an inter partes review instituted under this chapter, the patent owner may file 1 motion to amend the patent in 1 or more of the following ways: (A) Cancel any challenged patent claim. (B) For each challenged claim, propose a reasonable number of substitute claims.”

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