

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FREEBIT AS,
Petitioner,

v.

BOSE CORPORATION,
Patent Owner.

Case IPR2017-01308
Patent 8,254,621 B2

Before KRISTEN L. DROESCH, BRYAN F. MOORE, and
JAMES B. ARPIN, *Administrative Patent Judges*.

ARPIN, *Administrative Patent Judge*.

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

I. BACKGROUND

On February 28, 2017, Freebit, AS (“Petitioner”) filed a Petition to institute *inter partes* review of claims 1–11 of U.S. Patent No. 8,254,621 B2 (Ex. 1001, “the ’621 patent”). Paper 1 (“Pet.”). In particular, Petitioner argues claims 1–11 of the ’621 patent are rendered obvious over the combined teachings of Sapiejewski (Ex. 1004) and Tan (Ex. 1005), alone or in combination with those of Howes (Ex. 1006). Pet. 4–5, 23–69. Bose Corporation (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). In its Preliminary Response, Patent Owner, contends that the named inventors conceived of and acted diligently actually to reduce the recited devices to practice before the effective date of Tan. Prelim Resp. 8–13; *see* Ex. 2001. On August 25, 2017, Petitioner submitted an e-mail request to file a Reply to Patent Owner’s Preliminary Response, “limited to [Patent Owner’s] attempt to antedate prior art reference Tan in light of a declaration, Ex. 2001, purporting to establish that the subject matter of the challenged claims was reduced to practice in May 2009.” Ex. 3001. Petitioner conferred with Patent Owner, and Patent Owner indicated that it “will not oppose [Petitioner’s] request for a pre-institution reply to [Patent Owner’s] preliminary response, with the understand[ing] that the reply will be limited to 5-10 pages of attorney arguments regarding [Patent Owner’s] swear-behind of Tan, as you set forth in your e-mail and discussed on our call yesterday (8/23).” *Id.* We authorized Petitioner

to file a Reply to Patent Owner’s Preliminary Response, strictly limited to responding to Patent Owner’s arguments to antedate Tan in light of a declaration, Ex. 2001, purporting to establish that the subject matter of the challenged claims was reduced to practice in May 2009. *See* 37 C.F.R. §§ 42.23(b) (“A reply may only respond to arguments raised in the corresponding . . . patent

owner preliminary response”), 42.108(c).

Id. On September 1, 2017, Petitioner filed its Reply. Paper 7 (“Reply”). On November 8, 2017, after consideration of the entirety of the record, we denied institution of *inter partes* review of claims 1–11 of the ’621 patent. Paper 8, 34 (“Inst. Dec.”).

On December 8, 2017, Petitioner filed a Request for Rehearing (Paper 11, (“Reh’g Req.”)) of our Institution Decision, requesting reconsideration of our decision denying institution of *inter partes* review of claims 1–11 of the ’621 patent. Petitioner argues that “the Board overlooked or misapprehended that Patent Owner suppressed or concealed its invention and therefore did not successfully antedate Tan.” Reh’g Req. 2. In particular, Petitioner argues that “[e]ven assuming that Patent Owner had an actual reduction to practice (‘ARP’) in March 2009^[1] (which Patent Owner does not concede), the Board overlooked or misapprehended the fact that Patent Owner forfeited its rights to rely on that ARP by waiting too long to file its patent application.” *Id.* at 3.²

¹ Inst. Dec. 31 (“As we noted above, although Patent Owner mentions both March 26, 200[9] (Prelim. Resp. 8), and May 26, 2009 (*id.* at 1, 10), as the date of actual reduction to practice, it is clear from Mr. Annunziato’s testimony and supporting evidence, that actual reduction to practice occurred by May 26, 2009. Ex. 2001 ¶¶ 9, 11; *see id.*, Ex. A, 2.”); *see* Paper 10, 1 (Errata).

² We note that Petitioner presented substantially identical arguments regarding Patent Owner’s antedating of Tan in its Request for Rehearing filed in IPR2017-01307 and in IPR2017-01309. *See, e.g.*, IPR2017-01307, Paper 9. Our reasons for denying rehearing here regarding the antedating of Tan are substantially the same as the reasons presented in IPR2017-01307 and IPR2017-01309.

We have considered Petitioner's Request for Rehearing, and, for the reasons set forth below, Petitioner's Request is *denied*.

II. STANDARD OF REVIEW

37 C.F.R. § 42.71(d) provides that:

A party dissatisfied with a decision may file a 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, opposition, or a reply.*

(Emphasis added.) See Office Trial Practice Guide, 77 Fed. Reg. 48756, 48768 (Aug. 14, 2012). Under 37 C.F.R. § 42.71(c), “[w]hen rehearing a decision on petition, a panel will review the decision for an abuse of discretion.” An abuse of discretion occurs when a “decision was based on an erroneous conclusion of law or clearly erroneous factual findings, or . . . a clear error of judgment.” *PPG Indus. Inc. v. Celanese Polymer Specialties Co. Inc.*, 840 F.2d 1565, 1567 (Fed. Cir. 1988) (citations omitted).

III. DISCUSSION

1. *Delay in Preparing Application*

Petitioner argues that we overlooked or misapprehended that Patent Owner suppressed or concealed its invention by waiting for an unreasonably long period of time after the actual reduction of the invention to practice to file a patent application disclosing the invention. Reh'g Req. 3–4.

“Petitioner does not challenge the Board's determination that ‘the period of the delay from actual reduction to practice to the filing of the provisional patent application [“the critical period”] was closer to fourteen months . . .

[than to the seventeen months that Freebit argued]” (*id.* at 3 (quoting Inst. Dec. 31–32)), and Petitioner acknowledges that “[n]either the statute, the rules, nor any opinion of either the Federal Circuit or the Board sets a bright-line rule for how long is too long” (*id.* at 4). Petitioner argues, however, that the unexcused delay was unreasonably long. In particular, Petitioner argues that “whether the critical period at issue was too long has been decided on a case-by-case basis taking into account the complexity of the invention and the deciding entity’s assessment of how long it should have taken reasonably competent counsel to draft a patent application on the invention.” *Id.* Petitioner argues that Patent Owner bore the burden of producing evidence of “*Peeler* diligence” (*id.* (citing *Peeler v. Miller*, 535 F.2d 647 (CCPA 1976)), such that we may assess the reasonableness of the delay, but failed to do so here.

Initially, we note that Petitioner did not raise these arguments anywhere in its Petition or its authorized Reply to Patent Owner’s Preliminary Response. Not only did Petitioner fail to raise the issue of “*Peeler* diligence,” but Petitioner’s Request for Rehearing does not include a single citation to its Petition or to its Reply. Thus, Petitioner’s Request for Rehearing fails to identify the place where each matter that allegedly was overlooked or misapprehended was previously addressed in a motion, opposition, or a reply. 37 C.F.R. § 42.71(d). A request for rehearing is not an opportunity for the requestor to present new arguments or evidence. It goes without saying that we could not have overlooked or misapprehended arguments that Petitioner did not make, and it is not an abuse of discretion not to consider such arguments.

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