

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNITED MICROELECTRONICS CORP., UMC GROUP (USA),
SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORP.,
SEMICONDUCTOR MANUFACTURING INTERNATIONAL
(SHANGHAI) CORP., SEMICONDUCTOR MANUFACTURING
INTERNATIONAL (BEIJING) CORP., and SMIC, AMERICAS
Petitioner,

v.

LONE STAR SILICON INNOVATIONS LLC
Patent Owner.

Case IPR2017-01513
Patent 5,973,372

Before GRACE KARAFFA OBERMANN, JENNIFER MEYER
CHAGNON, and ELIZABETH M. ROESEL, *Administrative Patent Judges.*

OBERMANN, *Administrative Patent Judge.*

DECISION
Denying Petitioner's Request for Rehearing
C.F.R. § 42.71(d)

I. INTRODUCTION

Petitioner filed a Petition (Paper 1, “Pet.”) requesting an *inter partes* review of claims 1 and 4–6 of U.S. Patent No. 5,973,372 (Ex. 1001). Patent Owner filed a Preliminary Response (Paper 7, “Prelim. Resp.”). We entered a decision (Paper 8, “Dec.”) that denied the Petition upon determining that the information presented did not support institution of trial. Petitioner filed a request for rehearing of that decision. Paper 9 (“Req. Reh’g”). This paper resolves the request for rehearing.

In response to a request for rehearing, we review a decision whether to institute trial for an abuse of discretion. 37 C.F.R. § 42.71(c). “The burden of showing a decision should be modified lies with the party challenging the decision.” 37 C.F.R. § 42.71(d). Further, “[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.* We deny the request because Petitioner does not establish an abuse of discretion.

II. DISCUSSION

The word “adjacent” appears twice in claim 1 (the only independent claim challenged in the Petition). Ex. 1001, 7:42–8:8. The institution decision turned on the proper construction of the word “adjacent” in claim 1. Dec. 8.

Taking account of the “persuasive information” presented by Patent Owner in the Preliminary Response (Dec. 13 (citing Prelim. Resp. 25–31)), we determined that the Petition was based on an incorrect construction of the claim term “adjacent” and, as a result, advanced patentability challenges that

rested on information (including opinion testimony) not “tethered adequately to the correct claim construction.” Dec. 16; *see* Pet. 16–21 (Petitioner’s proposed claim construction); *see also* Dec. 8–18 (discussing correct claim construction and insufficiency of the information presented to support trial institution). Accordingly, we denied the Petition because the information presented did not show a reasonable likelihood that Petitioner would prevail at trial with respect to at least one patent claim. Dec. 8–18; 35 U.S.C. § 314(a) (authorizing trial only when that threshold showing is made).

Petitioner’s request for rehearing asserts arguments pertaining to (1) the provisions of 37 C.F.R. § 42.108(c) (“Rule 42.108(c)”) (Req. Reh’g 3); (2) the Administrative Procedure Act (“APA”) (*id.* at 5); (3) the claim construction adopted in the institution decision (*id.* at 6–8); and (4) factual findings made on the preliminary record (*id.* at 8–14). We organize our discussion into four parts, addressing each argument in turn.

A. Rule 42.108(c)

We first turn to the argument that the Board abused its discretion by “ignoring” Rule 42.108(c). Req. Reh’g 3. Under that rule, when a patent owner submits testimonial evidence with a preliminary response, the Board views any “genuine issue of material fact created by such testimonial evidence” “in the light most favorable to the petitioner solely for purposes of deciding whether to institute an *inter partes* review.” 37 C.F.R. § 42.108(c). Petitioner asserts that the preliminary record included conflicting opinion testimonies and, therefore, the Board was obligated to institute trial to resolve the conflict. Req. Reh’g 3–5 (advancing that argument, but identifying no particular factual dispute overlooked by the Board).

In Petitioner’s view, Rule 42.108(c) sets up a “process” by which “factual disputes between experts” must be subjected to “further examination of the veracity of the respective opinions.” *Id.* at 4. By way of support, however, Petitioner directs us to non-binding Board decisions, none of which suggests that trial institution is warranted whenever the Board discerns a difference of opinion between two opposing declarants. *Id.* at 3–4 (citations omitted). In that regard, Petitioner’s analysis does not account for the words “genuine” and “material” in the terms of Rule 42.108(c). *Id.*

In addition, Rule 42.108(c) does not undercut the statutory mandate that precludes trial institution where, as here, the information presented in a petition and preliminary response fails to make out the threshold showing for review. *See* 35 U.S.C. § 314 (a) (authorizing review only upon a showing of “a reasonable likelihood that the petitioner would prevail with respect to at least 1” challenged claim). Taken to its natural end, Petitioner’s view of the rule would compel the Board to institute trial whenever a preliminary record includes declarations that reflect differing opinions—which is, of course, an untenable result. Petitioner’s argument is inconsistent with Section 314(a), which specifies a condition under which review may be instituted, but does not specify conditions under which review must be instituted. *Id.*; *see* Dec. 8–18 (articulating reasons why Petitioner, in this case, is not reasonably likely to prevail at trial with respect to at least one patent claim).

Petitioner’s further observation—that “the relative strength of” opposing witness “opinions are appropriate for the routine discovery conducted during” a trial—is of no avail. Req. Reh’g 3 (citing 37 C.F.R. § 42.51(b)(1)). The Board is under no obligation to subject a patent owner to the burden and expense of discovery and trial where a petition asserts

patentability challenges that are keyed to an incorrect claim construction. On that point, our rules provide that a petition must identify “[h]ow the challenged claim is to be construed.” 37 C.F.R. § 42.104(b)(3).

Accordingly, we are unpersuaded that the Board abused its discretion by “ignoring” Rule 42.108(c). Req. Reh’g 3.

B. Administrative Procedure Act

Petitioner asserts that, by denying review “without providing the Petitioner an opportunity to examine” Patent Owner’s declarant, the Board violated due process protections codified in the APA. Req. Reh’g 5. As an initial matter, we determine that Petitioner does not establish that a rehearing request in our forum is an appropriate vehicle for asserting an APA violation. *See generally* Req. Reh’g (nowhere addressing that point); *see also* 37 C.F.R. § 42.71(d) (“Rule 42.71(d)”) (circumscribing permissible bases for a request for rehearing); *Taiwan Semiconductor Mfg. Co., Ltd. v. Godo Kaisha IP Bridge I*, Case IPR2017-01862 (PTAB Mar. 12, 2017) (Paper 14, 3) (questioning whether “allegations of an APA violation are properly raised in” a request for rehearing under Rule 42.71(d)).

Setting aside for a moment the question of whether an APA violation properly may be raised under Rule 42.71(d), we are not persuaded by Petitioner’s contention. Petitioner argues that the Board must “provide the parties with an opportunity to address a claim construction presented for the first time in [a] final written opinion.” Req. Reh’g 5–6. But we did not issue a “final written opinion.” *Id.* Instead, we determined that Petitioner did not meet the threshold showing required for trial institution. 35 U.S.C.

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