

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

EXPEDIA, INC.; HOMEAWAY.COM, INC.; HOTELS.COM L.P.;
HOTWIRE, INC.; AND ORBITZ, LLC,
Petitioner,

v.

INTERNATIONAL BUSINESS MACHINES CORPORATION,
Patent Owner.

Case IPR2018-01134
Patent 5,961,601

Before HUBERT C. LORIN, DAVID C. McKONE, and
BEVERLY M. BUNTING, *Administrative Patent Judges*.

McKONE, *Administrative Patent Judge*.

DECISION
Request for Rehearing
37 C.F.R. § 42.71(d)

I. INTRODUCTION

Expedia, Inc., Homeaway.com, Inc., Hotels.com L.P., Hotwire, Inc., and Orbitz, LLC (collectively “Petitioner”) filed a Petition (Paper 1, “Pet.”) to institute an inter partes review of claims 1–3, 6–10, 12, 14–16, 19–23, 25, 27–29, 32–36, 38, 40–42, 45, 47, 49, 51–53, 56–59, 60–62, and 65–68 of U.S. Patent No. 5,961,601 (Ex. 1001, “the ’601 patent”). International Business Machines Corp. (“Patent Owner”) filed a Preliminary Response (Paper 8, “Prelim. Resp.”). Upon consideration of the Petition and Preliminary Response, we concluded, under 35 U.S.C. § 314(a), that Petitioner has established a reasonable likelihood that it would prevail with respect to at least one challenged claim as obvious over John December and Mark Ginsburg, HTML AND CGI UNLEASHED (1st ed. 1995) (Ex. 1006, “Unleashed”). Paper 9 (Institution Decision (“Dec.”)) 43–44. Patent Owner requests that we reconsider that decision. Request for Rehearing (Paper 11, “Req.”).

A panel of the Board previously considered Unleashed as part of an obviousness combination asserted against the ’601 patent by a different petitioner and denied institution of a trial in IPR2016-00605 (“the ’605 IPR”).¹ See *Kayak Software Corp. v. Int’l Business Machines Corp.*, Case IPR2016-00605 (PTAB July 27, 2016) (Paper 13) (Decision Denying Institution, “’605 DDI”). In the Preliminary Response, Patent Owner argued that we should deny the Petition under 35 U.S.C. §§ 314(a) and 325(d) and the Board’s precedential decision in *General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, Case IPR2016-01357 (PTAB Sept. 6, 2017)

¹ Judges McKone and Bunting served on the ’605 IPR panel.

(Paper 19), in light of Unleashed having been raised in the '605 IPR. Prelim. Resp. 14–29. We fully considered Patent Owner’s arguments, weighed them according to the guidance set forth in *General Plastic and Becton, Dickinson and Co. v. B. Braun Melsungen AG*, Case IPR2017-01586 (PTAB Dec. 15, 2017) (Paper 8) (informative), and explained in detail why various factors, considered together, weighed against denial of the Petition. Dec. 37–43.

Patent Owner asserts in the Request for Rehearing that we abused our discretion in refusing to deny the Petition.

II. ANALYSIS

When rehearing 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 may be indicated 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. U.S.*, 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 that the Decision should be modified is on Patent Owner, the party challenging the Institution 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 identifies two arguments that it contends we misapprehended or overlooked. First, according to Patent Owner, “the

Board misapprehended or overlooked Expedia’s use of IBM’s preliminary response and the Board’s decision denying institution in Case IPR2016-00605 as a guide for its petition in this proceeding.” Req. 4. Second, “[t]he Board also misapprehended or overlooked its own prior consideration of Unleashed’s shopping cart and catalog examples.” *Id.* Patent Owner contends that these alleged misapprehensions translated into two abuses of discretion:

The Board made a clearly erroneous finding that Expedia did not benefit from IBM’s preliminary response and the Board’s decision denying Priceline’s petition in Case IPR2016-00605. That clearly erroneous finding then led the Board to unreasonably discount a factor that favors denying institution: a petitioner’s use of a preliminary response and decision denying institution in an earlier proceeding as a guide for preparing its own later petition.

Id. at 9.

Patent Owner’s arguments largely track those presented in the Preliminary Response. Specifically, Patent Owner argues that the ’605 IPR petitioner presented Unleashed’s catalog and shopping cart examples, including the source code on which Petitioner now relies most heavily, that Patent Owner responded to that evidence, and that the ’605 IPR panel gave that evidence consideration and rejected it. *Id.* at 9–11. Important to Patent Owner’s argument is that, in the ’605 DDI, the panel purportedly “stated—without qualification—that it considered Unleashed’s catalog and shopping cart examples on pages 525–531 of Unleashed,” both generally and for the specific “identifying all continuations” and “recursively embedding” limitations of claim 1 of the ’601 patent. *Id.* at 10–11 (citing ’605 DDI 23, 24 n.4). Patent Owner then argues that Petitioner used the ’605 DDI as a

roadmap for preparing a petition that corrected the deficiencies of the '605 IPR petition. *Id.* at 11–12.

In the Preliminary Response, Patent Owner made substantially the same arguments. Prelim. Resp. 15–26. We fully considered those arguments and explained that “although the '605 Petition identified the catalog and shopping cart example of Unleashed as relevant to the identifying and embedding limitations, it did not present meaningful argument or evidence to allow the panel to understand how the reference was being applied to those limitations.” Dec. 38–39. As to the '605 IPR panel’s consideration of Unleashed’s source code at pages 525–31 of Exhibit 1006, the panel “considered Petitioner’s arguments at pages 20–21 of the Petition providing a general discussion of Unleashed, including the example at pages 525–31.” '605 DDI 24 n.4. The '605 DDI did not, however, state that the panel did an independent examination of the source code to conclude that it did not support obviousness. Rather, the panel determined that “[the '605 IPR petitioner’s] general discussion of Unleashed does not explain how Unleashed teaches specific limitations of claim 1.” *Id.* Indeed, the '605 IPR panel repeatedly pointed to the deficiencies in the presentation of evidence, including unspecific argument and conclusory, unhelpful expert testimony, rather than deficiencies with Unleashed itself. *Id.* at 22–23. Thus, Patent Owner’s arguments (Req. 10–11) regarding the depth of the '605 IPR panel’s consideration of Unleashed is incorrect. In any case, we fully considered these arguments, and fully apprehended them, in the Institution Decision. Dec. 38–39, 41–42.

Patent Owner argues that our Institution Decision “gave no weight to a factor that strongly favored denying institution: the third *General Plastic*

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.