

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD.,
SAMSUNG ELECTRONICS AMERICA, INC.,
SAMSUNG RESEARCH AMERICA, INC.,
Petitioner,

v.

DYNAMICS INC.,
Patent Owner.

IPR2020-00499
Patent 8,827,153 B2

Before TREVOR M. JEFFERSON, GEORGIANNA W. BRADEN, and
JON M. JURGOVAN, *Administrative Patent Judges*.

BRADEN, *Administrative Patent Judge*.

DECISION

Denying Patent Owner's Request on Rehearing of Decision Granting
Institution of *Inter Partes* Review
37 C.F.R. § 42.71(d)

I. INTRODUCTION

A. *Background*

Petitioner, Samsung Electronics Co., Ltd., Samsung Electronics America, Inc., and Samsung Research America, Inc., filed a Petition under 35 U.S.C. § 311 requesting *inter partes* review of claims 1 and 5–8 of U.S. Patent No. 8,827,153 B2 (Ex. 1001, the “153 Patent”). Paper 1 (“Petition” or “Pet.”). Patent Owner, Dynamics Inc., filed a Preliminary Response to the Petition. Paper 8 (“Prelim. Resp.”). Petitioner then filed a Reply (Paper 39) to which Patent Owner filed a Sur-Reply (Paper 40). We granted Petitioner’s request to institute trial on August 12, 2020. Paper 41 (“Dec.” or “Institution Decision”). In our Institution Decision, we evaluated the factors in *Apple v. Fintiv*, IPR2020-00016, Paper 11 (PTAB March 20, 2020) (precedential), which were briefed in the Reply and Sur-Reply, and we determined the factors weighed against exercising our discretion to deny institution of *inter partes* review under 35 U.S.C. § 314(a).

Patent Owner filed a Request for Rehearing of our Institution Decision on August 26, 2020 contending some of the *Apple v. Fintiv* factors were evaluated incorrectly. Paper 43 (“Reh’g Req.” or “Request for Rehearing”). For the reasons expressed below, we deny the Request for Rehearing.

B. *Standard for Reconsideration*

When rehearing a decision on petition, the Board will review the decision for an abuse of discretion. *See* 37 C.F.R. § 42.71(c). An abuse of discretion may be determined if a decision: (1) is clearly unreasonable, arbitrary, or fanciful; (2) is based on an erroneous conclusion of law; (3) rests on clearly erroneous fact findings; or (4) involves a record that

contains no evidence on which the Board could rationally base its decision. *Redline Detection, LLC v. Star Envirotech, Inc.*, 811 F.3d 435, 442 (Fed. Cir. 2015) (internal citations omitted). The party challenging the decision has the burden of showing a decision should be modified, and the request for rehearing must specifically identify all matters the party believes the Board misapprehended or overlooked and the place where each matter was previously addressed in its papers. 37 C.F.R. § 42.71(d).

II. ANALYSIS

Patent Owner contends we misapprehended or overlooked certain facts in analyzing *Apple v. Fintiv* factors 1, 3 and 4, which Patent Owner contends favor exercising our discretion to deny institution of *inter partes* review. Req. Reh’g 1–4. We address Patent Owner’s arguments below in correspondence with each argued *Apple v. Fintiv* factor.

A. *Apple v. Fintiv* Factor 1 – Whether a Stay Exists or is Likely to be Granted if a Proceeding is Instituted

Patent Owner argues “[t]he Board’s factor 1 analysis relied solely on the fact that there is a stay in the district court proceeding, and ignored the duplications of efforts at the pending ITC proceeding for factor 1.” Req. Reh’g 6. We disagree with Patent Owner’s characterization of our analysis under *Apple v. Fintiv* factor 1. For factor 1, we merely stated that the district court’s stay weighed against exercising discretion to deny institution, and that the duplicative efforts with the ITC proceeding must be considered further in *Apple v. Fintiv* factors 2 and 4. Dec. 11–13.

Patent Owner argues “[g]iven that trial has already begun, *Fintiv* factor 1 should have been determined in favor of denial.” Req. Reh’g 7. But the proximity of the trial date to the Board’s projected statutory deadline

is exactly what is considered under *Apple v. Fintiv* factor 2. See Dec. 12–13. Likewise, Patent Owner argues “[r]elitigating the exact same issues petitioner asserted in its final invalidity contentions at the ITC cannot be considered to be efficient, nor a sign of ‘integrity of the system.’” Req. Reh’g. 6. This, however, is considered under *Apple v. Fintiv* factor 4. See Dec. 13–14.

In sum, Patent Owner argues we should have considered *Apple v. Fintiv* factors 2 and 4 under factor 1. We do not agree with this contention. Appellant does not show we misapprehended or overlooked any fact, evidence, or legal issue in rendering our Institution Decision, regardless of the *Apple v. Fintiv* factor under which it was considered. In any case, we considered all factors, including factors 1, 3, and 4, in concluding that the balance of the *Apple v. Fintiv* factors weighed against exercising discretion to deny institution. Thus, Patent Owner has not demonstrated we misapprehended or overlooked any fact in our *Apple v. Fintiv* factor 1 analysis.

B. Factor 3 – Investment in the Parallel Proceeding by the Court and Parties

Patent Owner argues that our analysis of *Apple v. Fintiv* factor 3 was clearly erroneous because “it was based, at least in part, on the number of papers filed in the present proceeding as compared to ‘the *Fintiv* or the *Sand Revolution* case.’” Req. Reh’g 8 (citing Dec. 13). We did not, however, base our *Apple v. Fintiv* factor 3 analysis of the number of papers filed relative to these cases, but on the investments made by the ITC and parties as demonstrated by the evidence of record. Dec. 12–13. The parties’ filings reflect these investments.

Patent Owner further argues “nothing in the precedential opinion on factor 3 concerns the investment by the parties in the present IPR.” Req. Reh’g 8 (citing *Apple v. Fintiv*, Paper 11 at 9). *Apple v. Fintiv* states, however, that “[t]he investment factor is related to the trial date factor, in that more work completed by the parties and court in the parallel proceeding tends to support the arguments that the parallel proceeding is more advanced, a stay may be less likely, and instituting would lead to duplicative costs.” *Apple v. Fintiv*, Paper 11 at 10. In other words, a comparison of the investments made in each proceeding indicates which proceeding is more advanced.

Patent Owner also argues “the Panel completely ignored the portion of the factor 3 analysis related to the ‘matter of petition timing,’ . . . which further favors denial.” Req. Reh’g 8. *Apple v. Fintiv* factor 3 states, however, that “the parties should explain facts relevant to timing.” See *Apple v. Fintiv*, IPR2020-00019, Paper 11 at 11. Patent Owner contends Petitioner became aware of the asserted claims on July 15, 2019. Req. Reh’g 11. Yet Patent Owner does not identify any evidence in the record to support this date, nor has Patent Owner provided sufficient information to explain why Petitioner would have known of the asserted claims on this date. In this regard, we note that attorney argument is not evidence. *Elbit Systems of America, LLC v. Thales Visionix, Inc.*, 881 F.3d 1354, 1359 (Fed. Cir. 2018) (citing *Icon Health & Fitness, Inc. v. Strava, Inc.*, 849 F.3d 1034, 1043 (Fed. Cir. 2017)).

Patent Owner then argues the Reply and Sur-Reply should not be considered as investments in the preliminary proceeding for this case because they “did not include any substantive patent law analysis pertinent

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