

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

KINGSTON TECHNOLOGY COMPANY, INC.,
Petitioner,

v.

POLARIS INNOVATIONS LTD.,
Patent Owner.

Case IPR2016-01622
Patent 6,850,414 B2

Before SALLY C. MEDLEY, JEAN R. HOMERE,
and KEN B. BARRETT, *Administrative Patent Judges*.

BARRETT, *Administrative Patent Judge*.

ORDER

Granting Petitioner's Request for Rehearing and
Denying Petitioner's Motion to Limit the Petition
37 C.F.R. § 42.71(a),(d)

I. INTRODUCTION AND SUMMARY OF THE DECISION

Kingston Technology Company, Inc. (“Petitioner”) “requests rehearing [of the Final Written Decision (Paper 35, “Final Dec.”)] to address the effects of the Supreme Court’s decision on *SAS Inst., Inc. v. Iancu*, 584 U.S. ___ (U.S. Apr. 24, 2018) on this trial, prior to the matter going to any appeal.” Paper 40 (“Petitioner’s Request” or “Pet. Req. Reh’g”), 1. No challenge of claims 2–4 was instituted in the original Institution Decision (Paper 7, “Inst. Dec.”). The Final Written Decision did not include an explicit conclusion as to the patentability of those claims, but did include an analysis of proposed substitute claim 9, which includes the subject matter of claim 4. As part of its submission, Petitioner includes a motion requesting “that the Board limit the petition to exclude review of claims 2 and 3.” *Id.* at 1. Petitioner requests that the Final Written Decision be modified to include a decision with respect to the patentability of claim 4 and of claims 2 and 3 “to the extent [the Petition is] not limited.” *Id.* at 1–2.

After considering Petitioner’s Request and the response of Patent Owner Polaris Innovations Ltd. (Paper 41, “PO Resp. Req. Reh’g”), we: 1) grant Petitioner’s request for rehearing, 2) modify the institution decision to institute on all of the challenged claims and all of the grounds presented in the Petition, 3) deny Petitioner’s motion to limit the Petition, and 4) modify the Final Written Decision to include our determination that Petitioner has demonstrated by a preponderance of the evidence that claim 4 is unpatentable and that Petitioner has *not* demonstrated by a preponderance of the evidence that claims 2 and 3 are unpatentable.

II. PROCEDURAL POSTURE

Petitioner filed a Petition requesting *inter partes* review of claims 1–8 of U.S. Patent No. 6,850,414 B2 (“the ’414 patent,” Ex. 1001). Paper 2. Patent Owner filed a Preliminary Response to the Petition. Paper 6. The Board instituted *inter partes* review of claims 1 and 5–8 on the ground of obviousness under 35 U.S.C. § 103(a) over Simpson. Paper 7, 23. The Board did not institute a review as to dependent claims 2–4 and did not institute on all grounds. *Id.* at 6, 23. Specifically, the instituted review did not include Petitioner’s obviousness challenge of claims 1–8 based on the combination of Simpson and the Intel Specification, or Petitioner’s obviousness challenge of claims 1–8 based on the Intel Specification. Petitioner filed a Request for Rehearing of The Board’s Institution Decision on Claim 4 (Paper 11), which was denied (Paper 16).

Petitioner filed another petition seeking *inter partes* review of claim 4 of the ’414 patent in Patent Trial and Appeal Board Case IPR2017-00974 (Paper 2). In that case, the Board exercised its discretion under 35 U.S.C. §§ 314(a) and 325(d) to not institute an *inter partes* review. IPR2017-00974, Paper 8. Petitioner’s request for rehearing of that decision was denied. IPR2017-00974, Papers 9, 11.

In the present proceeding and subsequent to the institution decision, Patent Owner filed a Motion to Amend (“MTA,” Paper 18) seeking to cancel the instituted challenged claims and proposing to substitute a newly-presented claim 9 for dependent claim 8. Patent Owner characterized the proposed substitute claim 9 as “the same as challenged claim 8 in every respect, except that it simply adds the limitations of claim 4” MTA 1. Patent Owner did not file a Response to the Petition. Subsequently,

Petitioner filed an Opposition to Patent Owner's Motion to Amend (Paper 20), and Patent Owner filed a Reply to Petitioner's Opposition to Motion to Amend (Paper 23). Petitioner filed a Surreply to Patent Owner's Motion to Amend (Paper 28). Thereafter Patent Owner filed a Brief Addressing Impact of *Aqua Products v. Matal*¹ (Paper 30). An oral hearing was held on November 14, 2017. *See* Paper 34 (Hearing Transcript).

On February 5, 2018, the Board issued a Final Written Decision. Paper 35. In that Decision, we determined that Petitioner had demonstrated by a preponderance of the evidence that claims 1 and 5–8 of the '414 patent are unpatentable under 35 U.S.C. § 103(a) as obvious over Simpson. Additionally, we determined, based on a preponderance of the evidence in the entire trial record, that proposed substitute claim 9 is unpatentable, under 35 U.S.C. § 103(a), as obvious over Simpson and the Intel Specification. Patent Owner filed, on March 7, 2018, a request for rehearing of the Final Written Decision (Paper 36), which was denied on April 12, 2018 (Paper 37).

On April 24, 2018, the Supreme Court held that a decision to institute under 35 U.S.C. § 314 may not institute on less than all claims challenged in the petition. *SAS Inst., Inc. v. Iancu*, 2018 WL 1914661, at *10 (U.S. Apr. 24, 2018).

On May 8, 2018, Petitioner sent to the Board and Patent Owner an email stating, in pertinent part: "Pursuant to the guidance provided by the Chief Judge in his recent webinar on SAS, Petitioner requests a conference call to ask permission to file an out of time request for reconsideration

¹ *Aqua Products, Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017).

seeking institution and a FWD on non-instituted claim 4 in [this] IPR.” Ex. 3002. Later that same day, Patent Owner replied: “Patent Owner is prepared to explain why Petitioner’s proposed request should not be authorized pursuant to the guidance provided on *SAS*.” *Id.* On May 11, 2018, Judges Barrett and Homere participated in a conference call with the parties to discuss the parties’ positions regarding Petitioner’s request. A transcript of that call has been filed as Exhibit 1026.

On May 21, 2018, we granted Petitioner’s request to excuse the lateness of the filing of a request for rehearing, authorized Petitioner to file a request for rehearing, authorized Patent Owner to file an opposition thereto, and authorized the parties to file a Joint Motion to Limit the Petition by removing specific claims and grounds upon which we did not institute review in the original Decision on Institution. Paper 39, 8.

III. ANALYSIS OF PETITIONER’S REQUEST FOR REHEARING

A party requesting rehearing bears the burden of showing that the decision should be modified. 37 C.F.R. § 42.71(d). Petitioner argues that we should modify the Final Written Decision, in light of the Supreme Court’s decision in *SAS Inst., Inc. v. Iancu*, 2018 WL 1914661, at *10 (U.S. Apr. 24, 2018), to address all of the claims challenged in the Petition. Pet. Req. Reh’g 1–2. *SAS* issued after the Final Written Decision in this case but before the expiration of the time for the parties to appeal that decision. Petitioner argues that addressing the previously non-instituted claims now, rather than upon a remand from an appeal, will be the more efficient result and will conserve time and resources. *See* Req. Reh’g 5; Ex. 1026 (Conference Call Transcript), 4:13–5:2, 21:18–22:22.

Patent Owner argues, *inter alia*, that the Board has been divested of jurisdiction to grant Petitioner's request, that Petitioner "forfeited" or waived any argument against partial institution by not raising it earlier, and that Petitioner's Request fails to identify anything we misapprehended or overlooked. PO Resp. Req. Reh'g 1–4. We have considered all of Patent Owner's arguments, including but not limited to these, and do not find them persuasive.

As to jurisdiction, Patent Owner impliedly argues that the expiration of the time to file a request for rehearing without prior authorization renders the judgment final and divests the Board of jurisdiction over the proceeding. *Id.* at 2 (citing 37 C.F.R. § 42.71(d)(2)). Patent Owner, in its analysis, fails to acknowledge that 37 C.F.R. § 90.3 establishes the deadline for the filing of an appeal, not the rule regarding the timing of a request for reconsideration. That deadline was reset by Patent Owner's request for rehearing (Paper 36) to sixty-three days from the denial of that request (Paper 37) on April 12, 2018. As of this time, we understand that neither party has filed a notice of appeal. *See* Ex. 1026 (Conference Call Transcript), 8:19–22 (Patent Owner's counsel stating: "It's already been an appealable decision in this case, but the deadline is ticking set by the director. And, frankly, a notice of appeal could already have been filed."). We have jurisdiction to reconsider our Final Written Decision in light of SAS.

We do not find Patent Owner's waiver argument to be persuasive, and we decline to reject the Request for Reconsideration based on an alleged waiver or forfeiture. As for Patent Owner's argument that the Request fails to identify anything we misapprehended or overlooked, we deem

Petitioner's *SAS*-based argument to constitute an adequate allegation that we erred by limiting the scope of the instituted trial.

In light of *SAS* and in consideration of expediency and of the conservation of resources, we grant Petitioner's Request for Rehearing. Accordingly, we now reconsider our issuance of a Final Written Decision addressing the patentability of less than all the claims challenged in the Petition.

IV. MODIFICATION OF THE INSTITUTION DECISION

As mentioned, the Board, in the original Institution Decision, did not institute a review as to dependent claims 2–4 and did not institute on all grounds. On April 24, 2018, the Supreme Court, held that a decision to institute under 35 U.S.C. § 314 may not institute on less than all claims challenged in the petition. *SAS Inst., Inc. v. Iancu*, 2018 WL 1914661, at *10 (U.S. Apr. 24, 2018). In our Decision on Institution, we determined that Petitioner demonstrated a reasonable likelihood that it would establish that at least one of the challenged claims of the '414 patent is unpatentable. Paper 7, 23. We modify our institution decision to institute on all of the challenged claims and all of the grounds presented in the Petition. *See Guidance on the Impact of SAS on AIA Trial Proceedings* (April 26, 2018), available at <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials/guidance-impact-sas-aia-trial>.

V. ANALYSIS OF PETITIONER'S MOTION TO LIMIT THE PETITION

In our Order of May 21, 2018, we noted that “Petitioner primarily is requesting the institution of and a final written decision regarding originally non-instituted claim 4,” and we asked the parties to indicate clearly their

respective position with regard to originally non-instituted claims 2 and 3. Paper 39, 7. We also suggested that the parties consider, for example, filing a request for partial adverse judgment concerning some of the originally non-instituted claims or filing a Joint Motion to Limit the Petition by removing specific claims and grounds upon which we did not institute review in the original Decision on Institution. *Id.* No such joint motion was filed, and Petitioner represents that Patent Owner indicated that it opposes removing claims 2 and 3 from the Petition and of “exclude[ing] review of claims 2 and 3.” Pet. Req. Reh’g 1; *see* PO Resp. Req. Reh’g (Patent Owner arguing that Petitioner’s “unilateral” motion is unauthorized).

Petitioner’s motion is little more than a prayer for relief. *See* Pet. Req. Reh’g 1 (“Patent Owner opposes [removing claims 2 and 3 from the Petition]. Thus, Kingston moves (at least on its own) that the Board limit the petition to exclude review of claims 2 and 3.”). Petitioner offers no persuasive argument as to why we should now allow Petitioner—in the face of opposition from Patent Owner—to withdraw claims 2 and 3 from consideration and thereby to avoid a Final Written Decision on Petitioner’s patentability challenges to those claims.

We deny Petitioner’s motion to limit the Petition.

VI. MODIFICATION OF THE FINAL WRITTEN DECISION

A. *Claims 2 and 3*

Claims 2 and 3 each depend directly from independent claim 1, which recites “[a]n electronic printed circuit board configuration.” Ex. 1001, 7:24, 8:4–19. Dependent claim 2 pertains to the position of the error correction chip relative to a semiconductor memory on the circuit board. *Id.* at 8:4–8. Dependent claim 3 pertains to the height of the circuit board as a function of

the dimensions of the error correction chip and the circuit board's contact strip. *Id.* at 8:10–19.

The Petition challenges dependent claims 2 and 3 on three obviousness grounds—1) over Simpson alone, 2) over Simpson and the Intel Specification, and 3) over the Intel Specification alone. Pet. 8–9. Patent Owner filed a Preliminary Response presenting arguments specifically directed to claims 2 and 3. *See, e.g.*, Prelim. Resp. 34–38.

In the original Institution Decision, we considered the arguments by both parties concerning claims 2 and 3, and we determined that Petitioner had not met its burden as to those claims. Regarding Petitioner's challenge of claims 2 and 3 as being obvious over Simpson, we determined that “Petitioner has not explained sufficiently *why* a person of ordinary skill in the art would have modified Simpson . . . [and] on the record before us, we are not persuaded that Petitioner has provided an articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” Inst. Dec. 16; *see id.* (noting that Petitioner, for claim 3, relied on the same proposed modification as for claim 2). For similar reasons—and specifically due to a lack of adequate articulated reasoning to combine or modify the references—we determined that Petitioner had not established a reasonable likelihood of prevailing on the other two asserted grounds. *See id.* at 17–18, 20–22.

Petitioner Kingston now affirmatively states that “Kingston disclaims any challenge to claims 2 and 3 and therefore presents no briefing on them here.” Pet. Req. Reh'g 1; *cf.* PO Resp. Req. Reh'g 10 (arguing that we must find claims 2 and 3 not unpatentable based on this disclaimer).

In light of Petitioner’s disclaimer of any challenge to claims 2 and 3 and for the reasons set forth in the Institution Decision, we determine that Petitioner has *not* shown by a preponderance of the evidence that dependent claims 2 and 3 are unpatentable. We modify the Final Written Decision accordingly.

B. Claim 4

Claim 4 depends directly from independent claim 1² and pertains to the height of the circuit board of claim 1. Specifically, claim 4 recites: “The printed circuit board according to claim 1, wherein: said printed circuit board has a height of 1 to 1.2 inches perpendicular to said contact strip.” Ex. 1001, 8:20–21.

As discussed in the Final Written Decision, a trial was not originally instituted as to claim 4 primarily because we determined Petitioner had not provided in the Petition an adequate articulation of a reason to combine or modify the references. Final Written Decision 16–19. Nonetheless, claim 4 and its subject matter have been discussed repeatedly throughout the trial. After the original Institution Decision and at a relatively early stage of this proceeding, Patent Owner moved to amend by proposing substitute claim 9. MTA (Paper 18) 2. As characterized by Patent Owner, that proposed substitute claim 9 is “the same as challenged [dependent] claim 8 in every respect, except that it simply adds the limitations of claim 4” MTA 1. Proposed substitute claim 9 is the combination of the limitations of

² A trial was instituted as to the Petitioner’s challenge of independent claim 1 and Patent Owner opted to not file a Patent Owner Response to the Petition. Final Written Decision 11. We have determined that Petitioner had proven the unpatentability of independent claim 1. *Id.* at 11–14, 27.

independent claim 1, which define the printed circuit board configuration, with the addition of the circuit board width of dependent claim 8 and the addition of the circuit board height of dependent claim 4. Thus, claim 4 is broader than proposed substitute claim 9 in that claim 4 recites a height limitation but not a width limitation. By proposing the substitute claim, Patent Owner placed at issue the patentability of the subject matter of claim 4. The arguments in the Motion to Amend clearly reflect Patent Owner's belief that the inclusion of the subject of claim 4 (the height limitation) in the proposed substitute claim is that which rendered the proposed substitute claim patentable. *See* MTA 3–4. The Motion to Amend refers to claim 4 explicitly or its height limitation at least a dozen times. *See* MTA 1–4. Thus, there can be no question that Patent Owner was on notice at least as early as its filing of the Motion to Amend that the subject matter of claim 4 would be an issue for trial.

Patent Owner was given many opportunities to address the patentability of the subject matter of the proposed substitute claim 9, including the opportunity to respond to Petitioner's challenges, which necessarily involved addressing the subject matter of claim 4. For example, Patent Owner filed a reply to Petitioner's opposition to the motion to amend, where Petitioner specifically addressed claim 4 and its subject matter. *See* Paper 20, 1–14 (Petitioner's Opposition); *id.* at 9 (“Therefore, substitute claim 9 (and indeed original claim 4) of the '414 Patent are not patentable under 35 § U.S.C. 103.”); Paper 23, 3 (Patent Owner's Response to Petitioner's Opposition, arguing incorrectly that the limitation of claim 4 is “a limitation the Board has already repeatedly found was not in the references raised by Petitioner.”). Patent Owner opted to utilize much of its

opportunities by making procedural arguments, although it did make some substantive arguments primarily directed to limitations of the underlying independent claim 1. *See, e.g.*, Paper 23, 9 (arguing that Petitioner failed to show the unpatentability of claim 4 earlier and should not be allowed to challenge the subject matter of claim 4 after the Decision on Institution); *id.* at 10–12 (arguing, *inter alia*, the “individually connected” limitation of claim 1). In addition to briefing, Patent Owner had the opportunity to address the subject matter of claim 4 at the oral argument. *See, e.g.*, Paper 34 (hearing transcript), 86:19–87:2 (Counsel for Patent Owner: “But you could also say that [the proposed substitute claim is] identical to claim 4 except that it adds an additional limitation that was already found in claim 8. In other words, it is like a narrowed claim 4, and claim 4 was already denied institution.”); *id.* at 87:22–88:9.

We are not persuaded by Patent Owner’s argument that it never had the opportunity to respond to the institution of a trial on claim 4. PO Resp. Req. Reh’g 7. It was Patent Owner’s actions that placed the subject matter of claim 4 at issue in the trial after we initially denied a review of that claim. Thus, it is Patent Owner that, in some sense, instituted a review of the subject matter of claim 4. As discussed above, that review began at a relatively early stage of the trial and Patent Owner had several opportunities to respond to Petitioner’s arguments after placing the subject matter of claim 4 again before us for review.

We agree with Petitioner that this case is atypical and that, on the record developed during trial, we may proceed to a final decision as to the patentability of claim 4 without the need for further briefing. Pet. Req. Reh’g 2. We do not find persuasive Patent Owner’s argument that we

should consider nothing in the record other than the argument and evidence submitted with the Petition. *See* PO Resp. Req. Reh’g 5–7; *see also* Ex. 1026 (Conference Call Transcript), 28:15–22 (proposing that all post-institution filings be expunged). The post-institution evidence and arguments pertaining to the subject matter of claim 4 came into the record as a direct result of Patent Owner reintroducing that subject matter into the trial, not as a unilateral attempt by Petitioner to shore up the Petition. We similarly do not find persuasive Patent Owner’s argument that we should limit our consideration to a single ground that is different than the ground upon which Petitioner demonstrated the unpatentability of the proposed amended claim 9. PO Resp. Req. Reh’g 8–10. We consider the entirety of the record in evaluating the patentability of claim 4.

In the Final Written Decision, “we determine[d], based on a preponderance of the evidence in the entire trial record, that proposed substitute claim 9 is unpatentable, under 35 U.S.C. § 103(a), as obvious over Simpson and the Intel Specification.” Final Written Decision 27. In arriving at that determination, we necessarily analyzed the patentability of the subject matter of dependent claim 4, which, as mentioned, is broader in scope than that of proposed substitute claim 9. *See id.* at 11–14 (patentability of the underlying independent claim 1); *id.* at 21–27 (patentability of proposed substitute claim 9, including a specific analysis of the height limitation of claim 4 beginning on page 24). Although we did not identify explicitly claim 4 as unpatentable in the conclusion or order of the Final Written Decision, we, nonetheless, effectively ruled on the patentability of that claim. *See* Pet. Req. Reh’g 2.

We determine, for the reasons set forth in the Final Written Decision, that Petitioner has shown by a preponderance of the evidence that claim 4 is unpatentable as obvious over Simpson and the Intel Specification.³ We modify the Final Written Decision accordingly.

VII. CONCLUSION

We determine, on the facts of this case and because Petitioner seeks SAS-based action, that it is appropriate for us to reconsider our Final Written Decision and to modify that decision so as to explicitly address the patentability of all claims challenged in the patent. Therefore, with respect to claims 2–4 of the '414 patent, we modify the conclusion in our Final Written Decision as follows: 1) Petitioner has *not* demonstrated by a preponderance of the evidence that claims 2 and 3 of the '414 patent are unpatentable under any ground asserted in the Petition; and 2) Petitioner has demonstrated by a preponderance of the evidence that claim 4 of the '414 patent is unpatentable, under 35 U.S.C. § 103(a), as obvious over Simpson and the Intel Specification.

VIII. ORDER

For the foregoing reasons, it is
ORDERED that Petitioner's request for rehearing is *granted*;
FURTHER ORDERED that our institution decision is modified to include review of all challenged claims and all grounds presented in the Petition;

³ Because this determination is dispositive, we do not reach any other ground asserted against claim 4.

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FURTHER ORDERED that Petitioner's Motion to Limit the Petition is *denied*;

FURTHER ORDERED that claims 2 and 3 of the '414 patent have *not* been proven to be unpatentable;

FURTHER ORDERED that claim 4 of the '414 patent is unpatentable;

FURTHER ORDERED that the Final Written Decision is modified to include the analysis set forth above regarding the patentability of claims 2–4.

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For PETITIONER:

David Hoffman
FISH & RICHARDSON P.C.
hoffman@fr.com

Martha Hopkins
LAW OFFICES OF S. J. CHRISTINE YANG
mhopkins@sjclawpc.com

For PATENT OWNER:

Kenneth Weatherwax
Nathan Lowenstein
LOWENSTEIN & WEATHERWAX LLP
weatherwax@lowensteinweatherwax.com
lowenstein@lowensteinweatherwax.com