

No. 19-1542

In the
United States Court of Appeals
for the Federal Circuit

Spring Ventures, LTD.,
Patent Owner and Appellant.

v.

Google LLC,
Appellee

On Appeal from the Patent and Trademark Office - Patent Trial and Appeal Board
in *Inter Partes* Review No. 2017-01653

**APPELLANT'S PETITION FOR REHEARING OR REHEARING
EN BANC UNDER FEDERAL RULES OF APPELLATE
PROCEDURE 35 AND 40**

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Counsel for Spring Ventures Ltd. certifies the following:

- a) The full name of the party represented by me is Spring Ventures Ltd.
- b) The real party in interest is Spring Ventures Ltd.
- c) There are no corporations or publicly held companies that own 10% or more of stock in the real party in interest.
- d) The names of all firms and the partners or associates that appeared for the party now represented by me in the trial court or agency from which the appeal is taken or that are expected to appear in this Court are:

Meister Seelig & Fein LLP: Seth H. Ostrow; Antonio Papageorgiou; and Sarah A. Pfeiffer.

Date: April 2, 2020

/s/ Seth H. Ostrow
Seth H. Ostrow

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5 U.S.C. § 7062

Rule 35(b) Statement

Rehearing or rehearing *en banc* is necessary because the panel decision in the above referenced case conflicts with a decision of this Court, including *In re Nuvasive*, 842 F. 3d 1376 (Fed. Cir. 2016), and consideration by the full Court is therefore necessary to secure and maintain uniformity of the Court’s decisions, especially with respect to compliance by the U.S. Patent and Trademark Office’s Patent Trial and Appeals Board (“PTAB”) with the explanation requirements under the Administrative Procedure Act (“APA”).

/s/ Seth H. Ostrow
Principal Attorney for Appellants

Introduction

This appeal arises from the final written decision in the *inter partes* review (“IPR”) of U.S. Patent No. 8,661,094 (the “’094 patent”) (IPR2017-01653), in which the PTAB found in favor of Petitioner-Appellee, Google LLC (“Google”), on all grounds of invalidity. *See generally* Appx1-54.

To guard against actions that may be arbitrary, capricious, an abuse of discretion, or not otherwise in accordance with the law, by the U.S. Patent and Trademark’s Office’s (“USPTO”) Patent Trial and Appeals Board (“PTAB”), the Administrative Procedure Act (“APA”) requires that the PTAB’s final written decisions 1) must be supported by *substantial evidence* and 2) that these decisions further include explanations sufficiently specific for this Court to review the PTAB’s conclusions therein. 5 U.S.C. § 706; *ROVALMA, SA v. Bohler-Edelstahl GmbH & Co. KG*, 856 F.3d 1019, 1024-26 (Fed. Cir. 2017).

Patent Owner-Appellant, Spring Ventures, LTD (“Spring Ventures”), identified in its briefs a number of the PTAB’s failures with respect to the PTAB complying with the explanation requirements of the APA, which Appellee did not dispute. Yet, the panel issued an order under Fed. Cir. Rule 36 affirming the final written decision from which this appeal arises. (D.I. 43). In doing so, the panel condones conduct which this Court expressly admonished the PTAB for, including adopting Appellee’s arguments without a single reference to the conflicting

evidence in the record, evidence that includes testimony by both of the parties' experts that undermines all of Appellee's grounds of invalidity, as explained in detail below.

This is not a case of the PTAB failing to address one or even some of Appellant's evidence or arguments; the PTAB did not address *any* of Appellant's evidence or arguments, particularly with respect to the motivation to combine the references that allegedly render the claims at issue obvious. *See* Appx29-32. The PTAB's failure to comply with APA's explanation requirement cannot be excused. Accordingly, a rehearing *en banc* is justified in this case to remedy a panel decision that is in clear conflict with this Court's authority and to correct a panel decision that undermines the procedural constraints imposed on the PTAB by the APA.

I. Arguments for Granting Rehearing *En Banc*

A. The Court's authority

This Court has identified instances in which the PTAB's findings on obviousness fail to satisfy the APA's requirements. “[C]onclusory statements’ alone are insufficient and, instead, the [PTAB’s] finding[s] must be supported by a ‘reasoned explanation’” that includes “a rational connection between the facts found and the choice made.” *In re Nuvasive*, 842 F. 3d 1376, 1382-83 (Fed. Cir. 2016) (citations omitted). Furthermore, the PTAB's explanation cannot merely “summarize and reject arguments” without explaining why it accepts the prevailing

argument. *Id.* at 1383. If the parties present conflicting evidence, the PTAB must consider and explain why it concluded that one of the party's evidence was unconvincing. *Ultratec, Inc. v. CaptionCall, LLC*, 872 F. 3d 1267, 1272-73 (Fed. Cir. 2017) (remanding to the PTAB for it to consider conflicting expert cross-examination testimony not admitted at trial); *Personal Web Techs., LLC v. Apple, Inc.*, 848 F.3d 987, 991 (Fed. Cir. 2017) (noting that an agency decision “requires examination of the record as a whole, *taking into account evidence that both justifies and detracts from an agency's decision.*”) (citations and internal quotation marks omitted) (emphasis added); *Google Inc. v. Intellectual Ventures II LLC*, 701 Fed. Appx. 946, 954 (Fed. Cir. 2017) (admonishing the PTAB for “not acknowledg[ing] any of Google's evidence, let alone explain[ing] why it considered such evidence unconvincing.”). With respect to the motivation for combining references in an obviousness analysis, the PTAB is required to not only (1) “make the necessary findings and have an adequate evidentiary basis for its findings”, but also (2) “examine the relevant data and articulate a satisfactory explanation for its action including a rational connection between the facts found and the choice made.” *In re Nuvasive*, 842 F. 3d at 1382 (citations and internal quotation marks omitted).

B. The panel's decision is contrary to this Court's precedent

All grounds of invalidity in the IPR allege that the '094 patent is obvious under 35 U.S.C. § 103(a) over U.S. Patent No. 6,009,459 ("Belfiore"), in view of Serge Koren, *EchoSearch 2.0 finds just what you're looking for*, Infoworld, May 19, 1997 ("Koren") and U.S. Patent No. 5,842,206 ("Sotomayor"). Appx8, Appx83-89.

Regarding the motivation to combine references, the PTAB concluded that Appellee's rationale for combining the references of record was supported by the testimony of Appellee's expert, Dr. Shamos, and by the references themselves, and simply adopted Appellee's arguments in this regard for each of Grounds 1-4. Appx30-32, Appx38, Appx41-42. That, however, is where the PTAB's inquiry appears to have ended. *See* Appx30-32 (citing only to the Petition and the Declaration of Dr. Shamos for the stated reasons for combining Belfiore with Koren/Sotomayor). Even assuming *arguendo* that this evidence satisfies the *substantial evidence* requirement, which Appellant refutes, that does not address all of the requirements that must be met for the PTAB's conclusions to pass scrutiny under the APA, which both the PTAB and the panel failed to appreciate. *Ultratec*, 872 F. 3d at 1272-73, *supra*; *Personal Web*, 848 F.3d at 991, *supra*; *In re Nuvasive*, 842 F. 3d at 1382, *supra*; *see* Appx30-32, *supra*; D.I. 43.

On appeal, Appellant raised the numerous instances in which the final written decision failed to comply with the APA's explanation requirement, including that the PTAB failed to acknowledge, let alone explain why Appellant's arguments and the conflicting evidence with respect to, *inter alia*, the motivation for combining the references in each of Grounds 1-4 were unconvincing. Appellant Op. Br. at 18, 34-35. Appellant documented each of these instances in detail (*see id.* at 36-55), which Appellee did not dispute (Appellant Reply Br. at 1-3; *see generally*, Appellee Br.). The panel nonetheless affirmed the final written decision (D.I. 43) even though there was no dispute that the PTAB failed to acknowledge arguments and conflicting evidence in the record, and in doing so, that the PTAB failed to comply with the APAs' explanation requirement.

The evidence that the PTAB failed to address is not inconsequential. The parties agreed that the claimed invention requires a translator entity that returns a single search result. Appellant Op. Br. at 38; Appellee Br. at 1. The grounds of invalidity therefore require the EchoSearch software (Koren/Sotomayor), which returns search results from multiple search engines, modified with the teaching of Belfiore to return only one result. Appellant Op. Br. at 38; Appellee Br. at 6-8.

Appellant provided testimony of three experts that were practicing in the relevant field at the time of the '094 Patent, including author and lecturer of hundreds of books and technical seminars relating to Internet technologies Glenn

Weadock (Appx1934), Software Engineer of one of the top ten search engine websites – Infoseek – Matthew Wells (Appx2404-2405), and Operating Systems and Internet Browser Computer Scientist Ronald S. Schnell (Appx2822-25). All three experts for Appellant and even Appellee’s expert Dr. Shamos agreed, based on the evidence of record, that search engines at the relevant time could not be trusted to return the most relevant documents responsive to a search, and, as a result, one skilled in the art would not want a search engine to limit the results to just one. Appx1659 (Ex. 1022); Appx1666 (Ex. 1023 at 5:25-35); Appx2579-2584 (Ex. 2043 at 37:9-42:19), Appx2583-2584 (*id.* at 41:19-42:13), Appx2588 (*id.* at 46:11-18), Appx2679 (*id.* at 137:16-25), Appx2733-2736 (*id.* at 191:8-194:16); Appx2361-2363 (Ex. 2028 at ¶¶ 52-54); Appx2838 (Ex. 2051 at ¶ 62). Dr. Shamos further testified that he did not like being restricted to just one result; even now after search engines improved, Dr. Shamos still wanted to see the first page of search results. Appx2679 (Ex. 2043 at 137:16-25), Appx2588-2589 (*id.* at 46:11-47:5). Shamos wanted to see ten to fifty hits so that he “could be sure that those hits were genuinely relevant.” Appx2584 (*id.* at 42:5-8); *see also* Appx3731-2733 (*id.* at 189:14-194:16).

All of the experts agreed, therefore, that the undisputed limitations in state of the art relating to search engines at the time of the ’094 Patent teach away from the claimed invention. The PTAB, however, never addressed the expert

declarations and the evidence submitted by Appellant in this regard. Indeed, in the few pages of the PTAB's decision dedicated to the motivation to combine references, the PTAB never once mentioned any of this evidence that undoubtedly undermines the obviousness arguments that the PTAB adopted as their own. *See* Appx30-32, Appx38, Appx41-42Appx.

The panel's decision therefore conflicts with this Court's precedent, including *In re Nuvasive*, 842 F. 3d 1376 (Fed. Cir. 2016). In *In re Nuvasive*, this Court examined whether the "PTAB adequately set forth findings and explanations to support the conclusion that a combination of these prior art references would have rendered [the claims at issue] obvious." 842 F. 3d at 1381. As discussed above, "it is not adequate [in this respect for the PTAB] to summarize and reject arguments without explaining why [it] accepts the prevailing argument." *Id.* at 1383 (citation omitted). Here, as in *In re Nuvasive*, the PTAB's analysis was generally limited to merely summarizing the parties' arguments. With respect to the motivation to combine references, the PTAB did not even bother summarizing Appellant's arguments and it failed to even acknowledge the relevant declarations by three of Appellant's experts and supporting evidence, thereby failing to provide sufficient explanation regarding how the evidence as a whole, including the evidence that detracts from the PTAB's findings, supports the PTAB's findings. *Id.* at 1384-85; *see* Appx30-32, Appx38, Appx41-42.

This Court's decision in *Google Inc. v. Intellectual Ventures II LLC.*, 701 Fed. Appx. 946, 954 (Fed. Cir. 2017) ("IVII"), although non-precedential, is particularly informative and relevant to the facts of this case. In IVII, this Court admonished the PTAB for not acknowledging any of the petitioner's evidence, let alone explaining why it dismissed that evidence, *e.g.*, the petitioner's expert testimony. *Google*, 701 Fed. Appx. at 954. As in IVII, the PTAB failed to acknowledge Appellant's evidence, including the testimony of its experts Weadock, Harrison, and Wells, and the testimony of Appellee's expert, Dr. Shamos, all of which detract from the PTAB's conclusion on obviousness as discussed above.

Accordingly, the PTAB's failure to address *any* of Appellant's evidence justifies a rehearing *en banc* in this case. Even if this court does not rehear this case *en banc*, it should nonetheless rehear the case to conform the panel's decision with this Court's precedent.

Conclusion

For the forgoing reasons, the panel decision conflicts with this Court's precedent with respect to the evidentiary basis and the explanation requirement imposed by the APA. This case must therefore be reheard, the panel opinion vacated, and a decision consistent with *In re Nuvasive*, as well as *Ultratec* and *Personal Web*, reached.

Dated: April 2, 2020

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CERTIFICATE OF SERVICE

On April 2, 2020, the undersigned caused the foregoing Petition for Rehearing to be filed electronically by using the Court's CM/ECF system. All parties are represented by registered CM/ECF users and will be served by the appellate CM/ECF system.

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CERTIFICATE OF COMPLIANCE

The undersigned certifies that this Petition for Rehearing complies with the type volume limitation of Federal Rule of Appellate Procedure Rule 35(b)(2) and Rule 40(b)(1). The Petition contains 1,878 words, excluding the parts of the motion exempted by Federal Circuit Rules and Federal Rules of Appellate Procedure 32(f). The Petition complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) and the type-style requirements of Federal Rule of Appellate Procedure 32(a)(6). The Petition has been prepared in a proportionally spaced typeface using Microsoft Word 2016 in Times New Roman 14-point font.

/s/ Antonio Papageorgiou
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