

Paper No. _____

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VOLUSION, INC.
Petitioner

v.

VERSATA DEVELOPMENT
GROUP, INC.
Patent Owner

AND

VERSATA SOFTWARE, INC.
Real Party-In-Interest

Case CBM2013-00017
Patent 6,834,282

PATENT OWNER'S MOTION FOR RECONSIDERATION

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I. Introduction

Patent Owner, pursuant to an automatic grant of authorization for motions seeking rehearing, hereby moves for reconsideration of the *Order – Conduct of the Proceeding*, entered December 20, 2013, Paper No. 19 (the “Order”).

The Order, which details the Board's requirements for Patent Owner's Motion to Amend in the instant proceeding, conflicts with the statutory framework insofar as it imports prior art issues under 35 U.S.C. §§ 102, 103 into a covered business method (CBM) review instituted solely on § 101 grounds and thereby:

- (1) upsets the delicately crafted balance between *estoppels* and *grounds actually raised* by a petitioner during a transitional proceeding under Section 18, and
- (2) effectively obviates specific statutory limitations on the kinds of prior art upon which a petitioner may rely to support invalidity grounds raised in a transitional proceeding under §§ 102, 103.

The Order's importation of prior art issues into a CBM review instituted solely on § 101 grounds is not dictated by the statute (35 U.S.C. § 326(d)) or by any actual regulation prescribed by the Director consistent with the statutory grant of authority under 35 U.S.C. § 326(a)(9). Moreover, given the conflict with the statutory framework, no such regulation could be reasonably prescribed by the Director and no general provision (*e.g.*, 37 C.F.R. § 42.20 establishing a movant's

burden to establish that it is entitled to requested relief) could reasonably be interpreted by a reviewing court to establish an extra-statutory requirement for a Patent Owner in a § 101-only CBM review to *sua sponte* develop a §§ 102/103-based invalidity straw man (on grounds that Petitioner itself chose not to develop) as a precondition for entry of its statutorily authorized motion to amend, and then rebut its own straw man.

Finally, notwithstanding the Board's ostensible reliance on an order entered in CBM2013-00025 (*LinkedIn Corp. v. AvMarkets Inc.*, paper 18, Dec. 2, 2013), which appears to be the only other order establishing *motion to amend requirements in a § 101-only CBM review*, the Order in the present proceeding is flatly inconsistent with the *LinkedIn* order.

Accordingly, Patent Owner respectfully seeks withdrawal of the Order and entry of a substitute order that, consistent with the statutes, regulations and, indeed, the Board's own order in *LinkedIn*, clarifies that Patent Owner's page-limited motion to amend need only address invalidity grounds actually involved in the trial.

II. The Order Entered in this Proceeding Conflicts with the Statutes and Regulations

As the Board correctly notes, the only issue in the instant proceeding is whether the claims of the '282 patent qualify as statutory subject matter under 35 U.S.C. § 101. Order at 2. Patent Owner seeks to file a motion to amend certain

original claims of the '282 Patent, by way of one-for-one substitute claims respectively contingent on an adverse final written decision that the substituted-for original claim is unpatentable under § 101.

A. Neither the Statutory Authorization for Motions to Amend Nor the Regulations Adopted by the Director Contemplate Introduction of Invalidity Grounds not Involved in Trial

Motions to amend are specifically authorized by § 326(d) of the statute, which states that:

(d) AMENDMENT OF THE PATENT.—

(1) IN GENERAL.—During a post-grant review instituted under this chapter, the patent owner may file 1 motion to amend the patent in 1 or more of the following ways:

(A) Cancel any challenged patent claim.

(B) For each challenged claim, propose a reasonable number of substitute claims.

(2) ADDITIONAL MOTIONS.—Additional motions to amend may be permitted upon the joint request of the petitioner and the patent owner to materially advance the settlement of a proceeding under section 327, or upon the request of the patent owner for good cause shown.

(3) SCOPE OF CLAIMS.—An amendment under this subsection may not enlarge the scope of the claims of the patent or introduce new matter.

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