

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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GOOGLE LLC and APPLE INC.,  
Petitioners,

v.

CONTENTGUARD HOLDINGS, INC.,  
Patent Owner.

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Case CBM2015-00040<sup>1</sup>  
(Patent 7,774,280 B2)

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Before MICHAEL R. ZECHER, BENJAMIN D. M. WOOD, and  
GEORGIANNA W. BRADEN, *Administrative Patent Judges*.

ZECHER, *Administrative Patent Judge*.

ORDER

Reinstitution Under SAS, Authorizing Joint Motion to Limit Petitions, and  
Outlining Briefing Schedule Post-Remand  
*37 C.F.R. § 42.5(a)*

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<sup>1</sup> Case CBM2015-00160 has been joined with this proceeding.

## I. INTRODUCTION

A conference call was held on September 26, 2018, between counsel for the respective parties and Judges Zecher, B. Wood, and Braden. We initiated the conference call to discuss the following: (1) implications of *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348 (2018) (hereinafter “SAS”) on this proceeding; (2) whether additional briefing and evidence is necessary to address the previously non-instituted claims and grounds of unpatentability (“grounds”); (3) whether additional briefing and evidence is necessary to address whether U.S. Patent No. 7,774,280 B2 (Ex. 1001, “the ’280 patent”) qualifies as a covered business method patent eligible for review, without relying on the “incidental to” or “complementary to” standard; and (4) if additional briefing and evidence is necessary for either items (1) or (2) identified above, a schedule going forward.

## II. PROCEDURAL HISTORY

On June 21, 2016, we issued a Final Written Decision in accordance with 35 U.S.C. § 328(a) and 37 C.F.R. § 42.73, in which we determined that the ’280 patent is a covered business method patent eligible for review, we determined that claims 1, 5, and 11 of the ’280 patent are unpatentable, and we granted Patent Owner’s Motion to Amend. Paper 34. Petitioners appealed our grant of Patent Owner’s Motion to Amend to the U.S. Court of Appeals for the Federal Circuit. Papers 35, 36. Patent Owner cross-appealed our determination that the ’280 patent is a covered business method patent eligible for review. Paper 37. On July 11, 2018, the Federal Circuit remanded this case for us to determine whether the ’280 patent qualifies a covered business method patent eligible for review, without relying on the “incidental to” or “complementary to” standard. Paper 39. The Federal Circuit’s mandate issued on September 4, 2018. Paper 40.

### III. MODIFICATION OF THE DECISIONS ON INSTITUTION

In *SAS*, the Supreme Court held that a decision to institute under 35 U.S.C. § 314 may not institute on less than all challenged claims in the petition. According to the “Guidance on the impact of *SAS* on AIA trial proceedings” posted to the U.S. Patent and Trademark Office’s website on April 26, 2018,<sup>2</sup> a decision granting institution will institute on all of the challenged claims in the petition and on all of the grounds set forth in the petition. The Federal Circuit has since endorsed this Office policy by explaining that “‘the petitioner’s petition, not the Director’s discretion, is supposed to guide the life of the litigation’ and ‘that the petitioner’s contentions, not the Director’s discretion define the scope of the litigation all the way from institution through to conclusion.’” *Adidas AG v. Nike, Inc.*, 894, F.3d 1256, 1258 (Fed. Cir. 2018) (quoting *SAS*, 138 S. Ct. at 1356–1357). Although *SAS* specifically addressed the statutory provision for final written decisions in an *inter partes* review, the corresponding provision for a post-grant review (i.e., 35 U.S.C. § 328(a)) uses essentially the same language, so we interpret it the same way. *See, e.g., Powerex Corp. v. Reliant Energy Servs., Inc.*, 127 S. Ct. 2411, 2417 (2007) (“A standard principle of statutory construction provides that identical words and phrases within the same statute should normally be given the same meaning.”). Consequently, the implications of *SAS* apply equally to a covered business method patent review.

In this case and Case IPR2015-00160, we determined Petitioners demonstrated it was more likely than not that they would establish that at least one of the challenged claims of the ’280 patent is unpatentable under 35 U.S.C.

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<sup>2</sup> <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials/guidance-impact-sas-aia-trial>

§§ 102(b) and 103(a). Paper 9; Case CBM2015-00160, Paper 7. Pursuant to 35 U.S.C. § 324 and § 18 of the AIA, we instituted a covered business method review only as to claims 1, 5, and 11 of the '280 patent. In those Decisions on Institution, however, we did not institute on the following claims and grounds:

Reference(s)	Basis	Challenged Claims
	§ 101	1, 5, 11, 12, and 22
Stefik <sup>3</sup> (U.S. Patent No. 5,634,012, issued May 27, 1997 (Ex. 1002))	§ 102(b)	12 and 22
Stefik and the knowledge of one of ordinary skill in the art	§ 103(a)	12 and 22

With respect to this case and Case CBM2015-00160, we modify our Decisions on Institution to include all of the claims and grounds set forth in the Petitions. During the conference call, both parties expressed their understanding that the previously non-instituted claims and grounds are now involved in the trial and raised no objection.

#### IV. BRIEFING FOR THE PREVIOUSLY NON-INSTITUTED CLAIMS AND GROUNDS

After we explained that the previously non-instituted claims and grounds are now involved in the trial, we inquired as to whether additional briefing and evidence for those claims and grounds was necessary. The parties represented that, prior to the conference call, they had met and conferred to discuss this issue. According to the parties, they agreed that the previously non-instituted claims and grounds should not be the focus of the trial going forward. The parties inquired as

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<sup>3</sup> For clarity and ease of reference, we only list the first named inventor.

to whether we could remove the previously non-instituted claims and grounds from the trial. We explained that *SAS*, Office policy, and Federal Circuit precedent dictate that the previously non-instituted claims and grounds must be involved in the trial. We, however, noted that the parties may file a Joint Motion to Limit the Petitions by removing the previously non-instituted claims and grounds from the trial. *See, e.g., Apotex, Inc. v. OSI Pharms., Inc.*, Case IPR2016-01284 (PTAB Apr. 3, 2017) (Paper 19) (granting, after institution, a joint motion to limit the petition by removing a patent claim that initially was included for trial in the decision on institution). We explained that, if the parties did, indeed, file a Joint Motion to Limit the Petitions, we would act promptly on such motion and remove the previously non-instituted claims and grounds from the trial.

#### V. BRIEFING AS TO WHETHER THE '280 PATENT IS A COVERED BUSINESS METHOD PATENT ELIGIBLE FOR REVIEW

Next, we inquired as to whether additional briefing and evidence was necessary to address whether the '280 patent qualifies as a covered business method patent eligible for review, without relying on the “incidental to” or “complementary to” standard. *See* Paper 39, 7 (“On remand, the Board must determine whether the '280 patent qualifies as a [covered business method] patent in the first instance without relying on the ‘incidental to’ or ‘complementary to’ standard.”) The parties represented that, prior to the conference call, they had also met and conferred to discuss this issue. The parties proposed the following briefing schedule: (1) each party be permitted to file a ten (10) page opening brief narrowly tailored to address whether the '280 patent qualifies as a covered business method patent eligible for review, without relying on the “incidental to” or “complementary to” standard, no later than Friday, October 19, 2018; and (2) each party be permitted to file a five (5) page responsive brief no later than

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