

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FORD MOTOR COMPANY,
Petitioner,

v.

VERSATA DEVELOPMENT GROUP, INC.,
Patent Owner.

CBM2016-00100
Patent 8,805,825 B1

Before SALLY C. MEDLEY, KEVIN F. TURNER, and
JAMES B. ARPIN, *Administrative Patent Judges*.

MEDLEY, *Administrative Patent Judge*.

DECISION
Denying Petitioner's Request for Rehearing
37 C.F.R. § 42.71

I. INTRODUCTION

Ford Motor Company, (“Petitioner”) filed a Request for Rehearing of the Decision (Paper 12, “Dec.”) denying its Petition (Paper 1, “Pet.”). Paper 13, “Req. Reh’g”. In accordance with our Order (Paper 14, “Order”), Versata Development Group, Inc. (“Patent Owner”) filed an opposition (Paper 15; “Opp.”), and Petitioner filed a reply (Paper 18, “Reply”). For the reasons that follow, the Request for Rehearing is *denied*.

II. ANALYSIS

A. *Background*

On September 12, 2016, Petitioner filed a Petition requesting a covered business method patent review of claims 1–20 of U.S. Patent No. 8,805,825 B1 (Ex. 1001, “the ’825 patent”). In its Preliminary Response, Patent Owner asserted, with supporting evidence, that prior to filing its Preliminary Response, Patent Owner filed a statutory disclaimer pursuant to 37 C.F.R. § 1.321(a), disclaiming claims 5, 10, 15, 16, and 20. *See* Prelim. Resp. 13–14; Ex. 2009. Subsequent to the parties’ submissions, we authorized Petitioner to file a Reply, addressing (1) the impact of *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 1376 (Fed. Cir. 2016), decided after Petitioner filed its Petition and cited by Patent Owner in its Preliminary Response, and (2) whether certain claims of the challenged patent, which were disclaimed statutorily by Patent Owner, should be considered in determining whether the challenged patent is eligible for a covered business method patent review. Paper 7. We authorized Patent Owner to file a sur-

reply. *Id.* The parties submitted their respective papers on these issues. Paper 10 (“Prelim. Reply”); Paper 11 (“Prelim. Sur-Reply”).

In our Decision, we treated disclaimed claims 5, 10, and 15 as if they never existed, and, therefore, did not consider Petitioner’s arguments that the ’825 patent is eligible for CBM patent review based on claims 5, 10, and 15. Dec. 7–8. We also considered Petitioner’s arguments with respect to how claims 1, 6, and 11 allegedly demonstrate that the ’825 patent is eligible for CBM patent review. Dec. 9–11. We determined those arguments were not “persuasive given the generic, broad claims, and the corresponding broad disclosure in the Specification of the ’825 patent.” *Id.* at 11.

B. *Petitioner’s Rehearing Request*

Petitioner argues that (1) Patent Owner’s disclaimer did not remove claims 5, 10, and 15 from consideration (Req. Reh’g 3–6; Reply 1–2); and (2) the Board is reading *Unwired Planet*¹, *Secure Axxess*², and *Blue Calypso*³ too narrowly (*id.* at 7–12).

C. *Decision Denying Rehearing*

In determining whether to institute a CBM patent review, “the Board may deny some or all grounds for unpatentability for some or all of the challenged claims.” 37 C.F.R. § 42.208(b). A party requesting rehearing bears the burden of showing that the decision should be modified. 37 C.F.R.

¹ *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 1376 (Fed. Cir. 2016).

² *Secure Axxess, LLC v. PNC Bank Nat’l Ass’n*, 848 F.3d 1370 (Fed. Cir. 2017).

³ *Blue Calypso, LLC v. Groupon, Inc.*, 815 F.3d 1331 (Fed. Cir. 2016).

§ 42.71(d). The party must identify specifically all matters we misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply. *Id.* When reconsidering a decision on institution, we review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion may be determined if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors. *Star Fruits S.N.C. v. U.S.*, 393 F.3d 1277, 1281 (Fed. Cir. 2005); *Arnold P'ship v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004); *In re Gartside*, 203 F.3d 1305, 1315–16 (Fed. Cir. 2000).

Citing to *Rembrandt Wireless Techs., LP v. Samsung Elecs. Co.*, 853 F.3d 1370 (Fed. Cir. 2017), Petitioner argues that Versata's disclaimer did not remove claims 5, 10, and 15 from consideration. Req. Reh'g 3–6. *Rembrandt* dealt with marking requirements designed to give notice to the public that an article was patented. In particular, Petitioner argues that the “CBM statute, AIA § 18, focuses on the rights of the public to be free of patent claims that do not meet the statutory requirements for patentability.” *Id.* at 5. Petitioner contends that because the CBM statute protects the public, Versata's disclaimer of claims 5, 10, and 15 after Petitioner filed its CBM petition does not remove claims 5, 10, and 15 from consideration by the Board under *Rembrandt*. *Id.* at 5; Reply 1–2. Patent Owner counters that *Rembrandt* is not relevant for determining whether a patent falls within the scope of CBM review. Opp. 3–4.

We agree with Patent Owner and find instructional, *Facebook, Inc.*

and *Instagram, LLC v. Skky, LLC*, Case CBM2016-00091 (PTAB Sept. 28, 2017) (Paper 12). Like the panel in *Facebook*, we determine that *Rembrandt* is not controlling on the issue before us.⁴ In *Facebook*, an expanded panel⁵ agreed with the patent owner that there is no basis to extend the *Rembrandt* holding to the Board’s jurisdiction related to CBM patent review, because the court did not discuss post-grant review proceedings in its decision or the impact of statutory disclaimers on such proceedings. *Id.* at 10. In particular, the panel stated:

In contrast to the patent marking statute at issue in *Rembrandt*, which expressly pertains to rights of the “public,” as well as a defendant’s statutory right to patent infringement defenses and counterclaims (also cited by the Court in *Rembrandt*), there is no analogous right to institution of a CBM patent review for the public generally. *See Rembrandt*, 853 F.3d at 1383–84. Although certain individuals or entities who meet the statutory requirements may *petition* for CBM patent review, institution by the Board is discretionary. *See* AIA § 18(a)(1); 35 U.S.C. § 324(a) (“The Director *may* not authorize a post-grant review to be instituted unless the Director determines that the information presented in

⁴ The panel in *Facebook* also considered petitioner’s argument that the Board should adopt a “time-of-filing” rule in assessing the impact of post-filing statutory disclaimers on CBM patent review eligibility. *Id.* at 4. Petitioner, here, does not make a “time-of-filing” argument regarding the disclaimed claims. Rather, Petitioner’s rehearing request regarding the disclaimed claims is that the holding in *Rembrandt* is applicable to CBM patent reviews. Req. Reh’g 3–6; Reply 1 (“Once rights are held by a member of the public, they cannot be rescinded by disclaimer.”).

⁵ The panel included Chief Administrative Patent Judge, David P. Ruschke, Deputy Chief Administrative Patent Judge Scott R. Boalick, and Administrative Patent Judges Justin T. Arbes, Glenn J. Perry, and Kevin W. Cherry.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.