

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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Sipnet EU S.R.O.,

Petitioner

v.

Straight Path IP Group, Inc.,

Patent Owner

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Case No. IPR2013-00246

U.S. Patent No. 6,108,704

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**PATENT OWNER'S REQUEST FOR REHEARING  
OF DECISION TO INSTITUTE TRIAL, 37 C.F.R. § 42.71(c) & (d)**

October 25, 2013

## I. INTRODUCTION

Statutes and regulations require Petitioner to set forth “in writing and with particularity” a “detailed explanation of the significance of the evidence” that forms the basis for its Petition.<sup>1</sup> Petitioner failed to do so, and Patent Owner explained why those procedural failures preclude *inter partes* review.<sup>2</sup> *First*, Patent Owner explained that an inherency finding must be supported by extrinsic evidence, and that Petitioner failed to provide any such evidence to support its inherency allegations. *Second*, Patent Owner explained that Petitioner failed to put forward any obviousness argument with respect to the combination of NetBIOS and WINS – the applicable section makes an argument for anticipation, and not obviousness. *Third*, Patent Owner explained that a *prima facie* showing of anticipation requires demonstrating that a prior art reference discloses every limitation exactly as arranged in the claims; Petitioner instead only selectively excerpted isolated disclosures from the prior art without further showing that the prior art is arranged and combined in the same manner as the claims. *Fourth*, Patent Owner identified that the Petitioner improperly relied upon several combinations of references to argue anticipation. The Board’s Decision to Institute

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<sup>1</sup> See 35 U.S.C. § 312(a)(3); 37 C.F.R. § 42.22(a)(2).

<sup>2</sup> While the Petition is also substantively flawed, Patent Owner chose to focus its Preliminary Response on Petitioner’s threshold failures to meet the procedural requirements for *inter partes* review, because those flaws alone are more than sufficient grounds for denying the Petition.

Trial overlooked and did not address these procedural flaws, and Patent Owner respectfully requests a rehearing on these issues.

## **II. THE BOARD'S DECISION INSTITUTING *INTER PARTES* REVIEW**

On April 11, 2013, Sipnet filed a Petition requesting *inter partes* review of various claims of U.S. Patent No. 6,108,704 (“the ’704 patent”), in view of several asserted prior art references and combinations thereof, including NetBIOS<sup>3</sup> and WINS,<sup>4</sup> as well as Messenger<sup>5</sup> and DNS.<sup>6</sup> On July 15, 2013, Patent Owner filed a Preliminary Response identifying defects in Petitioner’s arguments and evidence.

On October 11, 2013, the Board instituted *inter partes* review of Claims 1-7 and 32-42 of the ’704 patent, on the following grounds proposed by Petitioner:

- Anticipation of Claims 1-7, 32, and 38-42 by NetBIOS;
- Anticipation of Claims 1-7 and 38-42 by WINS; and
- Obviousness of Claims 33-37 over NetBIOS and WINS.<sup>7</sup>

## **III. LEGAL STANDARD**

### **A. The Standard of Review for Rehearing**

Under 37 C.F.R. § 42.71(d), “[a] party dissatisfied with a decision may file a

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<sup>3</sup> Exhibit 1003.

<sup>4</sup> Exhibit 1004.

<sup>5</sup> Exhibits 1011 & 1012.

<sup>6</sup> Exhibits 1006, 1007, & 1013.

<sup>7</sup> See Decision, Paper No. 11 at 20-21.

request for rehearing” that specifically identifies “all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.” “When rehearing a decision on petition, a panel will review the decision for an abuse of discretion.”<sup>8</sup> “An abuse of discretion occurs where the decision is based on an erroneous interpretation of the law, on factual findings that are not supported by substantial evidence, or represents an unreasonable judgment in weighing relevant factors.”<sup>9</sup>

**B. The Standard for Instituting *Inter Partes* Review**

Institution of *inter partes* review requires a “reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.”<sup>10</sup> To do so, the Petition must identify, “in writing and with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim.”<sup>11</sup> This requires a “full statement of the reasons for the relief requested, including a detailed explanation of the significance of the evidence including material facts,

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<sup>8</sup> 37 C.F.R. 42.71(c).

<sup>9</sup> *Burandt v. Dudas*, 528 F.3d 1329, 1332 (Fed. Cir. 2008).

<sup>10</sup> 35 U.S.C. § 314(a).

<sup>11</sup> 35 U.S.C. § 312(a)(3).

and the governing law, rules, and precedent.”<sup>12</sup>

#### IV. ARGUMENT

Patent Owner respectfully requests rehearing of the Board’s Decision in view of the following arguments from the Preliminary Response that were overlooked or otherwise not adequately addressed by the Board. *First*, the Preliminary Response noted Petitioner’s failure to provide the requisite extrinsic evidence necessary to establish inherent anticipation. While Petitioner’s claim charts assert inherent disclosure of various limitations by NetBIOS and WINS, Petitioner never submitted any extrinsic evidence to support those claims.

*Second*, Patent Owner noted several defects in Petitioner’s arguments with respect to the alleged obviousness of Claims 33-37. Petitioner failed to put forth any “obviousness” arguments based on combining NetBIOS and WINS. Instead, the section of the Petition that allegedly addresses this argument only makes an argument that NetBIOS, and not WINS, *anticipates* the challenged claims. In fact, the Petitioner’s “articulated reasoning and rational underpinning” relied on by the Board was actually directed to a different prior art combination and a different claim reciting different language. Patent Owner therefore had no burden to “rebut” a *prima facie* case that Petitioner never properly established in the first instance. Nor did Petitioner conduct an explicit *Graham* analysis.

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<sup>12</sup> 37 C.F.R. § 42.22(a)(2).

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