

Paper No. _____

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

RACKSPACE US, INC. and RACKSPACE HOSTING, INC.
Petitioners

v.

PERSONALWEB TECHNOLOGIES, LLC and
LEVEL 3 COMMUNICATIONS, INC.
Patent Owners

Case IPR2014-00062
Patent 7,802,310

PETITIONERS' REQUEST FOR REHEARING

Pursuant to 37 C.F.R. § 42.71(d)(1), Petitioners hereby request rehearing and partial reconsideration of the *Decision – Institution of Inter Partes Review*, entered April 15, 2014, Paper No. 9 (the “Institution Decision”).

While the Institution Decision in the present *inter partes* review authorized grounds #3 and #4, it did not similarly authorize review on the grounds: (1) that claims 1, 2, 5-8, 10, 12, 14, and 16-19 were unpatentable under 35 U.S.C. § 103 over *Kinetech/Farber*¹ in view of *Brunk* (Ground #1 in the Petition); and (2) that claims 24, 29, 70, 81, 82, and 86 were unpatentable under 35 U.S.C. § 103 over *Kinetech/Farber* in view of *Francisco* further in view of *Brunk* (Ground #2 in the Petition). The Board reasoned that Grounds #1 and #2 were “redundant to the grounds of unpatentability” upon which trial was instituted. Institution Decision at 29.

The Board apparently recognized at least part of Petitioners’ specific argument in the Petition itself of reasons why institution on multiple grounds is proper. *See* Institution Decision at 29. However, the Board has apparently ***misapprehended*** the significance (as to ground #1/#2 redundancy vis-à-vis instituted grounds #3/#4) of one of Petitioners’ principal reasons for proposing

¹ *Kinetech*, WO 96/32685, published October 17, 1996, was referred to in the Institution Decision as “*Farber*.” For clarity, the reference will be referred to as “*Kinetech/Farber*” in the instant Request for Rehearing.

multiple grounds. Specifically, Petitioners note in Section C entitled “THRESHOLD SHOWING OF REASONABLE LIKELIHOOD ... HAS BEEN MET; INSTITUTION OF *INTER PARTES* REVIEW ON MULTIPLE GROUNDS IS PROPER” that “patent owner may argue...more specialized meaning for claim terms.” See Petition at 10-11, Institution Decision at 29.

Petitioners' statement regarding “specialized meaning” is not merely a truism. Rather, Petitioners note (albeit succinctly) the very essence of a meaningful distinction in terms of the relative strength and weakness of the respective grounds (specifically, ground #1/#2 vis-à-vis instituted grounds #3/#4). As the Board has no doubt recognized based on its institution on *Kinetech/Farber* grounds in Petitioners' related IPR2014-00058 (relative to U.S. Patent No. 8,099,420), a “classic *Tronzo v. Biomet* fact pattern”² is a ground like no other in that a published counterpart of Patent Owner's very own patent document invalidates all later claimed obvious variations. Particularly and in the present proceedings, those claims that recite the “less than all of the data variation that challenged claims 1, 2, 5-8, 10, 12, 14, 16-19, 24, 29, 70, 81, 82 and 86 ... purport

² See Petition at 9 identifying for the Board this classic *Tronzo v. Biomet* fact pattern.

to cover”³ are rendered invalid notwithstanding any specialized meaning that

Patent Owners may argue based on the specification.

In contrast, grounds #3 and #4 do not benefit from the same invulnerability to a specialized meaning argument by Patent Owners. Indeed, the Petition itself specifically contrasts the vitality of grounds #1 and #2 as they apply to the aforementioned “*less than all of the data*” claims with the relative strength of grounds #3 and #4 as to claims (e.g., 11 and 32) that recite “*all of the data*” or for which an early priority date may be alleged.⁴

As argued in detail in the Petition, the claims of the ‘310 Patent are ***not entitled*** to the earliest priority date claimed. Petition at 5-10. Accordingly, certain claims the ‘310 Patent (namely the aforementioned “*less than all of the data*” claims for which grounds #1 and #2 are particularly strong) are no more than an obvious variant of *Kinetech/Farber*, the foreign counterpart application to the ‘310 Patent, particularly when also considering the teachings of *Brunk* and *Francisco*. Petition at 10, 25-35.

³ See Petition at 9-10 summarizing in central argument form the significance of the *Tronzo v. Biomet* fact pattern (grounds #1, #2) and contrasting the relative strength of grounds #3 and #4.

⁴ Petition at 9-10; *see also* Petition at 27-28 (noting that Claims 11 and 32 recite “all of the contents”).

The necessarily corresponding disclosures of *Kinetech/Farber* and the '310 Patent (the aforementioned and classic *Tronzo v. Biomet* fact pattern specifically recited in the Petition) make readily apparent the non-redundancy of Grounds #1 and #2 and the justifications for institution on these grounds. No matter the "specialized meaning for claim terms" that Patent Owners may even conceivably argue in these trial proceedings, if those specialized meanings are properly supported by the written description of the '310 Patent, then *Kinetech/Farber* will also disclose or render obvious those claim terms, despite such specialized meanings. Similarly, if Patent Owners choose to move to amend the claims, if the proposed claims are supported by the '310 Patent, they are also at the very least obvious over *Kinetech/Farber*. Accordingly, the grounds which rely on *Kinetech/Farber* are not redundant at all, and their institution for trial is warranted here in *this proceeding*.

Moreover, Petitioners respectfully suggest that institution on Grounds #1 and #2 is consistent with the Board's decision to institute trial in *another proceeding*, namely IPR2013-00058 (relative to Petitioners' challenge of Patent Owners' '420 Patent). In IPR2013-00058, the Board instituted an *inter partes* review, finding (in part) that Petitioners had presented a reasonable likelihood that claim 166 of the '420 Patent was obvious over *Kinetech/Farber* for similar reasons as presented herein: the '420 Patent is not entitled to the earliest priority it claims,

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