

Paper No. \_\_\_\_\_  
Filed: July 8, 2014

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

NETFLIX, INC.  
Petitioner

v.

OPENTV, INC.  
Patent Owner

---

Case IPR2014-00267  
Patent 7,409,437

---

**Patent Owner OpenTV, Inc.'s  
Request for Rehearing Under 37 C.F.R. § 42.71(c)**

**Table of Contents**

I. Introduction and Statement of Relief Requested.....1

II. Legal Standards .....1

III. The Board Misapprehended, and Thus Failed to Adhere to, the Law  
Governing When Institution Is Permitted.....2

IV. Conclusion .....6

**Table of Authorities**

	<b>Page(s)</b>
<b>FEDERAL CASES</b>	
<i>Eli Lilly &amp; Co. v. Bd. of Regents of the Univ. of Wash.</i> , 334 F.3d 1264 (Fed. Cir. 2003) .....	2
<i>Stevens v. Tamai</i> , 366 F.3d 1325 (Fed. Cir. 2004) .....	2
<b>FEDERAL STATUTES</b>	
35 U.S.C. § 102 .....	3
35 U.S.C. § 103 .....	1
35 U.S.C. § 312 .....	1, 3
35 U.S.C. § 314 .....	<i>passim</i>
<b>FEDERAL REGULATIONS</b>	
37 C.F.R. § 42.71 .....	1, 2
<b>OTHER AUTHORITIES</b>	
IPR2013-00186, Paper 34 (Oct. 23, 2013) .....	4
IPR2012-00027, Paper 26 (Jun. 11, 2013).....	5

## I. Introduction and Statement of Relief Requested

Pursuant to 37 C.F.R. §§ 42.71(c)-(d), Patent Owner, OpenTV, Inc., requests rehearing of the Decision instituting *Inter Partes* Review of U.S. Patent No. 7,409,437 (Paper 13, the “Institution Decision”). The Institution Decision ordered review on two grounds of unpatentability: claim 1 as unpatentable under 35 U.S.C. § 103(a) over Palmer (U.S. Patent No. 5,905,865) (“Palmer” or “the Palmer patent”) and Romesburg (U.S. Patent No. 5,113,259); and claims 2-4 as unpatentable under 35 U.S.C. § 103(a) over Palmer and Batchelor (U.S. Patent No. 5,724,103). OpenTV requests that the Board reconsider and reverse its decision to institute on both Palmer grounds because the Decision misapprehended the law governing when the Board is authorized to institute (and prohibited from instituting) trial. Therefore, no trial should be instituted on the ’437 patent.

## II. Legal Standards

“The Director **may not authorize** an inter partes **review** to be instituted **unless** the Director determines that the **information presented in the petition** filed under section 311 and any response filed under section 313 **shows** that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a) (emphasis added). Consistent with this statute, 35 U.S.C. § 312(a)(3) provides that “[a] petition under section 311 may be considered only if . . . the petition identifies, in writing and

with particularity . . . the evidence that supports the grounds for the challenge to each claim.”

A request for rehearing “must specifically identify 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.” 37 C.F.R. § 42.71(d). “When rehearing a decision on petition, a panel will review the decision for an abuse of discretion.” 37 C.F.R. § 42.71(c). “An abuse of discretion occurs where the decision (1) is clearly unreasonable, arbitrary, or fanciful; (2) is based on an erroneous conclusion of law; (3) rests on clearly erroneous fact findings; or (4) involves a record that contains no evidence on which the Board could rationally base its decision.” *Stevens v. Tamai*, 366 F.3d 1325, 1330 (Fed. Cir. 2004) (quoting *Eli Lilly & Co. v. Bd. of Regents of the Univ. of Wash.*, 334 F.3d 1264, 1266-67 (Fed. Cir. 2003)).

### **III. The Board Misapprehended, and Thus Failed to Adhere to, the Law Governing When Institution Is Permitted**

A petition for *inter partes* review may not be instituted unless the petition itself shows that there is a reasonable likelihood that at least one claim is unpatentable. 35 U.S.C. § 314(a). The Institution Decision violated this provision by instituting trial when the Petition did not even arguably present or contain the necessary information. In particular, the Palmer grounds proposed in the Petition could not be instituted because the Petition did not show how any of the Palmer

# 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.