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Paper 15
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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ORACLE CORPORATION
Petitioner

v.

Patent of CLOUDING IP, LLC
Patent Owner

Case IPR2013-00075
Patent 6,925,481

Before JAMESON LEE, MICHAEL W. KIM, and RAMA G. ELLURU,
Administrative Patent Judges.

KIM, *Administrative Patent Judge.*

DECISION
ON REQUEST FOR REHEARING
37 C.F.R. § 42.71

On May 17, 2013, Oracle filed a request for rehearing ("Req.") of the Board's decision ("Dec."), dated May 3, 2013, which instituted *inter partes* review of claims 1, 2, 25, 28, 32, and 50-57 of Clouding IP's Patent 6,925,481 ("the '481 patent"). The request for rehearing is ***denied***.

BACKGROUND

The Board granted Oracle's petition and instituted an *inter partes* review of claims 1, 2, 25, 28, and 50-57 of the '481 Patent as anticipated by Schilit under 35 U.S.C. § 102 and of claim 32 as obvious over Schilit and Hutsch under 35 U.S.C. § 103. The Board denied all other asserted grounds as being redundant in light of the grounds for which review was instituted for the same claims. (Dec. 13-14). Oracle seeks reconsideration of the Decision denying the petition on the ground that claims 1, 2, 25, 28, and 50-57 are unpatentable as obvious under 35 U.S.C. § 103 over Barrett and Schilit.

ANALYSIS

When rehearing a decision on petition, a panel will review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c).

In rendering the Decision, the Board weighed relevant factors and exercised its discretion in denying as redundant the alleged ground that claims 1, 2, 25, 28, and 50-57 are unpatentable as obvious under 35 U.S.C. § 103 over Barrett and Schilit. Oracle asserts that our decision not to institute review on the ground of obviousness based on Barrett and Schilit was unreasonable for several reasons. The argument is unpersuasive.

Oracle contends that the ground of obviousness based on Barrett and Schilit is not redundant to the ground of anticipation based on Schilit alone, because the Petition relied on Barrett, and not Schilit, for certain limitations of independent

claims 1, 50, 52, 54, and 55 and because the systems of Barrett and Schilit are fundamentally different with respect to these limitations. Oracle's contentions are misplaced. The proper focus of a redundancy designation is not on whether the applied prior art disclosures have differences, for it is rarely the case that the disclosures of different prior art references will be literally identical. Instead, as has been explained in an expanded panel decision in *Liberty Mutual Ins. Co. v. Progressive Casualty Ins. Co.*, CBM2012-00003 (Paper No. 7), at *2 (PTAB Oct. 25, 2012) (Patent Review Processing System), the focus is on whether the Petitioner articulated a meaningful distinction in terms of relative strengths and weaknesses with respect to application of the reference disclosures to one or more claim limitations.

While Oracle did identify in the Petition several limitations of independent claims 1, 50, 52, 54, and 55 that are allegedly disclosed by both Barrett and Schilit, Oracle did not articulate any meaningful distinction between those separate disclosures in terms of potential strengths and weaknesses in the application of each disclosure to those claim limitations. Because Oracle alleges that all the features of the claims at issue are disclosed by Schilit, the ground based on a combination of Barrett and Schilit is redundant in the absence of the Petition's explanation as to why Barrett is more preferred for satisfying some elements, while Schilit is more preferred for satisfying some other elements.

The Board exercised its discretion in not instituting review on the ground of obviousness based on Barrett and Schilit, in light of the institution of review of the same claims on the ground of anticipation over Schilit. As provided in 37 C.F.R. § 42.108(a), "[w]hen instituting *inter partes* review, the Board may authorize the review to proceed on all or some of the challenged claims and on all or some of the grounds of unpatentability asserted for each claim." In that connection, note that

Part 42, Title 37, Code of Federal Regulations, is construed to secure the just, speedy, and inexpensive resolution of every proceeding. 37 C.F.R. § 42.1(b).

Oracle contends:

> Petitioner submits that an obviousness ground by definition cannot be redundant with an anticipation ground. The two grounds are premised on different statutory provisions and engender fundamentally different legal standards and analyses. This is a difference with a substantial practical impact.

(Req. 2-3). Oracle's contention is misplaced, as it misdirects the focus. Yes, the two statutory grounds are not the same, just as the specific disclosures of Barrett and Schilit are not the same. But that is not the issue. What matters for determining redundancy of grounds is whether petitioner has articulated meaningful distinction in the potential strength and weaknesses of the applied prior art. If, according to the petitioner, multiple grounds are equally good, the Board can exercise discretion to institute review based on less than all grounds.

Oracle contends the following:

> To overcome anticipation, the Patent Owner need only show that Schilit fails to disclose a single element of the claim, *however trivial*.
>
> If the Patent Owner were to succeed in arguing that Schilit fails to disclose any element for which Barrett has been shown in the Petition to have a corresponding disclosure, it would become necessary and prudent to adjudicate the non-instituted obviousness ground in the instant proceeding. Failing to do so would cause the Petitioner or other interested parties to re-start the entire process by filing a new petition setting forth the previously non-instituted ground. That would be an inefficient use of the Board's and the parties' resources and such an approach would frustrate the intent of Congress and the Office to provide an efficient and effective alternative to patent litigation.

(Req. 3; emphasis added.) Oracle's contentions are not persuasive. First of all, the obviousness contention does not acknowledge that any claim limitation is not

disclosed by at least one of Barrett and Schilit. Thus, the obviousness contention also would fail if the Patent Owner only shows that a single claim limitation is not disclosed by either Barrett or Schilit, however trivial. Also, in its anticipation contention, Oracle's Petition expresses no tentativeness or lack of confidence in connection with finding that any claim limitation is disclosed in Schilit.

Moreover, the Board maintains impartiality in weighing relevant factors of a case to render a decision. Discretion is not exercised with the goal of placing either party in a better or worse position to prevail. As set forth above, if Oracle believed that Schilit had certain weaknesses as compared to Barrett with regard to some claim limitations, it was incumbent upon Oracle to identify those weaknesses so as to allow the Board to recognize and weigh that factor in rendering the decision to institute review.

Oracle contends that unlike the situation in *Liberty Mutual*, in which the petitioner presented 422 grounds of unpatentability, Oracle is only asking for one additional ground, which will not significantly burden the Board or cause unnecessary delays. While the number of grounds presented is a factor in determining redundancy, it is not alone determinative. It ultimately remains a matter of discretion whether to proceed with any redundant ground. There is no magical number that defines the floor in determining redundancy.

For all the reasons set forth above, Oracle has not shown that not instituting review on the ground of obviousness based on Barrett and Schilit constitutes an abuse of discretion.

Oracle further requests that the Board provide express guidance on certain issues. However, a request for rehearing is not an appropriate forum to seek guidance. Nor is it appropriate for the Board to advise Oracle on specific action to take in this case, no matter what the forum.

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