UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FIRST DATA CORPORATION
Petitioner

v.

CARDSOFT (ASSIGNMENT FOR THE BENEFIT OF CREDITORS), LLC

Patent Owner

Case IPR2014-00715

Patent 6,934,945 B1

PETITIONER'S REQUEST FOR REHEARING UNDER 37 C.F.R. § 42.71 ON THE DECISION NOT TO INSTITUTE *INTER PARTES* REVIEW

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I. INTRODUCTION

Petitioner requests reconsideration of the Board's Decision in Paper 9 ("Decision") to deny the Institution of *Inter Partes* Review herein based on Petitioner's petition ("Petition") because the decision was based on suppositions and presumptions, and not just facts, and for the other reasons set forth herein. Specifically, the Board determined that Petitioner was not the only real party in interest behind the filing of the Petition based not on the facts established by the record evidence before it but rather based on mere supposition and conjecture. Petitioner's petition paper clearly established that VeriFone played no role in preparing the instant Petition except for agreeing to indemnify Petitioner. Yet the Board concluded, based on mere suggestion and *innuendo*, rather than evidence, that VeriFone played a more significant role than this. This constituted an abuse of discretion justifying a rehearing.

II. RELIEF REQUESTED

Petitioner requests a rehearing of the Decision and institution of an *Inter Partes* Review ("IPR").

III. STANDARD OVERVIEW

Under 37 C.F.R. § 42.71(c), "[w]hen rehearing a decision on petition, a panel will review the decision for an abuse of discretion." An abuse of discretion

occurs when a "decision was based on an erroneous conclusion of law or clearly erroneous factual findings, or … a clear error of judgment." *PPG Indus. Inc. v Celanese Polymer Specialties Co. Inc.,* 840 F.2d 1565, 1567 (Fed. Cir. 1988) (citations omitted). The request must "specifically identify all maters 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).

IV. MATTERS OVERLOOKED

A. A decision on Real Party in Interest is premature – it is a "highly fact-dependent question" and should be decided after IPR institution and an opportunity for fact discovery, petition and response.

The only requirement for an IPR petition regarding real party-in-interest is that the Petitioner identify such parties [37 CFR 42.8(b)(1)]. There is no requirement that Petitioner submit sufficient facts to anticipate and disprove any suppositions or presumptions Patent Owner may make in a Preliminary Response regarding other parties as potential real parties in interest. The Oct. 17 Decision in this IPR2014-00715 (the "Decision") states that "Petitioner, however, does not provide sufficient evidence that would support this assertion [that it alone decide to use different prior art] …." Decision, p. 8). It is not Petitioner's obligation in an IPR petition to prove the negative that someone else is not a real party-in-interest.

Rather, it is Patent Owner's obligation to present facts that show this, or request discovery of such facts.

As noted in the Decision, the determination of a real party-in-interest "is a highly fact-dependent question." Since the Patent Owner often may not know the facts, provision is made in IPR proceedings for discovery. Patent Owner has not requested such discovery.

"In certain instances, however, a patent owner may be granted additional discovery before filing its preliminary response and submit any testimonial evidence obtained through the discovery. For example, additional discovery may be authorized where patent owner raises sufficient concerns regarding the petitioner's certification of standing." *Changes to Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents*, 77 Fed. Reg. 77, 157, 48680, 48689 (2012).

Other decisions finding that another party was a real party in interest occurred after discovery, with the ability for a petition and response. See, e.g., RPX Corporation v. Virnetx Inc., IPR2014-000171 (Scheduling Order re discovery, paper 20). See also IPR2013-00488 (Decision, paper 29), IPR2014-00041 (Order, paper 126), IPR2014-00735 (Order, paper 17).

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