

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

Before SALLY C. MEDLEY, MEREDITH C. PETRAVICK, and
JAMES P. CALVE, *Administrative Patent Judges*.

CALVE, *Administrative Patent Judge*.

DECISION
Denial of Rehearing Request
37 C.F.R. § 42.71(d)

Petitioner filed a Petition seeking an *inter partes* review of claims 1–17 of U.S. Patent No. 6,934,945 B1 (Ex. 1001; “the ’945 patent”). Paper 1. Petitioner filed a Corrected Petition (“Petition”) on May 20, 2014. Paper 5. We denied institution of an *inter partes* review (IPR) on any claims of the ’945 patent because the Petition did not identify all real parties-in-interest (RPIs), as required by 35 U.S.C. § 312(a) and was not filed within the time imposed by 35 U.S.C. § 315(b). Paper 9 (“Decision”). Petitioner requests a rehearing on the grounds that the Decision overlooked various matters. *See* Paper 11 (“Req. Reh’g”) 2–11.

The Decision held that VeriFone was a real party-in-interest (RPI) to this IPR because VeriFone controlled or had the opportunity to control filing of the Petition in material respects. Decision 9. We reached our Decision based on our analysis of many factors including VeriFone’s desire that an IPR be filed against the ’945 patent, VeriFone’s funding of all attorney’s fees and costs for this IPR, VeriFone’s indemnity obligations to Petitioner in the 2013 Litigation for claims of infringement of the ’945 patent, VeriFone’s opportunity and right to control the Petition for this IPR under an indemnity agreement, VeriFone’s communications with Petitioner regarding prior art to assert in the IPR, and VeriFone’s inability to initiate an IPR in its own right due to a bar under 35 U.S.C. § 315(b). *Id.* at 7–10.

Petitioner’s arguments that the panel overlooked various matters fall into two main categories. Petitioner argues that the panel considered factors that are irrelevant to deciding whether VeriFone is a real party-in-interest. For example, Petitioner asserts that any control by VeriFone of the district court litigation is not pertinent to determining the RPI in this IPR. *See* Req. Reh’g 5. This argument does not persuade us that we overlooked any matter

because the Decision did not rely on VeriFone's control of the 2013 Litigation to find that VeriFone is a RPI to this IPR. *See* Decision 7–10.

Petitioner also asserts that each of the various factors is insufficient, by itself, to make VeriFone a RPI to this IPR. *See* Req. Reh'g 6–9. For example, Petitioner contends that funding of an IPR, by itself, does not make a party a RPI. *Id.* at 6–8. Petitioner also argues that the existence of an indemnity agreement, which inherently includes funding, is insufficient to make a party a RPI. *Id.* at 8–9. These arguments do not persuade us that we overlooked any matters because the Decision was based on our analysis of many factors in combination, and not one factor in isolation. Decision 7–10. Our analysis of these factors led us to conclude that VeriFone either controlled the filing of the IPR or had the opportunity to do so. *Id.* That VeriFone's indemnity obligation may not cover all accused products in the 2013 Litigation as Petitioner asserts (Req. Reh'g. 9) does not negate the fact that VeriFone is obligated to indemnify Petitioner for claims of infringement of the '945 patent by some accused products in the 2013 Litigation. That indemnity obligation was one factor, among several others, that led to the conclusion that VeriFone had the opportunity to control all aspects of preparing the Petition prior to April 28, 2014, just two days before the filing of the Petition for this IPR. Decision 9.

Petitioner also asserts that a decision on the RPI is premature. Req. Reh'g 2. Petitioner argues that there is no requirement that a Petitioner anticipate and disprove suppositions and presumptions raised by a Patent Owner's Preliminary Response. *Id.* at 2–4. Petitioner also contends that a patent owner may seek discovery on this issue and file a motion to terminate proceedings based on facts discovered, and a petitioner can respond to that

motion. *Id.* at 3–5. These arguments do not persuade us that we overlooked any matters. A petition must identify all of the RPIs. 35 U.S.C. § 312(a)(2). Failure to do so precludes consideration of the petition. *Id.* Petitioner chose to devote five pages of the Petition to arguing that VeriFone is not a RPI. Pet. 1–5. Petitioner also submitted evidence such as a Letter Addendum (Ex. 1011) and papers from the 2013 Litigation (Exs. 1006, 1007) in support of its contentions that VeriFone is not a RPI and that “the sole and exclusive control over this petition rests entirely with First Data.” Pet. 1. Petitioner, therefore, had an opportunity to present arguments and evidence, and did present arguments and evidence, to explain why VeriFone is not a RPI. We considered that evidence with all the other factors discussed in the Decision and determined that VeriFone was a RPI to this IPR.

Petitioner now argues, for the first time, that VeriFone relinquished its right and opportunity to control the IPR pursuant to an oral agreement made between a senior litigation counsel of First Data and counsel for VeriFone. *See* Req. Reh’g. 10–11. Petitioner relies on the Declaration of Christopher P. Demetriades, which is attached to the request for rehearing, in support of this new argument. *Id.* at 14. A request for rehearing is not an opportunity to submit a new argument or new evidence that could have been presented in the Petition. *See* 37 C.F.R. § 42.71(d); Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012). Rather, the “request 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). Petitioner has not presented any facts to explain why it could not have presented this new evidence in its original Petition. The panel could not have overlooked or

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misapprehended evidence that was not presented in the Petition. Moreover, Petitioner did not seek authorization to file the new declaration in a reply to the Patent Owner's Preliminary Response. Nor has Petitioner shown good cause for us to consider this new evidence, which is submitted by Petitioner for the first time with a request for rehearing. *See* 37 C.F.R. § 42.5(c)(3).

For the reasons discussed above, we are not persuaded that we have overlooked or misapprehended any matter. Accordingly, Petitioner's request for rehearing is denied.

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