

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HTC CORPORATION and HTC AMERICA, INC.,
Petitioner,

v.

E-WATCH, INC. and E-WATCH CORPORATION,
Patent Owner.

Case IPR2014-00987
Patent 7,365,871 B2

Before JAMESON LEE, GREGG I. ANDERSON, and
MATTHEW R. CLEMENTS, *Administrative Patent Judges*.

CLEMENTS, *Administrative Patent Judge*.

DECISION
Denying Request for Rehearing
37 C.F.R. § 42.71(d)

I. SUMMARY

HTC Corporation and HTC America, Inc. (“Petitioner”) requests rehearing of the Board’s decision instituting *inter partes* review of claims 1–8 and 12–15 (“the challenged claims”) of U.S. Patent No. 7,365,871 (Ex. 1001, “the ’871 patent”) under 35 U.S.C. § 103 as unpatentable over Wilska and Yamagishi-114 (“Ground 1”), but denying institution of *inter partes* review of the challenged claims under 35 U.S.C. § 103 as unpatentable over McNelley and Yamagishi-992 (“Ground 2”) (Paper 6, “Dec.”), entered December 9, 2014. Paper 8 (“Req.”). For the reasons that follow, Petitioner’s request is *denied*.

II. STANDARD OF REVIEW

In its request for rehearing, the dissatisfied party must identify, specifically, all matters the party believes the Board misapprehended or overlooked, and the place where each matter was addressed previously. 37 C.F.R. § 42.71(d). Upon a request for rehearing, a decision on institution will be reviewed for an abuse of discretion. 37 C.F.R. § 42.71(c).

III. DISCUSSION

Petitioner argues that (1) 35 U.S.C. § 314(a) does not provide statutory authority to deny Ground 2 without substantive analysis; (2) the application of 37 C.F.R. § 42.108(a) was an abuse of discretion; (3) estoppel effects mandate full consideration of Ground 2; (4) 35 U.S.C. § 315(d) suggests that multiple grounds of rejection should be evaluated substantively; (5) Ground 2 is not redundant or duplicative; and (6) it would be premature to deny Ground 2 without trial.

35 U.S.C. § 316 requires the Director of the Patent and Trademark Office to “prescribe regulations . . . setting forth the standards for the showing of sufficient grounds to institute a review under section 314(a),” and requires the Director to “consider the effect of any such regulation on . . . the efficient administration of the Office, and the ability of the Office to timely complete proceedings instituted under this chapter.” 35 U.S.C. § 316(a)(2), (b). In view of the considerations listed in 35 U.S.C. § 316(b), the Director prescribed 37 C.F.R. § 42.108, which provides the following instruction: (1) “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,” and (2) “the Board may deny some or all grounds of unpatentability for some or all of the challenged claims.” 37 C.F.R. § 42.108(a), (b).

Petitioner argues that our interpretation of 35 U.S.C. § 314(a) as “not requiring institution” (Dec. 10), has no basis in the plain language of the statute. Req. 5–6. We disagree. Petitioner interprets section 314(a) as if the Director *must* institute review if there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition. However, section 314(a) states what the Director “may *not*” do, not what the Director *must* do: “The Director may *not* [institute an inter partes review] unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” Petitioner also interprets section 314(a) as if the Director *must* analyze substantively each ground presented in a petition. Req. 3–4 (“in support of its decision not to substantively consider”), 4 (“without substantive analysis of the facts presented in Ground 2”), 5 (“without first

reviewing the substance”). To the extent any substantive analysis is required by section 314(a), however, it is directed to only “at least 1 claim,” not to every ground presented in the Petition for every claim. Thus, the Board’s reading of the statute is not contrary to its plain language.

Because we are not persuaded that we misapprehended the language of section 314(a), we are not persuaded that our reliance on the “may” language of 37 C.F.R. § 42.108(a) is an abuse of discretion, as Petition contends (Req. 8–9). Nor are we persuaded that the estoppel provision of 35 U.S.C. § 315(e)(2) compels a contrary interpretation of section 314(a), as Petitioner contends (Req. 9–12). Moreover, the alleged “deprivation of due process rights and an injury to the Petitioners” resulting from Petitioner’s hypothetical scenario is too speculative to compel a departure from the plain language of section 314(a). Finally, Petitioner acknowledges that “[t]he Board has not stated in this institution decision in this proceeding that Ground 2 is duplicative or cumulative.” Req. 13–14. Petitioner is correct. Accordingly, we need not address Petitioner’s arguments directed to redundancy.

IV. CONCLUSION

For the foregoing reasons, the Board did not abuse its discretion when it denied institution of *inter partes* review of the challenged claims under 35 U.S.C. § 103 as unpatentable over McNelley and Yamagishi-992.

V. ORDER

It is hereby

ORDERED that Petitioner’s request for rehearing is *denied*.

IPR2014-00987
Patent 7,365,871 B2

For PETITIONER:

Bing Ai
Cheng C. (Jack) Ko
Kevin Patariu
Babak Tehranchi
PERKINS COIE LLP
Ai-ptab@perkinscoie.com
CKo@perkinscoie.com
KPatariu@perkinscoie.com
BTehranchi@perkinscoie.com

For PATENT OWNER:

Robert C. Curfiss
bob@curfiss.com

and

David O. Simmons
IVC Patent Agency
dsimmons1@sbcglobal.net