

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Twilio Inc.
Petitioner

v.

TeleSign Corporation
Patent Owner

Case No. IPR2016-00450
Patent: 8,462,920

**PETITIONER'S REQUEST FOR REHEARING
UNDER 37 C.F.R. § 42.71(c)**

I. INTRODUCTION AND STATEMENT OF RELIEF REQUESTED

The Board denied institution because “Petitioner has not provided evidence or argument that Bennett teaches a notification event that would result in the registrant being notified that the event occurred.” (Paper 17 at 14.) This conclusion was the Board’s only reason for denying institution. The Board, however, overlooked arguments and evidence in the Petition that directly contradict the Board’s finding.

- The Petition stated: “[a] POSITA would have found it obvious and simple to include, as part of the SMS or voice message communicating the verification code, that **a notification event has occurred**, so that customers were not constantly calling to inquire why a re-verification was required.” (Paper 1 at 44-45 (emphasis added).)
- The Petition explained that, when Rolfe’s system detects a transaction of a certain value, it “calls the [credit card] owner and informs the owner of the notification event.” (Paper 1 at 46.) The Petition explains that it would have been obvious to use Bennett’s verification message to transmit both the verification code and Rolfe’s notification so that the user would know why they were being contacted. (Paper 1 at 45-47.)

- The Petition explained that, as part of the reverification process, Bennett teaches notifying the registrant of the occurrence of a notification event in the form of “transmit[ing] the completion code” to registrant upon the occurrence of the notification event. (Paper 1 at 32-33.) Bennett discloses transmitting a completion or verification code to the registrant every time Bennett’s system determines a notification event requiring re-verification has occurred. (Paper 1 at 11-12, 22-23, 32-33.) By transmitting this code in response to the occurrence of an event, Bennett is notifying the registrant that an event has occurred.

These disclosures from the Petition directly contradict the Board’s sole reason for denying institution. Failing to consider these Petition disclosures in the decision denying institution is an error of fact and law warranting rehearing. As a result, Petitioner requests that the Board rehear its decision denying institution of *inter partes* review and consider Petitioner’s evidence related to the notification event.

II. FACTUAL BACKGROUND AND PROCEDURAL POSTURE

On January 11, 2016, Petitioner filed a petition challenging claims 1-10, 13, and 17-22 of the ‘920 patent on four grounds using Bennett as a base reference. (Paper 1 at 3-4.) Claim 1 recites a notification event that results in a registrant being contacted with a verification code for re-verification. (Ex. 1001, cl. 1[c]-

[e][iv]; Paper 1 at 22-27, 32-34.) Claim 4, which depends from claims 1 and 2, adds a limitation requiring that the “notification event” of claim 1 result in “notifying the registrant of the occurrence of the established notification event.” (Ex. 1001, cl. 4; Paper 1 at 44-47.) Petitioner presented evidence and argument in relation to claim 1 that Bennett taught the claimed notification event in the form of a transaction that caused Bennet to transmit a completion code to the registrant. (Paper 1 at 32-33.) The completion code corresponds to notifying the user after the occurrence of a notification event. For claim 4, Petitioner presented argument and evidence that (1) Bennett or (2) Bennett plus Rolfe disclosed and rendered obvious notifying the user of the occurrence of the notification event. (Paper 1 at 44-46.)

On July 8, 2016, the Board denied institution of *inter partes* review of '920 patent claims 1-10, 13, and 17-22. The Board construed “notification event” as “an event that results in the registrant being notified that the event occurred.” (Paper 17 at 7-11.) Based on this construction, the Board determined that Petitioner did not present evidence or argument that Bennett disclosed a notification event that would result in the registrant being notified that the event occurred. (Paper 17 at 14.) This was the Board’s only stated rationale for denying institution of the Petition. (*Id.*) The Board did not address (1) the Bennett completion code sent to the registrant as a result of the notification event or (2) Petitioner’s evidence in claim 4 that the notification event results in notifying the registrant of the occurrence of the event.

The fact that the Board did not address these Petition arguments is an error of fact and law warranting rehearing.

III. LEGAL STANDARDS

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 reply.” 37 C.F.R. § 42.71(d). Clearly erroneous fact findings and erroneous conclusions of law are abuses of discretion that warrant reconsideration. *Stevens v. Tamai*, 366 F.3d 1325, 1330 (Fed. Cir. 2004).

A. Finding a Dependent Claim Unpatentable Requires Finding the Broader Claims Also Unpatentable

Dependent claims contain all the limitations of the claims from which they depend. *Soverain Software LLC v. Victoria’s Secret Direct Brand Mgmt., LLC*, 778 F.3d 1311, 1315 (Fed. Cir. 2015). As a result, where a dependent claim is found obvious, the broader independent claims must also be obvious. *Id.*; also *Callaway Golf Co. v. Acushnet Co.*, 576 F.3d 1331, 1344 (Fed. Cir. 2009) (“A broader independent claim cannot be nonobvious where a dependent claim stemming from that independent claim is invalid for obviousness.”) (citation omitted). And the PTAB has recognized that, when a Petitioner presents arguments regarding a dependent claim, those arguments may be applied to the claims from which that

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