

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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CISCO SYSTEM, INC.,  
Petitioner<sup>1</sup>,

v.

FOCAL IP, LLC,  
Patent Owner.

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Cases IPR2016-01257, IPR2016-01260, IPR2016-01261 (Patent 8,457,113),  
IPR2016-01258, and IPR2016-01262 (Patent 7,764,777)<sup>2</sup>

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Before SALLY C. MEDLEY, JONI Y. CHANG, and  
BARBARA A. PARVIS, *Administrative Patent Judges*.

CHANG, *Administrative Patent Judge*.

DECISION

Denying Patent Owner's Request for Rehearing  
*37 C.F.R. § 42.71*

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<sup>1</sup> YMax Corporation is Petitioner in IPR2016-01258 and IPR2016-01260. Bright House Networks, LLC, WideOpenWest Finance, LLC, Knology of Florida, Inc., and Birch Communications are Petitioner in IPR2016-01261 and IPR2016-01262.

<sup>2</sup> This Decision addresses the same issues in the cases listed above. Therefore, we issue one Decision to be filed in all of the cases.

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Focal IP, LLC (“Patent Owner”) filed a Request for Rehearing of the Order authorizing Petitioners to file a 15-page supplemental brief (Paper 57<sup>3</sup>, “Order”), in each of the above-identified *inter partes* review (IPR) proceedings, in light of the decision issued by the U.S. Court of Appeals for the Federal Circuit in *Aqua Prods., Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017). Paper 58, “Req. Reh’g.” Patent Owner requests that we modify our Order to deny Petitioners the authorization for filing the supplemental brief. *Id.* at 11. Patent Owner indicates that the same rehearing request is filed in each of the proceedings. *Id.* at 1. For the reasons that follow, the Request for Rehearing is *denied*.

A party requesting rehearing bears the burden of showing that the decision should be modified. 37 C.F.R. § 42.71(d). The party must identify specifically all matters we misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply. *Id.*

Here, Patent Owner contends that “there is no intervening change in law” regarding motion to amend practice in IPR proceedings that would warrant additional briefing by Petitioners, citing to the transcript (Ex. 2073) of the conference call that was held on October 12, 2017, for support. Req. Reh’g. 4–7. Patent Owner argues that there is no rationale that warrants additional briefing by Petitioners, and Petitioners should not be allowed to “retread and do-over its arguments.” *Id.* at 2–3, 11–12. Patent Owner maintains that we misapprehended or overlooked the issues that Petitioners

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<sup>3</sup> Citations are to IPR2016-01257, as representative, unless otherwise noted.

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should have addressed in the original briefing based on *MasterImage 3D, Inc. v. RealD Inc.*, Case IPR2015-00040 (PTAB July 15, 2015) (Paper 42) (precedential). Req. Reh’g. 7–9. Patent Owner further argues that we misapprehended or overlooked the facts and our prior rulings regarding the expungement of claim charts accompanying Petitioners’ original briefing, and Petitioners’ representations that they already presented arguments in anticipation of *Aqua Products*. *Id.* at 9–11.

Patent Owner’s arguments are misplaced, as they ignore the actual holding in *Aqua Products*. *Aqua Products*, 872 F.3d at 1296 (instructing the Board to “assess[] the patentability of the proposed substitute claims *without placing the burden of persuasion on the patent owner*”) (emphasis added). We address below each of the Patent Owner’s arguments in turn.

First, we are not persuaded by Patent Owner’s argument that “there is no intervening change in law.” Prior to the Federal Circuit’s en banc decision in *Aqua Products*, the Board indicated that “[t]he *burden is not on the petitioner* to show unpatentability, *but on the patent owner* to show patentable distinction over the prior art of record and also prior art known to the patent owner.” *MasterImage*, Case IPR2015-00040, slip op. at 2 (clarifying *Idle Free sys., Inc. v. Bergstrom, Inc.*, Case IPR2012-00027, slip op. at 4 (PTAB June 11, 2013)) (emphasis added). In *Aqua Products*, patentee appealed from the final written decision of the Board, which denied patentee’s motion to amend, challenging the Board’s amendment procedures that required patentee to demonstrate that amended claims would be patentable over prior art. A panel decision from the Federal Circuit affirmed the Board’s decision, but the Federal Circuit granted patentee’s request for

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rehearing en banc and, subsequently, in its en banc decision, vacated and remanded the Board's decision. The Federal Circuit's en banc decision clearly stated that "[t]he matter is remanded for the Board to issue a final decision under § 318(a) assessing the patentability of the proposed substitute claims *without placing the burden of persuasion on the patent owner.*"

*Aqua Products*, 872 F.3d at 1296 (emphasis added). Accordingly, Patent Owner's argument that "there is no intervening change of law" is misplaced.

Second, we are not persuaded by Patent Owner's argument that there is no rationale that warrants additional briefing by Petitioners and Petitioners should not be allowed to "retread and do-over its arguments." Req. Reh'g. 2–3, 11–12. Patent Owner conflates a limited supplemental brief with an opening brief similar in length and content to a petition, as requested by Petitioners. *Id.* In our Order, we explained that there was insufficient reason to grant Petitioners' request for authorization to file "an opening brief similar in length and content to a petition, two or three months to prepare the opening brief, and a reply brief to any Patent Owner opposition." Paper 57, 4–6. However, we determined that, in light of *Aqua Products*, a limited supplemental brief was warranted. *Id.* Patent Owner's argument also rests on the premise that "there is no intervening change in the law," ignoring the holding in *Aqua Products*. Therefore, Patent Owner's argument that Petitioners should not be allowed to "retread and do-over its arguments" is unavailing.

Third, we also are not persuaded by Patent Owner's argument that we misapprehended or overlooked the issues that Petitioners should have applied prior art against the proposed substitute claims in the original

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briefing based on *MasterImage*. Req. Reh’g. 7–9. As noted above, in *MasterImage*, the Board stated that “[t]he *burden is not on the petitioner* to show unpatentability, *but on the patent owner* to show patentable distinction over the prior art of record and also prior art known to the patent owner.” *MasterImage*, Case IPR2015-00040, slip op. at 2 (emphasis added). In fact, *MasterImage* further made clear that “Patent Owner has an opportunity to respond in its reply,” which was the last substantive paper on the issue of patentability over prior art, because “[t]he *ultimate burden of persuasion remains with Patent Owner*, the movant to demonstrate the patentability of the amended claims.” *Id.* at 3 (emphasis added). Patent Owner does not explain sufficiently why Petitioners should not have the opportunity to file the last substantive paper on the issue of patentability over prior art, in view of *Aqua Products*, which held that the burden of persuasion is not on the patent owner. *Aqua Products*, 872 F.3d at 1296. Patent Owner’s argument again rests on the premise that “there is no intervening change in the law,” ignoring the holding in *Aqua Products*.

Finally, we are not persuaded by Patent Owner’s argument that we misapprehended or overlooked the facts and our prior rulings regarding the expungement of claim charts accompanying Petitioners’ original briefing, and Petitioners’ representations that they already presented arguments in anticipation of *Aqua Products*. We do not agree with Patent Owner’s characterization of the facts and our prior rulings.

In fact, when Patent Owner requested our authorization for filing motions to strike certain portions of Declarations filed in support of Petitioners’ Oppositions to Patent Owner’s Motions to Amend, Patent

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