UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CORPORATION, LTD., AND
SAMSUNG ELECTRONICS AMERICA, INC.,
Petitioners

v.

IMAGE PROCESSING TECHNOLOGIES, LLC,
Patent Owner

CASE IPR2017-00336
Patent No. 6,959,293 B2

PATENT OWNER'S REQUEST FOR REHEARING OF THE BOARD'S ORDER (PAPER 39) DENYING LEAVE TO FILE A MOTION TO TERMINATE EX PARTE REEXAMINATION NO. 90/014,056, AND SUGGESTION FOR EXPANDED PANEL

Paper No. 40

Patent Owner Image Processing respectfully submits that in denying leave to file a motion to terminate *ex parte* reexamination ("EPR") no. 90/014,056, the Board overlooked or misapprehended Image Processing's arguments that the NVIDIA factors set forth in *General Plastics v. Canon*, IPR2016-01357, Paper 19 (P.T.A.B. Sept. 6, 2017) should be applied and that such factors weigh heavily in favor of termination. At a minimum, Image Processing should be granted an opportunity to brief the issues fully.

NVIDIA Factor #5 (whether Petitioner provides an adequate explanation for the time elapsed between filing multiple petitions directed to the same claims) was not addressed in the Board's Order, and raises more than enough concerns to justify a fully-briefed motion. Samsung never offered an explanation for its one-year delay in filing a follow-on EPR against '293 patent claim 1, never explained when it located newly-cited references Siegel and Hirota, and never explained why it could not have cited these references earlier. Image Processing made these points during the May 31 call, and Samsung did not respond substantively.

If Samsung searched for "new" prior art in order to file an EPR after Image Processing's preliminary PO response and after the Institution Decision denying IPR as to claim 1, NVIDIA Factor #2 (whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should

have known of it) favors allowing Image Processing to file a motion. The standard is whether a reasonably diligent search would have located the "new" art for Samsung's first Petition. *General Plastics* at 20. Samsung should have known about the alleged "new" art through a reasonable search and put its best art forward in one petition (this IPR). Here, as in *General Plastics*, the record is devoid of any explanation of why Samsung could not have located the "new" art earlier.

If, on the other hand, Samsung knew about the prior art earlier but held it back, Factor #4 (length of time elapsed between learning of prior art asserted in a second petition and filing that petition) favors a motion. As in *General Plastics*, Samsung has provided no explanation for the delay. *General Plastics* at 11.

Other NVIDIA factors also favor allowing a motion. Factor #1 (whether a prior petition was filed) favors a motion. Samsung previously presented a petition directed to the same claim of the same patent. Factor #6 (finite resources of the USPTO) favors a motion because three Examiners are duplicating the Board's work. The Examiners may reach a conflicting conclusion regarding claim 1 and the Pirim PCT, and are also reviewing other art similar to the prior art that was already presented in this IPR. A motion would allow Image Processing to show that the references are duplicative, as it has argued in telephone calls to the Board.

The Board's Order also overlooked Image Processing's policy argument that

unexplained follow-on EPRs allow a Petitioner to hold back or intentionally seek out "different" art in order to gain a tactical advantage and delay the resolution of post-grant proceedings (not to mention co-pending litigation), thereby frustrating Congress's and the Board's policy of speedy and inexpensive resolution (37 C.F.R. § 41.1(b)). The Board should allow a motion to require Samsung's explanation, and also to determine how the NVIDIA factors apply to such follow-on EPRs.

Patent Owner's request presents important policy issues regarding use of IPRs and follow-on EPRs from the same petitioner on the same claims. Notably, under the STRONGER bills (S.1390 § 105; H.R. 5340 § 105) introduced in 2017–2018, follow-on EPR petitions would be barred outright after the one-year bar date. Although Samsung relied on MPEP § 2210 during the May 31 call to argue that 35 U.S.C. § 315(e) estoppel does not apply to the EPR, the Board may not have appreciated that MPEP does not cite legal authority for this proposition. Whether § 315(e) operates to terminate the EPR is an open and important question that needs to be resolved, and would be raised in the motion. Image Processing therefore suggests that an expanded panel be convened (SOP 1, rev. 14, § III.C).

For these reasons, Patent Owner requests that the Board reconsider its decision and allow the filing of a motion to terminate the EPR.

Dated: June 20, 2018

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