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Paper 24
Date: June 16, 2020

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAND REVOLUTION II, LLC,
Petitioner,

v.

CONTINENTAL INTERMODAL GROUP – TRUCKING LLC,
Patent Owner.

IPR2019-01393
Patent 8,944,740 B2

Before SCOTT C. WEIDENFELLER, *Vice Chief Administrative Patent Judge*, SCOTT C. MOORE, and RYAN H. FLAX, *Administrative Patent Judges*.

FLAX, *Administrative Patent Judge*.

DECISION
Granting Request For Rehearing
and Instituting *Inter Partes* Review
35 U.S.C. § 314; 37 C.F.R. § 42.71(d)

I. INTRODUCTION

A. STATUS OF THE PROCEEDING

Sand Revolution II, LLC ("Petitioner") filed a Petition for an *inter partes* review of claims 1, 2, 4, 6–14, and 16–20 of U.S. Patent 8,944,740 B2 ("the '740 patent," Ex. 1001). Paper 7 ("Pet."). Continental Intermodal Group-Trucking LLC ("Patent Owner") timely filed a Preliminary Response. Paper 8 ("Prelim. Resp.").

In a divided decision, the Board denied institution pursuant to 35 U.S.C. § 314(a), reasoning that this case, as evidenced by the preliminary record, was controlled by the Board's precedential decision in *NHK Spring Co., Ltd. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential). Paper 12 ("Denial Decision").

Petitioner filed a Request for Rehearing of the Denial Decision. Paper 15 ("Req. Reh'g" or "Request for Rehearing"). Concurrently therewith, Petitioner requested that the Board's Precedential Opinion Panel ("POP") reconsider the Denial Decision. Paper 17; Ex. 3002 ("POP Request"). The POP declined to review the issue raised in Petitioner's POP Request. Paper 18. Thus, we proceed to the rehearing. Before rendering a decision, we determined that further briefing was warranted on the application of *NHK* to the evolving facts of this case and authorized supplemental briefing by the parties. Paper 19. Each of the parties filed such supplemental briefing. Papers 20, 22.

As discussed further below, we conclude that, in light of new evidence of record submitted by the parties with the aforementioned supplemental briefing, the circumstances of this proceeding are distinguishable from those in *NHK* and that the application of discretion to

deny under 35 U.S.C. § 314(a) is not warranted when we apply the factors set forth in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (March 20, 2020) (precedential) ("*Fintiv*"). We, therefore, grant Petitioner's Request for Rehearing.

Under 37 C.F.R. § 42.4(a), we have authority to determine whether to institute an *inter partes* review. We may institute an *inter partes* review if the information presented in the petition filed under 35 U.S.C. § 311, and any response filed under § 313, shows that there is a reasonable likelihood that Petitioner would prevail with respect to at least one of the claims challenged in the petition. 35 U.S.C. § 314. After reviewing the parties' submissions, we conclude that on the preliminary record Petitioner demonstrates a reasonable likelihood that it would prevail in showing that certain claims of the '740 patent are unpatentable under at least one ground. Therefore, we institute *inter partes* review of all challenged claims (1, 2, 4, 6–14, and 16–20) on Grounds 1 and 2 raised in the Petition, pursuant to 35 U.S.C. § 314. *See SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1359–60 (2018).

B. Real Parties-in-Interest

Petitioner identifies itself, "Sand Revolution II, LLC," and also "Sand Revolution LLC," as real parties-in-interest. Pet. 87. Patent Owner identifies itself, "Continental Intermodal Group – Trucking LLC," as the real party-in-interest. Paper 6, 1.

C. Related Matters

Petitioner states "[t]he '740 patent is at issue in *Continental Intermodal Group – Trucking LLC v. Sand Revolution LLC*, No. 7:18-cv-00147-ADA (W.D. Tex. Aug. 21, 2018)." Pet. 87. Patent Owner also notes

that this same case is a related matter pursuant to 37 C.F.R. § 42.8(b)(2). Paper 6, 1. We refer to this matter as the "related district court litigation."

II. REQUEST FOR REHEARING AND BOARD'S DISCRETION TO DENY INSTITUTION UNDER 35 U.S.C. § 314(A)

A. STANDARD OF REVIEW

A party requesting rehearing of a Board decision has the burden to show that the decision should be modified. Pursuant to 37 C.F.R. § 42.71(d), the rehearing request must identify, specifically, 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. When rehearing a decision on a petition, we review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c) (2019). An abuse of discretion may arise if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if an unreasonable judgment is made in weighing relevant factors. *In re Gartside*, 203 F.3d 1305, 1315–16 (Fed. Cir. 2000).

We review Petitioner's Request for Rehearing in view of these standards of law and the evidence of record.

B. DISCUSSION ON REHEARING

In our Denial Decision, entered February 5, 2020, we held that *NHK* compelled the exercise of discretion under 35 U.S.C. § 314(a) because, upon comparing the facts of *NHK* to the circumstances of this proceeding, we found that, as in *NHK*, here: (1) the related district court litigation involves the same parties as this proceeding (*see* Pet. 87; Paper 6, 1; *see also supra* Section I.C); (2) the jury trial would begin before our final written decision would come due (Ex. 2004); (3) as in the district court, here Petitioner asserted that the claim language "integrated actuating system" and

"reconfigurable" warranted express interpretation and this language was similarly interpreted in both proceedings (Ex. 2002, 14, 19, 20, 21; Ex. 2003; Ex. 2007; Ex. 1011; Pet. 10–12);[1] and (4) the grounds for unpatentability asserted here were also asserted for invalidity in the related district court litigation (*see* Ex. 2005; *compare* Pet. 12–86, *with* Ex. 2006 1–41).[2] Denial Decision 15–18.

In its Request for Rehearing, Petitioner asserts that the majority "denied institution under 35 U.S.C. § 314(a) based solely on the allegedly advanced stage of the parallel district court proceeding with one invalidity dispute similar to that in the instant IPR petition." Reh'g Req. 1. Petitioner asserts that the Denial Decision was premised on the mistake that the district court's schedule for its jury trial was certain, but such a schedule was actually merely tentative. *Id.* at 2. On this point, Petitioner argues that "a district court trial schedule is inherently unpredictable and the court will often 'extend or accelerate deadlines and modify case schedules for myriad reasons.'" *Id.* at 8 (citing *Precision Planting, LLC v. Deere & Co.*, IPR2019-01044, Paper 17 at 15 (PTAB Dec. 2, 2019)). Petitioner notes, without specific citation to evidence, that "after the [Denial] Decision, the jury trial in the parallel proceeding was delayed by another two months, until

[1] The district court concluded that the disputed claim language should be accorded its "plain and ordinary meaning," without substantive elaboration; however, we provided substantive reasoning for our construction of this language and illuminated how such a skilled artisan would understand such ordinary meanings, where the district court did not. *Compare* Denial Decision 10–15 *with* Ex. 1011, 1–2; *see also infra* Section IV.B (maintaining our earlier claim construction analysis).

[2] There are, however, many additional prior art bases for invalidity asserted in the related district court litigation.

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