

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SAMSUNG ELECTRONICS CO., LTD.  
Petitioner

v.

CALIFORNIA INSTITUTE OF TECHNOLOGY,  
Patent Owner

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IPR2023-00133  
Patent 7,421,032

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**PETITIONER'S REQUEST FOR REHEARING**

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## I. INTRODUCTION

Petitioner Samsung Electronics Co., Ltd. (“Samsung”) respectfully requests rehearing of the Patent Trial and Appeal Board’s Decision of May 4, 2023 (Paper 10, “Dec.”), which denied institution of *inter partes* review for claims 1-8 and 10-22 (“the challenged claims”) of U.S. Patent No. 7,421,032 (“the ’032 patent”).<sup>1</sup>

Samsung’s petition (Paper 1, “Pet.”) presented three grounds of unpatentability for the challenged claims primarily based on the Kobayashi reference. Pet. at 3-4. Invoking *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (P.T.A.B. Sept. 12, 2018), and *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (P.T.A.B. Mar. 20, 2020), the Board denied institution under 35 U.S.C. § 314(a) because of a parallel district court proceeding. Dec. at 11-13.

The Board should grant reconsideration. *First*, rehearing is warranted because the Board erred in its overall balancing of the *Fintiv* factors. The Board

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<sup>1</sup> The Board should grant reconsideration and set this case for rehearing before the Precedential Opinion Panel (“POP”), for reasons stated in Petitioner’s contemporaneously filed request for POP review.

misconstrued Director Vidal’s interim guidance on discretionary denials<sup>2</sup> regarding the compelling merits analysis with respect to *Fintiv* factor six to mean that if a finding of compelling merits is not reached, then factor six cannot weigh against discretionary denial. But Director Vidal’s *Interim Guidance* instructed only that, when the merits are compelling, that automatically outweighs all the other *Fintiv* factors, and requires institution. The *Interim Guidance* did not require the same heightened compelling merits showing as part of the ordinary *Fintiv* balancing inquiry, where an unpatentability challenge that is strong but not necessarily compelling may (in combination with other factors) outweigh the factors that favor denial. The Board (by a Precedential Opinion Panel (“POP”) if necessary) should reconsider its erroneous analysis under *Fintiv*’s sixth factor, which infected the overall multi-factor balancing assessment.

*Second*, if the Board nevertheless does not believe institution is warranted under *Fintiv*, it should hold Samsung’s rehearing request until the resolution of a pending Administrative Procedure Act (“APA”) challenge to the validity of the *Fintiv* rule. If *Fintiv* is procedurally invalid, it cannot be relied upon to deny

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<sup>2</sup> Katherine K. Vidal, Memorandum, *Interim Procedure for Discretionary Denials in AIA Post Grant Proceedings with Parallel District Court Litigation* (U.S.P.T.O. June 21, 2022) (hereinafter, “*Interim Guidance*”).

institution of Samsung’s petition on the basis of a parallel district court litigation. Awaiting the resolution of an ongoing challenge to *Fintiv*’s legality would conserve agency resources and serve the interests of fairness.

## II. LEGAL STANDARD

“A party dissatisfied with a decision may file a single request for rehearing.” 37 C.F.R. § 42.71(d). “The request 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, a reply, or a sur-reply.” *Id.*

Institution decisions are reviewed on rehearing for an abuse of discretion. *See* 37 C.F.R. § 42.71(c). An abuse of discretion occurs when a “decision [i]s based on an erroneous conclusion of law or clearly erroneous factual findings, or . . . a clear error of judgment.” *Apple Inc. v. DSS Tech. Mgmt., Inc.*, IPR2015-00369, Paper No. 14 at 3 (Aug. 12, 2015) (citing *PPG Indus. Inc. v. Celanese Polymer Specialties Co.*, 840 F.2d 1565, 1567 (Fed. Cir. 1988)).

## III. STATEMENT OF REASONS FOR RELIEF REQUESTED

### A. The Board Should Reconsider Its Assessment of the Merits of Samsung’s Petition Under *Fintiv*’s Multi-Factor Analysis

The sixth *Fintiv* factor requires the Board to consider, as part of its multi-factor analysis, other “relevant circumstances in the case, including the merits.” *Fintiv*, Paper No. 11 at 14. In considering the merits of Samsung’s petition under *Fintiv*’s sixth factor, the Board asked whether Samsung’s petition “presents a

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