

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GUEST TEK INTERACTIVE ENTERTAINMENT LTD.,
Petitioner,

v.

NOMADIX, INC.,
Patent Owner.

Case IPR2018-01660
Patent 8,725,899 B2

Before STEPHEN C. SIU, DANIEL J. GALLIGAN, and MONICA S.
ULLAGADDI, *Administrative Patent Judges*.

Opinion for the Board filed by *Administrative Patent Judge* ULLAGADDI.

Opinion Dissenting filed by *Administrative Patent Judge* SIU.

ULLAGADDI, *Administrative Patent Judge*.

DECISION
Denying Petitioner's Request for Rehearing
37 C.F.R. § 42.71

I. INTRODUCTION

Guest Tek Interactive Entertainment Ltd. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) for *inter partes* review of claims 1 and 10 (the “challenged claims”) of U.S. Patent No. 8,725,899 B2 (Ex. 1001, “the ’899 patent”). Nomadix, Inc. (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). We declined to institute trial on any of the challenged claims of the ’899 patent on any of the grounds of unpatentability alleged in the Petition. Paper 8 (“Decision Denying Institution” or “Dec.”). In particular, we exercised our discretion to deny institution under 35 U.S.C. § 314(a) based on an analysis of the non-exhaustive factors set forth in *General Plastic Industrial Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, slip op. at 16–17 (PTAB Sept. 6, 2017) (Paper 19) (precedential). *See* Dec. 7–9.

Petitioner filed a request for rehearing (Paper 9, “Rehearing Request” or “Reh’g. Req.”) of our Decision Denying Institution. Patent Owner requests that we reconsider our analysis of the factors set forth in *General Plastic* and our decision to exercise discretion to deny institution under 35 U.S.C. § 314(a). For the reasons set forth below, the request is denied.

II. ANALYSIS

Petitioner’s rehearing request is dedicated to analyzing the “non-exhaustive list” of *General Plastic* factors—

1. whether the same petitioner previously filed a petition directed to the same claims of the same patent;

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;
3. whether at the time of filing of the second petition the petitioner already received the patent owner's preliminary response to the first petition or received the Board's decision on whether to institute review in the first petition;
4. the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition;
5. whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;
6. the finite resources of the Board; and
7. the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.

General Plastic, IPR2016-01357, slip op. at 16–17. Petitioner's arguments on rehearing are unavailing.

With respect to *General Plastic* factors 1 and 2, Petitioner contends that, although it knew of the Slemmer and Cohen references at the time of filing its earlier petitions, “[i]t did not specifically rely on the combination [of Slemmer and Cohen] in the prior proceeding because it was unaware of Cohen's significance until it retained its expert, Dr. Dordal,” and thus, it did not “strategically withhold prior art.” Reh'g. Req. 6. The fact that Petitioner's counsel did not appreciate the significance of these references and Petitioner's lack of strategic intent were not facts we considered in our

analysis of *General Plastic* factors 1 and 2, and we do not consider them now. Petitioner’s counsel’s failure to appreciate the significance of these references is not incidental—Petitioner elected not to “retain[] an expert to avoid what it believed would be an unnecessary and significant cost,” in an earlier proceeding. *Id.* at 7–8. Petitioner requests us to allow it to have, in essence, a second bite at the apple because its earlier strategic decision to forgo an expert did not result in a favorable outcome. We decline to modify our analysis based on these arguments.

With respect to *General Plastic* factor 3, Petitioner contends that “[t]he Board denied Guest Tek’s petition in the prior IPR2018-00392 proceeding on procedural grounds, not on the merits,” because “Guest Tek did not explain how the prior art disclosed the ‘handshake’ limitation or set forth a requisite motivation to combine.” Reh’g. Req. 3 (citing IPR2018-00392, Paper 9); *see also id.* at 6 (“The Board never reached the substantive merits of the petition in the prior proceeding.”). Petitioner contends that Guest Tek did not “use the Board’s prior decision as a substantive roadmap” because

Guest Tek did not retain Dr. Dordal until after the Board entered its decision on institution in the IPR2018-00392 proceeding, and Guest Tek did not have his expert knowledge at the time it filed its first petition. Also, as far as Guest Tek is aware, Dr. Dordal did not see or review the Board’s decision in IPR2018-00392 before submitting his affidavit for the present Petition

Reh’g. Req. 3.

Irrespective of whether Petitioner characterizes the Board’s reasons for denying institution in the earlier proceeding as substantive or procedural,

Petitioner's own admission makes clear that it *did* use our decision denying institution in the earlier proceeding as a roadmap to prepare the petition submitted in the present proceeding—

The Board denied [the IPR2018-00392] petition, finding that Guest Tek did not (1) sufficiently explain how the prior art taught the “connection handshake” limitation of the claims, and (2) provide a sufficient motivation to combine the cited prior art. *The present Petition corrects those purported deficiencies*

Pet. 1 (emphasis added) (citing IPR2018-00392, Paper 9). We considered this admission in analyzing *General Plastic* factor 3, and we do not modify our analysis based on the arguments presented in Petitioner's rehearing request.

Finally, Petitioner argues that it “thought that it could rely on the expert declaration and other evidence previously cited and submitted to the Board in a prior proceeding (i.e., IPR2016-00077, in which the Board previously instituted *inter partes* review)” as to a related patent (U.S. 8,266,266 B2 (“the ’266 patent”)) and that the “Board disregarded that declaration and evidence and denied institution.” Reh’g. Req. 8. Petitioner did not enter the declaration from IPR2016-00077 into the record for IPR2018-00392 or for IPR2018-00376, which challenged claims of the ’266 patent. Indeed, the petition in IPR2018-00376 did not have a single reference to the declaration of Mr. Keith Olson, the declarant for the petitioner in IPR2016-00077, and the petition in IPR2018-00376 omitted much of the technical discussion from the petition in IPR2016-00077 that relied on the testimony of Mr. Olson and instead asked us to rely on

preliminary determinations made in the Institution Decision rendered in IPR2016-00077. *See, e.g.*, IPR2018-00376, Paper 2, 1, 14, 28.

For these reasons, we are not persuaded by Petitioner’s argument that “requiring the parties to suffer through an expensive federal court litigation just because of a procedural misstep in a prior petition, when the Board has questioned the validity of the patent claims at issue, is unfair to the parties and contrary to public policy.” *Reh’g. Req.* 11. Petitioner’s strategy to rely on an earlier decision of the Board and not submit the expert declaration into evidence was not a procedural misstep; it was a deliberate decision that did not result in the desired outcome. Petitioner’s attempt now to rectify the deficiencies of its earlier petition is belated, and thus we are not persuaded to modify our decision to deny institution in the present proceeding.

III. CONCLUSION

For the foregoing reasons and for the reasons set forth in the Decision Denying Institution, we are not persuaded that we overlooked or misapprehended Petitioner’s arguments or evidence or the law.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Petitioner’s request for rehearing is *denied*.

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SIU, *Administrative Patent Judge*, dissenting.

For at least the same reasons set forth in the Decision (Paper 8, dissent), I respectfully disagree with the Majority's decision and the Majority's continued adherence to the *General Plastic* factors to the exclusion of any regard to the countervailing factors of the present matter.