

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED
STATES PATENT AND TRADEMARK OFFICE

GOOGLE LLC,
Petitioner,

v.

VALTRUS INNOVATIONS LIMITED,
Patent Owner.

IPR2022-01197
Patent 6,816,809 B2

Before KATHERINE K. VIDAL, *Under Secretary of Commerce for
Intellectual Property and Director of the United States Patent and
Trademark Office.*

DECISION

Ordering Rehearing, Vacating the Decision on Institution, and Remanding to
the Patent Trial and Appeal Board for Further Proceedings

I. INTRODUCTION

Google LLC (“Petitioner”) filed a Petition requesting *inter partes* review of claims 1–17 of U.S. Patent No. 6,816,809 B2 (Ex. 1001, “the ’809 patent”). Paper 2 (“Pet.”). Valtrus Innovations Limited (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”).

On January 3, 2023, the Patent Trial and Appeal Board (“Board”) issued a Decision denying institution of *inter partes* review. Paper 9 (“Decision” or “Dec.”). The Board determined that Petitioner failed to demonstrate a reasonable likelihood that it would prevail on the merits as to certain grounds (Grounds 1–5). *See id.* at 12–20, 26. The Board determined that the remaining grounds (Grounds 6–8) implicated 35 U.S.C. § 325(d). *See* Paper 9, 20–26. On February 2, 2023, Petitioner filed a request for rehearing (Paper 10, “Req. Reh’g”) and a request for review by the Precedential Opinion Panel (“POP”) of Section III.E. of the Board’s Decision applying § 325(d) (Ex. 3002, “POP Request”).¹

I have reviewed the Board’s Decision, the relevant papers, and the relevant exhibits of record in this proceeding. I determine that *sua sponte* Director review of the Board’s Decision is appropriate. *See Interim process for Director review*² § 10 (setting forth issues that may warrant Director review), § 22 (providing for *sua sponte* Director review of institution

¹ Although Petitioner requests Board rehearing of its challenges that were denied on the merits because the arguments and evidence did not indicate that Petitioner demonstrated a reasonable likelihood it would prevail, Petitioner does not raise these arguments for review by the POP. *See* Ex. 3002; Paper 10 at 2–12 (arguing error in the Decision’s analysis on Grounds 1–5).

² Available at www.uspto.gov/patents/patent-trial-and-appeal-board/interim-process-director-review.

decisions in AIA proceedings and explaining that “the parties to the proceeding will be given notice” if Director review is initiated *sua sponte*). Concurrent with this Order, the POP has dismissed the request for POP review of the Decision.

Upon review, I hold that the Board erred by denying Petitioner’s request to file a reply on the § 325(d) issues expressly raised by Patent Owner’s Preliminary Response. Accordingly, I vacate Section III.E. of the Board’s Decision, grant Petitioner’s request for a reply solely to address § 325(d), and remand to the Board for additional proceedings. Petitioner’s reply should be filed within 14 days of this order, followed by Patent Owner’s sur-reply to be filed within 14 days of the reply. After receiving the additional briefing, the Board shall issue a decision that evaluates § 325(d) in light of all pre-institution papers. Moreover, its decision shall also address Petitioner’s arguments in support of Grounds 1–5 as presented in its Request for Rehearing. *See supra* n.1.

II. BACKGROUND

Petitioner challenged claims 1, 2, 4, and 6–17 of the ’809 patent under 35 U.S.C. § 103(a) as, *inter alia*, obvious over *Vea*, U.S. Patent No. 4,924,428 (Ex. 1006), either alone or combined with other references (Grounds 6–8). *See* Pet. 3. In addressing § 325(d), Petitioner argued that “[n]one of the Ground’s references were before the Office during the ’809 Patent’s prosecution” and thus discretionary denial under § 325(d) was not warranted. *Id.* at 72.

Patent Owner responded that the Office previously considered “*Vea*’s European counterpart, EP0320329,” which had been disclosed to the Office in an Information Disclosure Statement (“IDS”). Prelim. Resp. 42 (asserting that *Vea* and its European counterpart have “substantively

identical disclosures”). Patent Owner argued that “[b]ecause the Office has considered the substance of *Vea* and Petitioner does not assert the Office made any material errors, the Board should exercise its discretion under 325(d) to deny the petition.” *Id.* at 43.

In response to Patent Owner’s arguments, Petitioner requested authorization to file a reply to the Preliminary Response (Ex. 3001), including to address whether “an EP counterpart of *Vea* being cited in an IDS but never commented on by the examiner is a basis for discretionary denial under § 325(d).” The Board denied the requested reply because it determined that Petitioner failed to demonstrate good cause. Paper 7, 2 (citing 37 C.F.R. § 42.108(c)).

The Board then determined that the grounds based on *Vea* (Grounds 6–8) implicate § 325(d), applying the two-part framework set forth in *Advanced Bionics*.³ Dec. 22–23. Applying *Advanced Bionics* part one, the Board determined that “substantially the same art as that relied on in Ground 6 (i.e., *Vea* (Ex. 1006)) was presented previously to the Office in the form of *Vea*’s European patent counterpart—EP0320329.” *Id.* at 22. Applying *Advanced Bionics* part two, the Board determined that “Petitioner fails to make a showing of material error by the Office in its consideration of EP0320329. Indeed, Petitioner does not address the Office’s consideration

³ *Advanced Bionics, LLC v. Med-El Electromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 7 (PTAB Feb. 13, 2020) (precedential) (setting forth a two-part framework for analyzing § 325(d) for the Board to consider: “(1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and (2) if either condition of first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.”).

of this reference with any degree of specificity.” *Id.* at 23. The Board distinguished other decisions that did not exercise discretion to deny institution under § 325(d) where the petitioner made an affirmative argument that the Office materially erred in failing to apply a reference cited in an IDS. *See id.* at 24–26.

The Board, having determined that Grounds 1–5 do not present a reasonable likelihood that Petitioner will prevail in demonstrating a claim is unpatentable and having determined that Grounds 6–8 implicate § 325(d), denied institution of *inter partes* review. *Id.* at 26.

III. DISCUSSION

As noted above, after Patent Owner raised the argument that the Board should exercise discretion to deny institution under § 325(d) in its Preliminary Response, Petitioner requested authorization to submit a reply to address this issue. *See Ex. 3001, 2.* The Board denied Petitioner’s request because it determined that Petitioner failed to demonstrate good cause, explaining that Petitioner should have developed the issue in its Petition, and the Board was equipped to assess the issue without further briefing. Paper 7, 2.

The Board’s reasoning, however, implies that Petitioner reasonably should have foreseen Patent Owner’s § 325(d) argument regarding the European counterpart to *Vea* and that Petitioner should have preemptively presented arguments under § 325(d) in the Petition. A petitioner, however, cannot be expected to anticipate every argument that may be raised by a patent owner. In this case, I determine that it was not reasonably foreseeable for Petitioner to anticipate a § 325(d) argument with respect to the asserted *Vea* reference, based on the inclusion of EP0320329 on an IDS considered during prosecution.

More specifically, the record developed during prosecution indicates that Vea's European counterpart, EP0320329, was presented on an IDS and initialed by the Examiner. Paper 6 (citing Ex. 1002, 75). EP0320329, however, does not reference Vea and Vea does not reference EP0320329. *See* Ex. 1014, 26–34; Ex. 1006. Importantly, Vea itself is not cited in the IDS. *See* Ex. 1002, 75. The prosecution record is silent regarding Vea. *See* Ex. 1002.

The Board nevertheless determined that “the EP patent number and publication date recorded on the IDS are sufficient to correctly identify this document as the European counterpart to that relied on in this proceeding.” Dec. 22, n. 13 (citing Ex. 1001, code (56); Ex. 1002, 68, 75; Ex. 1006; Ex. 1014, 26–34). I disagree because nothing on the face of the reference before the Office during prosecution, EP0320329, pointed to the Vea reference asserted by Petitioner. When the relationship between EP0320329 and Vea was raised by Patent Owner, Petitioner reasonably sought permission to file a reply to address this issue. *See* Ex. 3001. Accordingly, under these unique circumstances, it was not reasonably foreseeable for Petitioner to have anticipated this connection since the references themselves do not point to each other. In this circumstance, I determine that good cause existed to authorize Petitioner to file a reply.

Consequently, I vacate Section III.E. of the Board's Decision and remand to the Board for further proceedings. I authorize Petitioner upon remand to file a reply addressing item (3) in their reply request. Ex. 3001, 2. The reply shall be filed within 14 days of this order and be limited to 5 pages. I also authorize Patent Owner to file a sur-reply, limited to 5 pages, within 14 days of Petitioner's reply. The Board shall then issue a decision that evaluates the § 325(d) issue in light of all pre-institution papers.

Moreover, its decision shall also address Petitioner's arguments in support of Grounds 1–5 presented in its Request for Rehearing. *See supra* n.1. If, after the Board reconsiders Petitioner's and Patent Owner's § 325(d) arguments, the Board determines that § 325(d) should apply to Grounds 6–8, and does not otherwise find Petitioner's rehearing arguments on Grounds 1–5 persuasive of error, the Board should deny institution.

IV. ORDER

Accordingly, based on the foregoing, it is:

ORDERED that Section III.E. of the Decision Denying Institution is *vacated*;

FURTHER ORDERED that the case is remanded to the Board for proceedings consistent with the instructions above.

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