

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MASTERCARD INTERNATIONAL, INC.,
Petitioner,

v.

LEON STAMBLER,
Patent Owner.

Case CBM2015-00044
Patent 5,793,302

Before BRYAN F. MOORE, TRENTON A. WARD, and PETER P. CHEN,
Administrative Patent Judges.

CHEN, *Administrative Patent Judge.*

DECISION
On Request for Rehearing
37 C.F.R. § 42.71

I. INTRODUCTION

On July 22, 2015, Leon Stambler (“Patent Owner”) filed a Request for Rehearing (Paper 12, “Req. Reh’g”) of our Decision – Institution of Covered Business Method Patent Review (“Decision to Institute”) (Paper 10, “Dec.”), dated July 8, 2015, which instituted *inter partes* review of claims 51, 53, 55, and 56 of U.S. Patent No. 5,793,302 (Ex. 1001, “the ’302 patent”).

In its Request, Patent Owner argues that the Decision to Institute misapprehended or overlooked its arguments in the Preliminary Response related to: (1) the Meyer reference; (2) Petitioner MasterCard International Inc.’s (“Petitioner” or “MasterCard”) alleged motives and “strategic presentment of prior art in multiple petitions;” and (3) the construction of “credential” and disclosure of a credential by the Davies reference. Req. Reh’g 2, 3, 8.

For the reasons set forth below, the request for rehearing is *denied*.

II. STANDARD OF REVIEW

Under 37 C.F.R. § 42.71(c), “[w]hen rehearing a decision on petition, a panel will review the decision for an abuse of discretion.” An abuse of discretion may be determined if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors. *See Star Fruits S.N.C. v. United States*, 393 F.3d 1277, 1281 (Fed. Cir. 2005); *Arnold P’ship v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004); *In re Gartside*, 203 F.3d 1305, 1315–16 (Fed. Cir. 2000). The request must identify, with specificity, all matters that the moving party

believes the Board misapprehended or overlooked. *See* 37 C.F.R. § 42.71(d).

III. DISCUSSION

Patent Owner argues that “the Board placed too much emphasis on the ‘new’ Meyer reference . . . and overlooked that the arguments had not changed.” Req. Reh’g 3. Patent Owner further contends that “[a]fter numerous challenges to the claims of the ’302 patent by other Petitioners, MasterCard filed multiple petitions making substantially similar arguments. The Board abused its discretion when it failed to take this into account.” Req. Reh’g 5.

In the Decision to Institute, we stated that:

We decline to exercise our discretion to reject the Petition under § 325(d), as the prior art and arguments presented by Petitioner are not substantially similar to those presented either in the petition filed by Petitioner in CBM2015-00013, or in the petition filed by a different petitioner, Visa Inc., in IPR2014-00694 (the “Visa IPR”). Specifically, Petitioner argues that the Meyer reference, asserted here but not in the Visa IPR or in Petitioner’s previous petition in CBM2015-00013, teaches one or more limitations of all four of the challenged claims, under three different grounds. Pet. 35–69. In exercising our discretion, we consider all of the circumstances regarding this proceeding, including the fact that Meyer, and its accompanying arguments, were not previously asserted by MasterCard (or by Visa). In view of the circumstances of this proceeding, we do not exercise our discretion to decline review under § 325(d).

Dec. 12. Thus, we noted that because Petitioner’s arguments had indeed changed, we did not exercise our discretion to decline review. Moreover, we rejected Petitioner’s arguments for institution under 35 U.S.C. § 102 based on Meyer. Dec. 18–20. To the extent Patent Owner’s argument is merely

disagreement with the Board’s findings and conclusions, such is not a sufficient basis on which to request rehearing.

Patent Owner similarly argues the “Board overlooked that the circumstances of this case weigh against granting the -00044 Petition,” specifically citing Petitioner’s alleged “strategic presentment of prior art” and “MasterCard’s motive in reshaping its previous arguments . . . to overcome the PTAB’s denial of Visa’s earlier petition.” Req. Reh’g 5, 6. In the Decision to Institute, however, we specifically acknowledged Patent Owner’s contention:

Patent Owner argues that the Petition should be denied under 35 U.S.C. § 325(d) because the “petition contains a whole section explaining how it will use the claim construction from the prior VISA IPR institution-denial decision [citation omitted] using the identical prior art presented there (plus Meyer).” Prelim. Resp. 15.

Dec. 12. As noted above, we determined that “the prior art and arguments presented by Petitioner are not substantially similar to those presented either in the petition filed by Petitioner in CBM2015-00013, or in the petition filed by a different petitioner, Visa Inc., in IPR2014-00694.” *Id.* In exercising our discretion not to decline review under 35 U.S.C. § 325(d), we considered the totality of the facts and circumstances, including the absence of Meyer and its accompanying arguments from previous petitions by MasterCard or by others. *Id.*

Patent Owner adds a suggestion for an expanded panel to address its Request for Rehearing, arguing that the Decision to Institute is in conflict with the Board’s prior interpretation of its statutory discretion (Reh’g Req. 8 n.1). The discretion to expand a panel rests with the Chief Administrative Patent Judge, who, on behalf of the Director, may act to expand a panel on a

suggestion from a judge, or panel, or party in an AIA proceeding. The Chief Administrative Patent Judge was informed of Patent Owner's request, and declined to expand the panel. Accordingly, we deny Patent Owner's request for rehearing by an expanded panel.

Lastly, Patent Owner asserts "the Board erred as a matter of law to omit a construction of 'credential'" and improperly "found a 'credential' within the Davies 'cheque' disclosure." Req. Reh'g 9–13. We are not persuaded by Patent Owner's assertions. In the Decision to Institute, we provided the general principles governing our claim construction:

Petitioner states that the '302 patent has expired. Pet. 15. The Board's review of the claims of an expired patent is similar to that of a district court's review. *In re Rambus, Inc.*, 694 F.3d 42, 46 (Fed. Cir. 2012). The principle set forth by the court in *Phillips v. AWH Corp.*, 415 F.3d 1303, 1327 (Fed. Cir. 2005) (words of a claim "are generally given their ordinary and customary meaning" as understood by a person of ordinary skill in the art in question at the time of the invention, construing to preserve validity in case of ambiguity) should be applied because the expired claims are not subject to amendment.

Dec. 7–8. In the Decision to Institute, we expressly construed two terms, including one proposed by Patent Owner, and determined that for purposes of the decision to institute, no explicit construction was necessary for other terms, including "credential." We also did not overlook or misapprehend the arguments on whether the Davies reference disclosed the recited credential. Patent Owner incorrectly contends the Decision to Institute cited only to Petitioner's claim chart on this issue. Req. Reh'g 12. The Decision to Institute did not cite only to a claim chart, but instead cited to page 26 of the Petition, which contains both a portion of a claim chart and textual

argument, with citations to Davies, providing support for Petitioner's argument that Davies discloses a credential. Dec. 15.

For the foregoing reasons, Patent Owner has not shown that the Board abused its discretion in instituting a trial.

IV. ORDER

Accordingly, it is hereby ORDERED that Patent Owner's request for rehearing is denied; and

FURTHER ORDERED that Patent Owner's request for an expanded panel is dismissed.

PETITIONER:

Robert Scheinfeld

Robert.scheinfeld@bakerbotts.com

Eliot Williams

Eliot.williams@bakerbotts.com

PATENT OWNER:

Robert Greenspoon

rpg@fg-law.com

John Fitzgerald

patents@rutan.com

CBM2015-00044
Patent 5,793,302