

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

CONTENTGUARD HOLDINGS, INC.,
Patent Owner.

Case IPR2015-00440
Patent 6,963,859 B2

Before PATRICK R. SCANLON, KERRY BEGLEY, and
KEVIN W. CHERRY, *Administrative Patent Judges*.

CHERRY, *Administrative Patent Judge*.

DECISION

Denying Petitioner's Request for Rehearing
37 C.F.R. § 42.71(d)

Apple Inc. ("Petitioner") timely filed a request for rehearing ("Rehearing Request" or "Request") of our decision on institution of *inter partes* review. Paper 12 ("Req. Reh'g"). The Request seeks rehearing of our determination to deny institution of *inter partes* review of claims 1

and 58 of U.S. Patent No. 6,963,859 B2 (Ex. 1001, “the ’859 patent”) on the asserted ground of obviousness over (1) ABYSS¹ (Ex. 1016) and Denning² (Ex. 1017) and (2) ABYSS, Denning, and Hartrick³ (Ex. 1021). *Id.* at 3. For the reasons given below, we deny the Rehearing Request.

LEGAL STANDARDS

When rehearing a decision whether to institute *inter partes* review, we review the decision for an “abuse of discretion.” 37 C.F.R. § 42.71(c). “The burden of showing [the] decision should be modified lies with the party challenging the decision.” 37 C.F.R. § 42.71(d). The request for rehearing “must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in” the petition. *Id.*

ANALYSIS

In our Decision, we denied institution of *inter partes* review of the challenged claims of the ’859 patent, including claims 1 and 58, for three independent reasons: (1) failure to comply with 35 U.S.C. § 312(a)(3), 37 C.F.R. § 42.22(a)(2), and 37 C.F.R. § 42.104(b)(4)–(5); (2) failure to perform the obviousness analysis required under *Graham v. John Deere Co.*, 383 U.S. 1 (1966); and (3) lack of sufficiently articulated reasoning, with rational underpinning and without improper hindsight, to combine ABYSS and Denning to reach the recited invention. Paper 11 (“Dec.”), 5–10

¹ Liam Comerford & Steve R. White, *ABYSS: A Trusted Architecture for Software Protection* (1987).

² DOROTHY ELIZABETH ROBLING DENNING, *CRYPTOGRAPHY AND DATA SECURITY* (1983).

³ European Patent Application Publication No. EP 0 567 800 A1.

(procedural defects), 13–14, (*Graham* analysis), 14–18 (hindsight).⁴

Therefore, to succeed on its Rehearing Request, Petitioner must show that we abused our discretion in reaching each of these determinations. As we explain below, Petitioner has not done so. We address below Petitioner’s arguments regarding the first and third reasons noted above.

A. Procedural Defects: Non-Compliance with 35 U.S.C. § 312(a)(3) and 37 C.F.R. §§ 42.22(a)(2), 42.104(b)(4)–(5)

In its Rehearing Request, Petitioner disputes our determination that the Petition does not comply with 35 U.S.C. § 312(a)(3), 37 C.F.R. § 42.22(a)(2), and 37 C.F.R. § 42.104(b)(4)–(5), arguing that the Petition “clearly identifie[s]” the supporting evidence and that the “Petition’s substance fully complied with the rules.” Req. Reh’g 14. Petitioner asserts that the Board has “accepted numerous petitions that use this form, and issued several decisions that use a similar structure and citation format.” *Id.*

In the Decision, our determination that the Petition fails to comply with 35 U.S.C. § 312(a)(3), 37 C.F.R. § 42.22(a)(2), and 37 C.F.R. § 42.104(b)(4)–(5) rested on our analysis of numerous deficiencies—including lengthy, “vague, nested citations to broad sections” of the record, improper incorporation by reference from the Declaration of Alan Sherman (Ex. 1013, “Sherman Declaration”), and pervasive use of unclear internal cross references. Dec. 5–10. Together, these deficiencies cause the Petition

⁴ Because Hartrick was relied upon only for teaching “usage rights language,” as recited in the claims, and Hartrick did not cure the defects in the analysis of the combination of ABYSS and Denning, we did not analyze that ground separately. Dec. 18. Petitioner does not raise any separate arguments for the ABYSS, Denning, and Hartrick ground, so we do not analyze it separately.

to fall below the standards of particularity and specificity required of supporting evidence. *Id.*

Petitioner's Rehearing Request fails to convince us that the Petition's lengthy, nested string citations to vast sections of the record are comprehensible. *Id.* at 6–8. A sampling of the exemplary citations from the Petition quoted in our Decision include: “*See* Ex. 1016, 39–40, 44–45, 49; §§ IV.A2, E.1; Ex. 1013 at ¶ C6, C34–43, C123–24 (Pet 47–48); *See* § IV.E.1–2; Ex. 1016 at 42, 43, 47, 49, 50; Ex. 1017 at 178–79; Ex. 1013 at ¶ C173, C68–73, C80–85 (Pet 48); *See* § IV.E.2; Ex. 1016 at 44, 49, 50; Ex. 1013 at ¶ C106–09, C123–26, C174” (Pet. 50); *See* § IV.A.4; Ex. 1016 at 40, 42–45; Ex. 1013 at ¶ C48–53, C104–05 (Pet. 51); *See* § IV.A.3–4; Ex. 1016 at 38–40, 42–45, 50; Ex. 1013 at ¶ C6–10, C55–58” (Pet. 51).” Dec. 7. Thus, the mere fact that some citations in this case might be similar to other unidentified citations in other Petitions or in decisions in other proceedings, Req. Reh’g 14, does not persuade us that the pervasive problems in the structure and citations we identified in *this* Petition were not a basis for denying institution. Indeed, Petitioner completely fails to address the problems of incorporation by reference of the Sherman Declaration and other clarity problems we identified.

Our determination in the Decision that the Petition does not comply with 35 U.S.C. § 312(a)(3), 37 C.F.R. § 42.22(a)(2), and 37 C.F.R. § 42.104(b)(4)–(5) did not rest merely on the use of internal cross references. Rather, the Decision discussed the consistent use of internal cross references throughout both the Petition and the supporting Sherman Declaration, to such an extent that it obfuscates the evidentiary support for the Petition's assertions. *See* Dec. 5–10. Moreover, the Decision made clear

that the Petition, without the improper incorporation of vast sections of the Sherman Declaration, lacks otherwise adequate supporting evidence for its assertions. *See id.*

As for Petitioner's complaint that "citing a page number [of ABYSS and Denning] was the finest level of granularity possible," this argument also ignores the problem identified with those particular citations in our Decision. In particular, the precise problem with the citations to ABYSS that we identified was that many of the Petition's citations to ABYSS were to nearly the *entire* article. *See* Dec. 7 ("The analysis of what the Petition identifies as the first of six elements of claim 1 spans a little more than one page of the Petition, but cites to 56 paragraphs of the Sherman Declaration, *11 pages of the 13-page ABYSS reference*, and at least 16 pages of internal sections of the Petition." (emphasis added)). Thus, we did not demand a greater level of granularity than the article permitted, we merely expected that Petitioner identify with particularity what parts of the article it was relying on. And we explained that omnibus citations to almost the entire article do not meet that expectation.

In sum, having considered Petitioner's arguments on rehearing, we remain unpersuaded that the Petition sufficiently specifies where the limitations of claims 1 and 58 of the '859 patent are taught or suggested by ABYSS or Denning, and adequately explains the significance of supporting evidence. The combination of the numerous evidentiary deficiencies in the Petition—vague, nested string citations; pervasive internal cross references; and improper incorporation by reference from the Sherman Declaration—leaves the Petition's supporting evidence far afield from the particularity and

specificity required by 35 U.S.C. § 312(a)(3), 37 C.F.R. § 42.22(a)(2), and 37 C.F.R. § 42.104(b)(4)–(5). *See id.*

B. Lack of Adequate Rationale/Improper Hindsight

We turn to the Decision’s determination that the Petition “does not explain why a person of ordinary skill would make all of these choices and create the particular implementation [of ABYSS and Denning] that Petitioner has put forward.” *Id.* at 16; *see id.* at 14–18.

On rehearing, Petitioner argues that the Petition “explained the modifications of ABYSS proposed in the Petition flow directly from the explicit suggestion in ABYSS that each service provided by the supervisor process can be implemented using either public or symmetric cryptosystems.” Req. Reh’g 2 (quoting Pet. 43); *see* Req. Reh’g 5–9. According to Petitioner, we “overlooked or did not appreciate that the Petition had explained that only a single **modification** of ABYSS was necessary to yield the claimed invention.” Req. Reh’g 5; *see id.* at 2. Petitioner asserts that “the Petition explained that ABYSS did not use ‘digital certificates’ but instead used symmetric cryptosystems within the supervisor process.” *Id.* at 5. Petitioner concludes that our determination that the proposed modifications rely on impermissible hindsight was based on a failure to “appreciate that all of the modifications identified in the Petition were the result of this **single** change.” *Id.* at 7–8; *see id.* at 2.

We disagree. Instead of pointing out what we misapprehended or overlooked, Petitioner treats the Rehearing Request as an opportunity to recast what the Petition characterized as four changes into one, improperly blurring the proposed modifications required to create the system combining ABYSS and Denning proposed in § IV.C of the Petition (“Hypothetical

ABYSS-Denning System”), which the Petition argues satisfies the claim limitations. *See* Dec. 14. We are not persuaded by Petitioner’s attempt on rehearing to classify the modifications necessary to reach the Hypothetical ABBYSS-Denning System as a single change. If anything, Petitioner’s arguments on rehearing further exemplify the lack of clarity in the changes proposed in the Petition, rather than bringing any clarity to the changes. Petitioner’s belated efforts to recast its modifications into the language of ABYSS’s suggestion to use public-key encryption and piece together arguments spread across the Petition into a coherent whole that was not presented before is not the purpose of rehearing.

Accordingly, Petitioner has not shown any abuse of discretion in our determination that the Petition “fails to show sufficiently that a person of ordinary skill in the art—without improper hindsight—would have combined ABYSS and Denning to reach claims 1 and 58 of the ’859 patent. *Id.* at 18; *see id.* at 14–18.

CONCLUSION

We have reviewed Petitioner’s other arguments and find them to be without merit. For the reasons given, Petitioner has not shown that our Decision denying institution of *inter partes* review of claims 1 and 58 of the ’859 patent constituted an abuse of discretion.

ORDER

Accordingly, it is:

ORDERED that Petitioner’s Motion for Rehearing (Paper 12) is *denied*.

IPR2015-00440
Patent 6,963,859 B2

PETITIONER:

Jeffrey P. Kushan
Michael R. Franzinger
SIDLEY AUSTIN LLP
jkushan@sidley.com
mfranzinger@sidley.com
iprnotices@sidley.com

PATENT OWNER:

Nicholas T. Peters
Timothy P. Maloney
FITCH, EVEN, TABIN & FLANNERY LLP
ntpete@fitcheven.com
tpmalo@fitcheven.com

Robert A. Cote
McKool SMITH, P.C.
rcote@mckoolsmith.com