

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CHUMS, INC. and CROAKIES, INC.

Petitioners,

v.

CABLZ, INC.,

Patent Owner

Case IPR2015-00602

Patent No. 8,366,268

PATENT OWNER'S PRELIMINARY RESPONSE TO PETITION
UNDER 35 U.S.C. § 313 AND 37 C.F.R. §42.107

TABLE OF CONTENTS

TABLE OF EXHIBITS	iii
INTRODUCTION	2
BACKGROUND	3
RELATED PROCEEDINGS	4
DESCRIPTION OF PRIOR ART ON WHICH PETITIONERS RELY	5
SUMMARY OF ARGUMENT	6
REASONS WHY NO <i>INTER PARTES</i> REVIEW SHOULD BE INSTITUTED UNDER 35 U.S.C. § 314	7
THE BOARD SHOULD REJECT THE SECOND PETITION BECAUSE THE SAME OR SUBSTANTIALLY THE SAME PRIOR ART AND ARGUMENTS WERE PREVIOUSLY PRESENTED TO THE OFFICE	7
I. The Second Petition Is Based on the Same Prior Art as the First Petition	11
II. This Second Petition Presents Substantially the Same Arguments as the First Petition.	12
III. The New Ground That Petitioners Now Advance Was Known and Available to Them when They Filed Their First Petition.	18
CONCLUSION	23
CERTIFICATE OF SERVICE	25

TABLE OF EXHIBITS

Ex. 2001	Excerpts from Steven C. Visser's Expert Report dated May 30, 2014
Ex. 2002	Subpoena to Testify at a Deposition in a Civil Action to Croakies in Civil Action No. 2:14-cv-00091
Ex. 2003	Subpoena to Testify at a Deposition in a Civil Action to John Krisik in Civil Action No. 2:14-cv-00091
Ex. 2004	May 20, 2014 correspondence from Joe Bird to Andrew Maslow
Ex. 2005	May 21, 2014 email exchange between Andrew Maslow and Joe Bird
Ex. 2006	June 11, 2014 email exchange between Andrew Maslow, Joe Bird, and Pat Clotfelter

INTRODUCTION

Patent Owner Cablz, Inc. (“Cablz”) respectfully submits this Preliminary Response to the Second Petition for *Inter Partes* Review (“Second Pet.”) of all claims of U.S. Patent No. 8,366,268 (the “‘268 Patent”) filed by Petitioners Chums, Inc. (“Chums”) and Croakies, Inc. (“Croakies”) (collectively referred to as “Petitioners”). Notably, this Petition is Petitioners’ second bite at the apple; they filed a previous petition for *inter partes* review of all claims of the ‘268 Patent on August 1, 2014, based on the same references upon which they now rely, and substantially the same arguments. *See* IPR2014-01240, Paper No. 1 (“First Pet.”). Before the Board issued an institution decision in that proceeding – but after Cablz filed its Preliminary Response – Petitioners filed the Second Petition. Petitioners were remarkably candid in stating *expressly* that their Second Petition rebuts the reasoning put forth by Patent Owner in its November 17, 2014 Preliminary Response. The heading for section VIII of the Second Petition states: “Rebuttal of Patent Owner’s Obviousness Arguments Asserted in the Preliminary Response in IPR 2014-01240.” (Second Pet. at 50). Other than rebuttal of Patent Owner’s Preliminary Response to the First Petition, the Second Petition presents only the same prior art and substantially the same arguments that Petitioners have

previously presented, and thus this Second Petition is due to be denied in its entirety under 35 U.S.C. § 325(d).

BACKGROUND

As explained in the background of the '268 Patent, eyewear users have long attached “strings, cloth-based retainers, lightweight chains, and small ropes to eyeglasses” so they can be conveniently hung from the neck when not in use. Ex. 1001 ('268 Patent), 1:12–16. The '268 Patent cites as an example of these devices a “Croakies” retainer, a popular neoprene retainer with tubular end portions that slip over the ends of the eyeglass temples. *Id.* The problem with these and similar retainers is that the retention strap lays directly on wearer's neck or shirt collar, where it can become ensnared. *Id.* at 1:48–55. Further, when the eyeglasses are worn around the neck, the materials these old retainers were made of can become soiled or discolored by sweat, suntan lotion, and the like. *Id.* at 1:56–67.

The '268 Patent disclosed and claimed a new eyewear retention device made of resilient cable or member connected on either end to temple retainers that could be easily slid over the ends of the temples of pair of glasses. Ex. 1001 at 2:48–66. When the glasses were worn by the user, instead of the strap laying on the collar or neck, the combination of the resilient cable or member connected to the temple retainer allowed the cable or member to extend rearward from the head in the

elevated arc position shown in Figure 4 below, above the wearer's rear neck and lower head area and not contacting the collar. *Id.* at 4:1–8 & Fig. 4.

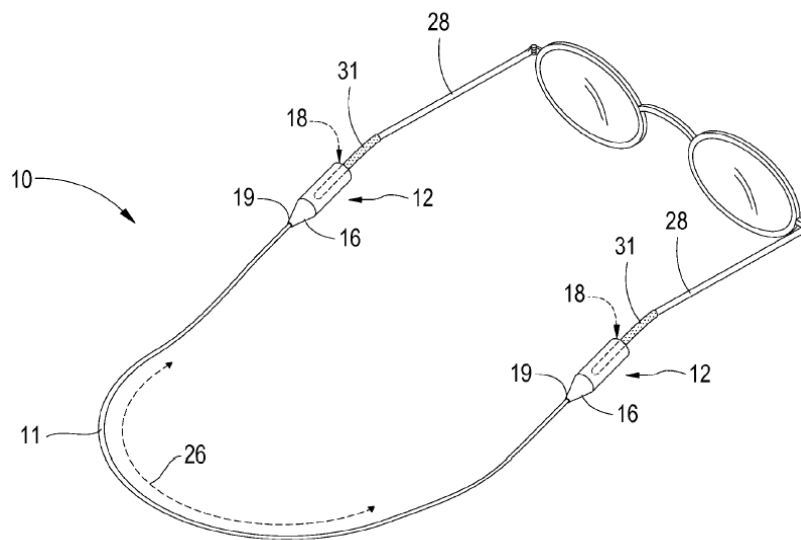


FIG. 4

RELATED PROCEEDINGS

Cablz sued Chums for infringement of the '268 Patent in a lawsuit filed on January 15, 2014, in the U.S. District Court for the Northern District of Alabama, and styled as *Cablz, Inc. v. Chums, Inc.*, 2:14-CV-00091 (N.D. Ala.) (the "Chums litigation"). Cablz also sued Croakies for infringement of the '268 Patent in a lawsuit filed on January 21, 2014, in the U.S. District Court for the Northern District of Alabama, and styled as *Cablz, Inc. v. Croakies, Inc.*, 2:14-CV-00126 (N.D. Ala.) (the "Croakies litigation") (the Chums litigation and Croakies litigation referred to collectively as the "District Court litigation"). The parties have conducted significant discovery in the Chums litigation, but have yet to do so in

the Croakies litigation, although Croakies responded to discovery on its contentions about invalidity of the '268 Patent. *See infra*. At 9–10 & n.1

Chums and Croakies joined in and filed a First Petition for *inter partes* review of all claims of the '268 Patent on August 1, 2014, asking the Board to initiate review on six grounds (Grounds 1 and 2 of the First Petition are identical to Grounds 2 and 3 in the Second Petition). *Compare* First Pet. at 6–7 to Second Pet. at 4–5. The Board authorized review on four of those grounds, including the two that are identical to Grounds 2 and 3 of the Second Petition. *See* IPR2014-01240, Paper No. 10 at 18. Following the Institution Decision, the district court stayed the Chums litigation and the Croakies litigation pending a final decision in the First Petition. *See* Chums litigation, Doc. 49; Croakies litigation, Doc. 43. IPR2014-01240 is proceeding in the ordinary course, and oral argument is scheduled for September 2, 2015. *See* IPR2014-01240, Paper No. 11.

DESCRIPTION OF PRIOR ART ON WHICH PETITIONERS RELY

Petitioners rely on three references for their proposed rejections: Bill Monroe, “Outdoor folks don’t use trendy glasses-holders,” *The Oregonian*, July 4, 1991 (“Monroe,” Ex. 1002); U.S. Pat. No. 6,941,619 to Mackay et al. (“MacKay,” Ex. 1003); and U.S. Pat. Pub. No. 2007/0046889 to Miller (“Miller,” Ex. 1004). Petitioners argued each of these three references exhaustively in their First Petition.

SUMMARY OF ARGUMENT

In this Second Petition, the same Petitioners rely on the same prior art and repeat substantially the same arguments that they presented in their First Petition regarding the same claims of the same patent. Furthermore, the references and arguments presented were well known to Petitioners and readily available to them at the time they filed their First Petition. Thus, this Second Petition is nothing more than a redundant, serial petition filed for the purpose of attempting to correct flaws in their previous petition. It follows that the Second Petition is due to be denied in its entirety under 35 U.S.C. § 325(d).

Any other result would encourage other petitioners to file petitions in piecemeal fashion. Such a practice would result in an inefficient use of the Board's resources and would substantially prejudice patent owners, who will have no way to stop the flow of repetitive petitions. Further, petitioners would have no incentive to present their "best case" in the first petition. Such an outcome would be contrary to the purposes of § 325(d), which Congress enacted to prevent this type of gamesmanship, and contrary to the statutes governing post-grant review generally, which "shall be construed to secure the just, speedy, and inexpensive resolution of every proceeding." 37 C.F.R. § 42.1. For these reasons and the additional reasons set forth below, this Second Petition should be denied because

“the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. § 325(d).

**REASONS WHY NO *INTER PARTES* REVIEW SHOULD BE
INSTITUTED UNDER 35 U.S.C. § 314**

**THE BOARD SHOULD REJECT THE SECOND PETITION BECAUSE
THE SAME OR SUBSTANTIALLY THE SAME PRIOR ART AND
ARGUMENTS WERE PREVIOUSLY PRESENTED TO THE OFFICE.**

Petitioners are not entitled to unlimited challenges against a patent: “In determining whether to institute or order a proceeding under . . . chapter 31, the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. § 325(d). The Board has linked this allotted discretion with the guidance set forth in the post-grant review statutes’ implementing regulations – namely, that such statutes “shall be construed to secure the just, speedy, and inexpensive resolution of every proceeding.” 37 C.F.R. § 42.1. *See Zimmer Holdings, Inc. v. Bonutti Skeletal Innovations, LLC*, IPR2014-01080, Paper No. 17 at 5.

The Second Petition thwarts that objective. In it, the same Petitioners rely on the same prior art and repeat identical or substantially the same arguments that they presented in an earlier petition regarding the same claims of the same patent. *See Biodelivery Sciences Int’l, Inc. v. RB Pharmas. Ltd.*, IPR2014-00998, Paper No. 12 at 6 (denying petition as redundant under Section 325(d) when it

substantially repeated the “*same arguments*” and relied substantially on the “*same prior art*” that the “*same Petitioner*” relied upon in its earlier petition regarding the “*same claims*” of the “*same patent*”) (emphasis in original). Unlike this Second Petition, in *Biodelivery Sciences*, however, the second petition included a reference (the “883 application”) which had not been included in the first petition. The Board found the “new” reference was substantially similar to the ones previously offered, and denied the second petition because “petitioner does not provide any persuasive reasoning as to why we should institute another inter partes review of the same challenged claims over ‘the same or substantially the same prior art or arguments’ that were presented in the ‘325 IPR.” *Id.* at 8. The current Petition presents an even stronger case for denial than that in *Biodelivery Sciences*.

Grounds 2 and 3 herein are *identical* to Grounds 1 and 2 asserted in the First Petition. *Compare* Second Pet. at 4–5 to First Pet. at 6–7. Each of these Grounds uses the Monroe reference (Ex. 1002 in both the First and Second Petitions). Tellingly, Petitioners herein have offered absolutely no justification for why these same arguments should be recycled in their Second Petition. All these grounds in both Petitions rely on the Monroe reference’s description of the practice of a Mark Sosin, a fisherman who hand-tied stiff fishing line to his own eyeglass temples by means of wrapping dental floss around the line and the glasses temple. *See* Ex. 1002.

Ground 1 herein relies on the same reference, Monroe, which is the primary reference in a § 103 combination in all six alleged grounds of unpatentability in the First Petition. Here, Petitioners attempt to put a slightly different spin on Monroe to base a § 102 argument solely on it. Ground 1 herein under § 102, however, is *identical* to an asserted ground of unpatentability Petitioner Chums made on May 30, 2014, in the Chums litigation. At that time, Chums served on Patent Owner the expert report of Steven C. Visser, the same expert Petitioners have used in both the First and Second Petitions. In the May 30, 2014 Expert Report of Visser, Mr. Visser expressed the opinion that the Sosin fishing line arrangement anticipated the '268 Patent under § 102(a), (b), and (g)(2). *See* Ex. 2001 at 2–4 (Excerpts of May 30, 2014 Expert Report of Visser, ¶¶ 51–54). Croakies adopted this same expert report in the Croakies litigation.¹ Thus, two months before filing the First Petition

¹ On June, 5, 2014, Petitioner Croakies and John Krisik, its President, gave testimony in the Chums litigation pursuant to two subpoenas served by Cablz on them seeking Croakies's and Krisik's contentions about the alleged invalidity of the '268 Patent. *See* Ex. 2002 (Subpoena to Croakies); Ex. 2003 (Subpoena to John Krisik). Through correspondence from Patent Owner's Counsel (*see* Ex. 2004 (May 20, 2014 Letter from Joseph S. Bird)), and an email reply from Croakies's counsel (*see* Ex. 2005 (May 21, 2014 Email from Andrew Maslow)), Croakies agreed to provide its invalidity arguments to which it agreed to be bound

on August 1, 2014, Petitioners had asserted the same argument that the Sosin hand-tied device was a bar to the '268 Patent *under § 102*. Petitioners, by and through the same expert they have employed in both Petitions, had actually asserted the same § 102 argument in the District Court litigation, but chose not to include this argument in the First Petition. Petitioners have not alleged – nor can they – that they could not have asserted the § 102 argument about Monroe in the First Petition because, as shown here, they had made this very claim two months before the First Petition in the District Court litigation.

by in the Croakies litigation “so that there will not be a need for a second deposition of John Krisik in the Croakies action.” *Id.* Under this arrangement with Patent Owner, at the June 5, 2014 deposition, Croakies, through its counsel, Andrew Maslow, specifically adopted the invalidity arguments in the May 30, 2014 Expert Report of Visser. *See* Ex. 1021 at 2–4 (J. Krisik Dep. June 5, 2014, at 6–8). After this deposition, Maslow again adopted the May 30, 2014 Expert Report of Visser in a June 11, 2014 email. *See* Ex. 2006. Although the materials of Mr. Sosin in the May 30, 2014 Expert Report of Visser were screenshots of a Sosin video and a portion of Sosin's website, the device disclosed is the same Sosin device disclosed in the Monroe reference.

Consequently, this Second Petition falls squarely within the category of petitions that Section 325(d) was enacted to preclude. Permitting Petitioners to proceed – and allowing such redundancy and serial filing regarding the same references and arguments they were aware of at the time of the First Petition – would run afoul of the preeminent goal of just, speedy, and inexpensive resolution of post-grant review proceedings. The Second Petition is therefore due to be denied, as more fully explained below.

I. The Second Petition Is Based on the Same Prior Art as the First Petition.

Petitioners' First Petition concerning the '268 Patent relied upon five prior art references: **Monroe** (Bill Monroe, *Outdoor folks don't use trendy glasses-holders*, The Oregonian, July 4, 1991, at E4); **Mackay** et al. (U.S. Patent No. 6,941,619); **Miller** et al. (U.S. Patent Application Publication No. 2007/0046889); Chisolm (U.S. Patent No. 6,764,177); and McClellan (U.S. Patent No. 5,181,052). *See Chums, Inc., et al. v. Cablz, Inc.*, IPR2014-01240, Paper No. 1 (First Pet.) at 5–6. This Second Petition relies on a subset (three) of those references: **Monroe**, **Mackay**, and **Miller**. *See* Paper No. 1 (Second Pet.) at 3–5. Thus, the Second Petition is indisputably based on the **same prior art** as the first petition. *See Medtronic, Inc. v. Nuvasive, Inc.*, IPR2014-00487, Paper No. 8 at 6–7 (designated as informative) (denying petition under Section 325(d) when it was based on “the same prior art previously presented” and “nearly identical” “proposed challenges

to the claims” and a separate *inter partes* review had been initiated that involved “all of the same claims challenged”).

II. This Second Petition Presents Substantially the Same Arguments as the First Petition.²

Of the three grounds that Petitioners now advance, Grounds 2 and 3 present the *same combinations of references* as those set forth in the first petition. Ground 1, for its part, essentially takes an argument advanced by Petitioners in their First Petition under 35 U.S.C. § 103(a) and advances it under 35 U.S.C. § 102(b) instead. Thus, the arguments are substantially the same. *See, e.g., Unilever, Inc. v. Proctor & Gamble Co.*, IPR 2014-00628, Paper No. 21 at 6–10 (arguments “substantially the same” under Section 325(d), even though based on different prior art references, when arguments were in principal the same).³

² Notably, Section 325(d) permits the Board to “take into account whether, and reject the petition or request because, the same or substantially the same prior art **or** arguments previously were presented to the Office.” 35 U.S.C. § 325(d) (emphasis added). Thus, the statute provides for consideration of “prior art” and “arguments” separately, and each provides an independent basis to decline review. Here, both bases apply, and Cablz advances each of them.

³ In this Preliminary Response, Cablz discusses two prior Board decisions that warrant a preliminary explanation, *Unilever, Inc. v. Proctor & Gamble Co.*, IPR

Ground 2 of this Second Petition is identical to Ground 1 of the First Petition. Specifically, Petitioners assert in Ground 2 that Claims 1, 3-9, and 11-17 of the '268 Patent are unpatentable under 35 U.S.C. § 103(a) over Monroe in view of Mackay. *See* Second Pet. at 37–44. This is the *exact same basis* set forth in Ground 1 of the First Petition. *Cf.* Second Pet. at 37–44 *with* First Pet. at 35–41. The arguments and claim charts⁴ set forth under these identical grounds are

2014-00506, and *Unilever, Inc. v. Proctor & Gamble Co.*, IPR 2014-00628. These decisions concerned the same parties, but challenges to different patents. In IPR 2014-00506, Petitioner Unilever challenged certain claims of U.S. Patent No. 6,974,569 in a second petition relating to that patent; Unilever had previously filed a first petition challenging all claims of that patent, and the Board had instituted review for some, but not all, of the challenged claims. *See* IPR2013-00505. Similarly, in IPR 2014-00628, Petitioner Unilever challenged all claims of U.S. Patent No. 6,649,155 in a second petition relating to that patent; Unilever had previously filed a first petition challenging all claims of that patent, but the Board had rejected that first petition. *See* IPR 2013-00510. Thus, both *Unilever* decisions discussed herein concern a petitioner's efforts to file a second petition directed to the same patent.

⁴ Indeed, the only differences between the claim charts set out for this combination of references in the respective petitions are that the claim chart set forth in the

likewise substantially the same. *See, e.g.*, First Pet. at 35 (noting that “one of ordinary skill in the art also would have noticed that the monofilament of Monroe is attached to the eyeglasses temple at the same position illustrated in FIG. 2B of Mackay”); Second Pet. at 39 (same); First Pet. at 36 (“One skilled in the art would have immediately recognized that a simple substitution of the eyewear retainers of Mackay for the attachment method employed in Monroe would have had various advantages. For example, Mackay’s temple retainers would allow the modified device to ‘selectively couple to different portions of an eyeglass,’ including the portion shown in FIG. 2B as well as the end of the ear guards”); Second Pet. at 39 (same); First Pet. at 36 (noting that “Visser provides further evidence that one of ordinary skill in the art would have found it obvious to combine the teachings of Monroe with those of Mackay”); Second Pet. at 39 (same). Petitioners have advanced substantially the same argument based on the same prior art.

Second Petition places “connected by” in Claims 1 and 9 in its own row and provides citations to Monroe and Mackay purporting to relate to that claim language. *See* Second Pet. at 40. Petitioners have also deleted a citation to Visser that was present in the chart in the first petition under Claim 8. *See Unilever, Inc. v. Proctor & Gamble Co.*, IPR2014-00506, Paper No. 17 at 7 (denying petition under Section 325(d) in part because “the claim charts essentially are identical in both petitions”).

Ground 3 of the Second Petition is identical to Ground 2 of the First Petition. Specifically, Petitioners assert in Ground 3 that Claims 1-17 of the '268 Patent are unpatentable under 35 U.S.C. § 103(a) over Monroe in view of Mackay and Miller. *See* Second Pet. at 44–50. This is the *exact same basis* set forth in Ground 2 of the Second Petition. *Cf.* Second Pet. at 44–50 *with* First Pet. at 41–46. The arguments and claim charts⁵ set forth under these identical grounds are likewise substantially the same. *See, e.g.,* First Pet. at 41 (“Miller establishes that it was known in the art of eyewear retaining devices to substitute an elongated piece of resilient plastic with a flexible metallic cable having a smooth casing. Such a direct substitution of known parts would have been obvious to one of ordinary skill in the art.”); Second Pet. at 44 (same, except that “known parts” is replaced with “known interchangeable parts”); First Pet. at 41 (“Visser provides further evidence that one of ordinary skill in the art would have found it obvious to combine the teachings of Monroe and Mackay with those of Miller.”); Second Pet. at 45 (same). Once again, Petitioners have advanced substantially the same argument based on the same prior art.

⁵ The claim charts are the same, except that by incorporating by reference excerpts from the claim chart for the combined teachings of Monroe in view of Mackay, the differences noted above for that claim chart are incorporated.

In fact, the only ground to initiate review advanced by Petitioners in the Second Petition that is not identical to a ground presented in the First Petition is Ground 1, where Petitioners allege that Claims 1, 3, 8, 9, 11, 16, and 17 of the '268 Patent are anticipated by Monroe under 35 U.S.C. § 102(b). *See* Second Pet. at 34–37. But this argument is also substantially similar to arguments raised in the First Petition in which Petitioners devoted substantial content to discussing Monroe and concluded that “a temple retaining device having a resilient plastic material that ‘extends rearward from the head of the wearer and is suspended off the neck of the wearer,’ as recited in claims 1 and 9, was unquestionably known in the art of eyewear retention devices long before the alleged invention of the ‘268 patent.” First Pet. at 22. Moreover, each of the six grounds raised in Petitioners’ First Petition included Monroe in combination with other references. *See id.* at 34–58. That Petitioners now argue that Monroe anticipates certain claims of the ‘268 Patent on its own is substantially the same argument and certainly is one that could have been raised in the First Petition. *See Unilever, Inc. v. Proctor & Gamble Co.*, IPR 2014-00506, Paper No. 17 at 7 (designated as informative) (declining to institute review when petitioner advanced “substantially the same” arguments in a second petition).

To the extent that Petitioners attempt to rely on subtle differences in the arguments set forth in the Second Petition (as compared with those set forth in the

First Petition), they are much like the petitioners in *Zimmer*, who filed a subsequent petition in an attempt to “provide[] further reasoning in support of the same combination of prior art.” IPR2014-01080, Paper No. 17 at 5. There, like here, “the ‘same prior art’ was ‘previously presented’ to the Board, with respect to the same claim.” *Id.* (quoting 35 U.S.C. § 325(d)). The Board exercised its discretion under Section 325(d) and denied the second petition:

Petitioner is requesting, essentially, a second chance to address claim 43. In this proceeding, however, we are not apprised of a reason that merits a second chance. Petitioner simply presents an argument now that it could have made in [the previous proceeding], had it merely chosen to do so. Petitioner discusses the public policy consideration of invalidating what Petitioner believes to be an “invalid patent,” but does not address the key issue here, **namely, whether a second petition to bolster an inadequate argument from a first petition is warranted.**

In addition, we are not persuaded that a second chance, under the facts of this case, would help “secure the just, speedy, and inexpensive resolution of every proceeding.” 37 C.F.R. § 42.1(b). Permitting second chances in cases like this one ties up the Board’s

limited resources; we must be mindful not only of this proceeding,
but of “every proceeding.” *Id.*

IPR2014-01080, Paper No. 17 at 5–6 (emphasis added) (citation omitted).

The same considerations are at issue here, and the Board's analysis in *Zimmer* is squarely on point. Petitioners are seeking a second chance to bolster inadequate arguments that they have raised previously. It follows that their Petition is due to be denied.

III. The New Ground That Petitioners Now Advance Was Known and Available to Them when They Filed Their First Petition.

Petitioners have offered no reason why they could not have presented the new ground that they now assert – namely, that Claims 1, 3, 8, 9, 11, 16, and 17 of the '268 Patent are anticipated by Monroe under 35 U.S.C. § 102(b) – in their First Petition. Petitioner Chums was fully aware of this argument as early as May 2014 – at least two months *before* the filing date of the First Petition – because their expert, Visser, produced a report in the Chums litigation raising Monroe as a prior art reference under 35 U.S.C. § 102. *See supra* at 9–10 & n.1. Nevertheless, Petitioners omitted this ground from their First Petition, despite the fact that it was well known to them, and that they had already asserted it in the District Court litigation two months before the filing of the First Petition.

Such an unexplained omission places Petitioners on similar footing with the petitioner in *Unilever*, IPR2014-00506, and *Unilever*, IPR2014-00628. In

IPR2014-00506, the Board denied a second petition in large part because the petitioner had “present[ed] no argument or evidence that the seven newly cited references were not known or available to it at the time of filing of the [previous] [p]etition.” *Id.*, Paper No. 17 at 6; *see also id.* at 8 (noting that second petition attempted “to bolster challenges that were advanced, unsuccessfully,” in first petition, and that petitioner conceded that second petition was intended to “obviate[] purported deficiencies” illuminated in previous Board decision).⁶ In a subsequent proceeding involving the same parties, but a different patent, the Board reached a similar conclusion:

Additional factors support our decision declining to institute review. Unilever does not argue that the other references applied in the instant Petition . . . were unknown or unavailable at the time of filing the [previous] Petition. That fact supports a reasonable inference that **those references were known and available to Unilever when it requested review the first time.** On this record, the interests of fairness, economy, and efficiency support declining review – a result that discourages the filing of a first petition that

⁶ Here, Petitioners openly acknowledge that they have filed the Second Petition to rebut arguments of Cablz presented in other pending proceedings. *See* Pet. at 50–59.

holds back prior art for use in successive attacks, should the first petition be denied.

. . . .

On this record, we are persuaded that our resources are better spent addressing matters other than Unilever's second attempt to raise a plurality of duplicative grounds against the same patent claims. *See Heckler v. Chaney*, 470 U.S. 821, 831 (1985) (when deciding whether to take action in a particular matter, an agency must determine whether its resources are best spent on one matter or another). Unilever provides no persuasive reason why we should institute *inter partes* review in light of the above facts. Based on the circumstances before us, therefore, we exercise our discretion and decline to institute review. 35 U.S.C. §§ 314(a), 325(d).

IPR2014-00628, Paper No. 21 at 11–12 (emphasis added) (citations omitted); *see also id.* at 5–6 (“Unilever does not address § 325(d) or compare the prior art or arguments applied in the instant Petition to those raised previously in the [previous] Petition.”).

Notably, the Board has since reviewed and confirmed its holding in this latter proceeding, IPR2014-00628 (in a decision denying the petitioner's request

for rehearing), and, in so doing, confirmed that whether any new prior art or arguments raised in a second petition were known or available to the petitioner at the time of filing of a first petition is an important consideration in this analysis:

The Board Did Not Improperly Apply Estoppel Considerations

Unilever contends that the Board improperly applied estoppel considerations as part of the analysis supporting the decision to decline review. Specifically, Unilever argues that the Board should not have considered whether any new prior art or arguments raised in the second petition were known or available to Unilever at the time of filing the first petition. Unilever does not articulate a rational basis for precluding the Board from considering that factor within the statutory framework. On this record, we are not persuaded that consideration of that factor amounted to an abuse of discretion. In particular, **Unilever does not show that we erred in selecting the result that removes an incentive for petitioners to hold back prior art for successive attacks, and protects patent owners from multifarious attacks on the same patent claims.**

Unilever advances a bright-line approach that would allow petitioners to file “follow-on” second petitions in order to “correct deficiencies noted” by the Board in decisions that deny a first petition.

That bright-line approach would allow petitioners to unveil strategically their best prior art and arguments in serial petitions, using our decisions on institution as a roadmap, until a ground is advanced that results in review – a practice that would tax Board resources, and force patent owners to defend multiple attacks.

We did not err by adopting a more flexible approach that assesses each case on its particular facts to achieve a result that promotes the efficient and economical use of Board and party resources, and reduces the opportunity for abuse of the administrative process.

See id., Paper No. 23 at 5 (emphasis added) (citations omitted).

Here, akin to the petitions in the *Unilever* decisions, the prior art and arguments upon which Petitioners rely were known and readily available to them at the time when they filed their First Petition. And, like the petitioners in the *Unilever* decisions, Petitioners have offered no explanation as to why they should be allowed to initiate an *inter partes* review on those proceedings now. On this record, the interests of fairness, economy, and efficiency support declining review – a result that discourages the filing of successive petitions and protects patent owners from multifarious attacks on the same patent claims.

CONCLUSION

Cablz respectfully requests the Board to deny Petitioners' Petition under 35 U.S.C. § 325(d), because it presents the same or substantially the same prior art or arguments that were previously presented to the Office.

Patent No. 8,366,268
Patent Owner's Preliminary Response

Respectfully submitted,

Date: May 12, 2015

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§ 42.6(e), the undersigned certifies that on May 12, 2015, a complete and entire copy of this Preliminary Response was served upon Petitioners' counsel of record by electronic mail, as agreed to by the parties, and specifically to the following email correspondence addresses of record:

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