

Paper No. _____

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

COX COMMUNICATIONS, INC.
Petitioner

v.

AT&T INTELLECTUAL PROPERTY I, L.P.
Patent Owner

Case IPR2015-01227
Patent 7,907,714

Title: PROFILE MANAGEMENT SYSTEM INCLUDING USER INTERFACE
FOR ACCESSING AND MAINTAINING PROFILE DATA OF USER
SUBSCRIBED TELEPHONY SERVICES

PATENT OWNER'S REQUEST FOR REHEARING

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I. Introduction

Patent Owner AT&T Intellectual Property I, L.P. (“AT&T IP” or “Patent Owner”) submits this Request for Rehearing following the Board’s Institution Decision of November 19, 2015 (Paper No. 13, “Institution Decision”).

II. The Board Misapprehended or Overlooked Multiple Aspects of the Real Party-in-Interest Analysis.

Throughout the Institution Decision, the Board repeatedly found unpersuasive Patent Owner’s arguments with respect to Petitioner’s failure to identify *all* real parties-in-interest, stating, *inter alia*, “[w]e are not persuaded by AT&T’s argument” or “AT&T has not provided sufficient evidence.” Institution Decision at 10-12. However, in doing so, the Board appears to have misapprehended or overlooked the correct burden to be applied to the real party-in-interest analysis, and other aspects of the real party-in-interest inquiry as well.

A. The Burden is on Petitioner, not Patent Owner.

As Patent Owner stated, “[t]he burden is with Petitioner CCI to comply with the statutory requirement to name all real parties-in-interest.” Preliminary Response at 26; see also *Zerto, Inc. v. EMC Corp.*, Case IPR2014-01254 (PTAB Feb. 12, 2015) (Paper 32). Although there is a rebuttable presumption in favor of the petitioner, where a patent owner “brings into question the accuracy of a petitioner’s identification of the real parties-in-interest, the *petitioner alone bears the burden*” of establishing compliance. *Atlanta Gas Light Co. v. Bennett*

Regulator Guards, Inc., Case IPR2013-00453, slip op. at 8 (PTAB Jan. 6, 2015)

(Paper 88) (emphasis added). The Board's failure to cite or otherwise explicitly acknowledge the relevant standards and burdens for determining compliance with the real party-in-interest requirement is troublesome. It appears that the Board misapprehended or overlooked the very existence of this burden of Petitioner's, and indeed, its dispositive effect here in this proceeding. By misapplying the burden, the Board appears to have established Petitioner's compliance with the real party-in-interest identification on behalf of Petitioner.

The Board's misapplication of the relevant burdens taints its analysis of the real party-in-interest inquiry. As one example, the Board overlooked that its acknowledgment that CCI's "troubling" practice of taking "inconsistent positions as to who it identifies as a real party-in-interest" directly "brings into question the accuracy of [the] petitioner's identification of the real parties-in-interest." *See* Institution Decision at 11-12; *Atlanta Gas* at 8. There are absolutely no facts proffered by Petitioner on this point. As a result, the Board squarely and erroneously placed the burden on Patent Owner to establish non-compliance, instead of imposing the burden on Petitioner to establish compliance with the statutory requirement. This incorrect allocation of the burden is clear error.

B. Sworn Statements and Public Documents are not Speculation or Conjecture.

The Board also misapprehended or overlooked Patent Owner's evidence regarding the "significant overlap in the corporate leadership of Cox and CoxCom, LLC." *See* Institution Decision at 12. The Board erroneously characterized this overlap as "based on speculation." *Id.* No such speculation or conjecture exists, and the Board's finding to the contrary is plainly erroneous. To be clear, the facts establishing leadership overlap are based on Petitioner employee *sworn statements under penalty of perjury* or *public knowledge*, and they are *unrebutted* by Petitioner. As stated in the Preliminary Response "Ms. Allen-Wang serves as Intellectual Property counsel for CCI [and] CoxCom, LLC" "*as confirmed by sworn statements.*" Preliminary Response at 23, *citing* Ex. 2022 at 1 (emphasis added). The leadership overlap of Messers. Esser and Bowser depicted in Exhibit 2023 was "sourced from *public Dun & Bradstreet reports.*" Preliminary Response at 23, *citing* Ex. 2023 and Ex. 2021 at 24, 47, 64 (emphasis added).

Sworn statements and citations to the public record are not, and cannot be rationalized as, mere speculation or conjecture. The Board's treatment as such is erroneous. With respect, the Board's characterization of the record evidence as speculative or conjectural can only be explained as a misapprehension of the actual record evidence. Patent Owner did not "readily admit[]" any speculation: the referenced footnote does not mention any speculation; rather, it merely noted that

the facts are sourced from what little information could be gleaned from publicly available sources, and laid the groundwork for additional discovery and further briefing. As the Board has frequently noted, “a petitioner is far more likely to be in possession of, or have access to, evidence relevant to the issue than is a patent owner.” *Atlanta Gas* at 8. But Petitioner has not offered *any evidence* to rebut these adduced facts. The Board also faulted Patent Owner for “not assert[ing] that this overlap in corporate leadership is uncommon in large corporations.” With respect, no such requirement exists. Indeed, whether overlap is common or uncommon is quite beside the point. The *only issue* is whether Petitioner properly named all real parties-in-interest in compliance with the statutory requirement of § 312(a)(2). Petitioner has not done so, nor has it provided any evidence or argument to explain away the evidence provided by Patent Owner. For avoidance of doubt, it is Petitioner’s burden to establish compliance, *and Petitioner has not carried that burden*. Rather, the Board erroneously shifted this burden to Patent Owner.

C. A Child Corporation Is, and Has Been Found To Be, a Real Party-in-Interest under § 312(a)(2).

Additionally, the Board misapprehended or overlooked the proper real party-in-interest inquiry when it assumed that a parent-child relationship automatically forecloses the possibility that the child corporation is an unnamed real party-in-interest. Instead, the inquiry is “highly fact-dependent” and assessed “on a case-

by-case basis.” Institution Decision at 8, 11 (citing *Taylor v. Sturgell*, 553 U.S. 880, 893-95 (2008)). Indeed, the Board just last week held that, where one employee of both a parent and child company negotiated patent transactions on behalf of both companies, the child company was an unnamed real party-in-interest. *Zhejiang Yankon Group, LTD., v. Cordelia Lighting, Inc.*, Case IPR2015-01420, slip op. at 14-16 (PTAB Nov. 25, 2015 (Paper 9)). Here, as argued in the Preliminary Response, Ms. Allen-Wang signed powers of attorney for both CCI and CoxCom, LLC in different IPR proceedings and is employed as Intellectual Property counsel for both entities. Preliminary Response at 20-21, 23; Ex. 2016, p. 5; IPR2015-01227, Paper 1; Ex. 2022, p. 1. The Board in *Zhejiang* also found that the sharing of counsel between the parent and child established that the child should have been named as real party-in-interest; here, as Patent Owner established, CCI and CoxCom, LLC share counsel in the district court. *See Zhejiang Yankon Group* at 16-17; Preliminary Response at 19; Ex. 2007 at 4-5. Among the other facts presented and misapprehended or overlooked by the Board, these facts establish that CoxCom, LLC is an unnamed real party-in-interest.

The only record evidence or argument on the real party-in-interest inquiry is that submitted by Patent Owner. That un rebutted evidence and argument establishes that Petitioner failed to comply with its statutory requirement. Petitioner has not sought leave to include any evidence or advance any argument

on this issue; indeed, Patent Owner's evidence remains unrebutted. *See Zhejiang Yankon Group* at 17 (faulting petitioner for failing request leave to submit evidence in rebuttal to patent owner's argument). Based on the state of the record, it is quite difficult to sustain the Board's rationalizations in favor of Petitioner. The Board misapprehended or overlooked the fact that any "rebuttable presumption" has been properly rebutted by Patent Owner. Given the "totality of the factual evidence currently of record" (*Id.* at 18), all of it advanced by Patent Owner and unrebutted by Petitioner, Petitioner has not properly named all real parties-in-interest. Petitioner has not carried its burden on the issue, and on the present record, the Board's finding to the contrary is clear error. Accordingly, as requested in the Preliminary Response, the Board should vacate the Petition's filing date and vacate the Institution Decision.

III. The Board Misapprehended or Overlooked the Dispositive Effect of Rule 42.104(b)(3)

Rule 42.104(b)(3) contains no exceptions: it states that the petition *must* set forth an identification of challenge which *must* identify "how the challenged claim is to be construed." 37 C.F.R. § 42.104(b)(3). The Office Patent Trial Practice Guide is equally strict in its guidance: "a petitioner *must*...provide a claim construction for the challenged claims." Office Patent Trial Practice Guide, 77 Fed. Reg. at 48763 (emphasis added). Indeed, the Board has previously found petitions defective on precisely the same grounds advanced by Patent Owner in its

Preliminary Response, namely, when no claim term was specifically construed in the Petition. *See, e.g.*, IPR2014-01471, Paper No. 3 (PTAB Sept. 24, 2014); IPR2014-00384, Paper No. 4 (PTAB Feb. 3, 2014).

Moreover, the Office's own final rulemaking comments underscore the rule's rationale for requiring a proper claim construction *in the Petition*. *See* 77 Fed. Reg. 48680, 48699 ("the petitioner's claim construction will help to provide sufficient notice to the patent owner on the proposed grounds of unpatentability, and assist the Board in analyzing to how a cited prior art reference meets the claim limitation(s).").

The Petition here does not provide such sufficient notice, and, under the Board's own rules and consistent with other decisions of the Board in similar contexts, Patent Owner is harmed by errant institution on a deficient record. Patent Owner is further subject to *continuing* harm should the Board, *by ignoring its own rules, by ignoring its own comment and guidance on such rules and, indeed, by ignoring its own § 42.104(b)(3) decisions to the contrary*, allow Petitioner to tactically maintain in-secret its claim construction positions and reveal them *only after* Patent Owner files its Response. To do so would create a situation in which Patent Owner must effectively must *prebut* unadvanced positions, in the sole responsive paper provided under those very same rules. Such tactics are not consistent with the orchestrated adjudicative sequence of these proceedings.

Mitsubishi Plastics, Inc. v. Celgard, LLC, IPR2014-00524, Decision – Denying Petitioner's Request for Rehearing, slip op. at 8 (P.T.A.B. Nov. 27, 2014) (Paper 27).

To be sure, the Board itself acknowledged on the record that Cox “fail[ed] to include a statement concerning claim interpretation in its Petition,” contrary to § 42.104(b)(3), yet nevertheless instituted trial. Institution Decision at 14. Given this explicit acknowledgment that the Petition is defective, Patent Owner maintains and re-emphasizes its position (stated in the Preliminary Response) that trial cannot be instituted, as the Petition does not comply with Rule 42.104(b)(3) and therefore cannot establish “[h]ow the construed claim is unpatentable” pursuant to 37 C.F.R. § 42.104(b)(4). Preliminary Response at 29-30.

In an apparent rationalization that threatens to swallow Rules 42.104(b)(3), (4), the Board invoked a “heavy presumption” of ordinary and customary meaning (Institution Decision at 13); however, unless the Board views that presumption as something that trumps its adopted rulemaking, it does not change the Petitioner's requirement to, under Rule 42.014(b)(3), set forth how the claim is to be construed. Moreover, even the invocation of a “heavy presumption” is **Petitioner's** burden, not something that can be arbitrarily gap-filled *ex post facto* by the Board: Petitioner is “not required to define every claim term, but rather merely provide a *statement* that the claim terms are presumed to take on their ordinary and

customary meaning.” 77 Fed. Reg. at 48700 (Aug. 14, 2014) (the Office’s comments on final rulemaking, discussing the claim construction requirement) (emphasis added). Petitioner itself did not cite the “heavy presumption” as its reason for failing to construe any claim term, and the Institution Decision must rely only upon “the information *presented in the petition*.” 35 U.S.C. § 314(a) (emphasis added).

Additionally, and contrary to the Board’s apparent reasoning, Rule 42.104(b)(3) is not limited to claims which invoke § 112(6). Patent Owner certainly appreciates the Board’s acknowledgement that, under 37 C.F.R. § 42.104(b)(3), “means-plus-function or step-plus-function limitations falling under 35 U.S.C. § 112 ¶ 6 ... require the Petition to identify specific portions of the specification that describe the structure, material, or acts corresponding to each claimed function. Institution Decision at 13-14. Indeed, the decisional law denying institution for failure to comply with Rule 42.104(b)(3) in the context of § 112(6) claims is overwhelming. However, the Board appears to have misapprehended or overlooked that Rule 42.104(b)(3)’s requirement to identify structure for § 112(6) claims is an ***additional requirement*** for those types of claims, and does nothing to negate the more generally applicable requirement that the petition set forth how a challenged claim is to be construed. As noted above, the Office’s own final rulemaking comments underscore the need for a proper

claim construction (*see* 77 Fed. Reg. at 48699), and those comments do not limit the ambit of Rule 42.104(b)(3) to § 112(6) claims.

It is a bedrock principle that an administrative agency (such as the PTO) “must abide by its own regulations.” *Align Tech. v. ITC*, 771 F.3d 1317 (Fed. Cir. 2014), *quoting Fort Stewart Sch. V. Fed. Labor Relations Auth.*, 495 U.S. 641, 654 (1990). Rule 42.104(b)(3) is such a regulation. Departure from the bedrock principle is particularly troubling where, as here, the Board has previously found other petitions defective on the very same grounds advanced by Patent Owner in its Preliminary Response and here reemphasized. *Recall* IPR2014-01471, IPR2014-00384 (decisions refusing consideration of petitions until correction of § 42.104(b)(3) failures). Indeed, such scattershot decisions raise the specter of arbitrary or capricious decision-making.

The Board misapprehended or overlooked the requirements of 37 C.F.R. § 42.104(b)(3), and accordingly, the Institution Decision should be vacated.

IV. Conclusion

Because the Board did not apply the proper burden of establishing compliance with the real party-in-interest requirement and misapprehended or overlooked the relevant facts, the Board should find that Petitioner failed to comply with § 312(a)(2) and should vacate the Petition's filing date and thus the Institution Decision. Additionally, because the Board misapprehended or

overlooked the import of Petitioner's failure to include, contrary to § 42.104(b)(3), any claim interpretation whatsoever in its Petition, Patent Owner respectfully requests that Board vacate its prior, and errant, decision to institute trial on the defective Petition.

Dated: 3-December-2015

Respectfully submitted,
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CERTIFICATE OF SERVICE

The undersigned certifies, in accordance with 37 C.F.R. § 42.6, that service
was made on the Petitioner as detailed below.

Date of service December 3, 2015

Manner of service Federal Express delivery

Documents served Patent Owner's Request for Rehearing

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