

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SAP AMERICA, INC.  
Petitioner

v.

PI-NET INTERNATIONAL, INC.  
Patent Owner

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Case IPR2013-00194  
Patent 8,108,492  
Case IPR2013-00195  
Patent 5,987,500  
Case CBM2013-00013  
Patent 8,037,158<sup>1</sup>

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Before KARL D. EASTHOM, WILLIAM V. SAINDON and  
BRIAN J. McNAMARA, *Administrative Patent Judges*

McNAMARA, *Administrative Patent Judge.*

ORDER  
*Trial Hearing*  
37C.F.R. § 42.70

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<sup>1</sup> This Order addresses issues that are identical in related cases. Therefore, we exercise our discretion to issue one order to be filed in each case. The parties, however, are not authorized to use this style heading in any subsequent papers.

A trial in each of IPR2013-00194, IPR2013-00195, and CBM2013-00013, (“the subject proceedings”), which are related, was instituted on September 19, 2013. In each proceeding, we issued a Scheduling Order setting the date for a consolidated oral hearing to occur on June 16, 2014, if hearing was requested by the parties and granted by the Board. Both parties requested oral hearing pursuant to 37 C.F.R. § 42.70. For the reasons discussed below, we grant the requests for oral hearing.

On May 14, 2014, in *Pi-Net International, Inc. v. JPMorgan Chase & Co.*, Case No. 1:12-cv-00282 (D. Del.), the district court issued a claim construction order and opinion concluding that certain claim terms are indefinite and an order and opinion granting defendant’s motion for summary judgment on the basis that all of the patents involved in this proceeding, i.e., U.S. Patent No. 8,108,492, U.S. Patent No. 5,987,500 and U.S. Patent No. 8,037,185 (“the subject patents”), are invalid. On May 19, 2014, the court entered judgment for defendant, JPMorgan Chase, who is not a party in the subject proceedings. On May 21, 2014, Patent Owner filed a Notice of Appeal, appealing the district court’s claim construction and summary judgment.

In view of the actions in the district court, the parties requested a conference with the Board. The conference was held on May 22, 2014 during which SAP America, Inc. (“Petitioner”) was represented by Lori Gordon and Michael Lee and Pi-Net International, Inc. (“Patent Owner”) was represented by Tam Pham and Colby Springer. Judges McNamara, Easthom and Saindon participated in the conference

Patent Owner suggests that, as a matter of judicial efficiency, the subject proceedings before the Board be stayed pending a decision on its appeal to the Federal Circuit Court of Appeals. Petitioner opposes a stay, arguing that it was not

a party to the district court case, that the district court decision was not pursuant to another proceeding before the Office under 35 U.S.C. § 315(d), and that an extension for the maximum six months under 35 U.S.C. 316(a)(11) would not provide sufficient time for a determination of Patent Owner's appeal of the district court's decision.

We recognize both the importance of the district court's decision and the circumstances concerning Patent Owner's appeal, and we will give the district court's decision due consideration. However, except to the extent that they may implicate our ultimate claim construction, the issues addressed by the district court under 35 U.S.C. § 112 are not before us in *inter partes* review IPR2013-00194 and IPR2013-00195. The indefiniteness issues under 35 U.S.C. § 112 before us in CBM2013-00013 overlap with those addressed in the district court's decision to some extent. However, as with the *inter partes* reviews, we also instituted CBM2013-00013 on grounds other than those addressed by the district court's decision.

We also note that the subject proceedings apply different standards of claim construction and a different burden of proof than that applied by the district court. Thus, although an affirmance of the district court's decision that the subject patents are invalid could terminate the subject proceedings, or an appeal of the outcome of the subject proceedings, a reversal of the district court's invalidity determination might not affect our decisions. In view of these circumstances, we do not authorize a motion to stay the subject proceedings and we will conduct an oral hearing, as scheduled, on June 16, 2014.

Petitioner has indicated that it is considering withdrawing its request for oral hearing and proposes that such withdrawal would limit the subject matter of

the oral hearing to Patent Owner's motions to amend.<sup>2</sup> However, we need not reach Patent Owner's motions to amend, unless we determine that the challenged claims are unpatentable. In each of IPR2013-00194 and IPR2013-00195, we instituted a trial after having been persuaded that the information presented in the petition and the preliminary response shows that there is a reasonable likelihood that Petitioner would prevail with respect to at least one of the claims challenged in the petition. 35 U.S.C. § 314. In CBM2013-00013, we instituted a trial having been persuaded that, if the information in the petition was not rebutted, the information would more likely than not demonstrate that at least one of the challenged claims is unpatentable. 35 U.S.C. § 324(a). Briefing is complete on all issues for which the Board instituted the trial. In view of our initial determinations, the Board will hear argument on all issues, including Patent Owner's response to the bases on which we instituted trial, whether or not Petitioner withdraws its request for hearing or declines to appear at the hearing.

Each party will have 90 minutes of total argument time. Petitioner bears the ultimate burden of proof that the claims at issue in these proceedings are unpatentable and on its motions to exclude.<sup>3</sup> Therefore, at oral hearing Petitioner will proceed first to present its case with regard to the challenged claims on which basis we instituted trial and on its motion to exclude in each proceeding. Thereafter, Patent Owner will respond to Petitioner's case. Patent Owner will also present its own case with regard to any motion to amend claims, as Patent Owner bears the burden of proof on its motion to amend claims. After that Petitioner will make use of the rest of its time responding to Patent Owner on all issues. Finally,

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<sup>2</sup> Patent Owner filed motions to amend in IPR 2013-00194 and IPR2013-00195.

<sup>3</sup> Petitioner filed a motion to exclude in each of the subject proceedings.

Patent Owner will take its turn, but only addressing issues concerning its motion to amend claims.

There is a strong public policy interest in making all information presented in these proceedings public, as the review determines the patentability of claims in an issued patent and thus affects the rights of the public. This policy is reflected in part, for example, in 35 U.S.C. § 316(a)(1) and 35 U.S. C. § 326(a)(1), which provide that the file of any inter partes review or post grant review be made available to the public, except that any petition or document filed with the intent that it be sealed shall, if accompanied by a motion to seal, be treated as sealed pending the outcome of the ruling on the motion.

There are no motions to seal in the present proceeding. Accordingly, the Board exercises its discretion to make the oral hearing publically available via in-person attendance.

Specifically, the hearing will commence at 1:00 PM, on June 16, 2014, and it will be open to the public for in-person attendance, on the ninth floor of Madison Building East, 600 Dulany Street, Alexandria, Virginia. In-person attendance will be accommodated on a first come first serve basis. The Board will provide a court reporter for the hearing and the reporter's transcript will constitute the official record of the hearing

Under 37 C.F.R. § 42.70(b), demonstrative exhibits must be served five business days before the hearing and filed at the Board no later than at the time of the hearing. The parties are directed to *CBS Interactive Inc. v. Helferich Patent Licensing, LLC*, IPR2013-00033, Paper 118 (Oct. 23, 2013), regarding the appropriate content of demonstrative exhibits. The parties are reminded that the presenter must identify clearly and specifically each demonstrative exhibit (e.g., by slide or screen number) referenced during the hearing to ensure the clarity and

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accuracy of the reporter's transcript. Questions regarding specific audio-visual equipment should be directed to the Board at (571) 272-9797. Any issue regarding demonstrative exhibits should be resolved at least two days prior to the hearing by way of a joint telephone conference call to the Board. The parties are responsible for requesting such a conference sufficiently in advance of the hearing to accommodate this requirement. Any objection to demonstrative exhibits that is not timely presented will be considered waived.

The Board expects lead counsel for each party to be present in person at the oral hearing. However, lead or backup counsel may present the party's argument. If either party anticipates that its lead counsel will not be attending the oral argument, the parties should initiate a joint telephone conference with the Board no later than two business days prior to the oral hearing to discuss the matter.

PETITIONER:

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