

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LORAL SPACE & COMMUNICATIONS, INC.,
Petitioner,

v.

VIASAT, INC.,
Patent Owner.

Case IPR2014-00236 (Patent 8,107,875)
Case IPR2014-00239 (Patent 8,068,827)
Case IPR2014-00240 (Patent 8,010,043)¹

Before GLENN J. PERRY, LYNNE E. PETTIGREW, and
GREGG I. ANDERSON, *Administrative Patent Judges*.

ANDERSON, *Administrative Patent Judge*.

DECISION ON REQUEST FOR REHEARING
AND REQUEST FOR EXPANDED PANEL
37 C.F.R. § 42.71

¹ Identical papers were filed in all three cases. We will use a single caption.

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I. INTRODUCTION

Loral Space & Communications, Inc. (“Petitioner”) has filed a Motion for Reconsideration of Decision Denying IPR Institution and Request for Expanded Panel under 37 C.F.R. § 42.71(c) in each of the above three cases (Paper 8 in all cases, “Request” or “Req. Reh’g.”).² The Request is directed to our Decision Denying Institution of *Inter Partes* Review (Paper 7 in all cases, “Dec.”) because the Petitions were not filed within the one-year period set forth in 35 U.S.C. § 315(b). Dec. 1.

Petitioner alleges our determination is based on a clearly erroneous interpretation of an unambiguous statute.³ Req. Reh’g. 1. Petitioner contends “usage of a present tense verb in a statute connotes that action required by that verb *must be* performed after the statute is enacted rather than before enactment.” *Id.* Thus, because § 315(b) uses the wording “is served,” Petitioner argues that service falling under the statute must be after enactment of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”) on September 16, 2012. *Id.* at 3.

Petitioner also requests an expanded panel for decision on the Request for Rehearing based on: (1) an alleged appearance of impropriety regarding the judge who authored the Decision Denying Institution; and (2) the importance of the issue. *Id.* at 2.

² We treat the paper filed as a Request for Rehearing based on its citation to 37 C.F.R. § 42.71(c).

³ Although Petitioner argues the statute is unambiguous, its argument on interpretation of when a complaint “is served” suggests otherwise.

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II. ANALYSIS

When rehearing a decision on institution, the Board reviews the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). Petitioner alleges an abuse of discretion based on an erroneous interpretation of law.

The only substantive question raised in the Request is whether the use of “is served” in § 315(b) of the AIA should be interpreted to include only service after enactment of the statute. Req. Reh’g. 3-8. The balance of the Request seeks an enlarged panel for rehearing. The two issues will be taken in order.

A. Interpretation of “is served” as used in § 315(b) of the AIA

Petitioner argues § 315(b) uses the term “is served” in the present tense. Thus, the act of service cannot occur until the statute is enacted. Petitioner’s arguments are discussed below.

1. *Carr v. United States* (Req. Reh’g. 3-4)

Because the statute uses the present tense “is served,” Petitioner repeats its argument that *Carr v. United States*, 560 U.S. 438, 447, 448 (2010), and other cases cited in the Request, are “binding precedent.” Req. Reh’g. 2. Petitioner proceeds to state that the statutes in question in *Carr* and the other cases Petitioner cites are “similar to 35 U.S.C § 315(b)” and courts have “concluded that Congress’s usage of present tense limits the application of those statutes to only situations where the relevant activity occurs after the enactment of the statute.” *Id.* at 3.

We are not persuaded that we overlooked or misapprehended any matter in our Decision. See 37 C.F.R. § 42.71(d). The Decision discussed the holding and analysis made in *Carr* in detail. Dec. 4-6. The present argument was made and rejected. *Id.* That Petitioner disagrees with our

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analysis is not a basis for granting the Request. Notwithstanding the foregoing, we will respond to the specific arguments made in the Request.

Carr does not stand for the proposition that in every case of statutory interpretation the use of present tense requires that the conduct described occur after enactment. Indeed, the analysis in *Carr* relied on other language in the statute in making its interpretation. *See Carr*, 560 U.S. at 446 (emphasizing “required to register *under the Sex Offender Registration and Notification Act*” language from the statute). Thus, *Carr* was not decided solely on verb tense. The *Carr* court does not establish verb tense as an absolute rule of statutory interpretation.

We also find unpersuasive Petitioner’s argument that the statute in *Carr* and other statutes construed in cases cited by Petitioner are “similar to” § 315(b). Interpretation of a particular statute based in part on verb tense is an insufficient similarity to be controlling in our analysis of § 315(b). As already discussed, use of a certain verb tense is not, in and of itself, dispositive of statutory interpretation.

There is no court-decided precedent on § 315(b). The Board has interpreted § 315(b) to bar institution of an *inter partes* review based on a complaint for infringement served more than one year before filing of the request for *inter partes* review, even if the complaint at issue was served before passage of the AIA.⁴ *See* Dec. 8. Our interpretation in the Decision was based on the plain meaning of the statute. *Id.* If statutory construction

⁴*See, e.g., Universal Remote Control, Inc. v. Universal Elecs., Inc.*, IPR2013-00168 (PTAB Aug. 26, 2013) (Paper 9); *St. Jude Med., Cardiology Div., Inc. v. Volcano Corp.*, IPR2013-00258 (PTAB Oct. 16, 2013) (Paper 29). Dec. 8.

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finds plain meaning, the intent of Congress is established. *See Sullivan v. Stroop*, 496 U.S. 478, 482 (1990).

2. The rationale for denying the Petition (Req. Reh’g. 4-7)

Petitioner argues that, not only did we not follow *Carr*, but we followed erroneously the dissent in *Carr*. Req. Reh’g. 4-5. Further, Petitioner contends our interpretation of “is served” as being evaluated “relative to the act of service” is error. *Id.* at 6. Petitioner alleges we are inconsistent in construing “is filed” to be evaluated relative to the date of enactment and construing “is served” to be evaluated as of the actual date of service. *Id.* Thus, Petitioner argues that we failed to give equal treatment to “is filed” and “is served” as used in § 315(b). *Id.* (citing *Reno v. Bossier Parish Sch. Bd.*, 528 U.S. 320, 329-30 (2000)).

Again, Petitioner has not established that we overlooked or misapprehended any matter in our Decision. *See* 37 C.F.R. § 42.71(d). As explained below, our Decision was supported factually and legally and responded to Petitioner’s arguments made in the Request. Dec. 4-6.

First, Petitioner misapprehends the discussion of the *Carr* dissent in the Decision. The dissent in *Carr* is cited as explaining the reasoning of the majority. Dec. 5. Contrary to the argument made in the Request, we did not “follow[s] the dissenting opinion.” *See* Req. Reh’g. 4.

Second, Petitioner’s argument that “is served” must be “relative” to some date or event is an effort to complicate the simple. *See* Req. Reh’g 6. The language in question is “petitioner is served with a complaint alleging infringement of the patent.” § 315(b). In our Decision, we found the plain meaning to be expressed in the text of the statutory language. Dec. 8. As such, the intent of Congress is clear. *See Sullivan*, 496 U.S. at 482.

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Third, the argument that our interpretation of “is served” is inconsistent with our interpretation of “is filed” was addressed in the Decision. Dec. 5-6. Petitioner’s reliance on what Petitioner characterizes as the “equal treatment” analysis in *Reno v. Bossier Parish School Board*, 528 U.S. 320, 329-30 (2000) is misplaced. In *Reno*, the Court refused to “adopt a construction that would attribute different meanings to the *same phrase in the same sentence*, depending on which object it is modifying.” *Reno*, 528 U.S. at 329 (emphasis added). The Request does not contend “is filed” is the same phrase as “is served.” We also fail to see how use of the same verb, “is,” raises any issue under *Reno*.

3. The legislative history of the AIA (Req. Reh’g. 7-8)

Petitioner acknowledges the legislative history of the AIA does not address the timing of when a complaint “is served.” Req. Reh’g. 7. Petitioner argues that the amendment made in the AIA to the false marking statute expressly stated the amendments were applicable only to cases filed after enactment. *Id.* Thus, if it was the intent of Congress that § 315(b) apply to actions prior to enactment, Petitioner contends the statute would have included express language to effect that result. *Id.*

Petitioner then cites to several portions of the legislative history of the AIA that state the purpose of the deadline under § 315(b) was to “give parties the opportunity to ‘seek inter partes review’ which makes sense only if an IPR would have been available to ‘seek’ within the § 315(b) deadline period.” *Id.* at 8. Petitioner concludes that barring *inter partes* review for complaints filed prior to enactment is contrary to the intent of Congress that “a party [be given] an opportunity to seek an IPR within the one year deadline.” *Id.*

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Again, Petitioner has not established that we overlooked or misapprehended any matter in our Decision. *See* 37 C.F.R. § 42.71(d). We addressed the relevant legislative history in our Decision. Dec. 8. Further, Petitioner’s specific arguments regarding the legislative history were not presented previously in the Petition. A request for rehearing is not the place to make a new argument. Nonetheless, the arguments made do not persuade us to reconsider our Decision.

What Congress specifically stated in the false marking statute of the AIA is not probative of what Congress intended in drafting § 315(b) of the AIA. Indeed, we found that the text of § 315(b) and its plain meaning established that “is served” meant as of the time of service. Dec. 8.

Our Decision specifically addressed those portions of the legislative history of the AIA relating to seeking *inter partes* review and specifically the one-year deadline at issue under § 315(b). *Id.* Based on the legislative history regarding the right to seek *inter partes* review, Petitioner argues for a broadening of rights by enlarging the time within which a petition can be filed after service of a complaint. Req. Reh’g. 8. Petitioner’s argument is not supported by the legislative history and is at odds with the intent of Congress. The ability to seek *inter partes* review is limited. Among other things, only certain issues can be raised. 35 U.S.C. § 311(b). In the same vein, § 315(b) is intended specifically to limit the procedure and preclude its improper use. Dec. 8. *Inter partes* review is not a substitute for district court litigation, and the right to seek *inter partes* review and the procedures governing it are limited accordingly.

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B. Expanding the panel for deciding the Request for Rehearing
Petitioner asks for an expanded panel. Each of the stated reasons is discussed below.

1. Potential appearance of impropriety (Req. Reh'g. 9-11)

Petitioner alleges Judge Glenn Perry, the judge authoring the Decision Denying Institution here, used the same rationale regarding the interpretation of § 315(b) to deny institution in “related proceedings.”⁵ Reh'g. Req. 9-10. Petitioner alleges Judge Perry's former law firm had power of attorney in the patents involved in the Fractus IPRs. *Id.* at 10. It is further alleged Judge Perry was listed on the customer number associated with those same patents. *Id.* Petitioner contends the foregoing establishes an appearance of impropriety that “warrants consideration [of] whether Judge Perry should have removed himself from that matter [i.e., the Fractus IPRs].” *Id.* As further support, Petitioner argues a two-year prohibition of involvement with a former employer should have prevented Judge Perry from deciding the Fractus IPRs. *Id.* at 10-11 (citing Dept. of Commerce's 2014 Summary of Ethics Rules for USPTO at 6).

Although the potential recusal in the Fractus IPRs is unrelated to the present cases, Petitioner argues the issue upon which denial was based is the same and the appearance of impropriety that tainted the Fractus IPRs also taints the present proceedings. Reh'g. Req. 11. Petitioner seeks to remedy the potential impropriety with an expanded panel. *Id.*

Petitioner has fallen short of showing any appearance of impropriety. Petitioner has no basis beyond speculation that Judge Perry had any bias in

⁵ *Samsung Electronics Co. Ltd. v Fractus, S.A.*, IPR2014-00008, -00011, -00012, and -00013 (collectively the “Fractus IPRs”).

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connection with the Fractus IPR decision. Being listed on a customer number by a former employer is insufficient, by itself, to raise any appearance of impropriety. Petitioner admits “it is likely that Judge Perry was unaware of his relationship to Fractus and the very patents at issue in the Fractus IPRs when authoring the denial decision” in the Fractus IPRs. Req. Reh’g. 9.

Moreover, Petitioner errs in its citation to the Ethics Rules by stating there is a two-year prohibition from involvement with a former employer. The Ethics Rules impose a one-year prohibition. 5 C.F.R. § 2635.502(b)(1)(iv). The one-year prohibition is also set forth clearly in the Summary of the Ethics Rules, at 6, cited by Petitioner. Judge Perry’s involvement in the Fractus IPR decision occurred more than a year after he ceased employment with his former firm.

There is no showing of appearance of impropriety in Judge Perry’s authoring of the decision in the Fractus IPRs. Petitioner admits it has no evidence of any impropriety based on Judge Perry’s prior employment. Furthermore, Petitioner has overlooked the controlling regulation on time of separation from prior employment. There is no impropriety regarding the Fractus IPRs, and there is no “taint” transferrable to this case.

The request for an expanded panel on the basis of an appearance of impropriety is denied.

2. Issue of “exceptional importance” (Req. Reh’g. 11-13)

Petitioner argues the result we have reached in interpreting § 315(b) prevents a party from “ever taking advantage of the benefits of an IPR proceeding compared to litigation.” Reh’g. Req. 11-12. Petitioner contends the result is compounded by the fact that a party may not seek appellate

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review of a decision denying institution. *Id.* at 12. Thus, Petitioner contends the issue is “exceptionally important.” *Id.* at 11.

Inter partes review is not the equivalent of district court litigation. Importantly, although *inter partes* review can impact district court litigation, for example in the form of stays and estoppel, *inter partes* review is a separate administrative proceeding. It does not preclude a party’s right to seek relief in district court. That appellate review is unavailable for a decision denying *inter partes* review does not prevent a petitioner from seeking relief in district court and availing itself of all the procedural and appellate review opportunities present in that forum.

Thus, we are not persuaded that absence of appellate rights makes the Decision of exceptional importance. Neither are we persuaded that the issue decided is of such importance that an enlarged panel is justified. As noted above, there have been several other cases decided on the same grounds asserted here, and no need for an expanded panel has been identified.

The request for an expanded panel on the basis that an issue of exceptional importance is presented is denied.

III. CONCLUSION

For the foregoing reasons, the Board did not abuse its discretion when it determined that the plain meaning of the complaint is served as used in § 315(b) is as of the date the complaint is served, and there is insufficient showing that an expanded panel is necessary.

IV. ORDER

Petitioner’s motion under 37 C.F.R. § 42.71(c) is denied.

Petitioner’s request for an expanded panel is denied.

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