

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMKOR TECHNOLOGY, INC.
Petitioner

v.

TESSERA, INC.
Patent Owner

Case IPR2013-00242
Patent 6,046,076

Before KEVIN F. TURNER, JUSTIN T. ARBES, and
CARL M. DeFRANCO, *Administrative Patent Judges*.

ARBES, *Administrative Patent Judge*.

ORDER
Conduct of the Proceeding
37 C.F.R. § 42.5

A conference call in the above proceeding was held on April 4, 2014, to discuss Patent Owner's intent to file a terminal disclaimer of the remaining term of the challenged patent, U.S. Patent No. 6,046,076 ("the '076 patent"). Patent Owner subsequently filed its terminal disclaimer on April 11, 2014. *See* Paper 115; Ex. 2131. We authorized the parties to submit additional briefing on the issues of what action, if any, we should take with respect to the terminal disclaimer and this proceeding in general, and what claim interpretation standard should be applied to the challenged claims when we issue our final written decision. Paper 117 at 3-4. Having reviewed the parties' briefs (Papers 121 and 126),¹ we conclude that the terminal disclaimer should be held in abeyance until the instant proceeding terminates or a final written decision is issued, and that the challenged claims should continue to be given their broadest reasonable interpretation in light of the Specification of the '076 patent.

History of this Proceeding

Petitioner filed its Petition seeking *inter partes* review of claims 1-8, 10-13, 17-19, and 22-25 of the '076 patent on April 9, 2013. Paper 1. In its Petition, Petitioner argued that the claims should be given their "broadest reasonable interpretation" and provided proposed interpretations for three claim terms. *Id.* at 7-8. Patent Owner filed a Preliminary Response, acknowledging that "[d]uring *inter partes* review claims are given their

¹ Petitioner cited new Exhibits 1065-1068 in its brief, but did not file the new exhibits. *See* Paper 126 at 3, 10. The parties were not authorized to submit new evidence with their briefs. *See* Paper 117 at 3-4. Exhibits 1065-1068 may not be filed, and Petitioner's arguments regarding the exhibits will not be considered.

broadest reasonable interpretation in view of the specification of which [they] are part.” Paper 8 at 35 (citation omitted). Patent Owner asserted that the broadest reasonable interpretation of the three terms identified by Petitioner was different than what Petitioner had proposed. *Id.* at 35-38.

On October 11, 2013, we instituted an *inter partes* review of claims 1-8, 10-13, 18, 19, 24, and 25 (“the challenged claims”). Paper 37 at 34. We stated that claim terms in an unexpired patent are given their broadest reasonable interpretation and, because the ’076 patent has not yet expired, interpreted five claim terms in accordance with that standard. *Id.* at 14-19. For example, we interpreted “microelectronic assembly” in claim 1 as “a grouping of miniature electronic components.” *Id.* at 17-18.

Patent Owner sought rehearing of the Decision on Institution, but only on the basis that the Petition was time-barred under 35 U.S.C. § 315(b). Paper 39. Patent Owner did not argue in its request for rehearing that the interpretations in the Decision on Institution were incorrect or that we applied the wrong claim interpretation standard. Patent Owner’s request for rehearing was denied. Paper 81.

Patent Owner filed its Response on December 26, 2013. Paper 76. In its Response, Patent Owner cited and expressly applied the interpretations provided in the Decision on Institution. *Id.* at 26, 28, 32, 41, 43. One of the main arguments made by Patent Owner in its Response was that U.S. Patent No. 4,681,718 (“Oldham”) (Ex. 1003) does not disclose encapsulating a “microelectronic assembly” as we interpreted the term in the Decision on Institution. *Id.* at 26-43. Patent Owner repeated that interpretation multiple times throughout its analysis, explaining why it believes Oldham’s process does not encapsulate “a grouping of miniature electronic components.” *Id.*

Patent Owner never argued that any of the interpretations in the Decision on Institution, including that of “microelectronic assembly,” were incorrect or that we applied the wrong claim interpretation standard.

Patent Owner submitted declarations from Martin Goosey, Ph.D. (Ex. 2055), and John Villasenor, Ph.D. (Ex. 2094), with its Response. Dr. Goosey applied our interpretations in the Decision on Institution and described one purported “clarification” to our interpretation of “applying said encapsulant along a plurality of edges seriatim” in claim 12, but did not disagree with our underlying interpretation as the broadest reasonable interpretation of the phrase. *See* Ex. 2055 ¶¶ 63, 134-40. Dr. Goosey stated during his deposition that he applied our interpretations in the Decision on Institution. Ex. 1045 at 50:20-51:4, 159:3-18. Dr. Villasenor also applied our interpretations in his declaration and during his deposition. *See* Ex. 2094 ¶¶ 16, 27, 39; Ex. 1044 at 34:13-35:15, 41:21-43:10.

In its Reply filed on March 15, 2013, Petitioner applied our interpretations in the Decision on Institution. Paper 102 at 1-12. Petitioner further argued that Patent Owner, in its analysis of Oldham, failed to properly apply our interpretation of “microelectronic assembly,” which was the “BRI” (broadest reasonable interpretation) of the term. *Id.* at 2-7. Petitioner’s declarants, Alexander D. Glew, Ph.D., and Michael Caloyannides, Ph.D., applied our interpretations in the Decision on Institution. *See* Ex. 1046 ¶ 23; Ex. 1047 ¶¶ 7, 10.²

² The above description is included merely to recount the history of how the parties have treated the issue of claim interpretation in this proceeding. We express no opinion at this time on whether the asserted prior art discloses a “microelectronic assembly” or any other limitation of the challenged claims.

The Parties' Positions

Patent Owner argues that the filing of the terminal disclaimer has an “immediate” effect on this proceeding—namely, that the broadest reasonable interpretation standard no longer applies, and we now must interpret the challenged claims of the ’076 patent as a district court would according to *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc). Paper 121 at 1. Patent Owner contends that the Office’s justification for applying the broadest reasonable interpretation standard in patent reexaminations and *inter partes* reviews is that the patent owner has the ability to amend claims. *Id.* at 1-2. Thus, where a patent owner cannot amend its claims, such as “where a patent has expired or has been terminally disclaimed,” the broadest reasonable interpretation standard should not apply. *Id.* at 2. Patent Owner requests that we terminate this *inter partes* review because all of Petitioner’s evidence is directed to the broadest reasonable interpretation of the claims or, alternatively, “simply apply the new claim construction standard” and issue a final written decision accordingly. *Id.* at 1; *see* Paper 117 at 2.

Petitioner responds that we have the authority to apply the broadest reasonable interpretation standard, and should continue to do so, because Patent Owner “participated fully” in this proceeding based on that standard, had the opportunity to move to amend its claims but did not, and improperly delayed until late in the proceeding to raise the terminal disclaimer issue. Paper 126 at 1-5. Petitioner further argues that the terminal disclaimer does not become effective until an *inter partes* review certificate issues in this proceeding because the terminal disclaimer “is an amendment to the scope of the claims of the original patent.” *Id.* at 5-6. Finally, Petitioner contends that permitting Patent Owner’s terminal disclaimer would have a “significant

and drastic impact on post-grant review proceedings” and encourage abuse by patent owners. *Id.* at 4-5.

Analysis

Pursuant to 37 C.F.R. § 42.3(a), “[t]he Board may exercise exclusive jurisdiction within the Office over every involved . . . patent during the proceeding, as the Board may order.” Further, pursuant to 37 C.F.R. § 42.7(b), “[t]he Board may vacate or hold in abeyance any non-Board action directed to a proceeding while a[] . . . patent is under the jurisdiction of the Board unless the action was authorized by the Board.” Consistent with that authority, and to ensure that this *inter partes* review is completed in a timely, fair, and efficient manner, we exercise exclusive jurisdiction over the ’076 patent and order that the terminal disclaimer be held in abeyance until the termination or completion of this proceeding.

The Board interprets claims in an *inter partes* review using the “broadest reasonable construction in light of the specification of the patent in which [they] appear[.]” 37 C.F.R. § 42.100(b). As explained above, the entire course of this proceeding, from the initial Petition to Patent Owner’s Response to Petitioner’s Reply, has involved interpreting the claims according to their broadest reasonable interpretation. All substantive briefing has been completed, and the evidentiary record is closed. The only remaining task is the oral hearing, during which the parties may not make new arguments. *See* Papers 91, 128. After the hearing, we will issue a final written decision on the patentability of the challenged claims. *See* 35 U.S.C. § 318(a). It is not feasible, at this late stage of the proceeding, to change the standard by which the challenged claims will be interpreted, as *all* of the

arguments and evidence we have before us have applied the broadest reasonable interpretation standard.

Changing the claim interpretation standard would require us, in essence, to start this *inter partes* review over again. We determined whether to institute a trial based on the broadest reasonable interpretation standard, Petitioner argued that the challenged claims are unpatentable based on that standard, Patent Owner argued that the challenged claims are patentable based on that standard, and both parties' declarants applied that standard. If we now were to reverse course and apply a different claim interpretation standard, new briefing, new declarant testimony, and new depositions would need to be completed based on the new standard, and all of the resources expended by the parties and the Board to date would be wasted. *Inter partes* review, however, is designed to be an efficient, streamlined, and cost-effective alternative to district court litigation, with a final written decision being issued no later than one year from institution. *See* 35 U.S.C. §§ 316(a)(11), 316(b); 37 C.F.R. §§ 42.1(b), 42.100(c). This *inter partes* review cannot be started over again and still completed within one year, and we are not persuaded that good cause exists for starting the entire proceeding over again and extending the one-year time period.

Indeed, despite our order that the parties' briefs should "take into account the late stage of this proceeding and the fact that all substantive briefing has been completed," *see* Paper 117 at 3, Patent Owner offers no explanation as to how this proceeding might be completed in a timely manner if the claim interpretation standard is changed at this late date. Patent Owner simply suggests that we terminate the proceeding or proceed immediately to a final written decision. Paper 121 at 1. Neither is

appropriate. First, terminating an *inter partes* review any time a patent owner attempts to disclaim the remaining term of the patent would encourage gamesmanship by patent owners and defeat the purpose of *inter partes* review to provide a timely, cost-effective determination on patentability. Second, proceeding immediately to a final written decision would be doing so based on an incomplete record. As Patent Owner acknowledges, all of the briefing and evidence to date is directed to the broadest reasonable interpretation standard. *Id.*; see Paper 109 at 14. It would be manifestly unfair to the parties—and also to the public that has an interest in the patentability determination made in this proceeding—for us to decide whether the challenged claims are patentable based on a record developed under a different claim interpretation standard.

We also note that Patent Owner had numerous opportunities to challenge our application of the broadest reasonable interpretation standard, or any of our interpretations based on that standard, but waited until the last minute to raise the prospect of filing a terminal disclaimer. Patent Owner filed a Preliminary Response arguing that the claims should be given their broadest reasonable interpretation. Paper 8 at 35. We applied the broadest reasonable interpretation standard in the Decision on Institution, and Patent Owner did not seek rehearing of that determination. Patent Owner filed a Response and two declarations, all of which applied the broadest reasonable interpretation standard. See Paper 76 at 26, 28, 32, 41, 43; Ex. 2055 ¶¶ 63, 134-40; Ex. 2094 ¶¶ 16, 27, 39. The Response was Patent Owner's opportunity to explain how it believes the claims should be interpreted and why the challenged claims are patentable based on that interpretation. See Paper 38 at 2-3 ("The patent owner is cautioned that any arguments for

patentability not raised and fully briefed in the response will be deemed waived.”). Rather than raising the terminal disclaimer issue at that time and arguing that the challenged claims should be interpreted under the district court standard, however, Patent Owner followed the broadest reasonable interpretation standard. Patent Owner then filed its terminal disclaimer after all substantive briefing had been completed in this proceeding.

During the conference call on April 4, 2014, Patent Owner attempted to justify its delay in filing the terminal disclaimer by arguing that there was a dispute between the parties previously as to whether the '076 patent expires in 2014 or 2017. *See* Paper 117 at 2; Paper 126 at 3. We do not find this argument persuasive. Any position taken by, or dispute with, Petitioner or any other party is irrelevant, as Patent Owner owns the '076 patent and should have been well aware of when its own patent would expire. Patent Owner now agrees that the '076 patent will expire in December 2014—after a final written decision is issued in this proceeding.

We are not persuaded by Patent Owner's other arguments as well. Patent Owner contends that the terminal disclaimer “removes” the Office's justification for applying the broadest reasonable interpretation standard in post-grant proceedings—the ability to amend claims. Paper 121 at 1-2. In support of its position, Patent Owner cites *In re Rambus Inc.*, 694 F.3d 42 (Fed. Cir. 2012); *Ex Parte Ronald A. Katz Tech. Licensing L.P.*, Appeal 2008-005127, 2010 WL 1003878 (BPAI Mar. 15, 2010); and *Ex Parte Papst-Motoren*, 1 U.S.P.Q.2d 1655, 1986 WL 83328 (BPAI Dec. 23, 1986). Paper 121 at 2. Patent Owner also cites various provisions of the Manual of Patent Examining Procedure (“MPEP”) for the proposition that when a patent expires during the course of a reexamination, the Office “generally

sua sponte withdraws any pending amendments and immediately shifts to the claim construction standard applied in district courts.” *Id.*

We disagree for two reasons. First, although Patent Owner is correct that one of the main rationales for applying the broadest reasonable interpretation standard in Office proceedings is that the applicant or patent owner has the ability to amend claims, there is no question that Patent Owner had that opportunity in this proceeding. *See* 35 U.S.C. § 316(d); 37 C.F.R. § 42.121. Patent Owner had before it all of the prior art asserted by Petitioner as well as our claim interpretations in the Decision on Institution, and knew that it could file a motion to amend. It simply chose not to do so. *See* Paper 53 at 3 (“Patent Owner stated that at this time, it does not intend to file a motion to amend. Should Patent Owner decide later to file a motion to amend, Patent Owner must request a conference call and confer with the Board before doing so.”). Choosing to forgo a motion to amend, Patent Owner could have, for example, filed a terminal disclaimer with its Response had it wanted us to consider a different claim construction standard. Patent Owner did not avail itself of that opportunity before the time for doing so passed. *See* 37 C.F.R. §§ 42.120, 42.121.

Second, the present situation is different from the cases cited by Patent Owner. The patents at issue in *Rambus* and *Papst-Motoren* naturally expired at the end of their terms. *See Rambus*, 694 F.3d at 46; *Ex Parte Rambus, Inc.*, Appeal 2010-011178, 2011 WL 121775, at *6 (BPAI Jan. 12, 2011); *Papst-Motoren*, 1986 WL 83328, at *1. The patent owner did not file a terminal disclaimer during the proceeding. In *Katz*, the applicant filed a terminal disclaimer during prosecution of the original patent and, after the patent expired based on that terminal disclaimer, during a subsequent

reexamination, the Board applied the district court interpretation standard. *See Katz*, 2010 WL 1003878, at *2; *Ex Parte Ronald A. Katz Tech. Licensing L.P.*, Appeal 2008-005127, 2009 WL 492125, at *2 (BPAI Feb. 26, 2009). Unlike the present situation, the patent owner did not make the deliberate choice, during the course of the reexamination proceeding, to file a terminal disclaimer and invoke the district court interpretation standard. Patent Owner has not cited any authority, from a post-grant proceeding or otherwise, where a patent owner made a deliberate choice to disclaim the remaining term of the patent and the Office then reversed course and began interpreting the claims under the district court interpretation standard. Further, none of the cases cited by Patent Owner involved a post-grant proceeding with a statutory deadline of one year, as is the case with this *inter partes* review. Given the late stage of this proceeding and the disruption that would be caused by changing claim interpretation standards, we believe the present situation is substantially different from those in *Rambus*, *Katz*, and *Papst-Motoren*, and justifies continuing to apply the broadest reasonable interpretation standard.³

Finally, we agree with Petitioner regarding the potential for abuse if we were to permit Patent Owner's actions in this proceeding. In particular, changing claim interpretation standards based on a terminal disclaimer filed late in a proceeding would "creat[e] a tool to alter claim construction at late stages in post-grant proceedings, to render prior discovery meaningless, and to disrupt trial dates and statutory deadlines." Paper 126 at 4-5. A patent

³ We recognize that, upon the natural expiration of the '076 patent, the standard for interpreting the claims would be similar to that of a district court. *See Rambus*, 694 F.3d at 46.

owner could participate fully in a proceeding, wait and see what arguments are made by the petitioner and how the proceeding develops, and then, at the very last minute, disclaim the remaining term of the patent and disrupt the entire proceeding.

We are persuaded that the most appropriate course of action, given the late stage and particular facts of this proceeding, is to hold the terminal disclaimer in abeyance until the conclusion of the proceeding. Contrary to Patent Owner's representation that the effect of the terminal disclaimer is "immediate," Paper 121 at 1, the terminal disclaimer has not yet been accepted and recorded by the Office, *see* MPEP § 1490. We express no opinion on whether Patent Owner's terminal disclaimer meets the requirements of 35 U.S.C. § 253 and 37 C.F.R. § 1.321, and merely determine that the Office's determination on whether to accept and record the terminal disclaimer should be delayed for a brief period of time so as not to interfere with this *inter partes* review. Doing so will ensure that this proceeding is completed in a timely and efficient manner that is fair to both parties.

In consideration of the foregoing, it is hereby:

ORDERED that the terminal disclaimer filed by Patent Owner in U.S. Patent Application No. 08/975,590 (issued as U.S. Patent No. 6,046,076) be held in abeyance until the instant proceeding terminates or a final written decision is issued; and

FURTHER ORDERED that the challenged claims in this proceeding shall continue to be given their broadest reasonable interpretation in light of the Specification of the '076 patent.

Case IPR2013-00242

Patent 6,046,076

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