

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CONOPCO, INC. dba UNILEVER
Petitioner,

v.

THE PROCTER & GAMBLE COMPANY
Patent Owner.

Case IPR2014-00506
Patent 6,974,569 B2

Before LORA M. GREEN, GRACE KARAFFA OBERMANN, and
RAMA G. ELLURU, *Administrative Patent Judges*.

OBERMANN, *Administrative Patent Judge*.

DECISION

Denying Petitioner's Request for Rehearing and Panel Expansion
37 C.F.R. § 42.71

Petitioner, Conopco dba Unilever (“Unilever”), requests a rehearing of the Decision on Institution (Paper 17, “Dec.”) by an expanded panel that includes the Chief Administrative Patent Judge (“Chief Judge”).¹ Paper 19, “Rehearing Req.” Specifically, Unilever seeks rehearing of our decision declining to institute an *inter partes* review of claims 13–14, 16, 20–22, 24–25, 27, 31, and 33 of U.S. Patent No. 6,974,569 B2 (Ex. 1001, “the ’569 patent”). Paper 17.

At the parties’ request, we authorized additional briefing, limited to whether (1) the request for panel expansion is warranted; and (2) Unilever’s service of a facsimile copy of the rehearing request on the Chief Judge is improper, and if so, what relief is appropriate. Paper 20 (“Order”); Paper 22 (“Opp.”); Paper 23 (“Reply”). Patent Owner, Procter & Gamble Company (“P&G”), argues that “[t]here is no basis for Unilever’s request for an expanded panel” and, further, that service on the Chief Judge is improper, asking “that the fax be destroyed and disregarded.” Opp. 1, 5.

For the reasons that follow, we deny Unilever’s request for rehearing and panel expansion. We dismiss as moot P&G’s request for relief based on improper service on the Chief Judge.

ANALYSIS

When considering a request for rehearing, the Board reviews its decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion may arise if the decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if an unreasonable judgment is made in

¹ Unilever filed a substantially identical request for rehearing and panel expansion in IPR2014-00507 (Paper 19), which involves the same parties. Concurrently herewith, we issue a decision on that request.

weighing relevant factors. *Star Fruits S.N.C. v. U.S.*, 393 F.3d 1277, 1281 (Fed. Cir. 2005); *Arnold P'ship v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004); *In re Gartside*, 203 F.3d 1305, 1315-16 (Fed. Cir. 2000). The party requesting rehearing bears the burden of showing that the decision should be modified, and “[t]he request must specifically identify all matters the party believes the Board misapprehended or overlooked.” 37 C.F.R. § 42.71(d).

Unilever filed this second petition for *inter partes* review of the challenged claims of the '569 patent after we denied the first petition. Paper 2 (“second petition”); IPR2013-00505, Paper 4 (“first petition”); Paper 17 (decision denying Unilever’s first petition). We denied the second petition because it raised “substantially the same prior art or argument” that Unilever “previously presented” in the first petition. 35 U.S.C. § 325(d); *see* Dec. 6-8. Unilever contends that the Board (1) lacked statutory authority to deny the second petition; (2) impermissibly applied estoppel considerations in exercising its discretion to deny review; and (3) erroneously precluded a second petition that raised improved, new prior art and arguments. We address each of those contentions in turn, concluding with a discussion of Unilever’s request for panel expansion to include the Chief Judge.

The Board Has Statutory Authority to Deny the Second Petition

Unilever argues that “[n]othing in the statutory framework or rules governing *inter partes* reviews suggests that a petitioner is barred from filing a second, follow-on petition that expressly attempts to correct deficiencies noted in a first petition.” Rehearing Req. 10. The Board did not hold, however, that “a petitioner is barred from filing a second, follow-on petition.” *Id.* We assessed the particular facts surrounding Unilever’s second petition, and exercised our discretion to deny it under the circumstances. Our authority to do so is grounded

in our governing statute, which allows the Board to “reject [a] petition” that raises “the same or substantially the same prior art or argument previously [] presented to the Office.” 35 U.S.C. § 325(d).

Congress did not mandate that the Director, and by extension the Board, must institute an *inter partes* review whenever a petitioner establishes a reasonable likelihood of prevailing with respect to at least one challenged claim. Congress provided that the Director may, but not must, institute a proceeding when that condition is met. 35 U.S.C. § 314(a) (institution of review is discretionary, not mandatory). On this record, Unilever fails to show that we lacked statutory authority to deny the second petition.

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. Rehearing Req. 9. 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. *Id.* Unilever does not articulate a rational basis for precluding the Board from considering that factor within the statutory framework. *Id.* at 9-10. On this record, we are not persuaded that consideration of that factor amounted to an abuse of discretion.

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. *Id.* at 10. That 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 are not persuaded that we erred 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 process.

The Board Did Not Abuse its Discretion by Determining that the Two Petitions Raise Substantially the Same Prior Art or Arguments

Unilever argues that the Board abused its discretion by determining that the second petition raises substantially the same prior art or arguments raised in the first petition. Rehearing Req. 11-15. Unilever points out differences between the art and arguments raised in the two petitions. *Id.* We did not overlook those differences. The statute expressly establishes our discretion to consider whether the prior art and arguments are “substantially the same” in a first and second petition, and supplies also our authority to reject the second petition on that basis. *Id.* We considered “all of the papers filed in both proceedings” in exercising that discretion. Dec. 8. We considered the differences, but found that the art and arguments are nonetheless “substantially the same” within the meaning of the statute. 35 U.S.C. § 325(d).

Unilever’s Request for an Expanded Panel

Unilever requests rehearing by an expanded panel that includes the Chief Judge. Rehearing Req. 1, 5-8. Unilever contends that authority for raising such a request is provided in a Standard Operating Procedure that contemplates expanded panels in cases of *ex parte* appeals and interferences. *Id.* at 1, 5-6 (citing BPAI SOP 1 (Rev. 13) 2009, Sec. III(A)(2)). P&G disagrees. Opp. 1-2 (observing that the Standard Operating Procedure was drafted years before implementation of *inter partes* review procedures, and expressly applies to only appeals and interferences).

Unilever directs us to no persuasive authority that a panel of the Board is empowered to grant a request for panel expansion. The members of the Board deciding an institution matter are not authorized to select themselves or, of their own accord, select other Board members to decide the matter, upon request of a party or otherwise. As indicated in the Standard Operating Procedure, the Chief Judge, on behalf of the Director, may act to expand a panel on a suggestion from a judge or panel. BPAI SOP 1 at 1. The Standard Operating Procedure creates “internal norms for the administration of the Board” but “does not create any legally enforceable rights.” *Id.* Accordingly, we deny Unilever’s request for rehearing by an expanded panel that includes the Chief Judge.

Unilever faxed a copy of the request to the Chief Judge. P&G argues that “[t]he Board should not allow parties to communicate with judges outside of the assigned panel.” Opp. 5. On that basis, P&G argues that the fax “was an improper communication” that should “be destroyed and disregarded by the” Chief Judge. *Id.* at 1, 5. Unilever responds that P&G’s request for relief “is moot,” because “[o]n August 14, 2014, the Office indicated that the [Chief Judge] was aware of the filing, and the faxed paper copy would be discarded.” Reply 3. On this record, we dismiss P&G’s request for relief as moot.

CONCLUSION

We *deny* Unilever’s request for rehearing and panel expansion.

We *dismiss* as moot P&G’s request for relief based on improper service on the Chief Judge.

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