

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 IPR2014-00628
Patent 6,649,155 B1

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 21, “Dec. on Inst.”) by an expanded panel that includes the Chief Administrative Patent Judge (“Chief Judge”). Paper 22 (“Rehearing Req.”). Specifically, Unilever seeks rehearing of our decision declining to institute an *inter partes* review of claims 1–23 of U.S. Patent No. 6,649,155 B2 (Ex. 1001, “the ’155 patent”), which is owned by the Procter & Gamble Company (“P&G”). Rehearing Req. 15. For the reasons discussed below, we deny Unilever’s request for rehearing and panel expansion.

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 weighing relevant factors. *Star Fruits S.N.C. v. United States*, 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 Does Not Show an Abuse of the Board’s Broad Discretion to Deny the Petition Under § 314

Unilever filed this second petition for *inter partes* review of claims 1–23 of the ’155 patent after we denied the first petition. Paper 2 (“second petition”); IPR2013-00510, Paper 2 (“first petition”); Paper 9 (decision denying Unilever’s first petition). We exercised our discretion to deny the second petition under 35

U.S.C. § 314, which provides that the Board may, but not must, initiate an *inter partes* review when a petitioner demonstrates a reasonable likelihood of prevailing at trial with respect to at least one challenged patent claim. Dec. on Inst. 6 (citing 35 U.S.C. § 314(a) (institution of review is discretionary, not mandatory)).

One factor we identified, in support of our decision denying review, is that the second petition raises “substantially the same prior art or argument” that Unilever “previously presented” in the first petition. 35 U.S.C. § 325(d); *see* Dec. on Inst. 6–10. That was just one of several circumstances that persuaded us to deny review in this case. *See* Dec. on Inst. 10–12 (discussing circumstances, other than those codified in § 325(d), that favor declining review). Unilever contends that we abused our discretion in applying § 325(d), but does not address adequately the totality of factors that supports our denial of the second petition. *See* Rehearing Req. 5–15.

For example, another factor identified in our decision is the reasonable inference that new prior art references raised in the second petition—specifically, Cosmedia, Bar-Shalom, and Uchiyama—were known to Unilever when it filed the first petition. Dec. on Inst. 11. We pointed out that a grant of review, under the particular circumstances presented here, would incentivize petitioners to hold back prior art for successive attacks, should a first petition be denied. *Id.* We were also persuaded that the sheer multiplicity of grounds asserted in each petition favors denying the second petition, in part, to protect P&G from multifarious challenges to the same patent claims. *Id.* at 12.

Unilever does not address the broad discretionary power of denial set forth in § 314(a). *See* Rehearing Req. 5–15. Unilever’s narrow focus on the factors codified in § 325(d) falls short of demonstrating an abuse of our broader discretion,

codified in § 314(a), to deny the second petition in light of all of the circumstances presented in this case. *Id.*

Furthermore, as explained below, Unilever does not show that we misapplied § 325(d) in assessing whether “the same or substantially the same prior art or arguments” were raised in the first and second petitions. In that regard, 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. 12. 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 is grounded not only in § 325(d), but also in the broader discretion to deny a petition under § 314(a).

Congress did not mandate that the Director, who has delegated this responsibility to 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 review when that condition is met. 35 U.S.C. § 314(a) (institution of

review is discretionary, not mandatory). Unilever fails to show that we lacked statutory authority to deny the second petition under the broad discretionary powers set forth in § 314(a).

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. 11. 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 11–12. On this record, we are not persuaded that consideration of that factor amounted to an abuse of discretion. In particular, Unilever does not show that we erred in selecting the result that removes an incentive for petitioners to hold back prior art for successive attacks, and protects patent owners from multifarious attacks on the same patent claims.

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 12. That bright-line 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 did not err 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 administrative 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. 8–11, 14–15. 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 confers authority to reject a second petition on that basis. We considered all of the papers filed in both proceedings in exercising that discretion. Dec. on Inst. 10. We considered the differences, but found that the art and arguments are, nonetheless, “substantially the same” within the meaning of 35 U.S.C. § 325(d).

Unilever’s Request for an Expanded Panel

Unilever raises the same arguments for panel expansion in this case that it raised in two related cases. *Compare* Rehearing Req. 4–8, *with* IPR2014-00506 (Paper 19, 5–8), *and* IPR2014-00507 (Paper 19, 5–8). For the reasons stated in our rehearing decisions in the related cases, we deny Unilever’s request for an expanded panel in this case. *See, e.g.*, IPR2014-00506 (Paper 25, 5–6).

Specifically, 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. Unilever directs us to a Standard Operating Procedure that contemplates expanded panels in cases of *ex parte* appeals and interferences. Rehearing Req. 4 (citing BPAI SOP 1 (Rev. 13) 2009, Sec. III(A)(2)). As indicated in that 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.*

On this record, Unilever fails to identify persuasive authority that a party is entitled to request, or a panel of the Board is empowered to grant, expansion of the panel in an *inter partes* review proceeding. Accordingly, we deny Unilever’s request for rehearing by an expanded panel that includes the Chief Judge.

CONCLUSION

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

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