

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

METALL ZUG AG, HAAG-STREIT AG,
and HAAG-STREIT USA, INC.,
Petitioner,
v.

CARL ZEISS MEDITEC AG,
Patent Owner.

IPR2020-01074
Patent 8,690,330 B2

Before GRACE KARAFFA OBERMANN, BRYAN F. MOORE, and
AMBER L. HAGY, *Administrative Patent Judges*.

OBERMANN, *Administrative Patent Judge*.

DECISION
Denying Petitioner's Request on Rehearing of
Decision Denying Institution of *Inter Partes* Review
37 C.F.R. § 42.71(d)

I. INTRODUCTION

Petitioner filed a Request for Rehearing (Paper 9, “Rehearing Request” or “Req. Reh’g”) of the Decision Denying Institution of *Inter Partes* Review (Paper 8, “Decision” or “Dec.”). We refer to the Petition (Paper 3, “Pet.”) and Preliminary Response (Paper 7, “Prelim. Resp.”).

When resolving a rehearing request, the Board reviews a decision on institution “for an abuse of discretion” (37 C.F.R. § 42.71(c) (2019)), which occurs when a “decision was based on an erroneous conclusion of law,” “clearly erroneous factual findings,” or “a clear error of judgment.” *PPG Indus. Inc. v. Celanese Polymer Specialties Co.*, 840 F.2d 1565, 1567 (Fed. Cir. 1988) (citations omitted). Applying that standard, we *deny* the Rehearing Request.

II. BACKGROUND

The Petition seeks *inter partes* review of claims 1–20, 28, and 29 of U.S. Patent No. 8,690,330 B2 (Ex. 1001, “the ’330 patent”). The Petition is one of five petitions filed by Petitioner against claims of the ’330 patent. Paper 2 at 1 (Petitioner’s ranking of petitions). About eight months ago, on June 29, 2020, the Board instituted review based on the first-filed petition. *Metal Zug AG, Haag-Streit AG, and Haag-Streit USA Inc. v. Carl Zeiss Meditec AG*, IPR2020-00300, Paper 15 (PTAB June 29, 2020) (“IPR300”). The Petition asserts the same prior art that is advanced in IPR300. Dec. 3.

The Board found that “Petitioner’s filing of five petitions against the same patent is excessive on its face, in view of express guidance provided in the Office’s Consolidated Trial Practice Guide (‘TPG’).”¹ *Id.* That guidance

¹ Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

provides that, “based on prior experience, the Board finds it unlikely that circumstances will arise where three or more petitions by a petitioner with respect to a particular patent will be appropriate.” TPG 59; Dec. 3–4.

Accordingly, the Board found, “Standing alone, the sheer number of petitions (five), taken together with Petitioner’s unexplained and significant delay in filing the four follow-on petitions, supports an exercise of our discretionary denial powers.” Dec. 4. The Board supported that finding by an analysis of the factors that bear on the discretionary denial inquiry as set forth in *General Plastic Industrial Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential) (“*General Plastic*”). Dec. 4–10 (applying the *General Plastic* factors).

II. DISCUSSION

We deny the Rehearing Request for two independent reasons, namely, because Petitioner’s arguments are untimely and unpersuasive. We organize our discussion into two sections that address those alternative reasons.

A. Petitioner’s Arguments Are Untimely

The closest Petitioner comes to articulating, prior to entry of the Decision, a reason for its staggered filing of five petitions, is in its Notice of Ranking Petitions. Paper 2 at 2, 4–5. In a nutshell, Petitioner asserts, “Multiple petitions are being filed to address all 43 of the claims.” *Id.* at 2; *see* Req. Reh’g 5 (citing Paper 2). Petitioner’s explanation is “inadequate” based on the record developed prior to entry of the Decision. Dec. 7.

We decline to consider arguments that Petitioner raises for the first time in the Rehearing Request. As discussed in the Decision, the Petition “nowhere explains the more than six-month delay in the filing of the instant follow-on Petition.” *Id.* at 9. But the Rehearing Request advances extensive

arguments directed to explaining that delay. *See* Req. Reh’g 3–7, 10–11. Similarly, Petitioner’s only attempt, prior to entry of the Decision, to address the discretionary denial inquiry came in its Notice Ranking Petitions, but that attempt consisted of cursory arguments inadequately tethered to the *General Plastic* factors. Paper 2 at 4–5. The Rehearing Request, by contrast, asserts a host of new arguments keyed to those factors. Req. Reh’g 7–12.

The Preliminary Response discusses Petitioner’s unexplained delay and includes a comprehensive analysis tied to each *General Plastic* factor. Prelim. Resp. 5–18. Petitioner did not seek permission to counter Patent Owner’s arguments in a reply to the Preliminary Response in accordance with 37 C.F.R. § 108(c). The Board appropriately assessed the *General Plastic* factors based on the pre-decisional record developed by the parties, which included only a cursory and ineffective analysis on Petitioner’s part. *Compare* Prelim. Resp. 5–18 (for Patent Owner’s comprehensive analysis) *with* Paper 2 at 2–4 (for Petitioner’s cursory and ineffective analysis).

A dissatisfied party must identify the place in the record where it previously addressed each matter it submits for review. 37 C.F.R. § 42.71(d). On that point, the Rehearing Request directs us twice to the Notice Ranking Petitions, but only to highlight two arguments, namely, that “the number of claims alone necessitated multiple challenges,” and that some of the claims of the ’330 patent “were unaddressed in the first IPR Petition.” Req. Reh’g 5 (twice citing Paper 2). Petitioner does not direct us to a place in the record where it previously addressed any other argument raised in the Rehearing Request. *See generally id.* The Board could not have overlooked or misapprehended arguments that were not presented (or not

presented adequately) prior to entry of the Decision. Dec. 4; *see* Paper 2 at 4–5 (for inadequate assessment of the *General Plastic* factors).

B. Petitioner’s Arguments Are Unpersuasive

Alternatively, even if we consider the new arguments raised in the Rehearing Request, we find none is persuasive to show reversible error in the Decision. For example, Petitioner argues that the Board erred in finding “a ‘six-month delay in filing the instant follow-on Petition.’” Req. Reh’g 12 (quoting Dec. 9). In Petitioner’s view, the Board should have calculated the delay from the date on which, in IPR300, the Board denied Petitioner’s request for permission to file “a proposed unabridged petition of extraordinary length (238 pages), which included precisely the same challenges directed to the same claims based on the same prior art asserted in the Petition.” Dec. 6; *see* Req. Reh’g 12 (asserting that the delay “was about three months” under Petitioner’s proposed method of calculation).

Petitioner cites no authority (not even a routine, non-precedential Board decision) that supports calculating the time between a first-filed and follow-on petition based on anything other than their filing dates. *See generally* Req. Reh’g. Nor does Petitioner articulate any persuasive reason why the ultimate result would change, even if we accept that the delay was three months in length. *Id.* Whether six months or three, the delay enabled Petitioner to take “advantage of the information in Patent Owner’s preliminary response and sur-reply” in IPR300 to “revise ‘invalidity challenges in the instant Petition.’” Dec. 8 (quoting Prelim. Resp. 11–12).

Petitioner acknowledges that it may have “achieved some tactical advantage by happenstance” as a result of the delay, but submits that, because the majority of the challenged claims are not the same claims at

issue in IPR300, “such advantage had no bearing on the true target of this Petition.” Req. Reh’g 11. As we observed in the Decision, however, the objective evidence establishes Petitioner’s “true target” (*id.*) as “an unprecedented” expansion of the word count normally allotted to petitioners in this forum. Dec. 6 (Petitioner’s proposed unabridged petition of 238 pages in IPR300 “represented ‘an unprecedented increase of words without a compelling justification’”). We assign little weight to Petitioner’s statement of subjective intent, because the discretionary denial inquiry is driven by objective factors as set forth in *General Plastic*. So too, we assign little weight to Petitioner’s subjective assertion, “It was simply impossible to draft Petitions that complied with the 14,000 word limit.” Req. Reh’g 5–6.

Petitioner argues that the three month delay was “reasonable” to accommodate the “preparing and filing” of “multiple petitions and declarations” after the Board denied its request to file the unabridged petition in IPR300. *Id.* at 10, 12. But the proposed unabridged petition was submitted for our consideration contemporaneously with the rules-compliant petition filed in IPR300, and that unabridged petition “included precisely the same challenges directed to the same claims based on the same prior art asserted in the Petition” at issue in this case. Dec. 6; Req. Reh’g 6 (admitting that Petitioner asserts “the same prior art” in both the Petition and IPR300). Given that circumstance, Petitioner “‘could have easily filed the four follow-on petitions,’ including the instant Petition, ‘immediately after its’ request to file the unabridged petition ‘was denied.’” Dec. 8 (quoting Prelim. Resp. 8). “Instead, Petitioner ‘waited for the’ filing of Patent Owner’s preliminary response in IPR300.” *Id.* (quoting Prelim. Resp. 7–8).

Petitioner avers that the number and complexity of the challenged claims left “no other option than to use multiple Petitions to address the entirety of the claims.” Req. Reh’g 4. But Petitioner elected to forgo the traditional option of filing same-day petitions, in an attempt to avoid filing fees associated with multiple petitions. *Id.* at 5 (Petitioner’s goal was “to avoid filing multiple Petitions”), 8 (that goal was to driven by a desire to avoid “incurring large filing fees” even though, according to Petitioner, five petitions are “necessary to protect Petitioner’s freedom to operate”).

Petitioner’s plan to avoid filing fees contributes to the “unique circumstances” at hand. Dec. 5. By deciding against filing same-day multiple petitions, and electing instead to pursue a single petition of “extraordinary length” in IPR300, Petitioner assumed a risk (fully realized) that the Board would not allow it. *Id.* at 6. We reject any attempt to cast the consequences of Petitioner’s strategic choice as “an abuse of discretion” by the Board. Req. Reh’g 9. Petitioner could have taken a disciplined approach to streamline its arguments in two same-day petitions, the maximum number normally afforded petitioners in this forum. TPG 59. Even after the Board rejected the proposed unabridged petition in IPR300, Petitioner could have devoted space in the Petition to a meaningful assessment of the *General Plastic* factors. We are not persuaded that the course taken was the only “option” available to Petitioner. Req. Reh’g 4.

Petitioner submits that the Petition is not “a ‘follow-on’ Petition.” *Id.* at 5. As this theory goes, the “follow-on” label is inapplicable because the overlap is insignificant among the claims challenged here and in IPR300. *Id.* But the Decision observes that the overlap consists only of claims 1 and 2. Dec. 5. The Decision further accounts for the “relatively minimal degree of

overlap,” but, in view of additional “unique circumstances” at play, finds that factor “weighs only slightly against exercising discretion to deny the Petition, if at all.” *Id.* at 5–6. Petitioner shows no reversible error in the weight that the Board assigned to this or any other *General Plastic* factor. *Compare id.* at 5–10 with Req. Reh’g 7–10.

Petitioner suggests that the result in this case will embolden “[a]ny Patent Owner” to “game the system” and “fend off post-grant review” by “drafting a large number of claims with multiple dependencies.” Req. Reh’g 6. That argument is too speculative to establish reversible error, because it is not tied adequately to any facts or reasoning set forth in the Decision. *Id.* In any event, the Decision just as likely will instruct petitioners about the pitfalls inherent in any attempt to sidestep the guidance governing the filing of staggered petitions against claims of the same patent. *See generally General Plastic*, Paper 19; *see also* TPG 59 (“[T]he Board finds it unlikely that circumstances will arise where three or more petitions by a petitioner with respect to a particular patent will be appropriate.”). To the extent Petitioner deemed this case to have broad applicability in other Board proceedings, Petitioner had at its disposal, but declined to exercise, the option of seeking review by the Precedential Opinion Panel pursuant to PTAB Standard Operating Procedure 9.

We have considered, but find unpersuasive, the other arguments asserted in the Rehearing Request. *See* Req. Reh’g 4–13 (for additional arguments). For example, when addressing the first *General Plastic* factor, which asks simply whether the same petitioner filed the first and follow-on petitions, Petitioner heads in other directions. Petitioner avers, “This is a classic case of the PTAB creating an untenable ‘catch-22’ situation.” *Id.* at 8.

Petitioner adds, “The Board’s disregard for the practical realities of treating the number of different patent claims and the multiple dependencies juxtaposed against the number of distinct applicable grounds forming the bases for the unpatentability challenges is an abuse of discretion.” *Id.* at 8–9.

Those assertions reveal a basic misconception about the Board’s administrative process. Our process is not designed to afford a petitioner unfettered space to present any number of arguments in as many words as the patent challenger deems necessary. *See* 35 U.S.C. § 316(b) (2018) (regulations applicable to *inter partes* reviews take account of “the efficient administration of the Office” and “the ability of the Office to timely complete proceedings”); 37 C.F.R. § 42.1(b) (rules promulgated for *inter partes* reviews, including those pertaining to institution, are “construed to secure the just, speedy, and inexpensive resolution of every proceeding”).

IV. CONCLUSION

For the above reasons, we find that Petitioner does not show “an abuse of discretion” in the Decision. *See* 37 C.F.R. § 42.71(c). Accordingly, we *deny* the Rehearing Request.

V. ORDER

It is

ORDERED that the Petitioner’s Rehearing Request for Rehearing of the Decision Denying Institution of *Inter Partes* Review is *denied*.

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For PETITIONER:

Timothy Maier
Siddhesh Pandit
Christopher Maier
MAIER AND MAIER PLLC
tjm@maierandmaier.com
svp@maierandmaier.com
cjm@maierandmaier.com

For PATENT OWNER:

Kurt Glitzenstein
John Phillips
Yao Wang
FISH & RICHARDSON P.C.
glitzenstein@fr.com
phillips@fr.com
ywang@fr.com