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Paper 95
Date: January 27, 2022

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MIAMI INTERNATIONAL HOLDINGS, INC., MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC, MIAX PEARL, LLC, and MIAMI INTERNATIONAL TECHNOLOGIES, LLC,
Petitioner,

v.

FTEN, INC., and NASDAQ ISE, LLC,
Patent Owners.[1]

CBM2018-00020 (Patent 8,386,371 B2)
CBM2018-00021 (Patent 6,618,707 B1)
CBM2018-00031 (Patent 7,246,093 B1)

Before MICHAEL W. KIM, *Vice Chief Administrative Patent Judge*, MEREDITH C. PETRAVICK, JON B. TORNQUIST, FRANCES L. IPPOLITO, KEVIN C. TROCK, and KRISTI L. R. SAWERT, *Administrative Patent Judges*.[2]

SAWERT, *Administrative Patent Judge*.

DECISION
Denying Patent Owner's Request on Rehearing on Motion to Disqualify Petitioner's Counsel
37 C.F.R. § 42.71(d)

[1] The Patent Owner in CBM2018–00020 is FTEN, Inc. The Patent Owner in CBM2018–00021 and CBM2018-00031 is NASDAQ ISE, LLC. We exercise our discretion to enter a single order in all three proceedings.

[2] This is not an expanded panel. The panel for CBM2018-00020 includes Judges Petravick, Tornquist, and Sawert. The panels for the other proceedings include Judges Kim, Ippolito, and Trock. For convenience, we refer to the paper numbers and exhibits filed in CBM2018-00020.

I. INTRODUCTION

Patent Owner filed a Request for Rehearing (Paper 87, "Req. Reh'g") of our Decision Denying Patent Owner's Motion to Disqualify Petitioner's Counsel (Paper 84, "Decision" or "Dec."). For the following reasons, Patent Owner's Request for Rehearing is *denied*.

II. STANDARD OF REVIEW

The party requesting rehearing has the burden to show that the decision should be modified. Under 37 C.F.R. § 42.71(d), a request for rehearing must identify, specifically, all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply. When rehearing a decision on a petition, we review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion occurs when a "decision was based on an erroneous conclusion of law or clearly erroneous factual findings," or the Board committed "a clear error of judgment." *PPG Indus. Inc. v. Celanese Polymer Specialties Co.*, 840 F.2d 1565, 1567 (Fed. Cir. 1988) (citations omitted).

III. ANALYSIS

Patent Owner contends that the Board should reconsider its Decision denying Patent Owner's motion to disqualify Petitioner's counsel. Req. Reh'g 2. Patent Owner contends that the Board abused its discretion by "refus[ing] to adjudicate the issue of whether Fish has violated its ethical duties to its former client, Nasdaq." *Id.* (citing Dec. 8). Patent Owner contends that "[t]he Board overlooked its own statement that '[o]nly after an ethical violation has been found do we proceed to the next inquiry, and determine whether disqualification is warranted.'" *Id.* (quoting Dec. 5).

Patent Owner contends that "the Board cannot reach the second question"—i.e., whether disqualification is warranted—"until it addresses the first"—i.e., whether an ethical violation occurred. *Id.* Patent Owner contends that it "is entitled to a decision on its Motion, if for nothing else to create a record for appellate review." *Id.* [3]

We have considered Patent Owner's contentions but determine that we did not abuse our discretion in denying Patent Owner's motion to disqualify Petitioner's counsel. In our Decision, we explained that the moving party "must first show that an ethical violation has occurred," and that, "[o]nly after an ethical violation has be found do we proceed to the next inquiry, and determine whether disqualification is warranted." Dec. 5. Patent Owner overlooks that, as to the first question, we *assumed* that Fish violated 37 C.F.R. § 11.109(a). *See id.* at 7 ("Even assuming Fish violated 37 C.F.R. § 11.109(a), a determination we are not making at this time, as the moving party, Patent Owner has the burden of showing that Fish should be disqualified for cause in this proceeding."); *see also id.* at 18 (stating that we "assum[ed] that Petitioner's counsel, Fish, is in violation of 37 C.F.R.

[3] In a footnote, Patent Owner also contends that it "is entitled to know the results of the Board's in-camera review of Fish's edits to Dr. Hendershott's declarations." Req. Reh'g 2 n.1. We decline to consider an argument made entirely in footnotes. *See SmithKline Beecham Corp. v. Apotex Corp.*, 439 F.3d 1312, 1320 (Fed. Cir. 2006) (stating that "arguments raised in footnotes are not preserved"); *see also, e.g.*, 37 C.F.R. 42.23(b). Moreover, as we explained in our Decision, "it is unnecessary for us to delve into the specifics of any sealed motions or evidence" because "any confidential information . . . is almost completely devoid of substantive value" to the sole ground of unpatentability based on lack of subject-matter eligibility raised in these proceedings. Dec. 12–14 & n.8. Patent Owner points us to no authority to the contrary.

§ 11.109(a)"). Only after making that assumption did we then proceed to the second question, i.e., whether Fish's disqualification was warranted. *Id.* 7–8. We balanced the competing hardships to Petitioner and Patent Owner, and determined, based on the facts, that disqualification was not warranted. *Id.* at 9–17.

Patent Owner does not persuade us that we clearly erred by assuming an ethical violation as to the first question. Patent Owner points to no Board rule or case law that assuming an ethical violation for the first question constitutes a clear error of judgment. *See* Req. Reh'g 1–2. Moreover, as we explained in our Decision, disqualification is not necessarily automatic following an ethical violation, Dec. 5, and Patent Owner does not contend that we committed any error in weighing the facts in favor of Petitioner, Req. Reh'g 1–2. Thus, our outcome would have been the same had we expressly determined that Fish violated 37 C.F.R. § 11.109(a).

Finally, we note that Patent Owner "requests that the time period for taking an appeal to the Federal Circuit be stayed pending resolution of this issue." Req. Reh'g 2–3. The time for appeal is governed by statute and Board rules, including 37 C.F.R. § 90.3. With this decision, the matter of disqualification is closed.

IV. CONCLUSION

For the foregoing reasons, Patent Owner has not demonstrated that we abused our discretion in denying Patent Owner's motion to disqualify Petitioner's counsel.

V. ORDER

In consideration of the foregoing, it is hereby

ORDERED that the Patent Owner's Request for Rehearing is *denied*.

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