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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

KINGSTON TECHNOLOGY COMPANY, INC.,
Petitioner,

v.

SPEX TECHNOLOGIES, INC.,
Patent Owner.

Case IPR2018-01002
Patent 6,003,135

Before LYNNE E. PETTIGREW, DANIEL N. FISHMAN, and CHARLES J. BOUDREAU, *Administrative Patent Judges*.

FISHMAN, *Administrative Patent Judge*.

ORDER
Dismissing Petition for Inter Partes Review – Petitioner Estopped
35 U.S.C. § 315(e)(1); 37 C.F.R. §§ 42.71(a), 42.73(d)(1)

I. INTRODUCTION

Kingston Technology Company, Inc. ("Petitioner" or "Kingston") requests *inter partes* review of claims 55–58 (the "challenged claims") of U.S. Patent No. 6,003,135 ("the '135 patent," Ex. 1001) pursuant to

35 U.S.C. §§ 311 *et seq*. Paper 2 ("Petition" or "Pet."). Concurrent with filing the Petition, Petitioner filed a motion seeking joinder with Case IPR2018-00084 or, in the alternative, coordination of the schedule for this proceeding with IPR2018-00084 and a shortened schedule for Patent Owner's Preliminary Response filing. Paper 3 ("Motion" or "Mot."). SPEX Technologies, Inc. ("Patent Owner" or "SPEX") did not file a Preliminary Response but filed an Opposition to Petitioner's Motion. Paper 8 ("Opposition" or "Opp.").

Petitioner's Motion asserts this Petition "includes only the grounds instituted in IPR2018-00084 and is substantively identical on those grounds." Mot. 1. The grounds instituted in IPR2018-00084 are:

References	**Basis**	**Claims challenged**
Harari[1] and Anderson[2]	§ 103	55–58
Harari, Anderson, and Dumas[3]	§ 103	56 and 57

Kingston previously filed a petition in Case IPR2017-01021 challenging the '135 patent that resulted in issuance of a Final Written Decision on October 1, 2018. Case IPR2017-01021, Paper 39 ("Decision" or "Dec.").

[1] U.S. Patent No. 5,887,145 ("Harari," Ex. 1004).
[2] Don Anderson, *PCMCIA System Architecture 16-Bit PC Cards, Second Edition*, 1995 ("Anderson," Ex. 1006).
[3] U.S. Patent No. 6,199,163 B1 ("Dumas," Ex. 1005).

Case IPR2017-01021 challenged the same claims as Kingston challenges here (i.e., claims 55–58), based on the following grounds:

Reference(s)	Bas(is/es)	Claim(s) Challenged
Jones[4]	§ 102(b) or § 103(a)	55–58
Jones in combination with either or both of Security Modules[5] and Common Interface Specification[6]	§ 103(a)	55–58
Jones in combination with either or both of Schwartz[7] and Kimura[8]	§ 103(a)	57

Dec. 8. In the Final Written Decision for Case IPR2017-01021, we ruled on the patentability of all claims challenged in this Petition, specifically finding that claim 58 was unpatentable but that claims 55–57 were not shown to be unpatentable by a preponderance of the evidence. Dec. 39, 58–59.

Our authorizing statutes estop certain petitioners from pursuing an *inter partes* review.

> The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not request or maintain a proceeding before the Office with respect to that claim on any ground that the petitioner

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[4] PCT Application WO 95/16238, published June 15, 1995 ("Jones," Case IPR2017-01021, Ex. 1003).
[5] Charles Cresson Wood & Howard M. Zeidler, *Security Modules: Potent Information Security System Components*, 5 Computers & Security 114 (1986) ("Security Modules," Case IPR2017-01021, Ex. 1004).
[6] *Common Interface Specification for Conditional Access and Other Digital Video Broadcasting Decoder Applications*, Digital Video Broadcasting, DVB Document A017, dated May 31, 1996 ("Common Interface Specification," Case IPR2017-01021, Ex. 1005).
[7] U.S. Patent No. 5,675,645 ("Schwartz," Case IPR2017-01021, Ex. 1006).
[8] U.S. Patent No. 5,237,609 ("Kimura," Case IPR2017-01021, Ex. 1007).

> raised or reasonably could have raised during that inter partes review.

35 U.S.C. § 315(e)(1). Implementing this statute, our rules provide:

> A petitioner, or the real party in interest or privy of the petitioner, is estopped in the Office from requesting or maintaining a proceeding with respect to a claim for which it has obtained a final written decision on patentability in an inter partes review, post-grant review, or a covered business method patent review, on any ground that the petitioner raised or reasonably could have raised during the trial, except that estoppel shall not apply to a petitioner, or to the real party in interest or privy of the petitioner who has settled under 35 U.S.C. 317 or 327.

37 C.F.R. § 42.73(d)(1).

On October 18, 2018, we issued an order for the parties to brief whether Kingston is estopped from requesting or maintaining this Petition under 35 U.S.C. § 315(e)(1) and 37 C.F.R. § 42.73(d)(1). Paper 9. Petitioner filed *Petitioner's Brief Addressing Why Estoppel Should Not Bar This Petition* on October 25, 2018 (Paper 10, "Pet. Brief"), and Patent Owner filed *Response To Order To Show Cause For Dismissal Of The Petition* on the same day (Paper 11, "PO Brief").

For the reasons discussed below, we determine Petitioner is estopped from requesting or maintaining this proceeding.

II. DISCUSSION

Petitioner argues estoppel does not apply here principally because the statute only bars grounds that could have been raised ***during*** a prior *inter partes* proceeding, which Petitioner appears to interpret to mean only grounds that could have been raised *for the first time* after institution of the prior *inter partes* review proceeding. Pet. Brief 2 (asserting that the statute

"only bars grounds that were or could have been raised '***during***' the previous IPR, which—as binding Federal Circuit case law has interpreted—means grounds that were or could have been raised after institution"). Petitioner cites *Shaw Industries Group, Inc. v. Automated Creel Systems, Inc.*, 817 F.3d 1293, 1300 (Fed. Cir. 2016), as supporting its interpretation. *Id.*

We are not persuaded by Petitioner's argument. *Shaw* is inapposite in that the estoppel issue before the Court in *Shaw* was whether, under the Board's proceedings prior to the Supreme Court's decision in *SAS*,[9] a Petitioner (Shaw) was estopped under § 315(e) from proceeding with another petition on claims/grounds for which trial was denied in an earlier *inter partes* proceeding. In *Shaw*, the Board denied institution of a particular ground (the "Payne-based" anticipation ground) as redundant with other grounds covering the same claims. *See Shaw*, 817 F.3d at 1296. Shaw filed a second petition for which the Board denied institution as redundant with grounds of the earlier filed petition. *Id*. at 1297. The Board consolidated proceedings for both petitions and ultimately issued a Final Written Decision finding the petitions had failed to persuade that some claims (including claims covered by the denied Payne-based ground) were unpatentable. *Id*. Shaw appealed to the Federal Circuit seeking, *inter alia*, mandamus from the

[9] The Supreme Court's decision in *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018), held that the Board could no longer issue "partial" institutions wherein some claims/grounds were instituted for trial and other claims/grounds were denied. The *Shaw* case was decided by the Federal Circuit before the *SAS* decision changed the Board's proceedings and, thus, the *Shaw* case dealt with estoppel effects relating to claims/grounds that were denied in a "partial" institution decision of the Board.

Federal Circuit to order the Board to consider the Payne-based ground, arguing to the Court that subsection 315(e) precluded Shaw from pursuing the Payne-based ground in any other forum. *See id.* at 1299 ("Shaw's argument is predicated on its concern that the statutory estoppel provisions would prevent it from raising the Payne-based ground in future proceedings."). The Court in *Shaw* held:

> We agree with the PTO that § 315(e) would not estop Shaw from bringing its Payne-based arguments in either the PTO or the district courts. Both parts of § 315(e) create estoppel for arguments "on any ground that the petitioner raised or reasonably could have raised during that inter partes review." Shaw raised its Payne-based ground in its petition for IPR. The PTO denied the petition as to that ground, thus no IPR was instituted on that ground.

Id. at 1300. Thus, *Shaw* stands for a principle that, under pre-*SAS* Board procedures, a petitioner is *not* estopped from again raising grounds of unpatentability for which the Board never instituted in a trial. By contrast, here, after the *SAS* decision, all claims and grounds were instituted in Case IPR2017-01021 (*see* Case IPR2017-01021, Papers 7, 20) and all claims and grounds of the petition in Case IPR2017-01021 were addressed in a Final Written Decision (Dec.). Thus, the patentability of all claims/grounds in that case was determined in the Final Written Decision.

Furthermore, our rules preclude adding any new grounds of unpatentability following filing of the petition, and these rules have not changed post-*SAS*. Therefore, Petitioner's argument that § 315(e) estops a party only with respect to grounds that could have been raised *during* the trial (i.e., after institution) would render subsection 315(e) (and our implementing rule) effectively meaningless. Under our rules, no new

grounds may be asserted following filing of the Petition. Thus, the estoppel effects of subsection 315(e), under Petitioner's interpretation of the statute, could not apply to any grounds other than those expressly asserted in the earlier petition. *See* Pet. Brief 4 (acknowledging that our rules prohibit addition of new grounds after institution). In other words, under Petitioner's interpretation of the statute, a petitioner is only estopped from raising again the exact same grounds that it raised in an earlier petition. Petitioner's interpretation would render the words "or reasonably could have raised" of subsection 315(e) meaningless. Indeed, Petitioner appears to acknowledge as much, but contends that such a result flows from "the PTO's current rules for IPR" rather than from the statute. *Id.* at 4 & n.2.

Petitioner further argues "*Shaw* cannot be distinguished based simply on the fact that *Shaw* was considering grounds that were raised in the petition but not instituted" and, instead, argues *Shaw* was decided based on the Court's interpretation of subsection 315(e) that, as urged by Petitioner, "during" an IPR refers only to post-institution grounds. Pet. Brief 4. We remain unpersuaded. The Board has routinely read "any grounds that the petitioner . . . reasonably could have raised during th[e] inter partes review" as including any grounds that the petitioner reasonably could have included in a petition, because such grounds would have been raised during the *inter partes* review if the petition were granted. *See, e.g., Facebook, Inc. v. Uniloc USA, Inc.*, IPR2017-01427, slip op. at 3–6 (PTAB May 29, 2018) (Paper 30); *Valve Corp. v. Ironburg Inventions Ltd.*, IPR2017-00136, slip op. at 2–3 (PTAB Jan. 25, 2018) (Paper 43); *Dell Inc. v. Elec. & Telecomms. Research Inst.*, IPR2015-00549, slip op. at 4–6 (PTAB Mar. 26, 2015) (Paper 10). Following Petitioner's interpretation, no estoppel would apply

even to the instituted claims because, they too, were raised pre-institution (i.e., raised in the petition) rather than *during* the *inter partes* review (reading *during* as *after institution* as proposed by Petitioner).

Petitioner contends its interpretation is consistent with Patent Office policy because, post-*SAS*, the Board cannot deny some grounds as redundant while granting review of other grounds (i.e., no partial institutions). Pet. Brief 5. Thus, Petitioner argues, "[i]f the Board decides that estoppel will apply to grounds not raised in petitions, then petitioners (contrary to PTO policy) will be encouraged to bring challenges based on every piece of known art." *Id.*

We remain unpersuaded. The statute estops Petitioner from asserting in this Petition only that which it "*reasonably*" could have raised in the earlier proceeding. The legislative history of the America Invents Act broadly describes grounds that "reasonably could have [been] raised" as encompassing "prior art which a skilled searcher conducting a diligent search reasonably could have been expected to discover." 157 Cong. Rec. S1375 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl). The Congressional intent does not support Petitioner's argument that estoppel applies only to the grounds that survive institution in an *inter partes* proceeding. Regardless, we need not speculate whether a skilled searcher could have found Harari, Anderson, and Dumas—the Petitioner admits knowledge of these references at the time of filing its petition in Case IPR2017-01021. Paper 3, 8 ("Petitioner [(Kingston)] does not claim that it was ignorant of the Harari, Dumas, and PCMCIA System Architecture references (i.e., those cited in the current petition) when it filed its earlier petition."). Here, Petitioner, which does not dispute having knowledge of these additional

prior art references at the time of filing of its earlier petition, could have filed contemporaneously multiple petitions to argue persuasively additional grounds that it determined could not be effectively argued within the word limit of the first petition.

Regardless of the reasons Kingston chose not to file a petition asserting grounds based on Harari, Anderson, and Dumas at the time of filing its petition in IPR2017-01021, we cannot ignore the plain meaning of 35 U.S.C. § 315(e)(1). Thus, we determine Petitioner is estopped from requesting or maintaining this Petition based on Harari, Anderson, and Dumas—references that reasonably could have been raised in its earlier petition in Case IPR2017-01021 or contemporaneously in a sibling petition.

Accordingly, we dismiss the Petition because Petitioner is estopped from requesting or maintaining this proceeding under 35 U.S.C. § 315(e)(1).

III. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that, pursuant to 35 U.S.C. § 315(e)(1), the Petition is *dismissed*.

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