

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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GLOBAL TEL\*LINK CORPORATION,  
Petitioner,

v.

HLFIP HOLDING, INC.,  
Patent Owner.

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IPR2021-00444  
Patent 10,291,617 B2

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Before JAMESON LEE, KEVIN F. TURNER, and  
KIMBERLY McGRAW, *Administrative Patent Judges*.

LEE, *Administrative Patent Judge*.

DECISION  
Denying Petitioner's Request for Rehearing  
*37 C.F.R. § 42.71*

## I. INTRODUCTION

On July 22, 2021, we exercised discretion under 35 U.S.C. § 114(a) to not institute review of claims 1–17 of U.S. Patent No. 10,291,617 B2 (“the ‘617 patent”). Paper 14 (“Decision” or “Dec.”). On August 23, 2021, Petitioner filed a Request for Rehearing (Paper 15, “Reh’g Req.”) under 37 C.F.R. § 42.71(d) to seek modification of the Decision so that review would be instituted and concurrently requested review by the Precedential Opinion Panel (“POP”). Reh’g Req. 1. The Request for Rehearing refers to three new exhibits not previously presented to the Board.<sup>1</sup>

On November 10, 2021, POP denied the request for POP review and ordered that “the original panel maintains authority over all matters, including considering the submitted rehearing request.” Paper 22, 2.

For reasons discussed below, the Request for Rehearing is *denied*.

## II. STANDARD OF REVIEW

When rehearing a decision on institution, we do not review the merits of the decision *de novo*, but instead 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 . . . a clear error of judgment.” *PPG Indus. Inc. v. Celanese Polymer Specialties Co.*, 840 F.2d 1565, 1567 (Fed. Cir. 1988) (citations omitted). The party requesting rehearing has the burden to show that the decision should be modified. 37 C.F.R. § 42.71(d). Additionally, the request for rehearing “must specifically identify all matters the party

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<sup>1</sup> The new exhibits are Exhibits 1065, 1065, and 1066. They will be identified and discussed in Section III below.

believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.” *Id.*

### III. ANALYSIS

We exercised discretion to not institute review essentially because (1) in the related district court litigation in the middle district of Tennessee, to which Petitioner is not a party, “the Rutherford case,” trial was scheduled to begin on October 12, 2021, less than two months from when the decision on whether to institute review was due, and (2) there is, in essence, a complete overlap of the alleged grounds of unpatentability with respect to all challenged claims except for three dependent claims which are not at issue in the Rutherford case but two of which are at issue in “the York case” a co-pending related litigation in the middle district of Pennsylvania.<sup>2</sup> Dec. 20, 25–26.

In the Request for Rehearing, Petitioner:

A. asserts that we overlooked Petitioner’s diligence in filing the Petition (Reh’g Req. 12–13);

B. submits new evidence, in the form of an email stipulation, purportedly sent from counsel for the defendants in the Rutherford case to counsel for Patent Owner, the plaintiff in the Rutherford case, subsequent to the date of our Decision exercising discretion to not institute review (Ex. 1066) (Reh’g Req. 2–3);

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<sup>2</sup> Although Petitioner is not a named party in the York case, Patent Owner contends, and Petitioner does not dispute, that Petitioner has signed an indemnification agreement with the named defendants in the York case and has offered to pay the defendants reasonable attorney’s fees and associated litigation costs. *See* Dec. 27 (citing Prelim. Resp. 13; Ex. 2002, 35–45).

The email states:

“If the Board institutes the Petition for *Inter Partes* Review in IPR2021-00444, Defendants will not raise at trial any invalidity challenges based on U.S. Patent No. 8,509,390 to Harper (including related U.S. Patent Nos. 9,526,656 and 9,204,177 to Harper) or U.S. Patent Publication No. 2004/0178128 to O’Connell et al. (including U.S. Patent No. 7,161,108).

Ex. 1066.

C. asserts that “[the] Rutherford Case is at a standstill, and trial on October 12th (in less than two months) is highly unlikely, if not impossible” (Reh’g Req. 2, citing Ex. 1065), and that the Board misapprehended the investment and state of the Rutherford case (Reh’g Req. 11); and

D. asserts that Patent Owner “inappropriately represented that the Rutherford Case was approaching trial and that the October 12 trial date was firm in its prior PTAB briefs.” Reh’g Req. 1. Petitioner explains:

While making those representations [that the October 12, 2021 trial date was firm], PO was seeking to delay the close of fact discovery and pressing the Middle District Court of Tennessee (‘TN court’) to move the trial date. More specifically, the parties to the Rutherford Case have submitted **four joint requests** to amend the schedule: on January 29 [2021], April 19 [2021], June 28 [2021], and August 11, 2021. PO did not inform the Board of the April 19 or June 28 requests—both filed before the Board issued the DI—even though PO’s primary argument against institution was based on the advanced state of the co-pending litigation.

*Id.* at 1–2. Petitioner states: “PO misled the Board about the October 12, 2021 trial date in the Rutherford Case” by representing in Patent Owner’s Sur-Reply (Paper 13), which was filed on June 4, 2021, that the trial date was not uncertain or to-be-determined. *Id.* at 9 (citing Paper 13, 2).

We address these arguments, in turn.

A.

Petitioner contends that, when analyzing *Fintiv* factor 3, we overlooked Petitioner's diligence in filing the Petition more than two months before PO identified the asserted claims in the York case. Reh'g Req. 12–13 (citing Pet. 71). However, we determined that “for the York case, *Fintiv* factor 3 weighs in favor of not exercising discretion to deny the Petition.” Dec. 21. Thus, this contention does not persuade us that our Decision denying institution should be modified.

Similarly, Petitioner's contention that its diligence in filing this Petition should not be a consideration as to the Rutherford Case (Reh'g Req. 13) also does not persuade us that our Decision denying institution should be modified. With respect to the Rutherford case, we determined that Petitioner's diligence relative to the York matter was outweighed by the looming trial date and near complete overlap of substantive issues in the Rutherford case and that “for the Rutherford Case, *Fintiv* factor 3 weighs strongly in favor of exercising discretion to deny the Petition.” Dec. 23. Excluding a consideration of Petitioner's diligence would not change this determination.

B.

The email communication submitted by Petitioner with the Request for Rehearing as Exhibit 1066 was purportedly sent by counsel for defendants in the Rutherford case to counsel for Patent Owner in the Rutherford case on August 20, 2021, approximately one month after the Board's Decision not to institute review. Reh'g Req. 2. Patent Owner has objected to Exhibit 1066 as lacking authentication and as inadmissible hearsay. Paper 16. Patent Owner has also filed a Motion to Exclude Exhibit 1066 and references in the Rehearing Request to Exhibit 1066. Paper 19.

A rehearing request, however, is not an occasion to adjudicate whether a fact exists, e.g., taking testimony on the fact and providing for cross-examination, especially a fact which purportedly occurred subsequent to when the Board issued its Decision not to institute review. Exhibit 1066 as an alleged stipulation is not a representation by Petitioner, is not a document filed in the Rutherford case, and is not without dispute as noted above. It suffices to say that Exhibit 1066 by itself, without explanation by Petitioner as to how it was obtained, and in its disputed status, is not enough to establish the purported stipulation for purposes of a Rehearing Request.

Alternatively, even assuming that the alleged stipulation is true, it also does not help the Petitioner here. The stipulation was made subsequent to the Board's Decision denying to institute *inter partes* review. The Board could not have overlooked, on July 22, 2021, when it rendered the Decision, something that purportedly occurred later on August 20, 2021, and was not presented to the Board for consideration until August 23, 2021, as a part of the Request for Reconsideration. A request for rehearing "must specifically identify 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.*" 37 C.F.R. § 42.71(d) (emphasis added). Petitioner has not identified anywhere in previously filed papers where the alleged fact was presented to the Board for consideration prior to issuance of the Decision

The circumstances presented here are distinguishable from the cases cited by Petitioner to support its argument that the Board should consider "evolving facts" and "new evidence" occurring after the panel's Decision denying review. *See* Reh'g Req. 2–3 (citing *Sand Revolution II, LLC v. Continental Intermodal Group – Trucking LLC*, IPR2019-01393, Paper 24 at

2 (PTAB June 16, 2020) (informative) and *Philip Morris Products, S.A., v. RAI Strategic Holdings, Inc.*, IPR2020-00921, Paper 13 (PTAB Aug. 5, 2021)).

In *Sand Revolution II*, the Board on April 7, 2020 asked the parties to file supplemental briefing to address the factors first set forth in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential). *Sand Revolution II*, Paper 19 at 2–3. Notably, the precedential *Fintiv* decision issued *after* the petitioner in *Sand Revolution II* filed its request for the Board to reconsider its decision declining to institute review. Here, however, *Fintiv* has been issued for almost two years and familiarity with *Fintiv* is presumed. We have not asked the parties for supplemental briefing to address the *Fintiv* factors. It would be unfair to Patent Owner to allow Petitioner to start over with new contentions regarding *Fintiv* factors after the Board already applied *Fintiv* and discretionarily denied the Petition. Petitioner should not be given a second bite at the apple in the name of a rehearing request. Moreover, doing so also would encourage litigants adverse to patent owners to delay making stipulations until after the Board has rendered a decision on whether to institute.

In *Philip Morris Products*, after the Board had issued a decision denying institution, the district court ordered a stay of a related civil action “pending a decision by the PTAB on whether to institute.” *Philip Morris Prods.*, Paper 13 at 5. There, the panel granted rehearing of its decision to deny institution, noting that “the district court action is stayed” pending resolution of the PTAB proceeding and that district court’s stay would allay concerns about inefficiency and duplication of effort. *Id.* at 6. Here, none of the co-pending litigations have been stayed. Given the circumstances presented, Petitioner has not sufficiently shown that any of the asserted

“evolving facts” and “new evidence” warrant reconsideration of our decision to deny institution.

C.

Even assuming that the Rutherford case is now at a standstill, we would not have known, at the time of rendering the Decision, that to this date the District Court for the Rutherford case had not yet issued a claim construction order or that the parties in the Rutherford case would, without authorization from the District Court, continually and substantially delay the close of fact discovery, commencement of expert discovery, and the exchange of final contentions. According to Petitioner, this information is ascertained from the contents of a joint request by the parties in the Rutherford case (Ex. 1065), dated August 11, 2021, subsequent to the Board’s denial of the Petition, to change the schedule in the Rutherford case. Reh’g Req. 2. As noted above, we could not have overlooked facts that were not presented to us. Nor could we have overlooked facts which had not yet occurred. The time for assessing facts and making a decision on whether to exercise discretion to deny the Petition was when the Decision was rendered on July 22, 2021, not now in 2022.

D.

Although we agree with Petitioner that Patent Owner should have notified the Board of all pending joint requests filed in the Rutherford case to change the schedule, in these circumstances, it is an over-statement to say that Patent Owner misled the Board by stating in its Sur-Reply (Paper 13, June 4, 2021) that the October 12, 2021 trial date was “firm,” despite the fact that there were pending requests to change the schedule. *See* Reh’g Req. 1–2 (identifying a request dated January 29, 2021, and a request dated April 19, 2021); *see also id.* (citing a joint request dated June 28, 2021 (Exhibit

1064) and a joint request dated August 11, 2021, which were filed after the Patent Owner filed its Sur-Reply).

Unless the District Court changed the scheduled trial date or indicated that it would change or was considering changing the trial date, Patent Owner reasonably could characterize the trial date as firm, notwithstanding that Patent Owner requested a change in the trial date. The parties could not change the dates themselves by agreeing to a change or by filing a joint request to change the schedule.

Furthermore, Petitioner's accusing Patent Owner for not bringing to the Board's attention the joint requests to change the schedule, dated April 19, 2021, and June 28, 2021, is without persuasion. Those requests appear not to be under seal but are publically accessible. Petitioner does not represent that it was without access to those requests. Petitioner also did not bring them to the Board's attention prior to July 22, 2021, when the Decision was issued by the Board deciding to exercise discretion to deny the Petition. Notably, the joint request dated April 19, 2021 was made prior to the filing of Petitioner's authorized Preliminary Reply filed on May 28, 2021.

IV. ORDER

For the reasons given, it is:

ORDERED that Petitioner's Request for Rehearing is *denied* and  
FURTHER ORDERED that Patent Owner's Motion to Exclude  
Exhibit 1066 and references to Exhibit 1066 (Paper 19) is *dismissed* as moot,  
because the Rehearing Request is denied even without excluding such  
material from consideration.

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FOR PETITIONER:

Michael D. Specht  
Steven M. Pappas  
Ryan C. Richardson  
Richard M. Bemben  
STERNE, KESSLER, GOLDSTEIN & FOX P.L.L.C.  
mspecht-ptab@sternekessler.com  
spappas-ptab@sternekessler.com  
rrichardson-ptab@sternekessler.com  
rbemben-ptab@sternekessler.com

FOR PATENT OWNER:

Jason S. Jackson  
Sara Gillette  
KUTAK ROCK LLP  
jason.jackson@kutakrock.com  
sara.gillette@kutakrock.com