

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAND REVOLUTION II, LLC,
Petitioner,

v.

CONTINENTAL INTERMODAL GROUP – TRUCKING LLC,
Patent Owner.

Case IPR2019-01393
Patent 8,944,740 B2

Before CARL M. DEFRANCO, SCOTT C. MOORE, and RYAN H. FLAX,
Administrative Patent Judges.

FLAX, *Administrative Patent Judge.*

ORDER
Conduct of the Proceeding
Supplemental Briefing on Discretionary Denial
35 U.S.C. § 314(a) and § 42.5(a)

I. INTRODUCTION

Sand Revolution II, LLC (“Petitioner”) filed a Petition for an *inter partes* review of claims 1, 2, 4, 6–14, and 16–20 of U.S. Patent 8,944,740 B2 (“the ’740 patent,” Ex. 1001). Paper 7 (“Pet.”). Continental Intermodal Group-Trucking LLC (“Patent Owner”) filed a Preliminary Response. Paper 8 (“Prelim. Resp.”). In a divided decision, the Board denied institution pursuant to 35 U.S.C. § 314(a), reasoning that the circumstances of this case, as evidenced by the preliminary record, were controlled by the Board’s precedential decision in *NHK Spring Co., Ltd. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential). Paper 12 (“Denial Decision”).

Petitioner filed a Request for Rehearing of the Denial Decision. Paper 15 (“Req. Reh’g” or “Request for Rehearing”). Concurrently therewith, Petitioner requested that the Board’s Precedential Opinion Panel (“POP”) reconsider the Denial Decision. Paper 17; Ex. 3002 (“POP Request”). Patent Owner, by email to the Board on March 24, 2020, requested authorization to file an opposition to Petitioner’s Request for Rehearing, which Petitioner opposed by a separate email the same day. In an email dated March 25, 2020, we denied Patent Owner’s request for authorization pending consideration of Petitioner’s POP Request.

The POP has now declined to review the issue raised in Petitioner’s POP Request. Paper 18. Thus, jurisdiction over this proceeding has returned to the Panel. Having reviewed Petitioner’s Request for Rehearing, we determine that further briefing is warranted on the application of *NHK* to

the facts of this case. As such, we authorize the parties to file supplemental briefing in accordance with our instructions below.

II. ANALYSIS

As noted in the Denial Decision, the majority exercised discretion under 35 U.S.C. § 314(a) to deny institution because a parallel district court action, *Continental Intermodal Group – Trucking LLC v. Sand Revolution LLC*, Western District of Texas, Case No. 7:18-cv-00147-ADA (“related district court litigation”), involved the same patent and parties as this proceeding, was well underway, and, most notably, was scheduled to have a jury trial before a final written decision would have come due had *inter partes* review been instituted. Denial Decision 15–17 (addressing *NHK*). Given those circumstances, the majority concluded that, despite some differences, the precedential *NHK* decision compelled the Panel to deny institution. *Id.* at 17.

We understand that the scheduled jury trial date in the parallel related district court litigation has changed by order of the court at least twice since entry of our Denial Decision, moving from July 20, 2020 (or as available), to September 28, 2020 (or as available), and then to November 9, 2020 (or as available), where it presently stands. We further note that in another proceeding involving a similar application of *NHK*, the Board issued an order for supplemental briefing, namely, *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020). The order in *Apple* includes a non-exclusive list of factors that parties should consider in addressing earlier trial dates in a related, parallel district court action as a basis for denial under *NHK*. *Id.* at 5–16. Those factors include:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board's exercise of discretion, including the merits.

Id. at 5–6. The *Apple* order further noted that

These factors relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding. . . . [And], there is some overlap among these factors. Some facts may be relevant to more than one factor. Therefore, in evaluating the factors, the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.

Id. at 6.

We invite the parties to address in supplemental briefing how the circumstances and facts in this case relate to the *Apple* factors listed above. We emphasize that the parties are not limited by the explicit *Apple* factors, but rather may present “other circumstances” or facts that impact the Board's exercise of discretion under 35 U.S.C. § 314(a), as indicated in *Apple* factor 6. To that end, the parties may discuss the circumstances surrounding the aforementioned modification of the trial schedule by the district court.

III. ORDER

Accordingly, it is hereby:

ORDERED that each party is authorized to file a supplemental brief of up to ten (10) pages limited to addressing the application of *NHK* and the *Apple* factors to our discretionary denial of institution under 35 U.S.C. § 314(a);

FURTHER ORDERED that each party's supplemental brief shall be due on April 13, 2020; no rebuttal briefing is authorized; and

FURTHER ORDERED that the filing of additional evidence necessary to address the *Apple* factors is authorized.

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