

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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GENERAL PLASTIC INDUSTRIAL CO., LTD.,  
Petitioner,

v.

CANON KABUSHIKI KAISHA,  
Patent Owner.

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Case IPR2016-01357 (Patent 9,046,820 B1)<sup>1</sup>  
Case IPR2016-01358 (Patent 9,046,820 B1)  
Case IPR2016-01359 (Patent 8,909,094 B2)  
Case IPR2016-01360 (Patent 8,909,094 B2)  
Case IPR2016-01361 (Patent 8,909,094 B2)

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Before DAVID P. RUSCHKE, *Chief Administrative Patent Judge*,  
SCOTT R. BOALICK, *Deputy Chief Administrative Patent Judge*, and  
JAMESON LEE, MICHAEL R. ZECHER, THOMAS L. GIANNETTI,  
JENNIFER S. BISK, and SHEILA F. McSHANE, *Administrative Patent Judges*.

McSHANE, *Administrative Patent Judge*.

DECISION  
Denying Petitioner's Requests for Rehearing  
*37 C.F.R. § 42.71(d)*

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<sup>1</sup> These proceedings have not been joined or consolidated. Rather, because of the presence of common issues and the involvement of the same parties, we enter one Decision on Rehearing for these identified proceedings.

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## I. INTRODUCTION

General Plastic Industrial Co., Ltd., (hereafter “Petitioner”) filed respective Requests for Rehearing of each of the Decisions Denying Institution of *inter partes* review in the following five related proceedings: (1) IPR2016-01357; (2) IPR2016-01358; (3) IPR2016-01359; (4) IPR2016-01360; and (5) IPR2016-01361.<sup>2</sup> In each Request for Rehearing, Petitioner contends that the corresponding Decision Denying Institution should be withdrawn, and *inter partes* review should be instituted. Also, in each Request for Rehearing, Petitioner requests that the panel on rehearing be expanded.

For purposes of this Decision on Rehearing, we treat the Request for Rehearing in IPR2016-01357 as representative, and specifically discuss the circumstances of that request. This discussion, however, equally applies to all the Requests for Rehearing. For ease of reference, unless otherwise indicated, all citations are to filings in IPR2016-01357, including the Request for Rehearing (“Req. Reh’g”) and the Decision Denying Institution (“Dec.”). Where appropriate, we add specific discussions pertaining to the other proceedings.

To summarize, and as discussed further below, Petitioner filed a first set of petitions seeking *inter partes* review of U.S. Patent No. 9,046,820 B1 (“the ’820 patent”) and U.S. Patent No. 8,909,094 B2 (“the ’094 patent”). For each petition, institution of a trial was denied based upon the merits. Nine months after the filing

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<sup>2</sup> The Decisions Denying Institution are listed as follows: IPR2016-01357 (Paper 16); IPR2016-01358 (Paper 12); IPR2016-01359 (Paper 12); IPR2016-01360 (Paper 12); and IPR2016-01361 (Paper 12). The Requests for Rehearing are listed as follows: IPR2016-01357 (Paper 17); IPR2016-01358 (Paper 13); IPR2016-01359 (Paper 13); IPR2016-01360 (Paper 13); and IPR2016-01361 (Paper 13).

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of the first set of petitions, Petitioner filed follow-on petitions against the same patents. For each of those follow-on petitions, we exercised our discretion not to institute pursuant to 35 U.S.C. § 314(a) and 37 C.F.R. § 42.108(a).

Petitioner alleges that trials should have been instituted on the follow-on petitions because a petitioner is not limited to filing just one petition per challenged patent under either 35 U.S.C. § 311 or § 314. Req. Reh’g 5. Petitioner also argues that we should not have relied on § 314(a), which, according to Petitioner, does not apply to the later petitions, and that we should have performed our analysis under 35 U.S.C. § 325(d). *Id.* at 5–7, 13–14. Furthermore, Petitioner alleges that in our analysis, we misapplied the factors set forth in the Board’s *NVIDIA*<sup>3</sup> decision. Specifically, Petitioner contends that: (1) the factor of the limited one-year time period for issuing a final written decision should be afforded additional, if not dispositive, weight in light of the legislative history; (2) we abused our discretion by requiring that the prior art “should have been known” at the time the initial petitions were filed; and (3) we erred in considering potential prejudice to Patent Owner because the *NVIDIA* decision does not list such a factor. *Id.* at 6–13. Petitioner also requests that an expanded panel be designated. *Id.* at 14–15.

For the reasons that follow, we *deny* Petitioner’s Requests for Rehearing.

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<sup>3</sup> *NVIDIA Corp. v. Samsung Elec. Co.*, Case IPR2016-00134 (PTAB May 4, 2016) (Paper 9) (hereinafter, “*NVIDIA*”).

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## II. DISCUSSION

### A. *Requests for an Expanded Panel*

Our governing statutes and regulations do not permit parties to request, or panels to authorize, an expanded panel. *See generally* 35 U.S.C. § 6; 37 C.F.R. §§ 41.1–42.412; *see also AOL Inc. v. Coho Licensing LLC*, Case IPR2014-00771, slip op. at 2 (PTAB Mar. 24, 2015) (Paper 12) (“[P]arties are not permitted to request, and panels do not authorize, panel expansion.”). Our standard operating procedures, however, provide the Chief Judge with discretion to expand a panel to include more than three judges. PTAB SOP 1, 1–3 (§§ II, III) (Rev. 14); *see id.* at 1 (introductory language explaining that the Director has delegated to the Chief Judge the authority to designate panels under 35 U.S.C. § 6); *see also In re Alappat*, 33 F.3d 1526, 1532 (Fed. Cir. 1994) (providing that Congress “expressly granted the Commissioner the authority to designate expanded Board panels made up of more than three Board members.”). The Chief Judge may consider panel expansions upon a “suggestion” from a judge, panel, or party in a post-grant review. *Id.* at 3–4; *see also Apple Inc. v. Rensselaer Polytechnic Inst.*, Case IPR2014-00319, slip op. at 2 n.1 (PTAB Dec. 12, 2014) (Paper 20) (expanded panel) (per curiam).

The standard operating procedure exemplifies some of the reasons for which the Chief Judge may expand a panel. PTAB SOP 1, 3 (§ III.A). For example, an expanded panel may be appropriate when “[t]he proceeding or AIA Review involves an issue of exceptional importance.” *Id.* (§ III.A.1).

In these cases, the Chief Judge has considered whether expansion is warranted, and has decided to expand the panel due to the exceptional nature of the

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issues presented.<sup>4</sup> As we discuss further below, follow-on petitions have been at issue in multiple cases before the Board. The Chief Judge has determined that an expanded panel is warranted to provide a discussion of factors that are considered in the exercise of the Board's discretion under 35 U.S.C. § 314(a) and 37 C.F.R. § 42.108(a).

### *B. Requests for Rehearing*

A party requesting rehearing has the burden to show a decision should be modified by specifically identifying all matters the party believes were misapprehended or overlooked, and the place where each matter was addressed previously in a motion, opposition, or a reply. 37 C.F.R. § 42.71(d). When rehearing a decision on institution, we review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion may arise if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors. *Star Fruits S.N.C. v. United States*, 393 F.3d 1277, 1281 (Fed. Cir. 2005); *Arnold P'ship v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004); *In re Gartside*, 203 F.3d 1305, 1315–16 (Fed. Cir. 2000).

We present background on the cases below, and then address the arguments made by Petitioner in the Requests for Rehearing.

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<sup>4</sup> As provided for in the standard operating procedure, and considering the commonality of issues considered here, the Judges on the initial panels in all the cases at issue have been designated as part of the expanded panel, and the Chief Judge and Deputy Chief Judge have been added to the panel. PTAB SOP 1, 4 (§ III.E).

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*1. Background*

Petitioner initially filed a first set of petitions challenging the '820 patent and the '094 patent. The '820 and '094 patents generally relate to toner supply containers used with image forming apparatuses, and the challenged claims at issue in both patents are very similar. *Compare* Ex. 1001, 24:6–61, with IPR2015-01954, Ex. 1001, 24:15–25:5. Below is a summary of the proceedings corresponding to the first set of petitions.

*'820 Patent Case*

<b>Case</b>	<b>Claims at Issue</b>	<b>Prior Art Asserted</b>
IPR2015-01966 ("First '820 Patent Petition")	1, 7–9, and 16	Matsuoka <sup>5</sup>

*'094 Patent Case*

<b>Case</b>	<b>Claims at Issue</b>	<b>Prior Art Asserted</b>
IPR2015-01954 ("First '094 Patent Petition")	1, 7–9, 16–18, 29, and 38	Matsuoka

Petitioner filed these two petitions ("first-filed petitions") challenging claims of the '820 and '094 patents in September 2015. We denied institution of an *inter partes* review in those two proceedings based upon the merits of the challenges on March 9, 2016. *Gen. Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, Case IPR2015-01966 (PTAB March 9, 2016) (Paper 9); *Gen. Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, Case IPR2015-01954 (PTAB March 9, 2016) (Paper 9).

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<sup>5</sup> U.S. Patent No. 5,903,806, issued May 11, 1999.

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Petitioner filed Requests for Rehearing in those two proceedings, and those Requests were denied on May 19, 2016.

In July 2016, Petitioner filed two follow-on petitions in Cases IPR2016-01357 and IPR2016-01358, again challenging claims of the '820 patent, and three follow-on petitions in Cases IPR2016-01359, IPR2016-01360, and IPR2016-01361, again challenging claims of the '094 patent. The five follow-on petitions, and their designation by Petitioner ("Second," "Third," and "Fourth"), are summarized below.

*'820 Patent Case*

<b>Case</b>	<b>Claims at Issue</b>	<b>Prior Art Asserted</b>
IPR2016-01357 ("Second '820 Patent Petition")	1, 7–9, and 16	Suzuki <sup>6</sup> , Ikesue <sup>7</sup> , and Yasuda <sup>8</sup>
IPR2016-01358 ("Third '820 Patent Petition")	1, 7–9, and 16	Yoshiki <sup>9</sup> , Koide <sup>10</sup> , Kato <sup>11</sup> , Matsuoka, and Ikesue

<sup>6</sup> Japan Patent Pub. No. 2000-305346, published November 2, 2000.

<sup>7</sup> U.S. Patent No. 5,598,254, issued January 28, 1997.

<sup>8</sup> U.S. Patent No. 5,481,344, issued January 2, 1996.

<sup>9</sup> U.S. Patent No. 5,765,079, issued June 9, 1998.

<sup>10</sup> Japan Patent App. No. H10-171230, published June 26, 1998.

<sup>11</sup> U.S. Patent No. 6,118,951, issued September 12, 2000.

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*'094 Patent Cases*

<b>Case</b>	<b>Claims at Issue</b>	<b>Prior Art Asserted</b>
IPR2016-01359 ("Second '094 Patent Petition")	1, 7–9, and 29	Suzuki and Ikesue
IPR2016-01360 ("Third '094 Patent Petition")	1, 7–9, and 29	Yoshiki, Koide, Kato, Matsuoka, and Ikesue
IPR2016-01361 ("Fourth '094 Patent Petition")	1, 7–9, 11, 16–18, 29, and 38	Yasuda

In Patent Owner’s Preliminary Responses to the follow-on petitions, Patent Owner argued that the Board should apply the factors set forth in the *NVIDIA* decision and deny the Petitions pursuant to 35 U.S.C. § 314(a). Paper 8, 4–10. Petitioner was granted leave to file Replies (Paper 10) to address issues arising under 35 U.S.C. §§ 314(a) and 325(d). Petitioner filed Replies to the Preliminary Responses (Paper 11) (“Reply”), and Patent Owner filed Sur-Replies in response to the Replies (Paper 13).

*2. Decisions Denying Institution*

We declined to institute *inter partes* reviews based on the follow-on petitions in Cases IPR2016-01357, IPR2016-01358, IPR2016-01359, IPR2016-01360, and IPR2016-01361 by exercising our discretion pursuant to 35 U.S.C. § 314(a) and 37 C.F.R. § 42.108(a). *See, e.g.,* Dec. 12; *Gen. Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, Case IPR2016-01360 (PTAB Nov. 14, 2016) (Paper 12) (hereinafter, “Dec. IPR2016-01360”).

In exercising our discretion to deny each of the follow-on petitions, we considered seven factors, first set forth in *NVIDIA*, slip. op. at 6–7. In *NVIDIA*, the



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Board determined that, when exercising discretion to deny institution of an *inter partes* review, we may consider the following factors:

1. whether the same petitioner previously filed a petition directed to the same claims of the same patent;
2. whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it;<sup>12</sup>
3. whether at the time of filing of the second petition the petitioner already received the patent owner's preliminary response to the first petition or received the Board's decision on whether to institute review in the first petition;<sup>13</sup>
4. the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition;
5. whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;
6. the finite resources of the Board; and

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<sup>12</sup> See *Conopco, Inc. v. Proctor & Gamble Co.*, Case IPR2014-00506, slip op. at 4 (PTAB Dec. 10, 2014) (Paper 25) (informative) (hereinafter, "*Conopco*"), and slip op. at 6 (PTAB July 7, 2014) (Paper 17); *Toyota Motor Corp. v. Cellport Sys., Inc.*, Case IPR2015-01423, slip op. at 8 (PTAB Oct. 28, 2015) (Paper 7) (hereinafter, "*Toyota Motor Corp.*").

<sup>13</sup> See *Conopco, Inc. v. Proctor & Gamble Co.*, Case IPR2014-00628, slip op. at 11 (PTAB October 20, 2014) (Paper 21) (discouraging filing of a first petition that holds back prior art for use in later attacks against the same patent if the first petition is denied); *Toyota Motor Corp.*, slip op. at 8 ("[T]he opportunity to read Patent Owner's Preliminary Response in IPR2015-00634, prior to filing the Petition here, is unjust.").

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7. the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.

*See also LG Elecs. Inc. v. Core Wireless Licensing S.A.R.L.*, Case IPR2016-00986 (PTAB Aug. 22, 2016) (Paper 12) (hereinafter, “*LG Electronics*”).

Applying these factors to the follow-on petitions, we concluded that the circumstances did not warrant institution of *inter partes* reviews. *See* Dec. 11–12. For instance, when evaluating factor 1, we noted that the same claims of the same patent were at issue in the follow-on petitions as in the first-filed petitions, where institutions were denied. *See id.* at 7–8. We also considered the timing of the filings under factors 2 and 3. The follow-on petitions were all filed nine months after the filing of the first-filed petitions. At the time Petitioner filed the follow-on petitions, Patent Owner had filed its Preliminary Responses to the first-filed petitions, and the Board had issued Decisions Denying Institution of the first-filed petitions, as well as Decisions Denying Rehearing of those decisions. *Id.* at 10–12. Petitioner provided no meaningful explanation for the delay in filing the follow-on petitions. Instead, Petitioner stated that it had found new prior art as a result of two later searches. *Id.* at 8. The new prior art searches did not commence until after the Board issued the Decisions Denying Institution in the proceedings based on the first-filed petitions. *Id.* at 8–9 (citing Ex. 1010 ¶¶ 3, 4, 6–8). Additionally, with respect to factor 6, we found that the Board’s resources would be more fairly expended on initial petitions, rather than follow-on petitions. Dec. IPR2016-01360, 9.

With respect to factors 4 and 5, Petitioner provided no explanation in its Petition or in its Reply to Patent Owner’s Preliminary Response of any unexpected

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circumstances that prompted the new prior art searches, or for the delay. Dec. 11. Petitioner demonstrated that it found new prior art, but provided no explanation why it could not have found this new prior art earlier—prior to filing the first-filed petitions—through the exercise of reasonable diligence. *Id.*

We additionally found that Petitioner had modified its challenges in the follow-on petitions in an attempt to cure the deficiencies that the Board identified in its first-filed petitions. *See, e.g.*, Dec. 11–12 (“The shift in the prior art asserted and arguments in serial proceedings is of particular concern here.”). More specifically, the newly-asserted prior art, predominantly directed to toner cartridges only, “without resort to any copier components as part of its invalidity arguments,” was a shift in Petitioner’s positions and arguments from the first-filed petitions based on the analysis articulated in our Decisions Denying Institution of those petitions. *Id.* at 12. Moreover, the shift in Petitioner’s challenges was not the consequence of a position that Patent Owner surprisingly advanced or the Board surprisingly adopted, because “[t]he claims clearly require the sealing member to be a component of the toner supply container, e.g., a toner cartridge,” and not the copier itself. Dec. IPR2016-01360, 9. On these bases, we stated that “[t]he filing of sequential attacks against the same claims, with the opportunity to morph positions along the way, imposes inequities on [Patent Owner].” *See* Dec. 12.

In light of the circumstances of these cases, and our assessment that the factors strongly favored non-institution, we exercised discretion and denied institution under 35 U.S.C. § 314(a) and 37 C.F.R. § 42.108(a). *See id.*

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### 3. *Petitioner's Contentions*

Petitioner asserts that we were “overly concerned with the perceived burdens that would be imposed on the Patent Office and Patent Owner . . . , but ignored the overarching purpose of Section 6 of the America Invents Act (‘AIA’), 35 U.S.C. § 311 et seq., which is to improve the quality of patents by cancelling unpatentable claims.” Req. Reh’g 2. More specifically, Petitioner asserts that, in rendering our Decisions Denying Institution, our actions were contrary to the legislative purpose of 35 U.S.C. § 314(a) and that we misapplied the factors set forth in *NVIDIA*, thereby creating an improper *de facto* bar against all follow-on petitions filed after a decision on a first-filed petition. *Id.* at 1–3, 6–14.

Petitioner argues that it is not limited explicitly to filing just one petition per challenged patent under either 35 U.S.C. §§ 311 or 314, and that 35 U.S.C § 325(d) recognizes the possibility of subsequent petitions. Req. Reh’g 5–6. Petitioner further argues that § 325(d) only allows us to reject follow-on petitions when “the same or substantially the same prior art or arguments previously were presented to the Office” in the first-filed petition. *Id.* Petitioner asserts that utilizing § 314(a) and factors to prohibit shifting positions or arguments “conflicts with the express wording of § 325(d),” renders that statutory section superfluous or meaningless, and represents an abuse of discretion. *Id.* at 14.

Petitioner contends that the more specific statutory section addressing multiple proceedings (i.e., § 325(d)) controls over the more general statutory section (i.e., § 314(a)). Req. Reh’g 14 (referring to *HCSC-Laundry v. United States*, 450 U.S. 1, 6 (1981)). Petitioner asserts that, upon reviewing the legislative history, the intent of Congress in giving the Director discretion to deny petitions

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under § 314 is limited to providing a “safety valve” for situations where the one-year deadline imposed by 35 U.S.C. § 316(a)(11) could not be met. *Id.* at 6–7 (citing *A Guide to the Legislative History of the America Invents Act: Part II of II*, 21 Fed. Cir. B.J. 539, 610 (2012) (citing 157 CONG. REC. S1377 (daily ed. Mar. 8, 2011))). Petitioner then argues that we should give more weight to factor 7, i.e., the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review, than to the other factors we consider because that factor is the only factor “supported by the legislative history of §314(a).” *Id.* at 7. Petitioner further argues that we did not deny institution of the follow-on petitions in order to alleviate an existing backlog of instituted proceedings affecting the Board’s ability to meet a one-year deadline under § 316(a)(1). *Id.*

Petitioner also argues that § 314(a) should not be applied here because its application “improperly conflicts with 35 U.S.C. § 325(d).” *Id.* at 13. According to Petitioner, the Board previously has applied “just § 325(d)” to determine whether institution should be granted for subsequent petitions. *Id.* at 13–14 (citing *Microsoft Corp. v. Bradium Techs. LLC*, Case IPR2016-00449, slip op. at 6–10 (PTAB July 27, 2016) (Paper 9) (hereinafter, “*Microsoft*”); *Atlas Copco Airpower N.V. v. Kaeser Kompressoren SE*, Case IPR2015-01421, slip op. at 6–8 (PTAB Dec. 28, 2015) (Paper 8) (hereinafter, “*Atlas*”).

Petitioner further questions our findings on the reasonableness of its initial prior art search and argues that we abused our discretion because, under factor 2, we applied a standard based on whether the new prior art discovered by Petitioner “should have been known” earlier. Req. Reh’g 7–8. Petitioner argues that our

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interpretation of factor 2 “would be self-defining to be adverse to Petitioners in every instance.” *Id.* at 8. Petitioner argues that because a petition requesting an *inter partes* review can be based only on “prior art consisting of patents or printed publications,” that “a reference must be locatable by a reasonably diligent search” “in order to qualify as such prior art.” *Id.* As a consequence, Petitioner asserts that any prior art citable in a second petition “necessarily could have been found by a reasonable prior art search performed prior to filing the first petition.” *Id.* (citing 35 U.S.C. § 311(b); *In re Lister*, 583 F.3d 1307, 1311–12 (Fed. Cir. 2009)).

Petitioner also argues that denial of a first-filed petition “should not be fatal.” Req. Reh’g 10. Petitioner argues we should not have denied its follow-on petitions that attempt to cure “a substantive and material defect” in its first-filed petitions, because that rationale “would apply to any second petition filed after the Board’s denial of the first petition.” Req. Reh’g 10–11. To illustrate this point, Petitioner refers to two other cases where the Board instituted an *inter partes* review on grounds asserted in follow-on petitions, even though the petitioners shifted positions in the follow-on petitions. *Id.* at 10–11 (citing *Atlas*, slip op. at 6, 19; *Microsoft*, slip op. at 6–10). Petitioner further alleges that denial of the first-filed petitions was “surprising” to it because of our interpretation of “toner supply container,” that distinguished the prior art presented in the first-filed petitions—which disclosed a “combination copier-toner cartridge.” *Id.* at 11.

Finally, Petitioner alleges that we erred in taking the “perceived unfair prejudice” to Patent Owner into account in our denial of the follow-on petitions because the *NVIDIA* decision does not include a factor addressing Patent Owner’s resources. *Id.* at 13. Instead, similar to its other arguments, Petitioner asserts that

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any prejudice to Patent Owner is addressed by § 325(d), and that Patent Owner has not—and cannot show—that the follow-on petitions include the same or substantially the same prior art or arguments as the first-filed petitions. *Id.*

#### 4. Discussion

For the reasons discussed below, Petitioner has not shown that our Decisions Denying Institution of *inter partes* review misapprehended or overlooked any matter or that we abused our discretion in reaching this determination.

##### *i. Applying Factors to Evaluate the Equities of Permitting Follow-on Petitions is a Proper Exercise of Discretion Under 35 U.S.C. § 314(a)*

The Director has discretion to institute an *inter partes* review under 35 U.S.C. § 314(a) and 37 C.F.R. § 42.108(a). *See* 35 U.S.C. § 314(a) (stating “[t]he Director *may not* authorize an *inter partes* review to be instituted unless the Director determines that the information presented in the petition . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition” (emphasis added)); 37 C.F.R. § 42.108(a) (stating “the Board *may* authorize the review to proceed on all or some of the challenged claims and on all or some of the grounds of unpatentability asserted for each claim” (emphasis added)). There is no *per se* rule precluding the filing of follow-on petitions after the Board’s denial of one or more first-filed petitions on the same patent. The Board consistently has considered a number of factors in determining whether to exercise that discretion. *See NVIDIA*, slip op. at 6–8; *LG Electronics* at 6–7; *see also Xactware Sols., Inc. v. Eagle View Techs.*,

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*Inc.*, Case IPR2017-00034, slip op. at 7–8 (PTAB Apr. 13, 2017) (Paper 9). To reiterate, those factors are as follows:

1. whether the same petitioner previously filed a petition directed to the same claims of the same patent;
2. whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it;
3. whether at the time of filing of the second petition the petitioner already received the patent owner’s preliminary response to the first petition or received the Board’s decision on whether to institute review in the first petition;
4. the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition;
5. whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;
6. the finite resources of the Board; and
7. the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.

*See NVIDIA*, slip. op. at 6–7. Such a non-exhaustive list of factors informs practitioners and the public of the Board’s considerations in evaluating follow-on petitions.

In exercising discretion under 35 U.S.C. § 314(a) and 37 C.F.R. § 42.108(a), we are mindful of the goals of the AIA—namely, to improve patent quality and make the patent system more efficient by the use of post-grant review procedures. *See H.R. Rep. No. 112-98*, pt. 1, at 40 (2011). Although we recognize that an objective of the AIA is to provide an effective and efficient alternative to district



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court litigation, we also recognize the potential for abuse of the review process by repeated attacks on patents. *See id.* at 48 (“While this amendment is intended to remove current disincentives to current administrative processes, the changes made by it are not to be used as tools for harassment or a means to prevent market entry through repeated litigation and administrative attacks on the validity of a patent. Doing so would frustrate the purpose of the section as providing quick and cost effective alternatives to litigation.”).

Our intent in formulating the factors was to take undue inequities and prejudices to Patent Owner into account. Thus, factor 3 is directed to Petitioner’s potential benefit from receiving and having the opportunity to study Patent Owner’s Preliminary Response, as well as our institution decisions on the first-filed petitions, prior to its filing of follow-on petitions. As discussed in our Decisions Denying Institution, we are concerned here by the shifts in the prior art asserted and the related arguments in follow-on petitions. *See* Dec. 11. Multiple, staggered petitions challenging the same patent and same claims raise the potential for abuse. The absence of any restrictions on follow-on petitions would allow petitioners the opportunity to strategically stage their prior art and arguments in multiple petitions, using our decisions as a roadmap, until a ground is found that results in the grant of review.<sup>14</sup> All other factors aside, this is unfair to patent

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<sup>14</sup> The Board has addressed efficiency and potential prejudice induced by multiple petitions in multiple cases. *See LG Electronics*, slip op. at 12 (“The Board’s resources would be more fairly expended on first petitions rather than on a follow-on petition like the Petition in this case.”); *Butamax Advanced Biofuels LLC v. Gevo*, Case IPR2014-00581, slip op. at 12–13 (PTAB Oct. 14, 2014) (Paper 8) (“[T]he four obviousness grounds are ‘second bites at the apple,’ which use our prior decision as a roadmap to remedy Butamax’s prior, deficient challenge.

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owners and is an inefficient use of the *inter partes* review process and other post-grant review processes. Considering other factors (i.e., factors 2, 4, and 5) allows us to assess and weigh whether a petitioner should have or could have raised the new challenges earlier.

We recognize that there may be circumstances where multiple petitions by the same petitioner against the same claims of a patent should be permitted, and that such a determination is dependent on the facts at issue in the case. The factors set forth above, in our view, represent a formulation of relevant considerations that permit the Board to assess the potential impacts on both the efficiency of the *inter partes* review process and the fundamental fairness of the process for all parties. We recognize, also, that additional factors may arise in other cases for consideration, where appropriate. However, the factors set forth above, at the very least, serve to act as a baseline of factors to be considered in our future evaluation of follow-on petitions.

As we discussed above, § 314(a) recites “may not” when referring to authorization for *inter partes* review, and does not specify any particular

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Allowing similar, serial challenges to the same patent, by the same petitioner, risks harassment of patent owners and frustration of Congress’s intent in enacting the Leahy-Smith America Invents Act. *See* H.R. Rep. No. 112-98, pt.1, at 48 (2011.”); *Conopco*, slip op. at 5 (“We are not persuaded that we erred by adopting a more flexible approach that assesses each case on its particular facts to achieve a result that promotes the efficient and economical use of Board and party resources, and reduces the opportunity for abuse of the process.”); *Travelocity.com L.P. v. Cronos Tech., LLC*, Case CBM2015-00047, slip op. at 13 (PTAB June 15, 2015) (Paper 7) (“Moreover, a decision on a petition . . . is not simply part of a feedback loop by which a petitioner may perfect its challenges through a subsequent filing.”).

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circumstance in which review must be authorized. That means institution of review is committed to the Director's discretion, which, in turn, has been delegated to the Board. *See* 35 U.S.C. § 314(a); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016); 37 C.F.R. § 42.4(a). Similarly, under § 325(d), whether “the same or substantially the same prior art or arguments previously were presented to the Office” is an issue that “may” be taken into account in considering institution, also manifesting the discretionary nature of application of § 325(d). As such, § 325(d) is not intended to be the sole factor in the exercise of discretion under § 314(a). We, therefore, do not agree with Petitioner that our Decisions Denying Institution conflict with the “express wording” of § 325(d), or render the aforementioned provision superfluous or meaningless. We also do not agree that the legislative history indicates an intent to limit discretion under § 314(a), such that it is subordinate to or encompassed by § 325(d). Additionally, although the legislative history reflects recognition of a desire for a “safety valve” to alleviate backlog, it does not limit the exercise of discretion under 35 U.S.C. § 314(a) to only circumstances in which there is a high volume of pending proceedings. *See* 157 CONG. REC. S1377 (Mar. 8, 2011). In any event, no such restriction appears in the language of 35 U.S.C. § 314(a), and we decline to read into 35 U.S.C. § 314(a) such a restriction.

*ii. Applying the Factors in These Cases*

As summarized above, *supra* Section II.B.2, we find that, in these cases, six of the seven factors weigh against institution. Petitioner disputes our findings on the issue of whether Petitioner “should have known” of the art asserted in the follow-on petitions under factor 2. We disagree with Petitioner's characterization

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that invariably factor 2 could not be met because “patents or printed publications” necessarily “must be locatable by a reasonably diligent search.” Req. Reh’g 8.

The relevant issue under factor 2 is not, as Petitioner has framed it, whether the prior art references relied on in the follow-on petitions constitute printed publications, but whether they could have been found with reasonable diligence. Thus, even for printed publications, a petitioner is free to explain why a reasonably diligent search could not have uncovered the newly applied prior art. *See Apotex Inc. v. Wyeth LLC*, IPR2015-00873, slip op. at 6 (Sept. 16, 2015) (Paper 8) (describing “[w]hat a petitioner ‘could have raised,’” as including “prior art which a skilled searcher conducting a diligent search reasonably could have been expected to discover.”). Here, the record is devoid of any explanation why Petitioner could not have found the newly asserted prior art in any earlier search(es) through the exercise of reasonable diligence.

In the Replies to Patent Owner’s Preliminary Responses, Petitioner did not argue that there were any changed circumstances that reasonably justified its new prior art searches and associated filing of follow-on petitions. *See* Reply 1–5. In the Requests for Rehearing, however, Petitioner avers that denial of the first-filed petitions was “surprising” to it, because the Board treated the term “toner supply container” in the claim preamble as limiting. Req. Reh’g 10–11. We determine that the “surprising” argument is not entitled to consideration, because it was not included in the Replies, which we authorized in order to allow Petitioner to address Patent Owner’s Preliminary Responses that raised the issues of impropriety of follow-on petitions and application of discretion under § 314(a).

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In any event, Petitioner's assertion that it was "surprised" by our claim construction is unpersuasive, because that is not the pertinent issue. Rather, any such inquiry is directed to whether, from an objective perspective in the context of the applicable law and facts, Petitioner's alleged surprise is reasonable. Here, we determine that it is not. As we found, although the term "toner supply container" is in the claim preamble, it is the stated specific structure of the claim. *See* Dec. IPR2016-01360, 9. As such, it is a structural limitation appearing in the claim, and Petitioner's assertion of being surprised by our giving weight to the term is not reasonable. Furthermore, there are additional deficiencies in the first-filed petitions, identified and discussed in our denial of those first-filed petitions, which are not related to whether all claim elements have to be components of a toner supply container.

As discussed above, multiple, staggered petition filings, such as those here, are an inefficient use of the *inter partes* review process and the Board's resources. Additionally, although Petitioner contends that institution was granted in other non-precedential Board decisions alleged to be similar, we do not find that argument availing. Each case is decided on the basis of its own facts, and the Board's consideration of the factors we set forth above may vary from case to case. Finally, Petitioner's argument on the absence of specific findings on a need to alleviate an existing backlog of instituted *inter partes* reviews at the Board (Req. Reh'g 7) is not convincing. For the reasons discussed above, Petitioner's arguments on this issue are not persuasive.

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Therefore, we conclude that we did not misapprehend or overlook any issues in our analysis and evaluation associated with denying institution of the follow-on petitions at issue.

### III. CONCLUSION

For the foregoing reasons, Petitioner has not demonstrated that we abused our discretion, or that we misapprehended or overlooked any issue, in denying institution of *inter partes* reviews in Cases IPR2016-01357, IPR2016-01358, IPR2016-01359, IPR2016-01360, and IPR2016-01361.

### IV. ORDER

Accordingly, it is ORDERED that the request for an expanded panel is *granted* and, in all other respects, Petitioner's Requests for Rehearing in Cases IPR2016-01357, IPR2016-01358, IPR2016-01359, IPR2016-01360, and IPR2016-01361 are *denied*.

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For PETITIONER:

Steven F. Meyer  
Tim Tingkang Xia  
LOCKE LORD LLP  
smeyer@lockelord.com  
txia@lockelord.com

For PATENT OWNER:

Edmund J. Haughey  
Michael Sandonato  
Justin J. Oliver  
FITZPATRICK, CELLA, HARPER & SCINTO  
canon820ipr@fchs.com