

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ZTE (USA), INC. and LG ELECTRONICS INC.,
Petitioner,

v.

CYWEE GROUP LTD.,
Patent Owner.

IPR2019-00143
IPR2019-01203¹
Patent 8,441,438 B2

Before PATRICK M. BOUCHER, KAMRAN JIVANI, and
CHRISTOPHER L. OGDEN, *Administrative Patent Judges*.

Opinion for the Board filed by *Administrative Patent Judge* OGDEN.

Opinion Dissenting filed by *Administrative Patent Judge* BOUCHER.

OGDEN, *Administrative Patent Judge*.

DECISION

Denying Patent Owner's Request on Rehearing of Decision
37 C.F.R. § 42.71(d)

¹ We do not authorize the parties to use this style of caption.

INTRODUCTION

On July 17, 2020, we entered an Decision (“Rehearing Decision” or “Reh’g Dec.,” Paper 50) granting the request of joined Petitioner LG Electronics Inc. (“LGE”) for rehearing (“LG’s Rehearing Request,” IPR2019-01203,² Paper 14) of our Order (Paper 43) denying LGE’s requests made in a conference call with the panel on February 5, 2020. *See* Ex. 2022 (transcript).³

Patent Owner CyWee Group Ltd. (“CyWee”) then requested rehearing (“CyWee’s Rehearing Request” or “Reh’g Req.,” Paper 52) of our Rehearing Decision. CyWee also requested Precedential Opinion Panel (POP) review (Paper 53; Exs. 2023, 2024, 3002), which the POP has denied. Paper 67.

As background, CyWee filed its contingent Motion to Amend on August 9, 2019, asking the Board for preliminary guidance as to CyWee’s proposed substitute claims. Paper 19, 22. Our Preliminary Guidance, dated December 5, 2019, expressed our initial view that, based on the available record, CyWee had not met all the statutory and regulatory requirements for the proposed substitute claims, and that Petitioner ZTE (USA), Inc. (“ZTE”) had shown a reasonable likelihood that two of the proposed substitute claims were unpatentable. Paper 35, 3, 7. On December 17, 2019, we joined LGE to this proceeding, noting that LGE had agreed not to assume an active role in the IPR unless ZTE ceases to actively participate. Paper 36, 45–48. On

² LGE filed its Paper 14 in IPR2019-01203. All other citations in this Decision are to the record of IPR2019-00143.

³ On March 26, 2020, LGE also requested Precedential Opinion Panel (POP) review of the Order (*see* Paper 47, Ex. 3001), which the POP denied on May 12, 2020. Paper 48.

IPR2019-00143
IPR2019-01203
Patent 8,441,438 B2

December 20, 2019, CyWee filed a contingent Revised Motion to Amend. Paper 38. ZTE responded by withdrawing its objections to the proposed substitute claims, and stated that it “does not challenge the patentability of the revised amended claims.” Paper 41, 1–2. ZTE stated that it “believes oral argument is not necessary and has reached an agreement with Patent Owner to have the validity of the original claims determined solely on current written submissions.” *Id.* at 2.

In our Rehearing Decision, we determined that “the adversarial system is better served if we allow a Petitioner to raise [statutory, regulatory, or patentability] issues in response to CyWee’s Revised Motion to Amend.” Reh’g Dec. 8. Therefore, we held that LGE may present arguments and evidence, independently from ZTE, in response to CyWee’s Revised Motion to Amend, and that LGE may request an oral hearing limited solely to the issues raised in the Revised Motion to Amend. *Id.* at 9.

For following reasons, we deny CyWee’s Rehearing Request.

ANALYSIS

The party challenging a decision in a request for rehearing bears the burden of showing the decision should be modified. 37 C.F.R. §42.71(d) (2019). 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.” *Id.*

In its Rehearing Request, CyWee contends the following: (1) that we abused our discretion by failing to follow Board precedent; (2) that LGE is judicially estopped from taking an active role in this IPR; (3) that the

IPR2019-00143
IPR2019-01203
Patent 8,441,438 B2

decision in *Hunting Titan, Inc. v. DynaEnergetics Europe GmbH*, IPR2018-00600, Paper 67, at 11 (PTAB July 6, 2020) (precedential) does not mandate the result in our Rehearing Decision; and (4) that our decision sets a dangerous precedent contrary to Congressional intent. Req. Reh’g 3–15. We address these arguments in turn.

1. Whether We Abused Our Discretion by Failing to Follow Board Precedent.

CyWee contends that our Rehearing Decision “is wholly unsupported by PTAB precedent,” and “[i]n every prior instance involving a time-barred petitioner, the joined petitioner was subject to severe limitations, akin to concessions made by LG[E] in its motion for joinder.” Reh’g Req. 4 (citing multiple non-precedential Board decisions). According to CyWee, the Board has never allowed “a time-barred petitioner who agreed to play a passive role in an IPR to assert new *grounds*—as opposed to new arguments—for unpatentability, nor to take new discovery and argue at an unwanted hearing positions the lead petitioner conceded after multiple rounds of claim amendments.” *Id.* at 5. CyWee argues that our Rehearing Decision “means that a second petitioner who committed to an understudy role can simply invoke the ‘adversarial process’ to undo a result the petitioner does not like, regardless of the burden it places on the other parties.” *Id.*

These arguments do not persuade us that we abused our discretion. First, CyWee has not pointed to any precedent that prohibits us from allowing a joined petitioner to present arguments opposing a revised motion to amend, where the lead petitioner has declined to do so. Nor has CyWee explained how any of the cited Board decisions present a factual scenario

IPR2019-00143
IPR2019-01203
Patent 8,441,438 B2

that is analogous to the one we face in this case. Further, we disagree that we have granted LGE the ability to undo any “result” in this *inter partes* review. We have not yet decided the propriety or patentability of the proposed substitute claims, and we must still opine on those issues in our Final Written Decision.

2. *Whether LGE Is Judicially Estopped from Taking an Active Role in this IPR*

CyWee argues that under the principles of judicial estoppel, LGE is estopped from taking an active role in this IPR. *See* Reh’g Req. 5–11 (citing *New Hampshire v. Maine*, 532 U.S. 742, 749 (2001); *Minnesota Mining & Manufacturing Co. v. Chemque, Inc.*, 303 F.3d 1294, 1302 (Fed. Cir. 2002)).

CyWee has not pointed to a place in the record where it has previously addressed this judicial estoppel argument. Thus, CyWee has not met its burden to show that our Rehearing Decision misapprehends or overlooks any previous argument about judicial estoppel. *See* 37 C.F.R. § 42.71(d).

3. *Whether Hunting Titan Mandates the Result of Our Rehearing Decision*

CyWee argues that *Hunting Titan* does not mandate the result of our Rehearing Decision. Reh’g Req. 11–14. According to CyWee, “[i]n *Hunting Titan* itself, the original petitioner was held to the specific positions that [it] advanced.” *Id.* at 12. CyWee contends that ZTE and LGE should likewise be held to positions they have previously advanced in the IPR, including LGE’s commitment to act in an understudy role. *Id.* at 12–13. CyWee also distinguishes *Hunting Titan* because it “did not involve a second petitioner, let alone a time-barred one.” *Id.* at 13.

CyWee’s arguments do not persuade us that we misapplied *Hunting Titan*. In our Rehearing Decision, we stated that, given ZTE’s decision not to oppose CyWee’s Revised Motion to Amend, this aspect of the trial no longer appears to be meaningfully adversarial. Reh’g Dec. 7. We cited statements from *Hunting Titan* relating to the importance of the adversarial process in evaluating proposed substitute claims for patentability. *Id.* at 7–8. We also noted that *Hunting Titan* identified certain “circumstances where the adversarial system fails to provide the Board with potential arguments for the unpatentability of the proposed substitute claims,” such as when “a petitioner chooses not to oppose the motion to amend.” *Id.* at 8 (quoting *Hunting Titan*, IPR2018-00600, Paper 67 at 12–13). The POP stated that in such circumstances, “the Board *may* raise a ground of unpatentability that a petitioner did not advance.” *Id.* (quoting *Hunting Titan*, IPR2018-00600, Paper 67 at 13).

However, as CyWee acknowledges, *Hunting Titan* stated that the Board should only raise grounds of unpatentability *sua sponte* in “rare circumstances.” *Id.* at 12 (quoting *Hunting Titan*, IPR2018-00600, Paper 67 at 13). In light of this guidance, we chose to avoid the unnecessary prospect of raising *sua sponte* patentability issues in this case,⁴ because unlike in

⁴ In our Rehearing Decision, we pointed out one potentially unresolved issue as to whether proposed claim 22 introduces new matter. *See* Reh’g Dec. 8. But as CyWee correctly points out, our Preliminary Guidance suggested that the added limitations in proposed substitute claim 22 find support in the non-provisional application. Reh’g Req. 14 (citing Paper 35, 6). Because we allow LGE to oppose the Revised Motion to Amend, we will have the benefit, going forward, of an adversarial process to identify and weed out potential issues with regard to the proposed substitute claims.

IPR2019-00143
IPR2019-01203
Patent 8,441,438 B2

Hunting Titan, there is a joined petitioner willing to take on the role of the adversarial party with respect to the Revised Motion to Amend. *See id.* This is consistent with the principles outlined in *Hunting Titan*.

4. *Whether Our Rehearing Decision Sets a Dangerous Precedent Contrary to Congressional Intent.*

CyWee argues that in establishing the legislative framework for *inter partes* reviews, Congress intended to create “a less costly[,] more streamlined way of resolving patent disputes quickly and efficiently,” which was also “a driving force behind the one-year time bar limitation.” Reh’g Req. 15. According to CyWee, our Rehearing Decision violates these principles because it adds additional cost and delay, and disincentivizes the lead parties from narrowing of issues when there is a joined petitioner. *Id.*

We do not find this argument persuasive. CyWee does not cite to any statute or legislative history that would be inconsistent with the result of our Rehearing Decision. Also, our decision allowing LGE to oppose the Revised Motion to Amend has not, itself, delayed this proceeding. The case is still active with unresolved issues, and we will not decide the propriety or patentability of CyWee’s proposed substitute claims until we issue our Final Written Decision.

For the above reasons, CyWee has not met its burden so show that our Rehearing Decision should be modified, and it is therefore *denied*.

ORDER

It is

ORDERED that CyWee’s Rehearing Request is *denied*.

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BOUCHER, *Administrative Patent Judge*, dissenting.

I respectfully dissent from the majority's decision denying CyWee's Request for Rehearing. For the reasons I previously expressed, I would hold LGE to the unsolicited concessions it made in its motion to join this proceeding as an otherwise time-barred petitioner. *See* Paper 50 (Boucher, APJ, dissenting). Especially because those concessions weighed in our consideration of LGE's joinder motion, and because the other parties have relied on them in the development of the trial, I would refrain from now

IPR2019-00143
IPR2019-01203
Patent 8,441,438 B2

exercising discretion to disregard them. I would accordingly grant CyWee's Request for Rehearing to hold LGE to the limited scope of participation it requested with its original filing.

IPR2019-00143
IPR2019-01203
Patent 8,441,438 B2

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