

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ELYSIUM HEALTH INC.,
Petitioner,

v.

TRUSTEES OF DARTMOUTH COLLEGE,
Patent Owner.

Case No. IPR2017-01795
Patent 8,383,086 B2

Before SUSAN L.C. MITCHELL, CHRISTOPHER G. PAULRAJ, and
JOHN E. SCHNEIDER, *Administrative Patent Judges*.

SCHNEIDER, *Administrative Patent Judge*.

DECISION
Motion for Rehearing
37 C.F.R. § 42.71

I. INTRODUCTION

Patent Owner, Trustees of Dartmouth College, filed a Motion for Rehearing of our modified Decision to Institute *Inter Partes* Review stated in our April 27, 2018 Order Relating to the Conduct of the Proceeding. Paper 24. In our April 27, 2018 Order we modified our institution decision to include review of all challenged claims and all grounds presented in the petition to institute. Paper 22. Patent Owner asserts that our decision to modify the institution decision was an abuse of discretion in that it was untimely under 35 U.S.C. § 314(b) and failed to comply with the notice provisions of 35 U.S.C. § 314(c) and 37 C.F.R. §§ 42.4 or 42.5(a).

For the reasons set forth below, Patent Owner’s Motion for Rehearing is denied.

II. BACKGROUND

On July 17, 2017, Petitioner, Elysium Health, filed a petition requesting *inter partes* review of claims 1–5 of U.S. Patent 8,383,086 B2 (“the ’086 patent”). Paper 1. Patent Owner filed a Preliminary Response contending that the Petition should be denied. Paper 8. On January 29, 2018, we issued a Decision on Institution of *Inter Partes* Review instituting *inter partes* review of claims 1 and 3–5 as anticipated by Goldberger et al.¹ Paper 9. We declined to institute *inter partes* review of claims 1 and 3–5 as

¹ Goldberger et al. *A Study of the Blacktongue-Preventative Action of 16 Foodstuffs, With Special Reference to the Identity of Blacktongue of Dogs and Pellagra of Man*, 43 Pub. Heath Reports, No. 23, 1385–54 (1928) (“Goldberger et al.”). Ex. 1005.

anticipated by Goldberger and Tanner² finding that there was no material difference between the two challenges. *Id.* at 18. We also found that Petitioner had failed to establish a reasonable likelihood that it would prevail in showing that claim 2 was anticipated by Goldberger et al. *Id.* at 19.

On April 24, 2018, the Supreme Court held that a final written decision under 35 U.S.C. § 318(a) must decide the patentability of all claims challenged in the petition. *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1359–60 (2018). On April 26, 2018, the Office issued Guidance on the Impact of SAS on AIA Trial Proceedings³, which states that “if the PTAB institutes a trial, the PTAB will institute on all challenges raised in the petition.” The Guidance also stated that for pending trial, the panel may issue an order supplementing the institution decision to institute on all challenges raised in the petition.

On April 27, 2018, pursuant to the Supreme Court’s decision in *SAS* and the Guidance provided by the Office, we issued an Order Relating to the Conduct of the Proceedings modifying our institution decision to institute on all of the challenged claims and all of the grounds in the petition. Paper 22 (“Modified Institution Decision”)

Patent Owner then filed a motion for rehearing on May 11, 2018. Paper 24. We held a conference call with the parties on May 21, 2018 to discuss the motion, and on May 22, 2018, we issued an order authorizing Petitioner to file a response to the Motion and allowing Patent Owner to file

² Goldberger and Tanner, *A Study of the Treatment and Prevention of Pellagra*, 39 Pub. Health Reports 87 (1924) (“Goldberger and Tanner”). Ex. 1006.

³ <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials/guidance-impact-sas-aia-trial>. (“Guidance”)

a reply. Paper 25. Petitioner filed its response on May 29, 2018, Paper 26, and Patent Owner filed its reply on June 4, 2018. Paper 27.

III. ANALYSIS

When reconsidering 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 be found 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. U.S.*, 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). The party requesting rehearing has the burden of showing that the decision should be modified, which includes specifically identifying all matters the party believes we misapprehended or overlooked. 37 C.F.R. § 42.71(d).

In its motion for rehearing, Patent Owner contends that the decision to modify the institution decision was untimely under 35 U.S.C. § 314(b). Paper 24, 3. Patent Owner argues the Supreme Court's decision in *SAS* does not permit the Board to issue a decision that otherwise violates statutory requirements. *Id.* at 4–5. Patent Owner contends that the modified institution decision amounts to institution of a “completely different review” which is not authorized by statute. *Id.* at 4.

Patent Owner also argues that the Modified Institution Decision fails to comply with the notice provisions of 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4. Paper 24, 5. Patent Owner contends that the Modified Institution Decision does not “provide any notice as to the date on which review of all claims on all grounds would commence.” *Id.*

Petitioner responds that the Modified Institution Decision satisfied the requirements of 35 U.S.C. § 314 and 37 C.F.R. § 42.4 in that it determined that Petitioner demonstrated that there is a reasonable likelihood that Petitioner would prevail with respect to at least one of the claims challenged in the petition and instituted review. Paper 26, 5. Petitioner points out that the Supreme Court held in *SAS* that the decision is a binary one, “either institute review or don’t.” *Id.* (quoting *SAS*, 138 S. Ct. at 1353).

Petitioner also argues that our decision to modify the Institution Decision was not an abuse of discretion. Paper 26, 7. Petitioner contends that 37 C.F.R. § 42.5 allows the Board to “determine a proper course of conduct in a proceeding for any situation not specifically covered by this part.” *Id.* Petitioner contends that the present situation, where the Supreme Court issued a decision affecting the conduct of the proceeding, is just such a situation contemplated by § 42.5. *Id.*

We have considered the parties’ arguments and conclude that we did not abuse our discretion in modifying the Institution Decision. As discussed more fully below, the initial Institution Decision satisfied the requirements of 35 U.S.C. § 314 and 37 C.F.R. § 42.4. Modification of the institution decision was proper under 37 C.F.R. § 42.5 and is consistent with the Supreme Court’s decision in *SAS*, the *SAS* Guidance issued by the UPSTO, and recent decisions by the Federal Circuit.

35 U.S.C. § 314(b) provides

(b) *Timing.*—The Director shall determine whether to institute an inter partes review under this chapter pursuant to a petition filed under section 311 within 3 months after —

(1) receiving a preliminary response to the petitioner under section 313; or

(2) if no such preliminary response is filed, the last date on which such response may be filed.

In *SAS*, the Supreme Court found that the decision to institute is purely a binary one: either institute or not. 138 S. Ct. at 1355–56 (discussing §§ 314(a) and (b)). The Court went on to note that “[o]nce that single claim threshold is satisfied, it doesn’t matter whether the petitioner is likely to prevail on any *additional* claims; the Director need not even consider any other claim before instituting review.” *Id.* at 1356 (emphasis in the original); *id.* (stating text of § 314(b) “says only that the Director can decide ‘whether’ to institute the requested review—not ‘whether *and to what extent*’ review should proceed”). Thus, once a decision is made whether to institute, as we did in the initial institution decision, the requirements of section 314 are met.

Patent Owner contends that the Modified Institution Decision amounts to institution of a completely new and different trial. Paper 24, 4; Paper 27, 3. We are not persuaded. As the Supreme Court has held in *SAS*, it is the petition and not the Institution Decision which governs the scope of the trial. 138 S. Ct. at 1357. The additional grounds referred to in the Modified Institution Decision were raised by the Petitioner in the original petition. Paper 1. Patent Owner was fully aware of the additional grounds set forth in the Petition, having argued that the Goldberger and Tanner reference did not anticipate the claims in its Preliminary Response. Paper 8. Moreover, as we noted in the initial Institution Decision, the issues raised by Goldberger and Tanner are not materially different than those raised by Goldberger et al. Paper 9, 18–19. No additional grounds other than those originally in the Petition were added by the Modified Institution Decision. Thus, the modification decision does not institute a new and different trial as alleged

by Patent Owner; rather, it is a single trial that includes the grounds originally raised in the Petition, to which Patent Owner has a full and fair opportunity to respond.

Patent Owner contends that *SAS* does not authorize the board any authority to modify our institution decision to include all grounds. Paper 24 3–4. However, our decision to modify the original Institution Decision to include all challenged grounds was based not just on *SAS*, but also on Office policy, as reflected in the April 26, 2018, Guidance on the Impact of *SAS* on AIA Trial Proceedings. The Federal Circuit has recently embraced the approach set forth in the Guidance, explaining:

Equal treatment of claims and grounds for institution purposes has pervasive support in *SAS*. Although 35 U.S.C. § 318(a), the primary statutory ground of decision, speaks only of deciding all challenged and added “claim[s],” the Supreme Court spoke more broadly when considering other aspects of the statutory regime, and it did so repeatedly. The Court wrote that “the petitioner is master of its complaint and normally entitled to judgment on all of the claims it raises.” *SAS*, 138 S. Ct. at 1355. It said that § 312 contemplates a review “guided by a petition describing ‘each claim challenged’ and ‘the grounds on which the challenge to each claim is based,’” and it added that the Director does not “get[] to define the contours of the proceeding.” *Id.* The Court also said that § 314’s language “indicates a binary choice—either institute review or don’t.” *Id.* It further reasoned that “[n]othing suggests the Director enjoys a license to depart from the petition and institute a *different* inter partes review of his own design” and that “Congress didn’t choose to pursue” a statute that “allows the Director to institute proceedings on a claim-by-claim and ground-by-ground basis” as in *ex parte* reexamination. *Id.* at 1356 (emphasis in original). And the Court concluded that “the petitioner’s petition, not the Director’s discretion, is supposed to guide the life of the litigation,” *id.*, and the “petitioner’s

contentions . . . define the scope of the litigation all the way from institution through to conclusion,” *id.* at 1357.

We read those and other similar portions of the *SAS* opinion as interpreting the statute to require a simple yes-or-no institution choice respecting a petition, embracing all challenges included in the petition, and we have seen no basis for a contrary understanding of the statute in light of *SAS*.

PGS Geophysical AS v. Iancu, ___ F.3d ___, 2018 WL 2727663, *3–4 (Fed. Cir. June 7, 2018). Accordingly, we are not persuaded by Patent Owner’s argument that we should decline to institute on all challenged claims because *SAS* does not require it.

Patent Owner contends that 37 C.F.R. § 42.5 does not authorize the Modified Institution Decision but the 37 C.F.R. § 42.4 controls since Modified Institution Decision related to the decision to institute the review. Paper 24, 5. Patent Owner contends that the institution decision is addressed by 37 C.F.R. § 42.4, the modified decision is not a decision relating to the conduct or course of the proceeding not covered by this part. This argument is unpersuasive.

37 C.F.R. § 42.4 addresses notice of trial and states:

- (a) *Institution of trial.* The Board institutes the trial on behalf of the Director.
- (b) Notice of a trial will be sent to every party to the proceeding. The entry of the notice institutes the trial.
- (c) The Board may authorize additional modes of notice including:
 - (1) Sending notice to another address associated with the party, or
 - (2) Publishing notice in the Official Gazette of the United States Patent and Trademark Office or the Federal Register.

Similarly 35 U.S.C. § 314(c) calls for the Director to notify the petitioner and patent owner, in writing, of the Director's determination to institute review and that the notice shall include the date on which the review shall commence. Since neither 35 U.S.C. § 314(c) nor 37 C.F.R. § 42.4 addresses whether the a grant of *inter partes* review must encompass all grounds and all claims set forth in the Petition, as discussed below, the appropriateness of modifying the Institution Decision is governed by under 37 C.F.R. §42.5.

The Supreme Court's decision in *SAS* addresses the appropriate scope of an instituted *inter partes* review. As the Federal Circuit has noted, the *SAS* decision requires that the Board address not only all claims but all grounds raised in the petition – a decision which affects the conduct of the proceeding. *See, PGS Geophysical*, 2018 WL 2727663, at *3–4. The regulations governing *inter partes* review do not prescribe a particular course following the issuance of a Supreme Court decision that affects the proceedings in pending *inter partes* reviews. The Director properly invoked 37 C.F.R. § 42.5 in announcing the policy of addressing all claims and all grounds and permitting the Board to modify its institution decision.

Finally, Patent Owner contends that the Modified Institution Decision lacks the required notice under 35 U.S.C. § 314(c). Patent Owner contends that the Modified Institution Decision does not provide notice as to the date on which trial was instituted for all claims and all grounds. This argument is unpersuasive.

As discussed above, the requirements of 35 U.S.C. § 314 were met when the Board issued the original Institution Decision indicating that they found under 314(a) there was a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the

petition. In *SAS*, the Supreme Court noted that “[o]nce that single claim threshold is satisfied, it doesn’t matter whether the petitioner is likely to prevail on any *additional* claims; the Director need not even consider any other claim before instituting review.” *SAS*, 138 S. Ct. at 1356. The original Institution Decision provided notice in writing of the Board’s threshold determination made under section 314(a) and the date on which trial was instituted, which is all that is required by 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4.

VI. CONCLUSION

For the foregoing reasons, we conclude that Patent Owner has not shown that the Board abused its discretion in ordering institution on all grounds set forth in the Petition. *See* 37 C.F.R. § 42.71(d).

ORDER

Accordingly, it is

ORDERED that Patent Owner’s Request for Rehearing is *denied*.

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