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 IPR2017-01795

Patent 8,383,086

PATENT OWNER'S MOTION FOR REHEARING

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Pursuant to 37 C.F.R. § 42.71(d), Patent Owner The Trustees of Dartmouth College ("Dartmouth") files this Motion for Rehearing of the Board's modified Decision to Institute *Inter Partes* Review ("Modified Institution Decision") announced in an order of the Conduct of the Proceeding on April 27, 2018 under 37 C.F.R. § 42.5. Paper 22 (April 27, 2018). The Modified Institution Decision, which purports to institute review of all claims of U.S. Patent No. 8,383,086 ("the '086 patent") on all grounds presented in Petitioner Elysium Health, Inc.'s ("Petitioner") Petition, was an abuse of discretion and should be vacated. Dartmouth respectfully requests rehearing of the Board's Modified Institution Decision because it (1) issued more than three months after Dartmouth's preliminary response to the petition, and is therefore untimely under 35 U.S.C. § 314(b); and (2) does not comply with either 37 C.F.R. § 42.4 or 42.5(a), and therefore lacks the required notice under 35 U.S.C. § 314(c). Respectfully, the Board does not have authority to modify an institution decision, outside the timing restrictions of 35 U.S.C. § 314(b), under the statute or the rules.

I. RELIEF REQUESTED

Dartmouth specifically requests rehearing of the Board's Modified Institution Decision because it does not comply with the timing and notice requirements of 35 U.S.C. § 314. Upon rehearing, Dartmouth requests that the Board vacate the Modified Institution Decision.

II. STATEMENT OF MATERIAL FACTS

Petitioner filed its petition on July 17, 2017 ("Petition"), challenging all claims of the '086 patent on two grounds under 35 U.S.C. § 102. Paper 1. Dartmouth submitted its Patent Owner Preliminary Response on November 3, 2017. Paper 8. On January 29, 2018, the Board entered its institution decision ("Original Institution Decision"), instituting review of only claims 1 and 3-5, confirming that Petitioner had not shown a "reasonable likelihood that it will prevail on either ground with respect to claim 2." Paper 9, at 9. The Board further determined that, in the absence of any material differences between the two grounds, there was no justification for using "Board and party resources to proceed on both challenges." *Id.* at 19. Finally, the Board provided proper notice that review of claims 1 and 3-5 based on the single anticipation ground commenced on January 29, 2018. *Id.*

On April 26, 2018, Dartmouth conducted a deposition of Petitioner's expert, Dr. Baur. *See* Paper 21. The next day, April 27, 2018, the Board entered its Modified Institution Decision, purporting to institute review "on all of the challenged claims and all of the grounds presented in the Petition" based on the holding of *SAS Institute, Inc. v. Iancu*, 2018 WL 1914661 (U.S. Apr. 24, 2018). Paper 22, at 2.

III. ARGUMENT

"When rehearing a decision on petition, a panel will review the decision for an abuse of discretion." 37 C.F.R. § 42.71(c). "An abuse of discretion may be indicated 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." *Blue Coat Sys., Inc. v. Finjan, Inc.*, IPR 2016-01444, Paper 11 at 2 (citing *Star Fruits S.N.C. v. United States*, 393 F.3d 1277, 1281 (Fed. Cir. 2005)). The 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." 37 C.F.R. § 42.71(d).

In this case, the Board abused its discretion by entering an institution decision that fails to comply with the two requirements of 35 U.S.C. § 314, as well as 37 C.F.R. § 42.5, discussed below. The parties have not previously addressed these issues because the Board issued the Modified Institution Decision *sua sponte*.

A. The Modified Institution Decision is Untimely

The Board's Modified Institution Decision was an abuse of discretion because it is untimely under 35 U.S.C. § 314(b). To the extent the Board issued the Modified Institution Decision based on the Supreme Court's holding in *SAS*, nothing in the *SAS* decision permits the Board to issue an institution decision that

violates other statutory requirements. Specifically, the *SAS* decision does not authorize the Board to enter an institution decision more than three months after receiving a preliminary response, as required by 35 U.S.C. § 314(b).

In this trial, the Board issued its Modified Institution Decision almost six months after Dartmouth's preliminary response (Paper 8), and after Dartmouth had deposed Petitioner's expert, Dr. Baur, regarding the limited scope of the instituted trial. The Board's Modified Institution Decision amounts to institution of a completely different review after the three month statutory period under 35 U.S.C. § 314(b), and there is no clear legal authority for such a decision.[1] Neither *SAS* nor

[1] To the extent that Petitioner asserts that the Original Institution Decision satisfied 35 U.S.C. 314(b) because the present proceeding was "instituted" within the statutory timeframe, and that any subsequent modification of the institution need not satisfy statutory timing requirements, such an assertion would run counter to *SAS*. In *SAS*, the Court made clear that a proper institution decision must be *pursuant to the petition*. *SAS Institute, Inc. v. Iancu*, 2018 WL 1914661 at *5. The Original Institution Decision was not proper under *SAS* because it did not institute on all claims. Accordingly, the only institution decision in this proceeding that comports with the requirements of *SAS* was the Modified Institution Decision. That decision, however, does not comport with 35 U.S.C. § 314. Finding otherwise would give the Board the power to modify the scope of a proceeding at

the Board's April 26 *Guidance on the Impact of SAS on AIA Trial Proceedings* ("April 26 Guidance") contains any such authority.

Accordingly, the Board should vacate the Modified Institution Decision.

B. The Modified Institution Decision Lacks the Required Notice

The Board's Modified Institution Decision also violates the notice requirement of 35 U.S.C. § 314(c), and nothing in the *SAS* decision permits the Board to forgo such notice. Similarly, the April 26 Guidance also lacks any authority for issuing an institution decision without the required notice. Pursuant to 37 C.F.R. § 42.4, entry of the required notice "institutes the trial," but the Board did not provide any notice as to the date on which review of all claims on all grounds would commence.

Indeed, the Board relies on 37 C.F.R. § 42.5, which authorizes the Board to "determine a proper course of conduct in a proceeding for any situation not specifically covered by this part." The Board instead has modified the institution altogether, but institution decisions are explicitly regulated by 37 C.F.R. § 42.4, consistent with the proper notice required under 35 U.S.C. § 314. The Board has not indicated any reliance on waiver or suspension of a requirement under 37

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any point in time, and gut the timing requirements of the statute. Such a result is not contemplated by *SAS*.

C.F.R. § 42.5(b). Even if such a waiver or suspension were invoked, doing so would violate the requirements of 35 U.S.C. § 314. Accordingly, the Board's Modified Institution Decision should be vacated because it is outside the scope of 37 C.F.R. § 42.4 and 42.5.

IV. CONCLUSION

For the foregoing reasons, Patent Owner respectfully requests that the Board vacate the Modified Institution Decision.

Respectfully submitted,

Date: May 11, 2018

/s/ *John L. Abramic*

John L. Abramic, Reg. No. 51,031
James R. Nuttall, Reg. No. 44,978
STEPTOE & JOHNSON LLP
115 South LaSalle Street, Suite 3100
Chicago, IL 60603
Tel: (312) 577-1264
Fax: (312) 577-1370

Harold H. Fox, Reg. No. 41,498
STEPTOE & JOHNSON LLP
1330 Connecticut Avenue, NW
Washington, DC 20036-1795
Tel: (202) 429-6284
Fax: (202) 429-3902

Jamie L. Lucia
Admitted *Pro Hac Vice*
STEPTOE & JOHNSON LLP
1 Market Street
Steuart Tower, Suite 1800
San Francisco, CA 94105
Tel: (415) 365-6711
Fax: (415) 365-6681

Counsel for Trustees of Dartmouth College

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§ 42.6(e), the undersigned hereby certifies that a copy of the foregoing PATENT OWNER'S MOTION FOR REHEARING was served on May 11, 2018 by filing this document through the Patent Trial and Appeal Board End to End as well as by delivering a copy via the delivery method indicated to the attorneys of record for the Petitioner as follows:

Via Email:

Brendan Jones
bjones@foleyhoag.com

Donald R. Ware
drw@foleyhoag.com

Jeremy A. Younkin
jyounkin@foleyhoag.com

Via U.S. Mail:
Patent Group
Foley Hoag LLP
155 Seaport Blvd.
Boston, MA 02210

Date: May 11, 2018 By: /s/ *John L. Abramic*

John L. Abramic, Reg. No. 51,031
STEPTOE & JOHNSON LLP
115 South LaSalle Street, Suite 3100
Chicago, IL 60603
Tel: (312) 577-1264
Fax: (312) 577-1370

Counsel for Trustees of Dartmouth College