

## **HTC Corp. and HTC America, Inc. v. E-Watch, Inc. and E-Watch Corp: Decision Denying Rehearing IPR2014-00987**

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*Takeaway: 35 U.S.C. § 314(a) permits the Board to institute any ground of unpatentability that meets the reasonable likelihood standard, but it does not require the Board, where a petition presents multiple grounds, to institute all grounds that meet the reasonable likelihood standard or even to substantively analyze each and every ground.*

In its Decision, the Board denied Petitioner's request for rehearing of the Board's decision instituting review of the challenged claims under one ground, but denying institution of review over the second ground. Petitioner argued "that (1) 35 U.S.C. § 314(a) does not provide statutory authority to deny Ground 2 without substantive analysis; (2) the application of 37 C.F.R. § 42.108(a) was an abuse of discretion; (3) estoppel effects mandate full consideration of Ground 2; (4) 35 U.S.C. § 315(d) suggests that multiple grounds of rejection should be evaluated substantively; (5) Ground 2 is not redundant or duplicative; and (6) it would be premature to deny Ground 2 without trial." The Board did not find any of these arguments persuasive.

The Board explained that 35 U.S.C. § 316 required the Director of the Patent and Trademark Office to prescribe regulations regarding institution under section 314(a) and to consider the effect of any such regulation on the Office's ability to complete proceedings within the statutory time limits. Petitioner argues that 35 U.S.C. § 314(a) requires the Director to institute review if there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the Petitioner. However, the Board reaffirmed that 35 U.S.C. § 314(a) merely establishes what the Director "may not" do, not what the Director must do. Thus, the Board was not persuaded that it was required to institute all grounds that meet the reasonable likelihood standard or to substantively analyze each ground presented in a petition. Accordingly, the Board was not persuaded that it misapprehended the language of section 314(a) or that abused its discretion in not instituting the second ground of unpatentability.

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Paper 10: Decision Denying Request for Rehearing

Dated: January 7, 2015

Patent: 7,365,871 B2

Before: Jameson Lee, Gregg I. Anderson, and Matthew R. Clements

Written by: Clements

National Law Review, Volume V, Number 41

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