UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LIBERTY MUTUAL INSURANCE CO.
Petitioner

v.

PROGRESSIVE CASUALTY INSURANCE CO.
Patent Owner

Case CBM2013-00009
Patent 8,140,358

Before the Honorable JAMESON LEE, JONI Y. CHANG, and MICHAEL R. ZECHER, *Administrative Patent Judges*.

PETITIONER LIBERTY MUTUAL INSURANCE CO.'S OPPOSITION TO PATENT OWNER'S REQUEST FOR REHEARING PURSUANT TO 37 C.F.R. § 42.71

Pursuant to the Board's March 26, 2014 Order (Paper 75), Petitioner respectfully opposes Patent Owner's Request for Rehearing ("Req.", Paper 71), which should be denied because it is improper, untimely, and substantively incorrect.

Progressive's Request is improper because it relies on facts and "new evidence" (including unauthorized Exhibit 2036, Req. at 4-5) from ***after*** the Board's Final Written Decision, which the Board could not have considered in making its decision. Under 37 C.F.R. § 42.71(d), a party "must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply." While Progressive's Request for Rehearing is ostensibly a request for the Board to reconsider one of its Final Written Decisions, Progressive's Request rests on the time Final Written Decisions were uploaded to PRPS *by a paralegal after* the Board completed the Final Written Decisions and could not be something *the Board* misapprehended or overlooked in issuing those decisions. Because Progressive is attempting to rely on evidence from after the decisions, its Request for Rehearing is improper.

Indeed, Progressive's Request itself reveals itself to be an untimely request to rehear the Board's decision in its February 20, 2014 Order that "the two final written decisions [in CBM2012-00003 and CBM2013-00009] were entered at the same time." Paper 69 at 2. To begin, that determination was correct, regardless of the actual time of day each paper was uploaded by the Board's administrative staff. Moreover, to the extent Progressive takes issue with that determination in the February 20 Order, *e.g.*,

Req. at 3-4 (quoting the February 20 Order and then immediately stating that "the Board has misapprehended or overlooked that its decisions are entered at the times they are posted to the PRPS"), any rehearing request directed to the substance of that Order was required to be filed by March 6, 2014. 37 U.S.C. § 42.71(d)(1). Because the Request was filed on March 12, 2014, it was untimely and should be denied for this additional reason.

Finally, even if Progressive's timing argument were preserved and correct, Progressive's Request should still be denied. Progressive's whole argument is premised on 35 U.S.C. § 325(e), which states in relevant part that "petitioner . . . may not request or maintain a proceeding before the Office with respect to a claim on any ground that the petitioner raised or reasonably could have raised during that post-grant review." But Progressive effectively reads the "petitioner" qualification entirely out of this provision, while misconstruing what it means to "maintain a proceeding." To begin, any prohibition against maintaining a proceeding *falls only on a petitioner*; it does not preclude the Board from completing a proceeding by issuing a Final Written Decision. The record of this proceeding closed on October 15, 2013 at the end of the combined oral hearing for this Case and Case CBM2013-00003. Thereafter, Petitioner did nothing to maintain this proceeding, and certainly did nothing to maintain it during any time elapsing between the moment the CBM2012-00003 Final Written Decision was posted by a Board paralegal to PRPS and the moment the Final Written Decision in this proceeding was posted by a Board paralegal to PRPS.

Section 325(e) restricts only the ability *of a petitioner* to *maintain a proceeding*, and imposes no limits on the Board, whether in issuing a Final Written Decision or otherwise. The Request thus rests on a fundamentally flawed reading of the America Invents Act ("AIA") and should be denied.

Indeed, Congress has made clear that the Board has the discretion to complete CBM reviews through Final Written Decisions, and to defend those decisions on appeal, even when *no* petitioner remains. For example, 35 U.S.C. § 327(a) confirms the Board "may proceed to a final written decision" *without any challenging party*. Contrary to Progressive's misreading (Req. at 13), this confirmation of authority imposes no *limits* on the Board's power to proceed to a Final Written Decision, or defend it thereafter. *See, e.g.*, 35 U.S.C. §143 ("The Director shall have the right to intervene in an appeal from a decision entered by the Patent Trial and Appeal Board in a . . . post-grant review"). There is a clear public interest in having the validity of patent claims finally determined after being fully and fairly litigated before the Board over an eighteen month period, and that should not be derailed by settlement or otherwise. The Board's ability to continue without the Petitioner makes this entirely *unlike* district court proceedings or *inter partes* reexamination, and Progressive's attempt to argue Petitioner is "maintaining" this proceeding by analogy to those inapposite contexts fails. Req. at 10-11 (discussing *Smallwood v. Gallardo* and *Function Media, L.L.C. v. Kappos*); *id.* at 7 (citing inapplicable Rule of Civil Procedure). Progressive's Request for Rehearing should be denied.

Respectfully submitted,

ROPES & GRAY LLP

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By /J. Steven Baughman/

J. Steven Baughman, Lead Counsel
James R. Myers (pro hac vice), Back-up Counsel
Nicole M. Jantzi
ROPES & GRAY LLP
700 12th St. NW, Suite 900
Washington, DC 20005
Steven.baughman@ropesgray.com
James.myers@ropesgray.com
Nicole.jantzi@ropesgray.com

Attorneys for Petitioner Liberty Mutual Insurance Co.

Mailing address for all PTAB correspondence:
ROPES & GRAY LLP
IPRM – Floor 43
Prudential Tower
800 Boylston Street
Boston, Massachusetts 02199-3600

CERTIFICATE OF SERVICE

It is certified that a copy of **PETITIONER LIBERTY MUTUAL INSURANCE CO.'S OPPOSITION TO PATENT OWNER'S REQUEST FOR REHEARING PURSUANT TO 37 C.F.R. § 42.71** has been served in its entirety on the Patent Owner as provided in 37 CFR § 42.6.

The copy has been served on March 28, 2014 by causing the aforementioned document to be electronically mailed to:

Calvin P. Griffith, at: cpgriffith@jonesday.com

James L. Wamsley, III at: jlwamsleyiii@jonesday.com

John V. Biernacki at: jvbiernacki@jonesday.com

pursuant to the Petitioner and Patent Owner's agreement.

/s/ Jordan M. Rossen
Jordan M. Rossen

ROPES & GRAY LLP