

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

STELLAR ENERGY AMERICAS, INC.,
Petitioner,

v.

TAS ENERGY INC.,
Patent Owner.

Case IPR2015-00882
Patent No. RE44,815 E

Before PHILLIP J. KAUFFMAN, WILLIAM V. SAINDON, and
DONNA M. PRAISS, *Administrative Patent Judges*.

PRAISS, *Administrative Patent Judge*.

DECISION
Denying Patent Owner's Request for Rehearing
37 C.F.R. § 42.71(d)

TAS Energy Inc. ("Patent Owner") requests rehearing of our Decision instituting an *inter partes* review of claims 8–20 and 53–56 of U.S. Patent No. RE 44,815 E (Ex. 1001, "the '815 patent"). Paper 12, "Req. Reh'g." In

our Decision (Paper 10, “Dec.”), we instituted *inter partes* review on the following obviousness grounds under 35 U.S.C. § 103:

1. Whether claims 8, 9, 14–20, and 53–56 are unpatentable under 35 U.S.C. § 103 as obvious over the combined disclosures of Andrepont and Clark;
2. Whether claims 10 and 12 are unpatentable under U.S.C. § 103 as obvious over the combined disclosures of Andrepont, Clark, and Mornhed;
3. Whether claim 11 is unpatentable under 35 U.S.C. § 103 as obvious over the combined disclosures of Andrepont, Clark, and ASHRAE; and
4. Whether claim 13 is unpatentable under 35 U.S.C. § 103 as obvious over the combined disclosures of Andrepont, Clark, and Trane Product Sheet.

Dec. 20. We denied institution on all other asserted grounds. In its Request, Patent Owner contends that our Decision contains errors of law that constitute an abuse of discretion, and requests that we withdraw our Decision. Req. Reh’g 1.

For the reasons that follow, the request is *denied*.

STANDARD OF REVIEW

When rehearing a decision on a petition to institute an *inter partes* review, the Board “will review the decision for an abuse of discretion.” 37 C.F.R. § 42.71(c). “An abuse of discretion occurs where the decision is

based on an erroneous interpretation of the law, on factual findings that are not supported by substantial evidence, or represents an unreasonable judgment in weighing relevant factors.” *Lacavera v. Dudas*, 441 F.3d 1380, 1383 (Fed. Cir. 2006) (citing *Star Fruits S.N.C. v. United States*, 393 F.3d 1277, 1281 (Fed. Cir. 2005)). The party requesting rehearing has the burden of showing the decision should be modified, and “[t]he request 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.” 37 C.F.R. § 42.71(d).

ANALYSIS

Patent Owner argues (a) that, in instituting *inter partes* review of claims 1–20 and 53–56, we misapprehended Petitioner’s motivation to combine rationales and erred in refusing to consider Patent Owner’s submission of the cross examination testimony of Petitioner’s expert Dr. Reindl. Req. Reh’g 1.¹ Specifically, Patent Owner challenges our finding that Petitioner demonstrated a reasonable likelihood of succeeding in its obviousness challenge of claims 12 and 13. *Id.* at 2, 5. The primary basis for this challenge is that the Decision did not “apply the ‘simple substitution’

¹ Patent Owner also requests reconsideration of our decision to institute review of the ’815 patent in IPR2015-00886. We address Petitioner’s requests in connection with IPR2015-00886 in a separate decision to be contemporaneously entered in that proceeding.

KSR^[2] test to the facts of this case.” *Id.* at 3; *see id.* at 6. Patent Owner also contends (b) that our Decision to institute review of claim 8 and its dependents was in error as a matter of law because it “appears to rely on arguments that [Petitioner’s] expert made that did not appear in the Petition.” *Id.* at 8. Finally, Patent Owner contends (c) that we erred as a matter of law in not considering the cross-examination testimony of Dr. Reindl because it was taken five months before the petition was filed and, therefore, is not new testimony in this proceeding. *Id.* at 10–12. Patent Owner also asserts that we misapprehended facts in regards to the Reindl deposition testimony in implying that it was entitled to little weight. *Id.* at 12.

A. The Board Did Not Misapprehend Petitioner’s Obviousness Arguments for Claims 12 and 13

1. Claim 12

Patent Owner argues that “the Board misapprehended or overlooked the fact that [Petitioner] never made the obviousness rationale articulated in the Board’s decision.” *Id.* at 2. Patent Owner identifies pages 16–17 of the decision concerning claim 12 as support for its argument that the Decision does not apply “the ‘simple substitution’ *KSR* test.” *Id.* at 3. Our analysis of Petitioner’s obviousness challenge to claim 12, however, begins on page 15 of the Decision. Dec. 15. Page 15 of the Decision reflects that we

² *KSR Int’l Co. v. Teleflex, Inc.*, 550 U.S. 398 (2007).

considered Petitioner's reasons for combining the asserted references with respect to claim 12, we cited the support in the record for Petitioner's rationale, and, on page 16, we explicitly found "the articulated reasons for combining the features of Mornhed, namely the water additive and the series chillers, with the cooling system of Andrepont to have a rational underpinning." *Id.* at 15–16. As stated in the Petition,

Mornhed makes clear the benefits of series chilling to reduce pumping power would have prompted the predictable variation of including series chillers for turbine inlet air cooling. . . . The combination of Andrepont, Clark, and Mornhed merely combines prior art elements to yield predictable results of reducing pumping power with a reasonable expectation of success.

Pet. 39–40. Support for Petitioner's reasons for combining the prior art in the way Petitioner argued with respect to claim 12 was contained in the references themselves.

Patent Owner does not dispute our description of Petitioner's argument regarding claim 12. Instead, Patent Owner directs us to the portion of the Decision where we acknowledge the arguments made by the Patent Owner in the Preliminary Response. Req. Reh'g. 2 (citing Dec. 16–17). Patent Owner argued against the combination of Andrepont and Mornhed based on the different environments or applications in which their respective inlet air cooling systems were installed. Dec. 16 (citing Prelim. Resp. 30, 31). In our Decision, we explained why we were not persuaded by Patent Owner's argument. We stated that it was not necessary for the two inventions of Andrepont and Mornhed to be physically combinable. *Id.*

Additionally, mirroring Petitioner's argument, we stated

[b]ased on the current record, we also find the selection of Mornhed's series chillers, in particular, to be embraced by Andrepont's general teaching that any chiller system can be used in its cooling system design. Thus, the improvement of using series chillers appears to be no more than the predictable use of prior art elements according to their established function.

Id. at 16–17 (citation omitted).

In sum, we did not overlook or misapprehend Petitioner's obviousness argument with respect to claim 12.

2. *Claim 13*

Similarly, Patent Owner argues that we “misapprehended the nature of [Petitioner's] proposed combination rationale for the duplex chiller claims.” Req. Reh'g 6. Rather than comparing the summary of Petitioner's arguments contained in the Decision on page 18 as support, Patent Owner cites the description of Petitioner's arguments contained in the Preliminary Response. *Id.* Patent Owner also directs us to the portion of the Decision that acknowledges the arguments made in the Preliminary Response. *Id.* (citing Dec. 19). Again, the reasons expressed in the Decision for not being persuaded by Patent Owner's arguments were directed to Patent Owner's arguments, not Petitioner's arguments. *See* Dec. 18–19.

Accordingly, we did not overlook or misapprehend Petitioner's obviousness argument with respect to claim 13.

B. The Board Did Not Err as a Matter of Law in Instituting Review of Claim 8 and its Dependents

Patent Owner argues that the Decision relies on arguments made by Petitioner's expert that did not appear in the Petition. Req. Reh'g 8. Specifically, Patent Owner contends that Petitioner's "sole reason for combining Andrepont and Clark was 'to maintain and adjust the chilled water supply and system pressure, as explained by Clark.'" *Id.* at 9 (citing Pet. 24). According to Patent Owner, the following portion of the Decision gave weight to arguments that were not made in the Petition:

Although the benefits of variable speed pumps in a cooling system expressed in the Clark reference **and in the Reindl Declaration** may have a different significance depending on the application of the cooling system, on the current record, we find the articulated reasons for combining the variable speed pumps of Clark with the cooling system of Andrepont to have a rational underpinning.

Id. at 8 (quoting Dec. 12) (emphasis added by Patent Owner). Patent Owner argues that "giving credit to Dr. Reindl's arguments" is "an error of law requiring rehearing" of the Decision with respect to claim 8. *Id.* at 9.

Again, Patent Owner directs us to the portion of the Decision where we respond to arguments in the Preliminary Response. Dec. 12. Patent Owner concedes that the Petition contained a reason to combine Andrepont and Clark that came from Clark itself, which describes the benefits of using a variable speed pump in a cooling system. Req. Reh'g 9. This benefit was additionally supported by paragraphs 64 and 65 of the Reindl Declaration cited in the Petition. Pet. 24 (citing Ex. 1012 ¶¶ 64–65). Therefore the

argument that one of ordinary skill in the art would have had a reason to combine Andrepont and Clark based on the teachings of Clark itself is expressed in the Petition. *Id.* It was also relied upon in our Decision as the reason for combining Andrepont and Clark. Dec. 10–11. Patent Owner’s characterization of paragraphs 64 and 65 of the Reindl Declaration as argument rather than factual support in the record is not sustainable. The Petition merely further supports its reason to combine by citing to paragraphs 64 and 65 of the Reindl Declaration. *See* Pet. 24. In addition, the Preliminary Response quoted paragraph 65 of the Reindl Declaration in its entirety. Paper 9 (“Prelim. Response”), 21–22. Therefore, the additional citation in the Decision to the Reindl Declaration in responding to Patent Owner’s arguments is not reversible error.

In sum, the Board did not err by considering paragraphs 64 and 65 of the Reindl Declaration (Ex. 1012) as cited by Petitioner in support of its reason to combine Andrepont and Clark.

C. The Board Did Not Err as a Matter of Law in Assigning No Weight to the Reindl Deposition Transcript

Patent Owner argues that the testimony given by Dr. Reindl in another proceeding is not “new testimony” if it was given before the commencement of this proceeding. Req. Reh’g 11. Patent Owner also argues that the Board “overlooked that this deposition transcript relates to the parents of the ’815 patent and that the combination of references in those IPRs (Andrepond and Mornhed) was the same as at issue for the series chiller claims.” *Id.* at 12.

On this basis, Patent Owner concludes “the testimony regarding those references and their combination is highly relevant to the parties’ arguments and should have been given significant weight in the Board’s Institution Decision[.]” *Id.*

37 C.F.R. § 42.107(c) states that “[t]he preliminary response shall not present new testimony evidence beyond that already of record, except as authorized by the Board.” Patent Owner has not shown that the deposition transcript of Dr. Reindl was already of record for the ’815 patent. The decisions of the Board cited by Patent Owner do not address the factual situation where the testimony submitted with the Preliminary Response concerned a different patent. *See* Req. Reh’g 11.

Even if the testimony of Dr. Reindl in another proceeding concerning a different patent is not barred as “new testimony,” it still relates to a different patent and different arguments presented by a different party even if there may be some overlap of prior art references as explained in the Decision. Dec. 8–9. Therefore, it is within our discretion to give the appropriate weight to the testimony that Patent Owner submitted with its Preliminary Response without the prior authorization of the Board.

Accordingly, the Board did not err in considering the significance of the deposition testimony and assigning it no weight on the basis that it concerned a different patent, a different party, and different prior art arguments. *Id.*

CONCLUSION

For the forgoing reasons, the Board did not abuse its discretion in determining that the Petition and accompanying evidence established a reasonable likelihood that Petitioner would prevail in showing unpatentability of claims 8–20 and 53–56 of the '815 patent.

ORDER

Accordingly, it is

ORDERED that Patent Owner's request for rehearing is *denied*.

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