

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 IPR2015-00886
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 21–33, 66, and 71–75 of U.S.

Patent No. RE 44,815 E (Ex. 1001, “the ’815 patent”). Paper 13, “Req. Reh’g.” In our Decision (Paper 11, “Dec.”), we instituted *inter partes* review on the following obviousness grounds under 35 U.S.C. § 103:

1. Whether claims 21–23 are unpatentable under 35 U.S.C. § 103 as obvious over the combined disclosures of Andrepont and Mornhed;
2. Whether claims 24–26, 28–33, and 66 are unpatentable under U.S.C. § 103 as obvious over the combined disclosures of Andrepont, Mornhed, and Clark;
3. Whether claim 27 is unpatentable under 35 U.S.C. § 103 as obvious over the combined disclosures of Andrepont, Mornhed, and Trane Product Sheet; and
4. Whether claims 71–75 are unpatentable under 35 U.S.C. § 103 as obvious over the combined disclosures of Andrepont and Trane Product Sheet.

Dec. 24. 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 21–33, 66, and 71–75, 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 21, 27, and 71. *Id.* at 2, 5. The primary

¹ Patent Owner also requests reconsideration of our decision to institute review of the ’815 patent in IPR2015-00882. We address Petitioner’s requests in connection with IPR2015-00882 in a separate decision to be contemporaneously entered in that proceeding.

basis for this challenge is that the Decision did not “apply the ‘simple substitution’ *KSR*^[2] test to the facts of this case.” *Id.* at 3; *see id.* at 6. Patent Owner further contends (b) 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 21, 27, and 71

1. Claim 21

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 12–13 of the decision concerning claim 21 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 21, however, begins on page 9 of the Decision. Dec. 9. Page 11 of the Decision reflects that we considered Petitioner’s reasons for combining the asserted references with respect to claim 21, we cited the support in the record for Petitioner’s rationale, and, on page 12, we explicitly found “the articulated reasons for combining the

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

teachings of Mornhed with the teachings of Andrepont to have a rational underpinning.” *Id.* at 12. As stated in the Petition,

Mornhed explains that series chilling “will almost double the capacity of existing distribution piping or, alternatively, reduce pumping power to a fraction...[t]he economic benefits of series chilling can be significantly enhanced by the installation of low-temperature chilled-water storage.” Ex. 1116 at 4. Moreover, Mornhed describes that “[c]ombustion air cooling, which can be provided for through a chilled-water or refrigerant coil in the combustion air intake, will alleviate the problem of gas turbine derating at high ambient temperatures when the gas turbine electric power is most valuable.”

Therefore, in view of the inherent flexibility described by Andrepont, it would have been obvious to one of ordinary skill in the art to combine or replace the chiller package C-1 of Andrepont with the series arrangement of the chillers of Mornhed, in order to achieve the capacity, reduced pumping power, and/or economic benefits explained by Mornhed. Ex. 1112 at ¶ 60.

. . . Mornhed makes clear that the benefits of series chilling to reduce pumping power would have prompted the predictable variation of including series chillers for turbine inlet air cooling. Ex. 1116 at 4.

Pet. 21–22. Support for Petitioner’s reasons for combining the prior art in the way Petitioner argued with respect to claim 21 was contained in the references themselves.

Patent Owner does not dispute our description of Petitioner’s argument regarding claim 21. 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. 12–

13). 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. 11–12 (citing Prelim. Resp. 12–15, 17–20). In our Decision, we explained why we were not persuaded by Patent Owner’s argument. We stated that even though the benefits expressed in the Mornhed reference for adding a second chiller in series in a cooling system may have less significance depending on the application of the cooling system, the articulated reasons for combining the teachings of Mornhed with the teachings of Andrepont have a rational underpinning. *Id.* at 12. Additionally, mirroring Petitioner’s argument, we stated

the addition of a second chiller in series (or substitution of two chillers in series) to the cooling system disclosed in Andrepont constitutes the predictable use of prior art elements, according to their established functions.

Id. at 12–13 (citation omitted).

In sum, we did not overlook or misapprehend Petitioner’s obviousness argument with respect to claim 21.

2. Claims 27 and 71

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 pages 18 and 20 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, 20–21.

Accordingly, we did not overlook or misapprehend Petitioner's obviousness argument with respect to claims 27 and 71.

B. 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 (Andrepoint 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. 7–8. 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 21–33, 66, and 71–75 of the ’815 patent.

ORDER

Accordingly, it is

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

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