

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ALLSTEEL INC.,
Petitioner,

v.

DIRTT ENVIRONMENTAL SOLUTIONS LTD.,
Patent Owner.

Case IPR2015-01690
Patent 8,024,901 B2

Before SALLY C. MEDLEY, SCOTT A. DANIELS, and
JACQUELINE T. HARLOW, *Administrative Patent Judges*.

MEDLEY, *Administrative Patent Judge*.

DECISION
Request for Rehearing
37 C.F.R. § 42.71

INTRODUCTION

Petitioner, Allsteel Inc., filed a Request for Rehearing (Paper 11, “Req. Reh’g”) of the Decision Denying Institution (Paper 10, “Dec.”), which denied institution of an *inter partes* review of any of challenged claims 1–25 of U.S. Patent No. 8,024,901 B2 (Ex. 1001, “the ’901 patent”). Petitioner

requests rehearing with respect to our decision not to institute review of claim 1. Req. Reh'g 1. Petitioner argues that our decision to not include claim 1 for review represents an abuse of discretion because it overlooked significant portions of Dr. Joseph Beaman's expert declaration (Ex. 1018) and ignored critical components of obviousness law. *Id.* The Request for Rehearing is *denied*.

ANALYSIS

When rehearing a decision on petition, the Board will review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion occurs 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. *Arnold Partnership v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004). For the reasons that follow, Petitioner has not shown that the Board abused its discretion.

Claim 1 requires a connecting strip with a pair of spaced apart arms with each arm of the connecting strip "having a beaded portion thereon." Petitioner does not dispute that Price does not disclose the additional claim 1 limitation that the "beaded portions of said first vertically extending flange or said second vertically extending flange and said opposed vertically extending flange *fitting inside the arms of said connecting strip*." Ex. 1001, 9:45–10:21. Rather, Price shows flanges fitting *outside* the arms of a connecting strip. Dec. 9–10.

In its rehearing request, Petitioner argues that we ignored paragraphs 48–51 of Dr. Beaman's testimony in support of his conclusion that the modified snap fit connection (e.g., the rearranging of elements of Price)

would work in the same manner as what is actually disclosed in Price. Req. Reh’g 6–9. We disagree with Petitioner that we overlooked paragraphs 48–51 of Dr. Beaman’s testimony because the Petition did not direct us to those portions in support of its argument that a reversal of snap-fit parts of Price would have been obvious to a person of ordinary skill in the art. Pet. 18. Indeed, the only place that the Petition cites to paragraphs 48–51 is under the section entitled “Overview of Price.” For similar reasons, we disagree with Petitioner that Dr. Beaman tied paragraphs 48–51 to paragraph 220 by explaining and showing that the modified version of Price would work in the same way as the unmodified original. Req. Reh’g 8. Dr. Beaman does not reference paragraphs 48–51 in paragraph 220 at all or explain sufficiently how the modified version of Price would work the same as the original Price disclosure.

In any event, we disagree with Petitioner’s newly presented arguments that paragraphs 48–51 provide a sufficient factual basis to support Dr. Beaman’s conclusion that the rearranging of parts would work the same as the original. Paragraphs 48–51 of Dr. Beaman’s testimony address the original arrangement, not the modified arrangement. As stated in the Decision, his testimony regarding the modified arrangement is conclusory. The panel is not obligated to accept, without a sufficient factual basis, conclusory statements as true. Something more was needed, and Petitioner failed to provide it.

Moreover, as indicated in our Decision, Dr. Beaman also indicated that the modified arrangement would reduce snagging or pinching for installers, without further explanation for why that is so. As explained, his testimony in that regard appears contrary to his assertion that the

modification would work the exact same way as the original. Dec. 11–12. For these reasons, Petitioner has not shown that we abused our discretion.

Petitioner argues that we exercised an unreasonable judgment by improperly requiring more than was necessary to show that claim 1 would have been obvious over Price. Req. Reh’g 9–15. In essence, Petitioner argues that Dr. Beaman need not have provided much explanation, or that no testimony at all was necessary, regarding the rearranging of Price’s parts, because the technology is simple and easily understandable. *Id.* at 9–11.

Based on the record before us, we disagree that Petitioner need not have shown a factual basis for rearranging Price’s parts to arrive at the claimed invention. The burden of demonstrating that a particular feature is met by the prior art rests with the Petitioner, not the Board. 37 C.F.R. § 42.20(c). Moreover, our reviewing court has informed us that in a contested case Board members are not experts and that we should not resort to our own understandings or common sense where record evidence is lacking. *See Brand v. Miller*, 487 F.3d 862, 869 (Fed. Cir. 2007) (“We therefore hold that, in the context of a contested case, it is impermissible for the Board to base its factual findings on its expertise, rather than on evidence in the record ...”). *See also In re Zurko*, 258 F.3d 1379, 1383 (Fed. Cir. 2001) (“As an administrative tribunal, the Board clearly has expertise in the subject matter over which it exercises jurisdiction. This expertise may provide sufficient support for conclusions as to peripheral issues. With respect to core factual findings in a determination of patentability, however, the board cannot simply reach conclusions based on its own understanding or experience — or on its assessment of what would be basic knowledge or

common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings.”).

For all of the above reasons, Patent Owner’s Request for Rehearing is *denied*.

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