

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FREE-FLOW PACKAGING INTERNATIONAL, INC.,
Petitioner,

v.

AUTOMATED PACKAGING SYSTEMS, INC.,
Patent Owner.

Case IPR2016-00350 (Patent 7,550,191 B2)
Case IPR2016-00351 (Patent 7,767,288 B2)¹

Before CHRISTOPHER L. CRUMBLEY, JON B. TORNQUIST, and
CHRISTOPHER M. KAISER, *Administrative Patent Judges*.

CRUMBLEY, *Administrative Patent Judge*.

DECISION

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

¹ Two substantively identical Requests for Rehearing were filed by Petitioner in these related *inter partes* review proceedings. We exercise our discretion to enter one Decision deciding the merits of both Requests.

Petitioner Free-Flow Packaging International, Inc. requests rehearing of our Decisions denying institution of *inter partes* review trials of claims 1–13 of U.S. Patent No. 7,550,191 B2 and claims 1–14 of U.S. Patent No. 7,767,288 B2. IPR2016-00350, Paper 8, “Req. Reh’g.”² In each Petition, Free-Flow asserted a single ground of unpatentability as to the challenged claims, based on obviousness over the combination of the Perkins³ and Mykleby⁴ references. Our Decisions reviewed Free-Flow’s contentions regarding the references, found that the record did not support Free-Flow’s contention that a person of skill in the art would have had reason to combine Perkins with Mykleby, and as a result determined that Free-Flow had not established a reasonable likelihood that claims 1–13 were unpatentable. Paper 7 (“Dec.”) 7–15.

In its Requests, Free-Flow contends that our Decision “overlook[ed] or misapprehend[ed] Petitioner’s identification of the problem in Perkins that was solved by Mykleby and the rationales for combining the teachings of these prior art references.” Req. Reh’g. 3. Free-Flow asks that we grant rehearing and institute trial as to the challenged claims. *Id.* at 9.

For the reasons that follow, the Requests are *denied*.

² For simplicity, we cite only to the record of IPR2016-00350; similar papers and exhibits may be found in IPR2016-00351.

³ US Patent No. 6,209,286 B1 to Perkins et al. (issued Apr. 3, 2001) (Ex. 1006).

⁴ US Patent No. 5,187,917 to Mykleby (issued Feb. 23, 1993) (Ex. 1007).

STANDARD OF REVIEW

When rehearing a decision on a petition to institute an *inter partes* review trial, 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) (quoting *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

Free-Flow argues that, in declining to institute *inter partes* review trials, we overlooked two advantages of using Mykleby’s variable perforations in place of the uniform perforations in the web of Perkins. Req. Reh’g 4. First, Free-Flow contends that the Petitions demonstrated that Mykleby’s perforations would allow “easier and cleaner tearing, reducing waste and increasing production rate.” *Id.* at 4–6. Second, the Petitions allegedly established that the manufacturing method of Mykleby partially tears the claimed web while filling, and this partial separation is advantageous. *Id.* at 6–8. We address the asserted advantages in turn below.

A. *The Board Did Not Overlook the Background Art*

With respect to the first claimed advantage of Mykleby's variable perforations, Free-Flow states that a person of ordinary skill in the art "would have known that Perkins' uniform perforations are more difficult to tear and less reliable than variable perforations" and that "separation could be improved by using longer perforations . . . to reduce the tear strength at that location." *Id.* at 4–5. To support these contentions, Free-Flow cites to portions of the Petitions or the Declaration of Dr. Kimmel which, in turn, cite three references for support: Johnson I (Ex. 1009), Johnson II (Ex. 1010), and Seiferth (Ex. 1011). Req. Reh'g 5 (citing Pet. 20–22, 31, 43; Ex. 1004 ¶ 98). Free-Flow alleges that "it was known over 60 years before the '191 patent's earliest priority date that using variable perforations on a web used to pack individual articles to 'facilitate tearing and guide the tear at the start,'" again citing page 20 of the Petition and Seiferth. *Id.* Notably, however, Free-Flow does not cite Mykleby for a disclosure that variable perforations "ensure easy separation"; rather, Free-Flow's contention is that a person of skill in the art would have incorporated Mykleby's perforations in Perkins because of the teachings of Johnson I, Johnson II, and Seiferth. *Id.* at 6.

We are not persuaded that we abused our discretion in not instituting trial on such a combination, because it was not presented adequately in the Petitions. In evaluating the Petitions and Preliminary Responses, we considered the Johnson I, Johnson II, and Seiferth references and their disclosures. But importantly, the Petitions contain express statements that Free-Flow was not relying on Johnson I, Johnson II, and Seiferth as

“invalidating prior art,” but instead “only includ[ing] them as background references.” Pet. 20 n.7, 21 n.8. Indeed, the discussion of the three references on pages 20–22 or 14–16 of the Petitions—the portion of the Petitions repeatedly cited in the Requests for Rehearing—is a section entitled “State of the Art Prior to the ’191 Patent.” Although the Petitions generally cite back to Section VII.B. in the later section addressing the ground of unpatentability, the Johnson I, Johnson II, and Seiferth references are not cited or discussed again in the context of the ground of unpatentability. See Pet. 29–33.

To the contrary, in the section entitled “A Person Of Ordinary Skill In The Art At The Time Would Have Been Motivated To Combine Perkins With Mykleby” (Section IX.A.), Free-Flow cites to the Perkins and Mykleby references themselves, and focuses on Mykleby’s asserted advantage of permitting partial separation of bags. See *id.* (“A [person of skill in the art] seeking to improve the production of plastic bags that are filled would make use of perforations to effect the separation of adjacent bags as described in Mykleby, which discloses varying the length of the perforations between adjacent inflatable plastic bags to allow individual pouches to be filled with fluid and separated but remain connected until the sheet has moved through the entire automatic packaging apparatus.”). This reason to combine section never mentions “making it easier to ‘initiate and propagate’ the tear” and “helping the bags separate ‘cleanly and completely,’” two advantages alleged in the Requests for Rehearing that are supported by quotes from Johnson I. Req. Reh’g 5.

To be sure, in appropriate circumstances a petitioner may rely on “background art” references to support a reason to combine, without listing those references as part of the ground of unpatentability. But that reliance needs to be made explicit, something that Free-Flow did not do sufficiently in its Petitions. A petitioner cannot expect the Board to sift through its petition to find disclosures in the background art, discussed in a separate part of the petition, and not incorporated sufficiently into the discussion of the ground of unpatentability. *See Dominion Dealer Solutions, LLC v. AutoAlert, Inc.*, Case IPR2013-00223, slip op. 4 (PTAB Oct. 10, 2013) (Paper 14) (“A brief must make all arguments accessible to the judges, rather than ask them to play archaeologist with the record.”) (quoting *DeSilva v. DiLeonardi*, 181 F.3d 865, 866–67 (7th Cir. 1999)).

A petition must provide the Board with a coherent, clearly articulated argument why references would be combined with a reasonable expectation of success, something the Petitions in these cases did not do. Thus, we are not persuaded that we misapprehended or overlooked Free-Flow’s arguments, or that our Decisions not to institute trial were an abuse of discretion.

B. The Board Did Not Overlook the Advantages of Mykleby

Free-Flow also contends that using Perkins’ web with Mykleby’s variable perforations would “provide[] an *additional* advantage beyond those discussed in the previous section” by “allowing the claimed web to partially separate during *Mykleby*’s automated manufacturing process.” Req. Reh’g 7 (citing Pet. 32–33). Unlike the prior contention, we agree that Free-Flow presented this reason to combine adequately in its Petitions. We

considered this argument in our Decisions, however, and found it lacking. *See* Dec. 11–15. For the following reasons, Free-Flow does not convince us that we misapprehended or overlooked any aspect of its arguments on this point.

Free-Flow argues that its Petition demonstrated that “partial separation (which is easier to achieve with variable perforations than with Perkins’ uniform perforations) is advantageous when the claimed web moves through Mykleby’s ‘entire automatic packaging apparatus.’” Req. Reh’g 7 (citing Pet. 25–28). We do not disagree that Mykleby’s variable perforations permit some portions of the web to separate during inflation, while others remain connected. *See* Ex. 1007, 10:49–54. But we discern no disclosure in Mykleby that permitting partial separation is advantageous, or a feature that a person of skill in that art would wish to apply to other webs. Rather, Mykleby suggests that it is advantageous to prevent *full* separation of the filled bags while the web is still moving through the apparatus. *See id.* at 7:36–39 (“embodiment is advantageous since upper perforated portion 132 can remain intact as the continuous sheet is transported through the different stations of automatic packaging apparatus”). In other words, Mykleby does not *encourage* partial separation, but rather it *discourages* complete separation.

The Petitions based the reason to combine on Perkins’ recognition that “automation generally increases production rate and decreases costs associated with production of commercial products.” Pet. 31 (citing Ex. 1004 ¶ 77). Free-Flow went on to argue that the partial separation of Mykleby would “increase production rate” and “decrease costs.” *Id.* In our

Decisions, we evaluated this justification and found it lacking, concluding that Free-Flow had not adequately explained why the partial separation of Mykleby would increase production rate or decrease costs when used in the web of Perkins. Dec. 14. In other words, given that the web of Perkins remains completely connected during inflation, Mykleby does not support incorporating perforations that would cause partial separation. The Requests for Rehearing do not persuade us that this was in error, or that our Decisions not to institute trial were an abuse of discretion.

CONCLUSION

For the foregoing reasons, we did not overlook or misapprehend the record in determining that Free-Flow had not sufficiently articulated a reason why a person of ordinary skill in the art would have combined Perkins with Mykleby in the manner asserted. Accordingly, our determination that the Petitions, Preliminary Responses, and accompanying evidence did not establish a reasonable likelihood of success as to the challenged claims was not an abuse of discretion.

ORDER

Accordingly, it is

ORDERED that Free-Flow's Requests for Rehearing are *denied*.

IPR2016-00350 (Patent 7,550,191 B2)

IPR2016-00351 (Patent 7,767,288 B2)

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