

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VISTA OUTDOOR OPERATIONS LLC
Petitioner,

v.

LIBERTY AMMUNITION, LLC,
Patent Owner.

Case IPR2016-00539
Patent 7,748,325 B2

Before MICHAEL P. TIERNEY, JOSIAH C. COCKS, and
MICHAEL L. WOODS, *Administrative Patent Judges*.

WOODS, *Administrative Patent Judge*.

DECISION
Request for Rehearing
37 C.F.R. § 42.71(d)

INTRODUCTION

On September 2, 2016, Vista Outdoor Operations LLC (“Petitioner”) filed a Request for Rehearing (Paper 10, “Request”) of our Decision Denying Instituting of *inter partes* review of claims 1–42 of U.S. Patent No. 7,748,325 B2 (“the ’325 patent”) (Paper 9, “Decision”).

Petitioner’s stated grounds for rehearing are that the Board erred in its evaluation of: (1) the Woodring-based grounds (identified as Grounds 1–4 in the Petition), and (2) the LaDriere-based grounds (identified as Grounds 5 and 6). Request i; Pet. 3–4. For the reasons that follow, Petitioner’s request for rehearing is denied.

ANALYSIS

The applicable standard for a request for rehearing is set forth in 37 C.F.R. § 42.71(d), which provides in relevant part:

A party dissatisfied with a decision may file a single request for rehearing without prior authorization from the Board. The burden of showing a decision should be modified lies with the party challenging the decision. The 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, opposition, or a reply.

Furthermore, when rehearing a decision on a motion, the Board will review the decision for an abuse of discretion. *Id.* at § 42.71(c).

In its Petition, Petitioner presented six different grounds of unpatentability. Pet. 3–4; Decision 5, n.2. These grounds are:

- (1) Claims 1–14, 17–22, 24–26, 28–32, 38, 41, and 42 are anticipated by Woodring (Ex. 1008);
- (2) Claims 1–42 are obvious over Woodring and LaDriere (Exs. 1009, 1010);

- (3) Claims 1–22, 24–26, 28–32, 38, 41, and 42 are obvious over Woodring and Komarov (Ex. 1011);
- (4) Claims 1–42 are obvious over Woodring and knowledge of a person of ordinary skill in the art;
- (5) Claims 1–42 are obvious over LaDriere and knowledge of a person of ordinary skill in the art; and
- (6) Claims 1–42 are obvious over LaDriere, Halverson (Ex. 1012), and knowledge of a person of ordinary skill in the art.

1. Woodring-Based Grounds (Grounds 1–4)

In presenting these grounds, Petitioner relied on Woodring's four embodiments, each depicting a two-part bullet, as shown in Figures 1–4. See, e.g., Pet. 15. Figures 1–4 of Woodring are reproduced below:

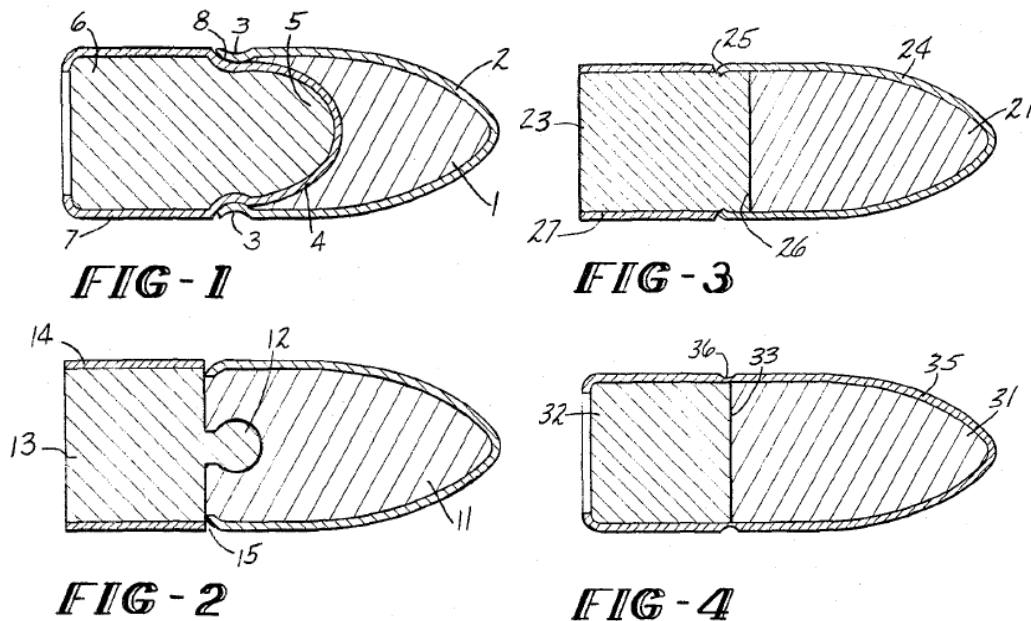


Figure 1 depicts an embodiment with two jackets 2, 7, for each of the two parts of the bullet (cores 1, 6), which are interlocked by crimping forward jacket 2 inwardly to interlock with rearward jacket 7 to form a separable joint. See Ex. 1008, 2:51–60. Figure 2 depicts wall jacket 14, shown as severed along the intersection between the two bullet sections, when “the rear end of the forepart 11 is squeezed inwardly” to form a ball-

and-socket separable joint 12. *Id.* at 2:67–3:10. Figure 3 depicts front jacket 24 “crimped or spun inwardly” as at 25 to secure the rear and forward bullet sections. *Id.* at 3:11–16. Figure 4 depicts an embodiment with “a single connecting jacket” 35, where the jacket is “circumferentially cut away in part to provide a thinning intermediate the ends.” *Id.* at 3:27–33.

The Board found that these embodiments were *distinct*, and determined that Petitioner failed to establish a reasonable likelihood of success on its challenges when combining features from these distinct embodiments. *See* Decision 13–16, 19, 20. With respect to the anticipation ground (Ground 1), the Board explained that “it is not enough that the prior art reference discloses multiple, distinct teachings that the artisan might somehow combine to achieve the claimed invention.” *Id.* at 13 (citing *Net MoneyIN, Inc. v. VeriSign, Inc.*, 545 F.3d 1359, 1371–72 (Fed. Cir. 2008)). With respect to Grounds 2 and 3, the Board determined that Petitioner failed to explain adequately how Woodring’s distinct embodiments are being combined with one another and the cited art to arrive at the claimed invention. *Id.* at 18, 20.

In its Rehearing Request, Petitioner presents several arguments, which we address separately, below.

First, and with respect to the anticipation ground (Ground 1), Petitioner argues that the Board misapprehended the law (Req. Reh’g 3, 8–9) and that “[i]t is necessary only that all limitations of the claim be found somewhere within the invalidating reference . . . [and that] anticipation only requires those suggestions be enabling to one of skill in the art” (*id.* at 3–4 (citing in part *Blue Calypso, LLC v. Groupon, Inc.*, 815 F.3d 1331, 1343–44 (Fed. Cir. 2016) (“a reference may still anticipate if that reference teaches

that the disclosed components or functionalities may be combined and one of skill in the art would be able to implement the combination.”))).

Petitioner further argues that

regardless of which figure or embodiment [of Woodring] is relied upon, they are each structured at the interface portion to separate in a controlled rupture after impact [and that Woodring] discloses that they can each be combined with a jacket that is weakened where the core pieces meet in order to provide rupturing after impact.

Id. at 6 (original emphasis omitted). In support of this assertion, Petitioner cites to multiple disclosures within Woodring. *See id.* at 5–6 (citing Ex. 1008, 1:61–63, 1:36–40, 1:65, 2:35–44, 2:10–14, 4:7–14, 2:35–40, and Fig. 3).

Petitioner’s first argument is unpersuasive, as Petitioner did not explain sufficiently how a person of skill in the art would have been able to combine Woodring’s multiple distinct embodiments. *See Blue Calypso*, 815 F.3d at 1343–44. In particular, Petitioner’s argument is based on an unsupportable assertion that “regardless of which figure or embodiment is relied upon, they are each structured at the interface portion to *separate in a controlled rupture after impact*.” Req. Reh’g 6 (original emphasis omitted, emphasis added). Petitioner’s multiple citations to Woodring (Req. Reh’g 5–6) do not support Petitioner’s assertion. As explained *supra* and in the Board’s Decision, Woodring discloses four distinct embodiments (Figures 1–4), including, for example, a one-piece jacket embodiment (Figure 4) and a two-piece jacket embodiment (Figure 1). Decision 13. The embodiment of Figure 1 includes a two-piece “interface portion,” with the forward portion crimped inward to form a separable joint. *See* Ex. 1008, 2:56–60; *id.* at Fig. 1. Petitioner’s assertion that the “interface portion” of Woodring’s

Figure 1 embodiment ruptures—rather than merely separates without rupturing—upon striking a target is not supported by Woodring’s explicit disclosure, and we do not see how “one of skill in the art would be able to implement the combination”—whatever that combination may be—to arrive at the claimed invention. *See* Req. Reh’g 4 (citing *Blue Calypso*, 815 F.3d at 1343–44).

Second, Petitioner argues that “the Panel’s improper reliance upon *In re Arkley* constituted legal error,” as *In re Arkley* “is not controlling law on the point relied upon by the Panel.” Req. Reh’g 8–9 (citation omitted). In support of this argument, Petitioner argues that in a Board of Patent Appeals and Interferences case, *Ex Parte Sabine Germeyer*, the Board allegedly “expressly repudiated” *In re Arkley* in a Court of Customs and Patent Appeals case, *In re Schaumann*, 572 F.2d 312, 317 (C.C.P.A. 1978). *Id.*

Petitioner’s second argument is unpersuasive, as it misconstrues the Board’s reliance on *Arkley* and ignores the Board’s finding that Woodring discloses four distinct embodiments. *See* Decision 12–14. Furthermore, *In re Schaumann* and *Ex Parte Sabine Germeyer* do not persuade us that the Board’s reliance on *In re Arkley* was in error, and Petitioner’s argument also ignores the Board’s additional citation to the Federal Circuit’s decision in *Net MoneyIN*. Decision 13 (citing *Net MoneyIN*, 545 F.3d at 1371–72 (finding a prior art reference is anticipatory only if the reference discloses every limitation of the claimed invention arranged or combined in the same way as in the claim))).

Third, Petitioner argues that the Board “made a factual error in relying upon the embodiments of Woodring as separate and distinct embodiments that were being combined.” Req. Reh’g 9.

Petitioner's third argument is unpersuasive. As explained *supra*, Woodring discloses four distinct embodiments, and Petitioner's multiple citations to Woodring (Req. Reh'g 5–6) do not support Petitioner's assertion otherwise. As explained in the decision to institute, the Petition relies on the distinct embodiments of Woodring's Figures 1, 3, and 4 for meeting the claimed limitations. Decision 13. We disagree with Petitioner's assertion that these embodiments "may be combined and one of skill in the art would be able to implement the combination." See Req. Reh'g 4 (citing *Blue Calypso*, 815 F.3d 1331, 1343–44); see also *id.* at 10 ("Woodring discloses a bullet designed to separate after impact, and the disclosure includes a number of options that can be combined or used together in order to achieve that objective"). Rather, and for example, we do not see how—and the Petition failed to explain how—Woodring's one-jacket embodiment (Figure 4) can be combined with Woodring's two-jacket embodiment (Figure 1) by a person of ordinary skill in the art. Stated differently, we are not persuaded that "one of skill in the art would be able to implement the combination" (*Blue Calypso*, 815 F.3d 1331, 1343–44) of the structural weakening feature of Figure 4 with the two-jacket embodiment of Figure 1, when the two jackets of Figure 1 are *already separated* where the structural weakening feature would presumably be located.

Fourth, and in contending the Board's decision to deny institution under Woodring/LaDriere (Ground 2) and Woodring/Komarov (Ground 3), Petitioner argues that "Net MoneyIn is not relevant to [an] obviousness challenge . . . [and that the] Panel's application of the law was incorrect" with respect to these grounds. Req. Reh'g 11 (citing *Symantec Corp. v. The*

Trustees of Columbia Univ., IPR2015-00377, Paper 46 at 17 (PTAB June 30, 2016)).

Petitioner's fourth argument is unpersuasive, as Petitioner mischaracterizes the Board's decision. Contrary to Petitioner's assertion, the Board did not rely on *Net MoneyIn* in denying to institute under any of the obviousness challenges, including the Woodring/LaDriere and Woodring/Komarov grounds. See Decision 16–20. Rather, in denying to institute under these grounds, the Board explained that “[i]t is not enough to show simply that the references disclose each element of a claim; in addition, it is important to identify a reason that would have prompted a person of ordinary skill in the art to combine the elements in the manner set forth in the claim.” Decision 18 (citing in part *Transocean Offshore Deepwater Drilling, Inc. v. Maersk Contractors USA, Inc.*, 617 F.3d 1296, 1303 (Fed. Circ. 2010)); *id.* at 20.

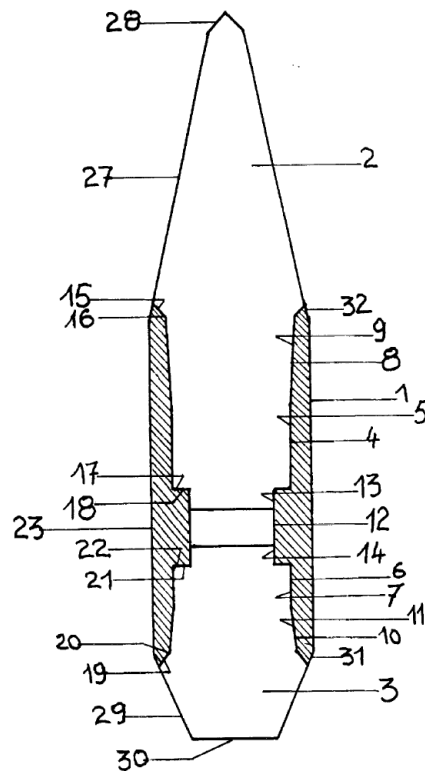
In summary, we are not persuaded that we overlooked or misapprehended any matter in denying the Petition as to the Woodring-based grounds (Grounds 1–4).

2. *LaDriere Ground (Ground 5)*

In its Petition, Petitioner also contended that claims 1–42 are obvious over LaDriere and knowledge of one of ordinary skill. Pet. 38.

In presenting this ground, Petitioner acknowledged that LaDriere fails to explicitly disclose “said interface portion structured to provide controlled rupturing of said interface portion responsive to said projectile striking a predetermined target” (Pet. 39), but contended that LaDriere *inherently discloses* this limitation (*id.* at 40), and that LaDriere's “interface” (intermediate body 1) would rupture (*id.*), as required by the claims.

Figure 1 of LaDriere is reproduced below:



According to Petitioner, the above figure depicts LaDriere's "intermediate body" 1, and "if the projectile of LaDriere were to strike a predetermined target, front body 1 (nose portion) 2 [sic] would deform and potentially expand, causing intermediate body 1 (interface) to rupture." Pet. 40 (citing Ex. 1002 ¶¶ 135–136).¹ In support of this assertion, Petitioner relied on the testimony of Mr. Kenneth Alexander, who testified that "intermediate body 1 would necessarily rupture" as abutment faces 15, 16, 17, and 18 would cause rupturing of intermediate body 1 upon striking a target. Ex. 1002, ¶¶ 135–136.

¹ Although the Petition identifies LaDriere's "front body" *and* "intermediate body" *both with* reference numeral 1, this appears to be a typographical mistake, and LaDriere's front body is instead identified as reference numeral 2. Ex. 1010, p. 5, ll. 15–18.

The Board found Petitioner's assertion that LaDriere inherently disclosed this limitation unpersuasive, noting that "[t]o establish inherency, the extrinsic evidence must make clear that the missing descriptive matter is *necessarily present* in the thing described in the reference." Decision 21 (emphasis added) (citing *In re Robertson*, 169 F.3d 743, 745 (Fed. Cir. 1999)). The Board explained that the Petition and the expert testimony failed to establish adequately why LaDriere's intermediate body 1 would *necessarily rupture*, when LaDriere explicitly discloses that intermediate body 1 is made of a soft or malleable material, which bends without breaking. *See id.* at 21–22. The Board also found unpersuasive Petitioner's assertion that LaDriere's intermediate body 1 includes structure that provides for the "controlled rupturing" of the interface portion, as required by the claims. *See id.* at 22.

In its Rehearing Request, Petitioner presents the following arguments, which we address separately, below.

First, Petitioner argues that the Board erred in rejecting Petitioner's expert testimony and substituted its own opinion regarding the rupture of malleable material. Req. Reh'g 13.

Petitioner's first argument is not persuasive. Contrary to Petitioner's assertion, the Board did not substitute Petitioner's expert opinion for that of its own. Rather, the Board relied on the explicit disclosure of LaDriere's intermediate body being made of malleable material. *See* Decision 21–22 (citing Ex. 1010, 3, 7–9). The Board explained that "Petitioner's assertion that LaDriere's intermediate body would *necessarily rupture* is contrary to the explicit teaching of LaDriere, which discloses a malleable material." *Id.* at 22 (emphasis added); *see also In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d

1359, 1368 (Fed. Cir. 2004) (“[T]he Board is entitled to weigh the declarations and conclude that the lack of factual corroboration warrants discounting the opinions expressed in the declarations.”).

Second, Petitioner argues that because Patent Owner failed to submit its own expert testimony, any factual dispute must be resolved in Petitioner’s favor.

Petitioner’s second argument is unpersuasive. As explained in the Board’s decision, “Petitioner has the burden of proof to establish that it is entitled to the requested relief.” Decision 14–15 (citing 37 C.F.R. §42.20(c)). Notwithstanding the absence of Patent Owner’s own expert testimony, after consideration of the entire record developed at that point in the proceeding, including Petitioner’s expert testimony *and* the explicit disclosure of Woodring, the Board determined that Petitioner failed to meet its burden. *Id.* at 21–22; *see also In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d at 1368.

In summary, we are not persuaded that we overlooked or misapprehended any matter denying the Petition as to the ground that claims 1–42 are obvious over LaDriere in view of knowledge of one of ordinary skill (Ground 5).

3. *LaDriere and Halverson Ground (Ground 6)*

In its Petition, Petitioner also contended that claims 1–42 are obvious over LaDriere, Halverson, and knowledge of one of ordinary skill. Pet. 55. In presenting this ground, Petitioner relied on Halverson’s incorporation by reference of U.S. Patent No. 740,914 to Platz (Ex. 1013, “Platz”) as a basis for relying on a particular embodiment within Platz to satisfy several limitations of the claims. *Id.* at 55–56.

The Board determined that Petitioner failed to provide adequate reasoning that would have prompted a person of ordinary skill in the art to combine the distinct embodiments of Platz, LaDriere, and Halverson to arrive at the claimed invention. Decision 23. The Board explained that “it is not enough to simply show that Halverson incorporated Platz by reference; a reason for combining these features from the distinct embodiments must also be provided.” *Id.* (emphasis added) (citing *Transocean*, 617 F.3d at 1303).

In its Rehearing Request, Petitioner contends that “[w]ith respect to Ground 6, the Panel legally erred in concluding that a [person of ordinary skill in the art] must be motivated to combine an incorporated reference.” Req. Reh’g 12.

Petitioner’s argument is unpersuasive, as it misstates the Board’s decision. Contrary to Petitioner’s assertion, the Board did not deny institution because of the absence of any motivation to combine an incorporated reference; rather, the Board denied institution because the Petitioner provided inadequate reasoning for combining the distinct embodiments of Platz, LaDriere, and Halverson. Decision 23. Importantly, and as discussed similarly with respect to Grounds 1–4, Petitioner’s argument fails to consider that the embodiments within LaDriere, Halverson, and Platz are distinct. As explained in the Board’s decision, “it is not enough to simply show that Halverson incorporated Platz by reference; a reason for combining these features from the distinct embodiments must also be provided.” *Id.* (citing *Transocean*, 617 F.3d at 1303).

In summary, we are not persuaded that we overlooked or misapprehended any matter in denying the Petition as to the ground that

claims 1–42 are obvious over LaDriere, Halverson, and in view of knowledge of one of ordinary skill (Ground 6).

CONCLUSION

Petitioner has not carried its burden of demonstrating that in the Board’s decision denying institution of *inter partes* review of claims 1–42 under any of Grounds 1–6 the Board misapprehended or overlooked any matters. 37 C.F.R. § 42.71(d).

For the foregoing reasons, Petitioner’s Request for Rehearing is *denied*.

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