

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NAUTILUS HYOSUNG, INC.,
Petitioner,

v.

DIEBOLD, INC.,
Patent Owner.

Case IPR2016-00580
Patent 6,082,616 B2

Before BARBARA A. BENOIT, GEORGIANNA W. BRADEN, and
KERRY BEGLEY, *Administrative Patent Judges*.

BRADEN, *Administrative Patent Judge*.

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

I. INTRODUCTION

Petitioner, Nautilus Hyosung Inc. (“Petitioner”), timely filed a Request for Rehearing under 37 C.F.R. § 42.71(d) on September 21, 2016. Paper 11 (“Req. Reh’g”). Petitioner’s Request for Rehearing seeks reconsideration of our Decision Denying Institution (Paper 10, “Dec.”) entered on August 22, 2016, particularly our determination to deny review of challenged claims 1, 5–8, 10, 16, 26, and 27 of U.S. Patent No. 6,082,616 B2 (“the ’616 patent”) as being unpatentable under 35 U.S.C. § 103(a) over Dickinson¹ and Gussack². *See* Dec. 29.

In its Request for Rehearing, Petitioner contends that our determination to deny review of challenged claims 1, 5–8, 10, 16, 26, and 27 of the ’616 patent was improper for several reasons. First, Petitioner argues that we misapprehended or overlooked Petitioner’s argument that it would have been obvious to one of ordinary skill in the art to modify Dickinson’s rollout tray with the bottom service opening of Gussack. Req. Reh’g 5–7. Second, Petitioner argues we misapprehended or overlooked the fact that the claims recite different limitations (some claims do not require a lower wall) and not all of the claims stand or fall together. *Id.* at 7–9. Third, Petitioner argues that modifying Dickinson in view of Gussack meets the recited limitations in claims 1, 26, and 27. *Id.* at 9–14. Lastly, Petitioner argues that we misapprehended or overlooked Petitioner’s alternative argument as to how Dickinson provides a fascia in supporting connection with the rollout tray. *Id.* at 14–15.

¹ U.S. Patent No. 6,068,101, issued May 30, 2000 (Ex. 1004, “Dickenson”).

² U.S. Patent No. 2,655,422 B2, issued Oct. 13, 1953 (Ex. 1005, “Gussack”).

As we explain below, we have considered the arguments presented by Petitioner in its Request for Rehearing, but we discern no sufficient reason to modify the Decision Denying Institution. As a consequence, we deny Petitioner's Request for Rehearing.

II. STANDARD OF REVIEW

A party requesting rehearing bears the burden of showing that the decision should be modified. 37 C.F.R. § 42.71(d). The party must identify specifically all matters we misapprehended or overlooked, and the place where each matter was addressed previously in a motion, an opposition, or a reply. *Id.* When rehearing a decision on a petition, we review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion may be indicated 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. *Star Fruits S.N.C. v. U.S.*, 393 F.3d 1277, 1281 (Fed. Cir. 2005); *Arnold P'ship v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004); *In re Gartside*, 203 F.3d 1305, 1315–16 (Fed. Cir. 2000). Applying these legal standards, we address the arguments presented by Petitioner.

III. ANALYSIS

A. Alleged Sufficiency of Petitioner's Purported Rationale to Combine Dickenson and Gussack

In our Decision Denying Institution, we denied institution of a challenge based on Dickenson in view of Gussack and in view of the general knowledge of a person of ordinary skill in the art as evidenced by prior art of record:

Newcomer³, Chen⁴, and Hofmeister⁵. Dec. 9–10, 29. With respect to Dickenson and Gussack, we stated:

Petitioner does not explain sufficien[t]ly how one of ordinary skill in the art would have understood Dickenson’s description of “currency mechanism 40” to refer to a “service opening extending through the wall portion,” as recited in claim 1, or a “rollout tray including a service opening,” as recited in independent claim 26. Nor does Petitioner explain sufficien[t]ly why one of ordinary skill in the art would have selected Dickenson’s “currency mechanism 40” when combining Dickenson with Gussack in the manner required by independent claims 1, 20, 26, or 27. Indeed, the lack of such an explanation again suggests that Petitioner’s challenges are based on improper hindsight reconstruction of the prior art.

Id. at 26.

Petitioner argues the Board misapprehended and/or overlooked “four clear reasons to modify Dickenson.” Req. Reh’g 5 (citing Pet 16–18). According to Petitioner, the first reason to modify Dickenson is to “permit easy access” to components as explained by Gussack. *Id.* (citing Pet. 16; Ex. 1003 ¶ 35; Ex. 1005 1:14–19, 5:63–68). Petitioner also argues that this reason by itself would have prompted a person of ordinary skill in the art to modify Dickenson to add a service opening. *Id.* (citing Pet. 16). Petitioner then argues that the Petition identified additional reasons for adding a service opening to Dickenson, but that we overlooked the reasoning by focusing on Petitioner’s use of five references in its Petition. *Id.* at 6 (citing Pet. 16–18), 7.

³ U.S. Patent No. 5,734,136 B2, issued Mar. 31, 1998 (Ex. 1008, “Newcomer”).

⁴ U.S. Patent No. 4,863,173 B2, issued Sept. 5, 1989 (Ex. 1010, “Chen”).

⁵ U.S. Patent No. 3,955,449 B2, issued May 11, 1976 (Ex. 1011, “Hofmeister”).

We disagree with Petitioner’s contention that we misapprehended or overlooked an explanation as to how and why it would have been obvious to modify Dickenson to have the service opening of Gussack. Petitioner provided multiple reason for why a “[person of ordinary skill in the art] would have been prompted to modify the device of Dickenson *to have a bottom service opening* as described in Gussack.” Pet. 16–18 (emphasis added). Yet, as explained in the Decision Denying Institution, Petitioner’s arguments for combining the cited art for very specific limitations are insufficient, because Petitioner failed to “explain why a person of ordinary skill in the art would combine together the prior art teachings to arrive at the challenged claim as a whole.” Dec. 25. The Petition merely offers conclusory statements that someone of ordinary skill in the art could have modified Dickenson, yet fails to explain persuasively *why* a person of ordinary skill in the art would have modified the gaming machine of Dickenson to use the removable bottom panel of Gussack in order to have a service opening as required by claim 1.⁶ *Innogenetics, N.V. v. Abbott Labs.*, 512 F.3d 1363, 1374, n. 3 (Fed. Cir. 2008) (criticizing “a complete absence of any proof that one skilled in the art would find the particular claimed method obvious . . . for *any* reason”). Therefore, as our Decision Denying Institution states, Petitioner’s analysis is conclusory and fails to explain adequately how the evidence supports the contentions that Dickenson in view of Gussack would have rendered the limitations of challenged claim 1 obvious. See Dec. 17–22, 24–28.

⁶ We specifically address claim 1, because it was only for claim 1 where Petitioner provided the list of reasons for modifying Dickenson in view of Gussack. See Pet. 16–18.

Accordingly, we are not persuaded that we misapprehended or overlooked Petitioner's argument that it would have been obvious to one of ordinary skill in the art to modify Dickenson to use a removable bottom panel from Gussack's drawer to teach the claimed "service opening." Although we recognize that removable panels for servicing of components may have been known in the prior art, Petitioner does not explain what would have led a person of ordinary skill in the art at the time of the invention to choose to use Gussack's removable panel to create a service opening in a wall in Dickenson's rolling tray. Rather, as discussed in our Decision, we find Petitioner's arguments fraught with hindsight bias. See *KSR Int'l Co. v. Teleflex*, 550 U.S. 398, 418 (2007) ("[A] patent composed of several elements is not proved obvious by merely demonstrating that each of its elements was, independently, known in the prior art."); *Kinetic Concepts, Inc. v. Smith & Nephew, Inc.*, 688 F.3d 1342, 1368–69 (Fed. Cir. 2012) ("[Smith & Nephew] never offered evidence articulating why a person having ordinary skill in the art would combine the primary references to obtain the disclosed inventions."); *Innogenetics, N.V.*, 512 F.3d at 1374, n. 3 ("We must still be careful not to allow hindsight reconstruction of references to reach the claimed invention without any explanation as to how or why the references would be combined to produce the claimed invention.").

Moreover, we note that merely disagreeing with our analysis or conclusions does not serve as a proper basis for a rehearing. It is not an abuse of discretion to provide analysis or conclusions with which Petitioner disagrees.

B. Allegations Regarding Claims Reciting Different Limitations

Petitioner contends that we overlooked that only certain claims require a lower wall. Req. Reh’g 7 (citing Ex. 1001, 8:26–28, 10:15–16; Pet. 32–34, 49–54). In particular, Petitioner argues that we committed legal error by treating the claims as if they were substantially the same. *Id.* at 7–8. Petitioner further argues that “[t]he Decision appears to reason that if there is no opening through a bottom panel, then *none* of the claims are met by the prior art. But most claims don’t even require a lower wall.” *Id.* at 8. Petitioner further notes that the Decision identifies claims 1 and 26 as “representative,” but “then identifies just ‘Claims 1 and 20’ (not 1 and 26 as earlier indicated) in the first heading of the first analysis section (Decision, 17) even though the four independent claims all have different limitations.” Pet. 7–8 (citing Dec. 4–5).

We disagree with Petitioner’s contentions. First, our Decision identifies independent claims 1 and 26 as representative of the challenged claims and they are. *See* Dec. 4–5. We address the limitations in those claims in two separate sections based on the challenges as presented in the Petition. *See* Dec. 17–22 (addressing claims 1 and 20), 22–24 (addressing claims 10 and 27). Second, the Decision analyzed the arguments as presented in the Petition, which argued that the service opening in Dickenson would be found in the *bottom wall* portion of the rolling tray shown in Figure 4. *See* Pet. 13–14. We agree that certain challenged claims do not require a lower or bottom wall, however, Petitioner based its arguments on a service opening in a lower wall or bottom portion of Dickenson’s rolling tray. *Id.* The Board must base its analysis on the arguments and evidence presented in the Petition and not upon what the Petitioner *could have* argued. *See In re Magnum Oil Tools Int’l, Ltd.*, 829 F.3d 1364, 1380–81 (Fed. Cir. 2016)

(holding that the Board is not “free to adopt arguments on behalf of petitioners that could have been, but were not, raised by the petitioner” and “[i]nstead, . . . must base its decision on arguments that were advanced by a party, and to which the opposing party was given a chance to respond.”). “In an [*inter partes* review], the petitioner has the burden from the onset to show with particularity why the patent it challenges is unpatentable.” *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) (citing 35 U.S.C. § 312(a)(3) (requiring *inter partes* review petitions to identify “with particularity . . . the evidence that supports the grounds for the challenge to each claim”)). *Id.*

Petitioner has not shown how we overlooked or misapprehended its arguments or evidence as required by 37 C.F.R. § 42.71(d). Thus, Petitioner’s challenge does not meet the standard set forth for a request for rehearing.

C. Alleged Obviousness of Claims 1, 26, and 27 in View of Dickenson and Gussack

Petitioner contends that we overlooked and/or misapprehended that independent claims 1, 26, and 27 require less than claims 2 and 20–23, and that Dickenson as modified by Gussack discloses the elements of claims 1, 26, and 27. Req. Reh’g 9.

1. Claim 1

In regards to claim 1, Petitioner argues that the Decision incorrectly concludes that Gussack discloses “no opening through a wall portion” and that the panel 80 in Gussack is the wall portion. *Id.* at 10 (citing Dec. 21–22). According to Petitioner, the Decision is incorrect because the required “wall portion” does not need to be the lowermost wall portion (i.e., panel 80) and the “Decision provides

no reason why the angular member 81 or side wall 64 are not wall portions.” *Id.* (citing Ex. 1005, Fig. 16). Petitioner argues that “the wall 64 and the angular member 81 are the *exact* structures identified in the Petition and colored light purple to show the difference between the removable panel 80 and the rest of the tray 15 and its wall portions.” *Id.* (citing Pet. 15; Ex. 1003 ¶ 66; Ex. 1017).

We agree the Petition identifies the individual components of Gussack’s Figure 16. Petitioner, however, fails to identify the location in the Petition, itself, of this detailed explanation, which now is presented in the Request for Rehearing. Specifically, in the Petition, Petitioner did not (1) identify sufficiently that it viewed angular member 81 (when attached to side 64) as creating the recited “wall portion” or (2) explain how the elements would have been understood by a person of ordinary skill the art to function as the recited “wall portion.” Instead, in its Petition, Petitioner stated:

Gussack discloses a “slidable tray” having a bottom opening for servicing electrical components. Ex. 1005 at 1:1–4; 1:14–19; 5:55–69; 7:54–64. Gussack explains that “[t]he bottom of the tray 15 comprises removable panels 80” and that “the bottom panels [can] be removed thus exposing and making the parts readily accessible.” Ex. 1005 at 5:55–69. This allows for servicing of electrical components for “[w]hen it becomes necessary to make repairs, replacement of parts, adjustment or inspection.” Ex. 1005 at 5:63–69. FIGS. 6 and 15 are reproduced below showing the tray 15 colored light purple and the removable panel 80 colored in dark purple.
Pet. 15

Absent further explanation, by Petitioner or its declarant, we reasonably concluded Petitioner was relying on the removable panel to act as the “service opening extending through the wall portion” required by claim 1. The Board has

not overlooked any part of the disclosure of Gussack that was developed and explained in the Petition.

The Board could not have overlooked a detailed explanation or analysis not presented in the Petition. A rehearing request is not a supplemental petition. The petition, itself, must identify “specific portions of the evidence that support the challenge.” 37 C.F.R. § 42.104(b)(5). “The Board may exclude or give no weight to the evidence where a party has failed to state its relevance or to identify specific portions of the evidence that support the challenge.” *Id.* The Petitioner has the responsibility to identify and explain in the petition specific evidence that supports its arguments. *See* 35 U.S.C. § 312(a)(3) (requiring *inter partes* review petitions to identify “with particularity . . . the evidence that supports the grounds for the challenge to each claim”).

2. Claim 26

In regards to claim 26, Petitioner argues claim 26 is broader than both claims 1 and 20, in that claim 26 requires a “rollout tray including a service opening.” *Req. Reh’g* 12 (citing *Ex. 1001*, 11:7–8; *Pet. 55*). In particular, Petitioner argues the Decision overlooks the relevant explanation of how *Dickenson* and *Gussack* render such a rollout tray obvious. *Id.* at 12–13 (citing *Dec. 26*). According to Petitioner, the Petition specifically addresses this claim limitation by stating “*Dickenson* in view of *Gussack* discloses a rollout tray movably mounted in supporting connection with the housing, the rollout tray including a service opening” and a person of ordinary skill in the art “would have been prompted to ***modify the rollout tray of Dickenson with the bottom service opening of Gussack*** in order to give access to electronic equipment.” *Id.* at 13

(citing Pet. 12–13, 15–18, 55).

We agree with Petitioner that Dickenson teaches a rollout tray. *See* Ex. 1004, 5:7–22, Fig. 2. As stated in the Decision, however, Petitioner failed to explain sufficiently why a person of ordinary skill in the art would have understood that currency mechanism 40 of Dickenson would be a rollout tray with a service opening as required by claim 26. Dec. 26. Petitioner failed to explain what part of Dickenson or Gussack would constitute a service opening, regardless of which wall contained the service opening. As discussed above, the burden is on Petitioner to make its case in the Petition. *See* 35 U.S.C. § 312(a)(3) (requiring *inter partes* review petitions to identify “with particularity . . . the evidence that supports the grounds for the challenge to each claim”). Petitioner cannot satisfy its burden of proving obviousness by employing “mere conclusory statements.” *Magnum Oil*, 829 F.3d at 1380.

3. Claim 27

In regards to claim 27, Petitioner argues the same position as with regards to claim 26, in that claim 27 requires a “rollout tray” and “a service opening.” Req. Reh’g 13–14 (citing Ex. 1001, 11:27–34; Pet. 55). The Petition and the Request for Rehearing regarding claim 27 fail for the same reasons as claim 26, discussed above.

D. Allegations that Dickenson Teaches “a fascia in supporting connection with the tray”

Petitioner contends that we overlooked and/or misapprehended that “the Petition identified three different ways that Dickenson discloses ‘a fascia in supporting connection with the tray’ as required by claims 10 and 27.” Req.

Reh’g 14 (citing Pet. 40–41, 59). According to Petitioner, the Decision only addressed one of the ways discussed in the Petition. *Id.*

We disagree, because the Decision acknowledges Petitioner argues that:

door 6 is in supporting connection with the tray in two ways: (1) door 6 is connected to the tray via housing 20, because door 6 is connected to the housing via hinge 8 and the tray is connected to the housing via trackway 70 (*id.* at 41 (citing Ex. 1004, 3:25– 37, 4:53– 57, Figs. 1–4)); and (2) door 6 supports front panel 48 of currency mechanism 40 when both are closed (*id.* (citing Ex. 1004, Fig. 1)).

Dec. 22–23. The Decision then notes that Petitioner’s declarant, Mr. Smith, “testifies that Dickenson’s wall 48 is another ‘fascia’ that meets the elements of claims 10 and 27.” *Id.* at 23 (citing Ex. 1003 ¶ 80). All three positions were considered, but were insufficient to support Petitioner’s proffered conclusion that door 6 in Dickenson, on which Petitioner relies, teaches “a fascia in supporting connection with the tray, and wherein the fascia covers the first opening when the tray is in the second position,” as required by claims 10 and 27.

As Petitioner’s arguments were considered and addressed in the Decision, Petitioner has not shown how we overlooked or misapprehended its arguments or evidence as required by 37 C.F.R. § 42.71(d). Thus, Petitioner’s challenge does not meet the standard set forth for a request for rehearing.

IV. CONCLUSION

For the foregoing reasons, Petitioner has not demonstrated that we abused our discretion by denying the Petition as to the challenged claims of the ’616 patent. Therefore, Petitioner’s Request for Rehearing is *denied*.

V. ORDER

Accordingly, it is ORDERED that Petitioner's Request for Rehearing is DENIED.

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