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Paper 22
Entered: December 6, 2016

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

POLYGROUP LIMITED,
Petitioner,

v.

WILLIS ELECTRIC CO., LTD.,
Patent Owner.

Cases[1]
IPR2016-00800 (Patent 8,454,186 B2)
IPR2016-00801 (Patent 8,454,187 B2)
IPR2016-00802 (Patent 9,044,056 B2)

Before WILLIAM V. SAINDON, CHRISTOPHER L. CRUMBLEY, and BARBARA A. PARVIS, *Administrative Patent Judges*.

SAINDON, *Administrative Patent Judge*.

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

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[1] Due to the overlapping issues involved herein, we issue one Decision and enter it in each of the three proceedings.

We instituted *inter partes* reviews on all challenged claims in IPR2016-00800, -00801, and -00802 (each, "Dec. on Inst." or "Decision").[2] Patent Owner subsequently filed Requests for Rehearing (each, "Req. Reh'g" or "Request").[3] In its Requests, Patent Owner asks that we (1) reconsider whether Petitioner provided "fair notice of the claimed obviousness grounds" and (2) reconsider whether we should exercise our discretion to deny *inter partes* review based on 35 U.S.C. § 325(d). Req. 1.[4]

The standard of review for rehearing requests is set forth in 37 C.F.R. § 42.71(d), which states:

> 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, an opposition, or a reply.

Specifically for rehearing requests of decisions on institution, "a panel will review the decision for an abuse of discretion." 37 C.F.R. § 42.71(c).

Patent Owner's first argument for rehearing is directed to whether the Petition provided sufficient notice to Patent Owner regarding the basis of the unpatentability challenge. Req. 2–7. Patent Owner argues that Petitioner's ground was to modify one reference with another as a "wholesale

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[2] In IPR2016-00800, Paper 9. In IPR2016-00801 and IPR2016-00802, Paper 8. All proceedings involved an institution on all challenged claims.

[3] In IPR2016-00800, Paper 20. In IPR2016-00801 and IPR2016-00802, Paper 15. Citations herein are to IPR2016-00800; similar citations can be found in the other proceedings.

[4] Patent Owner's Request in IPR2016-00802 does not include the second request because § 325(d) was not at issue in that proceeding.

substitution" or "without adaptation." *Id.* at 5, 7 (emphasis removed). Patent Owner states that our Decision relied upon a "further modif[ication]" when we stated that a person of ordinary skill in the art would make the combination in view of their ordinary skill and creativity. *Id.* at 6–7. Patent Owner argues that our statements went beyond the Petition and that it did not have fair notice of our reasons. *Id.* at 7.

First, in terms of Patent Owner's arguments regarding notice, the Decision serves as notice of the grounds at trial. Second, our analysis of Petitioner's ground did not introduce a new basis for unpatentability. All combinations must consider the level of ordinary skill and creativity. A person of ordinary skill in the art is not understood to be combining elements of references like an automaton—here, Petitioner's use of the phrase "substitute" is not to be understood as a mindless bodily incorporation. Our Decision merely acknowledges that. *See In re Mouttet*, 686 F.3d 1322, 1332 (Fed. Cir. 2012) ("[i]t is well-established that a determination of obviousness based on teachings from multiple references does not require an actual, physical substitution of elements."); *see also In re Etter*, 756 F.2d 852, 859 (Fed. Cir. 1985) (en banc) ("[T]he criterion [is] not whether the references could be physically combined but whether the claimed inventions are rendered obvious by the teachings of the prior art as a whole.").

Patent Owner's second argument for rehearing involves the discretion we have under 35 U.S.C. § 325(d) not to institute review if "the same or substantially the same prior art or arguments previously were presented to the Office." In our Decision, we declined to exercise our discretion to deny. Dec. on Inst. 14. One factor behind our decision that we highlighted was

that the grounds asserted against the ’186 patent were going forward already in a related proceeding (namely, the grounds in IPR2016-00802) against a very similar patent. *Id.* As such, we saw little substantive burden in proceeding on the merits. *Id.* Further, denying institution here causes additional inefficiencies, as it leaves to the district court issues that we are going to resolve on a closely related patent. *Id.*

Patent Owner points to other cases having different facts in which petitions were denied. *See* Req. Reh’g 9–11. Different facts will give different results, especially in a multi-factor test such as that involved in § 325(d). Patent Owner does not address any facts that would make us reconsider our Decision. Patent Owner then points out that more cases were filed against it *after* this particular proceeding was filed (Req. 11–14); this is immaterial as to our decision regarding *this* proceeding. *See* 35 U.S.C. § 325(d) (referring to “prior art or arguments [that] *previously* were presented to the Office”) (emphasis added).

Having reviewed Patent Owner’s Request, we are not persuaded that we abused our discretion in instituting *inter partes* review. Patent Owner’s Request for Rehearing is DENIED.

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