

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

H&S MANUFACTURING COMPANY, INC.,
Petitioner,

v.

OXBO INTERNATIONAL CORPORATION,
Patent Owner.

Case IPR2016-00926
Patent 7,310,929 B2

Before PHILLIP J. KAUFFMAN, JAMES A. TARTAL, and
KEVIN W. CHERRY, *Administrative Patent Judges*.

TARTAL, *Administrative Patent Judge*.

DECISION

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

I. INTRODUCTION

Petitioner, H&S Manufacturing Company, Inc., filed a Petition requesting an *inter partes* review of claims 28, 32, and 44 of U.S. Patent No. 7,310,929 B2 (“the ’929 patent”). Paper 2 (“Pet.”). Patent Owner, Oxbo International Corporation, filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). In our Decision dated October 26, 2016 (Paper 7, “Decision” or “Dec.”), we determined that the information presented in the Petition and accompanying evidence did not establish a reasonable likelihood that Petitioner would prevail in showing the unpatentability of any claim of the ’929 patent. Accordingly, we denied the Petition and did not institute an *inter partes* review of the ’929 patent. *Id.* at 28.

Petitioner requests rehearing in part (Paper 9, “Req. Reh’g.”) of our Decision, and, specifically, reconsideration of our determination not to institute *inter partes* review based on Petitioner’s contention that claims 28, 32, and 44 of the ’929 patent would have been obvious over the combination of Zhavoronkin¹ and CA Honey². Req. Reh’g. 1. For the reasons that follow, Petitioner’s request for rehearing is denied.

II. 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 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

¹ U.S.S.R. Inventor’s Certificate No. SU 835359A1 published June 7, 1981 (Ex. 1012, “Zhavoronkin”).

² Canadian Patent No. 1151431B (Ex. 1018, “CA Honey”).

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.

When reconsidering a decision on institution, we review the decision for an abuse of discretion. *See* 37 C.F.R. § 42.71(c). An abuse of discretion may be determined 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. *See Star Fruits S.N.C. v. United States*, 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). The party requesting rehearing has the burden of showing the decision should be modified, which includes specifically identifying all matters the party believes we misapprehended or overlooked. *See* 37 C.F.R. § 42.71(d).

1. The Decision Did Not Use an Incorrect Statement of the Law of Obviousness

Petitioner first contends that the Decision used an incorrect statement of the law of obviousness because it cited to a portion of *In re Gorman*, 933 F.2d 982, 987 (Fed. Cir. 1991). Req. Reh'g. 3–6. The relevant portion of the Decision states:

Identifying all of the benefits of the '929 patent does not make it obvious, nor does it support a modification in a manner undisclosed by any of the asserted references. Counter to its contentions with respect to Zhavoronkin and CA Honey, Petitioner has not shown that the challenged claims of the '929 patent would have been obvious on any of the asserted generic basis, including that it would “merely involve the use of a known technique to improve a similar device in the same way” or “would have been predictable.” Pet. 25–27. We agree with Patent Owner that Petitioner has not clearly identified the known

technique it refers to or any known modification. See Prelim. Resp. 44. Suggesting that a person of ordinary skill would simply add “a pickup assembly to Zhavoronkin as taught by CA Honey, and associating the added pickup assembly with the existing middle conveyor disclosed by Zhavoronkin such that the pickup assemblies were aligned side by side,” is the epitome of a hindsight analysis. See *In re Gorman*, 933 F.2d 982, 987 (Fed. Cir. 1991) (“It is impermissible [to use] applicant’s structure as a template and select[] elements from references to fill the gaps.”). Mr. Shirley’s conclusory statement that aligning the pickup assemblies “would be within the grasp of a person of ordinary skill in the art” does not persuade us because Petitioner has not identified any disclosure of the “aligned side by side” feature in either of the asserted references. See Ex. 1009 ¶ 154.³ The only apparent source of the missing disclosure of the “aligned side by side” feature is the ’929 patent itself.

Petitioner has not sufficiently identified either how each of the elements of claims 28, 32, and 44 were disclosed in Zhavoronkin and CA Honey or a persuasive rationale in support of the combination of the two references.

Dec. 21–22.

Specifically, Petitioner argues that *Gorman* “is based on the line of Federal Circuit cases that required an express teaching, suggestion or motivation be found in the prior art references,” and that such an approach was overturned by the Supreme Court in *KSR Int’l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1740-1741 (2007). Req. Reh’q. 5. Petitioner’s argument

³ Although Mr. Shirley addresses a combination of Zhavoronkin, CA Honey, and von Allwörden in his declaration, that combination was not asserted in the Petition and will not be considered for purposes of this decision. See, e.g., Ex. 1009 ¶ 144; also see generally *Cisco Systems, Inc. v. C-Cation Techs., LLC*, IPR2014-00454, slip op. 7–10 (PTAB Aug. 29, 2014) (Paper 12) (informative, expanded panel) (Information contained in exhibits or portions of exhibits, but not discussed in the Petition, is not incorporated into the Petition merely by the exhibits’ presence in the record.).

amounts to an assertion that because *Gorman* is a Federal Circuit decision which predates *KSR*, it is no longer valid. We find that Petitioner's argument has no merit because the mere fact that *Gorman* predates *KSR* does not support the conclusion that every portion of *Gorman* is an incorrect statement of the law of obviousness. Indeed, the hindsight analysis applied by Petitioner in the Petition was not only cautioned against in *Gorman* prior to *KSR*, but was cautioned against in *KSR* itself. See 550 U.S. at 421 (the court must avoid "hindsight bias and must be cautious of arguments reliant upon ex post reasoning"). Moreover, the very portion of *Gorman* cited in the Decision has been cited by the Federal Circuit after the decision in *KSR*. See, e.g., *In re Suong-Hyu Hyon*, 679 F.3d 1363, 1371 (Fed. Cir. 2012). Finally, our determination that Petitioner failed to establish a reasonable likelihood that it would prevail in showing any claim of the '929 patent would have been obvious over the combination of Zhavoronkin and CA Honey was not based on the application of a teaching, suggestion or motivation test. The Petition was denied because of Petitioner's failure to show either (1) how each of the elements of claims 28, 32, and 44 were disclosed in Zhavoronkin and CA Honey or (2) to provide a persuasive rationale in support of the combination of the two references, as required by *KSR*. Dec. 22; see also 550 U.S. at 418 ("[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.") Accordingly, Petitioner has failed to show in its request for rehearing that the decision used an incorrect statement of the law of obviousness.

2. *The Decision Did Not Overlook “Evidence from Expert About Knowledge of Aligning Side by Side Being Known to Persons Skilled in the Art”*

Petitioner argues:

The Decision concludes that “[t]he only apparent source of the missing disclosure of the ‘aligned side by side’ feature is the ’929 patent itself.” (Decision, p. 22). This conclusion, however, overlooks the evidence in the Petition and Expert Declaration that aligning three pickup assemblies side by side was already known to persons skilled in the art prior to the filing of the ’929 Patent. (Petition, p. 27; Ex. 1009 ¶¶ 160-162). The Board misapprehended the nature of the expert’s declaration regarding aligning three pickup assemblies side by side as being within the knowledge of persons skilled in the art, as evidenced by U.S. Patent No. 5,911,625 to von Allwörden, published nearly four years prior to the filing of the ’929 Patent. In footnote 13 of the Decision, the Board dismissed this evidence as not being presented as a separate grounds of rejection that was not asserted in the Petition. This evidence, however, was discussed in the Petition as being evidence of “the background knowledge possessed by a person having ordinary skill in the art.” *KSR* at 418. Moreover, it is the very kind of evidence that is consistent with the advantages that the Decision admits are discussed in the Petition for why a skilled person would be motivated to combine Zhavoronkin with CA Honey.

Req. Reh’g. 7. The Petition includes a claim chart identifying how Petitioner contends each element of the challenged claims was disclosed by Zhavoronkin and CA Honey. Pet. 20–24. U.S. Patent No. 5,911,625 to von Allwörden is not cited in that claim chart and is not otherwise discussed in the Petition in reference to the asserted combination of Zhavoronkin and CA Honey. Nor is there any discussion of a rationale for combining von Allwörden with Zhavoronkin and CA Honey. Petitioner fails to show any argument or evidence discussed in the Petition with respect to the asserted

combination of Zhavoronkin and CA Honey that was overlooked in the Decision. *See generally* 37 C.F.R. § 42.104(b)(5) (requiring petitions to set forth the relevance of evidence); 37 C.F.R. § 42.22(a)(2) (requiring petitions to include “a detailed explanation of the significance of the evidence including material facts, and the governing law, rules, and precedent”); *Liberty Mutual Ins. Co. v. Progressive Casualty Ins. Co.*, CBM2012-00003, slip op. at 10, 14 (P.T.A.B. Oct. 25, 2012) (Paper 8) (stating that the Board “will address only the basis, rationale, and reasoning *put forth by the Petitioner in the petition*”) (emphasis added); *Cisco Systems, Inc., v. C-Cation Techs., LLC*, Case IPR2014-00454, slip op. at 9–10 (PTAB Aug. 29, 2014) (Paper 12) (explaining that arguments not made in the Petition will not be considered).

3. *The Decision Did Not Overlook “Rationale Presented in the Petition for Combining the References”*

Petitioner argues that:

The statement in the Decision that “Petitioner has not clearly identified the known technique it refers to” demonstrates the Board overlooked this argument. (Decision, p. 21). The known technique, of increasing the number of pickup assemblies taught by CA Honey and applying it to the device of Zhavoronkin, is clearly identified on page 26 of the Petition.

Req. Reh’g. 9. The Petition states that CA Honey discloses a device with three assemblies. Pet. 25. Petitioner failed to show that CA Honey applies a “known improvement technique of adding a pickup assembly” merely because it has three assemblies rather than two. The Decision expressly states that:

We agree with Patent Owner that Petitioner has not clearly identified the known technique it refers to or any known

modification. See Prelim. Resp. 44. Suggesting that a person of ordinary skill would simply add “a pickup assembly to Zhavoronkin as taught by CA Honey, and associating the added pickup assembly with the existing middle conveyor disclosed by Zhavoronkin such that the pickup assemblies were aligned side by side,” is the epitome of a hindsight analysis.

Dec. 21. Thus, Petitioner’s argument was not overlooked, but to the contrary, was directly addressed in the Decision.

Petitioner further argues that the Decision fails to cite portions of the Petition that asserted “design incentives or market forces” provided a rationale for the asserted combination. Req. Reh’g. 9. Petitioner argues in the Petition that “Zhavoronkin, CA Honey and the ’929 Patent are not only all in the same field of endeavor, devices of their type would actually all be used in the same farm field.” Pet. 27. The “incentives and market forces” Petitioner alleges would have motivated the asserted combination substantially mirror the same benefits Petitioner identifies as support for applying a “known improvement technique.” See Pet. 26 (referring to benefits of the “known technique” as “increasing the amount of crops that be picked up and moved by the apparatus which desirably speeds up the harvest process;” “improving visibility and operability of the device;” “allow the device to create bigger windrows;” “reducing the amount of time travelled across the field”), *cf. id.* at 28 (referring to benefits reflected as “incentives and market forces” as “increase the amount of crops that be picked up and moved by the apparatus;” “allowing harvesting to be completed sooner resulting in crops of higher and more consistent quality [] and faster initiation of regrowth of the crop,” “improve visibility and operability of the device;” “allow the device to create bigger windrows;” “reducing the

amount of time travelled across the field;” “reduces wheel traffic in the field.”). Although the Decision did not expressly address every benefit asserted by Petitioner, the Decision states “[i]dentifying all of the benefits of the ’929 patent does not make it obvious, nor does it support a modification in a manner undisclosed by any of the asserted references.” Dec. 21. Thus, Petitioner’s argument was not overlooked, but to the contrary, was directly addressed in the Decision.

4. *The Decision Was Not an Erroneous Conclusion of Law*

Petitioner argues that:

the very feature of the claimed inventions found by the Board in its Decision to be missing from the Zhavoronkin Ground – that the three pickup heads of the windrow merger are aligned side by side – is strikingly similar to the kind of farm implement invention that the Supreme Court found obvious in *Graham v. John Deere*.

Req. Reh’g. 10. Petitioner then proceeds to discuss features of the patent at issue in *Graham*. *Id.* at 11–12. These arguments were not presented in the Petition, and therefore, could not have been overlooked. More fundamentally, Petitioner fails to recognize that a decision denying institution is not a finding by the Board that features of the claimed invention are absent from the asserted references. It is a determination that the information presented in the Petition and accompanying evidence did not establish a reasonable likelihood that Petitioner would prevail in showing the unpatentability of any claim of the challenged patent. 35 U.S.C. § 314(a). In its request for rehearing, Petitioner has not shown any erroneous conclusion of law in the Decision.

III. CONCLUSION

For the reasons above, we conclude that Petitioner has not met its burden of showing an abuse of discretion, or that we misapprehended or overlooked any of Petitioner's arguments, in our determinations that Petitioner failed to establish a reasonable likelihood that it would prevail in showing any challenged claim of the '929 patent would have been obvious over Zhavoronkin and CA Honey. We, therefore, deny Petitioner's request to reverse our determination not to institute an *inter partes* review of the '929 patent.

IV. ORDER

Accordingly, it is:

ORDERED that Petitioner's Request for Rehearing is *denied*.

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