

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

KARTRI SALES COMPANY, INC.
MARQUIS MILLS, INTERNATIONAL, INC.,
Petitioner,

v.

ZAHNER DESIGN GROUP, LTD.,
Patent Owner.

Case IPR2016-01327
Patent 8,235,088 B2

Before WILLIAM V. SAINDON, HYUN J. JUNG, and
RICHARD H. MARSCHALL, *Administrative Patent Judges*.

MARSCHALL, *Administrative Patent Judge*.

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

Kartri Sales Company, Inc. and Marquis Mills, International, Inc. (collectively, “Petitioner”) filed a Request for Rehearing (Paper 11, “Reh’g Req.”) of our Decision denying institution of *inter partes* review (Paper 10, “Decision” or “Dec.”) of claims 1–14 of U.S. Patent No. 8,235,088 B2 (Ex. 1001, “the ’088 patent”). We deny Petitioner’s Request for Rehearing for the reasons set forth below.

STANDARD OF REVIEW

When reconsidering a decision on institution, the Board reviews the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). “The burden of showing a decision should be modified lies with the party challenging the decision.” 37 C.F.R. § 42.71(d). In its request for rehearing, the dissatisfied party must “specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed.” *Id.* We address Petitioner’s arguments with these principles in mind.

ANALYSIS

Ground 2

Petitioner argues that, with respect to our denial of Ground 2, we made clearly erroneous factual findings when determining that the combination of Lishman¹ and Sawaya² fails to disclose the claimed “projecting edge being an edge that projects from said outer circumference” of the ring. Reh’g Req. 2–7. Petitioner argues that if we had properly focused on the edge of the hinge, rather than the hinge as a whole, and properly applied our construction of the limitation, we would not have

¹ U.S. Patent No. 2,831,538 (“Lishman”) (Ex. 1004).

² U.S. Patent No. 5,111,868 (“Sawaya”) (Ex. 1005).

“overlooked” the fact that Sawaya discloses the claimed projecting edge.
See id.

Contrary to Petitioner’s assertion, we did not overlook the issues raised by Petitioner. In the Decision, we found that Sawaya discloses a ring where the hinge 33, which includes the edge of the hinge Petitioner relies upon, “extends away from and generally perpendicular to the plane defining the ring and its outer circumference.” Dec. 14 (citing Sawaya, Figs. 2, 3). Petitioner does not contest this finding, and instead argues that this structure falls within the scope of the limitation. Reh’g Req. at 3–5. Resolution of this issue therefore turns on whether the scope of the limitation encompasses such a structure.

In our Decision, we rejected Petitioner’s construction as too broad in view of Petitioner’s cited portion of the specification of the ’088 patent to the extent it could be read to cover Sawaya’s hinge edge. Dec. 14. We pointed out that Petitioner described the projecting edge as “defined” in the specification of the ’088 patent as a projection “off of the ring (preferably off of the ring’s outer circumference), which extend[s] beyond the ring away from the hanging product (e.g. toward the ceiling).” Dec. 14 (citing Paper 1 (“Pet.”), 20); *see also* Pet. 20 (quoting Ex. 1001, 7:59–62). We concluded that

to project from the outer circumference of the ring as required by the claims requires projecting *away from the ring*, for example, “toward the ceiling,” as the specification indicates.

Dec. 14–15. Petitioner dismisses the “toward the ceiling” aspect of the definition and our construction as a mere non-limiting example, and contends that extending away from the ring in any number of “vertical,

horizontal, or radial directions” falls within the scope of the limitation.

Reh’g Req. 5.

We remain unconvinced that the limitation “away from the ring” can be read to encompass an edge that extends perpendicular to the plane of the ring’s outer circumference. As noted above, Petitioner views the specification as providing a definition for the limitation, and that definition refers to extending “beyond the ring away from the hanging product (e.g. toward the ceiling).” Ex. 1001, 7:59–62. Contrary to Petitioner’s view, Figure 31B, for example, depicts projecting edge 408 extending upward in the figure, generally away from the hanging product that extends downward from hem 406 and toward the ceiling when in use. Ex. 1001, Fig. 31B; *see also* Dec. 14 (discussing Figs. 2, 3). An edge extending generally perpendicular to the outer circumference of the ring does not extend *away from* the hanging product (the edge instead extends *perpendicular* to the hanging product) or *toward the ceiling* (the edge instead extends *parallel to* the ceiling).

We decline to adopt a construction so broad that it encompasses structure that fails to meet the definitional requirements for the term in the specification, and lacks any support in the relevant figures or text. Based on the foregoing, we conclude that we did not abuse our discretion, or misapprehend or overlook arguments in connection with Ground 2.³

³ Petitioner suggests that it “is possible that the Board concluded that the edge of the hinge does not project away from the ring as claimed because the hinge does not appear to project away from the entire product,” and takes issue with that “possible” approach. Reh’g Req. 6 (emphasis in original). We did not rely on that reasoning in reaching our Decision, and therefore do not consider that aspect of the Request for Rehearing.

Ground 3

With respect to Ground 3, Petitioner argues that “the Board misunderstood” Petitioner’s reference to a “design choice” rationale in the Petition, failed to follow analogous Board precedent, and overlooked the “predictable results rationale” provided in the Petition. Reh’g Req. 8–14. Petitioner further argues that the “Board inexplicably gave no weight” to Petitioner’s analysis and expert opinion excerpted in the Request for Rehearing. Reh’g Req. 13. As a result, according to Petitioner, “the Board overlooked that the Petition does include articulated reasoning as to why the combination of Lishman and Kaldenbaugh⁴ would be a simple combination of known elements by known methods with predictable results.” Reh’g Req. 13–14 (emphasis in original).

The Petition included a section addressing the proposed combination of Lishman (disclosing a shower curtain ring) and Kaldenbaugh (disclosing a pouch for a golf glove). That analysis is provided below in its entirety:

With respect to claim 1, Lishman discloses all of the features of the claim, except for a flat upper edge and a projecting edge. Hatch Aff., para. 98. However, it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the Lishman ring to include the shape of Kaldenbaugh, which includes a flat upper edge and a projecting edge. Hatch Aff., para. 98. *One or ordinary skill in the art would recognize the change in shape of the ring as an obvious matter of design choice, as an alternative shape for a hanging ring known in the same field of endeavor. Hatch Aff., para. 98. In designing a hanging ring for a curtain, one of ordinary skill in the art would have looked to other hanging ring designs, such as that of Kaldenbaugh, as a means to identify various functional and aesthetic features for such a hanging ring.*

⁴ U.S. Patent No. 4,948,267 (“Kaldenbaugh”) (Ex. 1006).

Hatch Aff., para. 98. The Kaldenbaugh hanging feature functions in substantially the same manner as the Lishman device (i.e., deflecting to widen a slot for receiving a bar in an opening) and one of ordinary skill in the art could modify the Lishman ring to include the shape of the Kaldenbaugh hanging feature with a reasonable expectation of success. Hatch Aff., para. 98.

Pet. 42–43 (emphasis added); *see also* Pet. 47–48 (substantively identical analysis provided with respect to claim 8).

After reviewing this analysis and the cited portions of the Hatch Declaration (Ex. 1009), we concluded that “Petitioner’s stated reasons for the proposed modification of Lishman to include the hanging structure of Kaldenbaugh are insufficient to establish a reasonable likelihood that claims 1 or 8 are unpatentable.” Dec. 16. Our Decision rejected Petitioner’s “design choice rationale” because Petitioner failed to establish that the shape was a matter of mere design choice that did not impact the functionality of the proposed combination, and the analysis cited to inadequate authority or references. *Id.* at 17 (discussing Pet. 41–43; citing Ex. 1001, 8:7–17, 9:11–15, 10:60–65; Ex. 1009 ¶¶ 98, 100).

Petitioner takes issue with our “design choice” analysis because we incorrectly assumed that Petitioner sought to invoke “case law design choice rationales.” Reh’g Req. 9–10. Given the lack of explanation in the Petition on this point, our interpretation of Petitioner’s “design choice” argument was reasonable. Moreover, even if read more broadly as Petitioner suggests, the brief analysis in the Petition quoted above still lacks sufficient explanation and evidence to warrant institution.

Petitioner seeks to supplement the analysis provided in the Petition by repeatedly referring to a “predictable results rationale” allegedly set forth on

pages 6–7 of the Petition. *See* Reh’g Req. 7, 9, 11 (“[T]he Board overlooked that the predictable results rationale is supported by more than mere conclusory statements.”), 12 n.10, 13–14 (“[T]he Board overlooked that the Petition does include articulated reasoning as to why the combination of Lishman and Kaldenbaugh would be a simple combination of known elements by known methods with predictable results. This rationale was presented in the Petition and is consistent with KSR and the current standard for § 103. (Pet., page 6).” (footnote omitted)). Pages 6–7 of the Petition, however, do not set forth an argument, supported by reasoning and evidence, that the combination of Lishman and Kaldenbaugh would yield no more than predictable results. That paragraph of the Petition merely falls under the heading of general “LEGAL PRINCIPLES,” Pet. 5, and quotes from a portion of *KSR*. *Id.* at 6–7. In addition, the analysis for Ground 3 never mentions “predictable results” or cites to the relevant portions of *KSR*. We decline Petitioner’s invitation to treat a portion of the Petition’s legal background as raising a rationale for a prior art modification when the Petition does not mention the rationale in the argument supporting the grounds for the Petition.

Moreover, the Request for Rehearing includes further argument and evidence never presented in the Petition. For example, Petitioner argues that *Core Survival, Inc. v. S & S Precision, LLC*, PGR2015-00022 (PTAB Feb. 19, 2016) (Paper 8), supports its “predictable results rationale” and undermines the analysis in the Decision. Reh’g Req. 10–11. Because *Core*

Survival was not cited in the Petition, we could not have misapprehended or overlooked the case or its applicability to the Petition.⁵

Petitioner also relies on and quotes from paragraph 96 of the Hatch Declaration as support for the reason “why it would have been obvious to combine the references.” Reh’g Req. 12–13 & n.11 (“Mr. Hatch here explains *why* the functional considerations of Lishman and Kaldenbaugh are the same.”). Petitioner never cites to or quotes paragraph 96 of the Hatch Declaration, but nevertheless argues that the “Board inexplicably gave no weight” to this and other passages from the Hatch Declaration. *Id.* at 13. Again, we cannot misapprehend or overlook evidence never presented in the Petition. Further, we did not conclude that the argument in the Petition (quoted above) and paragraph 98 of the Hatch Declaration cited in the Petition warranted “no weight”—we concluded that the argument and evidence presented was “insufficient to establish a reasonable likelihood that claims 1 or 8 are unpatentable.” Dec. 16.

Based on the foregoing, we decline to grant Petitioner’s Request for Rehearing with respect to Ground 3.

⁵ *Core Survival*, a non-precedential Board decision, does not bind us here. It also includes distinguishable facts, as *Core Survival* did not recast a “design choice” rationale as a “predictable results” rationale; rather, the Board found that the petitioner in that case adequately set forth a predictable results rationale independent from the allegedly inadequate design choice rationale. See *Core Survival*, Paper 8, at 11 (noting that the petitioner adequately explained how the prior art components are interchangeable and that any modification “would be the result of combining known prior art elements according to known methods to yield predictable results.”).

Grounds 4 and 5

For Grounds 4 and 5, Petitioner repeats arguments similar to those addressed above with respect to Ground 3. For example, Petitioner again argues that we overlooked Petitioner’s predictable results rationale for Ground 4. Reh’g Req. 14 (“The Board overlooks that the Petition sets for a different rationale under KSR (Pet. page 6).”). The Petition sets forth an analysis of the rationale for adapting Winkel’s⁶ ring (for use on a headrest) to reinforce a shower curtain as taught by Lishman. *See* Pet. 54–55, 56 (similar analysis for claim 8), Dec. 19 (quoting analysis). Similar to the discussion above, we decline to read a “predictable results” analysis into the three sentences of analysis and single paragraph cited from the Hatch Declaration that the Petition provides. In addition, contrary to Petitioner’s assertion, we did not apply “a rigid test to look for a teaching, suggestion, or motivation to explain ‘why one would modify the Winkel ring to include the shower curtain of Lishman.’” Reh’g Req. 14. We merely found that “Petitioner has failed to argue persuasively that one of ordinary skill in the art would have made the proposed modification” and that the “information presented does not show a reasonable likelihood that Petitioner would prevail in establishing that any of claims 1–14 would have been obvious over Winkel and Lishman.” Dec. 20–21.

We have considered Petitioner’s arguments in the Request for Rehearing, but decline to grant the request for Ground 4 because we are not persuaded that we misapprehended or overlooked a matter. Petitioner asserts that we should grant the request with respect to Ground 5 “for the

⁶ DE 7834247 (“Winkel”) (Ex. 1007; machine translation at Ex. 1008).

same reasons as Ground 4.” Accordingly, for the same reasons, we deny the Request for Rehearing as to Ground 5.

CONCLUSION

We have considered Petitioner’s request for rehearing, but are not persuaded that we abused our discretion, or misapprehended or overlooked the arguments and evidence presented by Petitioner, in declining to institute an *inter partes* review.

ORDER

Accordingly, it is

ORDERED that Petitioner’s request for rehearing of the Decision denying institution of an *inter partes* review of claim 1–14 of the ’088 patent is *denied*.

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