

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HAMILTON BEACH BRANDS, INC.,
Petitioner,

v.

F'REAL FOOD, LLC,
Patent Owner.

Case IPR2017-00765
Patent 7,520,658 B2

Before LORA M. GREEN, JON B. TORNQUIST, and
ELIZABETH M. ROESEL, *Administrative Patent Judges*.

GREEN, *Administrative Patent Judge*.

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

Petitioner filed a Request for Rehearing (Paper 8, “Reh’g Req.”) of our Decision denying institution of *inter partes* review (Paper 7, “Decision” or “Dec.”) of claims 1 and 5–11 of U.S. Patent No. 7,520,658 B2 (Ex. 1001, “the ’658 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. *See* 37 C.F.R. § 42.71(c). “The burden of showing that a decision should be modified lies with the party challenging the decision.” Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012). In its request for rehearing, the dissatisfied party must, in relevant part, “specifically identify all matters the party believes the Board misapprehended or overlooked.” 37 C.F.R. § 42.71(d); Office Patent Trial Practice Guide, 77 Fed. Reg. at 48,768. We address Petitioner’s arguments with those principles in mind.

ANALYSIS

Independent claim 1 is directed to a mixing machine for mixing a liquid, such as a beverage, wherein the machine has a vessel with an opening and comprises a holder for receiving the vessel; a rotatable mixing element; a motor operatively coupled to at least one of the holder and the mixing element; a shaft; and “a splash shield slidable on the shaft between first and second positions, the splash shield in the second position positionable covering the opening of the vessel and being unrestrained against sliding movement on the shaft in a direction away from the opening, the splash shield having sufficient mass to retain the vessel within the holder during relative axial movement of the mixing element and vessel from the first

position to the second position when liquid is present in the vessel.” *See* Ex. 1001, 4:45–67.

Independent claim 6 is drawn to a method for retaining a vessel in a holder while mixing the contents of the vessel, the method comprising the steps of providing the vessel containing the contents to be mixed wherein the vessel includes an opening; providing a mixing machine having a holder for receiving the vessel and a shield; positioning the vessel in the holder; positioning the shield to cover the vessel such that “the shield when contacting the vessel being unrestrained against upward movement away from the opening”; and “with the vessel positioned in the holder, using a motor to translate at least one of the mixing element and the holder such that the mixing element passes through the contents of the vessel, the mass of the splash shield preventing separation of the holder and the vessel during translation.” *See id.* at 5:16–6:10.

Petitioner challenged the claims as follows (Pet. 8–9):

Reference[s]	Statutory Basis	Challenged Claims
Sato ¹	§ 102(b)	1 and 6–9
Sato and Karkos ²	§ 103	1 and 5–9

¹ Japanese Utility Model No. H04-136787 U1, published December 18, 1992, to Sato et al., Ex. 1002 (Japanese language original), and certified English language translation, Ex. 1003 (“Sato”).

² U.S. Patent No. 6,164,575, issued December 26, 2000, to Karkos (“Karkos”). Ex. 1004.

Reference[s]	Statutory Basis	Challenged Claims
Sato and Oberg ³	§ 103	10 and 11
Sato, Karkos, and Oberg	§ 103	10 and 11
Neilson ⁴ and Karkos	§ 103	1 and 5–11

In our Decision denying institution, we exercised our discretion and declined to institute *inter partes* review under 35 U.S.C. § 314(a) and 35 U.S.C. § 325(d). Dec. 14. Petitioner contends in its Request for Rehearing, however, that we erred in determining “that the new prior art and arguments presented in the Petition were not new compared to the different art and arguments presented in IPR2016-01105.” Reh’g Req. 1.

Specifically, Petitioner contends that the “whole basis for the decision not to institute [*inter partes* review] is based on the erroneous assumption that Petitioner relied on the same arguments in [the] Petition as in IPR2016-01105.” *Id.* at 4. Petitioner argues that in the Decision denying institution we misinterpreted Karkos, arguing that contrary to the characterization of that reference in the Decision, and unlike the references that were asserted in IPR2016-01105, “Karkos explicitly discloses a cover having a ‘sufficient mass’ and ‘unrestrained’ sliding movement,” *Id.* at 1; *see also id.* at 6–9.

³ U.S. Patent No. 2,995,158, issued August 8, 1961, to Oberg (“Oberg”). Ex. 1005.

⁴ U.S. Patent No. 5,439,289, issued August 8, 1995, to Neilson (“Neilson”). Ex. 1006.

As to Sato, Petitioner argues again, unlike Neilson⁵ and Brown⁶ that were relied upon in IPR2016-01105, Sato teaches that “cup cover 5 does not include any restraint other than the weight of cup cover 5 and cover support frame 53 sliding along shaft 31.” *Id.* at 1–2; *see also id.* at 10–13.

We have considered Petitioner’s arguments in its Rehearing Request, and conclude that we did not abuse our discretion in declining to institute *inter partes* review in the instant proceeding. As we stated in the Decision denying institution:

The Board has discretion not to institute an *inter partes* review. 35 U.S.C. § 314(a); *Harmonic Inc. v. Avid Tech, Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“the PTO is permitted, but never compelled, to institute an IPR proceeding”); *see also* 37 C.F.R. § 42.108(a) (“When instituting *inter partes* review, the Board may authorize the review to proceed on all or some of the challenged claims and on all or some of the grounds of unpatentability asserted for each claim.”). When exercising that discretion, the Board may take into account whether “the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. § 325(d); *see Conopco, Inc. v. The Proctor & Gamble Co.*, Case IPR2014-00628, slip op. 5–10 (PTAB October 20, 2014) (Paper 21) (declining to institute because substantially the same arguments previously were presented to the Board). The issue of whether substantially the same arguments were raised previously in IPR2016-01105 arises in the present case.

In addition, when determining whether to exercise our discretion not to institute a trial proceeding under 35 U.S.C. § 314(a), we seek to balance the equities between the parties, i.e., Petitioner’s desire to be heard against Patent Owner’s interest in avoiding harassment through repeated challenges.

⁵ Exhibit 1002 in IPR2016-01105.

⁶ U.S. Patent Publication No. 2002/0189460 A1, filed April 11, 2002, published December 19, 2002, to Brown et al. (“Brown”). Exhibit 1003 in IPR2016-01105.

See H.R. Rep. No. 112-98, pt.1, at 48 (2011) (post-grant proceedings conducted under the AIA “are not to be used as tools for harassment or a means to prevent market entry through repeated litigation and administrative attacks on the validity of a patent. Doing so would frustrate the purpose of the section as providing quick and cost effective alternatives to litigation.”). In circumstances such as the present case, the Board considers the potential inequity of a petitioner filing serial attacks against the same claims of a patent, while benefiting from patent owner’s arguments and/or the Board’s decision in prior cases. See, e.g., *Nautilus Hyosung Inc. v. Diebold, Inc.*, Case IPR2017-00426 slip op. at 12–16 (PTAB June 22, 2017) (Paper 17) (citing *Xactware Sols., Inc. v. Eagle View Techs., Inc.*, Case IPR2017-00034, slip op. at 6–11 (PTAB April 13, 2017) (Paper 9); *Baker Hughes Inc. v. LiquidPower Specialty Prods., Inc.*, Case IPR2016-01896, slip op. at 9–11 (PTAB March 31, 2017) (Paper 10); *Duk San Neolux Co., Ltd. v. Idemitsu Kosan Co., Ltd.*, Case IPR2017-00197, slip op. at 4–11 (PTAB March 31, 2017) (Paper 10); *NVIDIA Corp. v. Samsung Elec. Co.*, Case IPR2016-00134, slip op. at 8 (PTAB May 4, 2016) (Paper 9); *Toyota Motor Corp. v. Cellport Sys., Inc.*, Case IPR2015-01423, slip op. at 8 (PTAB Oct. 28, 2015) (Paper 7)); see also *Conopco*, Case IPR2014-00628, slip op. at 11–12. Therefore, we must balance the parties’ competing interests when determining whether to exercise our discretion and decline to institute. *Id.*

Dec. 7–9.

According to Petitioner, institution was denied “solely under 35 U.S.C. § 325(d) on the basis ‘that the instant Petition raises ‘substantially the same . . . arguments’ that ‘previously were presented to the Office’ in the earlier IPR2016-01105.’” Reh’g Req. 3 (quoting Dec. 12). In the Decision denying institution, however, that was only one of the factors that was considered and discussed in determining that we should exercise our discretion and decline to institute *inter partes* review.

In particular, the Decision noted that Petitioner “leverage[ed] Patent Owner’s earlier arguments and the Board’s Decision in IPR2016-01105, while attempting to excuse its failure to present the Sato, Karkos, and Oberg references in an earlier petition.” Dec. 10–11 (citing Pet. 6–7). The Decision noted further that the decision denying institution in IPR2016-01105 “resolved a seminal dispute between the parties by construing the ‘sufficient mass’ and ‘unrestrained’ sliding movement limitations.” *Id.* at 12.

An important reason for denying institution in the instant proceeding was that Petitioner had the advantage of Patent Owner’s preliminary response in IPR2016-01105, as well as the claim construction and analysis set forth in the decision denying institution in that proceeding. That is, Petitioner had the benefit of that information in crafting the challenges set forth in the instant proceeding, and, thus, was able to address Patent Owner’s arguments made in its preliminary response in IPR2016-01105, as well as address the concerns of the Board set forth in the decision denying institution in IPR2016-01105. Consideration of these factors is consistent with the principles set forth in *General Plastic Indus. Co. v. Canon Kabushiki Kaisha*, Case IPR2016-01357, 15–19 (PTAB Sept. 6, 2017) (Paper 19) (“*General Plastics*”) (designated precedential Oct. 18, 2017) (setting forth a non-exhaustive list of factors to be considered in determining whether to institute a follow-on petition, including whether the same petitioner previously filed a petition directed to the same claims of the same patent, and whether, at the time of filing of the second petition, the petitioner already received the patent owner’s preliminary response to the first petition

or received the Board’s decision on whether to institute review in the first petition).

We noted further that Sato “was published nearly 30 years ago,” and Karkos issued on December 26, 2000. Dec. 11. We determined that Petitioner had not established that those references were not available to Petitioner when it filed the petition in IPR2016-01105. *Id.* We declined to provide a second chance merely because Petitioner’s “highly experienced searchers” did not find those references before the filing of the petition in IPR2015-01105. *Id.* (citing Pet. 6). That determination was another factor that informed our decision to exercise our discretion and decline to institute *inter partes* review in the instant proceeding. *See, e.g., General Plastics* at 16 (noting that other factors to be considered in granting a follow-on petition are whether at the time of filing of the first petition petitioner knew of the prior art asserted in the second petition or should have known of it, and whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent).

Finally, we noted that we were “troubled by the implications of Petitioner’s overarching premise – that it is cost-effective and appropriate to wait for a claim construction and institution decision by the Board, and then launch a follow-on patent challenge in reliance on additional references that challenge the same patent claims already addressed by the Board.” Dec. 13 (citing Pet. 7–8). As noted in the Decision denying institution, however, “[s]uch tactics increase the costs to Patent Owner and impose unnecessary demands on the finite resources of the Board.” *Id.*; *see, e.g., General*

Plastics at 16 (noting another factor to be considered is the finite resources of the Board).

Thus, even if we were to accept, *arguendo*, Petitioner’s argument that we erred in determining that the instant Petition presents substantially the same arguments as the petition in IPR2016-01105, as discussed above, that was only one factor of the analysis. *See General Plastics* at 19 (“§ 325(d) is not intended to be the sole factor in the exercise of discretion under § 314(a)”). For the additional reasons set forth in the Decision denying institution in this proceeding, which Petitioner did not address in its Request for Rehearing, we conclude that we did not abuse our discretion under 35 U.S.C. § 314(a) and 35 U.S.C. § 325(d) in declining to institute *inter partes* review in the instant proceeding.

ORDER

It is

ORDERED that Petitioner’s request for rehearing of the Decision instituting an *inter partes* review of claim 1 and 5–11 of U.S. Patent No. 7,520,658 B2 is *denied*.

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Patent 7,520,658 B2

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