

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CONTROLS SOUTHEAST, INC.,
Petitioner,

v.

QMAX INDUSTRIES, LLC,
Patent Owner.

Case IPR2017-00977
Patent 8,662,156 B2

Before PATRICK R. SCANLON, JAMES A. WORTH, and
SCOTT C. MOORE, *Administrative Patent Judges*.

SCANLON, *Administrative Patent Judge*.

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

I. INTRODUCTION

Controls Southeast, Inc. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting an *inter partes* review of claims 1–4, 7, 11–17, 19, and 20 of U.S. Patent No. 8,662,156 B2 (Ex. 1001, “the ’156 patent”). QMax Industries, LLC (“Patent Owner”) filed a Preliminary Response (Paper 5, “Prelim. Resp.”).

On September 13, 2017, we issued a Decision on Institution. Paper 7 (“Decision” or “Dec.”). In our Decision, we determined that that Petitioner had established a reasonable likelihood of prevailing in its challenge of claim 3 under 35 U.S.C. § 103(a) as unpatentable over Malone, Bilbro, and Mizuno. Dec. 24–25.

Patent Owner requests rehearing of our Decision. Paper 9 (“Rehearing Request” or “Reh. Req.”). For the reasons set forth below, Patent Owner’s Request is *denied*.

II. STANDARD OF REVIEW

When considering a request for rehearing a decision instituting trial, the Board reviews its decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion may arise if the decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if an unreasonable judgment is made 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). We further note that 37 C.F.R. § 42.71(d) 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.

III. ANALYSIS

Patent Owner's Rehearing Request relies on its assertion that "the Board based its decision on its own unsupported factual finding that '[a]n ordinarily skilled artisan would be capable of producing this modification without making the foil rigid.'" Reh. Req. 1 (quoting Dec. 24). Patent Owner contends that rehearing is appropriate because the Board "overlooked" that the Decision was based on this unsupported factual finding. *Id.* at 2. In addition, Patent Owner contends that rehearing is appropriate under the abuse of discretion standard because the factual finding is not supported by substantial evidence. *Id.* at 6–7 (citing *Star Fruits*, 393 F.3d at 1281; *Coalition for Affordable Drugs V LLC v. Biogen International GmbH*, Case IPR2015-01086, slip op. at 2–3 (PTAB Jan. 19, 2016) (Paper 20)).

In the Decision, we noted that Petitioner argued "it would have been obvious to one of ordinary skill in the art 'to form . . . metal foil 9 of Malone . . . from extruded aluminum alloy' because Mizuno teaches that 'extruded aluminum alloy is suitable for performing the same function performed by metal foil 9 and/or channel member 10.'" Dec. 22 (citing Pet. 47). We also noted that Patent Owner argued Petitioner relied on the argument that it would have been obvious to make Malone's foil 9 rigid.¹ *Id.* (citing Prelim.

¹ Patent Owner argues that modifying foil 9 to be rigid would render Malone unsatisfactory for its intended purpose. Prelim. Resp. 34–42; see Dec. 19–

Resp. 42). We disagreed, however, with Patent Owner’s argument with respect to the ground based on Malone, Bilbro, and Mizuno because “Petitioner relies on the teachings of Mizuno and does not propose modifying foil 9 to be rigid.” *Id.* at 23 (citing Pet. 47). We determined:

we agree with Petitioner that it would have been obvious to one of ordinary skill in the art to form Malone’s foil 9 from an extruded aluminum-based heat conducting material as taught by Mizuno. *See* Pet. 47 (citing Ex. 1003 ¶¶ 15–17; Ex. 1014 ¶¶ 311–315). One of ordinary skill in the art would have been motivated to use an extruded aluminum foil in Malone because Mizuno teaches such a material provides a low-cost heat conductor with excellent heat conduction properties. *See* Ex. 1003 ¶ 10. An ordinarily skilled artisan would be capable of producing this modification without making the foil rigid and rendering the Malone conduit unsatisfactory for its intended purpose.

Id. at 24. Patent Owner asserts that the last sentence of this passage is a factual finding not supported by substantial evidence. *See, e.g.*, Reh. Req. 1.

We are not persuaded that our factual finding is not supported by substantial evidence. “A finding is supported by substantial evidence if a reasonable mind might accept the evidence to support the finding.” *In re Urbanski*, 809 F.3d 1237, 1241 (Fed. Cir. 2016) (citing *Consol. Edison Co. v. NLRB*, 305 U.S. 197, 229, 59 S.Ct. 206, 83 L.Ed. 126 (1938)). Our Decision provided an analysis of Malone and Mizuno. Decision 10–11, 22. As part of this analysis, we explained that the conduit of Malone discloses a conduit in which “[h]eating cable 8 is secured to the outer surface of tube 7 by adhesive foil 9.” *Id.* at 11 (Ex. 1004, 3:58–60, Fig. 2). Patent Owner

21 (discussing this argument in connection with the first asserted ground of unpatentability).

concedes Malone's foil 9 is not rigid. Reh. Reh. 3. We described Mizuno as follows:

Mizuno relates to heat conducting material for trace tubes. Ex. 1003 ¶ 1. The main purpose of Mizuno "is to provide a low-cost heat conductor for trace tubes that excels in heat conduction properties." *Id.* ¶ 10. In particular, Mizuno discloses an aluminum-based heat conducting material disposed between a process tube and a trace tube for conducting heat to the process tube from the trace tube. *Id.* ¶¶ 13, 15. Mizuno discloses that aluminum-based heat conducting material may be formed by extrusion molding. *Id.* ¶ 17.

Dec. 22. We did not determine that Mizuno's extruded heat conducting material is necessarily rigid, and Mizuno appears to be silent as to whether this material is rigid or non-rigid. Indeed, Patent Owner has not directed us to any disclosure in Mizuno that requires the extruded heat conducting material be rigid.

Given that neither Malone and Mizuno expressly discloses using a rigid material, a reasonable mind could accept the evidence (i.e., the disclosures of Malone and Mizuno) supports that one of ordinary skill in the art would have been capable of modifying Malone by forming foil 9 from an extruded aluminum-based heat conducting material as taught by Mizuno without making the foil rigid. Accordingly, contrary to Patent Owner's assertion, the questioned finding in our Decision is supported by substantial evidence.

In addition, Patent Owner asserts three times in its Rehearing Request, without citing a particular passage of the Decision, that we found the Petition's language ambiguous as to whether the proposed modification resulted in a rigid or non-rigid structure. Reh. Req. 3, 5, 9. We disagree

with this assertion. The Decision does not state, or even suggest, that the Petition is ambiguous. Rather, we determined that the asserted ground of unpatentability based on Malone, Bilbro, and Mizuno did not rely on “the argument that it would have been obvious to make foil 9 of Malone rigid” but “relies on the teachings of Mizuno and *does not propose modifying foil 9 to be rigid.*” Dec. 23 (citing Pet. 47) (emphasis added). Accordingly, we did not indicate—and do not find—the Petition ambiguous on this point.

Regarding Petitioner arguing, with respect to claim 1, that it would have been obvious to one of ordinary skill in the art “to form metal foil 9 of Malone from the rigid metal used for channel member 10 [of Bilbro]” in order to meet the limitation of the heat transfer element physically protecting the tracer tubing (Pet. 24 (citing Ex. 1014 ¶ 160)), we determined that this argument was an alternative to Petitioner’s argument that Malone’s foil 9, unmodified, physically protects heating cable 8, and expressly did not rely on this alternative argument with respect to claim 3. Dec. 23. In addition, we noted that Petitioner’s expert, Dr. Abraham, testified in connection with claim 3 that one of ordinary skill in the art would be motivated to form foil 9 into a rigid structure (*see* Ex. 1014 ¶¶ 310, 313, 314), but found it unnecessary to rely on this testimony. Dec. 23 n.7. As such, we did not determine that the Petition was ambiguous and did not “piece together support” for Petitioner’s unpatentability theory, as alleged by Patent Owner. *See* Reh. Req. 5.

Patent Owner also argues that “the Board improperly made and relied on a factual finding that was not presented in the Petition.” *Id.* at 7. According to Patent Owner, “by making and relying on new fact findings regarding an issue the Petitioner did not raise, i.e., whether an ordinary

artisan would be capable of producing an extruded flexible foil, the Board relied on a new ground of unpatentability,” thereby depriving “Patent Owner of a fair opportunity to respond.” *Id.* at 8.

We disagree that our determination that one of ordinary skill in the art would have been capable of modifying Malone as taught by Mizuno without making Malone’s foil rigid created a new ground of unpatentability. The ground of unpatentability asserted in the Petition—that claim 3 is unpatentable under 35 U.S.C. § 103(a) over Malone, Bilbro, and Mizuno—is unchanged. It is not surprising that the Petition does not state explicitly that the foil is non-rigid because claim 3 does not require the heat transfer element to be non-rigid. Our statement that Malone could be modified to include an extruded foil without making the foil rigid does not alter the manner in which the Petition asserts Malone would have been modified. Instead, the statement only explains why Patent Owner’s argument that the proposed modification would render the Malone conduit unsatisfactory for its intended purpose—which we found persuasive in connection with the first asserted ground of unpatentability—was not persuasive in connection with the asserted ground of unpatentability based on Malone, Bilbro, and Mizuno. For the foregoing reasons, we disagree that we made and relied on a new fact finding, relied on a new ground of unpatentability, or deprived Patent Owner of a fair opportunity to respond.

Last, Patent Owner presents arguments attempting to show that “the decision should be modified because the Board overlooked that, without its unsupported factual finding, ‘the information presented in the petition’ simply is not sufficient to ‘show that there is a reasonable likelihood that the petitioner would prevail.’” *See* Reh. Req. 8–11. These arguments all rely on

the assertion that we overlooked that the Decision was based on an unsupported factual finding. As discussed above, however, we determine that the finding in our Decision that Patent Owner asserts is unsupported is, in fact, supported by substantial evidence. Moreover, these arguments are directed to alleged deficiencies in the Petition, rather than anything else misapprehended or overlooked. A Request for Rehearing, however, is not an opportunity to raise new arguments against a petition or express disagreement with a decision on previously made arguments.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Patent Owner's Request for Rehearing (Paper 9) is *denied*.

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