

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

YAMAHA GOLF CAR COMPANY,
Petitioner,

v.

CLUB CAR, LLC,
Patent Owner.

IPR2017-02141 (Patent 7,239,965 B2)¹
IPR2017-02143 (Patent 7,480,569 B2)

Before JOSIAH C. COCKS, CARL M. DEFRANCO, and
ROBERT L. KINDER, *Administrative Patent Judges*.

KINDER, *Administrative Patent Judge*.

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

¹ This Decision addresses issues common to each of the two cases and to each respective request for rehearing; therefore, we issue a single Decision to be entered in each case. The parties are not authorized to use this style heading for any subsequent papers.

I. BACKGROUND

IPR2017-02143

Yamaha Golf Car Company (“Petitioner”) filed IPR2017-02143 pursuant to 35 U.S.C. §§ 311–19 to institute an *inter partes* review of claims 1–20 of U.S. Patent No 7,480,569 B2, issued on January 20, 2009 (Ex. 1002, “the ’569 patent”). Paper 1² (“Pet.”). Club Car, LLC (“Patent Owner”) filed a Preliminary Response on January 5, 2018. Paper 9 (“Prelim. Resp.”).

On April 4, 2018, we issued a decision on institution stating that “we determine that Petitioner has not established a reasonable likelihood of prevailing on its assertion that any of claims 1–20 of the ’569 patent are unpatentable.” Paper 17, 30 (“Decision” or “Dec.”). Petitioner filed a request for rehearing pursuant to 37 C.F.R. §§ 42.71(c)-(d) on May 4, 2018. Paper 19. On June 26, 2018, we granted Petitioner’s request for rehearing and instituted review of all challenged claims on all challenged grounds. Paper 21, 7.

On July 10, 2018, Patent Owner filed a Request for Rehearing pursuant to 37 C.F.R. §§ 42.71(c)-(d). Paper 23 (“Rehearing Request” or “Req. Reh’g”).

IPR2017-02141

Petitioner filed IPR2017-02141 pursuant to 35 U.S.C. §§ 311–19 to institute an *inter partes* review of claims 1–28 and 31–33 of U.S. Patent No 7,239,965 B2, issued on July 3, 2007 (Ex. 1002, “the ’965 patent”). IPR2017-02141, Paper 1. Patent Owner filed a Preliminary Response on January 4, 2018. Paper 8.

² Citations, unless otherwise noted, are to papers and exhibits in IPR2017-02143.

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On April 3, 2018, we issued a decision on institution stating that “we determine that Yamaha has not established a reasonable likelihood of prevailing on its challenges that any of claims 1–28 and 31–33 of the ’965 patent are unpatentable.” Paper 17, 22. Petitioner filed a request for rehearing pursuant to 37 C.F.R. §§ 42.71(c)–(d) on May 3, 2018. Paper 19. On June 26, 2018, we granted Petitioner’s request for rehearing and instituted review of all challenged claims on all challenged grounds. Paper 21, 12–13.

On July 10, 2018, Patent Owner filed a Request for Rehearing in this proceeding that mirrors the request in IPR2017-02143. *See* IPR2017-02141, Paper 23. Because the Requests for Rehearing are the same for each proceeding, we address them together below. We deny Patent Owner’s Requests for Rehearing for the reasons set forth below.

II. STANDARD OF REVIEW

The party challenging a decision in a request for rehearing bears the burden of showing the decision should be modified. 37 C.F.R. § 42.71(d). A request for rehearing “must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed.” *Id.* Upon a request for rehearing, the decision on a petition will be reviewed for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion may be indicated 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. U.S.*, 393 F.3d 1277, 1281 (Fed. Cir. 2005).

III. ANALYSIS

A. Application of 37 C.F.R. § 42.71 to Institute *Inter Partes* Review on Rehearing More Than 3 Months After Preliminary Response

Patent Owner contends that our grant of Petitioner’s request for rehearing, and subsequent institution of review, “violated the timing requirements in 35 U.S.C. § 314(b) and was an abuse of discretion.” Req. Reh’g 3. Patent Owner argues that § 314(b) prohibits the Board from ever reconsidering a denied institution decision unless the reconsideration occurs within 3 months after receiving a preliminary response. *See id.* at 5 (“the statute prohibits instituting *inter partes* review more than 3 months after Club Car’s preliminary response”). Thus, Patent Owner argues that our application of 37 C.F.R. § 42.71(c) to institute a trial over four months after the preliminary response date exceeded our statutory authority.

We find Patent Owner’s contentions unpersuasive for two reasons. First, Patent Owner’s argument that an institution decision *and any rehearing of that decision* occur within three-months of the preliminary response is not supported by the existing statutory framework. We complied with 35 U.S.C. § 314(b) at the time we issued the institution decisions on April 3, 2018 (IPR2017-02141, Paper 17) and April 4, 2018 (IPR2017-02143, Paper 17). Per section 314(b), “[t]he Director” is given “3 months” to issue the decision on whether to institute *inter partes* review. 35 U.S.C. § 314(b). That section of the statute says nothing about the Director also having to consider a request for rehearing within the three-month timeframe, even though elsewhere the statute expressly provides for a right to rehearing. *See* 35 U.S.C. § 6(b). Because the institution decisions here were not issued until the last day of the three-month period permitted us by statute, it would

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have been impossible for Petitioner to exercise its statutory right to rehearing, let alone for us to consider such a request, within the time frame that Patent Owner argues is required. Indeed, under Patent Owner's reading of the statute, the Director could effectively preclude any rehearing of institution decisions simply by issuing them on the last possible day of the statutory period.

Moreover, Patent Owner's arguments are contrary to our statutory, regulatory, and inherent authority to reconsider our initial decisions. *See* 35 U.S.C. § 6(c); 37 C.F.R. § 42.71; *GTNX, Inc. v. Intra, Inc.*, 789 F.3d 1309, 1312–13 (Fed. Cir. 2015) (“[A]s a general matter, ‘administrative agencies possess inherent authority to reconsider their decisions, subject to certain limitations, regardless of whether they possess explicit statutory authority to do so.’”) (quoting *Tokyo Kikai Seisakusho, Ltd. v. United States*, 529 F.3d 1352, 1360 (Fed. Cir. 2008)).

Our authority to reconsider initial decisions is set forth in 37 C.F.R. § 42.71(c), which states: “A party may request rehearing on a decision by the Board *on whether to institute a trial* pursuant to paragraph (d) of this section.” (emphasis added). In addition, “[a]ny request must be filed: . . . [w]ithin 30 days of the entry of . . . a decision not to institute a trial.” 37 C.F.R. § 42.71(d). A decision on whether to institute a trial includes “decisions not to institute a trial and decisions to institute a trial.” Office Patent Trial Practice Guide, 77 Fed. Reg. 48756–01, 48614 (Aug. 14, 2012). Because our institution decisions are generally “final and nonappealable to the Federal courts,” it is even more important that the Board have the ability to review our decisions on institution, including those originally denied, and thereafter correct any errors according to the standards set forth in 37 C.F.R.

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§ 42.71. *Id.*; *id.* at 48624 (“A decision on whether to institute a trial is final and nonappealable, consistent with 35 U.S.C. 314(d), as amended, and 35 U.S.C. 324(e). However, pursuant to § 42.71(d), a party may request a rehearing of that decision.”). Finally, Patent Owner ignores that we have been provided express statutory authority to grant rehearing requests in *inter partes* review proceedings pursuant to 35 U.S.C. § 6(c), which provides that “[o]nly the Patent Trial and Appeal Board may grant rehearings.”

B. Substantial Evidence

Patent Owner next contends that our grant of Petitioner’s request for rehearing was improper because the “real dispute between the parties” was a legal claim construction issue dependent upon intrinsic evidence and thus no factual dispute remains between experts for trial. Req. Reh’g 6–8. Patent Owner also contends that “the rehearing decision lacks substantial evidence because Yamaha and its expert offer no evidence that the ’053 Unexamined Application discloses a golf cart as construed by the Board.” *Id.* at 8. Patent Owner also argues that “[e]ven if there is a factual dispute for trial regarding the parties’ translations, this issue does not affect the Board’s determination in IPR2017-02141.” *Id.* at 11.

At the outset, and as noted in our Decision on Rehearing (Paper 21), an issue in dispute is whether the ’053 Unexamined Application discloses a “golf cart.” Petitioner’s certified translation of this reference (Ex. 1003 ¶ 2)³ says it does indeed disclose use of the invention in a “golf cart,” whereas

³ Ex. 1003 ¶ 2 (“Recently, in many golf courses, means have been provided enabling play wherein the caddy or golfer places a golf bag in an electric vehicle (hereinafter termed a “golf cart”) to move about the golf course.”).

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Patent Owner's contrary translation (Exhibit 2001)⁴ does not appear to meet the requirements of 37 C.F.R. § 1.68, and is thus unreliable. As previously noted, in order to arrive at the factual determination that the '053 Unexamined Application does not disclose a "golf cart," we had to rely on the English translation of the '053 Unexamined Application. The only proper certified translation before us indicates that the '053 Unexamined Application does indeed disclose a "golf cart." Further, although we have issued a preliminary claim construction, this legal determination will be evaluated at the end of trial based upon the complete record before us.

Patent Owner also makes arguments directed to our decision in IPR2017-02141. In order to reach a decision as to whether the prior art disclosed the claimed "override a driver command" in claim 1 of the '965 patent, and "restricting the performance of golf cart driver commands" in claim 11, we weighed competing expert testimony. *See* IPR2017-02141, Paper 17, 11; IPR2017-02141, Ex. 1001 ¶¶ 100, 102. Because the conflicting testimony creates a genuine issue of material fact, we should have viewed the material fact in the light most favorable to Petitioner solely for purposes of deciding whether to institute an *inter partes* review. *See* 37 C.F.R. § 42.108. Finally, just because Petitioner has presented a threshold amount of evidence to create a genuine issue of material fact for which we should have instituted trial, does not mean this same amount of evidence will rise to a preponderance required at the conclusion of trial.

⁴ Ex. 2001 ¶ 2 states "caddie cart." Patent Owner has not addressed the failure of this signed translation to comply with 37 C.F.R. § 1.68, and, as previously noted, we are not likely to afford it weight in our final decision. Likewise, Ex. 2003 also does not appear to comply with § 1.68 and will likely not be afforded weight.

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III. CONCLUSION

For the foregoing reasons, Patent Owner's requests for rehearing are denied in each of: IPR2017-02141 (Paper 23) and IPR2017-02143 (Paper 23).

IV. ORDER

For the foregoing reasons, it is,
ORDERED that Patent Owner's requests for rehearing are denied.

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