Trials@uspto.gov
571-272-7822

Paper 12
Date: May 26, 2020

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

VANGUARD PRODUCTS GROUP, INC., D/B/A VANGUARD PROTEX GLOBAL,
Petitioner,

v.

INVUE SECURITY PRODUCTS INC.,
Patent Owner.

---

IPR2019-01209
Patent 10,062,253 B2

---

Before MICHAEL R. ZECHER, LYNNE E. PETTIGREW, and SHEILA F. McSHANE, *Administrative Patent Judges*.

PETTIGREW, *Administrative Patent Judge*.

DECISION
Denying Petitioner's Request on Rehearing of
Decision Denying Institution of *Inter Partes* Review
*37 C.F.R. § 42.71(d)*

## I. INTRODUCTION

Petitioner, Vanguard Products Group, Inc., d/b/a Vanguard Protex Global, filed a Request for Rehearing under 37 C.F.R. § 42.71(c) and (d). Paper 10 ("Req. Reh'g"). In the Request, Petitioner seeks reconsideration of our Decision (Paper 9, "Dec.") denying institution of *inter partes* review of claims 1, 2, 4, 8, 9, 13, 15–19, 27, 28, 30, and 32 of U.S. Patent No. 10,062,253 B2 (Ex. 1001, "the '253 patent"). Req. Reh'g 1. For the reasons explained below, we deny the Request for Rehearing.[1]

## II. DISCUSSION

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) (2019). 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.* "When rehearing a decision on petition, a panel will review the decision for an abuse of discretion." *Id.* § 42.71(c); *see Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) ("[T]he agency's decision to deny a petition is a matter committed to the Patent Office's discretion."). "An abuse of discretion is found if the decision: (1) is clearly unreasonable, arbitrary, or fanciful; (2) is based on an erroneous conclusion of law; (3) rests on clearly erroneous fact finding; or (4) involves a record that contains no evidence on which the Board could

[1] During a conference call with the Board on February 6, 2020, Patent Owner, InVue Security Products Inc., sought leave to file a response to Petitioner's Request for Rehearing. In view of our decision to deny Petitioner's Request for Rehearing, Patent Owner's request to file a response is denied as moot.

rationally base its decision." *Intelligent Bio-Systems, Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1367 (Fed. Cir. 2016).

In our Decision, we determined that the Petition failed to provide adequate reasoning supported by evidence in the record for Petitioner's proposed modifications to Brenner[2] in view of the teachings of Vogt[3] and Chapman[4]. Dec. 16–18. For at least that reason, we determined that the information presented did not demonstrate a reasonable likelihood that Petitioner would prevail in showing that the challenged claims are unpatentable as obvious over the combined teachings of Brenner, Koo[5], Vogt, and Chapman. *Id.* at 18.

In its Request for Rehearing, Petitioner contends that (1) the Board misapprehended evidence in the record, (2) Patent Owner's mischaracterization of the record and obfuscation of legal standards misled the Board, and (3) the record contains disputed issues of fact that should be resolved on a full record developed during trial. Req. Reh'g 6–15. We address these arguments in turn.

*A. The Decision Properly Considered the Evidence Relied on in the Petition*

According to the Request for Rehearing, the Petition articulates the following reasoning for modifying Brenner in view of Vogt and Chapman: "[b]y relocating the optical transceiver from the base unit into the proximal end of the cable, 'the optical waveguide—which is prone to signal loss due

[2] Int'l Pub. No. WO 2011/045058 A2, published Apr. 21, 2011 (Ex. 1003). Citations to Brenner herein are to the certified English translation that appears before the original German language document in Exhibit 1003.
[3] U.S. Patent No. 5,912,619, issued June 15, 1999 (Ex. 1005).
[4] U.S. Patent No. 6,150,940, issued Nov. 21, 2000 (Ex. 1006).
[5] U.S. Patent No. 6,169,295 B1, issued Jan. 2, 2001 (Ex. 1004).

to bending—would be replaced with standard electrical conductors, which do not suffer signal loss when bent or wound.'" Req. Reh'g 2 (quoting Pet. 22–23 (quoting Ex. 1007 ¶ 48 (Figh Decl.))). Petitioner argues that our Decision misapprehended two sources of evidence supporting this reasoning: (1) Communications Standard Dictionary[6] ("Weik," Ex. 1002), and (2) the Declaration of Mr. John "Jack" Figh (Ex. 1007). *Id.* For the following reasons, the Request for Rehearing fails to persuade us that we overlooked or misapprehended evidence in our Decision.

As the Petition makes clear, the linchpin of Petitioner's argument for modifying Brenner is that a person of ordinary skill in the art would have recognized reliability issues due to signal loss in the optical waveguide of Brenner's device. *See* Pet. 21 ("Thus, a [person of ordinary skill in the art] would have recognized that the security device of Brenner is prone to reliability issues due to signal loss in the optical waveguide."); *id.* at 34 ("A [person of ordinary skill in the art] would recognize that . . . the security device will likely suffer from reliability issues associated with signal loss within the optical waveguide."); *id.* at 35 ("[T]he optical transceivers of the sensor unit and the base unit may not be able to reliably communicate with one another due to optical signal loss within the optical waveguide."); *id.*

---

[6] The Petition and our Decision refer to this book by its title ("Communications Standard Dictionary"), but Petitioner now refers to it by the last name of its author ("Weik"). *Compare* Pet. 6, 19, *with* Req. Reh'g 2. For convenience and consistency with the Request for Rehearing, we refer to the book herein as "Weik." Notably, Petitioner did not submit Weik as a prior art printed publication to be considered as part of an unpatentability ground, as set forth in 35 U.S.C. § 311(b) (2018). *See* Pet. 5. Rather, the Petition cites Weik as support for its proposed claim construction and as support for an alleged "well-known fact" that an optical waveguide subjected to bending or winding is prone to signal loss. *Id.* at 6, 19.

("This readily-apparent flaw would have motivated a [person of ordinary skill in the art] to improve the reliability of the security device of Brenner . . . ."); *see also* Dec. 14–15, 17–18 (citing Pet. 21, 35). Because we determined in our Decision that Petitioner failed to show sufficiently that a person of ordinary skill in the art would have recognized reliability issues in Brenner's device, we concluded Petitioner did not provide adequate reasoning with rational underpinning for why a person of ordinary skill in the art would have been motivated to modify Brenner as proposed. Dec. 16–18.

In the Request, Petitioner argues that we improperly discarded factual evidence set forth in Weik. Req. Reh'g 2–3, 8–10. In particular, Petitioner contends that we overlooked explanations and diagrams of "microbending" and "microbend loss" provided in Weik and cited in the Petition. *Id.* at 9 (citing Pet. 19–20, 34–35; Ex. 1002, 536 (Fig. L-9), 576). Petitioner asserts that Figure L-9 of Weik depicts physical damage of an optical waveguide as a result of microbending and shows that "'microbend loss' can cause a total failure of an optical signal to reach its target destination." *Id.* (emphasis omitted) (citing Ex. 1002, 536, 576; Pet. 20). Petitioner also asserts that "Weik describes microbending as a serious concern because '[m]icrobends can cause significant or excessive radiative loss.'" *Id.* (emphasis omitted) (quoting Ex. 1002, 576).

We are not persuaded that we overlooked evidence from Weik relied on in the Petition. Our Decision considered Weik's description of a "microbend loss" that was quoted in the Petition: "the optical power loss caused by a microbend, i.e., a small bend, kink, or abrupt discontinuity in the direction of the optical axis of fibers, in the core-cladding interface surface, or both, usually caused by cabling, wrapping the fiber around drums and

capstans, and winding the fiber on reels." Ex. 1002, 576; *see* Dec. 14, 17 (citing Pet. 34–35 (citing Ex. 1002, 576)). But Petitioner does not identify, nor do we see, any assertion in the Petition that Weik shows a microbend loss can cause a "total failure" of an optical signal to reach its destination. *See* Req. Reh'g 9; Pet. 19–20, 34–35. Petitioner's Request for Rehearing also does not identify where the Petition addressed Weik's statement that microbends can cause radiative loss. *See* Pet. 19–20, 34–35. Because these arguments were not presented in the first instance in the Petition, we could not have overlooked them in our Decision.

Petitioner also contends in the Request that we misapprehended Mr. Figh's declaration testimony. Req. Reh'g 4, 10. Specifically, Petitioner argues that Mr. Figh identified a flaw in Brenner's teachings that a person of ordinary skill in the art would have perceived: Brenner's optical waveguide, when wound under tensile stress, would be prone to signal loss and physical damage, as seen in Figures L-8 and L-9 of Weik. *Id.* at 10 (citing Ex. 1007 ¶¶ 44–45). Petitioner contends that Mr. Figh's testimony is tethered to objective evidence provided in Weik and, therefore, provides sufficient reasoning with rational underpinning for modifying Brenner in view of the other references, contrary to our determination in the Decision. *Id.* at 10–11.

We are not persuaded that we overlooked or misapprehended Mr. Figh's testimony. We considered the cited paragraphs of his Declaration but found Mr. Figh did not explain what effect a microbend loss would have specifically on the optical waveguide in Brenner's securing tether or on its reliability. Dec. 17 (citing Ex. 1007 ¶¶ 44, 45). In other words, even if a person of ordinary skill in the art would have expected the winding of Brenner's optical waveguide to cause a microbend, Mr. Figh does not explain why any potential microbend loss, defined in Weik as an

"optical power loss," would result in a "signal loss" in Brenner's device, or how any such loss would affect the reliability of communications between the optical transceivers in Brenner's sensor unit and base unit. Essentially, Mr. Figh's testimony does not provide sufficient detail to show persuasively how general knowledge of microbend losses in optical fibers would have led a person of ordinary skill in the art to conclude that Brenner's security device has reliability issues.

*B. The Request for Rehearing Fails to Identify Legal Error in the Decision*

Petitioner contends that in our Decision we accepted Patent Owner's erroneous argument that, because Brenner itself perceives using an optical waveguide as advantageous, a person of ordinary skill in the art would not have been motivated to use a different means for communication between optical transceivers. Req. Reh'g 11–12 (citing Dec. 16–17). We disagree. The Decision simply pointed out that Brenner identifies reduced susceptibility to faults as an advantage of using an optical waveguide, thus undercutting Petitioner's argument that a person of ordinary skill in the art would have recognized reliability issues with Brenner's device. Dec. 16–17 (citing Ex. 1003, 3). The Decision did not conclude, as Petitioner argues in the Request for Rehearing, that Brenner affirmatively discourages modifying the securing tether to eliminate the optical waveguide. *See* Req. Reh'g 11–12; Dec. 16–17. Nor did the Decision require evidence of a motivation to modify Brenner to be disclosed expressly in the prior art references themselves, as Petitioner also argues in the Request. *See* Req. Reh'g 12; Dec. 16–17.

Petitioner further contends that our Decision used "an overly restrictive standard for establishing motivation to combine" by requiring

Petitioner to "prove that 'microbend loss in Brenner's device would result in signal loss sufficient to adversely affect the reliability of communications between Brenner's transceivers.'" Req. Reh'g 13 (emphasis omitted) (quoting Dec. 18). Petitioner asserts that the correct legal principle for establishing a motivation to modify Brenner using Vogt's technique is: "[f]or the technique's use to be obvious, the skilled artisan need only be able to recognize, based on her background knowledge, its potential to improve the device and be able to apply the technique." *Id.* at 14 (emphasis omitted) (quoting *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 995, 1003 (Fed. Cir. 2016)). Petitioner contends it met its burden because "the Petition explains that, based on the documented negative consequences associated with bending and winding an optical waveguide, a [person of ordinary skill in the art] would have perceived Brenner as ripe for potential improvement using the technique taught in Vogt." *Id.* (emphasis omitted) (citing Pet. 36–37).

We are not persuaded of legal error in our Decision. The "principle" cited by Petitioner applies when "a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way." *Unwired Planet*, 841 F.3d at 1003 (quoting *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 417 (2007)). The Petition did not include this legal argument as a basis for why a person of ordinary skill in the art would have had reason to modify Brenner. *See* Pet. 34–35. Rather, the Petition's asserted rationale for modifying Brenner depended on the contention that a person of ordinary skill in the art would have recognized reliability issues in Brenner, an argument we determined lacked sufficient evidentiary support in the Petition. *See* Dec. 17. We further note that the contention in the Request for Rehearing regarding the effect of an increased number of winding cycles on microbend loss in an

optical waveguide does not cite evidence of record and could have not been overlooked or misapprehended in our Decision because it was not raised in the first instance in the Petition. *See* Req. Reh'g 13.

Petitioner also argues in the Request for Rehearing that "[m]otivation to combine is not negated by existence of allegedly more desirable alternatives." *Id.* at 14 (emphasis omitted). Here, Petitioner refers to an argument made by Patent Owner in the Preliminary Response that we did not address in our Decision. *See id.* (citing Prelim. Resp. 21). Thus, Petitioner does not show legal error in our Decision on this basis.

*C. The Decision Did Not Improperly Resolve Genuine Issues of Material Fact*

Petitioner argues in the Request for Rehearing that the parties' experts "are in direct disagreement with respect to the material issue of fact: whether there is a motivation to modify Brenner." Req. Reh'g 15 (citing Ex. 2001 ¶¶ 39–40 (Pearson Decl.)). Petitioner contends that under current Board rules, "a genuine issue of material fact created by such testimonial evidence will be viewed in the light most favorable to Petitioner solely for purposes of deciding whether to institute an *inter partes* review." *Id.* (quoting 37 C.F.R. § 42.108(c)). Accordingly, Petitioner argues that trial should be instituted to resolve the issue on a full record. *Id.*

We are not persuaded that a genuine issue of material fact exists with respect to motivation to modify Brenner. As the U.S. Court of Appeals for the Federal Circuit has recognized, "[m]ere existence in the record of dueling expert testimony does not necessarily raise a genuine issue of material fact." *Mortg. Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1325 (Fed. Cir. 2016). Notably, our Decision did not cite the declaration testimony of Patent Owner's expert, Dr. Pearson, in analyzing

Petitioner's asserted obviousness grounds. *See* Dec. 13–19. Rather, we determined that the Petition and the evidence relied upon therein did not provide sufficient reasoning with rational underpinning for modifying Brenner's device as proposed. *Id.* at 18. Under the circumstances presented here, there is no genuine issue of material fact that must be resolved on a full record developed during trial.

## III. CONCLUSION

For the foregoing reasons, Petitioner has not demonstrated that we misapprehended or overlooked any matter or that we abused our discretion in not instituting an *inter partes* review of claims 1, 2, 4, 8, 9, 13, 15–19, 27, 28, 30, and 32 of the '253 patent.

## IV. ORDER

Accordingly, it is

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

FOR PETITIONER:

Andriy Lytvyn
Anton Hopen
Nicholas Pfeifer
SMITH & HOPEN
andriy.lytvyn@smithhopen.com
anton.hopen@smithhopen.com
nicholas.pfeifer@smithhopen.com

FOR PATENT OWNER:

Tim F. Williams
Scott A. Cole
DORITY & MANNING P.A.
timw@dority-manning.com
scole@dority-manning.com

Trent A. Kirk
INVUE SECURITY PRODUCTS INC.
trentkirk@invue.com