

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

EIS GMBH,
Petitioner,

v.

NOVOLUTO GMBH,
Patent Owner.

IPR2019-01302
Patent 9,937,097 B2

Before SUSAN L.C. MITCHELL, CHRISTOPHER G. PAULRAJ, and
JOHN E. SCHNEIDER, *Administrative Patent Judges*.

SCHNEIDER, *Administrative Patent Judge*.

DECISION

Granting Petitioner's Request on Rehearing of Decision Denying
Institution

Granting Institution of *Inter Partes* Review
35 U.S.C. § 314; 37 C.F.R. § 42.71(d)

I. INTRODUCTION

EIG GMBH (“Petitioner”) filed a Request for Rehearing under 37 C.F.R. § 42.71 (c) and (d). Paper 18 (“Req. Reh’g”). The Request for Rehearing seeks reconsideration of the Decision Denying Institution of *inter partes* review (“Decision”) of claims 1–30 of U.S. Patent No. 9,937,097 B2 (Ex. 1001, “the ’097 patent”). Paper 17 (“Dec.”).

In the Request for Rehearing, Petitioner contends that we erred in our Decision in that we failed to view the evidence of record in a light most favorable to the Petitioner. Req. Reh’g 1.¹ Specifically Petitioner contends that we failed to give appropriate weight to Petitioner’s declarant’s testimony concerning the operation of the device disclosed in Guan²; and whether Taylor³ and Hovland⁴ teach modulating between positive and negative pressure. *Id.* at 2. Petitioner contends that the testimony by its declarant presented factual issues sufficient to warrant granting institution. *Id.*

We have considered the arguments presented by Petitioner in the Request for Rehearing and conclude there are genuine issues of material fact about the teachings of Guan that warrant institution and resolution at trial.

¹ Petitioner also sought review of the Decision by the Precedential Opinion Panel. Ex. 3001. That request was denied on April 6, 2020. Paper 21. Following denial by the Precedential Opinion Panel, Petitioner brought an action in the United States District Court for the Eastern District of Virginia seeking review of denial by the Precedential Opinion Panel under the Administrative Procedure Act. Paper 22.

² Guan, CN2153351Y, issued December 11, 1993. (Ex. 1007) (“Guan”).

³ Taylor, US 5,725,473, issued March 10, 1998. (Ex. 1004) (“Taylor”).

⁴ Hovland et al., US 6,964,643 B2, issued November 15, 2005. (Ex. 1005). (“Hovland”).

We, therefore, grant the Request for Rehearing and amend our decision to institute by granting the petition and instituting *inter partes* review on all grounds presented in the petition.

II. STANDARD OF REVIEW

A party requesting rehearing bears the burden of showing that the decision should be modified. 37 C.F.R. § 42.71(d). The party must identify specifically all matters we misapprehended or overlooked, and the place where each matter was addressed previously in a motion, an opposition, or a reply. *Id.* When rehearing a decision on a petition, we review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). “An abuse of discretion occurs 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 findings; or (4) involves a record that contains no evidence on which the Board could rationally base its decision.” *Redline Detection, LLC v. Star Envirotech, Inc.*, 811 F.3d 435, 442 (Fed. Cir. 2015). With this in mind, we address the arguments presented by Petitioner in turn.

A. Obviousness Based on Guan, Lee, and Hovland

Petitioner contends that we erred in finding that combination of references based on the teachings of Guan did not render the challenged claims obvious. Petitioner contends that we erred in concluding that Guan taught that the starting position of Guan was fully expanded and that the proper interpretation of Guan is that the starting position of the bag was necessarily in an intermediate position as their expert testified. Req. Reh’g 3.

We have considered Petitioner’s argument and conclude that at this stage of the proceeding, we failed to give appropriate weight to Petitioner’s

evidence, namely the testimony of Dr. Prisco regarding the operation of Guan.

Petitioner persuades us that the panel overlooked evidence regarding the starting position of the bag in Guan. In particular, the panel overlooked testimony from Dr. Prisco that the reciprocating motion of Guan creates positive and negative pressures with respect to a reference pressure. In his declaration Dr. Prisco testified

69. In *Guan*, when power is turned on to activate electromagnet 5, the electromagnet 5 will drive the magnet 4 and the lever 3 to oscillate about the pinned connection (as annotated using the curved arrow in the figure of *Guan* reproduced above), and cause the wall of air bag 2 marked A (in the figure above) to reciprocate towards and away from mouth 1 to cyclically expand and contract the air bag 2. (*Id.*)

70. Before wall A starts to reciprocate, the pressure of air in air bag 2 is at the prevailing atmospheric pressure. When mouth 1 is in contact with the body and air bag 2 contracts, the air in air bag 2 gets compressed, and its pressure increases to a value above the prevailing atmospheric pressure. Similarly, when mouth 1 is in contact with the body and air bag 2 expands, the air in air bag 2 also expands, and its pressure decreases below the prevailing atmospheric pressure. As the pressure inside air bag 2 increases above the prevailing atmospheric pressure, air flows from the air bag 2 through the mouth 1 on to the body part that is in contact with the mouth 1. (*Id.*) And, when the pressure inside air bag 2 decreases below the prevailing atmospheric pressure, air flows from the mouth 1 into the air bag 2 and applies a suction force on the body part. In this manner, activation of the electromagnet 5 generates and applies a “pulsating air pressure” on the body for stimulation.

Ex. 1002. ¶¶ 69–70; *see also id.* ¶¶ 127–129. Dr. Prisco’s interpretation of the teachings of Guan describes a mode of operation of Guan, which could result in “modulated positive and negative pressures with respect to a reference pressure.” *Id.* ¶ 128.

We find that, for purposes of this decision, Petitioner has also established through the testimony of Dr. Prisco that Guan teaches all of the other elements of claim 1 with the exception of the presence of an appendage configured as a dildo configured to be inserted into a vagina. *See* Pet. 53–58; Ex. 1002 ¶¶ 122–131.

With respect to the appendage, Petitioner contends that this element is taught by Lee. Lee discloses a dildo having an extension that stimulates the clitoris. Ex. 1006 col. 3, ll. 48–53, Fig. 1; Ex. 1002 ¶¶ 71–72. Petitioner contends that it would have been obvious to one skilled in the art to substitute the mechanical stimulator of Lee for the indirect stimulator of Guan. Pet. 58–59; Ex. 1002 ¶¶ 132–137. Petitioner contends that one skilled in the art would have been motivated to make the proposed substitution as it was known in the art that indirect stimulation was more effective than direct stimulation. *Id.*

Patent Owner contends that Guan is non-analogous art in that it is not related to stimulation of the clitoris. Prelim. Resp. 59. Patent Owner also contends that there is no motivation to combine the teachings of Lee and Guan. *Id.* at 60–63. Patent Owner argues that one skilled in the art would not consider using the indirect stimulator of Guan in the dildo of Lee as it would require a modification of Lee beyond a simple substitution of elements. *Id.*

We have considered the arguments⁵ of the parties and the evidence of record and, for purposes of this decision, conclude that Petitioner has shown

⁵ Patent Owner has also advanced arguments and presented evidence relating to secondary indicia of non-obviousness. Prelim. Resp. 64–72. The question of whether the secondary consideration evidence supports a conclusion that the subject matter of the claims is not obvious is fact

a reasonable likelihood that one of skill in the art would have a reason to combine Guan with Lee with a reasonable expectation of success and that Guan combined with Lee teaches all of the claim elements of claim 1 including an appendage comprising a dildo.

Although we agree with Patent Owner that Guan is not directed to a sex toy, we find that it is reasonably pertinent to the problem faced by the inventor. *In re ICON Health and Fitness, Inc.*, 496 F.3d 1374, 1379-80 (Fed. Cir. 2007)(stating that in order for a reference to be “reasonably pertinent” to the problem, it must “logically [] have commended itself to an inventor’s attention in considering his problem.”). Guan is directed to a device, which uses pulses of air to massage or stimulate a body part. *See* Ex. 1007, 1; Ex. 1002 ¶ 70. Likewise, one of the purposes of the instant invention uses air flow to stimulate to body parts. Ex. 1001, col. 1, ll. 17–20.

Petitioner has also provided a reasonable motivation to combine the teachings of Lee and Guan. Lee comprises a dildo with an extension which directly stimulates the clitoris, a body part. Ex. 1006, Fig. 1; Ex. 1002, ¶¶ 72, 134–137. Guan discloses an apparatus, which indirectly stimulates a body part. Ex. 1007, 3; Ex. 1002 ¶ 137. Given the teaching in the art of the problems with direct stimulation versus indirect stimulation, we agree on this record with Dr. Prisco that one skilled in the art would have had a reason to substitute the indirect stimulation device of Guan for the direct

intensive and is best decided on a full record. *Cf. Monark Knitting Mach, Corp. v. Sulzer Morat GmbH*, 139 F.3d 877, 886 (Fed. Cir. 1998) (determining that issues of fact concerning secondary considerations precluded grant of summary judgment)

stimulation appendage of Lee to produce the claimed device with a reasonable expectation of success. Ex. 1002 ¶¶ 132–137.

Based on the foregoing we conclude that we erred in finding Petitioner failed to demonstrate that at least one of the challenged claims is unpatentable over a combination of references based on Guan. We therefore amend our Decision and conclude that Petitioner has demonstrated a reasonable likelihood of it would prevail in showing that at least claim 1 is unpatentable with respect to ground 3 (obviousness based on Guan, Lee, and Hovland).

B. The Remaining Grounds

Having found that that Petitioner has demonstrated a reasonable likelihood of prevailing with respect to the ground based on Guan for at least one claim, we need not reach Petitioner’s arguments with respect to the remaining grounds.

The Supreme Court has held that a final written decision in an *inter partes* review must decide the patentability of all claims challenged in the corresponding petition. *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348 (2018). The USPTO has also provided guidance on implementing SAS. See Guidance on the Impact of SAS on AIA Trial Proceedings (Apr. 26, 2018), <https://www.uspto.gov/patents-application-process/patent-trial-and-appealboard/trials/guidance-impact-sas-aia-trial> (“SAS Guidance”) (“As required by [SAS] decision, the PTAB will institute as to all claims or none,” and “[a]t this time, if the PTAB institutes a trial, the PTAB will institute on all challenges raised in the petition.”); PTAB Consolidated Trial Practice Guide (Nov. 2019) (“Consolidated Guide”), 5–6.

We therefore grant the Petition and institute trial as to claims 1–30 of the ’097 patent on all grounds asserted.

III. ORDER

In consideration of the foregoing, it is hereby:

Ordered that Petitioner's Request for Rehearing is GRANTED;

ORDERED that pursuant to 35 U.S.C. § 324(a), a *inter partes* review is instituted on all challenges raised in the Petition; and

FURTHER ORDERED that pursuant to 35 U.S.C. § 324(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of trial commencing on the entry of this Decision.

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