

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNIVERSAL IMAGING INDUSTRIES, LLC,
Petitioner,

v.

LEXMARK INTERNATIONAL, INC.,
Patent Owner.

IPR2019-01387
Patent 9,176,921 B2

Before JUSTIN T. ARBES, DAVID C. McKONE, and
GREGG I. ANDERSON, *Administrative Patent Judges*.

McKONE, *Administrative Patent Judge*.

DECISION

Denying Petitioner's Request for Rehearing of Decision on Institution
37 C.F.R. § 42.71(d)

I. INTRODUCTION

Universal Imaging Industries, LLC (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting *inter partes* review of claims 1–21 of U.S. Patent No. 9,176,921 B2 (Ex. 1001, “the ’921 patent”). Pet. 1. Lexmark International, Inc. (“Patent Owner”) filed a Preliminary Response (Paper 6, “Prelim. Resp.”). Upon consideration of the Petition and the Preliminary Response, we determined, as to some grounds, that Petitioner had not shown a reasonable likelihood that any claim of the ’921 patent would have been obvious. Paper 7 (“Dec.”), 20–35. As to Petitioner’s allegations that the challenged claims would have been obvious over Adkins (US 2010/0306431 A1, Ex. 1007), we exercised our discretion to deny the Petition under 35 U.S.C. § 325(d). *Id.* at 8–20. Petitioner asks us to reconsider our § 325(d) ruling as to Adkins in a Request for Rehearing (Paper 8, “Req.”).

II. ANALYSIS

A. Legal Background

When rehearing a decision on institution, we review the decision for an abuse of discretion. *See* 37 C.F.R. § 42.71(c) (2019). 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); *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). The burden of showing that the Decision should be modified is on Petitioner, the party challenging the Institution Decision. *See* 37 C.F.R. § 42.71(d) (2019).

In addition, “[t]he request must specifically identify all matters the party believes [we] misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.” *Id.*

Petitioner’s Request takes issue with our exercise of discretion under § 325(d). Req. 2. Institution of *inter partes* review is discretionary. *See Harmonic Inc. v. Avid Tech, Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he PTO is permitted, but never compelled, to institute an IPR proceeding.”); 35 U.S.C. § 314(a). Pursuant to 35 U.S.C. § 325(d), in determining whether to institute an *inter partes* review, “the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.”

In evaluating whether to exercise our discretion when the same or substantially the same prior art or arguments previously were presented to the Office under section 325(d), we have weighed some common *non-exclusive* factors, such as:

- (a) the similarities and material differences between the asserted art and the prior art involved during examination;
- (b) the cumulative nature of the asserted art and the prior art evaluated during examination;
- (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection;
- (d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art;
- (e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and
- (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.

Becton, Dickinson & Co. v. B. Braun Melsungen AG, IPR2017-01586, Paper 8 at 17–18 (PTAB Dec. 15, 2017) (precedential as to Section III.C.5, first paragraph) (formatting supplied). Our Decision Denying Institution evaluated Petitioner’s challenge based on Adkins against the backdrop of *Becton, Dickinson*. Dec. 14–19.

Petitioner directs us to two Board decisions that were designated as precedential after our Decision Denying Institution. Req. 2 (citing *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469 (PTAB Feb. 13, 2020) (Paper 6) (precedential), and *Oticon Medical AB v. Cochlear Ltd.*, IPR2019-00975 (PTAB Oct. 16, 2019) (Paper 15) (precedential as to §§ II.B, II.C)). *Advanced Bionics* made clear that, in evaluating arguments under § 325(d), we use

[a] two-part framework: (1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and (2) if either condition of first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.

Advanced Bionics, slip op. at 8.

According to *Advanced Bionics*, “[p]reviously presented art includes art made of record by the Examiner, and art provided to the Office by an applicant, such as on an Information Disclosure Statement (IDS), in the prosecution history of the challenged patent.” *Id.* at 7–8. “If the ‘same or substantially the same prior art or arguments previously were presented to the Office,’ then the Board’s decisions generally have required a showing that the Office erred in evaluating the art or arguments.” *Id.* at 8 (quoting *Becton, Dickinson*, slip op. at 24). *Advanced Bionics* makes clear that “[i]f a condition in the first part of the framework is satisfied and the petitioner fails

to make a showing of material error, the Director generally will exercise discretion not to institute *inter partes* review.” *Id.* at 8–9. “If reasonable minds can disagree regarding the purported treatment of the art or arguments, it cannot be said that the Office erred in a manner material to patentability.” *Id.* at 9.

Oticon provides guidance as to whether a reference is cumulative to the art cited during prosecution (*Becton, Dickinson* factors (a) and (b)) and when failure to consider a non-cumulative reference during prosecution might constitute error in the evaluation of the prior art or additional facts and evidence that could warrant reconsideration of prior art or arguments (*Becton, Dickinson* factors (e) and (f)). *Oticon*, slip op. at 10–20.

B. Discretion under 35 U.S.C. § 325(d)

Petitioner contends that, because the Examiner never “*evaluated*” Adkins, we erred by refusing to consider Petitioner’s challenge based on Adkins. Req. 3–5. As we noted in our Decision, the application that published as Adkins (U.S. App. No. 12/474,052) is cross-referenced in the ’921 patent (Ex. 1001, 1:7–10 (“This application is related to U.S. patent application Ser. No. 12/474,052”)) and the patent that issued from that application (U.S. Pat. No. 8,225,021 B2) is listed on the face of the ’921 patent (Ex. 1001, [56]). Dec. 13. Nevertheless, the Examiner did not reject any claims over Adkins or otherwise discuss Adkins in a rejection. *Id.* at 15.

In the Decision we explained that *Becton, Dickinson* factors (a) and (b) weighed in favor of exercise of our discretion under § 325(d) because the identical art (the patent and underlying patent application pertaining to Adkins) was presented to the Examiner during prosecution. Dec. 15. This is consistent with *Advanced Bionics*, which has confirmed that “[p]reviously

presented art includes art made of record by the Examiner, and art provided to the Office by an applicant, such as on an Information Disclosure Statement (IDS), in the prosecution history of the challenged patent.”

Advanced Bionics, slip op. at 7–8. Thus, we did not abuse our discretion in finding that factors (a) and (b) weighed in favor of denial as to the asserted ground based on Adkins.

Petitioner’s arguments as to factors (c) and (d) are similar to each other. As to *Becton, Dickinson* factor (c), “the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection,” we concluded that, despite the lack of an express rejection, the Examiner was familiar with Adkins through the cross-reference and citations in the ’921 patent, as well as the Examiner’s experience examining the application that led to Adkins. Dec. 15–16.

Petitioner argues that we overlooked or misapprehended that

the challenged claims are all directed to the component circuitry in the slave device itself. Whether or not the master circuit sending slave change commands repetitively, or based on some other factor, that purported innovation is not captured by the challenged claims, as the challenge claims deal only with the slave component circuitry that receives the address change commands.

Req. 4. According to Petitioner, “[t]he ’921 Patent’s prosecution was far from exhaustive, there was clear error in that there was no consideration of patentability over Adkins, and Adkins was not considered at all, let alone even cursorily. It was error to exercise discretion to deny at least this challenge.” *Id.* at 5 (citing *Kayak Software Corp. v. International Business Machines Corp.*, CBM2016-0075 (PTAB Dec. 15, 2016) (Paper 16), slip op. at 11 (informative)).

As to *Becton, Dickinson* factor (d), we explained that Patent Owner, in the Specification’s Background section, distinguished the ’921 patent’s invention from the subject matter of Adkins. Dec. 16–17. Thus, although Patent Owner did not distinguish Adkins in response to an Office Action rejection of claims over Adkins, it presented distinguishing arguments in the Specification itself. *Id.* Petitioner contends, essentially, that we misapprehended that the discussion of Adkins in the Specification does not pertain to the subject matter claimed in the ’921 patent. Req. 5–8. Rather, Petitioner contends, the “‘argument’ [in the Specification] is directed to activities performed by the master, not by the slave that is claimed in the challenged claims. The slave device remains unchanged from the teachings of Adkins.” *Id.* at 6.

As explained in the Decision, the ’921 patent identifies shortcomings of Adkins’ technique of slaves responding to address change requests from a master and introduces its invention as a solution. Dec. 17 (citing Ex. 1001, 2:16–37). In the Request, Petitioner appears to be arguing that: (1) the ’921 patent’s discussion of Adkins addresses a technique implemented primarily in a master; (2) the claims of the ’921 patent are directed only to slave devices; and (3) we (and presumably the Examiner) overlooked or misapprehended that the slave device described in Adkins is the same as that claimed in the ’921 patent. Req. 5–6 (“[T]he Board erred by failing to tie [the argument at Ex. 1001, 2:16–37] to any claim language.”), 7 (“None of the challenged claims deal with the master device, where the purported invention of the ’921 Patent lies.”), 8 (“The challenged claims are directed to the circuitry in the slave device—they are not directed to the purported solution the Board identifies as distinguishing the ’921 Patent from Adkins.

This is precisely why it was error for the challenged claims to issue in the first instance, and why it was error for the Board to deny institution.”), 11 (“Patent Owner’s arguments on patentability, both in the background section of the ’921 Patent’s disclosure as well as in Patent Owner’s preliminary response, are all directed to how the master decides to send address change commands to the slave. . . . This logic and decision making [of the master device] is not captured in any of the challenged claims.”).

Petitioner argues that “[t]hrough its Preliminary Response, Patent Owner expressly conceded the slave device does nothing new.” *Id.* at 6 (citing Prelim. Resp. 63); *see also id.* at 10–11 (“As Patent Owner acknowledged through its preliminary response, the component circuitry of the slave device is no different under the ’921 Patent than under Adkins.”)¹. According to Petitioner, “[i]t was error for the Office to allow claims directed to only the component circuitry [of a slave device] to issue when Patent Owner itself admitted during prosecution (and admits again during this proceeding) that the slave device’s component circuitry is no different than the prior art.” *Id.* at 11.

Petitioner does not identify where it made these arguments in the Petition. In the Petition, Petitioner argued that Adkins teaches a slave that responds to a master that generates address change requests in the same manner claimed in the ’921 patent. Pet. 46–47 (“Adkins discloses substantially immediately following a predetermined event and in a

¹ Petitioner misrepresents Patent Owner’s argument. In the Preliminary Response, Patent Owner argued that Adkins discloses the address generation protocol that the ’921 patent describes and distinguishes in its Background. Prelim. Resp. 63–64. Patent Owner did not admit that Adkins discloses a slave that would meet the limitations of the ’921 patent’s claims. *Id.*

continual series of a plurality of address change requests received, generating a new address using the dynamic address generator.”). Petitioner now argues that we misunderstood the scope and meaning of the claims, that “the master circuit sending slave change commands repetitively, or based on some other factor, . . . is not captured by the challenged claims, as the challenge claims deal only with the slave component circuitry that receives the address change commands,” and that “[i]f the invention of the ’921 Patent is directed to how often the master device sends commands to its slaves, then the claims **must** be directed to the master device.” Req. 4, 11–12. Yet, Petitioner proposed no claim terms for construction in the Petition. Pet. 7 (“Petitioner does not believe any term requires construction.”). We could not have misapprehended or overlooked these arguments because Petitioner did not make them.

As presented in the Petition, it was Petitioner’s position that the claims recite interactions between a master and a slave (not simply a slave capable of doing whatever is asked by a master) and that Adkins describes those same interactions. *Id.* at 45–48. As noted in the Decision Denying Institution, the Background of the Specification addresses that position. Dec. 16–17 (citing Ex. 1001, 2:1–37). Moreover, contrary to Petitioner’s current position, the challenged claims do not pertain solely to a slave device (to the exclusion of anything having to do with a master). *See* Req. 6–8. Claim 1, for example, recites component circuitry comprising an interface for coupling to a “master” and receiving specific information from the master, namely, “address change request[s]” at particular times, namely, “substantially immediately following an event” and “in succession.” Thus, we did not abuse our discretion in finding that *Becton*, *Dickinson* factors (c) and (d) weighed in favor of denial.

Becton, Dickinson factor (e) asks whether Petitioner points to error in the Examiner's evaluation of Adkins. Factor (f) asks the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments. As to factors (e) and (f), Petitioner contends (Req. 8–9) that we overlooked its argument in the Petition that “the slave device does not care how many ‘change address’ commands it receives; it will follow the same process for each.” Pet. 47 (citing generally to the claim chart for Adkins appended to Dr. Direen's Declaration). Petitioner, however, does not explain why we should have understood that vague statement to be the detailed arguments it now makes in the Rehearing Request. Petitioner also argues that we overlooked Dr. Direen's testimony that

[i]t is the bus master that controls: *substantially immediately following an event and component circuitry performs in succession a plurality of sets of operations*, not the slave device. Claim 1 is directed to the slave device (component circuitry with an interface for coupling to a master). The slave device must simply be responsive after a predetermined event to a continual series of operations.

Req. 8 (quoting Ex. 1002-C, at C4–C5 (emphasis in original)).² Petitioner did not cite to this testimony with particularity in the Petition. *See* Pet. 47; *see also* 37 C.F.R. §§ 42.104(4), (5). Rather, Petitioner simply cited to the

² This testimony would not have been helpful to Petitioner. Rather, it was presented as part of Dr. Direen's opinion that the master's behavior recited in claim 1 would have been inherent in Adkins. Ex. 1002-C, at C4–C5. Dr. Direen did not testify that claim 1 does not require a finding as to the master's behavior, so long as Adkins' slave device was capable of responding appropriately. We considered Dr. Direen's inherency opinion and decided that it was unsupported and, thus, did not support a finding of Examiner error. Dec. 18–19.

entirety of Dr. Direen’s testimony on the applicability of Adkins to claim 1, without providing any specificity. *Id.* Thus, we could not have overlooked the testimony on which Petitioner now seeks to rely. In any case, as a general matter, we found that “Dr. Direen’s testimony is entitled to little weight because it consists primarily of quotations from Adkins, many of which are not cited in the Petition.” Dec. 18–19 (citing 37 C.F.R. §§ 42.6(a)(3), 42.65(a)). Thus, we did consider Dr. Direen’s testimony, but found it of little value.

Petitioner also argues that we improperly discounted Dr. Direen’s testimony because we mistakenly found it to rely on unsupported inherency theories. Req. 9. According to Petitioner, “Dr. Direen’s Declaration does not rely on any inherency theories.” *Id.* As pointed out in the Decision (at 18–19), Dr. Direen, in multiple instances, clearly bases his testimony on “inherent device operation,” rather than express disclosure in Adkins. Ex. 1002-C, at C5, C8, C11–C12, C17, C20, C23–C24, C29, C34–C35. We did not misapprehend his testimony. We maintain our conclusions (Dec. 18–19) that Petitioner did not show Examiner error and that Dr. Direen’s testimony did not warrant reconsideration of the prior art or arguments presented during prosecution. Thus, we did not abuse our discretion in finding that *Becton, Dickinson* factors (e) and (f) weighed in favor of denial.

Petitioner has not shown that we abused our discretion in weighing the *Becton, Dickinson* factors and denying institution as to the asserted ground based on Adkins under § 325(d). Our evaluation of the *Becton, Dickinson* factors in the Decision demonstrates that our denial of institution of this ground was warranted under the two-part framework of *Advanced Bionics*, which was recently designated precedential, because the same art

(Adkins) previously was presented to the Office and Petitioner has not demonstrated that the Office erred in a manner material to the patentability of the challenged claims.

III. CONCLUSION

For the foregoing reasons, Petitioner has not demonstrated that we misapprehended or overlooked its arguments or abused our discretion in denying the Petition as to the asserted ground based on Adkins under 35 U.S.C. § 325(d).

IV. ORDER

In consideration of the foregoing, it is hereby:

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

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