

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

EIK ENGINEERING SDN. BHD.,
Petitioner,

v.

WILCO MARSH BUGGIES & DRAGLINES, INC.,
Patent Owner.

IPR2020-00344
Patent 6,918,801 B2

Before LYNNE H. BROWNE, BARRY L. GROSSMAN, and
SCOTT C. MOORE, *Administrative Patent Judges*.

GROSSMAN, *Administrative Patent Judge*.

DECISION
Denying Petitioner's Request on Rehearing
37 C.F.R. § 42.71(d)

I. INTRODUCTION

A. *Summary of Procedural History*

EIK Engineering Sdn. Bhd. (“Petitioner”) filed a petition, Paper 1 (“Petition” or “Pet.”), to institute an *inter partes* review of claims 1–18 (collectively, the “challenged claims”) of U.S. Patent 6,918,801 B2 (the “’801 patent”). Wilco Marsh Buggies & Draglines, Inc. (“Patent Owner”) filed a Preliminary Response. Paper 4 (“Prelim. Resp.”).

Petitioner asserted 20 distinct grounds against the 18 claims in the ’801 patent. *See* Dec. 8–9; Pet. 5–7. In our Decision denying institution, we held that:

The Petition fails to identify with particularity what disclosure is relied on from each of the references in Grounds 7, 8, 11, and 12, how it would be combined with the other disclosures, and why the proposed combination would have been obvious to a person of ordinary skill in the relevant technology. Without any explanation as to what, how, and why the references would have been combined in Grounds 7, 8, 11, and 12, we, and the Patent Owner, are left to speculate as to the specific details of asserted unpatentability based on combining the references to arrive at the claimed invention.

See Paper 7 (“Decision” or “Dec.”), 14 (citation omitted). We determined that “[t]he lack of particularity [in Grounds 7, 8, 11, and 12] infects the proceeding sufficiently that we do not institute an *inter partes* review.” *Id.* at 16–17.

On July 23, 2020, Petitioner filed a Request for Rehearing of our Decision Denying Institution. *See* Paper 8 (“Req. Reh’g.”). Petitioner also filed a request for Precedential Opinion Panel (“POP”) review of the following “precedent-setting” question:

Whether it is an abuse of discretion for the Board to deny institution based solely on a perceived deficiency with only a small minority of grounds addressing a small minority of challenged claims, without giving any consideration to whether the remaining grounds demonstrate a reasonable likelihood of success and weighing them against the grounds and claims where no reasonable likelihood of success has been shown.

See Ex. 3001. The request for POP review was denied. Paper 11.¹ The Order denying POP review further ordered that “the original panel maintains authority over all matters, including considering the submitted rehearing request.” *Id.* at 2. Accordingly, we now consider the submitted rehearing request.

As we explain below, we determine we did not overlook or misapprehend any matters, thus we deny the request to reconsider the Petition.

II. REQUEST FOR REHEARING

When rehearing a decision on institution, the Board reviews the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of

¹ The PTAB E2E docket system correctly identifies the denial of POP review as Paper “11,” dated “October 26, 2020.” This document itself, however, incorrectly states that it is “Paper 10.” In fact, “Paper 10” in the PTAB E2E docket system for this IPR proceeding is Patent Owner’s “RESPONSE TO PETITIONER’S REQUEST FOR REHEARING,” filed on August 21, 2020. *See* Paper 10. We note that Patent Owner was not authorized to file this response. *See* Consolidated Office Patent Trial Practice Guide (“Consolidated Practice Guide”), November 2019, 90 (“The opposing party should not file a response to a request for rehearing absent a request from the Board.”). No such request was made by the Board. Accordingly, Paper 10 will be expunged from this record and will *not* be considered in deciding Petitioner’s Request for Rehearing.

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).

The burdens and requirements of a request for rehearing are stated in 37 C.F.R. § 42.71(d):

(d) Rehearing. . . . 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.

Under 35 U.S.C. § 314, an *inter partes* review may not be instituted “unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a). If an *inter partes* review is instituted, a final written decision under 35 U.S.C. § 318(a) must decide the patentability of all claims, and all grounds, asserted in the petition. *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018).

Petitioner asserts “two independent bases” supporting its Request for Rehearing. Req. Reh’g. 2. First, Petitioner asserts “the Petition clearly identifies the specific disclosures relied on from each reference in Grounds 7–8 and 11–12 and explains precisely how and why a POSITA would have combined the references as claimed.” Req. Reh’g. 2.

Second, Petitioner asserts “the Board clearly erred by failing to follow the PTAB’s published guidance, whereby pursuant to *SAS Institute* the

Board considers the number of claims and grounds that meet the reasonable likelihood standard when deciding whether to institute *inter partes* review.” *Id.*

We address each of these arguments below.

*A. Compliance with 35 U.S.C. § 312(a)(3)
for Grounds 7, 8, 11, and 12
(Claims 6, 7, 16, 17)*

According to Petitioner, “[t]he Board overlooked and misapprehended” the specific disclosures relied on from each reference in Grounds 7, 8, 11, and 12. Req. Reh’g. 2. Petitioner also asserts the Board overlooked Petitioner’s explanation of “precisely how and why a POSITA would have combined the references” when the Board “determined that the Petition did not ‘identify with particularity the evidence that supports’ these Grounds.” *Id.* Based on this argument, Petitioner concludes that “the sole basis for denial was erroneous and reversal is required.” *Id.* We disagree.

Petitioner admits “[t]he Board correctly identified” Grounds 7, 8, 11, 12. Req. Reh’g. 2 (citing Dec. 8, 12, 13).

Because Petitioner uses a circuitous, scavenger hunt, format to identify the asserted Grounds and the evidence supporting those grounds, it is helpful to again identify the Grounds at issue, Grounds 7, 8, 11, and 12.

For Grounds 7 and 8, Petitioner asserts:

Grounds 5–8: Claims 6, 16 and 7, 17 are obvious in view of any of Grounds 1, (Ground 5), 2 (Ground 6), 3 (Ground 7) or 4 (Ground 8) in further view of Soehnlén.

Pet. 6. Thus, Ground 7 is Ground “3” “in further view of Soehnlén.”

Accordingly, the circuitous route to defining Ground 7 requires that we identify Ground 3. For Ground 3, Petitioner asserts:

Grounds 2–4: Claims 1–5 and 9–15 are obvious in view of Prestenbach and any of Soehnlén (Ground 2), Fujita (Ground 3) or Zong (Ground 4).

Pet. 5. Thus, Ground 3 is obviousness based on Prestenbach and Fujita. Because Ground 7 builds on Ground 3, Ground 7 is obviousness based on Prestenbach, Fujita, “in further view of Soehnlén.” *Id.* at 6.² Thus, as stated in our Decision, Ground 7 asserts unpatentability based on combining disclosures from three references. Dec. 12 (“Petitioner is relying on a combination of three references in each of Grounds 7 and 8.”). We also noted in our Decision that Petitioner’s expert testimony from Dr. Stevik was consistent with our determination of the references asserted in Ground 7. *Id.* (citing Ex. 1003 ¶ 78 (Dr. Stevick’s testimony “identifying Ground 7 as ‘Prestenbach *and* Fujita (Ground 3) *and* Soehnlén”)).

In its Request for Rehearing Petitioner does not dispute that Ground 7 asserts unpatentability of claims 6, 7, 16, and 17 based on Prestenbach, Fujita, *and* Soehnlén. Req. Reh’g. 3 (“The Board correctly identified . . . Ground 7 as the combination of Prestenbach, Fujita *and* Soehnlén”).

Following an analysis identical to that followed above for Ground 7, our Decision determined that:

² Prestenbach is Ex. 1003 in this proceeding; Fujita is Ex. 1007; Soehnlén is Ex. 1008. We recognize Patent Owner asserts that Fujita is not a valid reference against the ’801 patent. *See* Prelim. Resp. 43 (asserting that “Fujita is not an effective reference that can be used to defeat patentability of the instant claims.”). The ultimate status of Fujita as a reference is not at issue in considering compliance with § 312(a)(3) at this institutional stage of the proceeding. What is at issue is the clarity and specificity of Grounds 7, 8, 11, and 12.

- Ground 8 asserts unpatentability of claims 6, 7, 16, and 17 based on Prestenbach, Zong,³ and Soehnlén;
- Ground 11 asserts unpatentability of claims 7 and 17 based on Prestenbach, Fujita, Soehnlén, and Kissick;⁴ and
- Ground 12 asserts unpatentability of claims 7 and 17 based on Prestenbach, Zong, Soehnlén, and Kissick.

E.g., see Dec. 8. Petitioner does *not* dispute our identification of any of the asserted Grounds 7, 8, 11, and 12. Req. Reh’g. 3.

In the context of Grounds 2–4, which are the foundation for Grounds 7 and 8, Petitioner acknowledges that each of Soehnlén, Fujita, and Zong provide redundant disclosures of a spud assembly. Pet. 46 (“a POSITA would have found it obvious to modify the vehicle of Prestenbach to include spud assemblies in view of any of Soehnlén, Fujita or Zong . . . The spud assemblies of each of those references retract the spuds entirely above the bottom of the pontoons.”).

Petitioner also candidly admits that:

While Petitioner proposes 20 grounds, the analysis can be grouped into five simple categories . . . The number of proposed grounds is due to the fact that Petitioner relies on any of Soehnlén, Zong or Fujita to supply the missing spud features of Prestenbach (Grounds 2-4). However, the arguments for combining *those references* with Prestenbach *are essentially the*

³ Zong is Ex. 1009. Petitioner prepared an annotated version of Zong, Ex. 1010, which includes line numbers added to each page to facilitate specific citation. *See* Pet. vii (List of Exhibits). Petitioner cites to Exhibit 1010 when citing Zong. *See e.g.,* Pet. 13 (citing “Ex-1010, 4:28-29”). To avoid any confusion, we also will cite to Exhibit 1010, which includes the line numbers added by Petitioner.

⁴ Kissick is Ex. 1014

same, and therefore do not require multiple, separate analyses
by the Board.

Pet. 79–80 (emphasis added).

Thus, Petitioner acknowledges that Soehnlen, Zong or Fujita are cited for the repetitious, redundant, disclosure of the “missing spud features” in Prestenbach. Our Trial Practice Guide suggests that “parties should avoid submitting a repository of all the information that a judge could possibly consider, and instead focus on concise, well-organized, easy-to-follow arguments supported by readily identifiable evidence of record.”

Consolidated Trial Practice Guide November 2019 (“TPG”)⁵ at 39.

1. Grounds 7, 8

In our Decision, we stated:

Petitioner is relying on a combination of three references in each of Grounds 7 and 8. . . . Thus, for Grounds 7 and 8, Petitioner fails to identify, with particularity, how and why the evidence supports a ground of unpatentability based on three references for the challenge to each claim in Grounds 7 and 8, as required by 35 U.S.C. § 312(a)(3).

Dec. 12. We further explained, that the “confusion” in Grounds 7 and 8 is that Grounds 7 and 8 clearly rely on a combination of three references – Prestenbach, Fujita, *and* Soehnlen (Ground 7), and Prestenbach, Zong, *and* Soehnlen (Ground 8) – whereas elsewhere in the Petition Petitioner asserts that Soehnlen, Zong, and Fujita are each alternatives (“Soehnlen, Zong *or* Fujita”).” *Id.* at 12–13. We stated that for Grounds 7 and 8, “Petitioner fails to identify, with particularity, how and why the evidence supports a ground

⁵ Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

of unpatentability based on three references for the challenge to each claim in Grounds 7 and 8, as required by 35 U.S.C. § 312(a)(3).” *Id.* at 13.

In its Request for Rehearing, Petitioner takes specific issue with our statements, as properly understood by Petitioner, that ““there is no analysis or discussion as to how or why Soehnlén *and* Zong would *both* be combined with Prestenbach in Ground 8 or Soehnlén *and* Fujita would *both* be combined with Prestenbach in Ground 7.”” Req. Reh’g. 4. According to Petitioner, “the Board overlooked and misapprehended the parts of the Petition that clearly identify and explain the evidence that the Board found missing.” *Id.* at 4. Petitioner asserts that “[t]he Petition explains how and why Soehnlén *and* Fujita are *both* combined with Prestenbach.” *Id.* We disagree. Indeed, the Request for Rehearing repeats the same inconsistent arguments we found lacking in the Petition.

Petitioner asserts that we “overlooked, and did not apprehend, that the Petition merely *added* Soehnlén to the existing combinations of art for Grounds 3 and 4, respectively. This led to the Board not considering Grounds 3 and 4 when evaluating Grounds 7 and 8.” Req. Reh’g 5 (emphasis added). Petitioner’s speculation is incorrect.

We agree that Ground 3 argued why the challenged claims in Ground 3 would have been obvious based on Prestenbach and Fujita, and that Ground 4 argued why the challenged claims in Ground 4 would have been obvious based on Prestenbach and Zong. We also agree with Petitioner that Grounds 7 and 8 “merely *added* Soehnlén to the existing combinations of art” for Grounds 3 and 4, respectively” (*Id.* (emphasis added)). Thus, to meet Petitioner’s burden of proof, Grounds 7 and 8 needed to explain what each of the proposed combinations of three references contributed to the

asserted unpatentability of the claims challenged in Grounds 7 and 8, and why it would have been obvious to combine selected disclosures from each of the three references. We have not been directed to any persuasive evidence that the Petition met this burden.

As we stated above, the Petition argues that each of Soehnlén, Fujita, and Zong represent *alternative* disclosures of the “spud features” missing from Prestenbach. *See* Pet. 79 (“Petitioner relies on any of Soehnlén, Zong or Fujita to supply the missing spud features of Prestenbach (Grounds 2-4”). Yet, in Grounds 7 and 8, Petitioner asserts Soehnlén and Fujita (Ground 7) and Soehnlén and Zong (Ground 8) as *cumulative* disclosures of the spud features missing from Prestenbach. While Soehnlén is a cumulative reference in Grounds 7 and 8, these Grounds are argued as if Soehnlén is an alternative, or substitute, for Fujita (Ground 7) and Zong (Ground 8). As argued in the Petition, Fujita and Zong play no role in asserted Grounds 7 and 8, respectively.

The Request for Rehearing includes this same inconsistency as to whether Soehnlén and Fujita (Ground 7), and Soehnlén and Zong (Ground 8) are alternative or cumulative. Req. Reh’g. 9 (citing Pet. 68–69). The cited portion from the Petition (Pet. 68–69) includes the following statement: “A POSITA would have easily understood how *to substitute* the spud assemblies of Harada, Fujita or Zong, with the winch system of Soehnlén.” Pet. 69 (emphasis added). Here, the Petition clearly and unequivocally states that, in the context of Grounds 7 and 8, Soehnlén is a “substitute,” an alternative, for Fujita and Zong, respectively, thereby resulting in only two references being asserted. Yet, Petitioner admits that Grounds 7 and 8 each include three references, Prestenbach, Fujita, and Soehnlén (Ground 7) and

Prestenbach, Zong, and Soehnlén (Ground 8). *E.g.*, Req. Reh’g 3 (“The Board correctly identified . . . Ground 7 as the combination of Prestenbach, Fujita *and* Soehnlén The Board also correctly identified . . . Ground 8 as the combination of Prestenbach, Zong *and* Soehnlén (citations omitted)).

Indeed, on the same page of the Request for Rehearing (page 9) where Petitioner asserts Soehnlén is a “substitute” for either Fujita (Ground 7) or Zong (Ground 8), Petitioner also asserts that the discussion in the Petition provides the rationales “for further combining Soehnlén” with the other two references on which Grounds 7 and 8 are based. *See* Req. Reh’g. 9.

Petitioner explains its asserted Grounds 7 and 8 as follows:

Claims 6, 7, 16, and 17 additionally require a *specific type* of spud, namely a winch-type spud with a spud retainer (e.g., a sleeve). Neither the combination of Prestenbach and Fujita (Ground 3) nor Prestenbach and Zong (Ground 4) discloses this feature. Thus, in Ground 7 the Petition further combines Soehnlén, which teaches winch-type spuds, with the combination of Prestenbach and Fujita (i.e., Ground 3), and in Ground 8 the Petition further combines Soehnlén with the combination of Prestenbach and Zong (i.e., Ground 4).

Id. at 7 (citations omitted; all emphases in original text). Petitioner has not directed us to any persuasive argument in the Petition as to how or why the spud of Fujita (Ground 7) or Zong (Ground 8) is modified by Soehnlén. Petitioner’s argument appears to be that the winch-type spud with a spud retainer disclosed in Soehnlén *replaces entirely* the spud disclosed in either Fujita (Ground 7) or Zong (Ground 8). If Soehnlén replaces, or is an alternative to, Fujita or Zong, then neither Fujita nor Zong play any role in the asserted Grounds 7 and 8, which clearly require three references.

Petitioner’s chosen dependency of asserted Grounds 7 and 8 on Grounds 3 and 4, respectively, created the result obtained. In Ground 3, for

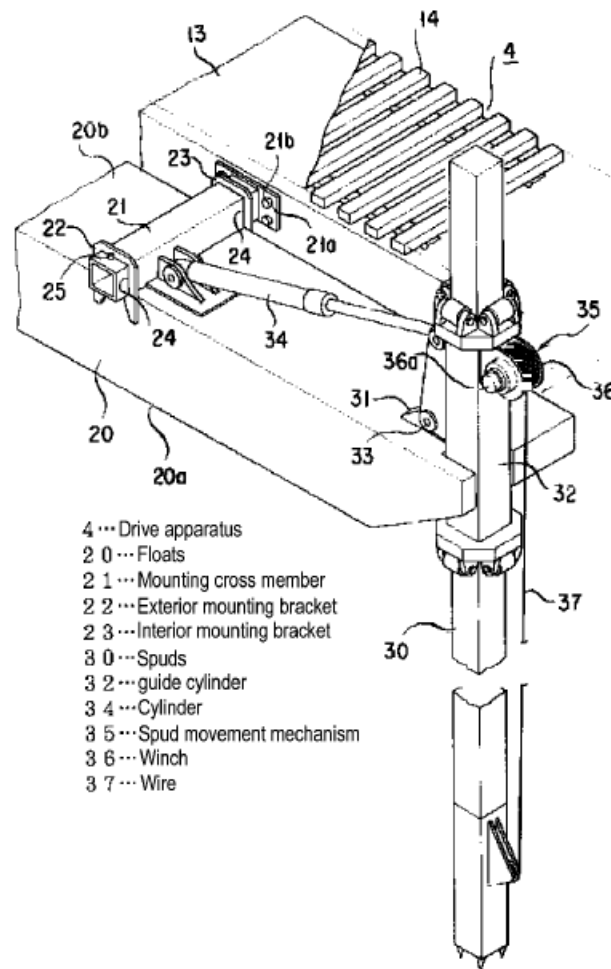
example, we agree that Petitioner asserted how and why Prestenbach would have been modified with Fujita. In Ground 7, which builds on Ground 3, we agree that Petitioner asserted how and why Prestenbach would have been modified by Soehnlén. For Ground 7, however, the Petition fails to explain what contribution Fujita adds to the proposed combination, and why. Having asserted a Ground of unpatentability based upon combining three references, Petitioner's burden is to address the role each of the three references plays in Petitioner's asserted unpatentability. Petitioner failed to meet this burden.

Moreover, the evidence itself does not support Petitioner's argument.

Figure 3 from Fujita, reproduced below, is a perspective view of the "spud attachment part" disclosed in Fujita. Ex. 1007, 6.⁶

⁶ Exhibit 1007 is a certified English translation of a published, unexamined, Japanese patent application. The pages of the translation, including the Translator's Certificate of Translation, are numbered 1–14. Some, but not all, of the text also includes paragraph numbers, such as [0001] (*see e.g.*, Ex. 1007, 3). To facilitate precise citation we will cite to the page number and, when available, also to the paragraph number.

[FIG. 3]



As described in Fujita, spuds 30 are mounted on the front and rear parts of floats 20 so as to enable free vertical and undulating movement. Ex. 1007, 5, ¶ 14. Bracket 31 is secured on the frontward and rearward parts of top surface 20b of floats 20. *Id.* Guide cylinder 32 is attached to bracket 31 with pins 33 so as to enable “swinging freely in a vertical direction.” *Id.* Spuds 30 are inserted into guide cylinder 32 “in a freely sliding manner, permitting spuds 30 to slide against guide cylinder 32 without rotating.” *Id.*

Cylinder 34 is mounted between top surface 20b of floats 20 and guide cylinder 32. *Id.* at 5, ¶ 15. When cylinder 34 extends, guide cylinder

32 is placed in a vertical position. Ex. 1007, 5, ¶ 15. When cylinder 34 contracts, guide cylinder 32 is placed in a horizontal position. *Id.*

Spud movement mechanism 35 is mounted on guide cylinder 32. “For example, *a motor drive type winch 36 can be mounted on the guide cylinder 32, and a cable 37 that is wound and drawn out by the winch 36 can be connected to the tip part of the spuds 30.*” Ex. 1007, 5, ¶ 16 (emphasis added). Using the winch, guide cylinder body 32 is placed in a vertical position. *Id.*

Thus, Petitioners argument that Fujita does not disclose a winch-type spud is not supported by the evidence. *See* Req. Reh’g. 7 (“Claims 6, 7, 16, and 17 additionally require a *specific type* of spud, namely a winch-type spud with a spud retainer (e.g., a sleeve.)”). Neither the combination of Prestenbach and Fujita (Ground 3) nor Prestenbach and Zong (Ground 4) discloses this feature.”) Contrary to Petitioner’s argument, Fujita clearly discloses a winch-type spud (element 36) and spud retainer (element 32).

The clear disclosure in Fujita illustrates the precise issue we identified – when Soehnlen is added to arguably modify Fujita and Prestenbach in Ground 7, how are the references combined, and why. Fujita discloses a winch-type spud (36) and a guide cylinder or “spud retainer” (32). Petitioner acknowledges that a “spud retainer” is simply “a sleeve.” Req. Reh’g. 7 (“ . . . a spud retainer (e.g., a sleeve.)”). Petitioner cites no persuasive evidence or argument in the Petition that answers the question of *how* is Fujita modified with Soehnlen in Ground 7, and *why*.

If Petitioner is merely replacing Fujita with Soehnlen, then Ground 7 is based on two references, not three, because Fujita plays no role in the asserted Ground 7. Petitioner, however, agrees that Ground 7 requires a

contribution from three references, but the Petitions fails to identify with the particularity required by 35 U.S.C. § 312(a)(3) what is being modified in the three references and why.

A similar analysis applies to Ground 8 and Zong.

Figures 1 and 2 from Zong are reproduced below. *See* Ex. 1010, 8, 9.

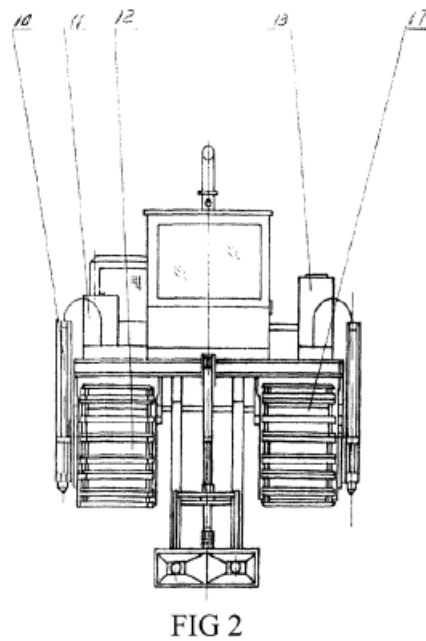
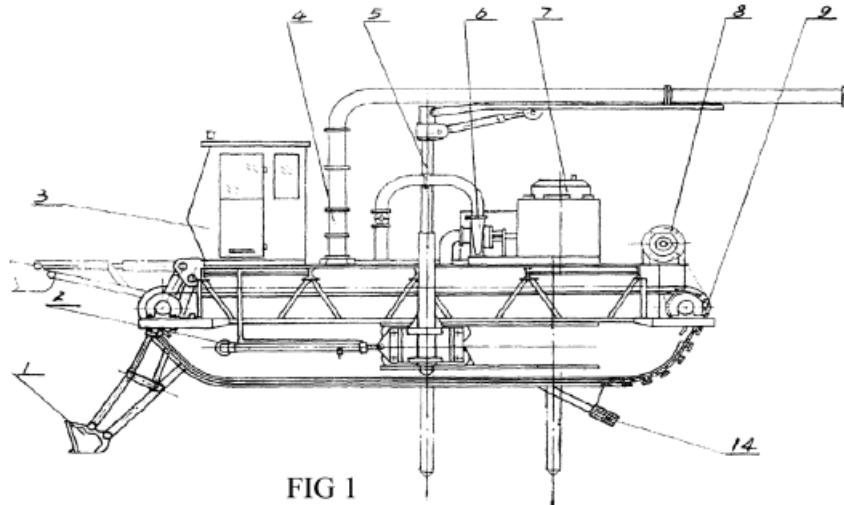


Figure 1 of Zong is a front view of an amphibious irrigation channel excavator. Ex. 1010, 3:5–6. Figure 2 of Zong is a left view of an amphibious irrigation channel excavator. *Id.* at 3:7–8.

As described in Zong, the amphibious excavator includes “positioning spuds” 10. Ex. 1010, 3:17. Positioning-spud moving hydraulic cylinders 2 are mounted on a left side and a right side of platform 15. *Id.* at 17–18. Positioning spud 10 is used to float the amphibious excavator when the water depth exceeds 1 meter, and can be used for positioning when the positioning spud loses an adhesion force. Ex. 1010, 3:18–20. In addition, during extension for positioning, the positioning-spud moving hydraulic cylinders (unnumbered) can be used to drive positioning spuds 10 to move along guide slots (unnumbered) on left pontoon 12 and right pontoon 17, so as to drive the entire amphibious excavator to move forwards or backwards. *Id.* at 3:20–23. When reaching a limited position of the guide slot, the positioning spud is pulled up, extends downwards after being reset without being loaded along the guide slot, and is then driven again. *Id.* at 3:23–25. By means of cyclic operations, the amphibious excavator is driven to move forward to compensate for the insufficient driving force provided by “stokes” of track paddles. *Id.* at 3:25–26. Thus, spuds 10 perform a dual function of fixing the amphibious vehicle in place or assisting with propulsion. They perform these functions by means of hydraulic drive cylinders and guide slots.

For Ground 8, the Petition does not identify what components of Zong are being replaced with components of Soehnlén, and why. If Petitioner is merely replacing Zong with Soehnlén, then Ground 8 is based on two references, not three, because Zong plays no role in the asserted Ground 8.

Petitioner, however, agrees that Ground 8 requires a contribution from three references, but the Petitions fails to identify with the particularity required by 35 U.S.C. § 312(a)(3) what is being modified in the three references and why.

Grounds 7 and 8 clearly assert unpatentability based on three references. Petitioner has not established that we overlooked or misapprehended any evidence or argument in the Petition how and why the evidence supports unpatentability based on three references for the challenge to each claim in Grounds 7 and 8, as required by 35 U.S.C. § 312(a)(3).

2. *Grounds 11 and 12*

Grounds 11 and 12 are identical to Grounds 7 and 8, respectively, except Grounds 11 and 12 further add a fourth reference, Kissick, to the three references in each of Grounds 7 and 8. Req. Reh’g. 5 (“for Grounds 11 and 12, the Petition merely added Kissick to the combination of references from Grounds 7 and 8 (discussed above), respectively.”). Petitioner asserts that “when analyzing Grounds 11 and 12 the Board did not consider the evidence and analysis provided for Grounds 7 and 8, which as discussed above were based in-part on the evidence and analysis of Grounds 3 and 4.” *Id.* Because Grounds 11 and 12 build on Grounds 7 and 8, they include the same infirmities discussed that infect claims 7 and 8.

3. *Conclusion as to Compliance
with 35 U.S.C. § 312(a)(3)
for Grounds 7, 8, 11, and 12*

Based on the analysis above, Petitioner has not established that we abused our discretion, or misapprehended or overlooked any evidence or controlling authority, in determining that the Petition fails to identify with

particularity what disclosure of the cited references is relied on for Grounds 7, 8, 11, and 12, how the disclosures would have been combined with the other disclosures, and why the proposed combination of references would have been obvious to a person of ordinary skill in the relevant technology

B. Discretionary Denial

Petitioner's second basis of an asserted abuse of our discretion is that "the Board clearly erred by failing to follow the PTAB's published guidance, whereby pursuant to *SAS Institute* the Board *considers the number of claims and grounds that meet the reasonable likelihood standard* when deciding whether to institute *inter partes* review." Req. Reh'g 2 (emphasis added); *id.* at 13 ("The Board Committed Clear Error by Denying the Petition Based Solely on Perceived Defects with *Four Minor Grounds*." (heading III.B) (emphasis added)). Petitioner further states the Board denied the Petition "based on a perceived defect with four out of twenty grounds, which address only four out of a total of eighteen challenged claims. The Board did not consider the merits of the other grounds or weigh them against the minority of grounds the Board took issue with." *Id.* at 14.

The Board determines whether to institute a trial on behalf of the Director. 37 C.F.R. § 42.4(a). The Director "possesses broad discretion in deciding whether to institute review." *Saint Regis Mohawk Tribe v. Mylan Pharm. Inc.*, 896 F.3d 1322, 1327 (Fed. Cir. 2018), *cert. denied*, 139 S. Ct. 1547 (2019) (citing *Oil States Energy Services v. Greene's Energy Group, LLC*, 138 S. Ct. 1365, 1371 (2018)); *see also 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."); *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.”). “If the Director decides not to institute, *for whatever reason*, there is no review. In making this decision, the Director has *complete discretion* to decide not to institute review.” *Saint Regis Mohawk Tribe*, 896 F.3d at 1327 (emphases added). “The Director bears the political responsibility of determining which cases should proceed. While he has the authority not to institute review on the merits of the petition, he could deny review for other reasons such as administrative efficiency” *Id.*

In accordance with the binding authority in *SAS* and from the Federal Circuit (cited above), the Board “will institute [an *inter partes* review] on all challenges raised in the petition or not institute at all (i.e., it will be a binary decision).” Ex. 3003, 1 (response to question A1) ⁷; *see also* Ex. 3004, 1 (The PTO’s “Guidance on the impact of SAS on AIA trial proceedings,” ⁸ stating “As required by the [*SAS*] decision, the PTAB will institute as to all claims or none. If the PTAB institutes a trial, the PTAB will institute on all challenges raised in the petition.”).

⁷ Exhibit 3003 is the “*SAS* Q&As” published by the Patent and Trademark Office, available at https://www.uspto.gov/sites/default/files/documents/sas_qas_20180605.pdf.

⁸ Available at <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials/guidance-impact-sas-aia-trial> (Apr. 27, 2018; modified Sep. 21, 2020). The PTO recently revised its rules of practice for instituting *inter partes* or post-grant reviews to require institution on either all challenged claims, and all of the asserted grounds, presented in a petition or none. *See* 85 FR 79120–79129 (amending, among other rules, 37 C.F.R. § 108). The amended Rule 108 applies to IPR petitions filed on or after January 8, 2021. *Id.* Thus, the petition in the proceeding before us, filed on December 23, 2019 (Paper 3), is governed by the cited Policy Guidance.

In the context of an *inter partes* review, the Director’s discretion is informed by 35 U.S.C. § 316(b), which requires the Director to “consider the effect . . . on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings.” 35 U.S.C. § 316(b); *see also* TPG at 58 (stating there may be reasons where 35 U.S.C. § 316(b) “favors denying a petition even though some claims meet the threshold standards for institution” under 35 U.S.C. § 314(a)).

In exercising our discretion on behalf of the Director to deny a Petition, “the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *See, e.g., Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, 6 (PTAB Mar. 20, 2020) (Precedential). *Apple v. Fintiv* was decided in the context of evaluating the factors related to a co-pending parallel district court proceeding. The same holistic view applies equally to situations where some claims meet the requirements for instituting a trial and some do not. While we *consider* the number of claims that fail to meet the statutory and other requirements to institute an *inter partes* review, as well as the number of claims that meet these requirements, there is no fixed threshold or ratio of claims that meet the requirements compared to those that do not meet the requirements that controls our determination, as suggested by Petitioner (*see* Req. Reh’g 2. The Patent and Trademark Office addressed this issue in its “SAS Q&As”, which stated:

D3. Q: Will the Board institute a petition based on the percentage of claims and grounds that meet the reasonable likelihood standard, e.g., 50%?

A: No. The Board does not contemplate a fixed threshold for a sufficient number of challenges for which it will institute. Instead, the panel will evaluate the challenges and determine whether, in the interests of efficient administration of the Office and integrity of the patent system (see 35 USC § 316(b)), the entire petition should be denied under 35 USC § 314(a).

Ex. 3003, 8.

As explained in our TPG,

If a panel determines that a petition meets the standards for institution in relation to fewer than all the challenges presented, or where deficiencies in the petition (such as a failure to provide a construction under 35 U.S.C. § 112(f)) affect only a portion of the challenges presented, the panel will evaluate all the challenges and determine whether, in the interests of efficient administration of the Office and integrity of the patent system, the entire petition should be denied.

TPG, 64. Where no trial is instituted, a decision to that effect will be provided, as was done in this proceeding. “The Board expects that the decision will contain a short statement as to why the standards were not met, although this may not be necessary in all cases.” *Id.* at 64–65.

In our Decision, we provided a short statement that “[t]he lack of particularity [concerning Grounds 7, 8, 11, and 12] infects the proceeding sufficiently that we do not institute an *inter partes* review.” Dec. 16–17.

Adaptics Ltd. v. Perfect Co., IPR2018-01596, Paper 20 (PTAB March 6, 2019) (Informative) considered discretionary denial of a an IPR petition under 35 U.S.C § 314(a) based on a failure to identify grounds with particularity under 35 U.S.C § 312(a)(3). In *Adaptics*, the Board stated:

[t]he statutory requirement for particularity in a petition for IPR takes on heightened importance when considered in conjunction with *SAS*’s ‘all-or-nothing’ approach. Because the Board’s practice, in light of *SAS*, is to institute on all grounds asserted in

a petition, the Board may consider whether a lack of particularly as to *one or more* of the asserted grounds justifies denial of an entire petition.

Id. at 17 (emphasis added).

In *Chevron Oronite Co. v. Infineum USA L.P.*, IPR2018-00923, Paper 9 at 10 (PTAB Nov. 7, 2018) (Informative), the Board determined that even when a petitioner demonstrates a reasonable likelihood of prevailing with respect to one or more claims, “institution of review remains discretionary.” (citations omitted). *Oronite* also stated that Office Guidance “explains that the Board *may consider* the number of claims and grounds that meet the reasonable likelihood standard when deciding whether to institute *inter partes* review under 35 U.S.C. § 314(a).” *Id.* at 19–11 (emphasis added) (citing *SAS* Q&As, part D [*see* Ex. 3003, 8 in the proceeding before us]).

Petitioner asserts that because the Board “denied the Petition based on a perceived defect with four out of twenty grounds, which address only four out of a total of eighteen challenged claims” we abused our discretion. Req. Reh’g. 14. Petitioner also asserts that Grounds 7, 8, 11, and 12 are “Four Minor Grounds” and these minor grounds should not infect the entirety of this proceeding. *Id.* at 13 (Heading III.B).

As stated in our Decision, the lack of particularity in Grounds 7, 8, 11, and 12 infected the entire proceeding justifying denial of institution of an *inter partes* review. We disagree with Petitioner’s suggestion that our institution determination merely weighs whether there are more grounds or claims justifying determination than not. *See* Ex. 3003, 8.

Petitioner’s asserted reason for an admitted proliferation of repetitive grounds is that although Petitioner “proposes 20 grounds, the analysis can be grouped into five simple categories” Pet. 79. Petitioner also states that the

arguments for relying on any of Soehnlén, Zong or Fujita to supply the missing spud features of Prestenbach (Grounds 2-4) “are essentially the same, and therefore do not require multiple, separate analyses by the Board.” *Id.*

Petitioner’s concession is contrary to the requirements in *SAS*, which holds that “it’s the petitioner, not the Director, who gets to define the contours of the proceeding.” *SAS*, 138 S. Ct. at 1355. Here, Petitioner chose to define the contours of this proceeding by presenting 20 separate, distinct, and admittedly repetitious grounds that both the Board, and Patent Owner, would need to address. This does not promote the efficient administration of the Office or of this proceeding. As stated in *Adaptics*, the Board may consider whether a lack of particularly “as to one or more of the asserted grounds justifies denial of an entire petition.” *Adaptics*, IPR2018-01596, Paper 20 at 17. Here, we made the determination authorized in *Adaptics* that the lack of particularity in the Petition justified denial of the entire Petition.

Based on our analysis above, we determine that there was no abuse of discretion, nor did we overlook or misapprehend any evidence or controlling authority, in denying institution of an *inter partes* review.

III. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Petitioner’s Request for Rehearing is denied.

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