

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NEENAH, INC. AND AVERY PRODUCTS CORPORATION,
Petitioner,

v.

JODI A. SCHWENDIMANN, f/k/a JODI A. DALVEY,
and NUCOAT, INC.,
Patent Owner.

Case IPR2020-00636
Patent 7,771,554 B2

Before JEFFREY W. ABRAHAM, MICHELLE N. ANKENBRAND, and
AVELYN M. ROSS, *Administrative Patent Judges*.

ANKENBRAND, *Administrative Patent Judge*.

DECISION

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

I. INTRODUCTION

On October 15, 2020, Neenah, Inc. and Avery Products Corporation (collectively, “Petitioner”) filed a Request for Rehearing (Paper 11, “Rehearing Request” or “Reh’g Req.”) of our Decision denying institution of an *inter partes* review (Paper 10, “Decision” or “Dec.”) of claims 1–14 of U.S. Patent No. 7,771,554 B2 (“the ’554 patent,” Ex. 1006). In the Decision, we determined that Petitioner failed to establish a reasonable likelihood that it would prevail on any of the four asserted grounds. *See generally* Dec. Petitioner requests rehearing of our Decision as to two of the asserted grounds: (1) Ground 3 challenging claims 1–14 as having been obvious over Oez-US¹ and Oez-PCT,² and (2) Ground 4 challenging claims 1–14 as having been obvious over Kronzer³ and Oez-US.

We deny the Rehearing Request for the reasons set forth below.

II. ANALYSIS

When considering a request for rehearing from a decision whether to institute a petition, the Board reviews its decision for an abuse of discretion. 37 C.F.R. § 42.71(c). The party requesting rehearing bears the burden of showing that the decision should be modified, and “[t]he request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed” in the Petition. 37 C.F.R. § 42.71(d).

¹ U.S. Patent No. 5,665,476, issued Sept. 9, 1997 (Ex. 1013).

² WO 97/41489, published Nov. 6, 1997 (Ex. 1016).

³ U.S. Patent No. 5,798,179, issued Aug. 25, 1998 (Ex. 1018).

A. *Ground 3 – Oez-US and Oez-PCT*

Petitioner argues that our Decision as to Ground 3 “misapplied the law on obviousness and overlooked or misapprehended” the rationale to combine set forth in the Petition. Reh’g Req. 4 (emphasis omitted). We address these arguments in turn.

Petitioner first appears to assert that we misapplied the law on obviousness because we required “an explicit ‘teaching, suggestion, or motivation,’” which is not necessary to demonstrate obviousness.” *Id.* at 4–5 (quoting *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 407, 415–22 (2007)). Petitioner, however, does not point to anything in our decision that required Petitioner to provide a teaching, suggestion, or motivation to combine from the prior art. *See id.* Rather, consistent with *KSR*, we required Petitioner to provide an articulated reasoning with a rational underpinning to support the conclusion of obviousness. *See, e.g.*, Dec. 21. And we determined that Petitioner’s reason to combine discussion was insufficient. *Id.* at 21, 21–22.

Petitioner next asserts that “combining the teachings of Oez-PCT and Oez-US would have required nothing more than common sense” because both references are directed to substantially the same transfer sheet and address the same problem related to transferring images onto dark fabrics. Reh’g Req. 5. Thus, continues Petitioner, a person of ordinary skill in the art “implementing Oez-PCT would have naturally looked to Oez-US, which provides further details on the amount of white pigment to include in the transfer sheet and how to use the transfer sheet to transfer an image onto a fabric.” *Id.* at 5–6 (citing Pet. 50–53).

Initially, we note that Petitioner did not raise a common sense argument in the Petition. Rather, as we highlighted in the Decision, Petitioner’s entire reason to combine argument was:

Not only are Oez-PCT and Oez-US authored by the same inventor, but also both are specifically directed to image transfer sheets with white layers for improving the quality of image transfer onto dark fabrics. Accordingly, a [person of ordinary skill in the art] would have been motivated to combine the teachings of Oez-PCT and Oez-US, such as to use the transfer sheet application process taught by Oez-US.

Dec. 21 (quoting Pet. 48–49 (section titled “Introduction [to Oez-PCT] and Motivation to Combine”)). The Petition did not contain any other reason to combine discussion for this particular ground. Petitioner’s Rehearing Request, however, directs us to additional portions of the Petition that Petitioner *now* contends we should have considered as supporting its argument for reason to combine. Req. 6–7. Here, Petitioner’s post hoc attempt to cobble together a reason to combine discussion does not persuade us that that we overlooked or misapprehended any rationale to combine set forth in the Petition.

Petitioner further argues that “a motivation to combine prior art reference may be found in the nature of the problem to be solved” and provides additional argument as to how Oez-PCT and Oez-US allegedly teach “the same technique for solving the exact same problem in the art.” *Id.* at 7–8 (citing Pet. 5–7, 23, 49–50). As with Petitioner’s other arguments, however, this argument did not appear in the Petition. We could not have overlooked or misapprehended an argument presented for the first time on rehearing.

B. Ground 4 – Kronzer and Oez-US

Petitioner argues that our Decision misapprehended its obviousness combination involving Kronzer and Oez-US. Reh’g Req. 9–15. Specifically, Petitioner points to our statement that the Petition “fails to show sufficiently how Oez-US discloses a white layer that melts and mixes

with another layer.” Reh’g Req. 9 (quoting Dec. 23) (emphasis omitted). Petitioner contends that, unlike in one of its other grounds that relied on Oez-US as disclosing a white layer that melts and mixes with another layer, this particular ground proposes adding Oez-US’s white pigment into one of the layers in Kronzer’s transfer sheet. *Id.* at 10. In other words, Petitioner contends that the Kronzer and Oez-US ground “relies on Oez-US only for its teaching that a white pigment can be added into a transfer sheet layer—not for any of the specific layers that are used in Oez-US’ transfer sheets.” *Id.*; *see id.* at 11–13. Petitioner further points to three other related institution decisions as “correctly recogniz[ing] that [its ground] was based on incorporating white pigment into Kronzer’s transfer sheet layer(s).” *Id.* at 13–14 (citing IPR2020-00628, Paper 10 at 32; IPR2020-00629, Paper 10 at 19; IPR2020-00634, Paper 13 at 33).

We do not agree that we misapprehended Petitioner’s obviousness argument, but even if we did, the Petition does not establish a reasonable likelihood that Petitioner will prevail on its asserted ground. First, as to this particular ground, the Petition is not a model of clarity. For example, as Petitioner explained in the Petition, the challenged claims do not recite the term “white layer.” Pet. 20; *see* Ex. 1006, 11:20–12:62 (’554 patent claims). Petitioner and Patent Owner, however, agreed that all of the challenged claims include a “white layer.” *Id.*; Paper 8, 13–14 (Patent Owner’s Preliminary Response). We construed “white layer” to require, *inter alia*, “a layer comprising a concentration or configuration of pigment providing a white background for received indicia and which further comprises a polymer that melts and mixes with another layer or layers during application.” Dec. 10–11.

In the Petition, Petitioner read the “white layer” into two limitations of independent claim 1: (1) limitation [A2] “a titanium oxide or other white or luminescent pigment,” and (2) limitation [A6] “the titanium oxide or other white or luminescent pigment present in a concentration and configurations sufficient to provide an opaque background for indicia received by the ink receptive portion.” Pet. 12 (Petitioner’s numbering of claim 1’s elements from [Pre] through [A6]), 29–32 (Petitioner’s arguments as to how Oez-US and another reference teach limitations 1[A2] and 1[A6], in which Petitioner discusses the requirement that the polymer melts and mixes with another layer or layers during application). For the ground based on Kronzer and Oez-US, Petitioner argued that “Kronzer in view of Oez-US teaches 1[A2]” and that “Kronzer in view of Oez-US teaches 1[A6].” *Id.* at 62, 64. For its substantive argument, however, Petitioner referred back to the section of the Petition in which Petitioner argued that Oez-US discloses the “white layer.” *See id.* (referring to Pet. § VII.A.2.d, which describes Oez-US and another reference as disclosing the melt and mix requirement of the white layer). Thus, it was not clear from the Petition which reference Petitioner was relying on to teach the “white layer” that melts and mixes with another layer.

Even if we agree with Petitioner that we misapprehended or overlooked that the Petition relies on Kronzer as teaching the layers and Oez-US as teaching only the white pigment, the Petition does not discuss how the combined teachings of Kronzer and Oez-US disclose a white layer that melts and mixes with another layer or layers. As we explained in the Decision, although Petitioner asserted that Kronzer teaches the melting temperatures of various polymers used in its layers and discloses examples of applying heat transfer sheets to fabrics with an iron set at about 163°–177° C, that general statement failed “to explain sufficiently how a white

layer of the asserted Kronzer and Oez-US combination would melt with another layer.” Dec. 23–24. Further to that point, we note that the Petition in this case does not contain an analysis in the Kronzer and Oez-US ground that discusses the melt and mix requirement, unlike the Petitions in the related cases Petitioner cites in its Rehearing Request. *Compare* Pet. 59–70, specifically 62, 64, *with e.g.*, IPR2020-00634, Paper 2 at 71–72 (Petitioner explaining how “Kronzer and Oez-US further teach the ‘melt and mix’ requirement”). Petitioner appears to acknowledge as much in the Rehearing Request, arguing that its Kronzer and Oez-US ground in this case demonstrates that layers in contact with one another will melt and mix, but citing only to the portions of the Petition addressing how Oez-US and another reference allegedly disclose the “melt and mix” requirement. Reh’g Req. 15 (citing Pet. 31 and § VII.A.2.d; Ex. 1020 ¶¶ 112–115, 38–60). We could not have overlooked or misapprehended an argument about Kronzer and Oez-US disclosing the melt and mix requirement because Petitioner did not make such an argument in the Petition. Accordingly, Petitioner does not persuade us that we abused our discretion in denying to institute an *inter partes* review.

III. ORDER

It is:

ORDERED that the Petitioner’s Request for Rehearing is *denied*.

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