

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ATLAS COPCO TOOLS AND ASSEMBLY SYSTEMS LLC,
Petitioner,

v.

WILDCAT LICENSING WI LLC,
Patent Owner.

IPR2020-00892
Patent RE47,232 E

Before LYNNE H. BROWNE, HYUN J. JUNG, and JAMES A. TARTAL,
Administrative Patent Judges.

JUNG, *Administrative Patent Judge.*

DECISION

Denying Patent Owner's Request for Rehearing of
Decision Granting Institution of *Inter Partes* Review
37 C.F.R. § 42.71(d)

I. INTRODUCTION

A. Background and Summary

Atlas Copco Tools and Assembly Systems LLC, General Motors LLC, Faurecia Automotive Seating, LLC, and Magna International Inc. (collectively, "Petitioner") filed a Petition (Paper 1, "Pet.") requesting

institution of an *inter partes* review of claims 26–49 of U.S. Patent No. RE47,232 E (Ex. 1001, “the ’232 patent”). Petitioner challenged these claims under 35 U.S.C. § 103 with a set of grounds based on IBM¹ and another set of grounds based on Gass.² Wildcat Licensing WI LLC (“Patent Owner”) filed a Preliminary Response (Paper 9, “Prelim. Resp.”).

We issued a Decision Granting Institution of *Inter Partes* Review. Paper 11 (“Decision” or “Dec.”). Patent Owner filed a Request for Rehearing Pursuant to 37 C.F.R. § 42.71(d). Paper 13 (“Req. Reh’g”). For the reasons set forth below, Patent Owner’s rehearing request is *denied*.

II. ANALYSIS

A. Legal Standards

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 discretion may arise if the decision is based on an erroneous interpretation of law, if substantial evidence does not support a factual finding, 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).

Also, 37 C.F.R. § 42.71(d) sets forth, in relevant part that:

A party dissatisfied with a decision may file a single request for rehearing without prior authorization from the Board. The burden of showing a decision should be modified lies with the party challenging the decision. The request must specifically

¹ Three Dimensional Tooling Position Sensing, IBM Technical Disclosure Bulletin, vol. 36, no. 12, December 1993, pp. 81–82. Ex. 1003.

² WO 00/17719, published Mar. 30, 2000. Exs. 1004, 1005.

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.

See also Req. Reh’g 5 (quoting, in part, 37 C.F.R. § 42.71(d)).

B. Whether IBM Teaches Measuring Torque

Patent Owner argues that the Decision overlooked or misapprehended that Petitioner failed to establish a reasonable likelihood that the Hall effect sensor of IBM can measure torque or be modified to measure torque. Req. Reh’g 3, 5–6 (citing Pet. 35–36; Prelim. Resp. 26–36). According to Patent Owner, Petitioner’s arguments for the Hall effect sensor are conclusory and lack evidentiary support. *Id.* at 6–7 (citing Prelim. Resp. 26–38). Patent Owner also argues that Petitioner has the burden to show that IBM measures torque and Patent Owner has no burden to show that IBM does not. *Id.* at 7.

As we determined in the Decision, Petitioner showed a reasonable likelihood of prevailing with respect to at least one of the challenged claims in its challenges based on IBM. Petitioner argued that “*IBM’s* ‘[H]all effect sensor’ indicates tool ‘TORQUE’ to *IBM’s* controller 6 so that *IBM’s* controller requires *IBM’s* tool to achieve the ‘set torque’ at each **fastening location** in the ‘correct process sequence.’” Pet. 35 (citing Ex. 1003, 81–82). Petitioner also argued that IBM teaches that an operator “must also wait for the *set torque to be achieved* on each screw before moving onto the next screw.” *Id.* at 38 (citing Ex. 1003, 82) (emphases added). Petitioner’s declarant opined that “*IBM’s* microcontroller 6 measures the applied torque with ‘a [H]all effect sensor.’” Ex. 1002 ¶ 111 (citing Ex. 1003, 81–82).

Petitioner’s arguments and declarant testimony found support in the preliminary record. As quoted in the Decision, IBM itself states that “controller circuit 6 . . . sense[s] when correct torque is achieved by linking

into a [H]all effect sensor in the driver 11.” Dec. 19 (quoting Ex. 1003, 82). As discussed in the Decision, IBM also states that that “[t]he problem is to ensure that four screws 5 fixing two product parts 3 & 4 together are *tightened to a specific torque* in a specific sequence.” Dec. 19–20 (quoting from Ex. 1003, 82) (emphasis added); *see also* Ex. 1002 ¶¶ 52–53 (asserting what IBM teaches). Also, the only figure of IBM shows “TORQUE” being sent to controller circuit 6. Ex. 1003, 81; *see also* Ex. 1002 ¶ 108 (“*IBM* diagrammatically illustrates the tool’s sensed ‘TORQUE’ as a signal input being received by *IBM*’s microcontroller 6 from the torque-sensing ‘[H]all effect sensor in the driver 11’ ([Ex. 1003] p. 82).”). Thus, Petitioner’s arguments, Petitioner’s declarant testimony, and IBM itself sufficiently showed at the preliminary stage that IBM senses or measures correct torque by linking into a Hall effect sensor in driver 11. Pet. 35–36; Ex. 1002 ¶¶ 52–53, 108; Ex. 1003, 82.

Further, Patent Owner’s arguments for IBM raised a factual question regarding what IBM teaches or suggests to one of ordinary skill in the art, and such issues are best decided on a full record. *See* Prelim. Resp. 26–49. We agree that Patent Owner does not have a burden to show IBM does not measure torque; however, for purposes of institution, Petitioner sufficiently showed that IBM senses or measures torque.

Patent Owner also argues that the Decision overlooked or misapprehended Patent Owner’s evidence that Hall effect sensors cannot measure torque. Req. Reh’g 7 (citing Prelim. Resp. 39–46). Patent Owner provided evidence of known drivers, some with Hall effect sensors. Prelim. Resp. 39–46 (describing Exs. 2001–2008). As discussed in the Decision, Patent Owner’s preliminary evidence showed known drivers that could be like the driver of IBM. *See* Dec. 20–21 (discussing Exs. 2001–2008).

Exhibits 2001–2008, however, did not discuss either the driver or the Hall effect sensor of IBM. After considering the arguments and evidence in the preliminary record, for the reasons discussed in the Decision, we were satisfied that Petitioner sufficiently showed for institution that IBM senses when a specific torque is achieved by linking to a Hall effect sensor in driver 11.

C. Whether the Board Shifted the Burden

Patent Owner argues that the Petition should have been denied because IBM’s Hall effect sensor does not measure torque and the Decision should not have invited Petitioner to develop the evidence during trial. Req. Reh’g 8 (citing Dec. 20).

As discussed above and in the Decision, we determined that the preliminary record sufficiently showed a reasonable likelihood that Petitioner would prevail with respect to at least one of the challenged claims in the challenges based on IBM. Dec. 17, 23, 25. Also, as discussed above and in the Decision, Petitioner has presented sufficient argument and evidence that IBM senses torque, but the Decision identified an issue that would benefit from further development at trial. Dec. 20 (“Patent Owner’s arguments . . . may have merit if the evidence developed at trial supports that IBM’s controller does not receive any measured torque value.”). To be clear, Petitioner has the burden to prove unpatentability of the challenged claims, and Patent Owner is under no affirmative obligation to disprove any element of Petitioner’s case.

Patent Owner also argues that the Decision shifted the burden by faulting Patent Owner for not presenting clear or convincing evidence that the Hall effect sensor of IBM does not measure torque. Req. Reh’g 8–9 (citing Dec. 21). As discussed in the Decision, Patent Owner’s preliminary

evidence showed known drivers that may be like the driver of IBM. *See* Dec. 20–21 (discussing Exs. 2001–2008). Exhibits 2001–2008, however, discussed neither the driver nor the Hall effect sensor of IBM. Thus, at the preliminary stage, they did not show that Petitioner’s arguments and evidence that IBM senses or measures torque were insufficient for institution.

As discussed in the Decision, Petitioner’s argument and evidence sufficiently showed a reasonable likelihood that Petitioner would prevail with respect to the challenges based on IBM. *See* Dec. 19–20, 23. Also, as discussed in the Decision, we analyzed Petitioner’s arguments and evidence in view of Patent Owner’s preliminary arguments and evidence to determine Petitioner satisfied its requirements for instituting review. *See id.* at 20. By determining Petitioner presented sufficient argument and evidence for instituting review, the Decision could not have and did not shift the burden to Patent Owner.

D. Whether the Decision Injected a New Theory.

Patent Owner argues that the Decision injected a new theory of nonobviousness that was not presented in the Petition. Req. Reh’g 9. Patent Owner contends that Petitioner combines IBM and Gass for limitations other than those related to measuring torque and comparing the measured torque to torque values stored in the memory of an electronic controller, but the Decision noted that Gass shows that the claimed measuring and comparing steps were known in the art and it was within ordinary skill to include such steps. *Id.* at 10 (citing Dec. 20, 23–24).

Petitioner proposed applying IBM to Stimpson.³ As discussed in the Decision, Stimpson teaches that “[w]hen assembling the cylinder head to the cylinder block, . . . it is *critical* that each of the head bolts or nuts, as the case may be, be *tightened to a specified torque setting* in the proper sequence.” Ex. 1006, 1:21–26 (emphases added). The preliminary record indicated that Petitioner showed a reasonable likelihood of prevailing on its challenges based on the proposed combination of IBM and Stimpson. Dec. 20 (citing Pet. 34–35).

We additionally noted that, supporting Petitioner’s position, Gass indicates measuring torque and comparing the measured torque to a stored value before moving to another bolt was known in the art. Dec. 20 (citing Pet. 42–50; Ex. 1005 ¶¶ 3, 23, 43, 46). Petitioner proposed several combinations that include Gass. *See* Pet. 42–50, 60–78. Petitioner, in particular, proposed combining, at least, IBM, Stimpson, and Gass against the same challenged claims. *See id.* at 42–50. The Decision did not add a reference, another proposed combination, or additional challenge not already present in the Petition. The Decision noted support for Petitioner’s reason for combining IBM and Stimpson found in a reference later combined with IBM and Stimpson in the Petition. *See* Dec. 20. Identifying additional support in the record for a presented theory of obviousness does not and could not have added a new theory of obviousness. *See* Pet. 42–50; Dec. 20.

Our observation regarding what is evidenced in a reference combined with IBM and Stimpson against the same challenged claims is notice to Patent Owner of evidence of an issue to be resolved at trial so that Patent Owner may address the evidence, if it so chooses.

³ US 5,415,418, issued May 16, 1995. Ex. 1006.

E. Whether the Decision Overlooked or Misapprehended Petitioner's Arguments Regarding Gass and "Single Process Site"

Patent Owner argues that the Decision overlooked or misapprehended that a prior Board decision identified several deficiencies with Gass and Petitioner relied on the same reference without showing that the Office materially erred. Req. Reh'g 11 (citing Pet. 65, 69–70, 77; Prelim. Resp. 1–3, 23, 50, 54–56; Dec. 28). Patent Owner contends that Petitioner failed to show how Gass satisfies a “single process site” and an “intra-site fastening sequence” and did not address Gass’s teaching that the operator can implement a process in any sequence. *Id.* at 12 (citing Prelim. Resp. 20–21, 23; Ex. 1018, 14–15).

As summarized in the Decision, Petitioner combines Gass with Stimpson or Fredrick. Pet. 65–78; Dec. 25. According to Petitioner, a prior Board decision reversed a rejection “because *Gass* lacked a ‘single process site,’” and “*Stimpson* cures this sole deficiency.” Pet. 65 (citing Ex. 1031, 4). Petitioner also argues with citations to the references that “[i]t was obvious to use *Gass*’s forced-sequence system to sequentially fasten *Stimpson*’s bolts 12 to *Stimpson*’s engine components for the same reasons as in” the challenges based on IBM. *Id.* at 66. Petitioner relied on Gass combined with Stimpson (as well as Fredrick), not Gass alone, to satisfy the “single process site” and “intra-site fastening sequence” limitations. *Id.* We determined that Petitioner’s contentions and rationale for proposed combinations based on Gass were sufficient for institution. Dec. 29 (citing Pet. 65–78).

By proposing a combination of Gass with another reference that is asserted to cure a deficiency previously identified by the Office, Petitioner sufficiently addressed the deficiencies of Gass and did not need to go on to

show that the Office erred in identifying those same deficiencies. Also, Patent Owner's arguments addressed only what Gass failed to teach according to the prior Board decision, not what the proposed combinations of Gass with Stimpson or Fredrick might fail to teach. Prelim. Resp. 1–7, 23, 49–69.

The Decision also considered the prior Board decision regarding a rejection based on Gass. Dec. 30 (discussing Ex. 1018). As discussed above and in the Decision, the preliminary record did not indicate that Gass teaches away from the challenged claims. Thus, we do not agree that the Decision overlooked or misapprehended the prior Board decision regarding the rejection based on Gass and overlooked or misapprehended that Petitioner did not establish a reasonable likelihood of prevailing on its challenges based on Gass.

F. Whether the Decision Improperly Addresses the Petition's Deficiencies

Patent Owner argues that “the Decision improperly addressed *sua sponte* issues that Petitioners . . . had the burden to, but did not, address,” such as Gass teaching away from the “intra-site fastening sequence” of the challenged claims. Req. Reh'g 12–13 (citing Prelim. Resp. 23; Dec. 28, 30).

As discussed in the Decision, the Board decision cited by Patent Owner did not show that Gass has been determined to teach away from the challenged claims. Dec. 30 (citing Ex. 1032, 14–15); *see also* Prelim. Resp. 66 (citing Ex. 1032, 16). Because the preliminary record indicated that Gass has not yet been shown to teach away from “intra-site fastening sequence,” Petitioner did not have to address this asserted teaching away.

Further, because the preliminary record did not show Gass teaches away from the challenged claims in the manner argued by Patent Owner, the

Decision could not have addressed a teaching away issue on behalf of Petitioner.

However, possibly relevant to the teaching away issue identified by Patent Owner, we noted that Gass explicitly describes that its “system is always able to keep track of whether the process tool has been guided to the correct process site, also in the correct sequence, where several process sites are concerned.” Dec. 30 (quoting Ex. 1005 ¶ 15). Gass, thus, indicates that it is capable of tracking a tool that has been guided in the correct sequence among several process sites. *See* Ex. 1005 ¶ 15. This observation is notice to Patent Owner of evidence of an issue to be resolved at trial so that Patent Owner may address the evidence, if it so chooses.

G. Whether the Decision Conflated the Separate Requirements of Advanced Bionics

Patent Owner argues that the Decision misapprehended *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 7–11 (PTAB. Feb. 13, 2020) (Decision Denying Institution) (precedential). Req. Reh’g 13–15 (citing Prelim. Resp. 54–64; Dec. 27). Specifically, Petitioner contends that the Decision “conflates or overlooks the two separate requirements in the first part of *Advanced Bionics*’ framework (art *or* arguments)” because we concluded “only that ‘Petitioner’s arguments were not previously presented to the Office.’” *Id.* at 14. However, even assuming arguendo, that substantially the same art was previously presented to the Office, the record and Petitioner sufficiently show that the Examiner materially erred for the reasons discussed in the Board decision reversing the rejection based on Gass alone. The record also shows that the Examiner did not address that error subsequently before allowing the claims. Specifically, the Examiner failed to identify the

teaching of a “single process site” in references that were considered by the Office.

Additionally, as discussed in the Decision, Petitioner’s demonstration of a reasonable likelihood of prevailing on its challenges based on IBM, as well as the Federal Circuit’s determination in *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1359–60 (2018) were considered in our analysis of determining whether to institute review. Dec. 28–29. We determined that our discretion to deny institution under 35 U.S.C. § 325(d) was not sufficiently implicated so that § 325(d)’s statutory purpose would be undermined by instituting on all of Petitioner’s challenges. *Id.* at 28–29. Further, even if exercise of our discretion under § 325(d) to deny the challenges based on Gass was warranted, the record provided no reason for extending our discretion under § 325(d) to the IBM-based challenges to deny the entire Petition under the circumstances presented in this proceeding. *Id.* at 29.

III. CONCLUSION

For the forgoing reasons, Patent Owner has not shown that we abused our discretion or misapprehended or overlooked a matter in granting institution. Accordingly, Patent Owner’s Request for Rehearing is denied.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Patent Owner’s Request for Rehearing Pursuant to 37 C.F.R. § 42.71(d) (Paper 13) is *denied*.

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