

IPR2025-01121

U.S. Patent No. 11,143,120

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GENERAC POWER SYSTEMS, INC.,

HARBOR FREIGHT TOOLS USA, INC., and

MWE INVESTMENTS, LLC,

Petitioners

v.

CHAMPION POWER EQUIPMENT, INC.,

Patent Owner.

Patent No. 11,143,120

Issued: October 12, 2021

Title: FUEL SYSTEM FOR A MULTI-FUEL INTERNAL COMBUSTION
ENGINE

Inter Partes Review No. IPR2025-01121

**PETITIONER'S REQUEST FOR DIRECTOR REVIEW PURSUANT TO
37 C.F.R. § 42.75**

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Pursuant to 37 C.F.R. § 42.75(c), Petitioner Generac Power Systems, Inc.¹ requests director review of the decision denying institution of the '120 Patent IPR. Paper 23. After Patent Owner disclaimed Claims 1–11 and 18–19 of the '120 Patent, only Independent Claim 12 and its Dependent Claims 13–17 remain. The '120 Patent is the grandchild of the U.S. Patent No. 10,393,034 (“the '034 Patent”). Claim 12 of the '120 Patent is strictly broader than Claim 11 of the '034 Patent—every element of '120 Patent Claim 12 appears verbatim in '034 Patent Claim 11. After carefully reviewing the merits, including '034 Patent Claim 11, the Board issued an opinion instituting IPR on the '034 Patent on the merits. IPR2025-00805, Paper 24 (“'034 Institution Decision”). Three weeks later, the Director denied institution of the '120 Patent on the merits based on the same grounds. Paper 23 at 2. These two determinations are irreconcilably contradictory. The Director should resolve this inconsistency and institute the '120 Patent IPR consistently with the Board’s well-reasoned Institution Decision in the '034 Patent IPR.

I. Background

Petitioner filed a petition for IPR of the '034 Patent on April 29, 2025. IPR2025-00805, Paper 4 (“'034 Petition”). On June 23, 2025, Petitioner filed an IPR

¹ Petitioners Harbor Freight and MWE settled their respective litigations and will be withdrawing from the IPRs.

petition on the '034 Patent's grandchild, the '120 Patent.

A. The '120 and '034 Patent Claims

After the '120 Petition was filed, Patent Owner disclaimed Claims 1–11 and 18–19 of the '120 Patent. Paper 17 at 1; EX2102. As a result, the only surviving claims in the '120 Patent are Independent Claim 12 and its Dependent Claims 13–17. Each element of '120 Patent Independent Claim 12 is also present in '034 Claim 11. Thus, '120 Patent Claim 12 is strictly broader than '034 Claim 11. Dependent Claim 13 of the '120 Patent adds the element of '034 Patent Claim 11 that is missing from '120 Patent Claim 12 (“electro-mechanical valve system”), such that '120 Patent Claim 13 is coextensive with '034 Patent Claim 11. Many of the dependent claim limitations are also identical.

'120 Patent Claim 12	'034 Patent Claim 11
[12.0] A multi-fuel generator and fuel delivery system comprising:	[11.0] A multi-fuel generator and fuel delivery system comprising:
[12.1] a multi-fuel internal combustion engine configured to operate on a liquid fuel supplied from a liquid fuel source through a liquid fuel line and a gaseous fuel supplied from a pressurized fuel source through a gaseous fuel line;	[11.1] a multi-fuel internal combustion engine configured to operate on a liquid fuel supplied from a liquid fuel source through a liquid fuel line and a gaseous fuel supplied from a pressurized fuel source through a gaseous fuel line;
[12.2] an alternator driven by the multi-fuel internal combustion engine; and	[11.2] an alternator driven by the multi-fuel internal combustion engine;
[12.3] a fuel regulator system comprising:	[11.3] a fuel regulator system comprising:
[12.4] a primary pressure regulator coupled to a service valve of the pressurized fuel source to regulate fuel supplied from the pressurized fuel source to a reduced pressure, and	[11.4] a primary pressure regulator coupled to a service valve of the pressurized fuel source to regulate fuel supplied from the pressurized fuel source to a reduced pressure, and

[12.5] a secondary pressure regulator coupled to the primary pressure regulator to regulate fuel supplied from the primary pressure regulator to a desired pressure for delivery through the gaseous fuel line to operate the engine.	[11.5] a secondary pressure regulator coupled to the primary pressure regulator to regulate fuel supplied from the primary pressure regulator to a desired pressure for delivery through the gaseous fuel line to operate the engine; and
'120 Patent Claim 13	'034 Patent Claim 11 (continued)
[12] The multi-fuel generator and fuel delivery system of claim 12 an electro-mechanical valve system coupled to the engine and operated by an electrical switch powered by one of the alternator, a battery, and a magneto that controls fuel flow to the engine from the liquid fuel source and the pressurized fuel source.	[11.6] an electro-mechanical valve system coupled to the engine and operated by an electrical switch powered by one of the alternator, a battery, and a magneto that controls fuel flow to the engine from the liquid fuel source and the pressurized fuel source.
'120 Patent Claim 14	'034 Patent Claim 12
[14] The multi-fuel generator and fuel delivery system of claim 13 wherein the electro-mechanical valve system is configured to switch operation of the generator from multiple fuel sources while the generator is running.	[12] The multi-fuel generator and fuel delivery system of claim 11 wherein the electro-mechanical valve system is configured to switch operation of the generator from multiple fuel sources while the generator is running.
'120 Patent Claim 15	'034 Patent Claim 13
[15] The multi-fuel generator and fuel delivery system of claim 13 wherein the electro-mechanical valve system is configured to prevent simultaneous delivery of the liquid fuel and the gaseous fuel to the engine.	[13] The multi-fuel generator and fuel delivery system of claim 11 wherein the electro-mechanical valve system is configured to prevent simultaneous delivery of the liquid fuel and the gaseous fuel to the engine.
'120 Patent Claim 16	'034 Patent Claim 16
[16] The multi-fuel generator and fuel delivery system of claim 12 wherein the pressurized fuel source comprises a pressurized fuel container located off-board the generator having a regulator mounting device to secure at least the secondary pressure regulator thereto.	[16] The multi-fuel generator and fuel delivery system of claim 11 wherein the pressurized fuel source comprises a pressurized fuel container located off-board the generator having a regulator mounting device to secure at least the secondary pressure regulator thereto.

'120 Patent Claim 17	'034 Patent Claim 17
[17] The multi-fuel generator and fuel delivery system of claim 12 wherein a dual stage pressure regulator comprises the primary pressure regulator and the secondary pressure regulator.	[17] The multi-fuel generator and fuel delivery system of claim 11 wherein a dual stage pressure regulator comprises the primary pressure regulator and the secondary pressure regulator.

The '034 Petition included two grounds of invalidity directed to '034 Patent Claim 11: Ground 4 (Nakafushi in view of Jungmann and Parlatore) and Ground 6 (Kubota DF972 Workshop Manual). The '120 Petition included the same two grounds directed to '120 Patent Claim 12: Ground 7 (Nakafushi in view of Jungmann and Parlatore) and Ground 5 (Kubota DF972 Workshop Manual) and relied on the same arguments. *Compare* '034 Petition, §§ VII.D, VII.F, *with* Paper 4, §§ VII.E, VII.G.

B. The '034 Institution Decision

In the Patent Owner Preliminary Response for the '034 Patent, Patent Owner argued that the '034 Petition did not demonstrate a reasonable likelihood of success regarding the claim term “a gaseous fuel supplied from a pressurized fuel source.” IPR2025-00805, Paper 12 at 26 (“'034 POPR”). The Board instituted the '034 Patent IPR. '034 Institution Decision. The Board made specific determinations regarding Petitioner’s likelihood of success on the merits for '034 Patent Claim 11. *See* '034 Institution Decision at 25–33. The Board rejected Petitioner’s argument regarding the “gaseous fuel” limitation (*id.* at 26–27, 30–32) and determined that the Petition provides a sufficient showing on the remaining limitations in '034 Patent Claim 11

and the reasons to combine the prior art (*id.*). Patent Owner filed a request for rehearing (Paper 26), and the Board reaffirmed its decision (IPR2025-00805, Paper 29). The Director initiated *sua sponte* review of the '034 Institution Decision to reconsider discretionary denial pursuant to *Revvo* and *Tesla*. IPR2025-00805, Paper 30. The Director's *sua sponte* review remains pending. The Director has not disturbed the Board's evaluation of the merits of the '034 Petition.

C. Denial of the '120 Patent IPR

In the Patent Owner Preliminary Response for the '120 Patent, Patent Owner repeated its argument regarding “a gaseous fuel supplied from a pressurized fuel source through a gaseous fuel line” that the Board already rejected. Paper 17 at 28–30 (“'120 POPR”). Patent Owner also argued that the Petition failed to demonstrate a reasonable likelihood of success regarding the claim terms “multi-fuel generator” and “fuel regulator system.” *Id.* at 32–51. Specifically, Patent Owner argued that the Kubota Workshop Manual's generator is not distinct from its alternator and its vaporizer is not a regulator (*id.* at 32–40), and Patent Owner disputed the motivation to combine and reasonable expectation of success in combining Nakafushi with Jungmann and Parlatore (*id.* at 41–51).

“[A]fter review of discretionary considerations,” the Director referred the '120 Patent IPR for consideration of the merits. Paper 22. Institution of the '120 Patent IPR was later denied on the merits. *See* Paper 23 at 2 (stating “after review of

the merits, the petitioner has failed to show a reasonable likelihood of prevailing with respect to at least one of the claims challenged in the petition”). No written opinion explaining the decision or the inconsistency with the ’034 Institution Decision was ever issued.

II. ARGUMENT

“[T]he Director may review any decision on institution” 37 C.F.R. § 42.75(a). “A party . . . may file one request for Director Review of a decision as provided in [37 C.F.R. § 42.75(a)], instead of filing a request for rehearing of that decision pursuant to § 42.71(d)” before the Board. 37 C.F.R. § 42.75(c). Requests for Director Review are warranted in cases where a correction of an abuse of discretion is necessary. *See Director Review Process*, §2.B, USPTO, <https://www.uspto.gov/patents/ptab/decisions/director-review-process> (last accessed, Mar. 18, 2025).

“[T]he Patent Office . . . cannot deny institution of IPR . . . [and] grant a nearly identical . . . request” *In re Vivint, Inc.*, 14 F.4th 1342, 1354 (Fed. Cir. 2021). Such contradictory agency actions are arbitrary and capricious and an abuse of discretion. *Id.* at 1350.

The ’120 Institution Decision did not include any opinion specifically identifying the basis for denying the ’120 Petition on the merits. Because the denial of the ’120 Petition (involving broader claims) contradicts the ’034 Institution

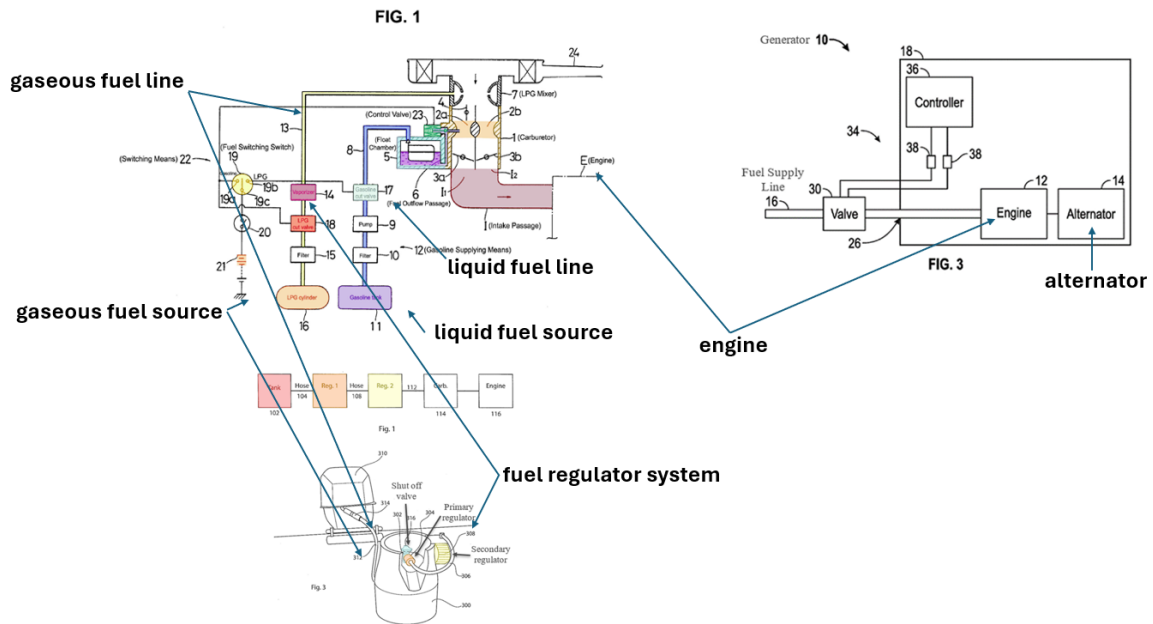
Decision, the '120 Institution Decision must have included an erroneous finding of fact or conclusion of law directly contrary to the Board's '034 Patent Institution Decision. Any "new" arguments presented by Patent Owner in the '120 POPR are factually incorrect and legally erroneous and should be rejected.

A. Petitioner made the same arguments to demonstrate a reasonable likelihood of success on identical claim limitations—inconsistent treatment of these arguments in the '034 and '120 Patent IPRs would be arbitrary and capricious or an abuse of discretion.

In its '034 Institution Decision, the Board held that the '034 Petition demonstrated a reasonable likelihood of success on the merits for both the Nakafushi combination and the Kubota Workshop Manual grounds for at least '034 Patent Claim 11. '034 Institution Decision at 25–27, 30–32. Each element of '120 Patent Claim 12 appears in '034 Patent Claim 11. The '120 Petition included the same arguments on the merits for '120 Patent Claim 12 that Petitioner used for '034 Patent Claim 11 in the '034 Petition. Thus, the Board necessarily decided that the '120 Petition demonstrates a reasonable likelihood of success on the merits on strictly broader '120 Patent Claim 12 for both the Nakafushi combination and the Kubota Workshop Manual grounds.

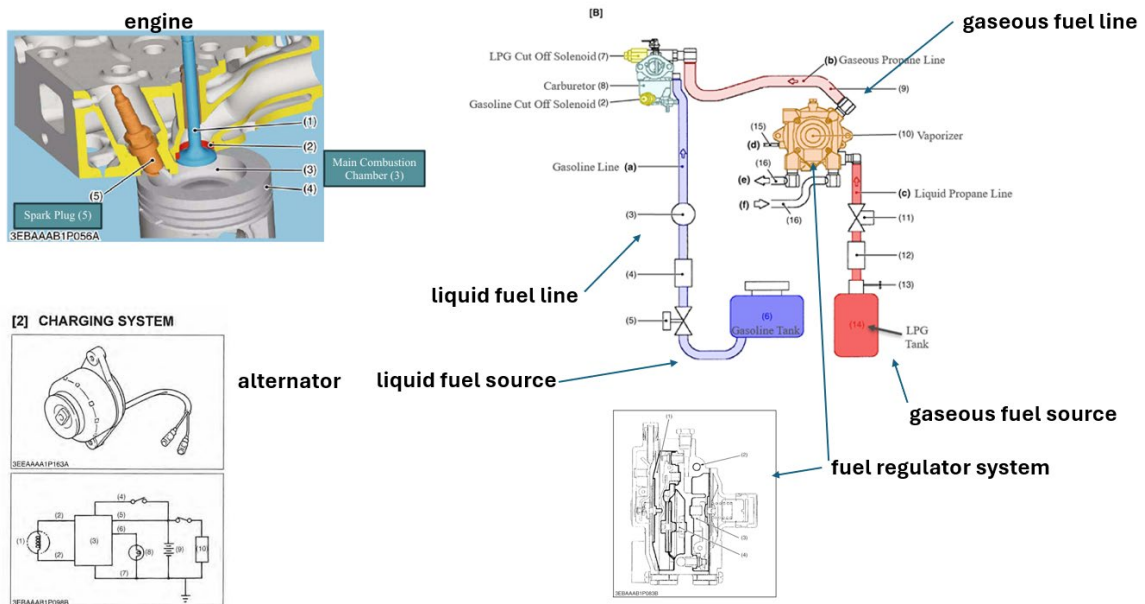
Specifically, the '120 Petition demonstrates that each element of '120 Patent Claim 12 can be found below:

Nakafushi-Jungmann-Parlatore



Paper 4 at 16, 20–21 (further annotated).

Kubota Workshop Manual



Paper 4 at 52, 56; EX1012, 77 (cited in Paper 4 at 53) (further annotated).

The Board directly rejected several arguments that Patent Owner made in the '034 POPR and repeated in the '120 POPR. First, the Board rejected Patent Owner's construction of "gaseous fuel." '034 Institution Decision at 19–24 ("Patent Owner improperly seeks to narrow the 'gaseous fuel' limitations to require that the 'gaseous fuel' exits a storage container in a gaseous state"); '120 POPR at 28–31. The Board held that this claim construction dispute was not a close call with respect to "pressurized fuel source" claims such as '120 Patent Claim 12. '034 Institution Decision at 23–24. A contrary Institution Decision for the '120 Patent on this basis would be arbitrary and capricious or an abuse of discretion.

Second, the Board rejected Patent Owner's arguments with respect to motivation to combine and reasonable expectation of success in combining Nakafushi with Jungmann and Parlatore. '034 Institution Decision at 25–26 ("Petitioner also articulates reasons to combine the relied-upon aspects of the prior art. . . . [O]ne of ordinary skill in the art would have had reason to combine the prior art."); '120 POPR at 40–51. Specifically, regarding the combination of Nakafushi with Jungmann, the '120 Petition explained that "[m]ulti-fuel engines such as [Nakafushi]'s were recognized as especially useful for generators because, for example, the user may not have access to gasoline," and Nakafushi's "engine could be used in a generator simply by adding an alternator to the engine, as was already common and well known by that time." Paper 4 at 43–44, 77. Regarding the

combination of Nakafushi with Parlatore, the '120 Petition explained that a two-stage regulator solves problems related to freezing during vaporization and that “Parlatore expressly states that its regulator system can be implemented in generators.” *Id.* at 82–83. The Board credited the same arguments as establishing a reasonable likelihood of success, such that a contrary Director decision on this basis would be arbitrary and capricious or an abuse of discretion.

B. Denial of institution based on the “new” arguments presented in the '120 POPR would be based on an erroneous finding of fact or conclusion of law.

The '120 POPR also introduced two new arguments regarding the Kubota Workshop Manual’s disclosure of a “generator” and a “fuel regulator system.” The Board’s determination that a reasonable likelihood of success exists for both grounds at least implicitly addresses these arguments. Furthermore, *because these arguments relate only to the Kubota Workshop Manual, crediting Patent Owner’s new arguments would not provide a sufficient basis for the Board’s and Director’s opposing opinions regarding the Nakafushi ground.* Because Patent Owner’s “new” arguments cannot adequately explain the different treatment of the '034 and '120 Patent IPRs, a decision relying on these arguments would be arbitrary and capricious or an abuse of discretion.

Furthermore, any Director reliance on Patent Owner’s new arguments would require clearly erroneous findings of fact or conclusions of law. First, Patent Owner

argued that the “generator” in the preamble of ’120 Patent Claim 12 must be separate from the alternator in the body of the claim. ’120 POPR at 34. As explained in Petitioner’s Preliminary Reply, this is a facially implausible construction of the claim language that is also contradicted by the specification. Paper 19 at 2. Claim 12 clearly states that the “generator . . . compris[es]: a multi-fuel internal combustion engine . . . [and] an alternator.” Patent Owner’s own cherry-picked quotation from the specification clearly describes a generator comprising an alternator rather than two separate components: “Dual fuel generator 30 includes *a dual fuel internal combustion engine 34* within housing 36 at one end 38, operatively connected to *an alternator 40* also enclosed in housing 36 at another end 42 by conventional means.” ’120 POPR at 33 (quoting EX1001, 3:27–31). A denial of institution based on this argument would require an obviously erroneous finding of fact or conclusion of law regarding the construction of the “generator” in relation to the “alternator.”

Second, Patent Owner argued that Kubota’s vaporizer is not a “fuel regulator system” because it does not “regulate” pressure to a desired pressure. ’120 POPR at 36–40. As explained in Petitioner’s Preliminary Reply, Patent Owner admitted during prosecution that a vaporizer that reduces pressure to near atmospheric pressure is a regulator. Paper 19 at 3 (citing EX1038, 218). In particular, each stage of Kubota’s vaporizer regulates pressure to specified levels at each stage. *Id.* (quoting EX1012, 70–71). Patent Owner’s vaporizer argument effectively attempts

to read in the same negative limitation regarding fuel phase that the Board rejected regarding the “gaseous fuel” limitations. *Id.*; ’034 Institution Decision at 22. A denial of institution based on this argument would require an obviously erroneous finding of fact or conclusion of law regarding the meaning of “regulator” or the functionality of Kubota’s vaporizer.

III. CONCLUSION

The Board correctly decided that the ’034 Petition demonstrated a reasonable likelihood of success on the merits for the strictly narrower ’034 Patent Claim 11. In its written decision, the Board rejected every argument that Patent Owner has made in the ’120 Patent IPR. Denying institution on the strictly broader ’120 Patent Claim 12 directly contradicts the Patent Office’s position on the ’034 Patent. The Director should review the ’120 Patent IPR Institution Decision and institute the ’120 Patent IPR for the same reasons the Board provided in the ’034 Institution Decision.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on December 31, 2025, a true and correct copy of the foregoing **PETITIONER'S REQUEST FOR DIRECTOR REVIEW PURSUANT TO 37 C.F.R. § 42.75** was filed through the P-TACTS system along with service to the email addresses listed below:

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