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Paper No. 37
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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DUNCAN PARKING TECHNOLOGIES, INC.,
Petitioner,

v.

IPS GROUP INC.,
Patent Owner,

Case IPR2016-00067
Patent 7,854,310 B2

Before JOSIAH C. COCKS, MICHAEL W. KIM, and RICHARD E. RICE, *Administrative Patent Judges.*

COCKS, *Administrative Patent Judge.*

DECISION
Granting Patent Owner's Request for Rehearing
and Modifying the Prior Final Written Decision
35 U.S.C. § 318(a) and 37 C.F.R. § 42.71

I. INTRODUCTION

We issued a Final Written Decision pursuant to 35 U.S.C. § 318 on March 27, 2017. Paper 29, "Decision." In that Decision, we determined that Petitioner, Duncan Parking Technologies, Inc. ("DPT"), had not shown by a preponderance of the evidence that claims 1–5, 7, and 9 of U.S. Patent No. 7,854,310 B2 (Ex. 1001, "the '310 patent" or "King '310") are anticipated under 35 U.S.C. § 102 by U.S. Patent No. 8,595,054 B2 (Ex. 1004, "King '054"). Decision 18. We, however, determined that a preponderance of the evidence did establish that claims 8 and 10 of the '310 patent are unpatentable. *Id.* Patent Owner, IPS Group, Inc. ("IPS"), requests rehearing of the portion of our Decision holding claims 8 and 10 unpatentable. Paper 31, "Request for Rehearing" or "R'hg Req." As authorized by the panel, DPT filed a response to IPS's rehearing request. Paper 35, "Response" or "Rh'g Req. Resp."[1, 2]

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[1] DPT was authorized to file a reply/response to IPS's Request for Rehearing not to exceed five pages in length. *See* Paper 32. As noted, DPT filed such a Response indicating that it opposed IPS's Request. As a part of that Response, DPT makes reference to an "Exhibit A," which is characterized as an excerpt from a deposition of David King on Jun 14, 2017 in patent litigation in the Southern District of California. *See*, *e.g.*, Rh'q Req. Resp. 2. No "Exhibit A," however, was filed in this proceeding. In any event, as the panel indicated in a conference call on August 2, 2017, DPT was not authorized to file additional evidence as a part of its Response. Ex. 2046, 16. As no "Exhibit A" was filed, and no new evidence was authorized, the panel will simply evaluate DPT's Response as currently filed, without consideration of the content of any "Exhibit A."

[2] DPT filed a redacted version (Paper 34) and unredacted version (Paper 35) of its response. DPT also filed a "Motion for Additional Time to File Unredacted Response to IPS Group Rehearing Request." Paper 33. DPT's motion was not authorized. During the conference call on August 2, 2017. DPT indicated that the relief sought in the motion was now unnecessary, and

For the reasons that follow, IPS's Request for Rehearing is *granted*.

II. ANALYSIS

"A party dissatisfied with a decision may file a request for rehearing, without prior authorization from the Board." 37 C.F.R. § 42.71(d). The party requesting rehearing has the burden of showing that the decision from which rehearing is sought should be modified, and "[t]he request must specifically identify all matters the party believes the Board misapprehended or overlooked." *Id*.

Here, IPS contends the following:

> [T]he decision (1) overlooked IPS's argument that King'054 is not prior art against claims 8 and 10 for the same reasons that it is not prior art against the other claims, (2) misapprehended who invented the subject matter disclosed in King'054 that was applied against involved claims 8 and 10, (3) overlooked that IPS had shown every element required to carry its burden of production regarding the prior art status of King'054 for claims 8 and 10, and (4) misapprehended the allocation of the burdens for claims 8 and 10.

Req. Reh'g 1.

We focus on items (1) and (2) identified by IPS. In the Decision, we observed that, unlike claims 1–5, 7, and 9 of the '310 patent, there was no dispute between the parties as to the inventorship of claims 8 and 10. Decision 15–16. In that respect, the parties both were of the view that all of the inventors named on the face of the '310 patent contributed to the

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that it did not object to expungement of the motion. Ex. 2046, 5. The motion has been expunged, and we consider the content of DPT's unredacted response (Paper 35).

invention set forth in claims 8 and 10 of the '310 patent.[3] The inventorship entity in connection with those claims differed from claims 1–5, 7, and 9, which we concluded, based on the record before us, constituted Mr. Dave King alone. The record also established adequately that it was also Mr. King's own work as a part of King '054 that was being urged by DPT as anticipatory of claims 1–5, 7, and 9 of the '310 patent. As a result, we concluded that DPT's claim of anticipation under 35 U.S.C. § 102(e) was not appropriate, because the relevant content of King '054 was not "by another" when it came to claims 1–5, 7, and 9, and, thus, not prior art to those claims.

On the other hand, with respect to claims 8 and 10, we concluded that, given the contributions of inventors additional to Mr. King, the same result did not follow when it came to those claims. IPS, however, proposes that there is a matter that we overlooked in reaching that conclusion. To that end, IPS contends that, as a part of its Patent Owner Response (Paper 11, "PO Resp."), it had advocated the following in connection with claims 8 and 10:

> The portions of King'054 applied against [claims 1–5, 7, and 9] discloses Dave King's own invention and are not available as prior art against Dave King's own invention and are not available as prior art against Dave King's own claims because he invented what they claim before the effective filing date of the King'054 patent. **Similarly, the portions of King'054 applied against claims 8 and 10 disclose an invention of the King'310 inventors, disclosed by them to the King'054 inventors, and cannot be used against the King'310 inventors because they**

[3] The named inventors of the '310 patent are David King as well as Murray Hunter, Mathew Hall, and David Jones ("the D+I inventors"). Ex. 1001, (75).

> **invented what they claim before the effective filing date of the King'054 patent**.
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> ***
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> **Just as disclosure of Dave King's contribution in King'054 cannot be used against Dave King's claims in King'310, incidental disclosure of the joint invention of King and his D+I collaborators in King'054 cannot be used against their claims in King'310.**

Reh'g Req. 5 (quoting PO Resp. 2; 25).

Appropriately parsing the above statements, it is apparent that IPS's view is that, where claims 1–5, 7, and 9 of the '310 patent and the involved subject matter of King '054 were invented by the same entity, i.e., Mr. King, the same theory should be applied to claim 8 and 10, but with Mr. King replaced with the named inventors of the '310 patent. To that end, IPS urges the named inventors of the '310 patent, who invented the subject matter of claims 8 and 10, also constitute the inventors of the pertinent King '054 subject matter.

In elaborating on the basis of that view, IPS likens the pertinent inquiry here to a "derivation test, which requires just two elements: prior conception by the King'310 inventors and communication of that conception to the King'054 inventors." *Id*. at 3 (citing *Creative Compounds, LLC v. Starmark Labs.*, 651 F.3d 1303 (1313 (Fed. Circ. 2011)). IPS urges that a preponderance of the record evidence favors a determination that the subject matter of claims 8 and 10 was communicated to the inventors of King '054 via Mr. King. *Id*. at 5–8. IPS, thus, submits that the content of the communicated material appearing in King '054 cannot constitute prior art to claims 8 and 10. *Id*.

In reassessing the record before us, we observe that there is evidence suggesting that the subject matter of claims 8 and 10 was conveyed or

communicated to the inventors of King ’054 by Mr. King. In that respect, we observe the following: (1) it is undisputed that Mr. King and the D+I inventors invented the substantive content that became claims 8 and 10 of the ’310 patent; (2) Mr. King is a common inventor as between each of the ’310 patent and King ’054; (3) the record reflects that there was frequent and numerous collaborative exchanges between Mr. King and the other inventors of King ’310 (i.e., the D+I inventors); and (4) those exchanges occurred prior to the filing of the application that became King ’054. *See*, *e.g.*, Exs. 2018–31, 2034–42.

Given the facts and circumstances noted above, the logical and natural inference is that Mr. King communicated the pertinent inventive content of the ’310 patent (i.e. that which was applied as allegedly anticipatory of claims 8 and 10 of the ’310 patent) to the inventive entity of King ’054. We share IPS’s understanding (R’hg Req. 7–9) that the subject matter of claims 8 and 10 of the ’310 patent cannot have been invented by the entity of Mr. King and the D+I inventors, and also separately invented by either Mr. King alone, or together with Mr. Schwarz, for inclusion in King ’054. Any other understanding is improbable.

We are now cognizant that the record at hand, including DPT’s Response to IPS’s Request for Rehearing, provides little, if any, basis undermining the above-noted inference. DPT’s attempt, as a part of its Response, to belatedly seek rehearing of our Final Written Decision as to claims 1–5, 7, and 9 of the ’310 patent is both untimely and inadequately

supported on the present record.[4] Indeed, all the Response does is inappropriately seek rehearing of our Final Written Decision as to claims 1–5, 7, and 9 of the '310 patent, and does not follow our instruction of being responsive to the subject of the Request for Rehearing, i.e., the anticipation of dependent claims 8 and 10. *See* Paper 32, 2 ("The panel would like to hear from DPT as to the content of IPS's Request for Rehearing. Accordingly, the panel authorizes . . . DPT to file a reply to IPS's Request for Rehearing.").

The present record conveys that the subject matter of claims 8 and 10 of the '310 patent that appears in King '054, and was applied against those claims, is the invention of Mr. King and the D+I inventors (i.e. the named inventors of the '310 patent) and is, thus, not "by another" as is required to constitute prior art that bars patentability under 35 U.S.C. § 102(e). Accordingly, after careful reassessment of the record in this proceeding, we must change our conclusion in the Final Written Decision (Paper 29) that King '054 is anticipatory prior art to claims 8 and 10 of the '310 patent.

III. CONCLUSION

For the foregoing reasons, having considered the respective positions of DPT and IPS, we modify our Final Written Decision (Paper 29) to reflect that DPT has not shown by a preponderance of the evidence that any of claims 1–5 and 7–10, which includes dependent claims 8 and 10, are anticipated under 35 U.S.C. § 102(e) by King '054. In that respect, we vacate the portions of the prior Final Written Decision (Paper 29) spanning

[4] By rule, a request for rehearing of a final decision must be filed within 30 days of entry of that decision. 37 C.F.R. §42.71(d)(1). DPT's Response was filed well outside that time period.

pages 14–16 directed to claims 8 and 10 in favor of the relevant analysis set forth herein.

IV. ORDER

It is

ORDERED that IPS's Request for Rehearing is *granted*;

FURTHER ORDERED that, as a result, we hold that none of claims 1–5 and 7–10 has been shown by a preponderance of the evidence to be unpatentable based on DPT's proposed ground of anticipation by King '054 under 35 U.S.C. §102(e); and

FURTHER ORDERED that the parties to the proceeding seeking judicial review of the decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

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