

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

C&D ZODIAC, INC.,
Petitioner,

v.

B/E AEROSPACE, INC.,
Patent Owner.

Case IPR2017-01276
Patent 9,440,742 B2

Before JENNIFER S. BISK, SCOTT A. DANIELS, and
RICHARD H. MARSCHALL, *Administrative Patent Judges*.

MARSCHALL, *Administrative Patent Judge*.

DECISION
Denying Patent Owner's Request for Rehearing
37 C.F.R. § 42.71

INTRODUCTION

C&D Zodiac, Inc. (“Petitioner”), filed a petition to institute an *inter partes* review of claims 8 and 10–16 of U.S. Patent No. 9,440,742 B2 (Ex. 1001, “the ’742 patent”). Paper 2 (“Pet.”). We issued a Final Decision (Paper 41, “Final Dec.”) finding claims 8 and 10–16 of the ’742 patent unpatentable. B/E Aerospace, Inc. (“Patent Owner”), filed a Request for Rehearing (Paper 44, “Reh’g Req.” or “Request”) of our Final Decision. The Request contends that we “misapprehended and/or overlooked the statute defining the scope of IPRs, 35 U.S.C. § 311(b)” and “relevant Federal Circuit precedent and the arguments from Patent Owner’s responses that the Petitioner failed to carry its burden of proving the claims obvious.” Reh’g Req. 2. In addition, Patent Owner argues that the 2018 Trial Practice Guide Update “expressly prohibits making an obviousness finding by using expert testimony to replace the disclosures from patent and printed publications that are required by statute.” *Id.* at 2–3.

“The burden of showing a decision should be modified lies with the party challenging the decision[,]” and that party “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.” 37 C.F.R. § 42.71(d). For the reasons discussed below, Patent Owner’s Request for Rehearing is denied.

ANALYSIS

35 U.S.C. § 311(b) and Arendi

Patent Owner’s Request is based on a disagreement with our determinations that two references that contain confidential drawings may be considered in the obviousness analysis even though we did not consider

them to be prior art under § 311(b), and that Petitioner’s “common sense” argument passes the standard set by *Arendi S.A.R.L. v. Apple Inc.*, 832 F.3d 1355 (Fed. Cir. 2016). In its Request, Patent Owner presents arguments that “[t]he evidence that the PTAB relies on for the ‘second recess’ limitation—confidential drawings and fact witness declarations about the alleged prior sale and use—is neither a patent nor a printed publication” and, therefore, under 35 U.S.C. § 311(b), may not be used to support a determination of obviousness in an IPR. Reh’g Req. 4 (citing Final Dec. 16–26; Paper 6 (“Prelim. Resp.”) 35–37; Paper 22 (“PO Resp.”) 15–16, 18–20). Patent Owner describes Petitioner’s expert testimony as “conclusory” despite reliance on the prior use and sale. *Id.* at 5–7. According to Patent Owner, the Final Decision “contradicts the policy underlying” § 311(b) and “invites Petitioners to circumvent the statute by requesting IPRs based on prior use or on sale evidence . . . by merely having an expert rely on this evidence to conclude that a limitation was well-known and therefore obvious.” *Id.* at 9–10. Finally, Patent Owner argues that by improperly crediting Petitioner’s evidence, our decision is at odds with Federal Circuit law prohibiting using common sense to supply a missing claim limitation to support a finding of obviousness. *Id.* at 10–11 (citing *Arendi*).

As Patent Owner acknowledges, all of these arguments were made during the trial and we addressed each of them in the Final Written Decision. Final Dec. 17–26. Nothing in Patent Owner’s request for rehearing persuades us to change our analysis on this issue.

First, Patent Owner mischaracterizes our obviousness analysis by describing it as adding a second recess to the “Admitted Prior Art/Betts combination” merely “because the second recess was in public use or on

sale.” Reh’g Req. 5. We did not combine Admitted Prior Art/Betts with the public use/on sale references. Instead, we specifically rejected Patent Owner’s attempt to frame Petitioner’s challenge in that manner. Final Dec. 22–23.

Our analysis focused on whether Petitioner established adequately that the second recess would have been obvious as a matter of common sense under the high standard set forth in *Arendi* and *K/S HIMPP v. Hear-Wear Technologies, LLC*, 751 F.3d 1362, 1365 (Fed. Cir. 2014). *Id.* at 19–22. We concluded that Petitioner met that standard based not only on the citation to second recesses in the public use/on sale references, but also on the rationale and related analysis provided by Petitioner’s expert that we credited and found convincing before addressing the public use/on sale references. *See id.* at 20 (citing Ex. 1004 ¶¶ 74, 191). We also credited the testimony of Petitioner’s expert that the proposed modification would have been predictable. *Id.* at 22 (citing Ex. 1004 ¶ 191). Accordingly, because our analysis relied on the analysis and reasoning of Petitioner’s expert regarding why it would have been obvious¹ and a matter of common sense to

¹ We find Petitioner’s obviousness argument and evidence persuasive even if not deemed a “common sense” approach. The common sense moniker was not used in the Petition or supporting expert declaration, and was instead introduced by Patent Owner and then addressed in Petitioner’s Reply. *See* PO Resp. 11–12; Pet. Reply 10, 12. While we found Petitioner’s common sense rationale persuasive, Petitioner’s argument and evidence, including the testimony of Petitioner’s expert, support the conclusion that the challenged claims are obvious under a traditional obviousness approach that does not rely on the “common sense” rationale supported by public use/on sale references. *See* Pet. 36–37 (citing Ex. 1004 ¶¶ 74, 186–192, 250); Reply 6, 10–11 (citing Ex. 1004 ¶ 58, 74); Ex. 1004 ¶¶ 58 (Betts teaches that addition of recesses allows for more room to move seats further aft in an aircraft), 74 (when seat supports moved further aft and the seat support impacts the closet

add a second recess, we did not merely combine the prior art with the public use/on sale references to arrive at the claimed invention. The public use/on sale references were instead used as further evidence in support of the common sense argument.²

Our analysis also comports with *Arendi* and *K/S HIMPP*. *Arendi* acknowledges that, even in the context of *inter partes* reviews and 35 U.S.C. § 311(b), petitioners can rely on evidence other than that contained within the four corners of a patent or printed publication, when asserting obviousness. *Arendi*, 832 F.3d at 1363 (“[W]hile ‘common sense’ can be invoked, even potentially to supply a limitation missing from the prior art, it must still be supported by evidence and a reasoned explanation.”). In fact, when a patent challenger relies on common sense, *Arendi* and *K/S HIMPP* require resort to *some* evidence outside the strict contours of the prior art that forms the basis for the obviousness ground. *See id.*; *K/S HIMPP*, 751 F.3d at 1365 (referring to the need for more than conclusory statements as well as the need for evidence in the record supporting common sense approach to supply a missing limitation). The proper use of common sense

or lavatory wall, creating a second recess in wall to accommodate the seat support “is the obvious solution to this known problem”), 191 (“[The] modification is nothing more than the application of known technology for its intended purpose” and “[t]he result of such a modification is predictable, allowing the seat to be position further aft in an aircraft.”); *see also* Final Dec. 20–22 (citing Ex. 1004 ¶¶ 74, 191, finding the testimony credible, and rejecting lack of predictability argument).

² Because we found the expert analysis credible apart from its reliance on the public use/on sale references, we need not reach whether supplying a missing limitation via a “common sense” argument, based solely on public uses/sales, runs afoul of § 311(b).

to supply a missing limitation presumes that something else in the evidence of record beyond the patents and printed publications at issue supports that common sense approach—if the “missing” limitation were already disclosed in prior art patents or printed publications there would be little need to resort to common sense. Neither *Arendi* nor *K/S HIMPP* limit the form the evidence in support of the common sense approach must take, or suggest that it must come from patent and printed publication art.

The Federal Circuit’s recent decision in *Yeda Research v. Mylan Pharmaceuticals Inc.*, 906 F.3d 1031 (2018), supports our approach. In *Yeda*, the Patent Owner asserted that the Board improperly relied on a reference that did “not qualify as statutory prior art” under 35 U.S.C. § 311(b) and was improperly relied upon “to supplement gaps in the prior art in violation of 35 U.S.C. § 311(b).” *Id.* at 1040–41. The Federal Circuit rejected the argument, concluding that § 311(b) “is unrelated to the question of whether the Board’s reliance on [the non-prior art reference] was proper” because “§ 311(b) only addresses prior art and is silent on the question of other evidence.” *Id.* at 1041. The court noted that the relevant statute and rules allow petitioners to rely on “evidence beyond the prior art” and contemplate declarations based on supporting evidence and opinions. *Id.* (citing 35 U.S.C. § 312(a)(3) and 37 C.F.R. § 42.104(b)). The Federal Circuit therefore allowed reliance on a reference that was not prior art as part of the “other evidence” that petitioners can rely upon to support an obviousness ground. *See id.* That result supports our approach here, where we relied on Petitioner’s use of references that did not qualify as prior art under § 311(b) as part of the “other evidence” that supports Petitioner’s “common sense” obviousness argument. We are, therefore, not persuaded

that our analysis runs afoul of § 311(b), *Arendi*, or other controlling precedent.

Trial Practice Guide

Patent Owner also argues that the Final Decision “contradicts the USPTO’s Revised Trial Practice Guide that went into effect on August 10, 2018,” before the date the Final Decision was issued. Reh’g Req. 7. Specifically, Patent Owner points to pages 4 and 5 of the Trial Practice Guide Update that states “[e]xpert testimony, however, cannot take the place of a disclosure in a prior art reference, when that disclosure is required as part of the unpatentability analysis.” *Id.* at 8 (quoting Office Patent Trial Practice Guide August 2018 Update, 83 Fed. Reg. 39,989 at 4 (August 13, 2018) (“Trial Practice Guide Update”) (<https://go.usa.gov/xU7GP>)). The portion of the Trial Practice Guide Update Patent Owner relies upon also states that “in an obviousness analysis, conclusory assertions from a third party about general knowledge in the art cannot, without supporting evidence of record, supply a limitation that is not evidently and indisputably within the common knowledge of those skilled in the art.” Trial Practice Guide Update, 5 (citing *K/S HIMPP*, 751 F.3d at 1365).

We are not persuaded that the Trial Practice Guide Update supports Patent Owner’s position here. When read in context, the statements from the Trial Practice Guide Update merely warn against the use of “conclusory assertions” in expert testimony to supply a missing limitation. *Id.* In that sense, the Trial Practice Guide Update reminds practitioners of the high bar imposed by *K/S HIMPP* when using expert testimony as part of an effort to supply a limitation missing from the art of record, a standard we have applied here. We do not read this portion of the Trial Practice Guide Update

as going further than *K/S HIMPP* and *Arendi*, limiting the type of evidence the expert can rely upon in an effort to show that a missing limitation would have been added as a matter of common sense.

Patent Owner also cites to IPR2015-01222, in which the PTAB did not credit expert testimony because it did not “explain the unpatentability of certain claims over the cited prior art references.” Reh’g Req. 8 (quoting *Global Tel*Link Corp. v. Securus Techs., Inc.*, IPR2015-01222, Paper 43, 51 (PTAB July 12, 2017) (emphasis omitted)). However, that case also involved a situation in which the testimony was not supported by any cited evidence and, therefore, is inapplicable to the situation here. *See* IPR2015-01222, Paper 43, 3. Moreover, the testimony at issue in IPR2015-01222 related to “general knowledge” not “tied to the disclosures” of the asserted prior art and not “used to explain the unpatentability of certain claims over the cited prior art references.” *Id.* at 4–5. Here, Petitioner and its expert Mr. Anderson indeed tie his testimony to the claims and prior art at issue. *See, e.g.*, Pet. 38–39 (citing Ex. 1004); Reply 6–10 (citing Ex. 1004 ¶¶ 74–79); Ex. 1004 ¶¶ 74, 191, 192.

Accordingly, Patent Owner’s Request does not apprise us of sufficient reason to modify our Final Decision.

ORDER

Accordingly, it is:

ORDERED that Patent Owner’s Request is *denied*.

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