

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SHAW INDUSTRIES GROUP, INC.,
Petitioner,

v.

AUTOMATED CREEL SYSTEMS, INC.,
Patent Owner.

Case IPR2013-00132¹
Patent 7,806,360 B2

Before JOSIAH C. COCKS, JUSTIN T. ARBES, and
BRIAN J. McNAMARA, *Administrative Patent Judges*.

ARBES, *Administrative Patent Judge*.

ORDER
Conduct of the Proceeding
37 C.F.R. § 42.5

¹ Case IPR2013-00584 has been consolidated with this proceeding.

A conference call in the above proceeding was held on May 26, 2016, among respective counsel for Petitioner and Patent Owner, and Judges Cocks, Arbes, and McNamara.² The purpose of the call was to discuss procedures following the remand of the proceeding to the Board.

On July 24, 2014, the Board issued a Final Written Decision in Cases IPR2013-00132 and IPR2013-00584, and consolidated the two proceedings pursuant to 35 U.S.C. § 315(d). Paper 43. In the Decision, we concluded that Petitioner had shown by a preponderance of the evidence that claims 1–5, 8–12, 14, 19, and 20 of U.S. Patent No. 7,806,360 B2 (“the ’360 patent”) are unpatentable, but had not shown by a preponderance of the evidence that claims 6, 7, 13, 15–18, and 21 (“the interposing claims”) are unpatentable. Petitioner appealed the Decision to the United States Court of Appeals for the Federal Circuit and petitioned for writ of mandamus, and Patent Owner cross-appealed. On March 23, 2016, the Federal Circuit issued a decision denying Petitioner’s petition for writ of mandamus, affirming-in-part and vacating-in-part the Board’s Decision, and remanding the case to the Board: *Shaw Indus. Group, Inc. v. Automated Creel Sys., Inc.*, 817 F.3d 1293 (Fed. Cir. 2016). Paper 47 (“Fed. Cir. Dec.”); *see also* Paper 48 (mandate issued on May 16, 2016). In the decision, the Federal Circuit held the following regarding the interposing claims:

We turn now to Shaw’s challenges to the Board’s determination that Shaw had not shown by a preponderance of the evidence that the interposing claims would have been obvious over Munnekehoff or Barmag in view of Ligon. We review the Board’s ultimate conclusion of obviousness de novo and its factual findings for substantial evidence. The parties do

² A court reporter, retained by Petitioner, was present on the call. Petitioner filed a transcript of the call as Exhibit 1018.

not dispute that Munnekehoff taught all of the limitations of the interposing claims except the transfer of stranded material from one package to another on the same side of the frame. Shaw argues that this limitation was taught by Ligon. The Board rejected Shaw's argument, finding that adding a second package as taught in Ligon to either side of the frame in Munnekehoff would cause tangling and result in an inoperable assembly, absent complete redesign. In making this finding, the Board considered the explanation by Shaw's expert, Dr. Youjiang Wang, that "tube Q" could be used to prevent tangling. The Board wrote that "[t]he use of tube Q . . . is not disclosed in the cited references" and that Dr. Wang did not "provide any basis (in Ligon or otherwise) for adding the additional tube to the Munnekehoff assembly in the manner proposed."

Shaw argues that the Board found that Munnekehoff did not disclose the "tube Q" relied on by Dr. Wang. Such a finding would be undisputedly erroneous, as ACS admits that Munnekehoff has a structure corresponding to Dr. Wang's "tube Q." ACS argues, however, that the Board did not make such a finding. ACS argues that instead, the Board found that Munnekehoff did not disclose "tube Q" the same way that Dr. Wang illustrated, i.e., as a structure that an artisan would have used to prevent tangling.

The language of the Board's decision as to "tube Q" is ambiguous at best. If the Board found that "tube Q" was not disclosed in Munnekehoff, it was an undisputed error. The parties dispute what impact the error would have on the Board's ultimate conclusion, but given the factual nature of the teachings of a reference, we leave to the Board such fact findings in the first instance. Thus, we vacate-in-part and remand.

Fed. Cir. Dec. 12–13 (citations omitted).

During the call, Petitioner requested authorization to submit additional briefing addressing the Federal Circuit's holding above. Petitioner proposed that each party file simultaneous briefs of no more than 3500 words

(corresponding to roughly 15 pages), without submitting any new evidence, consistent with the Board's Order on remand in *Microsoft Corp. v. Proxyconn, Inc.*, Case IPR2012-00026 (PTAB Sept. 1, 2015) (Paper 77). Patent Owner opposed Petitioner's request, arguing that no briefing is necessary because the Board fully understood the prior art references and Dr. Wang's analysis at the time of the Final Written Decision and that resolution of the "tube Q" issue is immaterial because Petitioner's arguments in its Reply were improper. Patent Owner indicated that, if additional briefing is authorized, the briefs should be limited to ten pages and Petitioner should file its brief before Patent Owner because it bears the burden of proving unpatentability. We took the matter under advisement.

After further consideration, we are persuaded that additional briefing from the parties would be helpful to the Board in rendering a decision on remand, and authorize the parties to file briefs limited to the issue of the impact of the Federal Circuit's holding above on the outcome of this proceeding. We are not persuaded that Petitioner should file its brief first and Patent Owner should respond because neither party is seeking relief from the Board, as would be the case when a motion and opposition are filed. Accordingly, the briefs shall be filed simultaneously and shall be limited to ten pages. No new evidence shall be filed with the briefs. When citing evidence, the parties shall provide citations to those portions of the previously existing record where the evidence originally was introduced.

In consideration of the foregoing, it is hereby:

ORDERED that each party shall file an additional brief in the instant proceeding limited to the issue identified above;

IPR2013-00132
Patent 7,806,360 B2

FURTHER ORDERED that each brief is limited to ten pages, shall be filed no later than June 17, 2016, and shall use the caption on the first page of this Order;

FURTHER ORDERED that no new evidence shall be presented by either party beyond that considered in the Final Written Decision; and

FURTHER ORDERED that no replies are authorized at this time.

IPR2013-00132
Patent 7,806,360 B2

PETITIONER:

W. Karl Renner
Hyun Jin In
Thomas Rozylowicz
FISH & RICHARDSON P.C.
axf@fr.com
apsi@fr.com
rozylowicz@fr.com

PATENT OWNER:

Scott Smiley
Mark C. Johnson
THE CONCEPT LAW GROUP
Info@ConceptLaw.com
mjohnson@conceptlaw.com