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RECORD OF ORAL HEARING

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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IGB AUTOMOTIVE LTD. And I.G. BAUERHIN GMBH,

Petitioner,

v.

GENTHERM GMBH,

Patent Owner.

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Case IPR2014-00666

Patent 7,229,129

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Oral Hearing Held on: Tuesday, June 9, 2015

Before: JOSIAH C. COCKS, BENJAMIN D.M. WOOD, and RICHARD E. RICE, *Administrative Patent Judges.*

The above-entitled matter came on for hearing on Tuesday, June 9, 2015, at 2:00 p.m., in Hearing Room A, taken at the U.S. Patent and Trademark Office, 600 Dulany Street, Alexandria, Virginia.

APPEARANCES:

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P R O C E E D I N G S

(2:00 p.m.)

JUDGE COCKS: Welcome once again to the Board. Good afternoon. This is the first hearing of this session this afternoon involving IPR2014-00666, and that concerned U.S. Patent 7,229,129.

As before, let's have counsel introduce themselves for the record, starting with the Petitioner.

MR. FILDES: I am Chris Fildes from Fildes & Outland for the Petitioner, IGB.

JUDGE COCKS: Thank you, Mr. Fildes. Will you be presenting today?

MR. FILDES: I will.

JUDGE COCKS: Thank you, Mr. Fildes. And for the Patent Owner?

MR. BUNKER: Jared Bunker from the law firm of Knobbe Martens for the Patent Owner. With me is co-counsel Steve Jensen. We also have two representatives from the company, Wayne Kaufman and Ken Phillips.

JUDGE COCKS: Thank you. As we indicated in our trial hearing order for this session, it is only concerning one case and each side will have 30 minutes to present.

The Petitioner will begin and may reserve rebuttal time. The Patent Owner will then respond with their

opposition, and the Petitioner will then conclude with any time they have reserved.

Mr. Fildes, you may begin when you are ready.

MR. FILDES: Excuse me, Judge Cocks. I'm also here with John Johnson from Fish & Richardson.

JUDGE COCKS: Thank you.

MR. FILDES: Well, this afternoon I'm going to reserve 15 minutes for rebuttal. And I'm going to start by talking about this U.S. Patent Number 7,229,129, titled "Ventilated Vehicle Seating System."

In our demonstratives we have claims 1 through 3, 6 and 7 as being unpatentable over Wyon, Exhibit 1007, in view of Spitalnick, Exhibit 1014, and that's shown in slides 3 through 31.

The Patent Owner contests that Wyon does not disclose an opening for receiving air from the air mover as recited in claim 1 shown on slide 3.

IGB proposed that Wyon discloses an opening 11 in the bag 6. The opening 11 being connected to a flexible tube 12 which is connected to a suction turbine shown on slides 4 and 5.

The recitation, a generally-enclosed chamber, including an opening for receiving air from the air mover in claim 1, only positively requires that the generally-enclosed

chamber have an opening. The opening 11 in the bag 6 of Wyon is such an opening.

Let's go to slide 6, please. The phrase "for receiving air from the air mover" focused on by the Patent Owner is merely an intended use. The opening 11 in Wyon is capable of the intended use of receiving air from the air mover.

The Patent Owner has put forward a claim construction of the recitation -- has not put forth, sorry, a claim construction of the recitation "an opening for receiving air from the air mover."

Patent Owner's expert, Dr. Rice, confirmed that he did not construe this recitation. In fact, Dr. Rice admitted that the phrase "for receiving air from the air mover" describes the function of the opening.

Dr. Rice also admitted that the opening 49 described in the '129 patent would receive air in either a pressure mode, blowing, or a suction mode.

Slide 10. Dr. Rice also admitted that the '129 patent discloses that the direction of air movement provided by the fan may be reversed and, thus, the '129 patent is not limited to a pressurized mode that is receiving air from the air mover.

Turning to Wyon, Dr. Rice admitted that Wyon, in fact, mentions that the flow direction may be reversed, thereby

reversing the direction of flow through the openings of the Wyon device as shown in slide 14.

JUDGE COCKS: Counsel, could you go back -- oh, is this the slide you just referenced? Where in Wyon does it say it contemplates reversing the flow type, reversing the flow?

MR. FILDES: It says in the '129 patent that the flow can be reversed and that the '129 patent is not limited to a pressurized flow. Wyon is a suction device. It was Dr. Rice that said that the Wyon device could be pressurized as well as --

JUDGE COCKS: So that's not disclosed in Wyon by itself?

MR. FILDES: No, no. The key limitations in independent claim 1 of the '129 patent are: "Wherein each of the plurality of holes has a cross-sectional area, the holes located substantially the same distance from the chamber opening defining a group having a total cross-sectional area, the top portion of the chamber including more than one group of holes, with the total cross-sectional area of each defined group of holes increasing the farther each defined group of holes is from the chamber opening."

Wyon discloses that "the holes 7 in the upper surface of the bag 6 are arranged in a pattern which substantially corresponds to the shape of the projection on the

seat and the backrest of those parts of the body that would normally bear thereupon."

Let's go to slide 18. We see here on slide 18, Exhibit 1007 of Wyon, showing the disposition of the holes. On the right we see a view from figure 2 from Spitalnick, Exhibit 1014. Spitalnick discloses that "the air-permeability of the front panel 15 may be made non-uniform to ensure equal air flow at regions close and far from the air inlet. The non-uniformity may be achieved by variable perforations 20 or a variably woven fabric 21.

"In the case of variable perforations 20, the groups of perforations closer to the air connection 25 have a smaller total cross-sectional area than groups of perforations 20 farther from the air connection 25, and the total cross-sectional area of the groups increases as the distance from the air connection 25 increases."

Petitioner IGB has showed that Spitalnick teaches an improvement and that it would have been obvious to modify the uniform hole size of Wyon to have the non-uniform hole size of Spitalnick in order to ensure equal air flow at regions close and far from the air source.

In the institution decision the Board agreed. The Patent Owner takes the position that one would be discouraged and led away from combining Spitalnick's hole pattern with Wyon because Wyon teaches a critical part of its cooling

device being negative air pressure or suction while the device of Spitalnick uses positive pressure. However, Spitalnick was combined with Wyon for the teaching of the variable hole size, not the directional flow.

In other words, we are not suggesting when combining Spitalnick with Wyon it is necessary to change the flow direction of Wyon to match the flow direction of Spitalnick.

Patent Owner also contends that there is a critical difference between seat ventilation devices that utilize suction of air versus seat ventilation devices that utilize the blowing of air. However, the '129 itself discloses that suction and blowing are interchangeable options.

Further, Dr. Rice admitted that both Wyon and Spitalnick could function with a flow direction reversed. Dr. Rice also admitted that the uniform hole size pattern of Wyon may not provide equal flow of air through the holes despite Wyon's disclosure that the Wyon device provides even distribution of air, therefore, there would be a reason to modify Wyon as taught by Spitalnick.

Dr. Rice also admitted that a non-uniform hole pattern would be good for both suction and blowing applications, that is, in either flow direction. Dr. Rice further admitted that providing a non-uniform hole size pattern in

Wyon may improve flow, further showing that there would be a reason to modify Wyon as taught by Spitalnick.

Despite Wyon's purported belief that its hole pattern arrangement provides even air distribution, the disclosure of Spitalnick and the '129 patent itself both disclose that a non-uniform hole size distribution provides a more uniform flow.

The hole pattern in Wyon is the same as that in the '129 patent. The only difference being the hole size.

JUDGE COCKS: Counsel, let me ask you, I see you quoted the reply saying that Dr. Rice admitted that providing a non-uniform pattern of holes in Wyon may improve flow.

What did he actually say?

MR. FILDES: Could we go to Exhibit 1015? We started out -- I don't have that cite because I don't see the other slide.

But the question was: "What if one were to modify the size of the holes as shown on figure 2" -- and that is the figure 2 of Spitalnick that we showed in slide 18 -- "how will that change the functioning of the overall system?"

There was an objection to form. "And I know we talked a lot about this earlier today, but I just want to hear it as it would apply to this particular embodiment here." Another objection.

The witness, Dr. Rice: "Let me answer that by referring to what Wyon says about that, and he -- the Wyon patent teaches that with the suction system, it obtains a fairly uniform distribution of flow over the holes without any variation in size."

JUDGE RICE: Counsel, please speak into the microphone.

MR. FILDES: Thank you.

"Question: Do you agree with that?

"Answer: I think a variation in size would probably help, but, you know, what I mentioned earlier was one of the things that serves to make the flow more uniform is the spacer material. In spite of that, I think the hole distribution could potentially help, but that's not what Wyon teaches. Wyon teaches that you get -- because of the use of the suction system, you get a uniform distribution with the uniform size holes.

"Question: So let me expand upon it. Understanding what you said, what you believe Wyon teaches, if you take a look at figure 2, to the right, and you see the holes there?

"Answer: Uh-huh, yes.

"Question: If the holes that are the furthest away from where the inlets are of the fan, the air mover, what would be the technical consequence of such a design? And

essentially I'm saying if you did a variable hole type of system, on what we see here, what would be the technical consequence from, you know, your perspective as a person having knowledge?

"Answer: Technical consequence?"

JUDGE COCKS: Well, Counsel, I don't think we need you to read it today.

MR. FILDES: Okay.

JUDGE COCKS: I guess so we should infer from all of that testimony, it looks like it spans quite a few pages.

MR. FILDES: It goes quite a few pages, right.

JUDGE COCKS: Dr. Rice admitting that providing a non-uniform pattern of holes in Wyon may improve flow?

MR. FILDES: Yes.

JUDGE COCKS: Okay. Well, we will consider it. I don't think, unless you want to --

MR. FILDES: Unless you want me to continue?

JUDGE COCKS: It is not necessary.

MR. FILDES: Okay. The hole pattern in Wyon is the same as that of the '129 patent. The only difference being the hole size. Spitalnick shows that providing larger holes, as the distance from the air mover increases, provides uniform flow, just as disclosed and claimed in the '129 patent.

Dr. Rice also admitted that he had not performed any testing to support his position that Wyon and Spitalnick

are not combinable. Despite Gentherm's arguments, it would have been obvious to modify the whole pattern of Wyon as taught by Spitalnick to arrive at the exact hole pattern and size distribution claimed in the '129 patent.

Turning to claims 4 and 5, slides 32 through 36. Here we have the addition of a heater layer on top of the cooling device. And we combine Larsson. And Larsson discloses -- and Larsson is the 1009 patent for a device for ventilating vehicle chairs -- Larsson discloses an electric heater 12 that is integral with the insert 15 and positioned underneath the covering 9 as recited in claim 4.

Slide 32 through 34. Larsson discloses that the electric heater 12 and the upper layer 17 of the insert 15 are separate elements as recited in claim 5.

Petitioner demonstrated that it would have been obvious to include the electric heater 12 of Larsson with the device of Wyon, and the Board agreed. Patent Owner did not dispute this finding in its response.

Dr. Rice in his declaration appeared to suggest that one would not add a heater to Wyon because the heated air would be suctioned away from the seat component. However, Larsson, like Wyon, utilizes suction, while also providing conductive heat using its heater 12.

Therefore, one skilled in the art would not have been discouraged from combining the heater of Larsson with the Wyon device.

That's all.

JUDGE COCKS: Well, you were right at your time. You have 15 minutes.

MR. BUNKER: Good afternoon. The Wyon prior art patent is missing two claim elements. One is the hole pattern. The other is the positive pressure.

IGB seems to acknowledge that Wyon is missing that hole pattern. They try to sidestep the other argument about missing the positive pressure. One way they try to do that is by saying, wait a minute, that claim only requires an opening, and that's the only thing that's required and Wyon has an opening.

Well, we never contended that Wyon was missing an opening. As Dr. Rice explained in his declaration, as he repeated in his deposition, claim 1 requires positive pressure and Wyon does not teach positive pressure. It relies on a suction device. IGB just today admitted that Wyon does not suggest positive pressure.

They also try to sidestep the positive pressure issue by saying, well, that's just an intended use. In their reply when they make that argument they don't cite any case law to support that.

If you look at the case law -- and I haven't looked at it all -- but when you look at the case law and intended use, you see that it's limited or focused on language found in the preamble of a claim.

And the question is, does that language in the preamble limit the claim, does it give life and meaning to the claim, or is it just a recitation of a purpose or an intended use?

Well, here an opening for receiving air from the air mover is not in the preamble. Intended use should not apply. Because it is not in the preamble, because it is in the body of the claim, we would submit that it does give life and meaning to the claim. It does give structure. It defines what the seat assembly requires.

JUDGE WOOD: Counsel, so are you saying, is there a case, a Federal Circuit case that limits the intended use doctrine to intended use phrases that occur in the preamble?

MR. BUNKER: That's a good question and I looked for such a case. I could not find a case that said this only applies in preamble situations. There may be a case out there but I'm not aware of it standing right here.

What I can say is that, based on the cases that I could see on intended use, they all talked about it in the context of a preamble. Our position is even if that applies outside of the preamble context, the fact that it was in the body of the claim to me indicates and to one of ordinary skill

would indicate that it is meant to give life and meaning to that claim.

It is not just -- you wouldn't put it in the body if you just meant it to be some type of purpose or intended use. That's not how a person of skill would read it and that's consistent with how Dr. Rice interprets that claim from a person of ordinary skill's perspective.

Another argument that IGB has made in their reply and again here in oral argument is playing word games. In deposition they asked Dr. Rice, "did you construe, did you give a construction for any other term besides spacer? Well, we will get to spacer, but" -- and Dr. Rice said no.

And IGB has latched onto that to try to say, wait a minute, that means Dr. Rice didn't construe the claim to require positive pressure because he said he only gave a construction for spacer.

Well, if you look at later in the deposition transcript, it will be clear that when Dr. Rice said that all he meant was spacer was the only term for which he gave his own rephrasing. That was the only term Dr. Rice gave his own word construction, his own rephrasing of the term.

But in his declaration and again at his deposition he reiterated several times that in his view the claim is clear on its face that it requires positive pressure.

Late in the deposition he said, I don't see that as a claim construction issue because it's clear on its face. In his mind it didn't need a rephrasing so, therefore, he didn't give his personal construction because the words were clear on their face. For receiving air from the air mover relied on positive pressure, which Wyon does not have.

JUDGE COCKS: Counsel, let me ask a question along those lines. I think you are asking us to view a certain dichotomy between a sucking effect and positive pressure, the suction device and positive pressure. Is that what you are asking?

MR. BUNKER: Yes, Your Honor. So if you look at, for example, figure 3, you can see down at the bottom we have the air mover. And so when the claim says the opening, which is 49, for receiving air from the air mover, shows that the air is traveling from the air mover to the opening in a positive way.

If this was a suction the air would be traveling from the cavity or from the space of the car, from that area to the opening because it relies on positive pressure, it says, from the air mover.

JUDGE COCKS: Opposing counsel suggested that the ventilated seat assembly of the '129 patent or the claims in the '129 patent, it can be used with either type of device, a

suction device versus a positive pressure device. Is that accurate?

MR. BUNKER: That is correct. The specification discloses that a -- it contemplates both a positive pressure and a suction. Our response would be that every claim does not need to cover every embodiment in the patent. A Patent Owner is allowed to pick and choose from the embodiments it discloses in its claims.

I believe that's the Intamin case and I have a citation for that. 483 F.3d 1328, Fed Circuit 2007, Intamin case. And that's what our position is. Here, yes, the specification does talk about both, but for claim 1 and those dependents it is limited to positive pressure, which Wyon does not have.

JUDGE COCKS: Is there any claim of the '129 patent that covers a suction effect?

MR. BUNKER: If I look at claim 8 I don't think it specifies that language, which is not at issue here in our proceeding.

JUDGE COCKS: I understand, but indulge me in my question. Does claim 8 cover suction, some sort of suction effect?

MR. BUNKER: Can I have one minute to look at it?

JUDGE COCKS: Yes:

MR. BUNKER: I don't see a specification for a positive pressure or a negative pressure in 8. And based on what I see here I would contend that it would not be limited to one or the other and could encompass both variations.

So we have these missing elements from Wyon and then the issue becomes would it have been obvious for a person of skill in 2001 to change those Wyon design to meet the claims? And here the evidence shows that it would not have been obvious.

Wyon teaches repeatedly that with its suction and with its uniform size holes, it gets an even distribution of negative pressure over the top of the seat. It relies on that negative pressure to actually operate effectively.

For example, so here is one exhibit from Wyon, figure 1. Wyon talks about how there is a bag, number 6 is this bag. And when you turn the suction turbine on it compresses down the bag element, like a balloon, sucks in and gets -- closes off all of the edges around the foam body directing the air through the foam body.

If you were to switch that to a positive pressure it would expand out. This wouldn't be tense towards the foam body and air could leak around the edges undermining that uniform distribution.

Also, at the end Wyon says we can try alternatives, that is, we're not limited to what we are. You can think of --

or you can try other devices but it limited it to other suction devices.

So based on those teachings, Wyon repeatedly saying, hey, I get uniform distribution, you can try others but you want to stick with suction, our position is that a person of ordinary skill would be discouraged from changing those two things.

JUDGE WOOD: Is Petitioner proposing changing the direction of air flow in Wyon?

MR. BUNKER: They have to in order to meet the claim. The claim requires positive pressure.

JUDGE WOOD: Well, they don't believe it does.

MR. BUNKER: That's right. That's right.

JUDGE WOOD: So based on their interpretation --

MR. BUNKER: That's correct.

JUDGE WOOD: -- they are not proposing that?

MR. BUNKER: Yes, you are right. Under their interpretation of the claim you don't have to switch to positive pressure. Under their interpretation of the claim, they still lose because they haven't shown a reason or motivation to change the hole pattern. There are still two missing elements here.

The evidence shows that a person of skill would be discouraged from changing that hole pattern to match the challenged claims.

They try to make a few arguments about that. For example, they say, and they did today as well, that Dr. Rice said that Wyon could be changed to switch the air flow, or could have changed the hole pattern and maybe it would have still worked, but that's not the issue. Just being able to change is not the inquiry. The inquiry is whether a person of ordinary skill would have been led to do that or have a reasonable expectation of success in doing that. And that's not what Dr. Rice said.

Also, they rely on what Dr. Rice says about these things today, his view, looking at these prior art references 15 years after they came. If you notice, in some of that, in some of the testimony they showed earlier, for example, on page 135 of the deposition transcript, which is Exhibit 1015, he says, this is starting at line 2:

"Question: Do you agree with that?

"Answer: I think a variation in size would probably help."

Dr. Rice thinks that. Later on, line 8:

"But that's not what Wyon teaches." Okay. I think that's a critical point here, is when they talk about Dr. Rice said that it might help, Dr. Rice said that it could have improved, its irrelevant to the issue. The issue is not what a Ph.D. mechanical engineer with 40 years of experience in the

field, 15 years after the patent issued, thought looking at the prior art in hindsight. That's not the issue.

The issue is what would the person of ordinary skill in 2001, looking at Wyon, looking at Spitalnick, think and conclude? And there the evidence is unrebutted. Dr. Rice testified a person of skill would be discouraged from changing Wyon to meet those two limitations.

Another tact that IGB takes is using the patent itself. They say, well, the '129 patent, the challenged patent says you could switch it from positive pressure to negative pressure.

You can't use the patent, the challenged patent as a road map to show obviousness. That's plain in the case law. For example, in the Ruiz case that we cited in our Patent Owner response, you can't use the inventor's own invention against them to show obvious. They are the ones who came up with the road map. It doesn't matter what it said in the '129 patent.

If that were the standard every patent would be invalid because they are the ones who figured it out and solved it.

One other issue that I would like to raise is that IGB seems to be arguing that, well, the motivation is found in Spitalnick. Spitalnick says you have this hole pattern and it

works well and that's the motivation and that's what a person of ordinary skill would think.

But the case law says you can't ignore the prior art statements that are unhelpful and focus exclusively on one statement that may be helpful. That's hindsight. What they are trying to say is ignore all of those statements of Wyon about how it achieves uniform distribution of air, and how this is a great device, ignore it because that's what a person of skill would do. They would look at Spitalnick, at that one statement of Spitalnick and think, aha, Wyon is completely wrong, all those things are wrong, I would change it. That's not -- that's hindsight. That's not what the law says.

One other point that IGB makes is trying to pick at what Dr. Rice did by saying he didn't do any testing. Well, I think that just emphasizes the lack of evidence that IGB has. IGB certainly didn't do any testing. They didn't present any testimony.

All they rely on is their attorney argument and trying to chip away at what Dr. Rice said. Dr. Rice spent a lot of time on these opinions. He was very earnest. He was very honest. He sat for four days of cross-examination from IGB. And he defended those positions.

So for them to come in now and try to sling a little mud was not well taken. I heard a little bit of that this morning and it was not well taken.

With that I will close, unless you have any more questions.

JUDGE COCKS: No, we have no further questions.

MR. FILDES: Well, the Patent Owner takes the position that one would be discouraged and led away from combining Spitalnick's hole pattern with Wyon because Wyon teaches that a critical part of its cooling device is negative pressure or suction, while the device of Spitalnick uses positive pressure. The Patent Owner suggests that the combination of Spitalnick with Wyon would, therefore, render the device of Wyon inoperable.

However, the Patent Owner misconstrues the combination of Wyon and Spitalnick set forth in the petition and affirmed by the Board. In this regard Spitalnick has been applied for its teaching of variable perforations 20, the group of perforations 20 closer to the air connection 25 having a smaller total cross-sectional area than groups of perforations 20 farther from the air connection 25, and the total cross-sectional area of the groups increasing as the distance from the air connection 25 increases.

And Spitalnick is combined with Wyon to modify the hole 7 so that they have the cross-sectional area arrangement as disclosed in Spitalnick. Spitalnick is not combined with Wyon to change the direction of air flow from

suction to blowing. Wyon may still operate with suction when modified to have the variable hole sizes taught by Spitalnick.

The Board has affirmed this position in its finding that for the remaining limitations in claim 1 relating to relative hole size, IGB relies on the combination of --

JUDGE COCKS: Counsel, let me ask you, so let's say that we agree for argument's sake with the Patent Owner that the claims require a positive air flow. What is that going to do to the grounds you just proposed?

MR. FILDES: Well, I think what we are concerned with here are the claim limitations. And if we read the claim of the patent at issue here and put the combination of the variable hole size in there, we meet the claim limitation, so it doesn't matter if it is sucking or blowing.

I think all that matters is to meet the claim limitations. And they argue that the specification has, you know, no effect on the claims or that what is disclosed in the specification, you can pick and choose how you interpret the claims in view of the specification. I don't think that's true. I think you have to read the claims as broadly as possible in view of the specification.

So I think that because, in numerous locations throughout that specification it says that you can either suck or blow, that it's --

JUDGE COCKS: Well, counsel, my understanding is that opposing counsel suggested that the feature in the body of the claim, an opening 4 receiving air from the air mover, if not expressly, implicitly requires positive air flow. That's not your understanding?

MR. FILDES: It's not my understanding that it requires positive air flow, no.

JUDGE COCKS: You may proceed.

MR. FILDES: Okay. Thank you.

JUDGE COCKS: Have you finished?

MR. FILDES: I have finished.

JUDGE COCKS: Okay. Thank you. We appreciate you both being mindful of the time constraints, and without anything further said the case is submitted, and we are adjourned in connection with the IPR2014-00666.

(Whereupon, at 2:36 p.m., the hearing was adjourned.)

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