

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ESSELTE CORPORATION, ESSELTE AB, AND ESSELTE LEITZ
GMBH & CO. KG,
Petitioner,

v.

DYMO B.V.B.A.,
Patent Owner.

Case IPR2015-00766
Patent 7,990,567 B2

Before DAVID C. McKONE, BARBARA A. PARVIS, and
JO-ANNE M. KOKOSKI, *Administrative Patent Judges*.

PARVIS, *Administrative Patent Judge*.

DECISION
Instituting *Inter Partes* Review
37 C.F.R. § 42.108

I. INTRODUCTION

A. *Background*

Esselte Corporation, Esselte AB, and Esselte Leitz GMBH & Co. KG (“Petitioner”) filed a Petition (Paper 1, “Pet.”) to institute an *inter partes* review of claims 8–10 (the “challenged claims”) of U.S. Patent No. 7,990,567 B2 (Ex. 1001, “the ’567 Patent”). DYMO B.V.B.A. (“Patent

Owner”) filed a redacted Preliminary Response (Paper 10, “Prelim. Resp.”) and an unredacted Preliminary Response (Paper 11).¹ Under 35 U.S.C. § 314, an *inter partes* review may not be instituted “unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a).

Petitioner contends that each of the challenged claims is unpatentable under 35 U.S.C. § 103 based on the following grounds (Pet. 3): (1) U.S. Patent No. 6,089,765 (“Mori”) (Ex. 1003) and U.S. Patent No. 5,025,397 (“Suzuki”) (Ex. 1004); (2) U.S. Patent No. 5,816,717 (“Beadman”) (Ex. 1005) and Mori; and (3) Suzuki and U.S. Patent No. 5,483,623 (“Nagashima”) (Ex. 1006).

For the reasons set forth below, we determine that, on this record, Petitioner demonstrates a reasonable likelihood of prevailing in showing the unpatentability of the challenged claims.

B. Related Proceedings

Petitioner identifies, as a related proceeding, a lawsuit in the United States District Court for the Southern District of New York captioned *Sanford L.P. v. Esselte AB*, Case Number 1:14-cv-07616-VSB. Pet. 1.

C. The ’567 Patent

The ’567 Patent pertains to a printing device, having data input devices and a display, for printing an image on a tape. Ex. 1001, 1:13–15. For example, the front of the printing device may comprise a liquid crystal

¹ Unless otherwise noted, citations herein will be to the redacted Preliminary Response (Paper 10).

display (LCD) and a keyboard with cursor control keys and function keys.
Id. at 7:41–44.

D. Illustrative Claim

Petitioner challenges claims 8–10 of the '567 Patent. Pet. 3. Claim 8 is independent. Ex. 1001, 18:22–30. Each of claims 9 and 10 depends, directly or indirectly, from claim 8. *Id.* at 18:31–35. Independent claim 8 is illustrative and is reproduced below.

8. A method for printing an image on an image receiving medium comprising the steps of:
inputting the image to be printed;
printing the image on the image receiving medium;
storing a plurality of images, such that each time an image is printed said image is stored; and
recalling one of said stored images, wherein the method further comprises one of editing and reprinting said recalled stored image.

E. Claim Construction

1. Legal Standard

As a step in our analysis, we determine the meaning of the claims for purposes of this decision. In an *inter partes* review, claim terms in an unexpired patent are interpreted according to their broadest reasonable construction in light of the specification of the patent in which they appear. *See* 37 C.F.R. § 42.100(b); *In re Cuozzo Speed Techs., LLC.*, No. 2014-1301, 2015 WL 4097949, at *5–*8 (Fed. Cir. July 8, 2015) (“Congress implicitly approved the broadest reasonable interpretation standard in enacting the [America Invents Act (Pub. L. No. 112–29, 125 Stat. 284 (2011))] (‘AIA’),” and “the standard was properly adopted by [United States Patent and Trademark Office (‘USPTO’)] regulation.”). Under the broadest reasonable construction standard, claim terms are given their ordinary and

customary meaning, as would be understood by one of ordinary skill in the art in the context of the entire disclosure. *See In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007).

2. “one of editing and reprinting said recalled stored image”

Claim 8 recites “recalling one of said stored images, wherein the method further comprises *one of editing and reprinting said recalled stored image*.” Ex. 1001, 18:28–30 (emphasis added). Petitioner contends that the term “one of editing and reprinting said recalled stored image” means “either editing the recalled stored image or reprinting the recalled stored image, or both editing and reprinting the recalled stored image.” Pet. 7. Patent Owner contends that “one of editing and reprinting said recalled stored image” means “one of editing and one of reprinting said recalled stored image.” Prelim. Resp. 10.

Patent Owner contends that its proposed construction “aligns with th[e] phrase’s plain and ordinary meaning and grammatical structure, as recognized by the Federal Circuit’s construction of a similar phrase.” *Id.* at 10–11 (citing *SuperGuide Corp. v. DirecTV Enterprises, Inc.*, 358 F.3d 870, 885 (Fed. Cir. 2004)). Petitioner contends that courts “rel[y] on the context of the claim term at issue to determine whether a conjunctive or disjunctive construction [i]s proper.” Pet. 8 (citing *Radware Ltd. v. A10 Networks, Inc.*, 2014 WL 1572644, at *6–7 (N.D. Cal. Apr. 18, 2014); *Joao Bock Transaction Sys., LLC v. First Nat’l Bank*, 2013 WL 3199981, at *7 (N.D. Ill. June 24, 2013)).

We agree with Petitioner that the Specification is informative regarding the meaning of “one of editing and reprinting said recalled stored image.” Petitioner points to the Specification’s description of actuating a

“RECALL” function key that allows the user to “**print or edit** the recalled label.” Pet. 8 (citing Ex. 1001, 11:51–12:1). The text referred to by Petitioner relates to Figure 8, which “shows the *options*” of a menu displayed when a user actuates the “RECALL” function key (Ex. 1001, 11:51–53 (emphasis added)), and the process for selecting a previously printed label “for editing or printing” (*id.* at 11:55–12:1). The description in the ’567 Patent is consistent with Petitioner’s construction.

Patent Owner has not identified where the Specification describes that a user is required to both edit and re-print. Additionally, Patent Owner has not explained adequately how either “editing” or “reprinting” are categories. On this record, therefore, we are persuaded by Petitioner that “one of editing and reprinting said recalled stored image,” as recited in claim 8 (*id.* at 18:29–30) means “either editing the recalled stored image or reprinting the recalled stored image, or both editing and reprinting the recalled stored image.” Pet. 7.

Patent Owner provides further contentions regarding the proper interpretation of the terms “editing” and “stored image” within the phrase “one of editing and reprinting said recalled stored image.” In particular, Patent Owner contends that “editing” does not include “overlaying two sets of image data.” Prelim. Resp. 38. Patent Owner additionally contends that the “language of claim 8 requires that the stored and recalled image be the same as the image that the user inputs.” *Id.* at 37.

Regarding the first of Patent Owner’s contentions pertaining to “editing” (*id.* at 38), the *IEEE Dictionary* sets forth a plain and ordinary meaning of “edit” as follows: “[t]o modify the form or format of data for example, *to insert* or delete characters such as page numbers or decimal

points.” THE INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS, THE AUTHORITATIVE DICTIONARY OF IEEE STANDARD TERMS 352 (7th ed., IEEE Press 2000) (emphasis added) (Ex. 3001). The dictionary definition of “edit” is useful in ascertaining the way in which one of ordinary skill in the art would understand this claim term. *See Starhome GmbH v. AT&T Mobility LLC*, 743 F.3d 849, 856–57 (Fed. Cir. 2014).

The technical dictionary definition is consistent with the Specification, which describes a tape printing device illustrated in Figure 1 including “keyboard 106” that “is used for inputting characters to the tape printing device.” Ex. 1001, 7:47–48. Additionally, keyboard 106 has “character selecting keys 78” that “allow text to be selected by a user to formulate labels to be printed.” *Id.* at 7:61–62. Accordingly, the ’567 Patent describes “editing” as including the insertion of characters.

Patent Owner’s contention that the “language of claim 8 requires that the stored and recalled image be the same as the image that the user inputs” (Prelim. Resp. 37) interjects ambiguity as to what is meant by “the same.” In particular, Patent Owner contends that an image in dot matrix format is not the same because its format differs from that of the input data. *Id.* The Specification of the ’567 Patent, however, describes an embodiment in which the tape printer is distant from where the labels are produced, such as a personal computer (“PC”). Ex. 1001, 13:3–11. In accordance with that embodiment, data is transferred via a connection, such as a universal serial bus, to the tape printer. *Id.* at 12:64–67. As described in the Specification, signals received by the keyboard may be altered such that they can be transferred via the connection and stored. Thus, according to the Specification, an image may undergo some conversion and still be the same

image. On this record, therefore, we are not persuaded that the claim 8 is limited as Patent Owner contends.

Accordingly, we determine, on this record and for purposes of this Decision, that “one of editing and reprinting said recalled stored image” means “either editing the recalled stored image or reprinting the recalled stored image, or both editing and reprinting the recalled stored image.” Additionally, we determine that “editing” within this phrase means “modifying the form or format” and includes, for example, inserting characters. We are not persuaded that “said recalled stored image” must be identical in every way to the image that is input and, instead, may be converted so as to be transmitted, stored in memory, or printed.

II. ANALYSIS

A. *Overview*

A patent claim is unpatentable if the differences between the claimed subject matter and the prior art are “such that the subject matter[,] as a whole[,] would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.” 35 U.S.C. § 103(a). The question of obviousness is resolved on the basis of underlying factual determinations, including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of skill in the art;² and (4) objective evidence of

² Petitioner’s declarant proposes a definition for a person of ordinary skill in the art. Ex. 1002 ¶ 29. Patent Owner does not challenge Petitioner’s declarant’s proposed definition and does not propose an alternative. To the extent necessary and for purposes of this Decision, we adopt Petitioner’s definition.

nonobviousness, i.e., secondary considerations. *See Graham v. John Deere Co.*, 383 US 1, 17–18 (1966). In an obviousness analysis, it is not necessary to find precise teachings in the prior art directed to the specific subject matter claimed, because inferences and creative steps that a person of ordinary skill in the art would employ can be taken into account. *See KSR Int’l Co. v. Teleflex Inc.*, 550 US 398, 418 (2007).

B. Obviousness of Claims 8–10 over Mori and Beadman

Petitioner contends that each of claims 8–10 of the ’567 Patent is rendered obvious by the combined teachings of Mori and Beadman. Pet. 24–36.

1. Mori

Mori relates to a printing system and printer including a function for reprinting data that has been printed earlier. Ex. 1003, 1:5–7. Mori teaches receiving print data by a printer and performing a print process using the print data. *Id.* at 1:57–61. Mori also teaches retrieving the printed document from the printer and executing a reprint command. *Id.* at 2:58–63.

2. Beadman

Beadman relates to a label printing apparatus. Ex. 1005, 1:10–12. The label printing apparatus of Beadman includes features for selecting characters to compose a label to be printed, printing the composed label, storing the composed label, and recalling a stored label in response to data provided by a user. *Id.* at 1:66–2:14. Beadman teaches that after a label has been recalled it “can be edited and/or printed using the printing apparatus in the normal way.” *Id.* at 6:24–29.

3. *Claim 8*

Petitioner contends that claim 8 would have been obvious over the combined teachings of Mori and Beadman, including those teachings summarized above. Pet. 26–35. Patent Owner contends only that Petitioner fails to show sufficiently teaching of “the ‘storing’ limitation” (Prelim. Resp. 29–32), i.e., “storing a plurality of images, such that each time an image is printed said image is stored” (Ex. 1001, 18:26–27). On this record, we are persuaded by Petitioner’s element-by-element arguments and evidence (Pet. 26–35), which are unrebutted (Prelim. Resp. 29–32) except with respect to the “storing limitation” (Ex. 1001, 18:26–27). We discuss further below the parties’ contentions regarding “storing a plurality of images, *such that each time an image is printed said image is stored*” (Ex. 1001, 18:26–27 (emphasis added)) and whether Petitioner has satisfied the requirements for combining Mori and Beadman.

a. *Whether the combination of Mori and Beadman teaches “storing a plurality of images, such that each time an image is printed said image is stored”*

Petitioner contends Mori teaches a printer that is configured to store print data for a plurality of pages in random access memory (“RAM”) or a hard disk. Pet. 10 (citing Ex. 1003, 3:30–34, 4:66–67). Petitioner, in reliance on the testimony of Mr. Stephen Gray, contends “[i]t would have been obvious to a person of ordinary skill in the art to modify the printing process of Mori to store the print data every time a page is printed” by “remov[ing] the functionality to allow the user to opt out of reprinting print data.” Pet. 10 (citing Ex. 1002 ¶¶ 40, 72). Mr. Gray testifies that “[t]he ability to opt out is an improvement” that is not needed, “[f]or example, if

the printer was intended to be used in an environment where it would not be printing sensitive data.” Ex. 1002 ¶ 72.

Patent Owner contends that Mr. Gray “mischaracterizes” the teaching of Mori by describing it as “an ‘opt-out’ system.” Prelim. Resp. 23–24. Patent Owner contends, in contrast, that Mori suggests “the opposite—that upon printing, the user is faced with an affirmative choice of whether to save the printed image for later use.” *Id.* at 24 (citing Ex. 1003, 6:29–36).

Contrary to Patent Owner’s contentions, Mori teaches “alternatively” that a printer “can be configured to store print data for a plurality of pages” in RAM or the hard disk. Ex. 1003, 3:37–40. Additionally, we are persuaded by Mr. Gray that it would have been obvious to one of ordinary skill in the art to remove the ability for a user “either to indicate that the data is prohibited from being reprinted or to specify that the data is intended for reprinting” (Ex. 1003, 6:30–32) and, instead, transmit print data such that “printer 10 will perform *a normal printing operation* with the print data while *knowing that the print data might be reprinted*” (*id.* at 6:41–44 (emphasis added)).

Patent Owner additionally contends that Mori teaches away from the claimed invention by teaching a printing system intended for an environment where sensitive data may be at issue. Prelim. Resp. 25 (citing Ex. 1003, 6:25–29). We do not read Mori to be limited to sensitive-data environments; rather, it is described as optional. Ex. 1003, 6:25–29. Patent Owner also does not explain persuasively why developments flowing from the teachings of Mori are unlikely to produce the objective of the claimed invention. *See Syntex (U.S.A.) v. Apotex, Inc.*, 407 F.3d 1371, 1380 (Fed. Cir. 2005) (“Under the proper legal standard, a reference will teach away when it

suggests that the developments flowing from its disclosures are unlikely to produce the objective of applicant's invention.” (citing *In re Gurley*, 27 F.3d 551, 553 (Fed. Cir. 1994)).

On this record, we are persuaded by Petitioner's arguments and evidence that Petitioner has shown sufficiently that the combination of Mori and Beadman teaches “storing a plurality of images, such that each time an image is printed said image is stored” (Ex. 1001, 18:26–27).

b. Whether Petitioner has satisfied the requirements for combining the teachings of Mori and Beadman

Petitioner, relying on the testimony of Mr. Gray, contends that the combination of Mori and Beadman would have involved no more than the predictable use of prior art techniques according to the functions established in the respective prior art disclosures. Pet. 25 (citing Ex. 1002 ¶¶ 89, 90). Mr. Gray testifies that “both Beadman and Mori disclosed methods for storing and re-using images from previous label print activities.” Ex. 1002 ¶ 90. Mr. Gray also testifies that “Mori disclosed a storage capability that uses the RAM and/or hard disk to store one or more print images after they are printed.” *Id.* ¶ 104 (citing Ex. 1003, 3:30–43, Fig. 2). Mr. Gray further testifies that “[o]ne of ordinary skill in the art would have been motivated to combine the teachings of Beadman and Mori such that the label printing apparatus of Beadman stored the label each time it was printed.” *Id.* ¶ 103.

Petitioner's analysis is un rebutted by Patent Owner. Prelim. Resp. 29–32. On this record, we determine that Petitioner has articulated sufficient reasoning with a rational underpinning as to why one of ordinary skill in the art would have combined storing information for reprinting as taught in Mori

(Ex. 1003, 3:30–43, 4:26–29, Fig. 2) with the teachings of Beadman relating to recalling and editing an image (Ex. 1005, 6:24–29). *See KSR*, 550 U.S. at 418 (citing *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)).

c. Conclusion

Accordingly, we are persuaded that, on this record, Petitioner demonstrates a reasonable likelihood of prevailing in showing the unpatentability of independent claim 8.

4. Dependent Claims 9 and 10

Claim 9 depends directly from claim 8, and claim 10 depends directly from claim 9. Each of claims 9 and 10 recites further limitations regarding storing labels (Ex. 1001, 18:31–35). In particular, claim 9 recites “storing a maximum of N previously printed labels” (Ex. 1001, 18:31–32). Petitioner points to Mori’s teaching of print data storage device 44 that may store “as many as ‘n’ number of sets of print data, where ‘n’ is an integer number dependent on the capacity” of device 44. Pet. 35 (citing Ex. 1003, 4:26–29). On this record, we are persuaded by Petitioner’s un rebutted contentions and evidence with respect to claim 9.

Claim 10 depends from claim 9 and further recites “wherein when the number of labels stored is greater than N, the oldest label is deleted” (Ex. 1001, 16:33–35). Petitioner points to Mori’s teaching that “to store the (n+1)th print data in the storage device 44, the oldest print data is deleted.” Pet. 35 (citing Ex. 1001, 5:1–3.) On this record, we are persuaded by Petitioner’s un rebutted contentions and evidence with respect to claim 10.

Accordingly, we are persuaded that, on this record, Petitioner demonstrates a reasonable likelihood of prevailing in showing the unpatentability of claims 9 and 10.

C. Obviousness of Claims 8–10 over Suzuki and Nagashima

Petitioner contends that each of claims 8–10 of the '567 Patent is rendered obvious by the combined teachings of Suzuki and Nagashima. Pet. 36–45.

1. Suzuki

Suzuki teaches a label printer comprising an input section for inputting printing data, a memory section for storing image data, a printing section, and a control circuit. Ex. 1004, 1:65–2:1. In particular, Suzuki teaches that the label printer has frame memory 9 (*id.* at Fig. 3), which is divided into six memory areas 9A-1 through 9A-6, each used for storing image data for one label (*id.* at 3:31–36, Fig. 4).

2. Nagashima

Nagashima teaches a printing apparatus that can reuse printing information, without being instructed by a host computer or word processor. Ex. 1006, 1:30–34. The printing apparatus includes central processing unit (“CPU”) 11 and image memory 16. *Id.* at Fig. 1. Image memory 16 has sufficient capacity to store a plurality of pages or documents. *Id.* at 2:13–15. Image memory 16 continues to store the data even after it has been printed. *Id.* at 2:41–42. The printing apparatus of Nagashima also comprises overlay key 9 (*id.* at 3:56–59), which when actuated causes CPU 11 to overlay new dot data on an image represented by previously stored dot data in image memory 16 (*id.* at 4:25–31).

3. Claim 8

Petitioner contends that claim 8 would have been obvious over the combined teachings of Suzuki and Nagashima, including those teachings summarized above. Pet. 36–45. Patent Owner contends that Petitioner fails

to show sufficiently teaching of “the ‘recalling’ limitation” (Prelim. Resp. 36–39), i.e., “recalling one of said stored images, wherein the method further comprises one of editing and reprinting said recalled stored image” (Ex. 1001, 18:28–30). Patent Owner, additionally, contends that Petitioner “fails to clearly identify where each element is present in the prior art references and which features of the references need to be combined or modified” (Prelim. Resp. 32–36) and does not “articulat[e] why one of ordinary skill in the art would have combined the references to reach the claimed invention” (*id.* at 39–41).

On this record, we are persuaded by Petitioner’s element-by-element arguments and evidence (Pet. 36–45), which are unrebutted (Prelim. Resp. 32–41) except with respect to the “recalling” limitation (Ex. 1001, 18:28–30). We discuss below the parties’ contentions regarding “recalling one of said stored images, wherein the method further comprises one of *editing* and reprinting said recalled stored image” (*id.* (emphasis added)).

Regarding Patent Owner’s contention that Petitioner fails to clearly identify where each element is present in the prior art references and which features of the references need to be combined or modified, we note that Petitioner has provided an element-by-element analysis showing where each element recited in claim 8 is found in the teachings of Suzuki or Nagashima, or both. *See* 37 C.F.R. § 42.104(b)(4). We discuss below whether Petitioner has satisfied other requirements for combining Suzuki and Nagashima.

- a. *Whether the combination of Suzuki and Nagashima teaches “recalling one of said stored images, wherein the method further comprises one of editing and reprinting said recalled stored image”*

Petitioner contends that the printing apparatus of Nagashima “permits the editing of stored printing information by overlaying an image represented by new dot data on an image represented by previously stored dot data in the image memory.” Pet. 44 (Ex. 1006, 4:25–33). Nagashima teaches that actuation of overlay key 9 allows “an image represented by new data [to] be overlayed on an image represented by previously stored dot data in [] image memory 16.” Ex. 1006, 4:25–31.

Patent Owner contends that Nagashima teaches “inputting printing information, which are then converted to image data” and then “[t]his image data, and not the printing information, is stored in memory.” Prelim. Resp. 37 (citing Ex. 1006, 1:42–43, 2:14–17, 4:6–24). Patent Owner contends that “claim 8 requires that the stored and recalled image be the same as the image that the user inputs.” *Id.* For the reasons discussed above, on this record, we are not persuaded that “stored images” should be limited as Patent Owner contends. We, therefore, are not persuaded that Nagashima’s teaching that “CPU [] converts the printing information, such as PDL [page description language] . . . into dot data” (Ex. 1006, 4:6–7) precludes a determination that Nagashima teaches the “recalling” limitation recited in claim 8.

Patent Owner, additionally, contends that “overlaying two sets of image data results in the creation a new image data, rather than the editing of the original image data.” Prelim. Resp. 38 (citing Ex. 1006, 4:29–33). For the reasons discussed above with respect to claim construction, we determine that “editing” includes inserting or overlaying characters.

On this record, we are persuaded by Petitioner's arguments and evidence that Petitioner has shown sufficiently that the combination of Suzuki and Nagashima teaches "recalling one of said stored images, wherein the method further comprises one of editing and reprinting said recalled stored image" (Ex. 1001, 18:28–30).

b. Whether Petitioner has satisfied the requirements for combining the teachings of Suzuki and Nagashima

Petitioner, in reliance on the testimony of Mr. Gray, contends that a person of ordinary skill in the art would have found it obvious to combine Suzuki and Nagashima. Pet. 37–38 (citing Ex. 1002 ¶¶ 54, 119, 130). Mr. Gray testifies that Suzuki and Nagashima are in the same field and had the common objective of storing and re-using images from previous print activities to reduce preparation time for printing. Ex. 1002 ¶ 119 (citing Ex. 1004, 1:61–63; Ex. 1006, 1:18–31). Mr. Gray also testifies, regarding Suzuki, that "each time that [the printer of Suzuki] prints a page, the printer stores the image data in dot matrix form for that page in frame memory" (*id.* ¶ 127) and, regarding Nagashima, "[o]ne of ordinary skill in the art would appreciate that the feature of designating documents as 'secret' was not required for secure environments" (*id.* ¶ 54).

Patent Owner contends that Petitioner fails to identify "[w]hich claim elements are not disclosed in the [] primary reference" and "[w]hich features of the secondary reference can be combined with the primary reference." Prelim. Resp. 34. As discussed above, however, Petitioner identifies differences between the claimed subject matter and Nagashima (Pet. 37), i.e., with respect to "storing a plurality of images, such that each time an

image is printed said image is stored” (Ex. 1001, 18:26–27), and points to Suzuki’s teachings for this element (Pet. 41–42).

Patent Owner additionally contends that Petitioner fails to articulate a rational underpinning for modifying Nagashima. Prelim. Resp. 39. As discussed above, however, Mr. Gray testifies that one of ordinary skill in the art would have appreciated that the option to not print could be eliminated in a secure environment. Ex. 1002 ¶ 54.

On this record, we determine that Petitioner has articulated sufficient reasoning with a rational underpinning as to why one of ordinary skill in the art would have combined the printer that stores image data each time it prints a page as taught in Suzuki (Ex. 1004, 3:10–14), with the teachings of Nagashima relating to overlaying an image represented by new dot data on an image represented by previously stored dot data (Ex. 1006, 4:25–33). *See KSR*, 550 U.S. at 418 (citing *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)).

c. Conclusion

Accordingly, we are persuaded that, on this record, Petitioner demonstrates a reasonable likelihood of prevailing in showing the unpatentability of independent claim 8.

4. Dependent Claims 9 and 10

Regarding “storing a maximum of N previously printed labels” as recited in claim 9 (Ex. 1001, 18:31–32), Petitioner, for example, points to Suzuki’s teaching that “frame memory 9 is divided into six memory areas 9A-1 to 9A-6 each used for storing image data for one label.” Pet. 44 (citing Ex. 1004, 3:31–36). On this record, we are persuaded by Petitioner’s un rebutted contentions and evidence with respect to claim 9.

Regarding the “wherein when the number of labels stored is greater than N, the oldest label is deleted” limitation recited in claim 10 (Ex. 1001, 18:33–35), Petitioner points to Nagashima’s teaching that “when the image memory 16 does not have memory area to store further dot data, the CPU 11 erases old dot data from the image memory 16 and registers new identification (S5).” Pet. 45 (citing Ex. 1006, 3:64–67). On this record, we are persuaded by Petitioner’s un rebutted contentions and evidence with respect to claim 10.

Accordingly, we are persuaded that, on this record, Petitioner demonstrates a reasonable likelihood of prevailing in showing the unpatentability of claims 9 and 10.

D. Whether Petitioner is Estopped or Barred from Requesting Inter Partes Review

Patent Owner contends that “the doctrine of assignor estoppel [] bars the Petition.” Prelim. Resp. 45. Patent Owner also contends that a Stock Purchase Agreement (“SPA”) bars Petitioner from filing this *inter partes* review. *Id.* at 43. Patent Owner indicates that it “has a motion pending concerning these issues in a parallel district court suit, in which it has asked the Court to enjoin Petitioners’ participation in furtherance of the instant petition or any future IPR proceedings relating thereto.” *Id.* at 44.

Petitioner contends that the doctrine of assignor estoppel does not apply in an *inter partes* review proceeding. Pet. 2–3 n.1 (citing *Redline Detection LLC v. Star Envirotech, Inc.*, Case IPR2013-00106 (PTAB June 30, 2014) (Paper 66)). In the *Redline* proceeding, the Board explained that 35 U.S.C. § 311(a) presents “a clear expression of Congress’s broad grant of the ability to challenge the patentability of patents through *inter partes*

review.” *Redline Detection LLC v. Star Envirotech, Inc.*, Case IPR2013-00106, slip op. at 4 (PTAB Oct. 1, 2013) (Paper 40). As § 311(a) states, “a person who is not the owner of a patent may file with the Office a petition to institute an inter partes review of the patent.”

Patent Owner asserts that it disagrees with prior Board decisions “on the effect of assignor estoppel on a petitioner’s ability to [] file an IPR petition under Section 311(a).” Prelim. Resp. 46. Patent Owner further contends “setting aside Section 311(a), there are other grounds by which the Board can recognize contractual bars or estoppel.” *Id.*

First, Patent Owner points to 35 U.S.C. § 314 and contends that “Petitioners that are barred by assignor estoppel from challenging the patent’s validity do not have a reasonable likelihood to prevail.” *Id.* Patent Owner’s contention assumes we are authorized to consider assignor estoppel, without sufficiently explaining the basis of that assumption. The Board has said previously, and we agree, that “Congress has demonstrated that it will provide expressly for the application of equitable defenses when it so desires.” *See Redline*, Paper 40, slip op. at 4 (citing *Intel Corp. v. Int’l Trade Comm’n*, 946 F.2d 821, 836–38 (Fed. Cir. 1991)). In *Intel*, the Federal Circuit upheld the Commission’s application of assignor estoppel, endorsing the Commission’s reasoning that its statute explicitly stated that “[a]ll legal and equitable defenses may be presented in all [section 337] cases.” 946 F.2d at 837 (quoting 19 U.S.C. § 1337(c) (1988)). Patent Owner points to no such statutory mandate here. *Cf. In re Harvey, Inter Partes* Reexamination Control No. 95/000,155, Decision Dismissing Petition to Vacate (Mar. 8, 2007), slip op. at 6–7 (determining that, in an

inter partes reexamination, 35 U.S.C. § 311(a),³ provided a broad statutory mandate that any third-party requester could file a request for *inter partes* reexamination and that Congress did not make provision for assignor estoppel in the statute).

Second, Patent Owner points to 35 U.S.C. § 316(a)(2). Prelim. Resp. 47. Section 316(a)(2) provides that the Director shall prescribe regulations, including “the standards for the showing of sufficient grounds to institute a review under section 314(a).” As Patent Owner points out (Prelim. Resp. 47), § 316(b) provides that, in prescribing these regulations, “the Director shall consider the effect of any such regulation on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings instituted under this chapter.” Patent Owner then cites the impact on the economy, the integrity of the patent system, and the Office’s efficient and timely administration of its proceedings as reasons we should apply assignor estoppel in *inter partes* review proceedings. Prelim. Resp. 47–49. In this discussion, Patent Owner does not specify which regulations it contends pertain to recognizing and applying contractual bars and assignor estoppel to *inter partes* review proceedings.

Accordingly, on this record, we reject Patent Owner’s contentions relating to assignor estoppel and the alleged contractual bar.

³ The pre-AIA version of 35 U.S.C. § 311, governing *inter partes* reexamination.

E. Additional Ground

Petitioner also contends that the challenged claims of the '567 Patent are unpatentable under 35 U.S.C. § 103 based on the combined teachings of Mori and Suzuki. Pet. 8–23. We exercise our discretion not to institute an *inter partes* review as to claims 8–10 on this additional ground. See 37 C.F.R. § 42.108(a).

III. CONCLUSION

For the foregoing reasons, based on this record, including the Petition and the Preliminary Response, we are persuaded that the information presented in the Petition demonstrates a reasonable likelihood that claims 8–10 of the '567 Patent are unpatentable. Pursuant to 35 U.S.C. § 314(a) and on behalf of the Director (37 C.F.R. § 42.4), we institute an *inter partes* review as to claims 8–10 of the '567 Patent. However, we have not made a final determination of the patentability of any challenged claim.

IV. ORDER

For the reasons given, it is:

ORDERED that, pursuant to 35 U.S.C. § 314(a) and 37 C.F.R. § 42.4, an *inter partes* review of the '567 Patent is instituted as to claims 8–10 on the following grounds:

1. Claims 8–10, under 35 U.S.C. § 103(a), as obvious over the combined teachings of Mori and Beadman; and
2. Claims 8–10, under 35 U.S.C. § 103(a), as obvious over the combined teachings of Suzuki and Nagashima;

FURTHER ORDERED that we institute *inter partes* review on no other ground other than those specifically noted above; and

FURTHER ORDERED that, pursuant to 35 U.S.C. § 314(c) and

IPR2015-00766
Patent 7,990,567 B2

37 C.F.R. § 42.4, notice is given of the institution of a trial on the grounds of unpatentability authorized above; the trial commences on the entry date of this decision.

PETITIONER:

Douglas J. Kline
dkline@goodwinprocter.com

Charles H. Sanders
csanders@goodwinprocter.com

Jay C. Chiu
jchiu@goodwinprocter.com

Sumedha Ahuja
sahuja@goodwinprocter.com

PATENT OWNER:

Walter Renner
axf@fr.com

Thad Kodish
IPR41578-0003IP1@fr.com