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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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VALEO NORTH AMERICA, INC. and VALEO EMBRAYAGES,

Petitioner,  
v.

SCHAEFFLER TECHNOLOGIES AG & CO. KG,

Patent Owner.

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Case: IPR2017-00442  
Patent 8,573,374 B2

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PATENT OWNER'S PRELIMINARY RESPONSE

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## **I. Introduction**

Pursuant to 35 U.S.C. §313 and 37 C.F.R. §42.107, Schaeffler Technologies AG & Co. KG ("Patent Owner"), submits the following Patent Owner's Preliminary Response in response to a Petition for *inter partes* review filed by Valeo North America, Inc. and Valeo Embrayages ("Petitioner") concerning claims 1, 3-5, 8, 10 and 14-16 of U.S. Patent No. 8,573,374 ("the '374 patent") (Ex. 1101).

Petitioner asserts two grounds of unpatentability: that claims 1, 3-5, 8, 10 and 14-16 are anticipated under 35 U.S.C. §102(a) by Degler International application, PCT Pub No. WO 2009/06798 (Ex. 1103) ("the Degler publication"); and that claims 1, 3-5, 8, 10 and 14-16 are anticipated under 35 U.S.C. §102(a) by W. Reik, The Centrifugal Pendulum Absorber Calming Down the Drivetrain ("Reik publication") (Ex. 1106/Ex. 1105).

The '374 patent names Magerkurth, Huegel, and Meissner as inventors (and applicants), is a 371 National Phase of PCT/DE2009/000819, and claims priority under 35 U.S.C. §119 to DE 10 2008 031 431 having a priority date of July 4, 2008 and DE 10 2008 037 808 having a priority date of August 14, 2008. (Ex. 1101) (the '374 Priority Applications).

Petitioner's sole basis for alleging that the Degler and Reik publications are prior art to the '374 patent is its allegation that neither of the '374 Priority Applications is the "first filed" application under 35 U.S.C. § 119 (a, c), and accordingly, the '374 patent is not

entitled to any priority under 35 U.S.C. § 119.

In particular, Petitioner contends that DE 10 2007 057 448.9, which names Degler, Krause, Schenck, Werner, and Englemann as inventors ("the Degler Priority Application") (Ex. 1104), and which was filed earlier than the '374 Priority Applications, qualifies as the "first filed" application under 35 U.S.C. § 119 (a, c), and that accordingly, under 35 U.S.C. §119 (c), the '374 patent is not entitled to rely on any priority under 35 U.S.C. §119.

Petitioner ignores the express language of 35 U.S.C. §119 and the controlling precedent in alleging that the Degler Priority Application, *which shares no common inventors* with the '374 patent, could have been the "first filed" application under 35 U.S.C. §119.

The law is clear. In order for a foreign-filed patent application to serve as the basis for a priority claim under 35 U.S.C. §119, the foreign-filed application must have been filed by or on behalf of one or more of the inventors of the U.S. patent application. As the Federal Circuit has explained, citing *Vogel v. Jones*, 486 F.2d 1068 (CCPA 1973) as binding authority:

"§119 gives rise to a right of priority that is personal to the United States applicant."

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*Vogel* clearly held that the above-quoted passage "means that an applicant for a United States patent can rely for priority on the 'first filed' application by an assignee *on his behalf*." *Id.* Moreover, "the existence of an application made

by [the inventor's] assignee in a foreign country on behalf of one other than the United States inventor is irrelevant to his right of priority based on applications made on his behalf." (Emphasis and brackets in original).

*Boston Scientific Scimed, Inc. v Medtronic Vascular, Inc.* 497 F.3d 1293, 1297-99 (Fed. Cir. 2007), *quoting Vogel v. Jones*, 486 F.2d 1068 (CCPA 1973).

*Vogel* involved essentially the same facts at issue here. In *Vogel*, an inventor Jones filed a U.S. application assigned to ICI claiming priority to two British provisional applications. *Vogel* argued that Jones should not be entitled to claim priority to the two British applications because of an earlier filed patent application by different inventors (the Dewey application) that was also assigned to ICI and that later published. The CCPA rejected this argument, finding that the right to priority under § 119 was personal to Jones, and that the existence of the earlier filed Dewing application was "irrelevant to [Jones'] right of priority based on applications made on his behalf. " *Vogel v. Jones*, 486 F.2d 1068, 1072 (CCPA 1973).

The Degler priority application, though owned by the same assignee as '374 patent, shares no common inventors with the '374 patent, and is therefore *irrelevant* to the inventors' right to claim priority under 35 U.S.C. §119 for the '374 patent. The fact that the Degler priority application shares no common inventors with the '374 patent is *dispositive*, and alone requires denial of the Petition.

Further, the Petitioner fails to show that the '374 patent and the Degler priority

application are directed to the "same invention" as required under 35 U.S.C. §119.

Accordingly, Petitioner cannot establish that '374 patent is not entitled to the benefit of its two priority applications, the Degler and Reik publications are not prior art to the '374 patent, and the Petition should be denied in its entirety.

In its Preliminary Response, the Patent Owner addresses only the Petitioner's improper interpretation and application of 35 U.S.C. §119 as its basis for qualifying what would otherwise be non-prior art as prior art. Accordingly, the fact that this Preliminary Response does not address other aspects of the Petition is not an indication that the Patent Owner concedes any fact or issue. To the contrary, the Patent Owner expressly reserves its rights to contest any ground of patentability for which review is instituted.

## **II. The '374 Patent, Degler, Reik, Chart Of Timeline And Inventors**

### **A. '374 Patent**

The '374 patent was granted the priority under 35 U.S.C. §119 of two German applications with the earliest application (DE 10 2008 031 431) having a priority date of July 4, 2008 and the later application (DE 10 2008 037 808) having a priority date of August 14, 2008. (Ex. 1101). Relying on 35 U.S.C. §119, the patent owner filed an International application on June 12, 2009 with the PCT receiving Office designating the United States as a national filing, within 12 months from the earliest priority date of July 4, 2008. The inventors and applicants of the '374 patent are: Magerkurth, Huegel, Meissner. (Ex. 1101).

**B. Degler Publication**

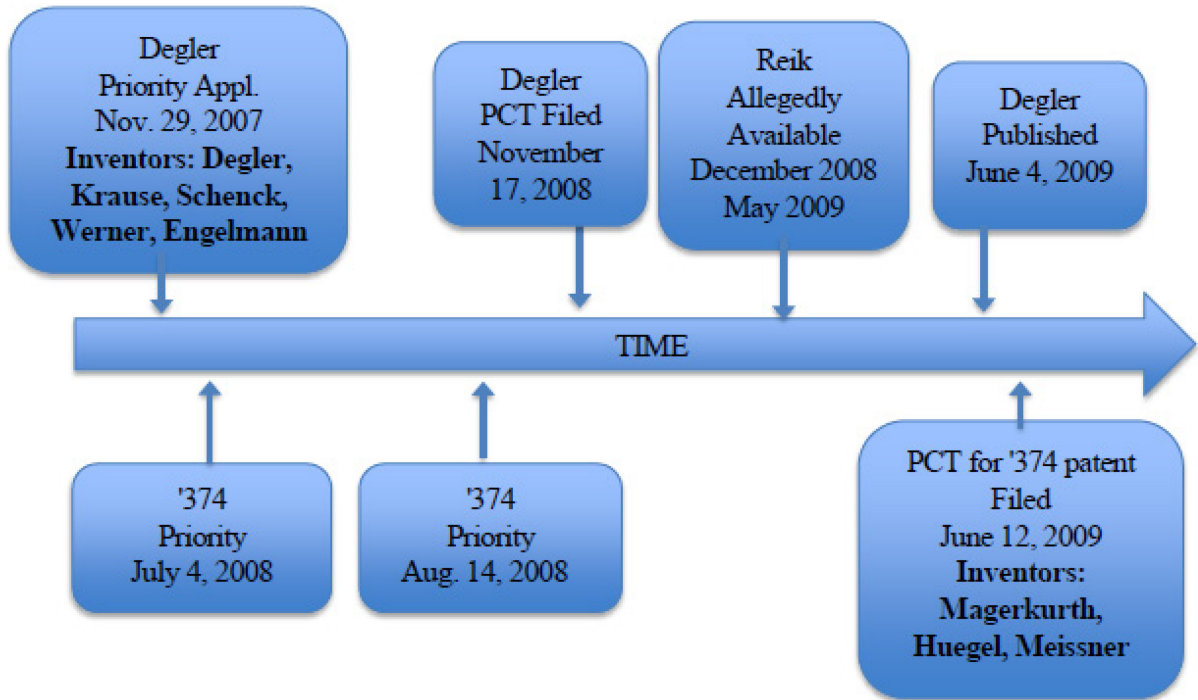
Degler International application PCT/DE/2008/00900 was filed on behalf of inventors Degler, Krause, Schenck, Werner and Engelmann on November 17, 2008, and claimed priority to DE 10 2007 057 448.9, filed on November 29, 2007, which was prior to the '374 patent's earliest priority date. (Ex. 1104, p. 3). It was published on June 4, 2009 as PCT Pub No. WO 2009/06798) (Ex. 1103) which is after the '374 Priority Application filing dates of July 4, 2008 and August 14, 2008 and before the '374 patent's PCT International application filing date of June 12, 2009. (Ex. 1114).

**C. Reik Publication**

Reik is a publication that was allegedly distributed December 2008 and May 2009, which was after the '374 Priority Application filing dates of July 4, 2008 and August 14, 2008, but before the '374 patent's PCT International application filing date of June 12, 2009. (Petition, p. 3) (Ex. 1106, Ex.1105).



#### D. Chart Of Timeline And Inventors



Notably, the Degler PCT filing date, Degler PCT publication date and alleged Reik publication dates are all *after* the priority dates of the '374 patent. Further, the '374 patent and the Degler priority application have no common inventors.

#### III. Overview of The Relevant Provisions of 35 U.S.C. §119

Section (a) of 35 U.S.C. § 119 provides "[a]n application for patent for an invention filed in this country *by any person who has, or whose legal representatives or assigns have*, previously regularly filed an application for a patent for *the same invention* in a foreign country which affords similar privileges in the case of applications filed in the

United States or to citizens of the United States, or in a WTO member country, shall have the same effect as the same application would have if filed in this country on the date on which the application for patent for the same invention was *first filed* in such foreign country, if the application in this country is filed within 12 months from the earliest date on which such foreign application was filed." (Emphasis added).

The phrase "by *any person who has, or whose legal representatives or assigns have*" has been held to require that the "legal representative or assigns" filed the priority application *on behalf* of the inventors of the U.S. Patent Application. In this regard, the right to priority is said to be *personal* to the inventors. *See Boston Scientific Scimed, Inc. v Medtronic Vascular, Inc.* 497 F.3d 1293, 1297-99 (Fed. Cir. 2007); *Vogel v. Jones*, 486 F.2d 1068, 1072 (CCPA 1973); *Manual of Patent Examining Procedure, Ninth Edition, March 2014, Latest Revision Nov. 2015* (MPEP) 213.02(II).

The phrase "the same invention" has been held to require that the priority application satisfies the written description and enablement requirements of 35 U.S.C. §112, ¶ 1 for the claims of the later filed U.S. application at issue. *See In re Gosteli*, 872 F.2d 1008, 1011 (Fed. Cir. 1989); *Yasuko Kawai v. Metlesics*, 480 F.2d 880, 885 (CCPA 1973).

The phrase "first filed" requires that the U.S. application must have been filed within 12 months of the first such foreign application filed for the invention by or on behalf of the

inventors. *See* 35 U.S.C. §119 (a) ("on which the application for patent for the same invention was *first filed* in such foreign country, if the application in this country is filed *within 12 months* from the *earliest date* on which *such foreign application* was filed").

Section (c) of 35 U.S.C. §119 provides for an exception of the "first filed" requirement, and states that "[i]n like manner and subject to the same conditions and requirements, the right provided in this section may be based upon a subsequent regularly filed application in the same foreign country instead of the first filed foreign application, provided that any foreign application filed prior to such subsequent application has been withdrawn, abandoned, or otherwise disposed of, without having been laid open to public inspection and without leaving any rights outstanding, and has not served, nor thereafter shall serve, as a basis for claiming a right of priority." In other words, a later filed foreign application can serve as a priority application as long as the "first filed" application has been withdrawn or abandoned without publishing and has not and will not serve as a basis for claiming a right of priority.

#### **IV. Petitioner's Analysis Under 35 U.S.C. §119 Is Fatally Flawed and Cannot Establish that Either Degler or Reik is Prior Art**

Petitioner's analysis completely ignores the "personal nature" of the right to priority under 35 U.S.C. §119 which requires that the United States filed application (the '374 patent) be filed by or on behalf of at least one of the inventors of the alleged corresponding

foreign application (the Degler priority application) at the time the foreign application was filed, and fails to address the requirement under 35 U.S.C. §119 that the alleged priority application be for the "same invention" as the '374 patent. Petitioner's analysis consists of a timeline of the various documents without any consideration of inventorship. (Petition, pp. 14, 13-15).

Petitioner asserts that under 35 U.S.C. §119, the '374 patent *should have* claimed priority to the Degler Priority Application and that by failing to do so, the '374 patent is not entitled to claim the benefit of either of its German priority applications. Without the benefit of the dates of the '374 patent's priority applications and having not claimed the benefit of the Degler Priority Application, Petitioner asserts that the '374 patent is only entitled to the filing date of its PCT International application of June 12, 2009. Because the June 12, 2009 filing date is after Degler's publication date of June 4, 2009 and Reik's alleged publication dates of December 2008 and May 2009, Petitioner asserts that both the Degler and Reik publications qualify as prior art. (Petition, pp. 13-28).

This argument is the sole basis by which Petitioner alleges that the Degler and Reik publications are prior art to the '374 patent.

Missing from the Petitioner's analysis is any explanation of *how* the Degler Priority Application *could have served* as priority for the '374 patent. Apparently, the Petitioner assumes that simply by virtue of the fact that the Degler Priority Application and the '374

patent share the same assignee, the Degler Priority Application qualifies as the "first filed" application under 35 U.S.C. §119 (a).

After assuming, without citation to any authority, that the Degler Priority Application *could* have served as priority of the '374 patent, Petitioner relies on 35 U.S.C. §119 (c) to allege that the '374 patent could only have claimed priority to its two German priority application had the Degler priority application been "withdrawn, abandoned, or otherwise disposed of, without having been laid open to public inspection and without leaving any rights outstanding." (Petition, p. 14-15). Because Degler was not "withdrawn, abandoned, or otherwise disposed of, without having been laid open to public inspection and without leaving any rights outstanding" (*id.*), Petitioner asserts that under 35 U.S.C. §119 (c) the '374 patent cannot claim priority to its two German priority applications.

This analysis is fatally flawed in that the Petitioner fails address the binding precedent that makes clear that the right to claim priority under 35 U.S.C. 119(a) is *personal to the inventors*, and that the priority application must be "for the same invention" as the patent. *See, e.g., Boston Scientific Scimed, Inc. v Medtronic Vascular, Inc.* 497 F.3d 1293, 1297-8 (Fed. Cir. 2007); *In re Gosteli* 872 F.2d 1008, 1011 (Fed. Cir.1989).

Rather, in support of its position, the Petitioner simply alleges that the Patent Owner of the '374 patent filed a PCT International Application claiming priority to the Degler Priority Application and that *solely because of this common ownership*, the '374 patent

cannot claim priority under 35 U.S.C. § 119 to the '374 Priority Applications for subject matter that is disclosed in both the '374 patent and the Degler Priority Application.

(Petition, pp. 13-14). This is insufficient and contrary to law.

**A. Petitioner's Argument Fails Because it Ignores That the Right to Priority Is Personal To The Inventors Of The '374 Patent**

Under section (a) of 35 U.S.C. §119, the right of priority is extended to "any person who has, or whose legal representatives or assigns" have previously filed a foreign application for the same invention. 35 U.S.C. §119 (a). This gives the *inventor(s)* a personal right to claim priority, which means a United States applicant must establish that a prior foreign application in the name of another was in fact made *on his behalf*. See *Vogel v. Jones*, 486 F.2d 1068, 1073 (C.C.P.A. 1973) ("an applicant for a United States patent can rely for priority on the 'first filed' application by an assignee on his behalf . . . existence of an application made by assignee in a foreign country on behalf of one other than the United States inventor is irrelevant to his right of priority based on applications made on his behalf."); *Boston Scientific Scimed, Inc. v Medtronic Vascular, Inc.* 497 F.3d 1293, 1297-8 (Fed. Cir. 2007)("At issue here is whether 35 U.S.C. § 119 (a) permits an applicant for a United States patent to benefit from the priority of a foreign application previously filed by an entity that was not acting on behalf of the U.S. applicant at the time of filing. We hold that it does not.").

For the Petitioner's argument to stand, the Petitioner must show that the Degler Priority Application was filed on behalf of at least one of the inventors of the '374 patent. Petitioner cannot meet this requirement because the '374 patent and the Degler Priority Application do not share even a single common inventor. (Ex. 1101) (Ex. 1104, p. 3).

Without a common inventor, the Degler Priority Application could not have been made on behalf of the inventors of the '374 patent, and thus, could not have been a foreign priority application to the '374 patent under 35 U.S.C. §119 (a, c). Rather than considering inventorship, the Petitioner's argument focused on the identity of ownership of the '374 patent and the Degler Priority Application, which is an argument flatly rejected in both *Vogel* and *Boston Scientific*.

*Vogel* involved facts indistinguishable from the present case. In *Vogel*, an inventor Jones filed a U.S. application assigned to ICI claiming priority to two British provisional applications. Vogel argued that Jones should not be entitled to claim priority to the two British applications because of an earlier filed patent (Dewing) that was also assigned to ICI and published. Vogel argued that the *common ownership* of the Dewing patent and Jones application should be the basis to preclude Jones from claiming priority to the two British applications. In particular, Vogel argued that ICI owned both the Jones application and the Dewing patent, and thus, Jones should have been aware of the subject matter in Dewing, and thus, cannot be considered the first inventor of the subject matter. *Vogel v.*

*Jones*, 486 F.2d at 1071-2. The Petitioner makes the same argument, claiming that the Patent Owner owned both the Degler Priority Application and the '374 patent. (Petition 1, pp. 13-14). The Board in *Vogel* considered this argument and found that *the controlling point was who the actual inventors were*, not who owned the patents: "[i]t is of no consequence that ICI owned the Dewing patent and Jones' British applications [and that] the controlling point was that Dewing was not Jones rather than the identity of ownership." *Vogel v. Jones*, 486 F.2d at 1072. The Board's decision was upheld by the CCPA on appeal, which held:

[T]he existence of an application made by that assignee in a foreign country on behalf of one other than the United States inventor is *irrelevant* to his right of priority based on applications made on his behalf. (Emphasis added).

*Vogel v. Jones*, 486 F.2d at 1073.

Confirming *Vogel*, the court in *Boston Scientific* explicitly rejected the argument that "*Vogel* does not require the foreign applicant to have been acting on behalf of the U.S. applicant at the time the foreign application was filed." *Boston Scientific Scimed, Inc. v. Medtronic Vascular, Inc.*, 497 F.3d at 1298, 1298-9. Further, the court in *Boston Scientific* cited *Vogel* as controlling precedent, and explained:

A similar issue was addressed by the Court of Customs and Patent Appeals in *Vogel v. Jones*, 486 F.2d 1068 (CCPA 1973), which, to the extent relevant here, is binding upon us, *South Corp. v. United States*, 690 F.2d 1368, 1370 (Fed. Cir. 1982) (en banc). According to *Vogel*, "§ 119 gives rise to a right of



priority that is personal to the United States applicant."

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*Vogel* clearly held that the above-quoted passage "means that an applicant for a United States patent can rely for priority on the 'first filed' application by an assignee *on his behalf*." *Id.* Moreover, "the existence of an application made by [the inventor's] assignee in a foreign country on behalf of one other than the United States inventor is irrelevant to his right of priority based on applications made on his behalf." (Emphasis and brackets in original).

*Boston Scientific Scimed, Inc. v Medtronic Vascular, Inc.* 497 F.3d 1293, 1297-99 (Fed. Cir. 2007); *see also* MPEP §213.02(II) ("[T]he foreign application must have been filed by the same applicant as the applicant in the United States, or by his or her legal representatives or assigns. Consistent with longstanding Office policy, this is interpreted to mean that the U.S. and foreign applications must name the *same inventor or have at least one joint inventor in common*").

The Petitioner puts forth no argument or evidence that the assignee of the Degler priority application acted *on behalf of the inventors of the '374 patent* at the time Degler was filed. Although someone other than the inventor can file a foreign application, the Federal Circuit in *Boston Scientific* explained that "section 119(a) . . . requires a nexus exist between the inventor and the foreign applicant at the time the foreign application was filed;" and expressly held "that a foreign application may only form the basis for priority under section 119(a) if that application was filed by either the U.S. applicant himself, or by

someone acting on his behalf at the time the foreign application was filed." *Boston Scientific Scimed, Inc. v Medtronic Vascular*, 497 F.3d at 1298-1299. The Petitioner did not show a nexus, nor could there be a nexus between the inventors of the '374 patent and the assignee of the Degler priority application *because there are no inventors in common*.

Indeed, even where there is common inventorship between the foreign priority application and the U.S. application, it is necessary to establish that the applicant filing the foreign application was acting on behalf of the inventors. *See Boston Scientific Scimed, Inc. v Medtronic Vascular, Inc.* 497 F.3d 1293, 1297-98 (Fed. Cir. 2007) ("as a matter of pure logic, an entity could not have filed a foreign application "on behalf of" an inventor without the inventor's knowledge or consent; that the foreign application may have been filed in accordance with the laws of the country in which it was filed has no bearing here").

Lacking even common inventors between the Degler Priority Application and the '374 patent, Petitioner cannot establish that the Degler Priority Application was filed on behalf of the inventors of the '374 patent.

The Petitioner merely states that there was common ownership, but common ownership alone was rejected in *Vogel* and later in *Boston Scientific* as *irrelevant*. *See supra*.

Accordingly, because the Degler Priority Application and the '374 patent do not share at least one common inventor, the Degler Priority Application *could not have served*

*as a priority document* to the '374 patent under 35 U.S.C. §119 (a). As this is the sole basis for Petitioner's allegation that the '374 patent is not entitled to the benefit of its two priority applications, neither the Degler publication nor the Reik publication are prior art to the '374 patent, and both grounds of invalidity asserted in the Petition fail. The Petition should be denied in its entirety.

**B. Petitioner Fails To Establish that the '374 Patent And The Degler Priority Application Are For The Same Invention**

Petitioner also fails to establish that the '374 patent and the Degler Priority Application are directed to the same invention. Section 119(a) specifies that a United States application may only claim priority to a foreign application for the "same invention." 35 U.S.C. § 119 (a) ("An application for patent for an invention filed in this country by any person who has, or whose legal representatives or assigns have, previously regularly filed an application for a patent for the *same invention* in a foreign country which affords similar privileges in the case of applications filed in the United States.") (Emphasis added).

For a United States application and foreign priority application to be considered the "same invention," the disclosure of the foreign priority application must support the claims in the United States application under the standard of 35 U.S.C. §112 ¶1 (written description, enablement). In *Yasuko Kawai v. Metlesics*, the Court of Customs and Patent Appeals held that the foreign priority application must comply with the disclosure

requirements of section 112 first paragraph. *Yasuko Kawai v. Metlesics*, 480 F.2d 880, 885 (C.C.P.A.1973) ("[T]he foreign application must meet the requirements of section 112").

The Federal Circuit in *In re Gosteli* confirmed that a foreign priority application must comply with the written description of the invention requirement. *In re Gosteli* 872 F.2d 1008, 1011 (Fed. Cir.1989) ("We conclude, therefore, that claims 48-51 are entitled to the benefit of their foreign priority date under *section 119* only if the foreign priority application properly supports them as required by *section 112*, para. 1").

Nowhere in the Petition does the Petitioner make such an argument or provide such an analysis. Indeed, Petitioner makes no attempt to establish that the Degler Priority Application describes the "same invention" as the '374 patent under the written description and enablement requirements of 35 U.S.C. § 112, ¶1. The Petitioner simply states that "there can be no priority rights in the '374 priority applications for any subject matter that was also disclosed in the Degler priority application," which is not proof of the "same invention" under any standard. (Petition, p. 15). The Petitioner makes no showing that the Degler Priority Application complies with the requirements of 35 U.S.C. §112 ¶ 1 for the claimed invention of the '374 patent.

Accordingly, Petitioner's failure to show that the '374 patent and the Degler Priority Application are for the "same invention" is a separate, dispositive, grounds for concluding that Petitioner cannot establish that the Degler Priority Application could have been a

priority application to the '374 patent. As this is the sole basis for Petitioner's allegation that the '374 patent is not entitled to the benefit of its two priority applications, neither the Degler publication nor the Reik publication are prior art to the '374 patent, both grounds of invalidity asserted in the Petition fail on this basis as well, and the Petition should be denied in its entirety.

## **V. Conclusion**

Based on the forgoing, the Petition for Inter Partes Review of the '374 patent should be dismissed under 35 U.S.C. §314(a) because it fails to show a "reasonable likelihood" that the Petitioner will prevail in invalidating a single challenged claim of the '374 patent. The Petition should be denied with prejudice.

Respectfully submitted,

April 4, 2017

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## **CERTIFICATE OF COMPLIANCE**

The undersigned certifies this document complies with the type-volume limitation of 37 C.F.R. § 42.24. This paper contains 4,222 words, as calculated by the Microsoft Word program excluding the parts of the brief exempted by 37 C.F.R. § 42.24(a).

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on this 4th day of April, 2017, a true and correct copy of the foregoing **PATENT OWNER'S PRELIMINARY RESPONSE PURSUANT TO 37 C.F.R. § 42.107** was served by electronic mail pursuant to agreement, upon the following counsel of record for Petitioners VALEO NORTH AMERICA, INC. and VALEO EMBRAYAGES:

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