

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VF OUTDOOR, LLC,
Petitioner,

v.

COCONA, INC.,
Patent Owner.

IPR2018-00190
Patent 8,945,287 B2

Before KRISTINA M. KALAN, CHRISTOPHER M. KAISER, and
ELIZABETH M. ROESEL, *Administrative Patent Judges*.

KALAN, *Administrative Patent Judge*.

DECISION

Denying Petitioner's Request for Rehearing of Final Written Decision
37 C.F.R. § 42.71(d)

I. INTRODUCTION

VF Outdoor, LLC (“Petitioner”) filed a Request for Rehearing (Paper 51, “Request” or “Req.”) of our Final Written Decision (Paper 50, “Final Written Decision” or “Dec.”) in which we determined that claims 27, 28, 30, 32, 33, and 35–37 of U.S. Patent No. 8,945,287 B2 (Ex. 1001, “the ’287 patent”) are unpatentable. We determined that Petitioner did not satisfy its burden of demonstrating, by a preponderance of the evidence, that claims 38 and 39 are unpatentable. Patent Owner, with Board authorization, filed an Opposition to Request for Rehearing (Paper 54, “Opposition to Request for Rehearing” or “Opp.”). Petitioner, with Board authorization, filed a Reply to Patent Owner’s Opposition to Request for Rehearing (Paper 55, “Reply”). For the reasons that follow, Petitioner’s Request for Rehearing is denied.

II. THE REQUEST FOR REHEARING

In pertinent part, 37 C.F.R. § 42.71(d) states:

The burden of showing a decision should be modified lies with the party challenging the decision. The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.

Thus, a request for rehearing is not an opportunity merely to disagree with the Board’s assessment of the arguments or weighing of the evidence, or to present new arguments or evidence. Moreover, “[w]hen rehearing a decision on petition, a panel will review the decision for an abuse of discretion.” 37 C.F.R. § 42.71(c).

Petitioner requests rehearing to address several issues with our Final Written Decision. Req. 1–15. First, Petitioner argues the Board overlooked

the argument and evidence at Section VI.D.5 of the Petition, which Petitioner argues demonstrate a reasonable expectation of success that the combination of Dutta and Haggquist meets the claimed MVTR range: “‘As such, Dutta in view of Haggquist discloses the above limitation.’ (Petition, 42 (citing Ex. 1005 at ¶¶ 171-172.))” Req. 3–4.

Second, Petitioner argues the Board overlooked Petitioner’s citation to Dr. Oelker’s Declaration in Petitioner’s Opposition to the Motion to Exclude (Paper 44, “Opposition”). Req. 5.

Third, Petitioner argues good cause exists to submit additional evidence regarding reasonable expectation of success. Req. 14–15.

Fourth, Petitioner argues rehearing is also appropriate on claims 38 and 39 because the Board overlooked Petitioner’s alternate argument concerning encapsulation and interpreted the scope of claims 38 and 39 in an unexpected manner. Req. 6–13.

In addition, in Petitioner’s Reply, Petitioner also argues that Patent Owner’s Opposition to Request for Rehearing exceeds the scope authorized by the Board in Paper 53. Reply 1–2.

We have reviewed the papers submitted in connection with this Request for Rehearing and have carefully considered the arguments presented. For the following reasons, we are not persuaded that the Board abused its discretion or misapprehended or overlooked the matters asserted by Petitioner.

III. DISCUSSION

(A) Petitioner's First Argument

In the Request, Petitioner argues that the Board overlooked argument and evidence at Section VI.D.5 that Petitioner alleges demonstrate a reasonable expectation of success that Dutta¹ and Haggquist² would meet the claimed moisture vapor transmission rate (“MVTR”) range of claim 27. Req. 3–4. The argument and evidence to which Petitioner refers is a single sentence and citation in the Petition, which states: “As such, Dutta in view of Haggquist discloses the above limitation.” Req. 3–4 (citing Pet. 42 (citing Ex. 1005 ¶¶ 171–172)). The Request specifically identifies the citation to Dr. Oelker’s Declaration at paragraph 171. Req. 4 (citing Ex. 1005 ¶ 171). In its relevant part, paragraph 171 states

Table 1 of *Dutta* discloses an increased WVTR (MVTR) for compositions with included Sephadex particles. (Ex. 1002 at p. 23 ll. 3-10.) Given the similarity between Sephadex particles disclosed in *Dutta* and the other active particles’ ability to trap water, a POSITA would understand that the active particles as disclosed in *Haggquist* would exhibit a performance in terms of WVTR that is similar to those disclosed in *Dutta*. (*Id.* at p. 23, ll. 3-10; Ex. 1004 at ¶ 30.). Therefore, a POSITA would understand that the combination of the *Haggquist* particles into the *Dutta* membrane would possess quick drying properties at least in part due to the active particles.

Ex. 1005 ¶ 171.

The Request asserts the Board overlooked paragraph 171, which provides evidence that the replacement of Dutta’s Sephadex particles with

¹ PCT Pub. No. WO 1995/33007 A1, published December 7, 1995 (“Dutta”) (Ex. 1002).

² U.S. Patent Pub. No. 2004/0018359 A1, published January 29, 2004 (“Haggquist”) (Ex. 1004).

Haggquist's active particles would have reasonably been expected to result in a composition with the claimed MVTR range. Req. 4.

However, in the Final Written Decision, the Board expressly determined that the Petition did not establish that Dutta and Haggquist would reasonably have been expected to have the recited MVTR range.

Dec. 35. The Final Written Decision stated

[c]laim 27 requires that the moisture vapor transmission rate of the water-proof composition comprises from about 600 g/m²/day to about 11000 g/m²/day. Ex. 1001, 12:14–16. To demonstrate that the combination meets this limitation, Petitioner's claim chart relies on Table 1 of Dutta. Pet. 25–26. The claim chart, however, does not provide any reference to Haggquist for this limitation, despite Petitioner's reliance on the combination of Haggquist's particles with Dutta's composition for this ground.

Id.

We then specifically discussed Petitioner's arguments and evidence in Section VI.D.5 of the Petition:

The Petition also states: "If the activated carbon from Haggquist replaces the Sephadex particles in the cured polyurethane solution in Example 1B of Dutta, there is a reasonable expectation of success that the composition would have a MVTR within the claimed range." Pet. 41. Petitioner relies on Figure 2 of the '287 patent to show that "carbon particles combined with polyurethane have MVTRs that range from 6,356 g/m²/day to 10,385 g/m²/day." *Id.* (citing Ex. 1001, Fig. 2). The Petition, however, provides no other support for its assertion that the combination of Dutta and Haggquist would have an MVTR within the claimed range. Petitioner's reliance on the '287 patent's Figure 2 is unpersuasive, as it is unclear, absent further explanation or evidence, that the conditions leading to the MVTRs in Figure 2 would be applicable to the combination of Dutta and Haggquist proposed by Petitioner.

Id.

Because we expressly considered Section VI.D.5 of the Petition, we are not persuaded that we overlooked Petitioner's argument and evidence. It is Petitioner's burden to include a detailed explanation of the significance of the evidence. *See* 37 C.F.R. § 42.22(a)(2). As discussed in the Final Written Decision, Petitioner failed to do so here:

Petitioner provides no analysis showing that Haggquist's active particles, when substituted for the Sephadex particles of Dutta, would have reasonably been expected to result in a membrane having an MVTR within the claimed range. We cannot independently determine, from the evidence before us, what the expected MVTR of the combination would be, nor should Petitioner expect the Board to search the record and piece together the evidence that may support Petitioner's arguments. 35 U.S.C. § 312(a)(3) (a Petition is required to identify "with particularity[] the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge."); *DeSilva v. DiLeonardi*, 181 F.3d 865, 866–67 (7th Cir. 1999) ("A brief must make all arguments accessible to the judges, rather than ask them to play archeologist with the record."); 37 C.F.R. § 42.22(a)(2) (the "petition . . . must include . . . [a] full statement of the reasons for the relief requested").

Dec. 36.

Rather than providing analysis that Dutta with Haggquist's active particles would have reasonably been expected to result in the claimed MVTR range, the Petition merely provides a conclusory statement (i.e., "[a]s such, Dutta in view of Haggquist discloses the above limitation") for which the Petition does not otherwise provide an argument or explanation. This conclusory statement in the Petition is followed by an unexplained citation to Dr. Oelker's Declaration. This practice of citing the Declaration to support a conclusory statement in the Petition amounts to improper incorporation by reference. *See* 37 C.F.R. § 42.6(a)(3). Moreover,

Dr. Oelker's testimony in paragraph 171 is directed to the "quick drying" limitation of claim 36 and fails to mention the MVTR range limitation of claim 27. *See* Ex. 1005 ¶ 171. Thus, the citation's significance with respect to the claimed MVTR range is not apparent, because the cited portion of Dr. Oelker's testimony does not mention a range. In essence, Petitioner asks that we rely on the Petition for directions to Dr. Oelker's Declaration, where the testimony does not address the claimed MVTR range. As we stated in the Final Written Decision, we decline to "search the record and piece together the evidence that may support Petitioner's arguments." Dec. 36.

Based on the forgoing, we are not persuaded that we overlooked or misapprehended any matters with respect to Petitioner's argument and evidence at Section VI.D.5 of the Petition. Petitioner's disagreements with our conclusions as to the sufficiency of Petitioner's argument and evidence is not a proper basis for a rehearing request.

(B) Petitioner's Second Argument

Similarly, Petitioner argues that the Board overlooked a portion of Petitioner's Opposition to the Motion to Exclude (Paper 44) citing to Section VI.D.5 of the Petition and Dr. Oelker's Declaration. Req. 5 (citing Paper 44, 8–9).

For the same reasons discussed above with respect to Petitioner's first argument, we are not persuaded that we overlooked or misapprehended Petitioner's arguments or evidence with respect to the claimed MVTR range, because they amount to improper incorporation by reference. We note, additionally, that Petitioner's Opposition (Paper 44) failed to cite paragraph 171 of Exhibit 1005, even though Petitioner now, in a parenthetical, indicates this was a typographical error. Paper 44, 8–9 (citing Ex. 1005 ¶¶ 172–172, not ¶¶ 171–172); Req. 5 ("¶¶ . . . 172-172 (*sic*, 171–172).)"

(C) Petitioner's Third Argument

With its Request, Petitioner submits additional evidence (Ex. 1060) in the form of inventor Dr. Haggquist's Declaration in an Information Disclosure Statement from the prosecution of the '287 patent. Req. 14. Petitioner represents that the additional evidence was presented as Exhibit 7 to Dr. Haggquist and Patent Owner's expert Dr. Daniels during their depositions, which are already of record. *Id.* at 14–15 (citing Ex. 1046, 29:25–30:10, 33:6–34:6; Ex. 1047, 138:18–139:8, 141:4–17).

Petitioner argues good cause exists for the submission of additional evidence, “which directly refutes arguments made by Patent Owner only during its rebuttal time at the Oral Hearing (to which Petitioner had no opportunity to respond).” Req. 14–15. Petitioner identifies the following statement, cited in the Final Written Decision, as new argument during Patent Owner's rebuttal: there is “no evidence of record to show that when an activated particle is substituted in Dutta ... that you get to the MVTR ranges that are in the original tables of Exhibit 1002.” Req. 14 (citing Dec. 34 (citing Paper 49 (“Transcript” or “Tr.”), 59:13–15, 59:23–25)).

The rule governing a rehearing request permits “[a] party dissatisfied with a decision . . . [to] file *a single request for rehearing* without prior authorization from the Board.” 37 C.F.R. § 42.71(d) (emphasis added). This rule does not address explicitly whether the requesting party also may file new evidence with its rehearing request. The *Office Patent Trial Practice Guide*, 77 Fed. Reg. 48,756 (Aug. 14, 2012) (“Practice Guide”), however, is instructive on this matter. When discussing general procedures applicable to rehearing requests, the Practice Guide states that “[e]vidence not already of record at the time of the decision will not be admitted absent a showing of *good cause*.” *Id.* at 48,768 (emphasis added).

We are not persuaded of good cause. First, during Petitioner's opening portion of the Oral Hearing, we specifically questioned Petitioner about the combination's MVTR, to which Petitioner replied "those MVTR ranges are disclosed by Dutta" and "the issue is when you switch out a different particle which is the same class of particles, they're particles that adsorb or trap substances, they're molecular filter particles, would there be a reasonable expectation of success? Our expert opined that it would be." Tr. 25:15–23. Petitioner's proposed new evidence addresses an element of Petitioner's case-in-chief—whether Petitioner's obviousness combination meets the MVTR limitation of claim 27. The panel's questions about the MVTR limitation and Patent Owner's responsive comments at the Oral Hearing are not good cause justifying submission of new evidence at the rehearing stage to fill a gap in Petitioner's case-in-chief.

Second, the evidence Petitioner seeks to submit, i.e., Dr. Haggquist's testimony that "an active particle ... may be replaced by any other active particle to obtain a substantially similar result" and that "all other active particles are capable of improving the transmission of vapor through the water-proof cured base material" does not explicitly address whether swapping Haggquist's particles with Dutta's particles would result in the claimed MTVR range. Req. 14–15. On the basis of the explanation presented in the Rehearing Request alone, we cannot properly ascertain the significance of this testimony as it relates to claim 27. Moreover, we view Petitioner's request to introduce new evidence in its Rehearing Request as an attempt to supplement the arguments presented in the Petition. A request for rehearing is not a supplemental petition. Nor is it an opportunity to present new arguments or evidence that could have been presented and developed in the first instance in the Petition. For example, Petitioner had the opportunity

in the Petition to present evidence regarding the MVTR of the proposed combination, but did not do so. It would be improper, at this stage in the proceeding, to allow Petitioner to introduce additional evidence, and explanations thereof, in an attempt to bolster its original argument in the Petition, which, as discussed previously, did not meet its burden of proof with regard to the MVTR limitation. *See* Dec. 36. Even if we were to allow Petitioner to submit its additional evidence, we are not persuaded that it would be sufficient to correct the deficiencies of the original Petition. Consequently, we are not persuaded there is good cause to allow Petitioner to submit Exhibit 1060, and we exercise our authority under 37 C.F.R. § 42.7(a) to expunge Exhibit 1060.

(D)Petitioner's Fourth Argument

For both Ground 2 (Dutta and Haggquist) and Ground 4 (Halley³ and Haggquist), Petitioner argues rehearing is appropriate on claims 38 and 39 because the Board focused only on Petitioner's substitution argument, overlooking its alternate encapsulation argument. Req. 6–13.

In our Final Written Decision discussion of claims 38 and 39 as assertedly obvious over Halley and Haggquist, we addressed both of Petitioner's theories, namely, (1) substitution of Halley's particles with Haggquist's particles, and (2) encapsulation of Halley's particles with Haggquist's encapsulants. Dec. 45, 47. Regarding Petitioner's second, alternate argument, we stated:

Petitioner has not met its burden of proof to demonstrate that the proposed combination retains the claim 27 MVTR requirement, despite (or because of) its encapsulation by the Haggquist composition. Petitioner provides no analysis

³ PCT Pub. No. WO 2000/70975 A1, published November 30, 2000 ("Halley") (Ex. 1003).

showing that Haggquist's encapsulation, when effected on the active particles of Halley, would have reasonably been expected to result in a membrane having an MVTR within the claimed range. We cannot independently determine, from the evidence before us, what the expected MVTR of the combination would be, nor should Petitioner expect the Board to search the record and piece together the evidence that may support Petitioner's arguments.

Id. at 47–48.

Thus, we expressly analyzed Petitioner's alternate argument regarding encapsulation with respect to Ground 4, Halley and Haggquist, in our Final Written Decision. The same analysis with respect to encapsulation would apply equally to Ground 2.⁴ *Id.*

Regarding Petitioner's argument that the Board interpreted the scope of claim 38 (and claim 39) in a manner no party argued for or expected, we disagree. *See* Req. 13. Our statement in the Final Written Decision with respect to “retain[ing] the claim 27 MVTR requirement” was not a new interpretation of claim 38's scope. Dec. 47. Rather, the statement, which explains that the proposed combination cannot teach or suggest claims 38 and 39 because it fails to teach or suggest parent claim 27, is based on established legal principles of claim construction, i.e., that a dependent claim includes all the limitations of its parent claim(s). *Id.*

⁴ Regarding Ground 2, we based our analysis on Petitioner's failure to demonstrate the MVTR of claim 27, from which claims 38 and 39 depend. We did not discern that Petitioner made any persuasive argument that the encapsulation limitation of claims 38 and 39, when effected on the active particles of Dutta, would have reasonably been expected to result in a membrane having an MVTR within the claimed range.

Accordingly, we are not persuaded that we overlooked or misapprehended Petitioner's argument with respect to the encapsulation or the proper scope of claims 38 and 39.

(E) Petitioner's Reply to Patent Owner's Opposition to Request for Rehearing

In its Reply, Petitioner argues that Patent Owner's Opposition to Request for Rehearing contains arguments exceeding the scope authorized by the Board in Paper 53. Reply 1–2. Petitioner argues that the unauthorized arguments should be disregarded and expunged. *Id.*

We decline to expunge these allegedly unauthorized arguments. First, our Order does not explicitly limit Patent Owner's arguments to claim construction with respect to Grounds 2 and 4, or to the submission and characterization of new evidence submitted by Petitioner. *See* Paper 53, 2 (allowing Patent Owner to file “an opposition to Petitioner's Request for Rehearing, to address the issues set forth therein”). Second, we did not rely on Patent Owner's allegedly unauthorized arguments in determining the merits of Petitioner's Request, i.e., in determining whether Petitioner demonstrated that the Board overlooked or misapprehended any matters in rendering the Final Written Decision. Third, Petitioner's Reply responds to the substance of the allegedly unauthorized arguments, and, thus, Petitioner had notice and adequate opportunity to address these arguments. Reply 3–5.

IV. CONCLUSION

We have reviewed and considered the arguments in Petitioner's Request and conclude that Petitioner has not carried its burden of demonstrating that the Board abused its discretion or misapprehended or overlooked any matters in rendering the Final Written Decision. 37 C.F.R. § 42.71(d). Rather, Petitioner uses its Request as an opportunity to argue

positions with which we disagreed in our Final Written Decision. Merely disagreeing with our analysis or conclusions does not serve as a proper basis for a request for rehearing. Thus, Petitioner's challenge does not meet the standard set forth for a request for rehearing.

V. ORDER

Accordingly, it is

ORDERED that, pursuant to 37 C.F.R. § 42.7(a), Exhibit 1060 is *expunged* from the record of this proceeding; and

FURTHER ORDERED that Petitioner's Request for Rehearing is *denied*.

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