

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ASPHALT PRODUCTS UNLIMITED, INC.,
Petitioner,

v.

BLACKLIDGE EMULSIONS, INC.,
Patent Owner.

Case IPR2017-01241
Patent 7,503,724 B2

Before MITCHELL G. WEATHERLY, JAMES A. TARTAL, and
TIMOTHY J. GOODSON, *Administrative Patent Judges*.

WEATHERLY, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73

I. INTRODUCTION

A. BACKGROUND

Asphalt Products Unlimited, Inc. (“Petitioner”) filed a petition (Paper 1, “Pet.”) to institute an *inter partes* review of claims 1–33 (the “challenged claims”) of U.S. Patent No. 7,503,724 B2 (Ex. 1001, “the ’724 patent”) on the following grounds:

Reference(s)	Basis	Claim(s)
European Pat. App. EP 0 859 030 A1 (Ex. 1003, “Pasquier”)	§ 102(b)	1–5, 12, 23, 24, 28
Pasquier and The Shell Bitumen Handbook. Telford, 2003 (Ex. 1008, “SBH”)	§ 103	1–5, 9, 12–14, 23, 24, 26–30
Pasquier, SBH, and US DOT Specification FP96-2001 (Ex. 1010, “US DOT”)	§ 103	6
Pasquier, SBH, and U.S. Patent No. 5,769,567 (Ex. 1011, “Durand”)	§ 103	7, 8, 10, 25
Pasquier, SBH, US DOT, and Juan José Potti, José Luis Peña, & Francisco Guzmán, “Emulsiones termoadherentes para riegos de adherencia.” Carreteras: Revista técnica de la Asociación Española de la Carretera 128 (2003): 17–26. (Ex. 1006, “Potti”)	§ 103	11, 15–18, 21, 22, 31–33
Pasquier, SBH, US DOT, Potti, and Durand	§ 103	19, 20

Pet. 26–72. Petitioner further asserts that three additional prior art references described by Petitioner as “optional” to its obviousness challenges reflect the background knowledge of an ordinarily skilled artisan at the time of the alleged invention:

1. Corte, Jean-Francois, “Development and uses of hard-grade asphalt and of high-modulus asphalt mixes in France.” Transportation Research Circular 503 (2001): 12-31. (Ex. 1007, “Corte”), Pet. 16, 32, 34, 49;
2. A Basic Asphalt Emulsion Manual, Manual Series No. 19, Third Edition (Ex. 1009, “BAEM”), Pet. 16–17, 35, 36, 50, 52, 57; and
3. Jaime Gordillo *et al.*, “Comparison of Different Test Methods for the Obtention and Characterisation of Residual Binders of

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Pure and Modified Bitumen Emulsions.” Second World Congress on Emulsion, 23–26 Sept. 1997. (Ex. 1012, “Gordillo”), Pet. 17–19, 36, 50.

Blacklidge Emulsions, Inc. (“Patent Owner”) timely filed a Preliminary Response. Paper 11 (“Prelim. Resp.”).

We initially instituted an *inter partes* review on a subset of the asserted grounds. See Paper 23 (“Dec.”). Specifically, we determined based on the preliminary record that Petitioner had demonstrated a reasonable likelihood of prevailing in its obviousness challenges, but that Petitioner had not demonstrated a reasonable likelihood of prevailing in its anticipation challenge. *Id.* at 11–25. Based on those determinations, and in accordance with the Board’s practice at that time, we instituted an *inter partes* review only as to the obviousness challenges. *Id.* at 25. Subsequently, pursuant to the holding in *SAS Inst., Inc. v. Iancu*, 138 S.Ct. 1348, 1355–57 (2018), we modified our institution decision to institute review of all grounds presented in the Petition. Paper 46, 2. We also authorized supplemental briefing to permit the parties to address the added ground. Paper 49.

The briefing in this proceeding includes the Petition, an Amended Patent Owner Response (Paper 32, “PO Resp.”), a Patent Owner Supplemental Response (Paper 52, “PO Supp. Resp.”), a Petitioner Reply (Paper 44, “Reply”), and a Petitioner Supplemental Reply (Paper 55, “Supp. Reply”). We held an oral hearing, a transcript of which is included in the record. Paper 63 (“Tr.”).

Patent Owner filed a Contingent Motion to Amend, and the parties submitted additional briefing in connection with that motion. We address Patent Owner’s Motion to Amend in Section III. Aside from the Motion to Amend, no motions remain pending. During the proceeding, Patent Owner

filed a Motion to Disqualify Dr. Alan James as Petitioner's Expert Witness and to Strike His Declaration, and we denied that motion. *See* Paper 16; Paper 22.

The evidentiary record in this proceeding is extensive. In addition to the numerous cited prior art references and documents evidencing the state of the art during the relevant time frame, the parties have provided the testimony of several witnesses. The table below summarizes the witnesses, their roles in this proceeding, and the exhibits in which their testimony is presented:

Witness	Role	Exhibit(s)
Alan James, Ph.D.	Petitioner's technical expert	Ex. 1002 (declaration of Apr. 3, 2017); Ex. 1039 (declaration of July 15, 2017); Ex. 1040 (declaration of Aug. 30, 2017); Ex. 1093 (declaration of Apr. 17, 2018); Ex. 2079 (transcript of deposition of Dec. 19, 2017).
Laci-Tiarks-Martin	Director of Operations at PRI Asphalt Technologies, Inc., which was retained by Petitioner to conduct testing	Ex. 1013 (declaration of Mar. 15, 2017).

Witness	Role	Exhibit(s)
R. Steele Yeargain, III	Vice President of Petitioner	Ex. 1041 (declaration of Aug. 16, 2017); Ex. 1094 (declaration of Apr. 16, 2018).
William F. O’Leary	Patent Owner’s technical expert	Ex. 2010 (declaration of Aug. 18, 2017); Ex. 2078 (declaration of Jan. 24, 2018); Ex. 2092 (declaration of Feb. 9, 2017 from IPR2016-01031); Ex. 2093 (declaration of June 15, 2018); Ex. 1092 (transcript of deposition of Mar. 8–9, 2018); Ex. 1095 (transcript of deposition of June 27, 2018).
Roy B. Blacklidge	Inventor of ’724 patent and President of Patent Owner	Ex. 2081 (declaration of Sept. 28, 2008 from file history of U.S. Patent No. 7,503,724); Ex. 1096 (transcript of deposition of Apr. 19, 2017 from IPR2016-01031). ¹

¹ The parties stipulated that Mr. Blacklidge’s testimony from IPR2016-01031 would be admissible in this proceeding. *See* Paper 42, 1.

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