

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

POWER-PACKER NORTH AMERICA, INC.
d/b/a GITS MANUFACTURING CO.,
Petitioner,

v.

G.W. LISK CO., INC.,
Patent Owner.

IPR2017-02034
Patent 6,601,821 B2

Before BART A. GERSTENBLITH, GEORGE R. HOSKINS, and
TIMOTHY J. GOODSON, *Administrative Patent Judges*.

GERSTENBLITH, *Administrative Patent Judge*.

DECISION

Denying Patent Owner's Request on Rehearing of Final Written Decision
37 C.F.R. § 42.71(d)

I. INTRODUCTION

Power-Packer North America, Inc. *d/b/a* GITS Manufacturing Co. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting institution of *inter partes* review of claims 1–11 of U.S. Patent No. 6,601,821 B2 (Ex. 1001, “the ’821 patent”). G.W. Lisk Company, Inc. (“Patent Owner”) filed a Preliminary Response (Paper 6). The Petition asserts the following grounds:

Claim(s) Challenged	Ground	35 U.S.C. §	Reference(s)
1–10	1	102	Martin ¹
11	2	103(a)	Martin and Oleksiewicz ²
1–5	3	102	Eggers ³
1–10	4	103(a)	Eggers and Martin
11	5	103(a)	Eggers, Martin, and Oleksiewicz

Pet. 3.

In accordance with the Board’s practice at that time, we instituted review only on the challenges for which Petitioner showed a reasonable likelihood of prevailing—Grounds 1, 2, and 3. *See* Paper 8, 41 (“Dec. on Inst.”). Specifically, we determined based on the preliminary record that Petitioner had demonstrated a reasonable likelihood of prevailing in all of its challenges, except for the challenges to claims 1–10 in Ground 4, and claim 11 in Ground 5. *Id.* at 28, 31, 36, 40–41. Subsequently, pursuant to

¹ U.S. Patent No. 4,201,116, issued May 6, 1980 (Ex. 1002, “Martin”).

² U.S. Patent No. 6,006,732, issued Dec. 28, 1999 (Ex. 1007, “Oleksiewicz”).

³ German Published Examined Application No. 1268494, published May 16, 1968 (Ex. 1003). Exhibit 1004 (“Eggers”) is the English-language translation, and also includes a certificate of translation.

SAS Institute, Inc. v. Iancu, 138 S. Ct. 1348, 1355–57 (2018),⁴ we modified the Decision on Institution to institute review of all grounds and claims presented in the Petition. Paper 10.

After institution of trial, Patent Owner filed a Patent Owner Response (Paper 17, “PO Resp.”), and Petitioner filed a Reply (Paper 24, “Pet. Reply”). Petitioner supported its arguments with a declaration by Mr. Thomas J. Labus, dated August 30, 2017 (Ex. 1005). Patent Owner supported its Response with a second declaration by Dr. Kevin C. Craig, dated June 22, 2018 (Ex. 2003).⁵ Patent Owner submitted a Motion for Observations on Cross-Examination of Kevin C. Craig, Ph.D. (Paper 26), and Petitioner submitted a Response to Patent Owner’s Motion for Observations (Paper 27). Oral argument was held on December 12, 2018, a transcript of which is included in the record.⁶ Paper 30 (“Tr.”). We issued a Final Written Decision (Paper 31 (“Final Dec.”)) in which we determined that Petitioner had shown by a preponderance of the evidence that claims 1–5 of the ’821 patent are unpatentable (Ground 3), but had not shown by a preponderance of the evidence that claims 6–11 are unpatentable (Grounds 1, 2, 4, and 5). Final Dec. 68.

⁴ See also “Guidance on the Impact of SAS on AIA Trial Proceedings” (Apr. 26, 2018), available at <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials/guidance-impact-sas-aia-trial> (explaining that a decision granting institution will institute on all challenged claims and on all grounds presented in a petition).

⁵ Patent Owner previously submitted a declaration by Dr. Craig (Ex. 2001, “First Craig Declaration”) with its Preliminary Response and continues to rely on the First Craig Declaration in support of its Response. See, e.g., PO Resp. 16 (citing Ex. 2001, 12).

⁶ We held oral argument in this case contemporaneously with oral argument in related case IPR2017-02035, creating a single transcript for both cases.

On April 17, 2019, Patent Owner filed a Request for Rehearing. Paper 32 (“Req. Reh’g” or “Request”). On May 20, 2019, before a decision on Patent Owner’s Request, Petitioner filed a Notice of Appeal. Paper 33. Patent Owner then filed a Protective Notice of Cross Appeal. Paper 34. The U.S. Court of Appeals for the Federal Circuit determined that the parties’ appeals were premature (Ex. 3001), dismissed the appeals (Ex. 3002), and issued a Mandate (Ex. 3003), returning the case to the Board. Accordingly, we now address Patent Owner’s Request.

II. ANALYSIS

The burden of showing that the outcome of the Final Written Decision should be modified is on Patent Owner, the party challenging the Final Written Decision. *See* 37 C.F.R. § 42.71(d). In addition, “[t]he 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.” *Id.*

Patent Owner’s Request is focused on our consideration of Ground 3, whether Eggers anticipates claims 1–5 of the ’821 patent. Req. Reh’g 1. In particular, Patent Owner asserts

the Board overlooked and/or misapprehended the fact that there is no evidence of record to support the holding that *Eggers* discloses a proportional control valve assembly wherein an “aggregate force” is being applied on the directional valve which can be calculated by “summing of the force provided with each pulse” (Final Decision at 59-60) so as to anticipate claim 1 of the ’821 Patent.

Id. Additionally, Patent Owner contends we “overlooked and/or misapprehended evidence and argument of record showing that *Eggers*

instead fails to disclose the claimed proportional valve assembly as construed in the Final Decision.” *Id.*

Patent Owner’s argument turns on the construction of the term “proportional,” as recited in claim 1, and the application of Eggers to the claim as properly construed. Claim 1 is reproduced below.

1. A two-stage *proportional control valve assembly* comprising:
 - a flow-regulating valve that regulates a flow of a first fluid;
 - a double-acting actuator powered by a second fluid for moving the flow-regulating valve in different open and closed directions for correspondingly opening and closing the flow-regulating valve;
 - a directional valve that controls a flow of the second fluid to the double-acting actuator;
 - an electrical actuator that converts a control signal into a force acting on the directional valve for adjusting a position of the double-acting actuator in accordance with the control signal;
 - the double-acting actuator having
 - (a) a first surface arranged for exposure to fluid pressure of the second fluid for moving the flow-regulating valve in the open direction and
 - (b) a second surface arranged for exposure to fluid pressure of the second fluid for moving the flow-regulating valve in the closed direction; and
 - the directional valve being movable under influence of the electrical actuator between
 - (a) a first position that directs a flow of the second fluid to the first surface of the double-acting actuator and
 - (b) a second position that directs a flow of the second fluid to the second surface of the double-acting actuator.

Ex. 1001, 7:13–41 (emphasis added).

In the Final Written Decision, we noted that “the parties now agree the term ‘proportional,’ recited in the preamble of claim 1, is limiting” (Final

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