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Paper 24
Entered: February 27, 2019

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PUZHEN LIFE USA, LLC,
Petitioner,

v.

ESIP SERIES 2, LLC,
Patent Owner.

Case IPR2017-02197
Patent 9,415,130 B2

Before CHRISTOPHER L. CRUMBLEY, JON B. TORNQUIST, and CHRISTOPHER M. KAISER, *Administrative Patent Judges.*

KAISER, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318; 37 C.F.R. § 42.73

INTRODUCTION

A. Background

Puzhen Life USA, LLC ("Petitioner") filed a Petition (Paper 1, "Pet.") requesting an *inter partes* review of claims 1, 3, and 17 of U.S. Patent No. 9,415,130 B2 (Ex. 1001, "the '130 patent"). ESIP Series 2, LLC ("Patent Owner")[1] filed a Preliminary Response (Paper 5, "Prelim. Resp."). On March 9, 2018, we instituted trial on all challenged claims and all grounds asserted in the Petition. Paper 10 ("Inst. Dec."). During the trial, Patent Owner filed a Response (Paper 15, "PO Resp."), and Petitioner filed a Reply (Paper 17). In addition, Patent Owner filed a motion to exclude certain evidence and pleadings (Paper 19), to which Petitioner filed an Opposition (Paper 20) and Patent Owner filed a Reply (Paper 22). We held a hearing, the transcript of which has been entered into the record. Paper 23 ("Tr.").

We have jurisdiction under 35 U.S.C. § 6, and we issue this Final Written Decision pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. We conclude that Petitioner has established by a preponderance of the evidence that claims 1, 3, and 17 of the '130 patent are unpatentable.

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[1] The Petition names Earl Sevy, the inventor of the '130 patent, as the Patent Owner. Pet. 1. Patent Owner made of record in this proceeding an instrument purporting to assign "[t]he entire right, title and interest in" all "Patents granted" on the application that issued as the '130 patent. Ex. 2004, 1. The assignee named in that assignment is "ESIP, LLC, Series No. 2," which Patent Owner consistently refers to as "ESIP Series 2, LLC." *Id.*; Prelim. Resp. 1; PO Resp. 1. We assume, without deciding, that Patent Owner's nomenclature is correct.

B. Related Matters

The parties note that the '130 patent is at issue in *ESIP Series 1, LLC v. doTERRA Int'l, LLC*, Case No. 2:16-cv-01011 (D. Utah). Pet. 3; Paper 4, 2.

C. The Asserted Grounds of Unpatentability

Petitioner contends that claims 1, 3, and 17 of the '130 patent are unpatentable based on the following grounds (Pet. 17–60):[2]

Statutory Ground	Basis	Challenged Claims
§ 103	Sevy[3] and Cronenberg[4]	1, 3, and 17
§ 103	Sevy and Giroux[5]	1, 3, and 17
§ 103	Sevy and Kato[6]	1, 3, and 17
§ 103	Sevy and Stroia[7]	1, 3, and 17

D. The '130 Patent

The '130 patent, titled "Industrial, Germicidal, Diffuser Apparatus and Method," issued on August 16, 2016. Ex. 1001, at [45], [54]. The '130 patent relates to "[a] modular, integrated, combination air purification and aroma diffuser" that makes use of "a micro-cyclone for quiet, well diffused flow of ultra-fine droplets." Ex. 1001, at [57].

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[2] Petitioner also relies on a declaration from Fred P. Smith, P.E., CSP. Ex. 1007.
[3] Sevy, U.S. Patent No. 7,878,418 B2, issued Feb. 1, 2011 (Ex. 1003, "Sevy").
[4] Cronenberg, U.S. Patent No. 4,243,396, issued Jan. 6, 1981 (Ex. 1004, "Cronenberg").
[5] Giroux, U.S. Patent No. 8,001,963 B2, issued Aug. 23, 2011 (Ex. 1005, "Giroux").
[6] Kato et al., U.S. Patent No. 6,236,042 B1, issued May 22, 2001 (Ex. 1006, "Kato").
[7] Stroia et al., U.S. Patent No. 6,029,913, issued Feb. 29, 2000 (Ex. 1009, "Stroia").

The diffusion of "[o]verly large particles" poses "a number of problems," including wasting the aromatic product and causing the particles to settle out of the air too quickly. *Id.* at 4:15–28. To avoid these problems, the '130 patent describes using a "micro-cyclone" to separate "the comparatively larger particles from the flow" of air containing atomized droplets of the liquid product to be diffused. *Id.* at 4:3–14. This micro-cyclone "contains a spiral channel" that "begins below a central plane" that is "defined by a plate." *Id.* at 16:65–17:4. The channel spirals along a "circular route . . . from below the plate" to above it. *Id.* at 17:18–20. In use, this micro-cyclone causes "the comparatively larger particles in the stream of air . . . to smash and coalesce against the inside of the outer wall of the channel," leaving only "the comparatively smallest range of droplets [to be] passed out to the nozzle." *Id.* at 17:26–31. After coalescing, the larger droplets "drip back into the atomizer . . . to be re-atomized." *Id.* at 17:28–29.

E. Illustrative Claim

Claims 1 and 17 of the '130 patent are independent, and claim 1 is illustrative; it recites:

> 1. A method for introducing a scent into breathable air, the method comprising;
>
> providing a system comprising a reservoir, eductor, and separator operably connected to one another;
>
> providing a liquid constituting an aromatic substance selected by an operator for the scent to be introduced into the breathable air;
>
> drawing a first portion of the liquid from the reservoir by the eductor passing a flow of air;
>
> entraining the first portion of the liquid into the flow;

> forming droplets of the first portion by at least one of restricting an area through which the flow passes and the entraining;
>
> separating out a second distribution of the droplets by passing the flow through a wall between a first chamber and a second chamber, the flow path spiraling axially and circumferentially, simultaneously and continuously, through an arcuate channel formed through the wall; and
>
> passing a first distribution of the droplets out of the separator into the breathable air.

Ex. 1001, 23:22–41.

ANALYSIS

A. Real Parties in Interest

A petition for *inter partes* review "may be considered only if . . . the petition identifies all real parties in interest." 35 U.S.C. § 312(a)(2). Here, the Petition identifies Petitioner and Puzhen, LLC as real parties in interest ("RPIs"). Pet. 3. Patent Owner argues that this identification is incomplete and that both Puzhen Life Co., Ltd. ("Puzhen Life HK") and doTERRA International, LLC ("doTERRA") should have been identified as RPIs as well. PO Resp. 1–6.

1. Legal Principles

Petitioner bears the overall burden to prove that all real parties in interest have been identified. *Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237, 1242 (Fed. Cir. 2018) (applying this rule in the context of 35 U.S.C. § 315(b)). Thus, we evaluate the evidence adduced at trial to determine whether Petitioner has borne its burden. In doing so, although there are many ways in which a non-party can become a real party in interest, we need only focus on the arguments raised by Patent Owner. *Id.* ("an IPR petitioner's initial identification of the real parties in interest should be

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