

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ORTHOPEDIATRICS CORP.,
Petitioner,

v.

K2M, INC.,
Patent Owner.

Case IPR2018-00521
Patent 9,532,816 B2

Before LYNNE H. BROWNE, MICHAEL L. WOODS, and
ROBERT L. KINDER, *Administrative Patent Judges*.

BROWNE, *Administrative Patent Judge*.

DECISION ON REQUEST FOR REHEARING
35 U.S.C. § 42.71

I. INTRODUCTION

Orthopediatrics Corp. (“Petitioner”), on January 22, 2018, filed a Petition to institute *inter partes* review of claims 16, 18, 19, 21, and 22 of U.S. Patent No. 9,532,816 B2 (“the ’816 patent”). Paper 1 (“Pet.”). We issued a Decision to Institute an *inter partes* review (Paper 8, “Dec.”) of all challenged claims (16, 18, 19, 21, and 22) under all grounds. After institution of trial, K2M, Inc. (“Patent Owner”) filed a Patent Owner Response (Paper 20, “PO Resp.”), to which Petitioner replied (Paper 26, “Pet. Reply”), and to which Patent Owner filed a Sur-Reply (Paper 29, “PO Sur-Reply”). We heard oral arguments February 21, 2019. On June 4, 2019, we issued a Final Written Decision (Paper 38, “Final Dec.”) determining that Petitioner has not shown by a preponderance of the evidence that claims 16, 18, 19, 21, and 22 of the ’816 patent are unpatentable. On July 5, 2019, Petitioner filed a Request for Rehearing of Final Written Decision (Paper 39, “Req.”).

II. PRINCIPLES OF LAW

A party dissatisfied with a decision may file a request for rehearing, without prior authorization from the Board. 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.

37 C.F.R. § 42.71(d). “When rehearing a decision on petition, a panel will review the decision for an abuse of discretion.” 37 C.F.R. § 42.71(c).

We further remind Petitioner, that “[t]he burden to prove unpatentability is on the petitioner, not on the patent owner or the Board.

Dynamic Drinkware, LLC v. National Graphics, Inc., 800 F.3d 1375, 1380

(Fed. Cir. 2015) (noting that the petitioner in an *inter partes* proceeding has the initial burden of production and the burden of persuasion to prove unpatentability).

III. ANALYSIS

Petitioner contends that the Board misapprehended or overlooked two issues. Req. 2, 5. We are not persuaded that we overlooked or misapprehended these issues for the reasons discussed below.

A. *Petitioner's Allegation That Varieur Discloses the Claimed "Housing"*

Petitioner alleges that we “overlooked Petitioner’s argument in the Reply and Patent Owner’s own admissions concerning ‘fixed.’” Req. 2 (citing Pet. Reply, 23–24; PO Resp., 14, 52). In support of this allegation, Petitioner contends that “Patent Owner introduced and repeatedly recognized that the housing must be ‘fixed’ **only** when ‘the invention is activated,’ i.e., while ‘the rotatable member passes through the passageway’” and that “Petitioner addressed this matter in the Reply, and Patent Owner ignored it.” *Id.* at 3 (citations omitted). Then, Petitioner concludes that we overlooked Patent Owner’s “admission” and Petitioner’s response thereto. *Id.* at 4. Even if, however, we did overlook this argument and Patent Owner failed to address it in their Sur-Reply, our consideration of this argument does not change the outcome in this proceeding for the reasons discussed below.

To the extent that we overlooked Petitioner’s argument, we take this opportunity to clarify the record. Specifically, we consider Petitioner’s assertion that “‘Varieur's jaw members **18A/18B do not move while the rotatable member is rotating.**’” Req. 3 (citing PO Reply 23–24).

According to Petitioner, “the district court—and K2M—both recognize that ‘fixed’ refers to *when the rotatable member is passing through the housing.*” Pet. Reply 23. Petitioner argues that “Varieur's jaw members 18A/18B *do not move while the rotatable member is rotating.*” *Id.* at 24. Then, Petitioner concludes that “jaw members 18A/18B indeed teach a ‘housing.’” *Id.*

In an *inter partes* review, Petitioner has the burden of proving unpatentability by a preponderance of the evidence. *See* 35 U.S.C. § 316(e); *see also In re Magnum Oil Tools Int’l, Ltd.*, 829F.3d 1364, 1380–81 (Fed. Cir. 2016) (holding that because “petitioner ... bears the burden of proof,” the Board is not “free to adopt arguments on behalf of petitioners that ... were not[] raised” and “must base its decision on arguments that were advanced by [petitioner], and to which [patent owner] was given a chance to respond”). “To satisfy its burden of proving obviousness, a petitioner cannot employ mere conclusory statements. The petitioner must instead articulate specific reasoning, based on evidence of record, to support the legal conclusion of obviousness.” *Magnum Oil Tools*, 829F.3d at 1380 (citing *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007)).

In the present case, Petitioner identifies no evidence either in Varieur itself or in the declarations to show that jaw members 18A/18B do not move while the rotatable member is rotating. *See* Pet. Reply 23–24; *see also* Pet. 58–68; *see also* Ex. 1104 ¶¶ 32–34, 39, 43, 46, 47, 49. Rather, Petitioner attempts to shift the burden to Patent Owner to demonstrate that this is not the case. *See* Req. 3 (“Patent Owner does not argue that the first and second jaw members 18A, 18B of Varieur (*i.e.*, collectively, the ‘housing’) move while the rod adjusting tool 14 (*i.e.*, the ‘rotatable member’) ‘passes through

the passageway.’”). Thus, on the record before us, Petitioner has not met its burden of demonstrating that Varieur meets the “housing” limitation.

Accordingly, Petitioner’s argument does not apprise of us of error in our Decision that would impact the ultimate determination.

*B. Petitioner’s Allegation That Jackson Discloses
the Claimed “Rod Contact Member”¹*

Petitioner alleges that we “overlooked that Patent Owner **never argued**—let alone demonstrated—that the preamble is limiting under the applicable standard.” Req. 6. As noted above, however, a request for rehearing is limited to matters alleged overlooked or misapprehended by the Board. Thus, Petitioner’s allegation that Patent Owner failed to make an argument is inapposite.

Further, whether or not the preamble of claim 16 is limiting did not factor into our decision regarding Petitioner’s challenges based on Jackson and Jackson in combination with Trudeau. Rather, we credited “the testimony of Mr. Drewry that ‘Jackson makes it clear that a portion of closure top 52 remains in the body after rod reduction’ such that ‘a person of ordinary skill in the art would not have understood Jackson to disclose ‘a rod contact member positioned at a distal end of the rotatable member,’” as required by claim 16. Final Dec. 37. Thus, Petitioner did not establish by a preponderance of evidence that Jackson alone or in combination with Trudeau renders claims 16, 18, 19, 21, and 22 unpatentable. *Id.*

¹ We follow Petitioner’s lead in captioning this argument in this manner; however, we note that Petitioner’s argument pertains to whether or not the preamble of claim 16 is limiting. Other than mentioning Trudeau in the first sentence of this argument, Petitioner does not address that reference in this argument.

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