

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HUNTING TITAN, INC.,
Petitioner,

v.

DYNAENERGETICS EUROPE GMBH,¹
Patent Owner.

IPR2018-00600
Patent 9,581,422 B2

Before ANDREI IANCU, *Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office*, ANDREW HIRSHFELD, *Commissioner for Patents*, and SCOTT R. BOALICK, *Chief Administrative Patent Judge*.

BOALICK, *Chief Administrative Patent Judge*.

DECISION

Granting Patent Owner's Request for Rehearing

37 C.F.R. § 42.71(d)

Granting Patent Owner's Motion to Amend

35 U.S.C. § 316(d)(1)

¹ Patent Owner's Updated Mandatory Notice Information, Paper 62, dated February 14, 2020, states that DynaEnergetics GmbH & Co. KG has been dissolved and DynaEnergetics Europe GmbH is the patent owner and real party in interest to this proceeding. Accordingly, we modify the original case caption to reflect that change. The parties shall use the modified caption for filings in this proceeding from this date forward.

I. INTRODUCTION

Hunting Titan, Inc. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting an *inter partes* review of claims 1–15 of U.S. Patent No. 9,581,422 B2 (Ex. 1001, “the ’422 patent”). The Petition presented sixteen grounds of unpatentability based on theories of anticipation and obviousness, including a ground alleging that claims 1–15 are anticipated by U.S. Patent No. 9,689,223 B2 (Ex. 1002, “Schacherer”). DynaEnergetics Europe GmbH (“Patent Owner”) filed a Preliminary Response (Paper 9). The Board instituted trial on all grounds. Paper 10 (“Inst. Dec.”).

During the trial, Patent Owner filed a Motion to Amend presenting substitute claims 16–22. Paper 19. In response, Petitioner filed an Opposition to Patent Owner’s Motion to Amend. Paper 25 (“Pet. Opp. to Mot. Amend”). In the Opposition, Petitioner presented only obviousness arguments, without alleging that the proposed substitute claims were anticipated by the prior art of record. *See generally* Pet. Opp. to Mot. Amend. More specifically, Petitioner’s obviousness arguments addressed individual limitations of the proposed substitute claims, alleging that the limitations are taught by the prior art. Patent Owner filed a Reply to Petitioner’s Opposition, arguing, among other things, that Petitioner’s obviousness analysis did not specify combinations of prior art or demonstrate a motivation to combine the prior art. Paper 28 (“Reply”). Petitioner filed a Sur-Reply on Patent Owner’s Motion to Amend, arguing, among other things, that “the Board is tasked with determining whether the substitute claims are unpatentable by a preponderance of the evidence based on the entirety of the record.” Paper 33 (“Sur-Reply”), 6.

The Board issued a Final Written Decision finding the original claims are anticipated by Schacherer. Paper 42 (“Decision”). The Final Written Decision further denied Patent Owner’s Motion to Amend because the proposed substitute claims also were anticipated by Schacherer. *Id.* Specifically, the Final Written Decision determined that “Hunting Titan has carried its burden in demonstrating that th[e] proposed amendment does not overcome the anticipatory nature of Schacherer,” and noted that it “addresses only Hunting Titan’s anticipation challenge based on Schacherer, while rendering no findings or conclusions as to Hunting Titan’s numerous obviousness challenges.”² *Id.* at 28, 30.

Patent Owner requested rehearing and Precedential Opinion Panel (“POP”) review of the Board’s denial of the Motion to Amend. Papers 44, 45. The POP granted Patent Owner’s request for POP review to address the following issues:

- I. Under what circumstances and at what time during an *inter partes* review may the Board raise a ground of unpatentability that a petitioner did not advance or insufficiently developed against substitute claims proposed in a motion to amend?
- II. If the Board raises such a ground of unpatentability, whether the Board must provide the parties notice and an opportunity to respond to the ground of unpatentability before the Board makes a final determination.

² In a footnote, and without further explanation, the Final Written Decision points out that the Board “find[s] persuasive” Petitioner’s argument that a particular modification to Schacherer would have been obvious as “within the purview of Schacherer and the general knowledge of a skilled artisan.” Decision 29 n.5.

Paper 46, 2 (citing Standard Operating Procedure 2 (“SOP 2”),³ 3–7).

Petitioner and Patent Owner each filed an additional brief addressing the POP review issues (Paper 51, “Pet. Br.”; Paper 49, “PO Br.”), and each party filed a response (Paper 58, “Pet. Resp.”; Paper 57, “PO Resp.”).

Several amici curiae—Google LLC et al., High Tech Inventors Alliance, the American Intellectual Property Law Association, Askeladden L.L.C., and Unified Patents Inc.—filed briefs addressing the POP review issues.

Paper 52 (“Google Br.”); Paper 53 (“HTIA Br.”); Paper 54 (“AIPLA Br.”); Paper 55 (“Askeladden Br.”); Paper 56 (“Unified Patents Br.”)). An oral argument was held on February 18, 2020, and a transcript of the argument is included in the record. Paper 63 (“Tr.”).

Subsequent to oral argument, the Court of Appeals for the Federal Circuit issued its opinion in *Nike, Inc. v. Adidas AG*, 955 F.3d 45 (Fed. Cir. 2020). We authorized supplemental briefing from the parties to address the impact of *Nike* on this proceeding (Paper 64), and both Petitioner and Patent Owner submitted supplemental briefs. Paper 65 (“PO Supp. Br.”); Paper 66 (“Pet. Supp. Br.”).

We grant Patent Owner’s request for rehearing. We conclude that the Board may, in certain rare circumstances, raise a ground of unpatentability that a petitioner did not advance, or insufficiently developed, against substitute claims proposed in a motion to amend. We hold, however, that such circumstances are not present in this case and the Board should not have raised its own ground of unpatentability. Moreover, we find that the grounds that were raised by Petitioner in opposition to the Motion to Amend

³ Available at <https://go.usa.gov/xPMqx>.

are facially insufficient to support a finding of unpatentability. Accordingly, we grant Patent Owner's Motion to Amend.

II. ANALYSIS

A. *The Board's Ability to Raise New Grounds*

1. May the Board raise a new ground?

We first address whether the Board may raise a ground of unpatentability that a petitioner did not advance, or insufficiently developed, against substitute claims proposed in a motion to amend. Paper 46, 2. Implicit in this issue is whether the Board has the ability to raise a ground of unpatentability beyond what the petitioner has raised or developed and, if so, under what circumstances *should* the Board do so. We conclude that the Board has the ability to raise a ground of unpatentability a petitioner has not advanced or has insufficiently developed, but *should* do so only under rare circumstances. Because those circumstances are not present here, the panel should not have raised a new ground in this case, as explained below.

35 U.S.C. § 316(d)(1) states that

During an inter partes review instituted under this chapter, the patent owner may file 1 motion to amend the patent in 1 or more of the following ways:

- (A) Cancel any challenged patent claim.
- (B) For each challenged claim, propose a reasonable number of substitute claims.

35 U.S.C. § 318 states, in part,

(a) Final Written Decision.—

If an inter partes review is instituted and not dismissed under this chapter, the Patent Trial and Appeal Board shall issue a final written decision with respect to the patentability of any patent claim

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