

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

EVERSTAR MERCHANDISE CO., LTD.,
Petitioner,

v.

WILLIS ELECTRIC CO., LTD.,
Patent Owner.

PGR2019-00056
Patent 10,222,037 B2

Before DEBRA K. STEPHENS, STACEY G. WHITE, and
JEFFREY W. ABRAHAM, *Administrative Patent Judges.*

ABRAHAM, *Administrative Patent Judge.*

JUDGMENT

Final Written Decision on Remand
Determining No Challenged Claims Unpatentable
35 U.S.C. § 328(a)

Dismissing Patent Owner's Motion to Exclude
37 C.F.R. § 42.64(c)

Granting Joint Motion to Seal
37 C.F.R. § 42.54

I. INTRODUCTION

This decision addresses the opinion of the United States Court of Appeals for the Federal Circuit in *Everstar Merchandise Co. Ltd., v. Willis Electric Co., Ltd.*, No. 2021-1882 (Fed. Cir. Apr. 12, 2022), vacating our Final Written Decision and remanding for further proceedings. Having analyzed the entirety of the record anew in light of the court’s directives in *Everstar*, we conclude that Everstar Merchandise Co., Ltd. (“Petitioner”) has not shown by a preponderance of the evidence that claims 1–33 (the “challenged claims”) of U.S. Patent 10,222,037 B2 (Ex. 1001, “the ’037 patent”) are unpatentable.

A. Procedural History

Petitioner filed a petition for post-grant review (Paper 1, “Pet.”) of claims 1–33 of the ’037 patent. Willis Electric Co., Ltd. (“Patent Owner”) timely filed a Preliminary Response (Paper 6, “Prelim. Resp.”). Pursuant to 35 U.S.C. § 324, the Board instituted trial on February 20, 2020, after determining, based on the information presented in the papers and evidence before us at that time, it was more likely than not that at least one challenged claim was unpatentable over the cited art. Paper 7 (“Institution Decision” or “Inst. Dec.”).

After institution, Patent Owner filed a Response to the Petition (Paper 15, “PO Resp.”), Petitioner filed a Reply to Patent Owner’s Response (Paper 21, “Reply”), and Patent Owner filed a Sur-reply (Paper 25, “Sur-reply”).

Patent Owner also filed a Motion to Exclude (Paper 31, “Mot.”), Petitioner filed an Opposition to Patent Owner’s Motion to Exclude (Paper 32, “Mot. Opp.”), and Patent Owner filed a Reply in Support of its Motion

to Exclude (Paper 36, “Mot. Reply”).

The parties also filed a Joint Motion to Seal Exhibit 1026. Paper 37.

On December 16, 2020, the parties presented arguments at oral hearings for this proceeding and for IPR2019-01485. Because there are some overlapping issues, and the parties made similar arguments in both proceedings, the transcripts of both hearings have been entered into the record. Paper 38 (“PGR Tr.”); Paper 39 (“IPR Tr.”).

On February 18, 2021, we issued a Final Written Decision. Paper 40. We held that Petitioner had not shown, by a preponderance of the evidence, that claims 1–33 of the ’037 patent are unpatentable. Paper 40, 43–44. In particular, we stated “[a]fter reviewing the parties’ arguments and evidence, we find Petitioner has failed to establish sufficiently that a person of ordinary skill in the art would have had reason to combine the teachings of Kumada and Debladis ’120 to arrive at the claimed invention.” Paper 40, 34.

Petitioner appealed our Final Written Decision to the Federal Circuit. *See* Paper 41 (Petitioner’s Notice of Appeal”). The Federal Circuit issued an opinion in *Everstar* vacating our Final Written Decision and remanding for further proceedings. *Everstar*, No. 2021-1882, slip op. at 9. The Federal Circuit stated

The Board should have considered whether cost, in addition to increased strength and durability, would have presented a sufficient motivation to combine the asserted references. The Board’s refusal to do so under these circumstances amounts to an abuse of discretion. We therefore vacate the Board’s decision and remand for further proceedings consistent with the above.

Id.

In our Final Written Decision, we addressed Petitioner’s argument regarding cost reduction in combination with increased strength, stating that “even if we were to consider Petitioner’s cost reduction arguments, the outcome here would not change.” Paper 40, 33–34. In light of the Federal Circuit’s guidance, we now additionally “consider whether cost reduction would have motivated a skilled artisan to combine the asserted prior art.” *Everstar*, No. 2021-1882, slip op. at 2.

On June 15, 2022, in accordance with the Board’s Standard Operating Procedure 9, a call was held with the parties and Judges White, Stephens, and Abraham to discuss the remand proceedings. During the call, the parties agreed to submit papers identifying the portions of the record in this proceeding that the Federal Circuit cited in the *Everstar* decision, including those portions of the record addressing the parties’ arguments regarding cost reduction. Papers 43, 44.

We have jurisdiction under 35 U.S.C. § 6. We issue this Final Written Decision on Remand pursuant to 35 U.S.C. § 328(a) and 37 C.F.R. § 42.73. For the reasons discussed below, we conclude that Petitioner has not shown, by a preponderance of the evidence, that claims 1–33 of the ’037 patent are unpatentable.

B. Related Matters

Petitioner states that there are no other judicial or administrative matters that would affect, or be affected by, a decision in this proceeding. Pet. 1.

Patent Owner indicates that U.S. Patents 9,140,438 B2, 9,157,588 B2, 9,243,788 B2, and 9,671,097 B2 are related to the ’037 patent. PO Resp. 4; Paper 4, 1. In particular, those patents and the ’037 patent claim priority to

PGR2019-00056
Patent 10,222,037 B2

U.S. Provisional Patent Application 61/877,854. POREsp. 4; Paper 4, 1. Patent Owner also indicates that U.S. Patent 9,157,588 B2 is the subject of IPR2019-01485 (Final Written Decision issued February 18, 2021) and U.S. Patent 9,671,097 B2 is the subject of IPR2019-01484 (institution denied on Feb. 20, 2020). Paper 4, 2; IPR2019-01484, Paper 7; IPR2019-01485, Paper 41.

C. The '037 Patent (Ex. 1001)

The '037 patent, titled “Decorative Lighting With Reinforced Wiring,” issued March 5, 2019. Ex. 1001, codes (45), (54). The '037 patent states that decorative lighting, such as seasonal holiday lighting, “often comprises one or more strings of lights constructed of multiple wires, lamp assemblies and an electrical connector or power plug.” Ex. 1001, 1:34–36. According to the '037 patent, a typical light string may be constructed of wire that includes copper strands twisted together and covered with an insulating polymer. Ex. 1001, 1:40–44. The '037 patent explains that a decorative light string needs to be able to “withstand physical abuse with limited risk of breakage,” because breakage of the wiring “could result in shock or electrocution to persons coming into contact with the decorative lighting.” Ex. 1001, 1:53–59.

The '037 patent identifies two previously known methods of increasing the mechanical strength of wires: (1) relying on large gauge wiring and (2) twisting pairs of wires together. Ex. 1001, 1:60–61, 2:1–3. These methods, however, “tend[] to drive up material cost and make lighting heavier and bulkier.” Ex. 1001, 5:66–6:2. To overcome these shortcomings, the '037 patent is directed to “internally-reinforced, electrically-conducting wires having superior tensile strength and elongation,” wherein the wire

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