

No. 17-1061

IN THE

Supreme Court of the United States

SIMON NICHOLAS RICHMOND,
Petitioner,

v.

COLEMAN CABLE, LLC, JIAWEI TECHNOLOGY (HK) LTD,
JIAWEI TECHNOLOGY (USA) LTD.,
SHENZHEN JIAWEI PHOTOVOLTAIC LIGHTING CO., LTD.,
ATICO INTERNATIONAL (ASIA) LTD.,
ATICO INTERNATIONAL USA, INC.,
SMART SOLAR, INC., TEST RITE PRODUCTS CORP.,
Respondents.

**On Petition for a Writ of *Certiorari* to the
United States Court of Appeals
for the Federal Circuit**

**RESPONDENTS' BRIEF IN OPPOSITION TO
PETITION FOR WRIT OF *CERTIORARI***

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QUESTIONS PRESENTED

1. Did the Patent Trial and Appeal Board err by instituting *inter partes* review under 35 U.S.C. § 315(a)(1) when a subset of the *inter partes* review petitioners had previously filed a declaratory judgment action for invalidity in district court, which was dismissed without prejudice more than two years prior to filing for *inter partes* review, where (i) Petitioner failed to preserve this argument below, (ii) appellate review of this institution decision is prohibited under 35 U.S.C. § 314(d), and (iii) such dismissal renders the earlier suit a nullity under prevailing law?

2. Does *inter partes* review under the American Invents Act violate Article III and the Seventh Amendment of the Constitution where (i) Petitioner failed to preserve the argument below, and (ii) this Court recently ruled that *inter partes* review does not violate Article III or the Seventh Amendment?

3. Should this Court, under the guise of “preserving validity,” adopt Petitioner’s broadest reasonable interpretation of the term “surround frame” when Petitioner’s proposed broadest reasonable interpretation is legally incorrect because, among other things, it is directly contradicted by the intrinsic evidence?

PARTIES TO THE PROCEEDING

Respondents are Coleman Cable, LLC, Jiawei Technology (HK) Ltd., Jiawei Technology (USA), Ltd., Shenzhen Jiawei Photovoltaic Lighting Co., Ltd., Atico International (Asia) Ltd., Atico International USA, Inc., Smart Solar, Inc., and Test Rite Products Corp. Petitioner is Simon Nicholas Richmond.

RULE 29.6 CORPORATE DISCLOSURE

Pursuant to Supreme Court Rule 29.6, Respondent Coleman Cable, LLC (as successor to Coleman Cable, Inc.), by and through its undersigned counsel, hereby certifies that it is a nongovernmental corporate party that is a wholly owned subsidiary of Southwire Company, LLC. There are no parent or publicly held companies that own 10% or more of its stock.

Respondent Jiawei Technology (USA), Ltd. is a limited partnership. It is 100% owned by Jiawei Technology (HK) Ltd., which is 100% owned by Respondent Shenzhen Jiawei Photovoltaic Lighting Co., Ltd. Respondent Shenzhen Jiawei Photovoltaic Lighting Co., Ltd. is a public Chinese company. Zhenfa New Energy Science & Technology Co., Ltd. and Shanghai Hao Xuan Investment Management Co., Ltd. each own 10% or more of Shenzhen Jiawei Photovoltaic Lighting Co., Ltd. No other entity owns 10% or more of Shenzhen Jiawei Photovoltaic Lighting Co., Ltd.

Respondent Atico International USA, Inc. is, upon information and belief, owned by Atico International (Asia) Ltd and no parent or publicly held companies own 10% or more of its stock. It is our present understanding that Atico International USA, Inc. is no longer doing business.

Respondent Smart Solar, Inc. is a privately held corporation. There are no parent or publicly held companies that own 10% or more of its stock.

Respondent Test Rite Products Corp. is owned by Test-Rite International (U.S.) Co., which is owned by Test Rite International Co., Ltd., a public Taiwanese company. There are no parent or publicly held companies that own 10% or more of Test Rite International Co., Ltd.

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BRIEF IN OPPOSITION

Respondents Coleman Cable, LLC *et al.* (“Respondents”) respectfully submit this Brief in Opposition to the Petition for Writ of *Certiorari* filed by Simon Nicholas Richmond (“Richmond” or “Petitioner”).

OPINIONS BELOW

The Court of Appeals’ summary affirmance is unreported and available at *Richmond v. Coleman Cable, LLC, et al.*, No. 2016-1773 (Fed. Cir. June 9, 2017) (D.I. 63). The final written decision of the Patent Trial and Appeal Board of the U.S. Patent and Trademark Office (“PTAB”) is unreported, but can be found at *Coleman Cable, LLC, et al. v. Richmond*, IPR2014-00935, Paper 65 (P.T.A.B. Dec. 21, 2015). The PTAB’s decision to institute the *inter partes* review is unreported, but can be found at *Coleman Cable, LLC, et al. v. Richmond*, IPR2014-00935, Paper 19 (P.T.A.B. Dec. 22, 2014). These decisions are also included in Petitioner’s Appendix at 2a (judgment), 3a-39a (institution decision), and 40a-116a (final written decision).

JURISDICTION

The Federal Circuit had jurisdiction pursuant to 28 U.S.C. 1295(a)(4). The Court of Appeals filed its summary affirmance on June 9, 2017. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATEMENT OF THE CASE

This dispute began when Richmond filed 12 lawsuits against 83 defendants in New Jersey federal court. Richmond asserted U.S. Patent No. 8,089,370 (“the ’370 patent”) against 45 of those defendants. Over the next several months, the district court

granted motions to dismiss for failure to state a claim and a motion for misjoinder. These rulings resulted in Richmond amending his complaints and filing a large number of separate lawsuits, 32 of which asserted the '370 patent against individual defendants or defendant groups. These actions are currently stayed pending the outcome of all appeals.

The *inter partes* review ("IPR") that is the subject of this Petition was filed by a subset of these defendants. Like the appeal below, this Petition is about the attempt of the inventor to avoid the PTAB's obviousness determination. The patent's claims can be grouped into two general areas: (i) the "surround frame" claims, and (ii) the wind chime claims. Because the third question of the Petition involves the proper construction of the "surround frame" claims, Respondents include a short discussion of the "surround frame" element.

The "surround frame" claims are claims 1-4 and 48-50. The intrinsic evidence establishes that the "surround frame" is not limited to the essentially two-dimensional, primarily-in-a-plane construction advanced by Richmond, but also may include three-dimensional structures. Claim 49, for example, recites that the "surround frame" may be an "insect, flower, geometric shape, or astronomical shape," and claim 50 requires that the "surround frame" at least partially surrounds the lens. Pet. App. 63a-64a. Consistent with the claim language, the specification states that the "surround frame may partially or fully encircle the lens portion [] and may surround the lens portion [] in two or three dimensions," (Pet. App. 65a (emphasis added)), and that the frame may be "any decorative shape such as a sun, flower, moon, insect, or geometric shape." *Id.*

The PTAB, acting as an administrative agency, relied on this and other evidence, and determined the broadest reasonable interpretation of “surround frame” to mean “a frame disposed at least partially around the lens” (Pet. App. 74a), thus contemplating that the “surround frame” may be two or three dimensional. And, based on that broadest reasonable interpretation, the PTAB concluded that claims 1-4 and 48-50 were invalid. Pet. App. 86a-100a.

Richmond appealed the PTAB’s decision based on the construction of “surround frame.” Appellant’s Docketing Statement (“Docketing Statement”) (issue 4) (D.I. 4), Resp. App. 4a. The Docketing Statement also included the other issues that are the subject of this Petition. *See* D.I. 4, Resp. App. 3a-4a: (i) whether the USPTO Director exceeded her authority in instituting the IPR under 35 U.S.C. § 315(a)(1) (issue 1); (ii) whether 35 U.S.C. § 314(d) is unconstitutional to the extent it prevents judicial review (issue 2), and (iii) whether IPRs are constitutional according to Article III and/or the Seventh Amendment (issue 8). Richmond, however, did not brief these other issues at the Federal Circuit. *See* Richmond’s Second Corrected Opening Brief (No. 16-1773 (D.I. 36)); Richmond’s Reply Brief, No. 16-1773 (D.I. 42). He only briefed the “surround frame” issue. *Id.*

The Federal Circuit affirmed the PTAB’s decision on June 9, 2017. Pet. App. 2a. Richmond petitioned for *en banc* rehearing on July 10, 2017. (D.I. 68). That petition was denied on August 28, 2017. (D.I. 77). On January 1, 2018, Richmond moved the Federal Circuit to recall the mandate based on purportedly intervening circuit law (*i.e.*, the *Wi-fi One* case discussed *infra*). (D.I. 80), Resp. App. 7a-13a. Richmond also filed the

present Petition with this Court. On February 8, 2018, the Federal Circuit denied the Motion to Recall the Mandate. (D.I. 82), Resp. App. 14a-15a. This Court should similarly deny Richmond's Petition.

SUMMARY OF ARGUMENT

The Petition should be denied. First, Richmond failed to preserve his "jurisdiction" argument because he did not brief it below, and, regardless, the argument is (i) inconsistent with this Court's *In re Cuozzo* decision and (ii) not supported by the Federal Circuit's *Wi-Fi One* case upon which Richmond relies. Second, this Court's *Oil States* decision renders Richmond's constitutional arguments moot and, in any event, Richmond also failed to preserve those arguments. Finally, Petitioner cites no conflict in the Federal Circuit regarding his "surround frame" claim construction argument that supports *certiorari*. This argument is nothing more than a patent owner attempting to read the preferred embodiment into the claim to avoid prior art. The PTAB already determined that Richmond's purported validity-preserving broadest reasonable construction of "surround frame" is directly contradicted by the intrinsic evidence. Accordingly, Respondents respectfully request that the Court deny Richmond's Petition.

ARGUMENT

I. Richmond's "Jurisdiction Challenge" Fails.

A. Richmond Failed to Preserve Its Jurisdiction Argument.

Richmond's jurisdiction challenge fails at the outset because the issue was not preserved below. Although Richmond identified numerous issues in Appellant's

Docketing Statement (D.I. 4; Resp. App. 3a-4a), including jurisdiction under 35 U.S.C. § 315(a)(1) (issue 1), he did not brief this jurisdiction issue. *See* Richmond’s Second Corrected Opening Br. (D.I. 36) and Richmond’s Reply Br. (D.I. 42). He only briefed the “surround frame” issue (discussed *infra*). *Id.* This failure waives his jurisdiction argument. *See, e.g., Meyer v. Holley*, 537 U.S. 280, 291-92 (2003) (“[I]n absence of consideration of [a] matter by the Court of Appeals, we shall not consider it.”); *see also Virtue v. Creamery Package Mfg. Co.*, 227 U.S. 8, 38-39 (1913) (refusing to consider contention not tried and ruled on in the court below); *Adickes v. S.H. Kress and Co.*, 398 U.S. 144, 147 n.2 (1970) (explaining that this Court will not ordinarily consider issues which are neither raised nor considered below); *Bragdon v. Abbott*, 524 U.S. 624, 638 (1998) (“It is our practice to decide cases on the grounds raised and considered in the Court of Appeals”); *State Farm Fire & Cas. Co. v. Mhoon*, 31 F.3d 979, 984 n.7 (10th Cir. 1994) (failure to raise issue in opening brief waives the issue). Richmond’s failure to preserve this issue is dispositive.

B. Even If Preserved, Richmond’s Argument Is Contrary To Law.

1. Neither *Cuozzo* Nor *Wi-Fi One* Support *Certiorari*.

Even if the Court finds that Richmond preserved his jurisdiction argument, the Court should deny the Petition because (i) Richmond’s argument is inconsistent with the Court’s reasoning in *In re Cuozzo Speed Technologies, LLC v. Lee*, 136 S. Ct. 2131 (2016), and (ii) not supported by the Federal Circuit’s *Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364 (Fed. Cir. 2018) decision.

This Court, in *Cuozzo*, declined to find that the “No Appeal” provision of 35 U.S.C. § 314(d) permitted revisiting of the decision to institute *inter partes* review. See *Cuozzo*, 136 S. Ct. at 2141 (“Congress has told the *Patent Office* to determine whether *inter partes* review should proceed and it has made the agency’s decision ‘final’ and ‘nonappealable.’”). This Court’s conclusion that the initial determination is nonappealable “gives effect to this statutory command.” *Id.* Though *Cuozzo* involved the interplay between 35 U.S.C. § 314(d) and 35 U.S.C. § 312, and the present case involves the interplay between § 314(d) and 35 U.S.C. § 315(a)(1), both provisions relate to the interpretation of statutes related to the Patent Office’s decision to initiate review. As such, § 314(d)’s “No Appeal” provision also bars Richmond’s appeal of the Patent’s Office institution decision under § 315(a)(1). *Id.* at 2141-42. And, while the Court in *Cuozzo* did leave open the possibility of appeals based on constitutional questions, less closely related statutes, or other questions that reach “well beyond” section 314(d) (*id.* at 2141-42), there is no indication the question here involving the prior-filed action provision (§ 315(a)(1)) is anything other than a question closely tied to the interpretation of a statute related to the PTAB’s decision to institute. As such, it is not appealable. 35 U.S.C. § 314(d); *Cuozzo*, 136 S. Ct. at 2141-42.

The Federal Circuit’s *Wi-Fi One* does not warrant a different result. The issue in *Wi-Fi One* was the appealability of institution under 35 U.S.C. § 315(b)—the time-bar provision. The Federal Circuit was clear “our holding applies only to the appealability of 35 U.S.C. § 315(b) time-bar determinations.” *Id.* at 1375. But time-bar determinations are not the subject of this Petition. This Petition involves 35 U.S.C. § 315(a)(1)

because some of the named IPR petitioners (three of the eight) previously filed a civil action challenging the validity of a claim of the patent at issue, even though that civil action had been voluntarily dismissed under Fed. R. Civ. Proc. 41(a)(1) long before the *inter partes* review was ever filed. *See* Pet. 5a-10a. The PTAB denied dismissal on that basis, finding that the voluntary dismissal meant the legal effect was as if the civil action had never been filed. *Id.* The *Wi-Fi One* case does not involve this issue.¹

The Federal Circuit has, moreover, already considered and rejected Richmond’s *Wi-Fi One*-based argument. *See* Appellant’s Opposed Motion to Recall the Mandate and Request for Leave to Brief the Applicability of New and Intervening Circuit Law (“Request to Recall Mandate”) (D.I. 80; Resp. App. 7a-13a). There, Richmond asked the Federal Circuit to recall the mandate in light of the Federal Circuit’s *Wi-Fi One* decision and to permit briefing based on *Wi-Fi One*. Resp. App. 7a-13a. The Federal Circuit denied Richmond’s request (D.I. 82; Resp. App. 14a-15a) presumably because the holding of *Wi-Fi One* was limited to the time-bar issue. The *Wi-Fi One* decision, therefore, does not provide a basis for GVR.

¹ On remand to the original Federal Circuit panel that decided *Wi-Fi One*, the panel affirmed the PTAB decision under § 315(b) that the petitioner there was not in “privity” with a party that had served a prior infringement suit on the patent owner. Thus, the PTAB had jurisdiction to proceed on the merits of the IPR. *Wi-Fi One, LLC v. Broadcom Corp.*, No. 2015-1944, 2018 WL 1882911, at **3-8 (Fed. Cir. April 20, 2018). Section 315(a)(1) at issue here does not contain the “or privity” language of Section 315(b) interpreted by the Court in *Wi-Fi One* further evidencing the narrowness of the holding of *Wi-Fi One*.

2. The PTAB's Institution Decision Was Correct.

Richmond's "jurisdiction" argument should also be rejected because it is contrary to the law. The PTAB correctly concluded that "[t]he voluntary dismissal without prejudice by the Jiawei Parties of their civil action renders the civil action a nullity and leaves the parties as if the action had never been brought." Pet. App. 5a-9a (citing *Bonneville Association Ltd. Partnership v. Barram*, 165 F.3d 1360, 1364 (Fed. Cir. 1999) ("The effect of a voluntary dismissal without prejudice pursuant to Rule 41(a) is to render the proceeding a nullity and leave the parties as if the action had never been brought."); *Holloway v. United States*, 60 Fed. Cl. 254, 261 (2004), *aff'd*, 143 F. Appx. 313 (Fed. Cir. 2005), *cert. denied*, 126 S.Ct. 389 (2005)).²

Richmond challenges the PTAB's logic by noting that a voluntary dismissal under Federal Rule of Civil Procedure 41(a)(1) has the effect of precluding a second voluntary dismissal. Pet. 12. But this potential, future event does not give the dismissed action "effect," and Richmond cites no authority to the contrary. The PTAB properly interpreted the "filed a civil action" language of § 315(a)(1) consistent with the meaning of "filed" under the Federal Rules of Civil Procedure as interpreted by the Courts. See *Bonneville*, 165 F.3d at 1363 (explaining that dismissal under Rule 41(a) leaves the situation "as if the suit had never been brought."). And while Richmond attempts to distinguish *Bonneville* because dismissal there was under 41(a)(1)(B) (as opposed to 41(a)(1)(A))

² The PTAB also cited a series of PTAB decisions to the same effect. Pet. App. 6a.

(Pet. 11-13), this is a distinction without a difference for the purposes of this case. *See Harvey Specialty & Supply, Inc. v. Anson Flowline Equip., Inc.*, 434 F.3d 320, 324 (5th Cir. 2005) (dismissal under 41(a)(1)(A) puts the plaintiff in the legal position as if the suit never occurred).³

Richmond’s “loop-hole” and “potential-future-effect” arguments (Pet. 13-15) fall under their own weight. Filing a second action, whether an IPR or a district court action, does not resurrect the first action. The first action is still dismissed—and hence, a nullity. And, while Rule 41(a)(1)(A) dismissals are often used to “secure [a] preferred form” (*Harvey*, 434 F.3d at 324 n.15), courts have “consistently held that Rule 41(a)(1) means what it says . . . [and] defendants who desire to prevent plaintiffs from invoking their unfettered right to dismiss . . . may do so by taking the simple step of filing an answer.” *Id.* In short, Petitioner’s perceived dangers do not exist. There is no evidence to suggest that the PTAB’s applying the voluntary dismissal rule here would deplete limited judicial resources or the limit the efficiencies of an IPR. Indeed, the opposite is true, because were the rule not applied, the action would proceed in district court, a much lengthier and more expensive venue. The PTAB’s application of the voluntary dismissal rule preserved both the parties’ and the court’s resources and thus helps protect the

³ Richmond further argues that so-called Rule 41 exemption does not apply because Congress could have specifically included the exemption in § 315, but did not do so. Pet. 14. Congress is presumed to know the law. *Cannon v. Univ. of Chicago*, 441 U.S. 677, 696 (1979). At the time of the passage of § 315, the prior civil suit would not be considered “filed” where it was voluntarily dismissed under Rule 41(a). Congress, therefore, did not need to provide the specific language Petitioner demands because the law’s effect was understood.

public’s “paramount interest in seeing that patent monopolies . . . are kept within their legitimate scope.” *Cuozzo*, 136 S. Ct. at 2144 (quoting *Precision Instrument Mfg. Co. v. Automotive Maintenance Machinery Co.*, 324 U.S. 806, 816 (1945)).

II. Petitioner’s Constitutional Argument Also Fails.

Richmond’s constitutional argument fails for two reasons. First, as with the jurisdiction argument, Richmond did not preserve it. The argument, therefore, fails for the reasons set forth above.

Second, even if the issues were preserved, the constitutional issues Richmond seeks to raise under Article III and the Seventh Amendment were rejected by the Court in *Oil States Energy Servs., LLC v. Greene’s Energy Corp., LLC*, 138 S.Ct. 1365, 1373-1379 (2018), and thus provide no basis for *certiorari* here.

III. Richmond’s Claim Construction Argument Does Not Provide A Compelling Basis For *Certiorari*, And Is Legally Incorrect.

Richmond’s claim construction argument should be rejected at the outset because it does not provide a compelling basis for *certiorari* under Supreme Court Rule 10. There is no split within the Federal Circuit on this issue. Rather, Richmond asks this Court to weigh in on a fact specific, claim construction decision of the PTAB without any showing that the PTAB’s decision was contrary to a constitutional right, exceeded statutory jurisdiction, or was arbitrary and capricious. *Cuozzo*, 136 S.Ct. at 2142. Richmond does not and cannot meet this high bar.

Instead, relying on this Court’s *Klein* and *Turrill* decisions, Richmond argues that the PTAB’s broadest reasonable interpretation of “surround frame” should be disregarded because the PTAB purportedly did not follow the maxim that claims must be construed to preserve their validity, if practicable. (Pet. 18-25). This argument fails for two reasons. First, this maxim depends upon the presumption of validity, which, as discussed below, does not apply to PTAB proceedings under the America Invents Act. And second, the argument is legally incorrect because it attempts to elevate this “maxim” over the specification’s clear teaching. *See, e.g., Phillips v. AWH Corp.*, 415 F.3d 1303, 1315 (Fed. Cir. 2005) (*en banc*) (explaining that claims “must be read in view of the specification, of which they are a part”).

The PTAB is an administrative agency. In an IPR, therefore, the claim is being considered under administrative rules. *See Cuozzo*, 136 S. Ct. at 2144 (the purpose of an IPR is to reexamine an earlier agency decision). As such, the presumption of validity does not apply. *See, e.g., Atlanta Gas Light Co. v. Bennett Regulator Guards, Inc.*, IPR2015-00826, Paper 39, at 14-15 (P.T.A.B. Dec. 6, 2016) (rejecting argument based on validity-preserving construction maxim because that maxim is based on the presumption of validity, which does not apply in IPRs), relying on *In re Etter*, 756 F.2d 852, 856 (Fed. Cir. 1985) (*en banc*).⁴ This difference distinguishes the cases cited by Richmond. Additionally, as the Federal Circuit recognized, “[u]nder [Richmond’s] theory, you’d never have an invalid patent because you’d always construe it to

⁴ A copy of *Atlanta Gas* is attached as Resp. App. 16a-34a, relevant section at 28a-29a.

avoid invalidity. That’s not the rule.” Oral Arg. Tr. at 13:14-16 (D.I. 65-2), Resp. App. 38a.

Richmond’s proffered “primarily-in-a-plane” broadest reasonable construction is also legally incorrect. The law of claim construction is well understood and set forth in Appellee’s Response Brief. (D.I. 31), Resp. App. 64a-65a. The PTAB followed that law in refusing to adopt Richmond’s construction because, among other things, Richmond’s construction ignored the plain language of the claims (*e.g.*, “surround frame” may be an insect, flower, geometric shape), the specification (“surround frame” may “surround the lens in two or three dimensions”), and the relevant parts of the prosecution history. *See* Final Written Decision, Pet. App. 61a-74a. All of the intrinsic evidence supports the construction adopted by the PTAB, which contemplates a two or three-dimensional “surround frame,” and directly refutes Richmond’s two-dimensional, primarily-in-a-plane proposed construction. *Id.*⁵ Both the PTAB and the Appellate Court carefully considered each of the arguments Richmond raises here and correctly rejected Richmond’s attempt to read the Figure 11 preferred embodiment into the claim to

⁵ The *Klein* and *Turrill* cases cited by Richmond also support the PTAB’s construction. For example, in *Turrill*, the Court reiterated that “the claim must be construed in connection with the explanations contained in the specification.” *Turrill v. Michigan Southern & Northern Indiana Railroad*, 68 U.S. 491, 511 (1863); *accord Klein v. Russell*, 86 U.S. 433, 466-67 (1873) (relying on the specification for claim construction). Here, the PTAB relied on, among other things, the specification’s explicit teaching that the “surround frame” may surround the lens in two or three dimensions in adopting its construction. Pet. App. 65a-68a. Richmond’s proposed two-dimensional, primarily-in-a-plane broadest reasonable construction is directly contrary to the specification and thus is not supported by either *Klein* or *Turrill*.

avoid the prior art. *Id.*; *Phillips*, 415 F.3d at 1323 (It is improper to read specific embodiments from the specification into the claims.).⁶

Undeterred, Richmond argues that the Examiner's Statement of Reasons for Allowance (Resp. App. 78a) that the claims "have been found to be novel and inventive because [the] prior art does not teach all elements of applicant's invention" supports Richmond's construction because under the PTAB's construction the claims allegedly read on the Allsop and Richmond '101 prior art references. Pet. 21-23. This argument was rejected by the PTAB (Pet. App. 68a-74a), addressed in the Federal Circuit briefing (*see* Appellant's Second Corrected Brief (D.I. 36, at 35-40), Response Brief (D.I. 31, Resp. App. 66a-69a, Reply Brief (D.I., 42, at 4-7)) and the PTAB's decision was affirmed. Pet. App. 2a. Richmond's argument should be rejected by this Court.

First, the Allsop and Richmond '101 references were not substantively addressed during prosecution. As such, these prior art references are irrelevant to the construction of "surround frame" in this instance. Neither the applicant nor the examiner discussed them during prosecution. There was no disclaimer of claim scope, no argument that the references somehow defined the term "surround frame," and, unlike in *TorPharm, Inc v. Ranbaxy Pharm., Inc.*, 336 F.3d 1322 (Fed. Cir. 2003) cited by Petitioner, no statement(s) by the examiner relating to these references that the applicant failed to address thereby potentially acquiescing to them. Pet. App. 68a-69a; Response Brief (D.I. 31),

⁶ The Appellate Court also considered Richmond's lack-of-enablement argument (Pet. 20-21). *See* Response Brief (D.I. 31), Resp. App. 72a-74a.

Resp. App. 66a-69a.⁷ As the Federal Circuit noted during the argument—“[i]t’s not what the examiner understood . . . [i]t’s what the applicant says.” *Id.* at 13:2-3, Resp. App. 38a. Here, neither the applicant nor the examiner said anything about this art.

Second, Richmond’s unique theory of the prosecution history’s role in claim construction would be unworkable. Under Richmond’s theory, each piece of cited art would need to be examined (presumably both alone and in combination with all of the other cited art) with respect to each claim construction dispute to determine whether adopting a particular construction would render the claim anticipated or obvious over all of the cited art: “That’s not . . . the way claim construction works.” Oral Arg. Tr. at 13:11-14 (D.I. 65-2), Resp. App. 38a. As stated by the PTAB, “[t]he prosecution history sheds little light on the construction of the term ‘surround frame’” (Pet. App. 68a), and it certainly cannot trump the specification’s clear teaching that “[t]he surround frame may partially or fully encircle the lens portion 214 [referring to Figure 11] and may surround the lens portion 214 in two or three dimensions.” Pet. App. 65a (quoting the specification Ex. 1001, col. 21, l. 63 – col. 22, l. 4) (underlining added).⁸ *Certiorari* should be denied.

⁷ Nor did Respondents rely on these references (or any cited reference) as in the *American Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350 (Fed. Cir. 1984) case cited by Richmond.

⁸ Richmond’s remaining arguments (Pet. 19, n. 2-3; 20-21) rely on extrinsic evidence in attempt to support a claim construction that is clearly rebutted by the specification’s teaching. Because it is well established that it is improper to rely on extrinsic evidence where the intrinsic evidence resolves any ambiguity in a disputed term (see, e.g., *Vitronics Corp. v. Conception, Inc.*, 90 F.3d 157, 1583 (Fed. Cir. 1996); *Phillips*, 415 F.3d at 1318,

CONCLUSION

Respondents respectfully request that the Petition for Writ of *Certiorari* be denied.

Respectfully submitted,

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Counsel for Respondents

Richmond's extrinsic-evidence-based arguments do not render this *certiorari* meritorious. Such arguments were, moreover, considered and rejected by the Federal Circuit. *See* Response Brief (D.I. 31), Resp. App. 69a-75a, and Federal Circuit's summary affirmance (D.I. 63), Pet. App. 2a.

APPENDIX

1a

APPENDIX

IN THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

[Filed 4/12/2016]

No. 2016-1773

SIMON NICHOLAS RICHMOND,
Appellant,
v.
COLEMAN CABLE, LLC, *et al.*,
Appellee.

Appeals from the Patent and Trademark Office,
Patent Trial and Appeal Board,
No. IPR2014-00935

APPELLANT'S DOCKETING STATEMENT

This Docketing Statement must be completed by all counsel and filed with the court within 14 days of the date of docketing. When the United States or its officer or agency is a party, this Docketing Statement must be completed by all counsel and filed with the court within 30 days of docketing. All questions must be answered or the statement will be rejected.

2a

Name of the party you represent: Simon Nicholas Richmond (“Richmond”).

Party is (select one)

☒ Appellant/Petitioner

☐ Cross-Appellant

☐ Appellee/Respondent

☐ Intervenor

Tribunal Appealed from and Case No.: Patent Trial and Appeal Board (“PTAB”), No. IPR2014-00935

Date of Judgment/Order: December 24, 2014 (IPR Institution Decision); August 21, 2015 (Denial of Motion to Terminate the IPR proceedings); December 21, 2015 (Final Written Decision)

Type of Case: Inter Partes Reviews (“IPR”)

Relief sought on appeal: Vacate and Dismiss on grounds identified below in issues 1, 6, 8, and 9 of Appellant’s Brief Statement of Issues. Reverse and Remand on grounds identified below in issues 3, 4, 5, 7, and 9 of Appellant’s Brief Statement of Issues. Reverse and Remand for the Board’s decision which denied, in-part, Richmond’s motion to exclude evidence.

Relief awarded below (if damages, specify): Cancellation of claims 1-29 of the U.S. Patent No. 8,089,370 patent (“the ’370 patent”).

Briefly describe the judgment/order appealed from: Appellee Coleman Cable LLC, *et al.*, petitioned for *inter partes* review, under 35 U.S.C. §§ 311–319, of claims 1–7, 9, 10, 14, 17–20, 23, 28, 43, 45, and 48–50 of the ’370 patent. The Board instituted *inter partes* review of claims 1–7, 9, 10, 14, 17–20, 23, 28, 43, 45, and 48–50 of the ’370 patent despite Richmond’s

objection that Petitioner was barred under 35 U.S.C. § 315(a)(1) and for failure to meet the threshold under 35 U.S.C. § 314(a). Richmond filed a response defending the patentability of the claims, pursuant to 35 U.S.C. § 316(a)(8). On August 21, 2015, the Board denied Appellant's motion to terminate the IPR proceedings for failure to identify all real parties in interest as required by 35 U.S.C. § 312 (a)(2). On December 21, 2015, the Board found the original challenged claims of the '370 patent to be unpatentable. In the same final written decision, the Board denied, in-part, Richmond's motion to exclude Appellee's evidence.

Nature of Judgment: Final judgment. *See* 35 U.S.C. §§ 318(a), and 37 C.F.R. § 42.73.

Name and docket number of any related cases pending before this court plus the name of the writing judge if an opinion was issued: Simon Nicholas Richmond v. Jiawei Technology (HK) Ltd., *et al.*, No. 16-1771, docketed on the same date as this case.

Brief Statement of the issues to be raised on appeal:

Petitioner expects that the Supreme Court's grant of certiorari in *Cuozzo Speed Techs., LLC v. Lee*, No. 15-446, 2016 WL 205946 (U.S. Jan. 15, 2016) to consider several important issues that will impact the Federal Circuit's decision in this appeal. The presently anticipated issues are:

1. Whether the USPTO Director exceeded her authority in instituting the *inter partes* review, under 35 U.S.C. § 315(a)(1).
2. Whether 35 U.S.C. § 314(d) is unconstitutional, to the extent that it prevents judicial review to deter-

mine compliance with statutory limits of an *inter partes* review proceeding.

3. Whether the PTAB erred in using the broadest reasonable interpretation (“BRI”) as the standard for construing the claims of the U.S. Patent No. 8,089,370 (“370 Patent”).

4. Whether the PTAB erred in construing the claims of the 370 Patent, including, but not limited to, whether the PTAB erred in construing the terms “surround frame” and “emits light,” under the BRI standard.

5. Whether the PTAB erred in determining the unpatentability of the claims of the 370 Patent under 35 U.S.C. § 103(a) and 35 U.S.C. § 102.

6. Whether the PTAB erred in failing to terminate this proceeding for Petitioner’s failure to satisfy the requirements of 35 U.S.C. § 312, i.e., to identify all real parties in interest (Paper 52).

7. Whether the PTO exceeded its rulemaking authority and violated applicable provisions of the AIA and due process guarantees in transferring the Director’s institution authority to the same administrative patent judges of the PTAB that were charged with rendering the final written decision.

8. Whether the invalidation of Patent Owner’s rights under 35 U.S.C. § 318, through *inter partes* review, violates the Constitution, including Article III, the separation of powers doctrine and the Seventh Amendment right to a trial by jury.

9. Any other findings or determinations supporting the above raised issues, and any other issues decided adversely to Patent Owner.

5a

Have there been discussions with other parties relating to settlement of this case?

☒ Yes ☐ No

If "yes," when were the last such discussions?

☐ Before the case was filed below?

☒ During the pendency of the case below?

☐ Following the judgment/order appealed from?

If "yes," were the settlement discussions mediated?

☐ Yes ☒ No

Do you believe that this case may be amenable to mediation? Yes.

If you answered no, explain why not: N/A.

Provide any other information relevant to the inclusion of this case in the court's mediation program. The patent at issue in this appeal and several other patents owned by Appellant are the subject of a set of patent infringement lawsuits, pending in the District of New Jersey, consolidated under Civ. Action No. 13-1944 (D.N.J.), which involve Appellee and several other defendants and/or their products. All of those lawsuits have been stayed and administratively terminated pending resolution of this Appeal.

I certify that I filed an original and one copy of this Docketing Statement with the Clerk of the United States Court of Appeals for the Federal Circuit and served a copy on counsel of record, this 12th day of April, 2016.

By: Electronic Mail

6a

Theodore F. Shiells

Name of Counsel

/s/ Theodore F. Shiells

Signature of Counsel

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CERTIFICATE OF SERVICE

I hereby certify that I electronically filed an original copy of above document with the U.S. Court of Appeals for the Federal Circuit and served a copy on counsel of record, this 12th day of April, 2016, by electronic delivery through the Court's CM/ECF system to:

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7a

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

[Filed 1/17/2018]

No. 2016-1773

SIMON NICHOLAS RICHMOND,
Appellant,
v.
COLEMAN CABLE, LLC, *et al.*,
Appellee.

Appeal from the Patent and Trademark Office,
Patent Trial and Appeal Board,
No. IPR2014-00935

APPELLANT'S OPPOSED MOTION TO RECALL
THE MANDATE AND REQUEST FOR LEAVE TO
BRIEF THE APPLICABILITY OF NEW AND
INTERVENING CIRCUIT LAW

In the interests of justice, Appellant requests that the Court recall the mandate issued, pursuant to F.R.A.P. 41(a), on September 5, 2017 (Doc. 78) and allow Appellant to brief the applicability and effect of this Court's recent *en banc* decision in *Wi-fi One, LLC v. Broadband Corp.*, Case No. 2015-1944 (Fed. Cir. January 8, 2018) (*en banc*) to the facts of this case.

I. This Court has the Power to Recall the Mandate

“[A]n appellate court has power to set aside at any time a mandate that was procured by fraud or act to prevent an injustice, or to preserve the integrity of the judicial process.” *Ute Indian Tribe of the Uintah and Ouray Reservation v. State of Utah*, 114 F.3d 1513, 1522 (10th Cir. 1997) citing *Coleman v. Turpen*, 827 F.2d 667, 671 (10th Cir. 1987); see also *American Iron & Steel Inst. v. EPA*, 560 F.2d 589, 593 n. 15 (3rd Cir. 1977) (listing cases); *Greater Boston Television Corp. v. FCC*, 463 F.2d 268, 275-80 (D.C. Cir. 1971). Applicant respectfully submits that it is appropriate and necessary for this Court to recall the mandate in this case to “prevent an injustice” and to “preserve the integrity of the judicial process,” for the reasons detailed below. *Id.*

II. Extraordinary Circumstances Warrant Recall of the Mandate

Appellant acknowledges that a recall of the mandate is “an extraordinary remedy, one to be used sparingly.” See *American Iron & Steel Inst.*, 560 F.2d at 594. Here, the circumstances are extremely rare in that an unexpected change in the law occurred through this Court’s new *en banc* decision that has outcome-determinative impact on the instant case, prior to the expiration of the direct review period, i.e., during the period for filing of a petition for a writ of certiorari. See *Wi-fi One, LLC v. Broadband Corp.*, Case No. 2015-1944 (Fed. Cir. January 8, 2018) (*en banc*).

As relevant to this request, at the time of briefing, the law in this Circuit was that a 35 U.S.C. § 315 time-bar determination is final and *nonappealable* under 35 U.S.C. § 314(d). *Achates Reference Publishing, Inc. v. Apple Inc.*, 803 F.3d 652, 658 (Fed. Cir. 2015).

Nevertheless, since the Supreme Court was set to decide the question of whether “the Director’s decision to institute an IPR is even reviewable on appeal” in *Cuozzo Speed Techs., LLC v. Lee*, No. 15-446, Appellant’s docketing statement identified the first “anticipated issue” on appeal to be “[w]hether the USPTO Director exceeded her authority in instituting the *inter partes* review, under 35 U.S.C. § 315(a)(1)” and, in view thereof, requested an expansion of time to file the opening brief to help narrow the issues on appeal. *See* Doc. 4 at p. 2, and Doc. 13.

The Supreme Court in *Cuozzo* held, however, that the USPTO Director’s decision to institute an IPR is not appealable. *Cuozzo Speed Technologies, LLC v. Lee*, 136 S. Ct. 2131, 2141-42 (2016). The Supreme Court’s Decision in *Cuozzo*, coupled with this Court’s *Achates* decision, rendered Appellant’s potential issue of “[w]hether the USPTO Director exceeded her authority in instituting the *inter partes* review, under 35 U.S.C. § 315(a)(1),” untenable. Consequently, Counsel for Appellant did not press that issue in the Opening Brief.

This Court’s January 8, 2018 *en banc* decision in *Wi-fi One*, Case No. 2015-1944, however, carved out an exception to *Cuozzo* and reversed the *Achates*’ panel’s decision, affirmatively holding that the Director’s error in applying the jurisdictional provisions of 35 U.S.C. § 315 at the institution phase *is* appealable. *Id.* This fundamental change in the controlling law of this circuit has turned Appellant’s issue of “[w]hether the USPTO Director exceeded her authority in instituting the *inter partes* review, under 35 U.S.C. § 315(a)(1)” from being procedurally barred to meritorious, since a plain reading of the statute and undisputed facts

establish the merits of Appellant’s position, as detailed below.

Since finality does not attach to a case until after the period for direct review has expired and since decisions that change the legal landscape apply to all non-final cases, extraordinary circumstances warranting the recall of the mandate exist here. *See generally* Aaron-Andrew P. Bruhl, *When Is Finality . . . Final? Rehearing and Resurrection in the Supreme Court*, 11 J. App. Prac. & Process (2011) (Discussing instances of the Supreme Court granting rehearing requests to abate finality.)

III. The IPR’s institution Violated the Plain Language of § 315

The plain language of § 315(a)(1) states, without qualification or exception, the following limitation:

An [IPR] may *not* be instituted if, before the date on which the petition for such a review is filed, *the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent.* 35 U.S.C. § 315(a)(1) (emphasis added).

Appellee (Petitioner below), which comprises the Jiawei Technology (HK) Ltd., Jiawei Technology (USA) Ltd., and Shenzhen Jiawei Photovoltaic Lighting Co., Ltd. (collectively referred to as the Jiawei Parties), amongst others,¹ filed the Petition for *inter partes* review at issue on June 11, 2014. However, over two

¹ Other parties are Atico International (Asia) Ltd., and Atico International USA, Inc., Chien Luen Industries Co., Ltd., Inc. (Chien Luen Florida), and Chien Luen Industries Co., Ltd., Inc. (Chien Luen China), Coleman Cable, LLC, Nature’s Mark, Rite Aid Corp., Smart Solar, Inc., and Test Rite Products Corp.

years *earlier*, on February 8, 2012, the Jiawei Parties jointly “*filed a civil action* challenging the validity of at least one claim of the [370] patent,” in the District of Delaware. *See* Exh. 2001 (referred to as the “First Filed Action”).² With Appellee having “challenged the validity of a claim of the [370] patent” by filing a “civil action” “before the date on which the petition for [IPR] review [was] filed,” the Director’s decision to institute the IPR proceedings violated the unambiguous express language of § 315(a).

The Director, despite squarely acknowledging Appellant’s position and the aforementioned controlling law and facts (i.e., a civil suit challenging validity of a patent claim predated the IPR petition), sidestepped the “jurisdictional challenge,” i.e., “that the [IPR] petition was statutorily barred under 35 U.S.C. § 315(a)(1),” based on the irrelevant fact that the prior civil action had been voluntarily dismissed under Rules of Civil Procedure 41(a) before the filing of the Petition. Inst. Dec. at 3-4. Instead of applying the statute as plainly written (“An [IPR] may *not* be instituted if, before the date on which the petition for such a review is filed, *the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent*”), Director read it to mean that an IPR may not be instituted if a prior filed civil action was dismissed before the filing of IPR petition. *Id.* at 5-6. (“[W]e determine that, in legal effect, there was no prior civil action because the earlier district court case was dismissed without prejudice. Thus, there is no bar under § 315(a) to the petition in this proceeding.”)

² The First Filed Action challenged the validity of United States Patent No. 8,089,370 (“the 370 patent”), along with Appellant’s six other patents.

This Court, sitting *en banc* in *Wi-Fi One*, decided last week that the Director's error in applying § 315 is appealable error, a decision that overturns *Achates* (i.e., prior binding precedent) on this very issue. Because the period for direct review has not yet expired and the concomitant finality has not yet attached, Appellant requests that the mandate of the Court be recalled and that Appellant be given an opportunity to fully brief this meritorious issue.

IV. Conclusion

WHEREFORE Appellant requests that the Court Recall the Mandate that was issued on September 5, 2017, and provide Appellant an opportunity to fully brief the merits of Appellant's argument for reversal based on violation of 35 U.S.C. § 315(a). Further, Appellant requests expeditious consideration, in light of the rapidly approaching deadline to file the petition for a writ of *certiorari*.

Respectfully submitted,

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CERTIFICATE OF CONFERENCE

Counsel for Appellant provided a copy of this motion to Mark Nelson, Counsel for Appellee, via email on January 17, 2017, in advance of its filing with the Court. Counsel for Appellee indicates that he opposes the relief sought herein.

/s/ Theodore F. Shiells

Theodore F. Shiells

CERTIFICATE OF SERVICE

I hereby certify that I electronically filed an original copy of above document with the U.S. Court of Appeals for the Federal Circuit and served a copy on counsel of record, this 17th day of January, 2018, by electronic delivery through the Court's CM/ECF system to:

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Counsel for Appellant

14a

NOTE: This order is nonprecedential.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

[Filed 2/8/2018]

2016-1773

SIMON NICHOLAS RICHMOND,

Appellant,

v.

COLEMAN CABLE, LLC, JIAWEI TECHNOLOGY
(HK) LTD., JIAWEI TECHNOLOGY (USA) LTD.,
SHENZHEN JIAWEI PHOTOVOLTAIC LIGHTING
CO., LTD., ATICO INTERNATIONAL (ASIA) LTD.,
ATICO INTERNATIONAL USA, INC., SMART
SOLAR, INC., TEST RITE PRODUCTS CORP.,

Appellees.

Appeal from the United States Patent and
Trademark Office, Patent Trial and
Appeal Board in No. IPR2014-00935.

ON MOTION

Before DYK, REYNA, and WALLACH,
Circuit Judges.

PER CURIAM.

15a

ORDER

Appellant Simon Nicholas Richmond moves to recall the mandate issued in this appeal on September 5, 2017.

Upon consideration thereof,

IT IS ORDERED THAT:

The motion is denied.

FOR THE COURT

February 8, 2018

Date

/s/ Peter R. Marksteiner

Peter R. Marksteiner
Clerk of Court

16a

UNITED STATES PATENT AND
TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND
APPEAL BOARD

[Entered: December 6, 2016]

Case IPR2015-00826
Patent 5,810,029

ATLANTA GAS LIGHT COMPANY,
Petitioner,

v.

BENNETT REGULATOR GUARDS, INC.,
Patent Owner.

DECISION

*Patent Owner's Request for Rehearing and
Patent Owner's Motion for Sanctions
37 C.F.R. §§ 42.12, 42.71*

Before JENNIFER S. BISK, MIRIAM L. QUINN,
and PATRICK M. BOUCHER, *Administrative Patent
Judges.*¹

BOUCHER, *Administrative Patent Judge.*

On August 20, 2016, we issued a Final Written
Decision holding that, based on a preponderance of

¹ Judge James B. Arpin has taken no part in this decision due
to recusal.

the evidence, claims 1–8 of U.S. Patent No. 5,810,029 (Ex. 1001, “the ’029 patent”) are unpatentable. Paper 31 (“Dec.”). Bennett Regulator Guards, Inc. (“Patent Owner”) filed a Request for Rehearing of that Final Written Decision. Paper 33 (“Req. Reh’g”). Pursuant to our authorization, Patent Owner also filed a Motion for Sanctions against Atlanta Gas Light Company (“Petitioner”). Paper 35 (“Mot.”). Petitioner opposed the Motion (Paper 36, “Opp.”), and Patent Owner replied (Paper 38, “Reply”).

We deny the Request for Rehearing. We grant the Motion for Sanctions and award Patent Owner costs and fees incurred in association with this proceeding from the time after issuance of the Final Written Decision until the date of this Decision.

I. BACKGROUND

In 2012, Patent Owner filed a complaint in the Northern District of Ohio alleging infringement of the ’029 patent by Petitioner and a third party (“the district court proceeding”). Ex. 2002. On July 3, 2013, the district court dismissed Petitioner as a defendant for lack of personal jurisdiction. Exs. 1017, 2006. The parties agree that the dismissal was without prejudice. Pet. 2, Paper 6, 6.

On July 18, 2013, Petitioner filed a petition to institute an *inter partes* review of all claims of the ’029 patent in IPR2013-00453 (“the related IPR”). *Atlanta Gas Light Company v. Bennett Regulator Guards, Inc.*, Case IPR2013-00453, Paper 4. Throughout the entire pendency of the related IPR, Petitioner was a direct, wholly owned subsidiary of AGL Resources, Inc. (“AGLR”). *Atlanta Gas*, slip op. at 2 (PTAB Jan. 6, 2015) (Paper 88) (citing related IPR, Ex. 2006, 4). After completion of briefing and an oral hearing in the

related IPR, we found that AGLR was an unidentified real party in interest, and accordingly terminated the proceeding in accordance with 35 U.S.C. § 312(a)(2) (“A petition . . . may be considered only if— . . . the petition identifies all real parties in interest”). *Id.* at 13, 17.

On February 27, 2015, Petitioner filed its Petition to institute an *inter partes* review of all claims of the '029 patent in IPR2015-00826 (“this proceeding”). Paper 1. The Petition asserts that “[t]he following entities are in privity with [Petitioner], but out of an abundance of caution, Petitioner also identifies them as real parties-in-interest: AGL Resources Inc. (holding company and direct or indirect parent company of [Petitioner] and the following entities), [and other entities].” *Id.* at 1.

On July 1, 2016 (i.e., between the time the oral hearing was held in this proceeding on May 27, 2016, and the time the Board issued its Final Written Decision on August 20, 2016), AMS Corp. (a wholly owned subsidiary of The Southern Company) merged with and into AGLR. Paper 34, 3. AGLR was the surviving corporation in the merger, which resulted in termination of the separate corporate existence of AMS Corp. and in AGLR becoming a wholly owned subsidiary of The Southern Company. *Id.* Following the merger, on July 11, 2016, AGLR effected a name change to become Southern Company Gas. *Id.* On September 20, 2016, after the panel issued its Final Written Decision in this case, the Board ordered Petitioner to “file . . . an updated mandatory notice pursuant to 37 C.F.R. § 42.8(a)(3)” in response to a concern raised by Patent Owner that not all real parties in interest had been identified. Paper 32. In its updated mandatory notices, Petitioner asserted that

[t]he following entities are in privity with [Petitioner], but out of an abundance of caution, Petitioner also identifies them as real parties-in-interest: The Southern Company (parent company of Southern Company Gas f/k/a/ AGL Resources Inc.), Southern Company Gas f/k/a AGL Resources, Inc. (holding company and direct or indirect parent company of [Petitioner] and the following entities), [and other entities].

Paper 34, 4.

The original panel for this proceeding, as well as the panel for the related IPR, was composed of Judges Bisk, Arpin, and Boucher through the issuance of the Final Written Decision in this proceeding. Upon learning that The Southern Company may be a real party in interest, Judge Arpin recused himself from further participation. The Board substituted Judge Quinn, and the reconstituted panel has considered the issues discussed herein.

II. MOTION FOR SANCTIONS

The Board has authority to impose a sanction against a party for misconduct, including “[f]ailure to comply with an applicable rule or order in the proceeding.” 37 C.F.R. § 42.12(a)(1); *see* 35 U.S.C. § 316(a)(6). A motion for sanctions should address three factors: (1) whether a party has performed conduct that warrants a sanction; (2) whether the moving party has suffered harm from that conduct; and (3) whether the sanction requested is proportionate to the harm suffered by the moving party. *See Square, Inc. v. Think Comput. Corp.*, Case CBM2014-00159, slip op. at 2 (PTAB Nov. 27, 2015) (Paper 48) (citing *Ecclesiastes 9:10-11-12, Inc. v. LMT Holding Co.*, 497 F.3d 1135, 1143 (10th Cir. 2007)). The burden is on the moving

party to persuade the Board that a sanction is warranted. *Id.*

First, Patent Owner's contention that Petitioner failed to comply with the continuing obligation to notify the Board of changes in real parties in interest is predicated primarily on its position that "[The] Southern Company ("SC") has been a real party-in-interest since completion of a merger with AGLR on July 1, 2016." Mot. 1. Petitioner disagrees with that position and contends instead that The Southern Company is not a real party in interest because "it is an entirely separate corporate entity and has not controlled, funded, or had the opportunity to control or fund this IPR." Opp. 3. Petitioner also contends that AGLR's "name change [to Southern Company Gas] did not create a new entity or real party-in-interest." *Id.* at 4–5.

With respect to Southern Company Gas, Petitioner's assertion ignores the fact that Southern Company Gas did not result merely from a name change, but rather also from a merger with AMS Corp. that occurred before the name change. *See* Paper 34, 3. In the related IPR, the Board specifically found that AGLR is a real party in interest, and it follows that the merged entity is also a real party in interest. *Atlanta Gas*, slip op. at 13 (PTAB Jan. 6, 2015) (Paper 88). The merger with AMS Corp. has meaningful effects that impose an obligation on Petitioner to apprise the Board that Southern Gas Company is a real party in interest. Petitioner's failure to file timely the updated mandatory notice is especially significant in light of the central nature that the issue of AGLR's status as a real party in interest played in the related IPR. *See Atlanta Gas*, Paper 87, 46:6–9 ("The problem that we have, and you will remember, we had to fight like tooth

and nail to get these documents. At every turn there was an objection to producing documents related to the real party in interest issue or the privity issue.” (statement by Patent Owner at oral hearing in the related IPR)).

With respect to The Southern Company, we do not credit Petitioner’s argument that The Southern Company is not a real party in interest in light of Petitioner’s explicit notification to the contrary. Petitioner cannot have it both ways, identifying The Southern Company as a real party in interest (even “out of an abundance of caution”) to ensure compliance with 35 U.S.C. § 312(b), while simultaneously maintaining that it is *not* a real party in interest to evade the obligations of 37 C.F.R. § 42.8(a)(3).

In light of these various considerations, we conclude that Petitioner has performed conduct that warrants a sanction.

Second, Patent Owner has suffered harm as a result of Petitioner’s conduct. Patent Owner contends that Petitioner “conceal[ed] [The Southern Company’s] status as a real party in interest,” and thereby “attempted to preserve the ability to file another IPR petition in the event of an unfavorable Decision.” Mot. 1. Although this contention is speculative, particularly in its assignment of a specific motive to what Petitioner represents was “inadverten[ce],” the contention is consistent with a theory maintained by Patent Owner throughout at least the related IPR regarding Petitioner’s failure to identify all real parties in interest. *See* Opp. 4; *see, e.g., Atlanta Gas*, Paper 55, 42 (“It would be unfair for a behind-the-scenes controlling party such as AGLR to conduct the IPR in the name of a subsidiary and then have the opportunity to initiate

another IPR or a litigation defense based on arguments advanced, or possibly even not advanced, in the present IPR. The fundamental unfairness of having two bites at the apple is the basis for the requirement that all real parties-in-interest be identified in the Petition.”); Mot. 4 (“A similar, but far more egregious, situation has occurred in the present IPR. [Petitioner] did not identify [The Southern Company] as a new real party-in-interest upon completion of the merger, knowing that the Board’s Decision would be issued shortly thereafter. By not disclosing the results of the merger, [Petitioner] attempted to preserve the ability of [The Southern Company] to file another IPR petition if the Decision produced an unfavorable result.”). At the time Patent Owner learned of the merger and of the consequential potential for The Southern Company to be an unidentified real party in interest, it had not exhausted its avenues for further consideration by the Board, as reflected by its subsequent filing of a Request for Rehearing (Paper 33). The possibility thus existed that the Board would reverse or modify its Final Written Decision on rehearing, and prudent steps needed to be taken to ensure that estoppel provisions would be correctly applied.

Third, Patent Owner proposes that “[a]n appropriate sanction would be to expunge the Decision and the request for rehearing, dismiss the Petition with prejudice, and order [Petitioner] to pay compensatory expenses and attorney fees to [Patent Owner].” Mot. 5. We disagree that this proposed sanction is proportionate to the harm suffered by Patent Owner. In particular, as Petitioner contends, the harm suffered by Patent Owner is limited because “the estoppel provisions apply to the petitioner and ‘the real party in interest or *privy of the petitioner*.’” Opp. 6 (citing 35 U.S.C. § 325(e)(1)) (emphasis by Petitioner). There is

no requirement that a petitioner identify all of its privies in a petition, and Patent Owner's ability to address whether The Southern Company was a privy that would give rise to estoppel was not impacted by Petitioner's original failure to file an updated mandatory notice.

Furthermore, "[a] sanction imposed under this rule *must be limited* to what suffices to deter repetition of the conduct or comparable conduct by others similarly situated." 37 C.F.R. § 42.11(d)(4) (emphasis added). We have considered, but are not persuaded by, Patent Owner's argument that "[a]ny remedy short of termination with prejudice would encourage future petitioners to try to suppress the identification of real parties-in-interest." Mot. 6. A more limited sanction will have sufficient deterrent effect.

We determine that an appropriate sanction, proportionate to the harm suffered by Patent Owner, is to award costs and fees incurred in association with this proceeding from the time after issuance of the Final Written Decision until the date of this Decision. 37 C.F.R. § 42.12(b)(6). Accordingly, we authorize Patent Owner to file a Motion for Costs and Fees that includes specific information as to the total amount of costs and fees requested, details regarding the tasks performed underlying those fees, and reasons why the amounts of those fees are reasonable. Any privileged information may be redacted from billing information submitted with the Motion. The Motion must be filed no later than ten business days after entry of this Decision, and is limited to 1000 words.

III. RECUSAL

Sua sponte, we consider the impact of Judge Arpin's recusal in the context of Patent Owner's request for a

sanction that vacates the Final Written Decision. We conclude that vacating the Final Written Decision is unwarranted.

In deciding whether to vacate a decision in light of a district-court judge's recusal, the following factors apply: (1) the risk of injustice to the parties in the particular case; (2) the risk that the denial of relief will produce injustice in other cases; and (3) the risk of undermining the public's confidence in the judicial process. *Shell Oil Co. v. United States*, 672 F.3d 1283, 1292 (Fed. Cir. 2012). We see no compelling reason not to apply parallel considerations in considering the impact of recusal by a judge of the Board.

First, there is no risk of injustice to the parties in allowing the Final Written Decision to stand. That Decision was rendered by a properly constituted panel because the recused judge was unaware of any potential conflict at the time of the Decision. *See* 28 U.S.C. § 455(b)(4) ("He *knows* that he . . .") (emphasis added). In addition, the reconstituted panel has considered the Final Written Decision anew and expressly adopts its findings and conclusions.

Second, there is minimal risk that allowing the Final Written Decision to stand will produce injustice in other cases because, as noted above, the sanction crafted herein will have sufficient deterrent effect.

Third, there is minimal risk that the public's confidence in *inter partes* reviews will be eroded by allowing the Final Written Decision to stand because the Board has taken appropriate steps to ensure the integrity of the Decision by reconstituting the panel. In this context—and in fashioning an appropriate sanction—we are mindful that our duties in considering the patentability of claims on a fully developed

record in an *inter partes* review extend not only to the parties involved in the proceeding, but to the public. *See generally* 35 U.S.C. § 317(a) (stating that the Office may proceed to a final written decision even when no petitioner remains in an *inter partes* review as a result of settlement).

IV. REQUEST FOR REHEARING

On rehearing, the burden of showing that the Decision should be modified lies with Patent Owner, the party challenging the Decision. 37 C.F.R. § 42.71(d). “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.” *Id.*

A. *The National Meter Reference*

As noted in the Final Written Decision, “[t]he ’029 patent issued on a first-action allowance, and underwent an *ex parte* reexamination initiated by Patent Owner.” Dec. 5 (citing Ex. 1010). In its Response to the Petition, Patent Owner observed that “[t]he reexamination included . . . a National Meter reference entitled ‘Weather and Bug Proof Breather Vents,’” and argued that the inverted vent described in that reference “appears to be identical to [Peterson] ’087,” i.e., the reference involved in all of the bases on which we concluded the claims of the ’029 patent are unpatentable. Paper 16, 32 (citing Ex. 1010, 18); Dec. 34–49. Patent Owner asserts in its Request for Rehearing that it “argued that Peterson ’087 did not anticipate or make obvious the ’029 patent because the same or substantially the same prior art was considered by the PTO during reexamination.” Req. Reh’g

3 (citing Paper 16, 32–33, 38, 41, 43, 46, 49, 51, 54). Patent Owner presents the following argument:

The Board refused to consider the National Meter reference, implying that Bennett had waived consideration of this reference because it had not raised the issue in its Preliminary Response. . . . The Board relied on the provisions of 35 U.S.C. § 325(d), which authorizes the Board to take into account whether “the same or substantially the same prior art or arguments previously were presented to the Office.”

Id. (citing Dec. 37 n.5). Patent Owner contends that “[t]he Board’s refusal to consider the National Meter reference not only violates the [Administrative Procedures Act], but it also raises constitutional issues of denial of due process.” *Id.* at 5 (citing *Goldberg v. Kelly*, 397 U.S. 254 (1970)).

We are not persuaded by Patent Owner’s argument, which obscures the fundamental precept that the issue before us was whether claims of the ’029 patent are anticipated by Peterson ’087 or would have been obvious over the combination of Peterson ’087 and other cited references. Patent Owner was afforded full opportunity to address that issue and does not contend otherwise. Rather, Patent Owner presents a daisy-chained argument that an aspect of Peterson ’087 “appears to be identical” to an aspect of another reference considered during an *ex parte* reexamination and that we must, therefore, reach the same conclusion as the Examiner during reexamination. Such a position is untenable.

Even if Peterson ’087 itself had been before the Examiner during reexamination, rather than what

Patent Owner believes to be a surrogate, that fact would not preclude us from conducting an independent evaluation of the teachings of Peterson '087. *See, e.g., Microsoft Corp. v. Parallel Networks Licensing, LLC*, Case IPR2015-00483, slip op. at 14–15 (PTAB July 15, 2015) (Paper 10) (instituting *inter partes* review involving art previously considered by Examiner, noting that consideration of such art may be justified because *ex parte* nature of reexamination differs from adversarial nature of *inter partes* review). Patent Owner's argument also improperly conflates different aspects of *inter partes* review proceedings, which include separate institution and merits phases. *See Achates Reference Publishing, Inc. v. Apple Inc.*, 803 F.3d 652, 654 (Fed. Cir. 2015) ("Both IPR and CBMR proceed in two stages. In the first stage, the Director determines whether to institute IPR or CBMR. . . . In the second phase, the Board conducts the IPR or CBMR proceedings on the merits and issues a final written decision."). During the institution phase, the Board, acting on authority delegated by the Director, may take into account whether "the same or substantially the same prior art or arguments previously were presented to the Office" in determining whether to institute the proceeding. 35 U.S.C. § 325(d). Patent Owner concedes that it made no such argument during the institution phase. Paper 30, 35:7–9.

Patent Owner's conflation of distinct inquiries is especially evident from how it couched its argument in its Response that "[f]urther evidence that Peterson '087 does not anticipate the claimed skirt assembly is found in the PTO's consideration of the same or substantially the same reference during the 2002-03 reexamination." *See* Paper 16, 32. In making that

argument, even though the institution phase had concluded, Patent Owner cited § 325(d) for the proposition that “[i]n determining whether to institute an IPR, the Board is authorized to take into account whether ‘the same or substantially the same prior art or arguments previously were presented to the Office.’” *Id.* n.8.

Ultimately, Patent Owner’s arguments regarding the National Meter reference cannot trump an independent consideration of the art upon which *inter partes* review was actually initiated. No matter how much the National Meter reference may “appear to be identical” to Peterson ’087, it is *not* identical, nor was it subject to the same kind of consideration by the Office during an *ex parte* proceeding as given in adversarial proceedings.

B. Claim Construction

The ’029 patent expired before the Final Written Decision was issued, and we accordingly construed the claims under principles similar to those used during a district court’s review. Dec. 22–34. Patent Owner contends that “[d]espite using the correct legal standard, the Board made erroneous claim construction rulings,” and that “[i]f the disputed claim terms are construed as requested by [Patent Owner], they result in the claims not being anticipated or obvious.” Req. Reh’g 9, 24. Patent Owner specifically contends that the Board failed sufficiently to discuss the evidence presented by Patent Owner and to provide an explanation for how the evidence supports the Board’s claim constructions. *Id.* at 11–21.

A central aspect of Patent Owner’s argument is its contention that “[c]laims are to be construed to preserve validity in the case of ambiguity.” *Id.* at 22 (citing *Innolux Corp. v. Semiconductor Energy Lab. Co., Ltd.*, Case IPR2013-00064, slip op. at 10 (PTAB

Apr. 30, 2013) (Paper 11); Paper 16, 21; *Phillips v. AWH Corp.*, 415 F.3d 1303, 1327–28 (Fed. Cir. 2005) (en banc)). We disagree that this is a correct statement of law as applied to *inter partes* review proceedings.

The standard asserted by Patent Owner is rooted in 35 U.S.C. § 282, which states that “[a] patent shall be presumed valid.” While a presumption of validity is accordingly applied by district courts, the contention that § 282 must be applied in proceedings before the Office “misconstrues the purposes for which that statute [was] enacted.” *In re Etter*, 756 F.2d 852, 856 (Fed. Cir. 1985) (en banc). “A statute setting rules of procedure and assigning burdens to litigants in a court trial does not automatically become applicable to proceedings before the PTO.” *Id.*

Although *Etter* considered application of a presumption of validity in the context of reexamination proceedings, its reasoning equally applies to *inter partes* review proceedings in light of the Supreme Court’s explicit recognition that “the purpose of [an *inter partes* review] proceeding is not quite the same as the purpose of district court litigation.” *Cuozzo Speed Techs., LLC v. Lee*, 136 S.Ct. 2131, 2144 (2016). “Although Congress changed the name from ‘reexamination’ to ‘review,’ nothing convinces us that, in doing so, Congress wanted to change its basic purposes, namely, to reexamine an earlier agency decision.” *Id.* In *Cuozzo*, the Supreme Court explicitly endorsed the Office’s use of the broadest-reasonable-interpretation standard for unexpired patents by analogy with reexamination proceedings; it logically follows by the same analogy that the Office’s use, in reexamination proceedings, of a claim construction standard similar to that used by district courts, but without a presumption of validity, applies to *inter partes* review proceedings.

In addressing the specific claim constructions of the Final Written Decision, Patent Owner places particular focus on construction of “diaphragm-type gas pressure regulator,” “outside gas pressure regulator,” and “valve means,” “because the manner in which these claim terms are construed affects the manner in which other claim terms are construed.” Req. Reh’g 12. In addressing these terms, Patent Owner contends that it “provided substantial analysis of the ’029 specification and drawings, as well as extrinsic evidence, to support its claim construction positions and for the proposition that the ’029 patent disclosed and claimed only a Fisher S254 high pressure, internally relieved regulator outdoors.” *Id.* (citing Paper 16, 13–19, “and the evidence referenced therein”). Patent Owner further contends that “[a]t oral argument, [Patent Owner’s] counsel emphasized that one skilled in the art would recognize that the regulator disclosed in the ’029 patent could only be a Fisher S254 regulator, citing the deposition testimony of [its expert,] Mr. Oleksa.” *Id.* On this basis, Patent Owner continues to seek claim constructions that read in limitations not recited explicitly in the claims, namely “high pressure,” “internally relieved,” and “located outdoors.” *Id.* Patent Owner makes similar arguments that seek to incorporate unrecited limitations into the construction of other terms. *Id.* at 15–21.

Although we agree with Patent Owner in the abstract that the “ordinary and customary meaning” standard applied to expired patents requires that evidence be viewed through the eyes of one of ordinary skill in the art, Patent Owner stretches that principle too far. *See id.* at 9–10. “[A] claim construction analysis must begin and remain centered on the claim language itself.” *Innova/Pure Water, Inc. v. Safari Water Filtration Systems, Inc.*, 382 F.3d 1111, 1116

(Fed. Cir. 2004). Patent Owner asks us to deviate far from this cardinal principle by incorporating features of the Fisher S254 regulator that are not recited in the claims themselves, under circumstances in which the Fisher S254 regulator is not explicitly identified as such anywhere in the specification of the '029 patent. “Reading a claim in light of the specification, to thereby interpret limitations explicitly recited in the claim, is a quite different thing from reading limitations of the specification into a claim, to thereby narrow the scope of the claim by implicitly adding disclosed limitations which have no express basis in the claim.” *In re Prater*, 415 F.2d 1393, 1404–05 (CCPA 1969). This is particularly the case when the standard we are obliged to apply does not afford Patent Owner a presumption of validity of the patent’s claims.

For these reasons, we are not persuaded that we misapprehended or overlooked any aspect of Patent Owner’s claim-construction arguments. Nor are we persuaded that Patent Owner’s evidence in support of those arguments was inadequately considered.

C. Preclusive Effects of the District Court Proceeding

In the Final Written Decision, we concluded that the Petition was not barred under 35 U.S.C. § 315(b), which provides: “An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.” Dec. 13–20. Although Petitioner was served with a complaint alleging infringement of the '029 patent, its dismissal without prejudice for lack of personal jurisdiction nullified the effect of that

service as it relates to § 315(b). *Id.* at 14 (“When considering the statutory bar under § 315(b), the Board has consistently held that dismissal without prejudice of a party from district-court litigation nullifies the effect of service on that party of the underlying complaint.”). Patent Owner takes issue with the portion of our analysis that explained that “[t]he Federal Circuit has characterized the effect of dismissals without prejudice as ‘leaving the parties as though the action had never been brought,’ thereby restoring the ability of the parties to pursue courses of action available to them before the action had been brought.” *Id.* at 16 (citing *Graves v. Principi*, 294 F.3d 1350, 1355–56 (Fed. Cir. 2002); *Bonneville Assocs., Ltd. P’ship v. Barram*, 165 F.3d 1360, 1364 (Fed. Cir. 1999)).

In particular, Patent Owner contends that “[t]he Board overlooked Bennett’s arguments and evidence concerning the preclusive effects of the Ohio suit that do not ‘[leave] the parties as though the action had never been brought[.]’” Req. Reh’g 25 (citation omitted). Patent Owner sets forth a number of preclusive effects that flow from the district court proceeding before Petitioner’s dismissal, including burden-of-proof effects on decided jurisdictional issues, a bar against refiling an infringement action against Petitioner in Ohio, and the impact of admissions made by the parties during the district court proceeding. *Id.* at 25–26. Patent Owner expresses particular concern that the Final Written Decision gave effect as admissions to certain statements made in preliminary claim-construction positions advocated in the district court proceeding. *Id.* at 26–30.

We are not persuaded by Patent Owner’s arguments. Patent Owner merely observes that the district court proceeding impacts the positions that can be

sustained by the parties in other proceedings, including this IPR proceeding, and that it may have other effects. But as we explained in the Institution Decision, the Federal Circuit’s characterization of the effect of dismissals without prejudice as leaving the parties as though the action had never been brought “is, of course, a legal fiction—the initiation of even procedurally defective proceedings have certain effects, and the Federal Circuit’s statement is understood properly as referring to the restored ability of parties to pursue courses of action available to them before the action had been brought.” Paper 12, 13. It is neither the case that a dismissal without prejudice somehow erases admissions by the parties involved so that those admissions can never be considered elsewhere, nor that a petitioner must show an utter absence of effects flowing from a prior district-court proceeding for the nullification of the effect of service to attach.

We thus disagree with Patent Owner’s characterization that “the Board estopped Bennett from asserting claim constructions different than those asserted in the Ohio suit.” Req. Reh’g 29. No estoppel has been applied; rather, the Final Written Decision merely took note of the inconsistency in positions as a factor in the Board’s determination that the claims were not properly construed as Patent Owner advocated. *See, e.g.*, Dec. 28 (“Such a position [to incorporate ‘high pressure,’ ‘internally relieved,’ and ‘located outdoors’ into the construction of ‘valve means’] *also* appears to be inconsistent with the position taken by Patent Owner in the Ohio lawsuit under a similar claim-construction standard.” (emphasis added)).

Accordingly, we are not persuaded that we misapprehended or overlooked any matter related to the preclusive effects of the district court proceeding.

D. Summary

For the foregoing reasons, we deny Patent Owner's Request for Rehearing.

III. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Patent Owner's Motion for Sanctions is *granted*;

FURTHER ORDERED that Patent Owner is awarded costs and fees incurred in association with this proceeding from the time after issuance of the Final Written Decision until the date of this Decision;

FURTHER ORDERED that Patent Owner is authorized to file, within ten business days of entry of this Decision and limited to 1000 words, a Motion for Costs and Fees that sets forth an accounting of amounts requested; and

FURTHER ORDERED that Patent Owner's Request for Rehearing is *denied*.

PETITIONER

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PATENT OWNER

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[1] UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

SIMON NICHOLAS RICHMOND,

Appellant,

v.

COLEMAN CABLE, LLC, JIAWEI TECHNOLOGY (HK), LTD.,
JIAWEI TECHNOLOGY (USA), LTD., SHENZHEN JIAWEI
PHOTOVOLTAIC LIGHTING Co., LTD.,
ATICO INTERNATIONAL (ASIA) LTD., ATICO
INTERNATIONAL USA, INC., SMART SOLAR, INC.,
TEST RITE PRODUCTS CORP.,

Appellees.

TRANSCRIPTION OF AUDIO RECORDING
ARGUMENT DATE 6/8/2017
APPEAL NO. 2016-1773

RICHMOND V. COLEMAN CABLE, LLC

[2] APPEARANCES

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-AND-

MR. MARCUS BENAVIDES
BENAVIDES LAW

FOR APPELLEE:

MR. MARK CHRISTOPHER NELSON
DENTONS US LLP

[10] the –

UNIDENTIFIED SPEAKER: But, see –

MR. SHIELLS: It's like –

UNIDENTIFIED SPEAKER: – the problem is if you – if you change claim construction arguments and you're presenting something different to us, then that means that the Board below didn't hear that argument, and it's not part of its decision. That – that presents – that presents the waiver issue.

MR. SHIELLS: I understand that presents a waiver issue, Your Honor. It's an issue, but I don't believe that it's properly dis- – well, I don't believe it properly applies here because what we presented was, in essence, if you will, like a dependent – like a – a main claim and then dependent limitations.

We're only arguing main claim – the main claim portion of the – of the construction below. And that is the primarily in a plane character. It's a primarily – what we argued below was that it had a primarily in a plane character and a certain limited reasonable thickness and a certain extent regarding the – the language partially. So we were construing a different term, “partially,” in that sense.

And so as far as surround frame, we are presenting exactly the same construction, the primarily [11] in a plane surround frame. That is what we presented below, and that's what we're presenting here.

And if I may, what's – here, what the Board did is, the Board read the specifications may surround the – the – the lens in three dimensions as creating a possibility of the three-dimensional surround frame,

but the broadest possible interpretation is not the standard.

Here the Board's DRI would encompass enveloping three-dimensional hyperbolic spherical shells. And it's unreasonable. It's unreasonable because without rebuttal, it causes the prior art of record that was considered by the examiner, Richmond 101 and Alsop, and it's expressly found that that prior art did not teach all the elements, that claim construction adopted by the Board, in fact, causes the claim, Claim 1 and Claim 4, to read element for element on at least those claims. And this violates the 35 U.S.C. 282 presumption of validity and decades of this Court's precedent holding that, where possible, claims should be construed to uphold validity.

That did not occur with Richmond's proposed construction. In fact, it didn't occur with the proposed construction with additional limitations relating to thickness and partiality below. And it does [12] not occur with the – the core –

UNIDENTIFIED SPEAKER: Thank you.

MR. SHIELLS: – of construction.

UNIDENTIFIED SPEAKER: Counsel, how does your – how does your – your proposed construction read to the specification? You're looking for something that's – that's – partially – that's basically one dimensionally flat, yet the specifications say it may surround the lens portion in two or three dimensions. If –

MR. SHIELLS: Yes, Your Honor.

UNIDENTIFIED SPEAKER: – it's two-dimensional – if it's three-dimensional, isn't that inconsistent with your argument that it must be just flat, one-dimensional?

MR. SHIELLS: Your Honor, we're not saying that it must be flat. What we're saying is that it must be construed in light of the specification and the drawings. And the drawings show, at best, a contour. And that was discussed by Dr. Shackle and also our experts. And the – the degree of contour is – is some degree of three-dimensional aspect. And perhaps that's what was being discussed in that section.

But the fact is that the examiner clearly did not understand the claims to encompass a substan- – [13] a – a sphere or a hyperbolic shell.

UNIDENTIFIED SPEAKER: It's not what the examiner understood. It's what the applicant says.

MR. SHIELLS: It – Your Honor, it's not just – the prosecution history, if I may, including the prior art, forms part of the intrinsic record. And the prosecution – the – the prior art of record clearly shows that under that – under the construction adopted by the Board, there is anticipation of Claim 1 and also Claim 4. And that, I submit, Your Honor, is not a –

UNIDENTIFIED SPEAKER: That's not –

MR. SHIELLS: – reasonable construction.

UNIDENTIFIED SPEAKER: – the way claim construction works. Under that theory, you'd never have an invalid patent because you'd always construe it to avoid invalidity. That's not the rule.

MR. SHIELLS: Your Honor, that is not a per se rule, but we are talking about evidence that – we are talking about prior art of record that the examiner considered and expressly found that as he understood the broadest reasonable interpretation would not be encompassed by the prior art of record.

And where this Court – while it's not a per se rule where this Court is presented with two possible constructions – and I submit that Richmond's [14] was a possible construction. It met claim construction requirements. It read on the prior – it read on the preferred involvement and otherwise was a perfectly permissible construction – that what they chose was a construction that read directly on the prior art of record. And that, I submit, is not a reasonable construction and violates the – the presumption that the patent was issued – was valid when it was issued.

And I'd like to reserve the rest of my time – oh, if I may, I'll make – say just a few words on Claim 4.

Claim 4, as the words encircles the lens –

UNIDENTIFIED SPEAKER: Okay. You're out of time.

MR. SHIELLS: There was clearly no –

UNIDENTIFIED SPEAKER: You're out of time, Mr. Shiells.

MR. SHIELLS: Okay. I'm sorry, Your Honor.

UNIDENTIFIED SPEAKER: Mr. Benavides?

MR. BENAVIDES: Yes, sir.

Your Honor, I'd like to provide two minutes of my time – five minute – two minutes of my time to Mr. Shiells for rebuttal, and I'll take three.

* * *

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UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

[Filed 11/7/2016]

No. 16-1773

SIMON NICHOLAS RICHMOND,

Appellant,

v.

COLEMAN CABLE, LLC, JIAWEI TECHNOLOGY (HK) LTD.,
JIAWEI TECHNOLOGY (USA) LTD., SHENZHEN JIAWEI
PHOTOVOLTAIC LIGHTING CO., LTD.,
ATICO INTERNATIONAL (ASIA) LTD., ATICO
INTERNATIONAL USA, INC., SMART SOLAR, INC.,
TEST RITE PRODUCTS CORP.,

Appellees.

ON APPEAL FROM THE UNITED STATES
PATENT AND TRADEMARK OFFICE
PATENT TRIAL AND APPEAL BOARD,
NO. IPR2014-00935

RESPONSE BRIEF OF APPELLEES

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Certificate of Interest for Defendants-Appellees:

1. The full names of every party represented by me are Coleman Cable, LLC, Jiawei Technology (HK) Ltd., Jiawei Technology (USA) Ltd., Shenzhen Jiawei Photovoltaic Lighting Co., Ltd., Atico International (Asia) Ltd., Atico International USA, Inc., Smart Solar, Inc., Test Rite Products Corp. (Petitioners in IPR2014-00935) and Ace Hardware Corp., CVS Pharmacy, Inc., Menard, Inc., Orgill, Inc., and True Value Co. (collectively “Real Parties-in-Interest”).¹

2. There are no other real parties-in-interest represented by me.

¹ On July 17, 2015, Petitioners filed an Updated Mandatory Notice adding Southwire Company, LLC (“Southwire”) as a real party-in-interest to the *inter partes* review that is the subject of this appeal. Appx548, Appx550. On August 18, 2015, the Board denied Patent Owner’s Motion to Terminate, but did so “without commenting on whether Southwire did or did not become an RPI in July 2015.” Appx692. Southwire, therefore, may or may not be deemed a real party-in-interest to this appeal. But consistent with Petitioners’ Mandatory Notice, Petitioners identify Southwire as a real party-in-interest out of an abundance of caution.

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STATEMENT OF RELATED CASES

In accordance with Federal Circuit Rule 47.5, counsel for Appellee Coleman Cable, LLC *et al.* (“Petitioners” or “Appellees”) state:

1. Petitioners are aware of an Order by this court granting a voluntary dismissal by Appellant of an appeal for U.S. Patent No. 7,196,477, Appeal No. 16-1771, on August 23, 2016.

2. Simon Nicholas Richmond’s statement of related cases is not correct. There are 32 patent cases pending in the District of New Jersey involving the alleged infringement of U.S. Patent No. 8,089,370 that may be affected by this Court’s decision. These actions are currently stayed pending the outcome of the *inter partes* review proceedings before the PTO and through all appeals.

	Case No.	Case Name
1	3:13-cv-01951	Winchance Solar Fujian Technology Co. Ltd.
2	3:13-cv-01952	Shenzhen Jiawei Photovoltaic Lighting Co., Ltd.
3	3:13-cv-01954	Zhuhai Super Bright New Energy Limited
4	3:14-cv-04784	Ace Hardware Corp.
5	3:14-cv-04817	Amazon.Com, Inc.
6	3:14-cv-04818	Arett Sales Corp.
7	3:14-cv-04820	Bed Bath & Beyond, Inc.
8	3:14-cv-04823	CVS Pharmacy, Inc.
9	3:14-cv-04824	Quidsi, Inc.
10	3:14-cv-04825	Hayneedle, Inc.
11	3:14-cv-04828	Home Depot U.S.A., Inc.

12	3:14-cv-04829	Kmart Corp.
13	3:14-cv-04830	Menard, Inc.
14	3:14-cv-04834	Orgill, Inc.
15	3:14-cv-04835	Pine Top Sales Corp.
16	3:14-cv-04837	UnbeatableSale.Com, Inc.
17	3:14-cv-04846	Sears Roebuck & Co.
18	3:14-cv-04848	True Value Co.
19	3:14-cv-04850	Wayfair, LLC
20	3:14-cv-04851	Target Corp.
21	3:14-cv-04854	Outsourcing In Asia, LLC
22	3:14-cv-04860	Coleman Cable, LLC
23	3:14-cv-04867	Garden Sun Light, Inc.
24	3:14-cv-04871	Sears Holdings Corp.
25	3:14-cv-04872	Smart Solar, Inc.
26	3:14-cv-04875	Zhuhai Doremi Industry Ltd.
27	3:14-cv-04879	Jiawei Technology (HK), Ltd.
28	3:14-cv-04881	Jiawei Technology (USA) Ltd.
29	3:14-cv-04882	Kang
30	3:14-cv-04884	Lumisol Electrical Ltd.
31	3:14-cv-04890	Ethan Group, Ltd.
32	3:14-cv-04891	Ethan Group, Inc.

/s/ Mark C. Nelson

Mark C. Nelson

Attorney for Appellees

JURISDICTIONAL STATEMENT

This is an appeal of a Final Written Decision of the United States Patent and Trademark Office (“PTO”) Patent Trial and Appeal Board (“Board”) in IPR 2014-00935, finding claims 1–7, 9, 10, 14, 17–20, 23, 28, 43, 45, and 48–50 of U.S. Patent No. 8,089,370 (“the ’370 patent”) unpatentable. This Court has jurisdiction over this appeal under 28 U.S.C. § 1295(a)(4)(A) and 35 U.S.C. § 141(c).

APPELLEE’S COUNTER-STATEMENT
OF THE ISSUES

1. Did Richmond waive his claim construction arguments for “surround frame” by proposing, for the first time on appeal, a 13-word broadest reasonable interpretation that is significantly different in scope from the 92-word broadest reasonable interpretation that he argued before the Board?

2. Did the Board correctly construe “surround frame” to encompass frames that “surround” the lens in two and three dimensions where the specification explicitly discloses that the “surround frame” may surround the lens in both two and three dimensions?

3. Does substantial evidence support the Board’s decision that claim 4, which requires that the “surround frame” “at least partially encircle the lens,” was obvious where the prior art (Norton) taught that external decorative element 2 (*i.e.*, the surround frame of Norton) could have “any shape or configuration,” may be modified to “adapt[]” to different objectives, and where both parties admit that surrounding the lens in three dimensions, which Norton teaches, also necessarily discloses encircling the lens?

4. Was there substantial evidence to support the Board's determination that a person of ordinary skill in the art would have combined Kube's solar-powered wind chime devices with Ouyang's wind chime, thereby rendering the claims-at-issue obvious, where Kube specifically taught that its "fixtures [could] take on added circuitry" to provide a "wide variety of effects" such as those taught in Ouyang?

COUNTER-STATEMENT OF THE CASE

This dispute began when Richmond filed 12 lawsuits against 83 defendants in New Jersey federal court. Richmond asserted the '370 patent against 45 of those defendants. Over the next several months, the district court granted motions to dismiss for failure to state a claim and a motion for misjoinder. These rulings resulted in Richmond amending his complaints and filing a large number of separate lawsuits, 32 of which asserted the '370 patent against individual defendants or defendant groups.

Petitioners filed IPR2014-00935 on June 11, 2014. The defendants sought to stay the cases pending IPR on August 13, 2014, which the district court granted. The Board instituted review on IPR2014-00935, and ultimately found all challenged claims unpatentable. Richmond appeals that decision.

Richmond also asserted three other patents against the majority of the defendants in the New Jersey cases: U.S. Patent Nos. 7,196,477 (the '477 patent); 7,429,827 (the '827 patent); and 8,362,700 (the '700 patent). IPRs were filed on those patents in June 2014.

- The Board instituted IPR2014-00936 relating to the '477 patent and found all claims unpatentable. Richmond initially noticed an appeal for

that decision, but later withdrew that appeal. App. No. 16-1771.

- The Board instituted, in part, IPR2014-00938, relating to the '827 patent, and found all instituted claims unpatentable. Richmond did not appeal that decision.
- The Board did not institute IPR2014-00937 relating to the '700.

Reexamination proceedings are being concurrently filed against certain remaining claims of the '827 patent and all claims of the '700 patent.

COUNTER-STATEMENT OF FACTS

A. The Technology of the Asserted Patent

1. The Claims, Specification, and Prosecution History

The claims of the '370 patent (Appx60-103) can be divided into two groups: The “Surround Frame” claims (1-4 and 48-50) and the Wind Chime claims (5-7, 9, 10, 14, 17-20, 23, 28, 43, and 45). Appx101-103.

(a) The Surround Frame Claims

The construction of “surround frame” applies to claims 1-4 and 48-50 and is defined by the language of the claims themselves:²

- Claim 1 requires that the “surround frame” be attached to the lamp in a certain fashion and that a part of the “surround frame” be illuminated from below. Appx101, at 27:33-37. Claim 1 places no other restrictions on the term. *Id.*

² Claims 1, 4, 49, and 50 use the term, and claims 2, 3 and 48 are dependent on claim 1.

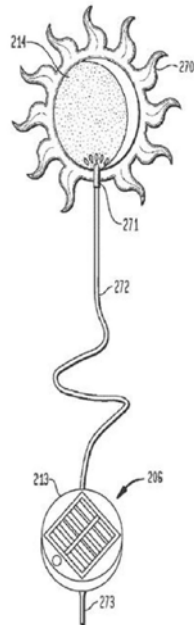
- Claim 4 requires that the “surround frame at least partially encircles the lens.” *Id.* at 27:57-59 (emphasis added).
- Claim 50 requires that the “surround frame at least partially surrounds the lens.” Appx103, at 32:50-52 (emphasis added).
- Claim 49 states that the “surround frame” may be an “insect, flower, geometric shape, or astronomical shape.” *Id.* at 32:48 50.

According to this claim language, the terms “encircle” and “surround” have different meanings in the context of “surround frame,” and the frame’s shape may include three-dimensional shapes (*i.e.*, insects, flowers, geometrical shapes, etc.). The Board agreed with this conclusion. Appx1-59, at Appx18-20.

The specification generally discusses “surround frame” with reference to Figure 11 (Appx72), shown here. Referring to this embodiment, the specification identifies “surround frame 270 as encircl[ing] the lens portion 214.” Appx98, at 21:63-64. But the specification further states that “[t]he surround frame may partially or fully encircle the lens portion 214 and may surround the lens portion 214 in two or three dimensions.” *Id.* at 22:1-3 (emphasis added). “The frame may be any decorative shape such as a sun, flower, moon, insect, or any geometric shape.” *Id.* at 21:66-22:1.

54a

FIG. 11



The Reasons for Allowance do not mention the “surround frame,” and do not indicate whether or not the Examiner felt any of the disclosed art did or did not disclose a “surround frame.” Appx1459.

The broadest reasonable interpretation of “surround frame” is key to the obviousness determination because Richmond concedes that the relevant prior art, U.S. Pub. 2006/0139912 (“Norton”) (Appx1820-31) (Ex. 1011)), renders unpatentable claims 1-3 and 48-50³ alone and in combination as found by the Board. Norton generally describes a solar-powered ornamental lamp that includes a dual housing structure with an internal protective housing and an external deco-

³ Richmond also argues that substantial evidence does not support the Board’s finding that Norton teaches the “surround frame” of claim 4.

rative housing surrounding the internal housing. Appx1820-22; Appx1828, at ¶ 30; Appx1166-67. The internal protective housing, as well as the surrounding decorative housing, may be translucent. Appx1828, at ¶ 30, Appx1829, at ¶ 37; Appx1166-67.

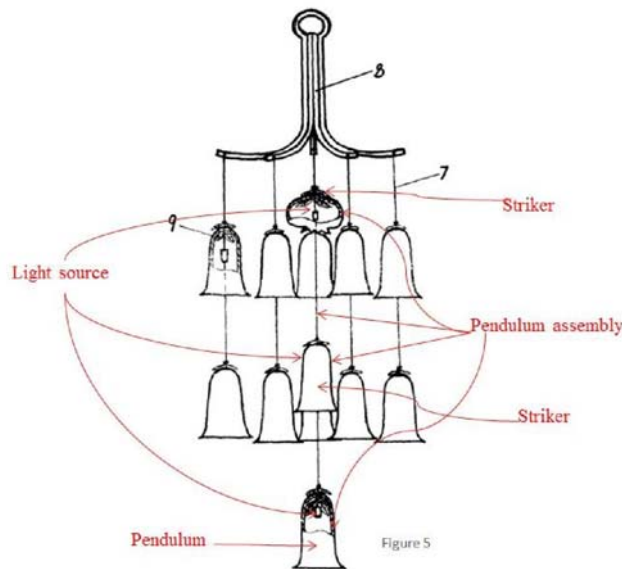
(b) The Wind Chime Claims

The remainder of the claims of the '370 patent relate to wind chime embodiments. Petitioners challenged claims 5-7, 9, 10, 14, 17-20, 23, 28, 43, and 45. While Richmond also disputes the Board's broadest reasonable interpretation of the term "emits light" in relation to these claims, that interpretation has less relevance for this appeal than the prior art.

U.S. Pub. 2005/0279403 ("Kube") (Appx1832-41 (Ex. 1012)) relates to architectural and landscape devices having solar lights. Appx1832. More specifically, Kube discloses combining solar power with wind chimes, wind socks, and other wind-sensitive objects. *Id.* The solar-powered devices of Kube have a solar cell to collect energy and convert it to electrical energy, which the devices store in one or more rechargeable batteries. Appx1835, at ¶ 2; Appx48. Kube also has an LED or other suitable light source (*id.*); and Kube discloses an example of using solar-powered lights by suspending wind chimes under hanging solar-light fixtures to illuminate the wind chimes. *Id.* at ¶ 3; Appx1836, at ¶¶ 23-24 (and Appx2558-64 (showing examples of the chimes from the URL cited in paragraph 24)); Appx49; Appx2691-95. Importantly, Kube also recognizes that the variations on using the solar-light fixtures for wind-powered effects are virtually unlimited: "[T]he basic solar light fixture will be able to be used in a wide variety of effects with a wide array of purposes." Appx1836, at ¶ 33; Appx49. Even "[t]he fixtures

themselves can take on added circuitry to provide additional effects.” Appx1837, at ¶ 34; Appx49.

The other relevant prior art is Chinese Patent Publication CN2145314Y (“Ouyang”) (Appx1848-53 (Ex. 1014)) and Appx1854 certifying the translation), which teaches a wind chime having a transparent organic material. Appx1850, Appx1853 (Fig. 5). As shown below in annotated Figure 5 (Appx238), the wind chime includes two wind chime bodies connected in series on each peripheral cord, and three wind chime bodies connected in series on the central cord. Appx1850. An LED is within each wind chime body. *Id.*



B. The PTAB Proceeding and Decision

1. The “Surround Frame” Claims

The Board adopted Petitioners’ proposed broadest reasonable interpretation of “surround frame” as “a frame disposed at least partially around the lens,”

after a thorough review of the evidence and arguments. Appx17-27. In particular, the Board relied on the specification's teaching that the "surround frame" may surround the lens "in two or three dimensions" (Appx98, at 22:1-3) and that "[t]he frame may be any decorative shape." *Id.* at 21:66-22:1; Appx21-22, 27. The Board also noted that its construction was consistent with the dictionary definitions of "surround" and "encircle." Appx21-22; (citing Appx2569-73 (Ex. 1066) and Appx3924-26 (Ex. 2045)); Appx978 at 45, ll. 5-16. Based on its construction, the Board found all the surround frame claims unpatentable. Appx36-47.

2. The Wind Chime Claims

The Board found the Wind Chime claims unpatentable based on the combination of Kube and Ouyang (claims 5-7, 9, 10, 17-20, and 23); Kube, Ouyang and Kuelbs (claims 28, 43, and 45); and Kube, Ouyang, Kuelbs, and Chliwnyj (claim 14). Appx47-58. Richmond's appeal centers on the construction of "emits light," and on the motivations to combine Kube with Ouyang. Richmond mostly rehashes the same arguments he made below, but also introduces a new argument that the patent's alleged use of "glare," by departing from conventional wisdom, is evidence that a person of ordinary skill in the art would not have combined Kube with Ouyang. Richmond never raised this argument in either of his responses below. Instead, this argument emerged for the first time during the second deposition of Petitioners' expert, and in subsequent motion practice. Based on substantial evidence, the Board adopted Petitioners' definition of "emits light," determined that a person of skill would have been motivated to combine Kube with Ouyang, and found the claims obvious. Appx27-31, Appx47-58.

STANDARD OF REVIEW

The Board construes patent claims under the broadest reasonable interpretation in IPR proceedings. *Cuozzo Speed Techs., LLC v. Lee*, 136 S.Ct. 2131, 2133, 195 L.Ed.2d 243 (2016). On appeal, this Court reviews the Board’s factual findings for substantial evidence. *Merck & Cie v. Gnosis S.p.A.*, 808 F.3d 829, 833 (Fed. Cir. 2015). Based on those underlying factual findings, this Court reviews the Board’s ultimate legal conclusions *de novo*. *Id.* Applying that standard to its review of a claim construction, therefore, the Court reviews the Board’s underlying factual determinations concerning extrinsic evidence for substantial evidence and reviews the Board’s ultimate construction of the claim *de novo*. *In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268, 1280 (Fed. Cir. 2015) *aff’d.*, 136 S.Ct. 2131 (2016).

SUMMARY OF THE ARGUMENT

This appeal is about the attempt of an inventor of an illuminated wind chime to avoid the Board’s obviousness determination. There are two groups of claims that the Board found unpatentable: the “surround frame claims” and the “wind chime claims.”

Richmond’s appeal as to the seven “surround frame” claims depends almost entirely on the construction of “surround frame.” If the Court affirms the Board’s construction of that term, Richmond has no other argument on claims 1-3 and 48-50.⁴ Affirmance of the Board’s claim construction, therefore, is also an

⁴ For claim 4, Richmond additionally argues that the prior art does not teach that the “surround frame at least partially encircles the lens.” Substantial evidence, however, supports the opposite conclusion.

affirmance of the Board's obviousness determination for those claims.

Richmond's appeal on this issue fails because the Board's construction of "surround frame" is supported by substantial evidence and is correct. First, the construction that Richmond advances on appeal is not even properly before the Court because Richmond never raised it below. It is thus waived. But, even if the Court were to consider Richmond's argument, it would still fail because the intrinsic evidence directly refutes it. The Board's construction is the only possible construction that harmonizes the language across the different claims and specification.

Richmond's appeal also fails as to the fourteen "wind chime" claims. As with the "surround frame" claims, Richmond begins by challenging the Board's broadest reasonable interpretation of a term. But unlike for the "surround frame" claims, the broadest reasonable interpretation of the term "emits light" is irrelevant to Richmond's appeal of the "wind chime" claims. The Board's decision found those claims obvious based on the combination of two prior art references Kube and Ouyang—and is unaffected by how the Board construed "emits light." Accordingly, while the Board's interpretation of the term "emits light" is correct—and fully briefed below by Petitioners—there is no reason for this Court to reach that construction. To do so would amount to an improper advisory opinion.

Instead, Richmond's appeal as to the "wind chime" claims depends entirely on overturning the Board's factual determination that one skilled in the art would have been motivated to combine the Kube and Ouyang prior art references. Richmond, in fact, does not dispute that his "wind chime" claims would have been obvious if the Kube and Ouyang references were

combined. His only argument on this issue on appeal, instead, is that no one skilled in the art would have combined those references. To support this position, Richmond makes a motley assortment of arguments that (1) he never properly raised before the Board, (2) ignore portions of the references' disclosure, and (3) are based on cherry-picked portions of Petitioners' expert's deposition testimony. The Board's decision, however, considered the entirety of the references' disclosures and the entirety of both parties' experts' testimony to correctly find that one of skill in the art would have been motivated to combine the references. For this and other reasons, substantial evidence supports the Board's decision.

ARGUMENT

I. THE BOARD CORRECTLY FOUND THE "SURROUND FRAME" CLAIMS TO BE UNPATENTABLE.

This Court's affirmance of the Board's broadest reasonable interpretation of the term "surround frame" would be dispositive of Richmond's appeal of the unpatentability of claims 1-3 and 48-50 because Richmond does not dispute that those claims are unpatentable under that interpretation. Appellant's Br. at 4-5 (acknowledging only claim 4 would be "separately patentable" under the Board's "surround frame" construction). Claim 4, meanwhile, is obvious based on the combination of Norton and Chen regardless of how "surround frame" is construed.

A. The Board Applied the Correct Broadest Reasonable Interpretation of “Surround Frame.”

1. Richmond Waived the Interpretation He Advances on Appeal by Not Raising It to the Board.

Except for rare exceptions that have no application here, this Court does not review new arguments presented for the first time on appeal. *See Sage Prods., Inc. v. Devon Indus., Inc.*, 126 F.3d 1420, 1426 (Fed. Cir. 1997). This prohibition bars a party from proposing a new claim construction on appeal that changes the scope of the construction proposed below. *See, e.g., id.* at 1426 (effectively applying waiver by precluding Sage’s interpretation of “elongated slot” and “container body” because they differed from interpretations urged below and thus were not preserved); *Interactive Gift Express, Inc. v. Compuserve Inc.*, 256 F.3d 1323, 1346-47 (Fed. Cir. 2001) (precluding IGE from proffering a claim construction that changed the scope of the construction advanced below). Waiver applies with equal force when a party does not raise issues before the PTO. *See In re Watts*, 354 F.3d 1362, 1367-69 (Fed. Cir. 2004) (declining to consider argument raised for first time on appeal); *Redline Detection, LLC v. Star Env’t, Inc.*, 811 F.3d 435, 450 (Fed. Cir. 2015) (appellate court’s review of a PTAB decision “is confined to the ‘four corners’ of that record . . . [An] applicant challenging a decision [is] not [] permitted to raise arguments on appeal that were not presented to the PTAB”) (citing *In re Watts*, 354 F.3d at 1367)).

The rationale for applying waiver to bar a party from changing the scope of claim construction on appeal is straightforward: “when an appellant fails to make an argument to the PTAB, ‘we do not have the

benefit of the PTAB’s informed judgment on this issue.” *GrafTech Int’l Holdings, Inc. v. Laird Techs. Inc.*, No. 2015-1796, 2016 WL 3357427, at *7 (Fed. Cir. June 17, 2016) (refusing to consider claim construction scope not before PTAB) (non-precedential) (citing *In re Watts*, 354 F.3d at 1368 n.3).

Richmond had multiple chances to present his broadest reasonable interpretation of “surround frame” to the Board. Yet despite this Court’s admonition that a party’s claim construction “should not be a moving target,” *Finnigan Corp. v. Int’l Trade Comm’n*, 180 F.3d 1354, 1363 (Fed. Cir. 1999), Richmond has now offered no fewer than three proposed interpretations of “surround frame”—including the latest which makes its debut in his opening brief on appeal.

As shown by a side-by-side comparison of Richmond’s three interpretations so far, the differences are not just semantics but are substantive changes that affect the scope of the claims:

Richmond’s First Interpretation: Preliminary Response on September 24, 2014	Richmond’s Second Interpretation: Patent Owner’s Response on June 24, 2015, and Argument before the Board on September 21, 2015	Richmond’s Third Interpretation: Opening Brief Filed August 23, 2016
“A structure that completely or at least partially surrounds the light transmissive lens without substantially obscuring or enveloping the lens” Appx325	“An open structural peripheral border that encircles the lens while residing primarily in a plane passing through the lens, the degree of completeness being at least 270 degrees (like a doorway surround frame that is complete except	“a frame primarily in a plane disposed at least partially around the lens” Appellant’s Br., at 1.

	for one side), the peripheral border being primarily either linearly one dimensional or two-dimensional in the plane in which it primarily resides, any degree of thickness in a third dimension being relatively small such that the peripheral border does not substantially conceal or cover the lens outside of plane in which the peripheral border primarily resides.” Appx446.	
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Petitioners focused their reply before the Board on the second interpretation. *See* Appx604-6; Appx2676-85. That interpretation was also the focus of the hearing. *See, e.g.*, Appx887, Appx891-94 (Petitioners’ Slides 113, 117-120 (citing Appx2228, l. 2 - 29, l. 23); Appx4376 (Patent Owner’s Demonstrative Slide 6); Appx986-87; Appx991, l. 21 - 92, l. 2; Appx993, ll. 21-24. Richmond’s second interpretation was also the proposed interpretation the Board considered and ultimately rejected. Appx23-27. The Board instead adopted Petitioners’ proposed broadest reasonable interpretation and applied that interpretation to find each of the “surround frame” claims unpatentable. Appx17-27. Yet Richmond now changes his position again. He offers no explanation for why he could not have raised this new interpretation earlier.

The Court should reject Richmond’s new proposed interpretation as waived. This is not just a matter of changing a few words, but goes to the scope of the

claims in comparison to the interpretations that the Board had the opportunity to consider. For example, Richmond’s newly-proposed interpretation kept the “primarily in a plane” language from his second proposed interpretation, but removed numerous other limitations, including limitations that the Board considered when reaching its decision. *See* Appx25-27. These limitations included (i) an open, structural, peripheral border that encircles the lens with a “degree of completeness being at least 270 degrees,” (ii) the peripheral border being primarily one-dimensional or two-dimensional in the plane . . . and any degree of thickness in the third dimension being “relatively small,” and (iii) that the peripheral border does not “substantially conceal” the lens outside the plane. Richmond cannot now challenge that decision by proposing a new interpretation the Board never saw.

2. The Board Correctly Construed “Surround Frame.”

Regardless of Richmond’s waiver, this is not a close call. The Board based its broadest reasonable interpretation of “surround frame” on abundant intrinsic and extrinsic evidence.

In *inter partes* review, the Board gives a claim in an unexpired patent “its broadest reasonable construction in light of the specification of the patent in which it appears.” 37 C.F.R. § 42.100(b); *Cuozzo Speed Techs.*, 136 S.Ct. at 2133; *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004). The Board ascertains the scope and meaning of a claim term based on the intrinsic evidence (*i.e.*, the words of the claims, the specification, and the prosecution history), and any relevant extrinsic evidence. *In re Cuozzo Speed Techs.*, 793 F.3d at 1286; *Teva Pharm. USA*,

Inc. v. Sandoz, Inc., 135 S.Ct. 831, 841 (2015). The specification “is the single best guide to the meaning of a disputed term” and “usually [] is dispositive.” *Phillips v. AWH Corp.*, 415 F.3d 1303, 1315 (Fed. Cir. 2005); *Vitronics Corp. v. Conceptiontronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996). Here, after thoroughly examining the totality of evidence, the Board correctly construed “surround frame” to be “a frame disposed at least partially around the lens.” Appx17-27, quote at Appx27.

(a) The Intrinsic Evidence Supports the Board’s Interpretation.

The Board performed a textbook-perfect analysis to interpret the term. First, the Board looked to the language of the claims themselves. Claims 1, 4, 49, and 50, recite the limitation surround frame. Appx18. Claim 1 states,

a surround frame attached to said lamp proximate to the intersection of said connecting frame and said riser portion such that some of said light passes through said lens to illuminate at least part of said surround frame from below at least part of said surround frame.

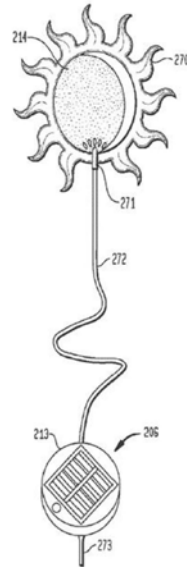
Appx101, at 27:33-38. The Board noted that claim 1 does not require the “surround frame” to have any specific shape, structure, orientation, or that it be made out of any specific material. Appx18. It merely requires that the “surround frame” be “attached,” in relation to the other claim limitations, and that the functional result of that attachment is that some light passes through the lens to illuminate at least part of the surround frame from below. *Id.*

Turning to the dependent claims, the Board noted that claim 4 requires that the “surround frame *at least partially encircles* the lens” and that claim 50 requires that the “surround frame *at least partially surrounds* the lens.” Appx101, at 27:57-59; Appx103, at 32:50-52; Appx19 (emphasis original). This language indicates that “surrounds” and “encircles” have different meanings, and that “surrounds” is the broader of the two meanings. Appx19-20. Claim 49 limits the surround frame to selected shapes (*i.e.*, insect, flower, geometric shape, astronomical shape), but does not indicate that such shapes are limited to two dimensions. Appx103, at 32:47-49; Appx19. The claim language, therefore, supports the Board’s construction—“a frame disposed at least partially around the lens”—and contradicts Richmond’s more limited, two-dimensional, “primarily-in-a-plane” construction.

The Board next looked to the specification, which directly refutes Richmond’s proposed construction. The specification generally discusses “surround frame” with reference to Figure 11 (Appx72), shown here. Referring to this embodiment, the specification provides exemplary shapes that are not limited to planar shapes—“[t]he frame may be any decorative shape such as a sun, flower, moon, insect, or geometric shape.” Appx98, at 21:66-22:1. The specification goes on to explicitly state that the “surround frame” may surround the lens in three dimensions: the “surround frame *may partially or fully encircle the lens portion 214 and may surround the lens portion 214 in two or three dimensions.*” *Id.*, at 22:1-3; Appx21 (emphasis original in Decision, underlining added). The specification, therefore, is completely at odds with Richmond’s “primarily-in-a-plane” proposed construction.

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FIG. 11



The Board further bolstered its construction by looking to the prosecution history. The “surround frame” clause in original application claim 6 is identical to the “surround frame” clause in claim 1. Appx1327; Appx101; Appx22. Patent claim 4 was application claim 9 and recites a “surround frame at least partially encircling the lens.” Appx1328; Appx1397; Appx101, at 27:58-59. Claim 50 was application claim 55 and recites a “surround frame at least partially surrounding the lens.” Appx1409; Appx103, at 32:51-52. When Richmond added claim 55, he represented to the examiner that “[n]ew dependent claim 55 has been added . . . [and] compliments amended claim 9 to further cover features of the surround frame described in paragraph [00152] of the specification relating to whether the lens is surrounded in two or three dimensions.” Appx1413; Appx098, at 22:1-3; Appx22. In other words, claim 9 (patent claim 4) relates to partially encircling the lens, and claim 55 (patent claim

50) relates to surrounding the lens. Thus, the Board stated, “surrounding and encircling are not exactly the same thing, but the parent independent claim, claim 1, encompasses both possibilities.” Appx22-23. The prosecution history, therefore, also supports that Richmond intended that “surround frame” encompass three-dimensional structures.

Richmond’s criticism that the Board’s construction of “surround frame” reads on prior art that, according to the examiner’s reasons for allowance, does not teach all the elements of his invention is a red herring. (Appellant’s Br., at 35-40). The prosecution history, including the reasons for allowance, represents an ongoing negotiation with the Patent Office that “often lacks the clarity of the specification and thus is less useful for claim construction purposes.” *Phillips*, 415 F.3d at 1317. While the Board or a court may consult the prosecution history “to exclude any interpretation that an applicant disclaimed during prosecution,” *id.*, such disclaimers must be clear and unambiguous. *Omega Eng’g, Inc. v. Raytek Corp.*, 334 F.3d 1314, 1323-26 (Fed. Cir. 2003).

Here, there was no such disclaimer. First, as noted by the Board, nothing in the reasons for allowance relates to “surround frame.” Appx23; Appx1459. Second, Richmond did not and could not connect the cited prior art references (Allsop and Richmond) to any statement in the prosecution history indicating that examiner found that these references did or did not disclose surround frames. *See* Appx996, l. 3 - 99, l. 8 (patent owner unable to respond to Judge’s questions regarding whether there was evidence in prosecution history that examiner considered whether prior art taught a “surround frame”). And finally, the very premise of Richmond’s argument is misguided because patents

are often found unpatentable based on prior art of record.⁵ In that regard, the examiner’s comments at that time have no meaningful weight.

In sum, the intrinsic evidence shows that the broadest reasonable interpretation of “surround frame” encompasses frames that both encircle and/or surround the lens. As the Board noted, Figure 11’s frame 270 is an example of a “surround frame” that “encircles” a lens, but it is also possible for the “surround frame” to “surround a lens in two or three dimensions.” Appx22-23; Appx98, at 21:63-22:3. This conclusion is consistent with the Board’s construction, but would be precluded by Richmond’s proposed construction.

(b) The Extrinsic Evidence Supports the Board’s Construction.

In addition to the ample intrinsic evidence, the extrinsic evidence further supports the Board’s construction. The parties provided dictionary definitions for “surround” and “encircle.” Appx2569-73; Appx2574-76; Appx3924-26. The Board considered these definitions and concluded that “encircle” appears to imply a two-dimensional circular shape, whereas “surround” may be any shape. Appx21-22. The Board also noted Petitioners’ agreement that anything that surrounds in a circular shape would also encircle, Appx22 (citing Appx978, ll. 5-16), with which patent owner also

⁵ See, e.g., *Gator Tail, LLC v. Mud Buddy LLC*, 618 Fed. Appx. 992, 998, 1000 (Fed. Cir. 2015) (affirming invalidity in view of prior art previously considered by PTO during *ex parte* reexamination); *Dippin’ Dots, Inc. v. Mosey*, 476 F.3d 1337, 1344 (Fed. Cir. 2007) (affirming judgment of obviousness in view of secondary references cited by PTO during prosecution); *Pixion, Inc. v. Citrix Sys., Inc.*, 887 F.Supp.2d 881, 893, 903, 905 (N.D. Cal. 2012) (granting summary judgment of invalidity in view of prior art considered by PTO during prosecution).

agreed. Appx991, at ll. 3-5 (patent owner agreeing that anything that surrounded in three dimensions would also fully encircle). The plain and ordinary meaning of “surround” and “encircle,” as those terms are commonly understood, thus fully supports the Board’s construction.

Richmond, conversely, attempts to evade the specification’s clear teaching, as well as the plain and ordinary meaning of “surround” and “encircle,” by using expert testimony and non-relevant extrinsic evidence to limit the claim to Figure 11. This is improper. *See, e.g., Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898, 906 (Fed. Cir. 2004) (“Even when the specification describes only a single embodiment, the claims of the patent will not be read restrictively unless the patentee has demonstrated a clear intention to limit the claim scope using words or expressions of manifest exclusion or restriction.”).

Richmond baldly asserts that the Board’s construction is incorrect because it does not limit the third dimension of the “surround frame” in some way. (Appellant’s Br., at 30-31). But the specification’s teaching is inescapable. As the Board noted, not only does “claim 1 [] not recite a specific shape, . . . for the ‘surround frame’” (Appx18), but both claim 49 and the specification recite a litany of shapes, including three-dimensional shapes (*e.g.*, insect, flower, geometric shape, astronomical shape). Appx19; Appx98, at 21:63-22:1; Appx103, at 32:47-49. There is therefore no teaching in the specification and nothing else anywhere in the record indicating that Richmond

meant the term “surround frame” to be limited to a two-dimensional, primarily-in-a-plane structure.⁶

Richmond’s remaining arguments all attempt to read three-dimensionality out of the term “surround frame.” First, Richmond argues that the Court should reject the Board’s construction because it ignores the purported plain meaning of the word “frame” in “surround frame.” Appellant’s Br., at 31-33. This argument is an about-face from the position he advanced before the Board:

So we are dealing with a two-word term. We are not dealing with frame. We are not dealing with surround used alone. It’s not a frame that surrounds in some way It is a surround frame and that term has meaning.

Appx982, l. 18 - 83, l. 9 (quoted text is from Appx982, ll. 5-9).

⁶ Richmond also argues that the Board’s construction should be rejected because it purportedly excludes the preferred made-of-metal embodiment. Appellant’s Br., at 35-36. This argument is incorrect. None of the “surround frame” claims recite a made-of-metal limitation. See *Superguide Corp. v. DirecTV Enters., Inc.*, 358 F.3d 870, 875 (Fed. Cir. 2004) (“a particular embodiment appearing in the written description may not be read into a claim when the claim language is broader than the embodiment”). Moreover, while the specification states that the pole and frame portions of Figure 11 are preferably made from metal (Appx98, at 22:7-8), the specification does not require that any embodiment (metal or otherwise) completely surround the lens. Rather, the specification teaches that the “surround frame” may fully or partially encircle the lens and may surround the lens in two or three dimensions. Thus, the Board’s construction, which permits, but does not require a three-dimensional “surround frame,” does not exclude the made-of-metal allegedly preferred embodiment.

Richmond cannot raise new arguments for the first time on appeal. *GrafTech*, 2016 WL 3357427, at *7; *Digital-Vending Servs. Int’l, LLC v. Univ. of Phoenix, Inc.*, 672 F.3d 1270, 1273 (Fed. Cir. 2012). Moreover, as Richmond agrees, the words of a claim must be given their plain and ordinary meaning in the broadest reasonable interpretation, unless that meaning is inconsistent with the specification. Appellant’s Br., at 31. Here, as noted above, Richmond’s proposed, primarily-in-a-plane construction is directly at odds with the specification and the ordinary meanings of both “surround” and “encircle.”⁷

Second, Richmond ignores the specification’s teaching to argue that the Board’s construction is incorrect because the patent does not enable a three-dimensional “surround frame.” Richmond also failed to make this argument before the Board and thus waived it. But even if Richmond had properly preserved this argument, it fails.

The level of skill in the art is undisputed:

[A] person of ordinary skill in the art at the time of the ’370 patent would have had a graduate degree in electrical or electronics

⁷ Richmond’s discussion of “connecting frame” (Appellant’s Br., at 32) adds nothing to the analysis. While in Figure 11 the “connecting frame” interconnects the lens 214, the upper pole 272, and the surround frame 270 (Appx98, at 21:44-60), there is no evidence in the record that this relationship impacts the shape of the “surround frame.” His conclusion that one of ordinary skill in the art would recognize that the “surround frame” parallels the structure and function of the common “border” type frames like window frames or mirror frames and thus should be considered to reside primarily in a plane (Appellant’s Br., at 32-33) is simply unsupported attorney argument, and, moreover, ignores the claim language and the teaching of the specification.

engineering or physics with experience in circuit design, or a bachelor's degree in electrical or electronics engineering or physics, with at least two years industrial experience and experience in circuit design.

Appx35.⁸

The specification teaches that the “surround frame” may “partially or fully encircle the lens,” “may surround the lens portion 214 in two or three dimensions,” and that the surround frame may be “any decorative shape such as a sun, flower, moon, insect, or geometric shape.” Appx98, at 21:66-22:3; Appx103, at 32:48-50. College-educated engineers, physicists, and industrial designers would understand such disclosure (even without a drawing) to permit them to build three-dimensional surround frames without undue experimentation. *See, e.g., Christianson v. Colt Indus. Operating Corp.*, 822 F.2d 1544, 1562 (Fed. Cir. 1987), *vacated on other grounds*, 486 U.S. 800 (1988) (“[T]he law has never required that a patentee who elects to manufacture its claimed invention must disclose in its patent the dimensions, tolerances, drawings, and other parameters of mass production not necessary to enable one skilled in the art to practice . . . the invention.”); *Amesbury Group, Inc. v. The Caldwell Mfg. Co.*, No. 05-10020-DPW, 2006 WL 163380, at *26 (D. Mass. Jan. 20, 2006); *Anchor Wall Sys., Inc. v. Rockwood Retaining Walls, Inc.*, 340 F.3d 1298, 1306-07 (Fed. Cir. 2003). And, importantly, there is nothing in the record from either parties’

⁸ Richmond did not appeal the Board’s decision on the level of ordinary skill in the art.

experts that the Board’s construction would render the “surround frame” not enabled.⁹

Finally, Richmond argues that the Board erred by refusing to give persuasive weight to various other patents that use the term “surround frame” relating to, among other things, vehicle sun visors, security doors, and eye glass frames. Appellant’s Br., at 41-44. The Board considered this evidence, but rightly found it unpersuasive. Appx24-25. Richmond admitted that there is nothing in the record indicating that “surround frame” has a single, recognized meaning. *See* Appx24-25; Appx1000, ll. 15-23.¹⁰ The patents and applications have different specifications, use the term in different contexts, and do not show that the term has a common meaning across technology areas. Appx25. Richmond’s expert (Ducharme), in fact, could not identify a single patent that uses the term in a technology analogous to the claimed invention. *Id.* Moreover, Petitioners’ expert (Shackle) provided contrary patents where the term “surround frame” was used to reference a three-dimensional structure.

⁹ Richmond cites Dr. Shackles’ testimony that Figure 11 is primarily a two-dimensional structure as evidence of disclosure of encircling the lens in two dimensions. Appellant’s Br., at 34. Petitioners agree. But Dr. Shackle’s statement is not evidence of a lack of disclosure or lack of enablement of a three-dimensional surround frame.

¹⁰ In fact, Richmond accuses three-dimensional objects of infringing the “surround frame” claims. *See, e.g.*, Appx2199 (Ex. 1059), which is one of the devices identified in Plaintiff’s list of accused devices. Appx4060 (Ex. 2073, at 16). While not dispositive on claim construction, this evidence should be considered by the Court when judging the credibility of patent owner’s positions. *See, e.g., Gen. Elec. Co. v. Wilkins*, 750 F.3d 1324, 1329-30 (Fed. Cir. 2014) (affirming district court’s assessment that the substance of an alleged co-inventor’s testimony was inconsistent and not credible).

See Appx2684-85; Appx2549 (Ex. 1063, at 9:7-8); Appx2565-67 (Ex. 1065)).¹¹ But most importantly, the specification of the patent-in-suit clearly states that a “surround frame” may “surround the lens in two or three dimensions.” Appx98, at 22:2-3. This teaching trumps patent owner’s extrinsic evidence and demonstrates that Richmond’s proposed construction is wrong. See *Phillips*, 415 F.3d at 1318 (court should discount expert testimony that is clearly at odds with intrinsic evidence); *Vitronics*, 90 F.3d at 1583 (improper to rely on extrinsic evidence where intrinsic evidence resolves any ambiguity in disputed claim term).

B. The Board Correctly Found Claims 1-4 and 48-50 Unpatentable.

Richmond’s lone challenge to the Board’s decision regarding claims 1-3 and 48-50 is based on the construction of “surround frame.” This is undisputed and affirmance of the Board’s interpretation is dispositive as to those claims.

The Court should also affirm that claim 4 is obvious based on the combination of Norton and Chen. Richmond argues the Board’s finding with respect to claim 4 is not supported by substantial evidence even under the Board’s construction of surround frame. Specifically, Richmond argues that the claim requires that the “surround frame” at least “partially encircles the lens”—which is a two-dimensional (primarily in a plane) term—and Norton’s external decorative element 2 (the “surround frame”) is three-dimensional

¹¹ Although Richmond criticizes these counter-examples because they allegedly do not reflect the “American usage” of “surround frame,” a full reading of Shackle’s deposition testimony renders such a distinction meaningless. Appx4159, l. 16 - 66, l. 24; Appx4226, l. 19 - 28, l. 11.

and thus cannot render claim 4 obvious. Appellant's Br., at 44-46.

The Court should not consider this argument because it is another new argument that Richmond raises for the first time on appeal. Although he repeatedly argued that Petitioner's proposed broadest reasonable interpretation of "surround frame" was incorrect, Richmond never argued that claim 4 was not rendered obvious by Norton and Chen if Petitioners' broadest reasonable interpretation were adopted.¹²

This argument also fails because there is substantial evidence to support the Board's decision. The determination regarding a reference's teaching is a question of fact, *In re Baxter Int'l, Inc.*, 678 F.3d 1357, 1361 (Fed. Cir. 2012), and, as such, is supported by substantial evidence if a reasonable mind might accept the evidence to support the finding. *K/S HIMPP v. Hear-Wear Techs., LLC*, 751 F.3d 1362, 1364 (Fed. Cir. 2014). Here, as the Board noted, "Norton recognizes that its external decorative element 2 may 'comprise any shape or configuration' and specifically lists several different ornamental shapes, including a pumpkin, snowman, sun, and others." Appx46-47; Appx232-34; Appx1829, at ¶ 32. Norton's ornamental features may be modified such that it is adaptable to different holidays and seasons. Appx46; Appx1827, at ¶¶ 9-10, Appx1829, at ¶ 32; Appx233-34; Appx611. The internal protective element of Norton is "universally compatible" with a variety of shapes

¹² Richmond's idea for this argument was likely sparked by the Board's line of questioning during the hearing. See Appx976, l. 8 - 78, l. 16. But such discussion does not permit Richmond to raise a new argument when he never made the argument to the Board. *In re Watts*, 354 F.3d at 1367-69; *Redline Detection*, 811 F.3d at 450.

corresponding to decorative element 2. Appx46; Appx1831, at claim 7. Moreover, as Petitioners stated during the hearing, “if you are going to surround [the lens] in three dimensions . . . you are encircling it on a plane as well as other planes.” Appx976, l. 8 - 78, l. 16. Patent owner agreed: Appx991, ll. 3-5 (agreeing that something that surrounds in three dimensions also encircles). The disclosure of the Norton’s decorative flower fully surrounding the lens therefore also discloses encircling and partially encircling the lens. Norton’s disclosure of the adaptability of decorative element 2 is further evidence of such disclosure. The Court should affirm the Board’s finding because reasonable minds would accept the evidence that Norton discloses the elements of claim 4.

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Application/Control Number: 12/555,804

Art Unit: 2612

* * *

said at least one light source is disposed below said housing via an electrically transmissive tether and having a light transmissive shade surrounding said at least one lamp light source;

said striker is disposed below said shade via a tether; and said wind catcher is disposed below said striker via a tether;

wherein said electrical components are located below said suspension member and in separate spaced apart relation to said wind chime assembly.

Reasons for Allowance

3. Claims 6-55 are allowed.

4. The following is an examiner's statement of reasons for allowance: Claims 6-55 have been found to be novel and inventive because prior art does not teach all elements of the applicant's invention.

Regarding independent claims 6, 10, 23, 24, 33 and 50:

a. The claims recite the structural significance of wherein at least one light source situated such that a portion of said pendulum assembly emits light; wherein at least part of said light emitted by said pendulum assembly is reflected by said at least one chime member causing at least part of an external surface of said at least one chime member to be illuminated such that movement of said at least one

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chime member relative to said pendulum assembly is visible at said ambient light levels.

b. Terminal Disclaimer filed 08/17/2011 has been approved.

* * *