

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GUANGDONG XINBAO ELECTRICAL APPLIANCES HOLDINGS CO., LTD.
Petitioner

v.

ADRIAN RIVERA
Patent Owner

Case IPR2014-00042
Patent 8,291,812

PATENT OWNER ADRIAN RIVERA'S NOTICE OF APPEAL

Director of the United States Patent and Trademark Office
c/o Office of the General Counsel
Madison Building East, 10B20
600 Dulany Street
Alexandria, VA 22314-5793

Notice is hereby given, pursuant to 37 C.F.R. § 90.2(a), that Patent Owner Adrian Rivera hereby appeals to the United States Court of Appeals for the Federal Circuit from the Final Written Decision entered on February 6, 2015 (Paper 50), and from all underlying orders, decision, rulings and opinions, including the Board's decision to deny Patent Owner's request for reconsideration of the Board's Final Written Decision. Paper 52.

ISSUES FOR APPEAL

In accordance with 37 C.F.R. § 90.2(a)(3)(ii), Patent Owner further indicates that the issues on appeal include, but are not limited to:

(1) The Board's failure to make necessary factual findings including the level of ordinary skill appropriate for the '812 patent (which was agreed to by both experts as being beyond a layperson), how a person of ordinary skill in the art would construe claim 23 of the '812 patent, and how a person of ordinary skill in the art would understand the Zhao prior art reference;

(2) The Board's determination of unpatentability of claim 23;

(3) The Board’s denial of Patent Owner’s motion to amend, including its determination that proposed amended claim 24 is unpatentable over the prior art; and

(4) The Board’s violation of the United States Code, Patent Office rules and procedure, and the resulting impact such violations have on the Board’s jurisdiction.

By way of example only, and not as a limit on the issues being appealed, Patent Owner sets forth two of the more egregious violations that were raised in Patent Owner’s Request For Rehearing (Paper No. 51), which the Board has express knowledge of, and for which the Board has reaffirmed its willingness to violate its own Rules.

A. Violation of the Board’s Rules

To perform claim construction the Board relied on a “dictionary definition” of “compress” that was not part of the record, to construe “tamper”—a critical claim term in this case. Paper 50 at 7. The “dictionary definition” was attorney argument in Petitioner’s Reply to Patent Owner’s Response—it was not an exhibit as required by rule. 37 C.F.R § 42.63(a). The fact that it was interjected in a “Reply” meant Patent Owner had no ability to respond.

The Board ignored its own rules and the prejudice to Patent Owner by adopting this attorney argument. In denying Patent Owner’s request for

reconsideration, the Board tried to justify its use of attorney argument instead of evidence:

Notably, Patent Owner does not suggest in its Request, nor point to evidence indicating, that the definition of “compress” discussed in our Final Decision is incorrect.¹ Id. In addition, even assuming we consider Petitioner’s definition of “compress” to be attorney argument, we remain persuaded that the definition is reasonable and consistent with the ordinary meaning of the word.

(Paper No. 52 at 5.) The Board justified its use of attorney argument by shifting the burden of proof onto Patent Owner to present evidence why Petitioner’s attorney argument was incorrect. The Petitioner, however, always has the burden to prove unpatentability with evidence. 35 U.S.C. § 316(e). And attorney argument is never evidence. *Enzo Biochem v. Gen-Probe, Inc.*, 424 F.3d 1276, 1284 (Fed. Cir. 2005); MPEP § 716.01; *In re Schulze*, 346 F.2d 600, 602 (CCPA 1965); MPEP § 2145. By shifting the burden of proof to Patent Owner, the Board exceeded its statutory authority because it violated 35 U.S.C. § 316(e).

Furthermore, Patent Owner did not even have an opportunity to respond to this attorney argument as the “definition” was presented for the first time in

Petitioner’s Reply to Patent Owner’s response. To ensure fairness of these proceedings, the Board’s trial practice rules forbid a party from adding a new claim

¹ Contrary to the Board’s assertion, Patent Owner’s Request discussed at length why the Board’s attorney argument definition of “compress” was wrong, and why Patent Owner’s definition (from the perspective of one of ordinary skill) was correct as it was supported by evidence including a technical reference and corroborating expert testimony. Paper 51 at 9-12.

construction in a reply. 77 Fed. Reg. 48756, 48767. Even after being made aware of the issue on reconsideration, the Board still relied on a “definition” that was not part of the record, but rather was attorney argument submitted for the first time in a reply.

This is but one example of the Board’s abuse of discretion, which represents a gross violation of Patent Owner’s rights. “*Inter partes* review proceedings ***must be fair to both parties, including a patent owner***, where proper[y] rights can be extinguished through cancellation of patent claims.” *Corning Inc., v. DSM IP Assets B.V.*, IPR 2013-0047 (Paper 84) at 17 (emphasis added). The Board, in violating its rules and the United States Code in order to invalidate claim 23, was manifestly unfair to Patent Owner.

B. Unreviewability of the Final Written Decision

As part of the Board’s results-oriented decision, the Board failed to make mandatory factual findings. In reviewing Board decisions, the Court of Appeals for the Federal Circuit has stated “[w]hen the opinion explaining the decision lacks adequate ***fact findings***, meaningful review is not possible...” *Gechter v. Davidson*, 116 F.3d 1454, 1457 (Fed. Cir. 1997) (emphasis added). The hypothetical person of ordinary skill in the art impacts claim construction and invalidity. *In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007); *Sundance, Inc. v. Demonte Fabricating Ltd.*, 550 F.3d 1356, 1361 n.3 (Fed. Cir.

2008); *Schumer v. Lab. Comp. Sys., Inc.*, 308 F.3d 1304, 1315-16 (Fed. Cir. 2002). The Board made no finding on the qualifications of a person of ordinary skill (even though experts for Patent Owner and Petitioner agreed to the qualifications, which were beyond a layperson). Paper 51 at 2-4. The Board's failure to make this finding precludes meaningful review and further erects additional cost burdens on Patent Owner.

Despite the fact that the experts for both parties **agreed** on the qualifications of a person of ordinary, the Board refused to make this factual finding. This is contrary to the Board's previous decisions in which it consistently adopts the agreed-to or undisputed qualifications. *SDI Techs., Inc. v. Bose Corp.*, IPR2013-00350, Paper 36 at 15 (Nov. 7, 2014); *Corning Optical Commc'ns RF LLC v. PPC Broadband, Inc.*, IPR2013-00345, Paper 76 at 18-19 (Nov. 21, 2014); *Primera Tech. Inc. v. Automatic Mfg. Sys., Inc.*, IPR2013-00196, Paper No. 50 at 32-33 (July 17, 2014). It is also a gross violation of Patent Owner's rights as it deprived Patent Owner of notice and opportunity to take discovery and to respond. *Anderson Nat'l Bank v. Lockett*, 321 U.S. 233, 246 (1944); *see also* F.R.C.P. 56(f).

Had the Board made a finding of fact on the level of ordinary skill—a finding the Board typically makes, especially here, where the level is agreed to by both experts—then it would not have been able to determine claim 23 to be unpatentable. This is because the only evidence in the record from the agreed to

person of ordinary skill construing claim 23 and reading Zhao supported a finding that Zhao *did not* anticipate claim 23. Paper 51 at 8-9. Rather than treat the IPR as a failing of Petitioner to meet its burden of proof, the Board failed to make basic findings of fact to reach a result for which there was no evidence. The findings of fact that the Board failed to make include, but are not limited to, the level of ordinary skill and how such a person would construe claim 23 and the Zhao reference.

CONCLUSION

For at least the foregoing reasons Patent Owner will be appealing the Board's Final Written Decision to the Federal Circuit. Simultaneously with this submission, a copy of this Notice of Appeal is being filed with the Patent Trial and Appeal Board and the Clerk's Office for the United States Court of Appeals for the Federal Circuit.

Patent Owner reserves the right to seek its costs associated with the appeal.

Respectfully submitted this 8th day of April, 2015.

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CERTIFICATE OF SERVICE

I hereby certify that, in addition to being filed electronically through the Patent Trial and Appeal Board's Patent Review Processing System (PRPS), the original version of the foregoing, PATENT OWNER ADRIAN RIVERA'S NOTICE OF APPEAL, was filed by hand on this 8th day of April, 2015, with the Director of the United States Patent and Trademark Office, at the following address:

Director of the United States Patent and Trademark Office
c/o Office of the General Counsel
Madison Building East, 10B20
600 Dulany Street
Alexandria, VA 22314-5793

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing, PATENT OWNER ADRIAN RIVERA'S NOTICE OF APPEAL, was filed electronically on this 8th day of April 2015, with the Clerk's Office of the United States Court of Appeals for the Federal Circuit:

United States Court of Appeals for the Federal Circuit
717 Madison Place, N.W., Suite 401
Washington, DC 20005

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing, PATENT OWNER ADRIAN RIVERA'S NOTICE OF APPEAL were served via email this 8th day of April, 2015, to the Petitioner by serving the correspondence address of record as follow:

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___/Sudip K. Kundu/_____