

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAND REVOLUTION II, LLC,
Petitioner,

v.

CONTINENTAL INTERMODAL GROUP – TRUCKING LLC,
Patent Owner.

Case IPR2019-01393
Patent 8,944,740 B2

Before CARL M. DEFRANCO, SCOTT C. MOORE, and RYAN H. FLAX,
Administrative Patent Judges.

Opinion by the Board filed by *Administrative Patent Judge* FLAX.

Dissenting Opinion filed by *Administrative Patent Judge* DEFRANCO.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

Sand Revolution II, LLC (“Petitioner”) filed a Petition for an *inter partes* review of claims 1, 2, 4, 6–14, and 16–20 of U.S. Patent 8,944,740 B2 (“the ’740 patent,” Ex. 1001). Paper 7 (“Pet.”). Continental Intermodal Group-Trucking LLC (“Patent Owner”) timely filed a Preliminary Response. Paper 8 (“Prelim. Resp.”).

Under 37 C.F.R. § 42.4(a), we have authority to determine whether to institute an *inter partes* review. We may institute an *inter partes* review if the information presented in the petition filed under 35 U.S.C. § 311, and any response filed under § 313, shows that there is a reasonable likelihood that Petitioner would prevail with respect to at least one of the claims challenged in the petition. 35 U.S.C. § 314. However, even if that threshold is met, 35 U.S.C. § 314(a) permits the Board to deny institution under certain circumstances. *See General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i). Because we find such circumstances exist here, we deny institution of *inter partes* review pursuant to 35 U.S.C. § 314(a). *NHK Spring Co., Ltd. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB September 12, 2018) (precedential).

I. INTRODUCTION

A. *REAL PARTIES-IN-INTEREST*

Petitioner identifies itself, “Sand Revolution II, LLC,” and also “Sand Revolution LLC,” as real parties-in-interest. Pet. 87. Patent Owner identifies itself, “Continental Intermodal Group – Trucking LLC,” as the real party-in-interest. Paper 6, 1.

B. RELATED MATTERS

Petitioner states “[t]he ’740 patent is at issue in *Continental Intermodal Group – Trucking LLC v. Sand Revolution LLC*, No. 7:18-cv-00147-ADA (W.D. Tex. Aug. 21, 2018).” Pet. 87. Patent Owner also notes that this same case is a related matter pursuant to 37 C.F.R. § 42.8(b)(2). Paper 6, 1.

C. THE ’740 PATENT

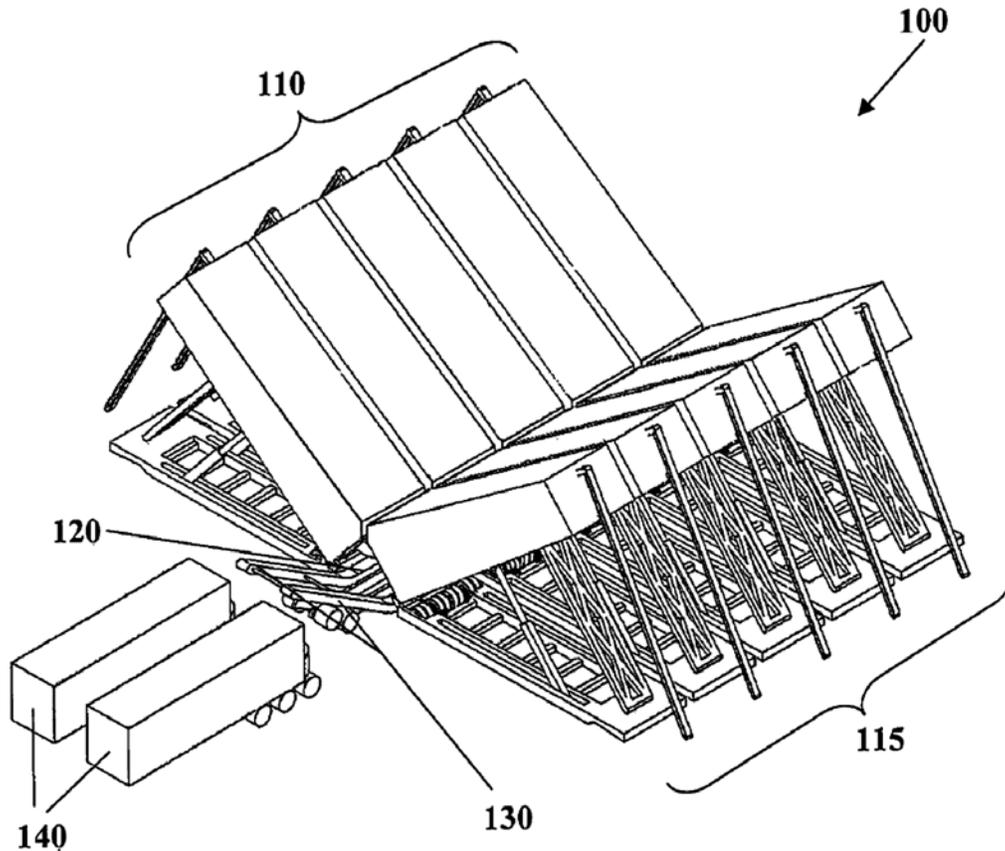
The ’740 patent issued on February 3, 2015, from application serial number 12/909,357, which was filed on October 21, 2010. Ex. 1001, codes (45), (21), (22). The ’740 patent identifies its inventors as Gary Teichrob, Scott Mason, Dave Keck, and James Easden. *Id.* at code (75). The ’740 patent’s Abstract indicates the invention is directed to:

A method and system for handling granular material, such as proppant used in hydraulic fracturing in well drilling, is provided. In an operational configuration, a delivery module having conveyors receives and conveys granular material to a delivery location, and one or more mobile storage modules receive, hold and dispense granular material downward to the delivery module. The mobile storage modules comprise a raised, angular container portion for holding granular material. Each module may comprise a rock-over chassis for support against ground. In a transportation configuration, each of the delivery modules and mobile storage modules are separately transportable as semi-trailers. System redundancy features such as hydraulic power packs are also provided for.

Id. at Abstract (57).

As indicated in its Abstract, the ’740 patent is directed to a two-module-based system, where a storage module (or several) is oriented adjacent a delivery module such that the storage module(s) delivers granular material to the delivery module, which can then convey the material to some

delivery location. Such a system is illustrated at the '740 patent's Figure 1, which is reproduced below:

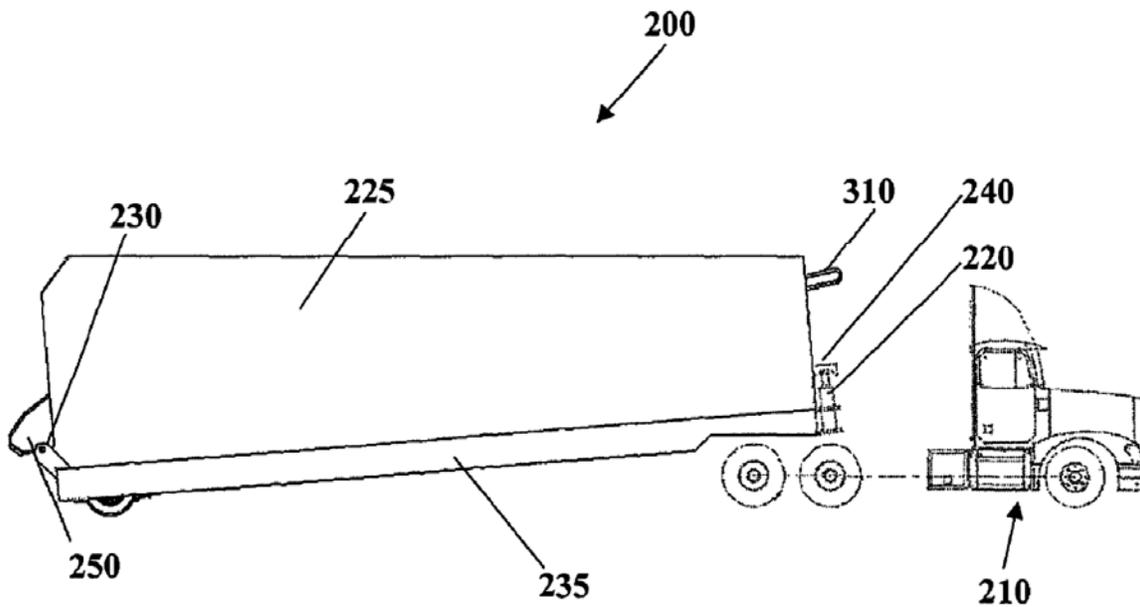


Ex. 1001, Fig. 1. Figure 1, above, shows system 100 for handling granular material, having two sets of five mobile storage modules 110, 115 arranged on either side of delivery module 120. *Id.* at 4:4–12. The mobile storage modules 110, 115 are pivoted upward, with their pivot points being on frame sections thereof nearest the delivery module so that each is sloped towards the delivery module. The delivery module has discharge conveyors 130 for moving granular material discharged from the mobile storage modules to some desired location and height. *Id.* 4:21–23.

The '740 patent describes that each of the mobile storage module and delivery module is reconfigurable between transportation and operational

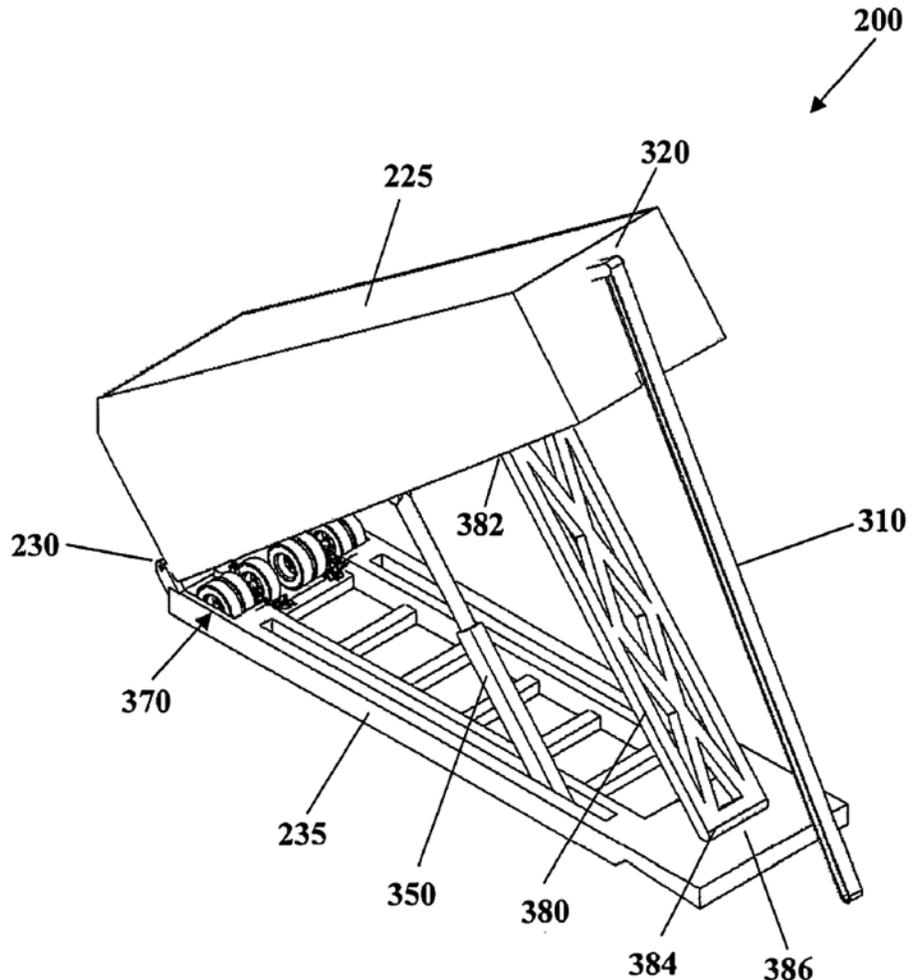
configurations. *Id.* at 5:13–16. As their identified configurations suggest, one is for transporting the module and one is for using the module for storing or conveying granular material. *Id.* at 5:16–20.

In its transportation configuration, the mobile storage module is disclosed to be a trailer towable by a truck. This is illustrated by Figure 2 of the '740 patent, reproduced below:



Id. at Fig. 2. Figure 2 shows a side view of mobile storage module 200 in its transportation configuration, as a trailer hitched to truck 210 and having container portion 225 and frame 235, which supports the container portion 225 and is connected thereto at hinge 230. *Id.* at 6:34–8:48. The container portion 225 also includes discharge chute 250 positioned to discharge granular material when container portion 225 is pivoted at hinge 230 to be in its operational configuration, which is shown in Figure 1, above. *Id.* at 8:49–56.

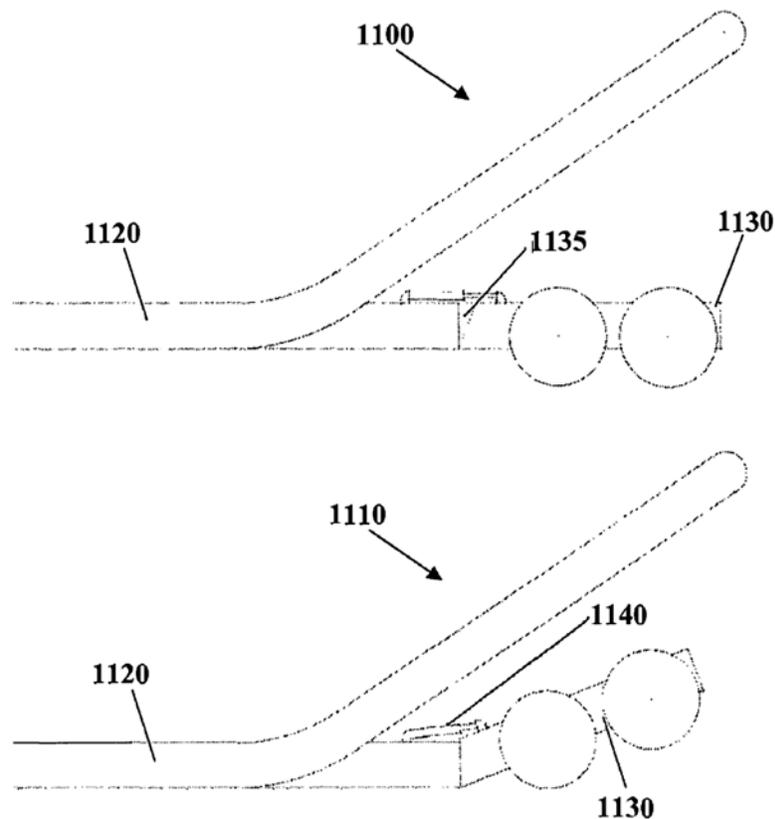
A more detailed illustration of the mobile storage module in its operational configuration is shown by the '740 patent at its Figure 3, reproduced below:



Id. at Fig. 3. Figure 3, above, shows a perspective view of mobile storage module 200 in its operational configuration, detached from the truck of Figure 2, pivoted at hinge 230, and arranged as an erected silo. *Id.* at 6:48–54. Figure 3 shows that container portion 225 of mobile storage module 200 is raised into this operational position with an actuating system in the form of hydraulic actuator 350 coupled to container portion 225 and frame 235.

Id. at 6:60–7:2. Figure 3 also shows input port 320 on the elevated end of container portion 225 where granular material may be loaded thereinto. *Id.* at 8:40–43.

The configurability of the delivery module is illustrated in the '740 patent's Figure 11, reproduced below:



Id. at Fig. 11. Figure 11, above, shows two side views of a portion of a delivery module, one in transportation configuration 1100 (top) and one in operational configuration 1110 (bottom). *Id.* at 12:53–56. In its transportation configuration 1100 the delivery module has wheeled portion 1130 extending from chassis 1120 such that the wheels are lowered to engage the ground. *Id.* at 12:59–61. As shown in the bottom illustration above, in its operational configuration 1100, wheeled portion 1130 is

pivoted upward by hydraulic cylinders 1140 so that wheeled portion 1130 is raised and chassis 1120 is respectfully lowered to engage the ground for load distribution. *Id.* at 12:60–13:4.

Independent claim 1 of the '740 patent reads as follows:

1. A system for handling granular material, the system comprising:

a. a delivery module configured, in a delivery module operational configuration, to receive said granular material and to convey said granular material to a predetermined delivery location via a continuous belt conveyor;

b. one or more mobile storage modules adjacent to the delivery module, each of the one or more mobile storage modules configured, in a mobile storage module operational configuration, to hold and dispense said granular material downward to the delivery module and to receive said granular material for holding via a continuous belt loading system operatively coupled to an input port, the continuous belt loading system being separated from the continuous belt conveyor by the mobile storage module;

wherein the delivery module is mobile and reconfigurable between said delivery module operational configuration and a delivery module transportation configuration and wherein each of the one or more mobile storage modules comprises an integrated actuating system for moving a container portion thereof between a lowered position and a raised position, the raised position corresponding to the mobile storage module operational configuration, and

wherein each of the one or more mobile storage modules further comprises:

a. a frame;

b. the container portion supported by the frame and pivotably coupled thereto, the container portion configured to store said granular material and comprising

the input port for receiving said granular material and an output port for dispensing said granular material; and

c. the integrated actuating system configured to pivot the container portion between the lowered position and a the raised position, wherein, in the raised position, the input port is located above the output port.

Ex. 1001, 14:62–15:32. Independent claim 13 is directed to a mobile storage module, similar to the one or more mobile storage modules recited by claim 1, and, although there are some differences, recites essentially the same claim elements with respect to those of claim 1 directed to its mobile storage module(s). *Id.* at 16:24–45. Independent claim 19 is directed to a method for handling granular material, which includes providing the structures recited by claim 1. *Id.* at 17:5–18:15.

D. PETITIONER’S ASSERTED GROUNDS FOR UNPATENTABILITY

Petitioner asserts two grounds for the unpatentability of claims 1, 2, 4, 6–14, and 16–20 of the ’973 patent, as follows:

| | CLAIMS CHALLENGED | 35 U.S.C. § | REFERENCES |
|-----------------|-------------------------------------|--------------------|---|
| GROUND 1 | 1, 2, 4, 6–9, 11–14, 16, 17, 19, 20 | 103 | Forsyth, ¹ Haskins, ² Blackman ³ |
| GROUND 2 | 10, 18 | 103 | Forsyth, Haskins, Blackman, Grotte ⁴ |

¹ US 5,718,556 (issued Feb. 17, 1998) (Ex. 1005, “Forsyth”).

² US 3,208,616 (issued Sept. 28, 1965) (Ex. 1006, “Haskins”).

³ US 2,753,979 (issued July 10, 1956) (Ex. 1007, “Blackman”).

⁴ US 4,621,972 (issued Nov. 11, 1986) (Ex. 1008, “Grotte”).

In support of these grounds for unpatentability, Petitioner submits, *inter alia*, the Declaration of Robert Schaaf. Ex. 1003 (“Schaaf Declaration”).

II. DISCUSSION

A. CLAIM CONSTRUCTION

The Board interprets claim terms in an *inter partes* review using the same claim construction standard that is used to construe claims in a civil action in federal district court. 37 C.F.R. § 42.100(b) (2019). In construing claims, district courts give claim terms their ordinary and customary meaning, which is “the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention.” *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312–13 (Fed. Cir. 2005) (en banc).

Sources for claim interpretation include “the words of the claims themselves, the remainder of the specification, the prosecution history [i.e., the intrinsic evidence], and extrinsic evidence concerning relevant scientific principles, the meaning of technical terms, and the state of the art.” *Id.* at 1314 (quoting *Innova/Pure Water, Inc. v. Safari Water Filtration Sys., Inc.*, 381 F.3d 1111, 1116 (Fed. Cir. 2004)). “[T]he claims themselves [may] provide substantial guidance as to the meaning of particular claim terms.” *Id.* However, the claims “do not stand alone,” but are part of “‘a fully integrated written instrument,’ . . . consisting principally of a specification that concludes with the claims,” and therefore, the claims are “read in view of the specification.” *Id.* at 1315 (quoting *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 978–79 (Fed. Cir. 1995)).

Although we deny institution, because it is pertinent to our decision to exercise our discretion under 35 U.S.C. § 314(a), discussed below, we analyze the parties’ positions on claim interpretation in view of these

standards of law and our Trial Practice Guide. Except as set forth below, no other claim language is interpreted at this stage of the proceedings. *Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999) (“[O]nly those terms need be construed that are in controversy, and only to the extent necessary to resolve the controversy.”).

1. “INTEGRATED ACTUATING SYSTEM”

Parties’ Positions

Petitioner argues that the claim term “integrated actuating system,” which is recited by claims 1, 12, 13, and 19, means “a built-in, self-deployment system.” Pet. 10. Petitioner argues this definition “reflect[s] the plain and ordinary meaning[] of the term[.]” *Id.* n.2. Petitioner argues that the Specification supports this definition and the ’740 patent’s prosecution history is consistent with this definition. Pet. 10–11 (citing Ex. 1001,5:38–43, 6:63–67, 7:2–9, 8:35–39, 13:34–37; Ex. 1002, 75, 76, 78–80; Ex. 1003 ¶¶ 44–46). Relating to the word “integrated,” Petitioner also cites a dictionary definition of the word. Pet. 11 (citing Ex. 1009).

Patent Owner argues that no claim terms, including this term, require construction. Prelim. Resp. 5–7. Patent Owner cites the claim interpretation (*Markman*) order in the related district court litigation, wherein the district court concluded that all contested claim terms, including this term, did not require express construction and each would be accorded its “plain and ordinary meaning that a person of ordinary skill in the art would ascribe to it.” Ex. 1011, 1. The district court’s order does not elaborate on its rationale for according the plain meaning to this (or any) term. However, Patent Owner also cites the related portions of the transcript of the hearing on claim

construction in the related district court litigation. Prelim. Resp. 5–7 (citing Ex. 2007, 57, 60, 61, 63–65, 70–71).

Analysis

The claim term “integrated actuating system” is recited in claim 1, for example, as a component of the claimed mobile storage module(s), and is recited to be “for moving a container portion thereof between a lowered position and a raised position.” Ex. 1001, 15:13–16. Further, claim 1 also recites that “the integrated actuating system [is] configured to pivot the container portion between the lowered position and a [*sic*] the raised position.” *Id.* at 15:28–30.

Each of the individual words of the claim term “integrated actuating system” would have been readily understandable to the skilled artisan on its face, and the combination of these words into the recited phrase does not introduce any different meaning or ambiguity. The fact that the mobile storage module *comprises* the “integrated actuating system,” as well as the inclusion of the word “integrated” in this disputed term, each supports that such a system is a part of the module, in other words, it is *built into* the module as proposed by Petitioner. Because the fact that the *actuating system* is built into the mobile storage module is evident from the claim language itself, defining the claim term expressly to include this concept is unnecessary, as it would be redundant of the term’s plain meaning as understood by the skilled artisan. Nothing in the intrinsic record, or other evidence submitted by Petitioner, is inconsistent with this conclusion.

Furthermore, regarding the proposed *self-deployment* concept, we also conclude it is unnecessary to add this concept to define the claim term in view of the plain meaning of “integrated actuating system.” Per the plain

language of the claim term, the system that actuates the mobile storage module, i.e., moves it between a lowered and raised position, is integrated into the mobile storage module. The mobile storage module's integrated components move, or actuate, the mobile storage module, per the plain meaning of the claim language. Thus, the system that is expressly recited as being a part of the module (*integrated*), actuates the module; the module actuates itself. Therefore, adding "self-deploying" to specially define the term "integrated actuating system" is unnecessary. Nothing in the intrinsic record is inconsistent with this conclusion. *See* Ex. 1002, 83–91 (arguing the characteristic of "self-deploying" invokes the inclusion of "an integrated actuating system," but not the converse).

Because Petitioner's proposed construction of "integrated actuating system" would add unnecessary and undesirable redundancy to the claims, we determine that it is unnecessary to expressly construe this claim term.

2. "RECONFIGURABLE"

Parties' Positions

Petitioner argues the claim term "reconfigurable," as recited by claims 1, 13, and 19, means "self-deployable." Pet. 12. Again, Petitioner argues that this definition "reflect[s] the plain and ordinary meaning[] of the term[]." *Id.* at 10 n.2. Petitioner argues that the Specification supports this definition and the '740 patent's prosecution history is consistent with this definition. *Id.* at 12 (citing Ex. 1001, 11:52–65; Ex. 1002, 88; Ex. 1003 ¶ 47).

Again, Patent Owner argues that no claim terms, including this term, require construction. Prelim. Resp. 5–7. Patent Owner cites the claim interpretation (*Markman*) order in the related district court litigation,

wherein the district court concluded that all contested claim terms, including this term, did not require express construction and would be accorded its “plain and ordinary meaning that a person of ordinary skill in the art would ascribe to it.” Ex. 1011, 1. Patent Owner also cites the related portions of the transcript of the hearing on claim construction in the related district court litigation. Prelim. Resp. 5–7 (citing Ex. 2007, 57, 60, 61, 63–65, 70–71).

Analysis

Upon review of the Specification and prosecution history, we conclude the claim term “reconfigurable” needs no express construction because the meaning of the claim term is clear on its face. For example, claim 1 recites that the claimed delivery module is “reconfigurable between said delivery module operational configuration and a delivery module transportation configuration.” Ex. 1001, 15:10–13; *see also* Ex. 1002, 83–91 (arguing characteristic of “self-deploying” invokes the characteristic of “reconfigurable,” but not the converse).

It is clear that “reconfigurable,” in this context, would be understood by the skilled artisan to mean the configuration of the delivery module can be changed. Moreover, the claim is also clear that such a configuration change in the delivery module is between an “operational configuration, to receive said granular material and to convey granular material to a predetermined delivery location via a continuous belt conveyer” and a “transportation configuration,” the delivery module being reconfigurable between the two. *Id.* at 14:64–15:13. Such reconfigurability, as claimed, is also described in the Specification as a changeable configuration. *See, e.g.*, Ex. 1001, 5:13–20, 11:4–65, 12:53–13:8. The concept of “self-deployable” is not a part of “reconfigurable.” Even if a module can be self-deployable

because it is reconfigurable, that does not mean that such a module is reconfigurable because it is self-deployable. *See* Ex. 1002, 83–91.

Therefore, we determine that the Petitioner’s proposed construction is unnecessary, and that it is unnecessary to expressly construe this claim term.

B. DENIAL OF INSTITUTION UNDER 35 U.S.C. § 314(A)

Patent Owner’s Preliminary Response is focused on an argument that the Board should exercise its discretion under 35 U.S.C. § 314(a) and deny institution of an *inter partes* review. Prelim. Resp. 7–9 (“The Office may consider several factors in exercising discretion on instituting *inter partes* review, including the finite resources of the Office and the efficient use of those resources”). Patent Owner cites *NHK*, IPR2018-00752, Paper 8, as supporting its request. *Id.*

In *NHK*, the Board exercised its discretion under *each of* 35 U.S.C. § 325(d) and § 314(a) to deny institution. Regarding § 314(a), the facts relevant to the Board’s decision were that a district court litigation over the same patent at issue in the *inter partes* review, between the same parties, was well underway and scheduled to close discovery and have a jury trial during the *inter partes* review proceeding, before a final written decision would come due under the statute. *Id.* at 19–20. Further, the Board also found it significant that the same claim construction standard applied in the district court litigation and in the *inter partes* review because the patent at issue had expired, that the district court had already construed the patent’s claims, and that the prior art and related arguments asserted in the litigation and *inter partes* review were the same. *Id.*

Here, the related district court litigation, *Continental Intermodal Group – Trucking LLC v. Sand Revolution LLC*, Western District of Texas,

Case No. 7:18-cv-00147-ADA, as identified by both parties, involves the same parties as this *inter partes* review. *See* Pet. 87; Paper 6, 1. According to the scheduling order in this related district court litigation, fact discovery is scheduled to end February 24, 2020, expert discovery is scheduled to end April 17, 2020, and a jury trial is scheduled to begin on July 20, 2020.

Ex. 2004. This Decision precedes the scheduled trial by several months.

In the district court litigation, Petitioner (there, the defendant), requested that the court interpret the claim terms “integrated actuating system,” “reconfigurable,” “module,” “mobile.” Ex. 2002, 14, 19, 20, 21; *see also* Ex. 2003. The first two of these terms are the claim terms Petitioner urges should be construed in this *inter partes* review, and which are addressed above at Section II.A. Pet. 10–12. A *Markman* hearing in the district court litigation occurred on June 14, 2019, and the district court entered a two-page *Markman* Construction Order on June 24, 2019. Ex. 2007; Ex. 1011. The district court, however, did not expressly interpret any of these claim terms and, instead, held that for each “the proper construction . . . is the plain and ordinary meaning that a person of ordinary skill in the art would ascribe to it.” Ex. 1011, 1. No explicit rationale was provided by the district court as to why it did not expressly construe any claim language or what the plain and ordinary meaning would have been understood to be for any term. *Id.*

Also, in the district court litigation, Petitioner asserted that the claims of the ’740 patent are invalid, *inter alia*, as follows: claims 1, 2, 4, 6–9, 11–14, 16, 17, 19, 20 would have been obvious under 35 U.S.C. § 103 over the prior art combination of Haskins, Blackman, and Forsyth; claims 10 and 18 would have been obvious under 35 U.S.C. § 103 over the prior art

combination of Haskins, Blackman, Forsyth, and Grotte; however, sixteen other prior art combinations were also asserted by Petitioner in the district court case. Ex. 2005. The invalidity arguments in the related district court case appear to be very similar to, but perhaps not exactly the same as, the arguments presented under Grounds 1 and 2 in this *inter partes* review.⁵ Compare Pet. 12–86, with Ex. 2006 1–41.

Although there are some differences, the facts here are similar enough to those in the precedential *NHK* decision that *NHK* governs the outcome of this case. Compared to the patent at issue in *NHK*, which had already expired, the challenged '740 patent has potentially over a decade of term remaining. This issue, however, was not considered in *NHK* except for its significance in synchronizing the claim construction standards between the two cases. Accordingly, this difference does not distinguish *NHK*. Also, as noted above, the district court's *Markman* order simply adopts a "plain and ordinary meaning" construction for each disputed claim term without elaborating on what that means, which could potentially add ambiguity to the claim interpretation. Although we provide more extensive rationale above, ultimately our decision on claim construction on the preliminary record here is the same as that of the district court. Finally, although the issues on patentability here are more focused than the invalidity contentions in the district court litigation, the patentability issues presented here are

⁵ We note Petitioner may rely slightly more heavily at times on Forsyth, or some different parts of Forsyth, Haskins or Grotte, in the IPR as compared to the district court litigation, and the district court litigation claim chart segments the claims' limitations slightly differently than the grounds of the Petition. Also, the portions of the prior art references cited are not entirely consistent between the actions.

nevertheless a subset of the issues in the district court case. For these reasons, we determine that the above differences are insufficient to distinguish *NHK*.

Typically, an analysis under 35 U.S.C. § 314(a) considers *General Plastic*, IPR2016-01357, Paper 19, which sets forth seven, non-exhaustive factors informing the analysis under 35 U.S.C. § 314(a), as follows:

1. whether the same petitioner previously filed a petition directed to the same claims of the same patent;
2. whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it;^[1]
3. whether at the time of filing of the second petition the petitioner already received the patent owner's preliminary response to the first petition or received the Board's decision on whether to institute review in the first petition;^[1]
4. the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition;
5. whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;
6. the finite resources of the Board; and
7. the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.

Id. at 16. Here, factors 1–5 and 7 might be found to weigh in favor of not denying institution under 35 U.S.C. § 314(a). However, the precedential *NHK* decision nevertheless constrains our discretion and compels us to deny institution in the circumstances present here.

III. CONCLUSION

The Panel denies institution pursuant to 35 U.S.C. § 314(a), in accordance with the Board’s precedential decision in *NHK*, IPR2018-00752, Paper 8.

IV. ORDER

Accordingly, it is hereby:

ORDERED that, pursuant to 35 U.S.C. § 314(a), the Petition is *denied* as to all challenged claims and an *inter partes* review of the ’740 patent is not instituted.

DEFRANCO, Administrative Patent Judge, dissenting.

I respectfully dissent from the majority’s decision to exercise our discretion under 35 U.S.C. § 314(a) and deny institution of *inter partes* review (“IPR”). In *NHK Spring Co., Ltd. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sep. 12, 2018) (“*NHK*”) (precedential), the Board exercised its discretion to deny institution under *both* 35 U.S.C. § 325(d) and § 314(a). With respect to § 314(a), the Board in *NHK* found significant the fact that the district court litigation was in an “advanced state” and scheduled for a jury trial approximately six-months before a final written decision would come due if an IPR was instituted. *Id.* at 19–20. The Board in *NHK* also found significant the fact that the challenged patent had expired, that the district court had already construed the claims, and that the prior art and arguments asserted in the litigation and before the Board were essentially the same. *Id.*

In my view, the facts and circumstances of our case are clearly distinguishable from those that drove the decision in *NHK*. Unlike the

expired patent in *NHK*, the challenged patent here has potentially over a decade of remaining life, which weighs in favor of utilizing the Board's unique expertise and resources to decide the validity of this patent. And while the scheduling order in the related district court litigation indicates a jury trial date of July 20, 2020, that date is by no means guaranteed. Indeed, because our institution decision would precede the scheduled jury trial by approximately five months, the district court would be free to stay the litigation pending our Final Decision, as many district courts reasonably do. Also, that a jury trial may occur in the district court before any Final Decision would be due here does not guarantee the entry of final judgment by the district court before the time of any Final Decision on our part, as the district court litigation may still need to continue with a damages trial and post-trial motions.

Moreover, this case presents additional facts and circumstances that, when considered, distinguish this case from *NHK*. For instance, as the majority notes, the district court issued a two-page *Markman* Order, in which the district court states that, for each disputed claim term, "the proper construction . . . is the plain and ordinary meaning that a person of ordinary skill in the art would ascribe to it." Ex. 1011. Nowhere does the district court elaborate further on what a skilled artisan would have understood from "plain and ordinary meaning." *See id.* Without more, in my view, the district court's claim construction does little to move the litigation forward. Also, that the majority here sees fit to clarify key terms of the challenged claims (*see Majority Dec.*, § II.A *supra*), despite the district court's *Markman* Order, indicates to me that the Board is better equipped to handle

this case, which further distinguishes this case from the *NHK* decision that found no shortcomings in the district court's claim construction.

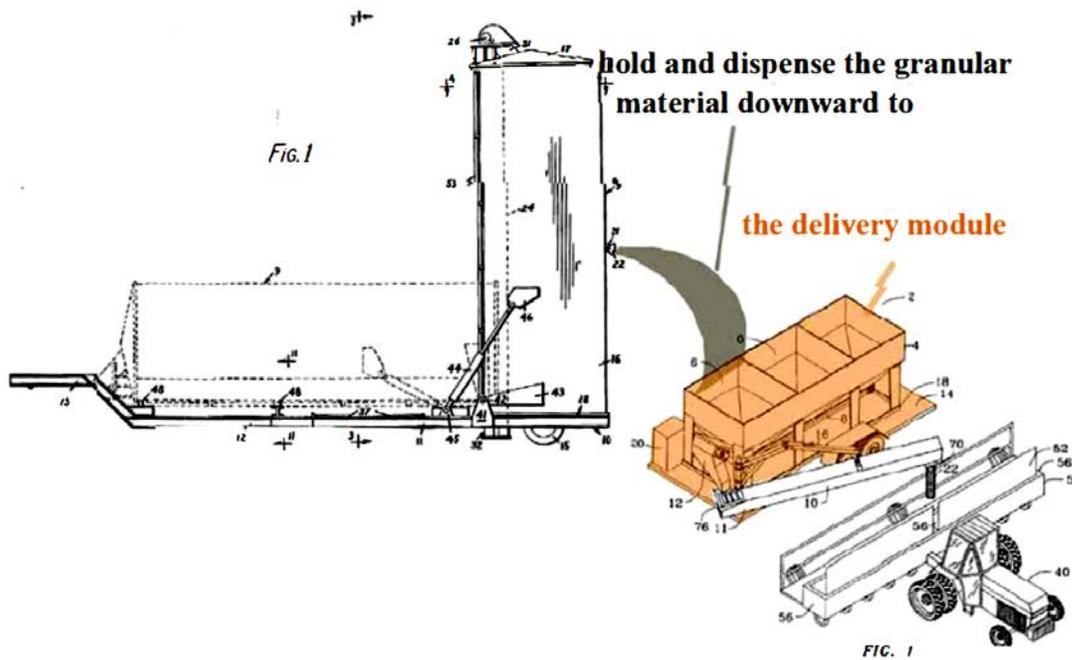
Also, in contrast to *NHK*, the arguments and evidence presented in our proceeding are far more focused than the invalidity contentions in the district court litigation. *Compare* Pet. 12–51, with Ex. 2005, 4–7; Ex. 2006, 2–41. For instance, the Petitioner here asserts only two grounds that rely on a combination of three prior art references in one instance and four in the other, as compared to the invalidity contentions in the district court that address some eighteen different prior art combinations. *See id.* Thus, the arguments and evidence as to unpatentability of the challenged claims in this proceeding are considerably more advanced than the invalidity contentions in the district court litigation. That fact alone is a significant distinction over *NHK*, where the prior art and arguments were the “same” before both the Board and the district court. *NHK*, Paper 8 at 20.

The majority also relies on *General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i) in support of exercising discretion to deny institution under § 314(a). That case, however, involves factors impacting how the Board handles petitions filed *serially over time*. Here, we are not faced with serial petitions. And to the extent the majority relies on *General Plastic* for the sole factor of saving resources of the Board, I again note that the district court litigation, as it currently stands, involves a vastly greater number of invalidity contentions than the two grounds of unpatentability asserted in this proceeding. I also note the fact of the majority's clarification of the construction of key claim terms, as discussed above. Under these

circumstances, I would think we are a more efficient and effective alternative to district court litigation.

For the above reasons, I find that the facts and circumstances of this case are readily distinguishable from those of *NHK*, and, thus, do not warrant exercising our discretion to deny institution under § 314(a). And rather than deny institution, I would institute an *inter partes* review because Petitioner demonstrates a reasonable likelihood of showing that at least claim 1 of the '740 patent is unpatentable.

According to Petitioner, claim 1 would have been obvious under 35 U.S.C. § 103 over the combined teachings of Forsyth, Haskins, and Blackman. Pet. 12. In response, Patent Owner states only “the Office need not consider the merits of this case,” and, thus, presents no substantive arguments or evidence to rebut Petitioner’s contentions. Prelim. Resp. 3. On the other hand, to support its position, Petitioner provides a detailed analysis of how each limitation of claim 1 is taught or suggested by Forsyth, Haskins, and Blackman. Pet. 12–51. Petitioner’s showing includes an annotated figure combining respective figures from Forsyth and Haskins, as reproduced below, to illustrate how a skilled artisan would have combined their respective teachings to meet the limitations arrive at the claimed invention. *Id.* at 24.



As shown above, Petitioner’s annotated figure depicts the storage bin apparatus with container 9 of Haskins (above-left) positioned adjacent to the apparatus 2 of Forsyth (above-right) where granular material is dispensing (grey stream) from spout 21 of Haskins’s vertically oriented container 9 into compartments 6 of Forsyth’s apparatus 2, which has its elevating conveyor 10 extended to dispense the granular material to planter 50 hitched to tractor 40. While Petitioner acknowledges that Haskins teaches a continuous chain driven loading system rather than a continuous belt loading system, as claimed, Petitioner points to Blackman as teaching that continuous belt and continuous chain conveyors are well-known alternatives that may be substituted for one another and, therefore, argues it would have been obvious to the skilled artisan to substitute a belt for Haskins’s chain for moving granular material. *Id.* at 32–34. Petitioner also argues a belt would provide

certain advantages over a chain, for example, tighter fit and adjustability. *Id.* at 37 (citing Ex. 1003 ¶ 83).

Based on the preliminary record, I find that Petitioner reasonably accounts for every element of claim 1 as taught or suggested by Forsyth, Haskins, and Blackman. *See* Pet. 12–51. Further, at this stage, I am sufficiently persuaded by Petitioner’s reasons that a skilled artisan would have successfully combined the teachings of these references to arrive at the claimed invention. *See* Pet. 23–28, 34–37. Thus, in my view, Petitioner demonstrates a reasonable likelihood of showing that claim 1 is unpatentable.

In sum, because the facts and circumstances of this case are readily distinguishable from those of *NHK* and do not warrant exercising our discretion to deny institution under § 314(a), and because Petitioner demonstrates a reasonable likelihood of showing that at least claim 1 of the ’740 patent is unpatentable, I believe we should grant institution of *inter partes* review. Thus, I respectfully dissent from the majority decision denying institution.

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For PETITIONER:

James D. Stein
LEE & HAYES P.C.
James.stein@leehayes.com

Armon B. Shahdadi
Ben D. Bailey
Brannon C. McKay
Leonard J. Weinstein
CLAYTON, MCKAY & BAILEY, PC
armon@cmlaw.com
ben@cmlaw.com
brannon@cmlaw.com
leonard@cmlaw.com

For PATENT OWNER:

Anna Quinn
A. Justin Poplin
LATHROP GAGE LLP
AQuinn@lathropage.com
JPoplin@lathropage.com