Westlaw

2014 WL 3704254 (Patent Tr. & App. Bd.)

Patent Trial and Appeal Board
Patent and Trademark Office (P.T.O.)

***1** ZETEC, INC., PETITIONER
v.
WESTINGHOUSE ELECTRIC COMPANY, LLC, PATENT OWNER

Case IPR2014-00384
Patent 6,823,269 B2

July 23, 2014

For PETITIONER:
Manny D. Pokotilow

Nicholas Tinari
CAESAR, RIVISE, BERNSTEIN, COHEN & POKOTILOW, LTD.
mpokotilow@crbcp.com
nmtinari@crbcp.com
For PATENT OWNER:

Alan G. Towner

Douglas M. Hall
PIETRAGALLO, GORDON, ALFANO, BOSICK & RASPANTI, LLP
agt@pietragallo.com
dmh@pietragallo.com

Before LINDA E. HORNER, SCOTT R. BOALICK
Vice Chief Administrative Patent Judges

KEVIN F. TURNER, BARBARA A. BENOIT, and NEIL T. POWELL
Administrative Patent Judges
BENOIT
Administrative Patent Judge

DECISION

Denying Institution of *Inter Partes* Review

37 C.F.R. § 42.108

INTRODUCTION

KOLORAFT EXHIBIT 2005-1

DOCKET ALARM
Find authenticated court documents without watermarks at docketalarm.com.

Zetec, Inc. ("Petitioner") filed an amended Petition (Paper 5, "Pet.") requesting an *inter partes* review of claims 1-18 (the "challenged claims") of U.S. Patent No. 6,823,269 B2 (Exhibit 1001, "the '269 patent"). Patent Owner, Westinghouse Electric Company, filed a Preliminary Response. Paper 8 ("Prelim. Resp."). For the reasons that follow, we deny institution of an *inter partes* review.

Related Matters

Petitioner represents that the '269 patent was asserted in *Westinghouse Electric Company LLC v. Zetec, Inc.*, Case No. 2:13-cv-01124 (W.D. Pa.). Pet. 1; *see also* Paper 6 (Patent Owner's Mandatory Notice).

The '269 Patent

The '269 patent issued November 23, 2004, from an application filed April 12, 2002, and relates to methods of synthesizing nondestructive examination data to be used for training data analysts and/or testing inspective techniques. Ex. 1001, Abstract, 4:40-44 (claim 1), 5:28-30 (claim 11), 6:10-12 (claim 14). The '269 patent explains that nondestructive examination of components is important particularly in the periodic inspection of certain tubing in a pressurized water nuclear reactor steam supply system. *Id.* at 1:11-16. More specifically, inspection of the tubing "is essential to assure that radioactive coolant from the reactor does not contaminate" other parts of the system. *Id.* at 1:16-22.

***2** To inspect the tubing, a probe is inserted into one of the hundreds of tubes to be inspected in a nuclear reactor, and signals from the probe then are analyzed to identify flaws in the tube. *Id.* at 1:32-44. If flaws are detected, then the "tubing is plugged and thus taken out of service to reduce the likelihood of failure during the forthcoming reactor operating cycle."*Id.* at 1:43-47. According to the '269 patent, "a great deal of experience" is needed to interpret the signal data and identify the existence, type, and extent of any flaws that may be present in the tubing. *Id.* at 1:40-44. Also, obtaining signal data representative of various kinds of flaws, for use in training data analysts and testing inspection techniques, is extremely difficult and expensive. *Id.* at 1:49-58.

A purpose of the invention of the '269 patent is to provide signal data representative of various flaws and "suitable for training and qualifying analysts, and testing inspection techniques."*Id.* at 1:59-62. To do so, the "269 patent describes techniques "for the injection of electronic nondestructive examination signals either from field data or data obtained from specimens, into a data stream to produce a data set that is the combination of the two data sets, i.e., the basic data stream plus the injected signal."*Id.* at 2:50-54.

Illustrative Claims

The ' 269 patent includes independent claims 1, 11, and 14, which are reproduced below and are illustrative of the claimed subject matter:

> 1. A method of synthesizing nondestructive examination data to be used for training data analysts and/or testing inspection techniques comprising the steps of:
> generating data collected at a field site of a component from non-destructive examination of the component, which data collected at the field site includes noise;
> creating a specimen that simulates the component undergoing non-destructive examination with a selected flaw;
> generating nondestructive examination data at a laboratory site, remote from the field site, from the specimen of the component undergoing non-destructive examination; and
> combining at least some of the nondestructive examination data collected at the field site with at least some of the nondestructive examination data collected at the laboratory site to establish a combined data train that reflects the nondestructive examination response to the selected flaw in a background representative of data collected at the field

KOLORAFT EXHIBIT 2005-2

DOCKET ALARM

Find authenticated court documents without watermarks at docketalarm.com.

site.

***3** Ex. 1001, 4:42-61. Independent claim 11 includes the limitations recited by claim 1 and additionally recites:

> separately calibrating the data collected at the field site and the data collected at the laboratory site so that the data collected at the field site and the data collected at the laboratory site have the same relative signal strengths corresponding to a first flaw, wherein the calibration is achieved by the steps of operating a first detector used at the field site to nondestructively test a first flaw and provide a first output indicative thereof and adjusting the first output received from the first detector in response to the first flaw by a first calibration factor to modify the first output to exhibit a first characteristic; and
>
> operating a second detector used at the laboratory site to non-destructively test a second flaw which is substantially identical to the first flaw and provide a second output indicative thereof and adjusting the second output by a second calibration factor to modify the second output to exhibit the first characteristic.

Id. at 5:28-58. Independent claim 14 includes the limitations recited by claim 1 and additionally recites:

> separately calibrating the data collected at the field site and the data collected at the laboratory site so that the data collected at the field site and the data collected at the laboratory site have the same relative signal strengths corresponding to a first flaw;
>
> and storing the data collected at the field site along with a first calibration factor obtained from the step of calibrating the data collected at the field site and storing data collected at the laboratory site along with a second calibration factor obtained from the step of calibrating the data collected at the laboratory site.

Id. at 6:10-39.

LEGAL STANDARDS

The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a), which provides as follows:

> THRESHOLD.--The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

35 U.S.C. § 314(a). The standard for institution is written in permissive terms--identifying when the United States Patent and Trademark Office ("the Office") is authorized to institute an *inter partes* review. Thus, Congress has given the Office discretion whether to institute a review or not institute a review.

Congress has mandated that the Office must make a determination whether to institute an *inter partes* review within three months after receiving a Preliminary Response to the Petition (or, if no Preliminary Response is filed, three months after the last date on which such response may be filed) and, if instituted, the Office must issue a final written determination in an *inter partes* review not more than one year after institution, absent a showing of good cause or other circumstances not applicable here. 35 U.S.C. §§ 314(b), 316(a)(11).

***4** To be considered, a petition for *inter partes* review must identify, "in writing and with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim."35 U.S.C. § 312(a)(3). The Board's rules further specify that a petition must include "[a] full statement of the reasons for the relief requested, including a detailed explanation of the significance of the evidence" and "where each element of [each challenged] claim is found in the prior art patents or printed publications relied upon [and] the relevance of the evidence to the challenge raised."37 C.F.R. §§ 42.22(a)(2), 42.104(b)(4), (5). These rules were promulgated taking into consideration, among other things, "the efficient administration of the Office, and the ability of the Office to timely complete proceedings."35 U.S.C. § 316(b).

DOCKET ALARM
Find authenticated court documents without watermarks at docketalarm.com.

THE PETITION AND THE PRELIMINARY RESPONSE

Claim Construction in the Petition

Petitioner filed a Petition (Paper 2) that did not include any express claim construction for individual claim terms. The Board found that Petition defective for not identifying "[h]ow the challenged claim is to be construed," and required correction. Paper 4 at 2 (quoting 37 C.F.R. § 42.104(b)(3)). The Board also noted "[i]n most cases, claim construction is an important step in the determination of whether the challenged claims are unpatentable over the cited prior art."*Id.*

In response, Petitioner filed an amended Petition that proposed constructions for six claim terms "based on their ordinary meaning in view of the full disclosure of the '269 Patent."Pet. 7-8. Petitioner's proposed constructions, however, do not cite any portion of the specification of the "269 patent or provide any other evidence as to why the proffered constructions reflect each term's ordinary and customary meaning, as would be understood by one of ordinary skill in the art in the context of the entire disclosure. *See In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007).

Numerous Asserted Grounds in the Petition

The Petition lists, in a summary table, 68 grounds of unpatentability that rely on one or more of fourteen references, including Sullivan, [FN1] Begley, [FN2] Hölzl, [FN3] Junker, [FN4] Eberhard, [FN5] Hedengren, [FN6] Sapia, [FN7] Winslow, [FN8] and Holt. [FN9] Pet. 2-7. Many of the 68 listed grounds, however, represent groups of multiple grounds. For example, the Petition includes a ground asserting claim 1 would have been obvious "over Hedengren et al. in view of Hölzl, Junker et al., Begley et al., or Sullivan" (Pet. 4), which, in essence, is four grounds: Hedengren and Hölzl; Hedengren and Junker; Hedengren and Begley; and Hedengren and Sullivan. In another example, the Petition includes a ground asserting claim 16 would have been obvious over "any of Hölzl, Holt, Eberhard et al., or Hedengren et al. in view of Junker et al. and Sullivan or Begley et al." (Pet. 7), which is, in reality, eight grounds. Of the 68 grounds presented in the summary table, at least 22 are multiple grounds resulting, at least, in an additional 59 grounds. *See* Pet. 4-7. Thus, the Petition presents no fewer than 127 asserted grounds of unpatentability.

Anticipation Assertions in the Petition

***5** Anticipation requires each limitation recited in a claim to be found, either expressly or inherently described, in a single prior art reference, arranged as in the claim. *See Net MoneyIN, Inc. v. VeriSign, Inc.*, 545 F.3d 1359, 1369 (Fed. Cir. 2008) (quoting *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1548 (Fed. Cir. 1983)); *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631 (Fed. Cir. 1987). In an apparent attempt to satisfy these requirements, the Petition in this case presents underdeveloped arguments.

Regarding the assertion that claim 1 is anticipated by Sullivan, for example, the Petition states only the following:

> Sullivan discloses each element of Claim 1 of the '269 patent. The specific references are listed with the claim elements in the claim chart below. Sullivan refers to the process as "signal injection" p. 9. The "field site" data of the claim are taken from an "in-service tube" in Sullivan. Flawed tubes are created in the lab (p. 9), scanned and the flaw signal superimposed on the in-service tube data (p. 9) to create a combined data signal.

Pet. 16-17. [FN10] An excerpt from the Petition's claim chart is set forth below, with elements of claim 1 appearing in the left column and the corresponding portion where the limitation allegedly is disclosed in Sullivan appearing in the right column:

Claim 1	**Anticipated by Sullivan (Ex. 1002)**
creating a specimen that simulates the component un-	"These laboratory measurements may consist of scans

KOLORAFT EXHIBIT 2005-4

DOCKET ALARM

Find authenticated court documents without watermarks at docketalarm.com.

dergoing non-destructive examination with a selected flaw;	of the flawed tubes" (p. 9).
generating nondestructive examination data at a laboratory site, remote from the field site, from the specimen of the component undergoing non[]destructive examination;	"Laboratory methods have been developed that can induce real fatigue cracks and SCC [stress corrosion cracks] in SG [steam generator] tubes" (p.4).

***6** Pet. 17.

Neither the textual argument, nor the claim chart, explains adequately where each element of claim 1 is found in the reference, much less how these elements are arranged as in the claim. For example, the Petition does not explain adequately how Sullivan's equivocating description that laboratory measurements may consist of scans of the flawed tubes discloses "creating a specimen that simulates the component undergoing nondestructive examination with a selected flaw," as recited in claim 1. *See* Pet. 17. Nor does the Petition explain sufficiently how Sullivan's indication of the existence of laboratory methods to induce flaws discloses the specific claim element that requires generating data from a particular component--"from the specimen of the component undergoing nondestructive examination."*See id.*

The Petition also presents sparse analyses for the other grounds of anticipation asserted against claim 1. For example, the Petition includes an assertion that Begley anticipates claim 1, in part, because Begley's description of cutting sectors of flaw signals to provide a large database of flaw signals and Begley's description of preparing test data using signal flaws disclose the required combining step, as recited in claim 1. Pet. 24. The Petition, however, does not explain adequately how creating a database of flaw signals and preparing test data disclose the particular elements of the combining step in the manner claimed--combining nondestructive examination data collected at the field site with nondestructive examination data collected at the laboratory site to establish a combined data train that reflects the nondestructive examination response to the selected flaw in a background representative of data collected at the field site.

Moreover, the Petition includes a number of contentions that a claim element is inherent in a purportedly anticipating reference, without sufficient explanation and evidence why such a feature necessarily would be present. *See In re Cruciferous Sprout Litig.*, 301 F.3d 1343, 1349 (Fed. Cir. 2002) ("Under the principles of inherency, if the prior art necessarily functions in accordance with, or includes, the claimed limitations, it anticipates."(citations and internal quotation marks omitted)).

For example, claim 2 depends from claim 1 and further recites "the steps of separately calibrating the data collected at the field site and the data collected at the laboratory site so that the data collected at the field site and the data collected at the laboratory site have the same relative signal strengths corresponding to a first flaw."The Petition, without relying on expert testimony or including further analysis as to what one skilled in the art would understand Hölzl to disclose, contends claim 2 is anticipated by Hölzl, relying in part on a purportedly inherent disclosure by Hölzl. The argument regarding claim 2 is:

> ***7 Claim 2 is anticipated by Hölzl (Ex. 1011).** Claim 2 is directed to calibrating the lab and field data to the same signal strengths, i.e. amplitude. This is a common sense step for any measurement method. Hölzl discloses that fault signals are displayed as a function of amplitude and phase (c. 1, ll. 28-32).*It is inherent in Hölzl that the two signals would have to be aligned as to signal strength to produce a consistent combined data stream.*

Pet. 28 (italic emphasis added).

Similarly, claim 4, which depends from claim 1, additionally recites "separately calibrating the data collected at the field site and the data collected at the laboratory site so that the data collected at the field site and the data collected at the laboratory site have the same relative signal orientation."The Petition asserts, without further support or evidence, that

DOCKET ALARM
Find authenticated court documents without watermarks at docketalarm.com.

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.