EXHIBIT 2008

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Paper 20
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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LAROSE INDUSTRIES, LLC
Petitioner

v.

CAPRIOLA CORP.
Patent Owner

Case IPR2013-00120 (JTA)[1]
Patent 7,731,558 B2

Before KEVIN F. TURNER, JUSTIN T. ARBES, and JAMES B. ARPIN, *Administrative Patent Judges.*

ARBES, *Administrative Patent Judge.*

DECISION
Petitioner's Request for Rehearing
37 C.F.R. § 42.71

[1] Case IPR2013-00121 (JTA) has been joined with this proceeding.

Introduction

Petitioner filed a request for rehearing (Paper 19, "Rehearing Request") of the Board's decision (Paper 14, "Decision") instituting an *inter partes* review of claims 1-27 of Patent 7,731,558 B2 (the "'558 patent"). In the Decision, the Board ordered a trial on three grounds of unpatentability asserted in the Petition. Dec. 27. Also, in Case IPR2013-00121, which was joined with Case IPR2013-00120, the Board ordered a trial on one additional ground. IPR2013-00121, Paper 11 at 22-23. Thus, the trial in the instant proceeding is based on the following grounds:

> Claims 1-27 under 35 U.S.C. § 103(a) as unpatentable over Teller (Ex. 1006) and Rosen (Ex. 1005);
>
> Claims 1-6, 8-22, 24, 26, and 27 under 35 U.S.C. § 102(e) as anticipated by Doherty (Ex. 1020);
>
> Claims 7, 23, and 25 under 35 U.S.C. § 103(a) as unpatentable over Doherty and Rosen; and
>
> Claims 18-25 under 35 U.S.C. § 103(a) as unpatentable over Feuerborn (Ex. 1022) and Rosen.

Petitioner contends that the Board erred in not also instituting a trial based on the following two asserted grounds:

> Claims 1-6, 8-22, 24, 26, and 27 under 35 U.S.C. § 102(b) as anticipated by *Atomic Blox* (attached as Ex. B to Ex. 1018); and
>
> Claims 7, 23, and 25 under 35 U.S.C. § 103(a) as unpatentable over *Atomic Blox* and Rosen.

For the reasons stated below, Petitioner's request is *denied*.

Analysis

When rehearing a decision on petition, the Board reviews the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). The party requesting rehearing bears the burden of showing an abuse of discretion. 37 C.F.R.

§ 42.71(d).

Pursuant to 35 U.S.C. § 316(b), rules for *inter partes* review were promulgated taking into account their effect on "the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings." The Board's rules provide that they are to be "construed to secure the just, speedy, and inexpensive resolution of every proceeding." 37 C.F.R. § 42.1(b). As a result, in determining whether to institute an *inter partes* review of a patent, the Board may "deny some or all grounds for unpatentability for some or all of the challenged claims." 37 C.F.R. § 42.108(b).

In rendering the Decision, the Board observed that, according to the Affidavit of Gregory J. Doherty (Ex. 1018) submitted with the Petition, the illuminated building blocks disclosed in the Doherty reference are embodied in the *Atomic Blox* product packaging and instruction manual. Dec. 26. The Board exercised its discretion in denying the asserted grounds based on *Atomic Blox* as redundant in light of the determination that there is a reasonable likelihood that the challenged claims are unpatentable based on the Doherty reference itself. *Id*. Petitioner argues that the Board erred in doing so. Rehearing Req. 1-3. Specifically, Petitioner contends that while *Atomic Blox* is prior art to the '558 patent under 35 U.S.C. § 102(b), Doherty is prior art under 35 U.S.C. § 102(e) and Patent Owner "may attempt to antedate Doherty and remove [it] as prior art."[2] Rehearing Req. 2. Therefore, according to Petitioner, *Atomic Blox* is "potentially more relevant" than Doherty. *Id*.

[2] The application that issued as the '558 patent was filed on August 15, 2007. Doherty was filed on February 7, 2006.

Petitioner's argument is not persuasive. The Board is charged with securing the just, speedy, and inexpensive resolution of every proceeding, and has the discretion to deny some or all grounds to ensure that objective is met. 37 C.F.R. §§ 42.1(b), 42.108(b). As such, the Board maintains impartiality in weighing relevant factors of a case to render a decision. As explained in our decisions in the joined proceedings, we evaluated all of the grounds of unpatentability asserted by Petitioner and instituted an *inter partes* review based on four grounds, setting a schedule for the joined proceedings that contemplates a final decision within one year of institution. We are not persuaded that the Decision should be altered based on what the parties "may" argue in the future or so that Petitioner may be in a better position to prevail. We also note that the focus of redundancy is on whether a petitioner articulated a meaningful distinction in terms of relative strengths and weaknesses with respect to application of the prior art reference disclosures to one or more claim limitations. *See, e.g.*, CBM2012-00003, Paper 7 at 2-12. Petitioner has not explained any such strengths and weaknesses, and relies solely on the dates of Doherty and *Atomic Blox*. For these reasons, we are not persuaded that the Board abused its discretion in not going forward on the *Atomic Blox* grounds.

Petitioner also requests, in the alternative, that the Board "*conditionally* approve the *Atomic Blox* Grounds so that the trial can proceed on these grounds in the event that the Patent Owner attempts to remove Doherty as prior art." Rehearing Req. 2-3. Petitioner does not identify any authority for such a procedure. Moreover, doing so would separate the proceeding into two phases and thereby introduce unnecessary delay and inefficiency. Consequently, we decline Petitioner's request.

DOCKET ALARM

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