

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

EMERSON ELECTRIC CO.,
Petitioner,

v.

SIPCO, LLC,
Patent Owner.

IPR2015-01973
Patent 8,013,732 B2

Before LYNNE E. PETTIGREW, STACEY G. WHITE, and
CHRISTA P. ZADO, *Administrative Patent Judges*.

WHITE, *Administrative Patent Judge*.

JUDGMENT
Final Written Decision on Remand
Determining Some Challenged Claims Unpatentable
35 U.S.C. §§ 144, 318

I. INTRODUCTION

This Decision addresses the opinion of the United States Court of Appeals for the Federal Circuit in *Emerson Electric Co. v. SIPCO, LLC*, 745 F. App'x 369 (Fed. Cir. 2018) (hereinafter *Emerson*), vacating our Final Written Decision and remanding for further proceedings. Having analyzed the entirety of the record anew in light of the court's directives in *Emerson*, we conclude that Petitioner has shown by a preponderance of the evidence that claims 13, 14, 16, 18–21, 23–26, 28–33, and 35 of U.S. Patent No. 8,013,732 B2 (Ex. 1001, “’732 patent”) are unpatentable. We also conclude that Petitioner has not shown by a preponderance of the evidence that claims 17, 27, and 34 of the ’732 patent are unpatentable.

A. Procedural History

Emerson Electric Co. (“Petitioner”) sought to institute an *inter partes* review of claims 13, 14, 16–21, and 23–35 of the ’732 patent. Paper 2 (“Pet.”). SIPCO, LLC, (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). Pursuant to 35 U.S.C. § 314, we instituted *inter partes* review as to all challenged claims of the ’732 patent on all grounds presented in the Petition. Paper 8 (“Dec.”). Specifically, we authorized this *inter partes* review to proceed as to the following grounds:

Claim(s) Challenged	35 U.S.C §	References/Basis
13, 14, 19–21, 25, 26, 30, 31, 33	103(a) ¹	Kahn ² , APA ³
16–18, 24, 28, 29, 35	103(a)	Kahn, APA, Burchfiel ⁴
23	103(a)	Kahn, APA, Fisher ⁵
32	103(a)	Kahn, APA, Cerf ⁶
27, 34	103(a)	Kahn, APA, Burchfiel, HART Data Link, ⁷ Hart Command ⁸

Id. at 25.

¹ The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 287–88 (2011), amended 35 U.S.C. § 103, however, the amended version does not apply here because the ’732 patent was filed before March 16, 2013, the effective date of the relevant amendment.

² Robert E. Kahn, *Advances in Packet Radio Network Protocols*, Proceedings of the IEEE, Vol. 66, No. 11, Nov. 1978 (Ex. 1002) (“Kahn”).

³ Petitioner relies upon the disclosures found in column 1, lines 54 through 65, column 2, lines 27 through 29, column 5 lines 32 through 44, and Figure 1 of the ’732 patent as Admitted Prior Art (“APA”). *See* Pet. 13–14.

⁴ J. Burchfiel, et al., *Functions and Structure of a Packet Radio Station*, National Computer Conference presented paper, 1975 (Ex. 1003, “Burchfiel”).

⁵ Fisher General Catalog 501, 5th ed., 1989, Fisher Controls (Ex. 1008, “Fisher”).

⁶ Vinton G. Cerf & Peter T. Kirstein, *Issues in Packet-Network Interconnection*, Proceedings of the IEEE, Vol. 66, No. 11, Nov. 1978 (Ex. 1011, “Cerf”).

⁷ HART® Smart Communications Protocol Physical and Data Link Specification printed Mar. 28, 1988 (Ex. 1009, “HART Data Link”).

⁸ HART® Smart Communications Protocol Universal Command Specification, Rev. 4.1, Rosemount, Inc., printed Nov. 3, 1990 (Ex. 1010, “HART Command”).

After institution of trial, Patent Owner filed a Response (Paper 12, “PO Resp.”) and Petitioner filed a Reply (Paper 14, “Reply”). An oral hearing was held on October 28, 2016, and the hearing transcript was entered in the record. Paper 24 (“Tr.”). On March 27, 2017, we issued a Final Written Decision and held that Petitioner had failed to demonstrate by a preponderance of the evidence that claims 13, 14, 16–21, and 23–35 are unpatentable. Paper 25 (“’1973 Final Written Decision”), 13. On April 3, 2017, Petitioner filed a Notice of Appeal (*see* Paper 26).

The ’732 patent at issue here is related to U.S. Patent No. 8,754,780 B2 (“’780 patent”)⁹, which was also the subject of an *inter partes* review between the same parties—IPR2016-00984 (“’984 *inter partes* review”). *See Emerson Elec. Co. v. SIPCO, LLC*, IPR2016-00984, Paper 43 at 2–3 (PTAB Oct. 25, 2017) (“’984 Final Written Decision”). On October 25, 2017, we issued a final written decision in the ’984 *inter partes* review and determined that claims 1–15 of the ’780 patent are unpatentable. *Id.* at 61. Patent Owner appealed our determination in the ’984 *inter partes* review. *Emerson Elec. Co. v. SIPCO, LLC*, IPR2016-00984, Paper 44 (PTAB Dec. 21, 2017).

In the instant case, the Federal Circuit issued an opinion in *Emerson*, vacating our determination and remanding for further proceedings. *Emerson*, 745 F. App’x at 370; *see also* Paper 33. The court directed us, on remand, to “address the seemingly opposite finding from the IPR2016-00984 Final Written Decision.” *Emerson*, 745 F. App’x at 374. Additionally, the court directed us to explain (1) why an explicit statement in

⁹ *See* ’984 Final Written Decision, 25, 28 (noting that the ’780 and ’732 patents share nearly the same specification and claims).

“Kahn—that deployment of the packet radio net should be rapid and convenient—does not provide a” sufficient motivation to combine the prior art teachings and (2) how we determined that impermissible hindsight would be required to conclude that Kahn provided the motivation to combine. *Id.* at 373–74.

We conferred with the parties to discuss the procedure for the remand. Paper 32, 3. Petitioner sought additional briefing post-remand and Patent Owner asserted that no additional briefing was needed. *Id.*; *see also* Ex. 1014 (transcript of conference call). We agreed with Patent Owner and determined that no additional briefing was required. Paper 32, 3.

The Board has jurisdiction under 35 U.S.C. §§ 144 and 6. This Decision on Remand is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons discussed below, we determine that Petitioner has shown by a preponderance of the evidence that claims 13, 14, 16, 18–21, 23–26, 28–33, and 35 of the ’732 patent are unpatentable. We further determine that Petitioner has failed to show by a preponderance of the evidence that claims 17, 27, and 34 of the ’732 patent are unpatentable.

B. Related Proceedings

Petitioner informs us that *SIPCO, LLC, v. Emerson Electric Co.*, No. 6:15-cv-00907-JRG-KNM (E.D. Tex.) may be impacted by this proceeding. Paper 7 (Petitioner’s Amended Mandatory Notices). This civil action has been transferred to the Northern District of Georgia and consolidated with Civil Action No. 1:15-cv-0319-AT (N.D. Ga.). In addition, there are several pending patent applications that claim priority to the ’732 patent. Pet. 2, Paper 7.

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