

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SATA GmbH & Co. KG  
Petitioner

v.

ANEST IWATA CORPORATION  
Patent Owner

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Case IPR2013-00111  
Patent 6,494,387 B1

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Before JOSIAH C. COCKS, DEBORAH KATZ, and JENNIFER S. BISK,  
*Administrative Patent Judges.*

KATZ, *Administrative Patent Judge.*

FINAL WRITTEN DECISION  
*35 U.S.C. § 318(a) and 37 C.F.R. § 42.73*

## I. INTRODUCTION

### A. Background

SATA GmbH & Co. KG (“SATA” or “Petitioner”) filed a Petition to institute an *inter partes* review of all claims, claims 1-22, of U.S. Patent No. 6,464,387 B1 (“the ’387 patent”) (Ex. 1001) pursuant to 35 U.S.C. §§ 311-319. Paper 3 (“Pet.”). Anest Iwata Corporation (“Iwata” or “Patent Owner”) timely filed a Preliminary Response. Paper 11 (“Prelim. Resp.”). We granted the petition as to a subset of the proposed grounds of unpatentability, determining that there was a reasonable likelihood SATA would prevail in showing claims 1-14 of the ’387 patent are unpatentable under 35 U.S.C. § 102(b) over Japanese Published Patent Application No. JP 08-196-950 (“JP ’950”) (Ex. 1002; English Translation Ex. 1020). Paper 13 (“Dec.”).

After institution, Iwata did not file a Patent Owner’s Response under 37 C.F.R. § 42.120, but instead filed a Motion to Amend under 37 C.F.R. § 42.121. Paper 21 (“Mot. to Amend”); *see* Paper 18. In its Motion to Amend, Iwata requests cancellation of claims 1-14 and proposes new claims 23-32. (Mot. to Amend 1-4.) SATA filed an opposition to Iwata’s Motion to Amend (Paper 23), which was followed by Iwata’s Reply (Paper 25, “Reply”).

In addition to its Motion to Amend, Patent Owner Iwata filed a Motion to Exclude Evidence (Paper 26, “Mot. to Exclude”). SATA opposed the Motion to Exclude (Paper 31) and Iwata replied (Paper 35).

Oral hearing was held December 16, 2013. Paper 43 (“Transcript”).

The Board has jurisdiction under 35 U.S.C. § 6(c). This final written decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73.

For the reasons that follow, SATA has shown by a preponderance of the evidence that claims 1-14 are unpatentable. In addition, as discussed below, we *deny* the portion of the Motion requesting entry of substitute claims 23-32.

### B. Related Proceedings

Iwata represents that there are no other judicial or administrative matters that would affect, or be affected by, this proceeding. Mandatory Notices, Paper 9.

### C. The '387 Patent

The '387 patent provides for a low-pressure atomizing spray gun with a particular arrangement of air grooves and slits in the paint nozzle that reportedly allows for increased atomization of the paint. Ex. 1001 ('387 patent), Abstract. Specifically, the claims of the '387 patent and Iwata's amended claims recite air grooves that begin, or extend from, upstream of the end of an annular slit in the tip portion of the nozzle. Figure 4A of the patent demonstrates this arrangement and is reproduced below.

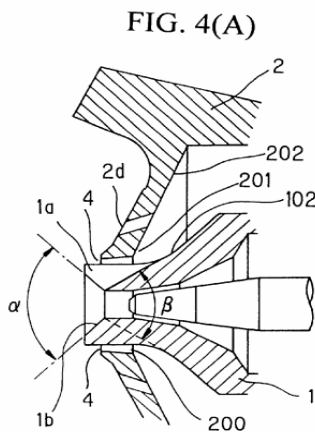


Figure 4A depicts a sectional view of the front end of the paint nozzle tip with an air groove (1a) that starts at a point (102) inside the inlet end (201) of an annular slit (4). *Id.* at 6:40-54.

## II. ANALYSIS

### A. '387 Patent Claims 1-14

Previously, we considered the arguments Iwata presented for the patentability of claims 1-14 in its Preliminary Response Pursuant to 37 C.F.R. § 42.107(a). Paper 11. When we considered these arguments against those SATA presented in the Petition for the unpatentability of claims 1-14 under 35 U.S.C. § 102(b) over JP '950, we determined it was reasonably likely that SATA would prevail. Dec. 5-13. Iwata has not directed us to further argument or evidence to persuade us that SATA fails to demonstrate that claims 1-14 are unpatentable.

To the extent that Iwata's argument in its Motion to Amend that our Decision to Institute review was made in error, *see* Mot. to Amend 5, is an argument for the patentability of claims 1-14, we are not persuaded. Iwata argues that our Decision fails to indicate that the prior art teaches air grooves extending from at or upstream of the inlet end of the annular slit, as required in the originally claimed spray gun. *Id.* Because the testimony of Iwata's own witness, Mr. Robert R. Lacovara, was not definitive that JP '950 fails to teach the claimed positioning of the air grooves, as discussed in detail below, the preponderance of the evidence, including the findings of fact and reasons we set forth in our Decision to Institute, indicate that the original claims are unpatentable.

Accordingly, based on the record before us, we conclude that a preponderance of the evidence demonstrates that the original claims of the '387 patent are anticipated by JP '950 and are *unpatentable*.<sup>1</sup>

*B. Iwata's Motion to Amend*

Because we determine that claims 1-14 are unpatentable we turn to Iwata's contingent request to enter proposed, amended claims. As the moving party, Iwata bears the burden of establishing that it is entitled to the relief requested in its Motion to Amend. 37 C.F.R. § 42.20(c). A proposed amendment is not entered automatically and is not subject to an examination by the Office. Instead, the patent owner takes on the burden of presenting evidence that the proposed claims comply with all sections of the patent statutes. During an *inter partes* review, we enter proposed amended claims only upon a showing that the amended claims are patentable. *Idle Free Sys. Inc. v. Bergstrom, Inc.*, IPR2012-00027, slip. op. at 33 (PTAB Jan. 7, 2014)

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<sup>1</sup> Iwata's Motion to Amend indicates that it requests cancellation of claims 1-14. Mot. to Amend 1. We consider this request contingent on a determination that claims 1-14 are unpatentable. That consideration is consistent with a discussion at oral argument, when Iwata was questioned about whether it intended to cancel claims for which it had not proposed substitute, amended claims. Transcript 18. In response, counsel referred to the contingencies of patentability of original claims in light of a motion to amend. Transcript at 18. ("MR. KELBER: If you -- my understanding of the procedure is if you deny the motion to amend or if you do not grant it, those claims remain part of the 378 patent and are invalidated by your decision. . . . If you grant, then it's just the Claims 23-32. And -- and yes, the claims that were not advanced and -- which have not counterpart would then cease to have continuing validity.") Because Iwata appears to have included contingencies in their strategy, we consider Iwata's request to cancel claims 1-14 to be contingent on a determination that they are unpatentable.

(Paper 66). This burden may not be met by merely showing that the proposed claims are distinguished over the prior art references applied to the original patent claims. Instead, because there is no examination of the proposed claims, the patent owner must show that the subject matter recited is not taught or suggested by the prior art in general for us to determine if they comply with 35 U.S.C. §§ 102 and 103 and the rest of the patent statutes. *Id.*

Iwata argues that the spray gun recited in the proposed claims is not anticipated by JP '950. Mot. to Amend 6-12. Although it is Iwata's burden to show patentability over the prior art in general, Iwata does not assert, or direct us to evidence, that the claimed spray gun was novel over other spray guns known in the art. Instead, Iwata focuses only on JP '950 and only on specific portions of JP '950. Iwata does not represent to the Board or direct us to evidence, such as the testimony of one of at least ordinary skill in the art, that it does not know of any other anticipatory art. Iwata does not direct us to evidence that the specification of JP '950 as a whole fails to teach the spray guns of the proposed claims. Accordingly, Iwata has not met the burden it undertook by putting forth proposed amended claims. For that reason, the Motion to Amend is *denied* to the extent it seeks entry of substitute claims 23-32.

In any event, even if Iwata's burden was to show patentability over only JP '950, we would not be persuaded that the proposed claims are patentable because Iwata addresses only whether JP '950 anticipates the newly claimed spray guns, not whether ordinarily skilled artisans would have considered JP '950 to render the newly claimed spray guns obvious. According to Iwata, there was no reason for it to address obviousness

because we “declined to consider issues of obviousness in this proceeding due to the lack of any timely and credible assertion of obviousness (see Paper 13, page 12).” Mot. to Amend 12. We disagree with Iwata’s characterization of our decision to institute *inter partes* review. Rather than declining to consider issues of obviousness in the entire proceeding, we stated that “we decline to institute an *inter partes* review on the basis that the *challenged claims* are obvious over JP ’950.” Dec. 12 (emphasis added). Iwata now proposes new claims. Even if these claims are narrower than the claims on which we declined to institute review, they are not automatically patentable. Instead, Iwata must show that the proposed claims are patentable if we are to grant its Motion to Amend.

When considering a motion to amend, we look for evidence in support of patentability. This evidence must be significant. A panel of the Board has determined previously, and we agree, that “[a] mere conclusory statement by counsel, in the motion to amend, to the effect that one or more added features are not described in any prior art, and would not have been suggested or rendered obvious by prior art, is on its face inadequate.” *Idle Free*, Paper 26, at 8. For example, to determine that a claim is patentable under 35 U.S.C. § 103, we need evidence of what an ordinarily skilled artisan would have understood the prior art to have or have not suggested.

Iwata proposes to add new claims 23-32 to the ’387 patent. Mot. to Amend 1-4. Claim 23 is proposed as a substitute for claim 1 of the ’387 patent. Proposed claim 23, reproduced below with underlining to indicate additions and strikethrough to indicate deletions from claim 1 of the issued ’387 patent, recites:

A low-pressure atomizing spray gun comprising:

an air spray gun body;

a paint nozzle attached to said spray gun body, said paint nozzle having a delivery port and a tip portion with a discharge end;

an air cap attached to said spray gun body to cover said paint nozzle, said air cap having an inner surface defining a central opening within which is positioned said tip portion of said paint nozzle such that an annular slit having an inlet end is defined between said inner surface of said air cap and said tip portion of said paint nozzle; and

air grooves on said tip portion of said paint nozzle, said air grooves converging toward a center of said delivery port and extending from upstream ~~at or upstream~~ of said inlet end of said annular slit toward said discharge end of said tip portion of said nozzle, and said air grooves each having a cross-sectional area that progressively increases toward said delivery port of said paint nozzle, with a bottom of each of said air grooves extending from an outer periphery of said paint nozzle to an inner periphery of said paint nozzle,

wherein an intersection of said bottom of said air grooves with said inner periphery of said paint nozzle approximately coincides with a front end of said central opening in said air cap,

such that said paint nozzle and air cap cooperate with each other to mix, in the atmosphere, compressed air and paint just delivered from said paint nozzle to atomize the paint.

*Id.* at 1-2. Claims 24-32<sup>2</sup> are proposed as substitutions for claims 2-6, 10, and 12-14 of the '387 patent, and differ from those claims only in that they recite dependency from the newly proposed claims instead of the claims of the '387 patent as issued. *Id.* at 3-4.

Initially, Iwata argued that JP '950 is “insufficiently specific” to teach the added claim limitation regarding the intersection of the bottom of the air

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<sup>2</sup> Iwata does not propose substitutions for claims 7, 8, 9, and 11. Mot. to Amend 3. We note that proposed claim 23 includes some of the limitations present in claims 7 and 11.



grooves with the inner periphery of the paint nozzle. Mot. to Amend 11. But on cross-examination, Iwata's witness, Mr. Robert R. Lacovara, testified that this feature can be identified in the figures of JP '950. Ex. 2009 (Deposition of Robert R. Lacovara, Sept. 13, 2013), 49:10-50:6; *see also* Ex. 2008. At oral argument, counsel for Iwata acknowledged that the added limitation regarding the intersection of the bottom of the air grooves and the inner periphery of the paint nozzle does not distinguish the proposed amended claims over the prior art. Transcript at 7 ("Mr. Kelber: So, there are two amendments to this claim. One is to change at or upstream, to simply upstream. . . . The only other amendment made, and we're not advancing this today as a basis independently for patentability, is to adopt the language of original Claim 5."). Accordingly, we do not consider whether Iwata's proposed amended claims are patentable due to the added limitation regarding the intersection of the bottom of the air grooves with the inner periphery of the paint nozzle.

To argue for patentability of the proposed claims in general, Iwata states that "there is no basis in the common knowledge of those skilled in the art, the JP '950 reference, or the prior art generally to conclude that the above-discussed distinguishing claim features are obvious." Mot. to Amend 13. Iwata does not direct us to evidence in support of this statement. Iwata states further that "the particular spatial arrangement established by the above-discussed claim limitations does result in unobvious advantages in operation," but cites as support only the specification of the application that became the '387 patent. *Id.*

We are not persuaded by either of these statements that the spray guns of the proposed claims are patentable under 35 U.S.C. § 103. The portions

of the specification that Iwata cites discuss air grooves depicted in the figures, indicating that the air grooves allow for an increased area of gas-liquid contact and “contribute to paint atomization.” *See* Ex. 1022, 30:10-19, 32:15-18. Without more explanation and evidence to show how one of ordinary skill in the art would have understood these effects, we are not persuaded that these statements indicate unobvious advantages. We need some evidence, such as testimonial evidence, of what one of ordinary skill in the art would have known or understood in order to make a determination of nonobviousness. Iwata’s unsupported statement that there is no basis in the knowledge of those skilled in the art on which to conclude that the claimed spray gun would have been obvious is merely attorney argument. Attorney argument is not evidence of the knowledge or understanding of those in the art. *See Meitzner v. Mindick*, 549 F.2d 775, 782 (CCPA 1977) (“Argument of counsel cannot take the place of evidence lacking in the record.”).

Iwata argues that the limitation on the air groove extending from upstream of the inlet end of the annular slit is a “significant advancement of the art.” Reply 6. Iwata relies on the testimony of Mr. Ewald Schmon, SATA’s witness, to argue that the performance of the spray gun is changed significantly with this positioning. *Id.* (citing Ex. 2022, 59:9-22, 61:4-62:9). Iwata also relies on the testimony of Dr. Nelson K. Akafuah, another SATA witness, to argue that the positioning of the grooves upstream of the annular slit is a “key” performance parameter that significantly improves transfer efficiency of the paint spray gun and is worth “a lot of money.” *Id.* (citing Ex. 2024, 45:15-46:19). This evidence does not indicate that the proposed claims are unobvious under 35 U.S.C. § 103. Mr. Schmon’s and Dr. Akafuah’s testimony does not provide any information about how the

ordinarily skilled artisan would have viewed the teachings of the prior art in relation to the claimed positioning. Would it have been within the skill of the ordinary artisan to optimize the spray gun taught in JP '950 with this positioning, given what else the artisan would have known? Merely knowing that the changes were significant or were valuable does not indicate to us whether they would have been nonobvious to others in the art. Accordingly, the portions of Mr. Schmon's and Dr. Akafuah's testimony to which Iwata directs us do not persuade us that the proposed claims are patentable under 35 U.S.C. § 103.

Furthermore, we are not persuaded by Iwata's arguments that the proposed claims are not anticipated by JP '950. Iwata argues that the portions of JP '950 that SATA cites do not expressly teach that the starting point of the grooves is upstream of the inlet end of the annular slits, Mot. to Amend 7-8 (citing Ex. 1020 ¶¶ 0014, 0015), and in his declaration, Mr. Lacovara, Iwata's witness, testifies that JP '950 does not indicate whether the air grooves extend upstream of the inlet end of the annular slit, Ex. 2002 ¶¶ 7-8. But during his redirect examination, Mr. Lacovara seems to contradict this testimony. After some confusion about which document he was being asked to review, Mr. Lacovara clearly referred to Figure 2 of Exhibit 1020 (the English translation of JP '950) and stated: "It does appear that the grooves can extend past the – past the annulus. The illustration is very difficult to decipher." Ex. 2009, 58:22-59:2. Mr. Lacovara continued: "[u]pon close – closer examination, it does appear to be shown. The line on the drawing, as difficult to decipher as it is, does appear to extend past the line on the air cap." *Id.* at 59:5-8. Although Iwata argues that Mr. Lacovara testified repeatedly that Figure 2 is insufficiently clear to teach the upstream

limitation, Reply 3 (citing Ex. 2009, 27:12-22, 47:8-22), when viewed in its entirety, Mr. Lacovara's testimony is not persuasive to demonstrate that Iwata's proposed claims are novel over the spray gun taught in JP '950.

Thus, in addition to Iwata's failure to demonstrate patentability of the proposed claims under 35 U.S.C. § 103, we are not persuaded that they are patentable under § 102.

*C. Iwata's Motion to Exclude*

Iwata argues that SATA exhibits 1034-1069 should be excluded. Mot. to Exclude 1. We do not reach Iwata's arguments because we do not rely on these exhibits to reach our decision. Iwata's Motion to Exclude Evidence is moot because, even without the exhibits Iwata contests, we deny the relevant portion of Iwata's Motion to Amend.

III. CONCLUSION

SATA has shown, by a preponderance of the evidence, that the challenged claims are unpatentable under 35 U.S.C. § 102(b) over JP '950.

Iwata has not shown that its proposed substitute claims 23-32 are patentable over the prior art.

IV. ORDER

It is ORDERED that claims 1-14 of the '387 patent are held unpatentable;

FURTHER ORDERED that the portion of the Motion requesting entry of substitute claims 23-32 is *denied*.

FURTHER ORDERED that Iwata's Motion to Exclude Evidence is *dismissed*; and

FURTHER ORDERED that because this is a final written decision, parties to the proceeding seeking judicial review of the decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

PETITIONER:

Martin Fleit  
mfleit@fggbb.com

Paul Bianco  
pbianco@fggbb.com

PATENT OWNER:

Andrew St. Clair  
astclair@wenderoth.com

Jeffrey Filipek  
JFilipek@wenderoth.com

Steven Kelber  
skelber@bw-iplaw.com

rvb