

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GEA PROCESS ENGINEERING, INC.
Petitioner

v.

STEUBEN FOODS, INC.
Patent Owner

Case IPR2014-00043
Patent 6,475,435 B1

Before RAMA G. ELLURU, BEVERLY M. BUNTING, and
CARL M. DEFRANCO, *Administrative Patent Judges*.

ELLURU, *Administrative Patent Judge*.

DECISION
Petitioner's Motion to Stay *Ex-Parte* Re-examination Control No.
90/012,135
37 C.F.R. § 42.122(a)

Petitioner moves to consolidate or stay the co-pending *ex parte* reexamination (“Reexamination”) of U.S. Patent No. 6,475,435 (“the ’435 patent”). Paper 24 (“Mot.”). The referenced Reexamination is Control No. 90/012,135. Mot. 1. Patent Owner opposes the motion. Paper 26 (“Opp.”).

Pursuant to 35 U.S.C. § 315(d):

Notwithstanding sections 135(a), 251, and 252, and chapter 30, during the pendency of an inter partes review, if another proceeding or matter involving the patent is before the Office, the Director may determine the manner in which the inter partes review or other proceeding or matter may proceed, including providing for stay, transfer, consolidation, or termination of any such matter or proceeding.

See also 37 C.F.R. § 42.122(a). The Board ordinarily will not stay a reexamination because, in the absence of good cause, reexaminations are conducted with special dispatch. *See* 35 U.S.C § 305.

The following facts are relevant to our analysis (*see* Mot. 1-2 (citations omitted)): (1) all of the issued claims of the ’435 patent, except claim 11¹, are the subject of the Reexamination and the instant *inter partes* review (Ex. 1003, E3); (2) every independent claim of the ’435 patent requires that the “sterilant concentration levels in [or of] the plurality of . . . zones are maintained at a ratio of at least about 5 to 1” (“concentration limitation”) (“the ’435 patent”); (3) a September 17, 2012 Reexamination Office Action concluded that the concentration limitation is a “functional limitation or intended use” that the prior art is “capable of” and rejected all 37 claims of the ’435 patent (Ex. 1010, E10); (4) on March 10, 2014, we issued an institution decision in which we construed the “concentration limitation as “a functional limitation of intended use;” determined, based on

¹ Claim 11 was cancelled in the Reexamination. Ex. 1013, E3.

the current record, that the prior art is “capable of being used in the intended manner;” and determined that modifying the prior art to meet the concentration limitation “would have amounted to no more than the obvious optimization of known, result-effective parameters,” and we instituted a trial to review all 37 claims of the ’435 patent (Paper 16, 12-14); (5) a March 28, 2014 Reexamination Final Office Action determined that the “concentration limitation” is “not merely functional or one of intended use, but rather is a structural limitation” (Ex. 1013, E7), the prior art fails to disclose any specific sterilant concentration levels in any of the zones (*id.* at E26), the prior art does not disclose actually maintaining any specific concentration level, and thus, the “structural” limitation is not anticipated due to inherency or obvious (*id.* at E27); and (6) the March 28 Final Office Action confirmed the original claims and new reexamination claims upon determining that the prior art failed to disclose the “concentration limitation” (*id.*).

Petitioner argues that a consolidation or a stay is necessary to prevent inconsistent Office decisions. Mot. 2-3. According to Petitioner, absent Board intervention, the Office is likely to issue a ’435 patent reexamination certificate that grants new and original claims based on a claim construction that is inconsistent with our decision and Patent Owner is likely to assert those claims against Petitioner. *Id.* at 3-4. Petitioner argues that it would be unduly prejudiced by having to defend against new and invalid reexamination patent claims and that a stay or consolidation would not unduly prejudice Patent Owner because the ’435 claims are likely invalid and this trial will end soon given that oral argument is less than 7 months away. *Id.* at 5.

Patent Owner opposes staying the Reexamination contending that because the Patent Owner has agreed not to amend the issued claims in the Reexamination, our final decision will control the validity of the issued claims, thereby eliminating the specter of inconsistency between the proceedings. Opp. at 1. With respect to the confirmed new claims, Patent Owner states that the proper mechanism to address that issue is through subsequent *ex parte* reexamination if and when the claims issue and the Central Reexamination Unit will be bound by our final written decision and will consider whether the new claims should be addressed in that context. *Id.* at 3. Patent Owner contends that our decision is unclear as to whether there is any meaningful conflict between claim constructions because while our decision stated that the “sterilant limitation” is a functional limitation, we also stated that modifying the prior art to meet the limitation would have been an obvious optimization of a known, result effective parameter. *Id.* Patent Owner notes that our claim construction was preliminary in nature. *Id.* at 2. Lastly, Patent Owner contends that a stay would deprive it of about one-fifth to one-half of the term of the forty-three new claims that are pending in the reexamination. *Id.* at 3-4.

Although Patent Owner correctly notes that our institution decision is a preliminary decision, the Reexamination Final Office action makes it more likely that there may be inconsistent decisions in the Office. Our institution decision determined, based on the record presented thus far, that the “concentration limitation” is a functional limitation (Paper 16, 12-14), whereas the final office action has concluded with finality that the limitation is a structural limitation (Ex. 1013, E26-E27). Our institution decision further determined that there is a reasonable likelihood that the original

claims of the '435 patent are unpatentable (Paper 16, 2), whereas the final office action has concluded with finality that original claims 1-10 and 12-37 of the '435 patent are patentable and/or confirmed (Ex. 1013, E3).

Moreover, under the current schedule, we must issue a final decision in this *inter partes* review by March 10, 2015. *See* 35 U.S.C. § 316(a)(11). Any final written decision with respect to the patentability of the challenged claims may simplify issues raised in the Reexamination. Given that we grant Petitioner's request for a stay of the Reexamination, we do not address Petitioner's request for consolidating the proceedings.

Accordingly, based upon the facts presented in this *inter partes* review, and in the Reexamination, we exercise our discretion under 35 U.S.C. § 315(d) and 37 C.F.R. § 42.122(a) to stay the Reexamination pending termination or completion of the instant proceedings. This stay tolls all time periods for responses. During the stay, no substantive papers may be filed in the Reexamination proceeding. Ministerial papers, such as those updating an attorney of record, however, may be filed.

In consideration of the foregoing, it is, therefore,

ORDERED that *ex parte* reexamination Control No. 90/012,135 is stayed pending the termination or completion of the instant proceedings.

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