

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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KAISER ALUMINUM,  
Petitioner,

v.

CONSTELLIUM ROLLED PRODUCTS RAVENSWOOD, LLC,  
Patent Owner.

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Case IPR2014-01002  
Patent 7,229,509 B2

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Before MICHAEL P. TIERNEY, DONNA M. PRAISS, and  
JO-ANNE M. KOKOSKI, *Administrative Patent Judges*.

KOKOSKI, *Administrative Patent Judge*.

ORDER  
Conduct of the Proceeding  
*37 C.F.R. § 42.5*

## I. INTRODUCTION

On August 19, 2015, we issued an Order to Show Cause advising Patent Owner that we would proceed to enter adverse judgment against it pursuant to 37 C.F.R. 42.73(b)(2) absent a showing of good cause as to why adverse judgment should not be entered. Paper 51 (“Show Cause Order”). On September 1, 2015, Patent Owner submitted its Response to the Show Cause Order, opposing entry of adverse judgment and requesting that the Board terminate this proceeding without rendering a final decision. Paper 53 (“Resp.”). On September 9, 2015, Petitioner submitted a Reply to Patent Owner’s Response. Paper 56 (“Reply”). On September 8, 2015, we advised the parties via e-mail that the hearing that was then scheduled for September 15, 2015, was postponed to September 30, 2015 pending the resolution of the issues presented in the Show Cause Order.

For the reasons set forth below, we decline to enter adverse judgment against Patent Owner under § 42.73(b)(2), and we determine that termination of this proceeding without rendering a final written decision is not appropriate under the circumstances presented.

## II. BACKGROUND

On December 29, 2014, we entered a Decision on Institution, instituting trial with respect to claim 10 of U.S. Patent No. 7,229,509 B2 (“the ’509 patent”). Paper 11, 15–16. On February 19, 2015, we denied Petitioner’s motion to stay a co-pending ex parte reexamination styled Reexamination Control No. 96/000,071 (“the ’071 reexamination”), and co-pending Reissue Application No. 14/071,211. Paper 24. On the same day, we denied Patent Owner’s motion to stay or terminate this proceeding. Paper 25. Patent Owner filed redacted and unredacted copies of its Patent

Owner Response on March 27, 2015 (Papers 36 and 37), and Petitioner filed its Reply on June 20, 2015 (Paper 43). On July 13, 2015, both parties filed Requests for Oral Argument. Papers 49, 50.

During the '071 reexamination, Patent Owner submitted an amendment cancelling claim 10 of the '509 patent, which is the only claim at issue in this proceeding, and submitted new claims 17–30. *See* Ex. 2075, 5 (“Cancel claim 10.”), 9 (“Claim 10 is cancelled by way of the present Response without prejudice or disclaimer as to the underlining (*sic*) subject matter. Independent Claim 17 and dependent claims 18–30 are newly added by way of the present Response.”). A Notice of Intent to Issue a Reexamination Certificate (“NIRC”) was mailed on August 20, 2015, cancelling claim 10 and finding claims 17–30 to be patentable. Ex. 2076, 2.

Original claim 10 and new claim 17 are set forth below:

10. A rolled product comprising an aluminum alloy, having improved strength and fracture toughness, said alloy comprising the following alloying elements added thereto:

Cu: 2.5–4.0 wt. %

Li: 0.8–2.5 wt. %

Mg: 0.2–1 wt. %

Ag: 0.2–0.8 wt. %

Mn: 0.2–0.8 wt. % and

Zr: 0.05–0.3 wt. %;

and wherein the balance is Al and normal and/or inevitable elements and impurities, with a thickness of at least about 3 inches, exhibiting in a solution heat-treated, quenched, stress-relieved and artificially aged condition, at least one set of properties selected from the group consisting of:

(a) UTS (L) > 70 ksi (482.6 MPa) and  $K_{IC}(L-T) > 34$  ksi $\sqrt{\text{inch}}$  (37.4 MPa $\sqrt{\text{m}}$ ),

- (b) TYS (L) > 65 ksi (448.2 MPa) and  $K_{IC}(L-T) > 34$  ksi $\sqrt{\text{inch}}$  (37.4 MPa $\sqrt{\text{m}}$ ),
- (c) UTS (LT) > 70 ksi (482.6 MPa) and  $K_{IC}(T-L) > 27$  ksi $\sqrt{\text{inch}}$  (29.7 MPa $\sqrt{\text{m}}$ ),
- (d) TYS (LT) > 62 ksi (427.5 MPa) and  $K_{IC}(T-L) > 26$  ksi $\sqrt{\text{inch}}$  (28.6 MPa $\sqrt{\text{m}}$ ),
- (e) UTS (ST) > 70 ksi (482.6 MPa) and  $K_{IC}(S-T) > 24$  ksi $\sqrt{\text{inch}}$  (26.4 MPa $\sqrt{\text{m}}$ ) and
- (f) TYS (ST) > 60 ksi (413.7 MPa) and  $K_{IC}(S-T) > 23$  ksi $\sqrt{\text{inch}}$  (25.3 MPa $\sqrt{\text{m}}$ ).

Ex. 1001, 7:30–8:16.

17. A rolled product comprising an aluminum alloy, having improved strength and fracture toughness, said alloy comprising the following alloying elements added thereto:

- Cu: 3.0–4.0 wt. %
- Li: 0.8–1.2 wt. %
- Mg: 0.2–1 wt. %
- Ag: 0.2–0.5 wt. %
- Mn: 0.2–0.8 wt. % and
- Zr: 0.05–0.3 wt. %;

and wherein the balance is Al and normal and/or inevitable elements and impurities, with a thickness of at least about 3 inches, wherein the rolled product exhibits in a solution heat-treated, quenched, stress-relieved and artificially aged condition, at least one set of properties selected from the group consisting of:

- (e) UTS (ST) > 70 ksi (482.6 MPa) and  $K_{IC}(S-T) > 24$  ksi $\sqrt{\text{inch}}$  (26.4 MPa $\sqrt{\text{m}}$ ) and
- (f) TYS (ST) > 60 ksi (413.7 MPa) and  $K_{IC}(S-T) > 23$  ksi $\sqrt{\text{inch}}$  (25.3 MPa $\sqrt{\text{m}}$ ).

Ex. 2075, 5.

### III. ANALYSIS

Patent Owner contends that it “rewrote claim 10 as a new, narrower claim 17 to facilitate prosecution and did so expressly ‘without prejudice or disclaimer’ to the ‘subject matter’ of claim 10, which now resides in claims 17–30.” Resp. 1 (citing Ex. 2075, 9). Patent Owner contends that the effect of the amendment “was to secure new claims 17–30” and “mak[e] unnecessary any final decision on claim 10 itself.” *Id.* at 3. According to Patent Owner, it “has not waived its appeal rights in the subject matter of claim 10, and no claim has been ‘finally determined to be unpatentable’ in a certificate ‘canceling’ such claim under 35 U.S.C. § 307(a) or § 318(a).” *Id.* Patent Owner further contends that “future patentees could attempt to sidestep § 42.73(b) by not technically ‘canceling’ a claim but instead ‘amending’ the original claim to recite additional limitations” if Patent Owner’s cancellation of claim 10 in favor of new claim 17 were to be construed as a request for adverse judgment in this case. *Id.* at 5.

Petitioner argues that adverse judgment should be entered against Patent Owner because Patent Owner voluntarily cancelled claim 10, and “even if claim 10 was only amended as suggested by Patent Owner’s [Response], original claim 10 would still no longer exist such that ‘the party has no remaining claim in the trial’ and again adverse judgment would be proper.” Reply 4. Petitioner argues that Patent Owner would not be prejudiced by entry of adverse judgment because “it had the opportunity to amend claim 10 in the IPR and chose not to do so,” and “also could have chosen not to amend claim 10 in the Re-Exam and simply added dependent claims and chose not to do so.” *Id.* at 5 (emphasis omitted). Petitioner further argues that the Board need not determine whether Patent Owner’s

amendment of claim 10 is an admission that claim 10 is unpatentable because 37 C.F.R. § 42.73(b) only requires that the Board “take notice that claim 10 was cancelled during an IPR such that the Patent Owner has no remaining claims in the trial” and “does not require that the Patent Owner admit the claims are unpatentable.” *Id.* at 4.

Pursuant to 37 C.F.R. § 42.73(b)(2), “[a]ctions construed to be a request for adverse judgment include . . . [c]ancellation or disclaimer of a claim such that the party has no remaining claim in the trial.” We are not persuaded that Patent Owner’s cancellation of claim 10 during the course of the ’071 reexamination is a cancellation of a claim such that Patent Owner has no remaining claim in the trial. Although a NIRC has been mailed in the ’071 reexamination, a reexamination certificate has not yet issued or published. As Patent Owner notes, 35 U.S.C. § 307(a) states that the reexamination certificate will not issue until “the time for appeal has expired or any appeal proceeding has terminated,” and Patent Owner states that it “has not waived its appeal rights in the subject matter of claim 10.” Resp. 3. Therefore, unless or until a reexamination certificate issues as a result of the ’071 reexamination, claim 10 has not been cancelled such that we can conclude, at this time, that Patent Owner has no remaining claim in the trial.

Patent Owner included in its Response a request<sup>1</sup> that this proceeding be terminated pursuant to 37 C.F.R. § 42.72 without rendering a final decision, in order to conserve resources, preserve the work that resulted in

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<sup>1</sup> As Petitioner notes, Patent Owner did not request authorization from the Board to file a motion requesting such relief, and the Board did not grant leave to make such a request in the Show Cause Order. *See* Reply 1. Given the stage of the proceeding, and the fact that Petitioner had the opportunity to respond to Patent Owner’s request, we will proceed to consider the merits of the request.

the issuance of the NIRC in the '071 reexamination, “and preserve the parties’ ability to challenge and defend claims 17–30 if necessary, without prejudice or estoppel.” Resp. 2 (emphasis omitted). Section 42.72 provides that “[t]he Board may terminate a trial without rendering a final written decision, *where appropriate . . .*” 37 C.F.R. § 42.72 (emphasis added). This proceeding is at an advanced stage, with oral hearing scheduled for September 30, 2015. In addition, Petitioner opposes termination. Reply 1–2. Under these circumstances, we determine that Patent Owner’s request to terminate without rendering a final written decision is not appropriate under § 42.72.

#### IV. CONCLUSION

Accordingly, we decline to enter adverse judgment against Patent Owner under 37 C.F.R. § 42.73(b)(2). Patent Owner’s request to terminate the proceeding without rendering a final written decision pursuant to 37 C.F.R. § 42.72 is denied.

#### ORDER

In consideration of the foregoing, it is  
ORDERED that Patent Owner has shown cause that adverse judgment under 37 C.F.R. § 42.73(b)(2) should not be entered against it; and  
ORDERED that Patent Owner’s request to terminate the proceeding without rendering a final decision under 37 C.F.R. § 42.72 is denied.

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