

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UBE MAXELL CO., LTD.,
Petitioner,

v.

CELGARD, LLC,
Patent Owner.

Case IPR2015-01511
Patent 6,432,586

Before FRANCISCO C. PRATS, DONNA M. PRAISS, and
CHRISTOPHER L. CRUMBLEY, *Administrative Patent Judges*.

CRUMBLEY, *Administrative Patent Judge*.

DECISION

Denying Institution of *Inter Partes* Review
35 U.S.C. §§ 314(a), 325(d), and 37 C.F.R. § 42.108

I. INTRODUCTION

Petitioner, Ube Maxell Co., Ltd., filed a Petition requesting an *inter partes* review of claims 1–6 and 11 of U.S. Patent No. 6,432,586 (Ex. 1001, “the ’586 patent”), followed by a Corrected Petition. Paper 7, “Pet.” Patent Owner, Celgard, LLC, timely filed a Preliminary Response. Paper 8, “Prelim. Resp.”

The Petition is before us pursuant to 35 U.S.C. § 314(a), which provides that an *inter partes* review may not “be instituted unless the Director¹ determines that the information presented in the petition [] shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” Upon consideration of the Petition and Preliminary Response, we conclude that the Petition presents substantially the same art or arguments as those previously presented to the Board, and exercise our discretion to deny institution of an *inter partes* review as to claims 1–6 and 11.

A. *Related Matters: District Court*

The parties identify two pending district court actions involving the ’586 patent: *Celgard, LLC v. LG Chem, Ltd. and LG Chem America, Inc.*, Docket No. 3:14-cv-00043 (W.D.N.C.) and *Celgard, LLC v. SK Innovations Co., Ltd.*, Docket No. 3:13-cv-00254 (W.D.N.C.). Pet. 1; Paper 5, 2. Ube Maxell does not appear to be a defendant in either district court action.

¹ “The Board institutes the trial on behalf of the Director.” 37 C.F.R. § 42.4(a).

B. Related Matters: Patent Trial and Appeal Board

The '586 patent has been the subject of several proceedings before the Board, some of which have resulted in Final Written Decisions pursuant to 35 U.S.C. § 318. These proceedings are summarized below:

On September 30, 2013, Sumitomo Chemical Company, Ltd. filed a Petition challenging claims 1–12 of the '586 patent. IPR2013-00637 (“Sumitomo IPR”), Paper 3. The proceeding was terminated prior to institution on January 3, 2014, pursuant to the parties’ joint motion. Sumitomo IPR, Paper 18.

On March 20, 2014, Mitsubishi Plastics, Inc. filed a Petition challenging claims 1–12 of the '586 patent. IPR2014-00524 (“MPI IPR”), Paper 1. The Board instituted trial as to claims 7–11. MPI IPR, Paper 12. Following oral hearing, the parties settled their dispute. The *inter partes* review was terminated pursuant to the parties’ joint motion on August 31, 2015. MPI IPR, Paper 67.

SK Innovation Co., Ltd. filed two Petitions challenging claims 1–12 of the '586 patent on May 9, 2014. IPR2014-00679 (“SKI '679 IPR”), Paper 2; IPR2014-00680 (“SKI '680 IPR”), Paper 2. In the SKI '679 IPR, we instituted trial as to claims 1–12, and on September 25, 2015, found claims 7–10 to be unpatentable. SKI '679 IPR, Paper 58. In the SKI '680 IPR, we instituted trial as to claims 7–11, and on September 25, 2015, found claims 7–11 to be unpatentable. SKI '680 IPR, Paper 57.

Finally, LG Chem filed a Petition on April 25, 2014, challenging claims 1–12 of the '586 patent. IPR2014-00692 (“LGC IPR”), Paper 2. We

instituted trial as to claims 1–12, and on October 5, 2015, found claims 1–11 to be unpatentable. LGC IPR, Paper 76.

Ube Maxell filed the instant Petition while the MPI IPR, both SKI IPRs, and the LGC IPR were pending. Celgard’s Preliminary Response was filed after issuance of the final written decisions in the SKI IPRs and LGC IPR. Each claim challenged in the instant Petition was found to be unpatentable in one or more of the SKI IPRs or LGC IPR final written decisions.

C. Asserted Grounds of Unpatentability

Ube Maxell challenges claims 1–6 and 11 of the ’586 patent on the asserted grounds of unpatentability set forth in the table below.² Pet. 3–4.

| Reference(s) | Basis | Challenged Claims |
|---------------------------------|--------------|--------------------------|
| Tojo ³ | § 102 | 1–3, 5, 6, 11 |
| Tojo and Tsukamoto ⁴ | § 103(a) | 1–3, 5, 6, 11 |

² The application which issued as the ’586 patent was filed on April 10, 2000. Ex. 1001, cover page. Accordingly, the versions of §§ 102 and 103 in effect before the Leahy-Smith America Invents Act (“AIA”) apply to the claims of the ’586 patent. *See* AIA, Public Law 112-29, § 3, 125 Stat. 288.

³ JP Patent Pub. H11-080395 to Tojo et al. (Mar. 26, 1999) (Ex. 1006). An English translation of Tojo was filed as Ex. 1007.

⁴ JP Patent Pub. H10-284039 to Tsukamoto et al. (Oct. 23, 1998) (Ex. 1008). An English translation of Tsukamoto was filed as Ex. 1009.

| Reference(s) | Basis | Challenged Claims |
|--|----------|-------------------|
| Tobishima ⁵ and Ishida ⁶ | § 103(a) | 1–6, 11 |
| Lundquist ⁷ | § 102 | 1–6, 11 |

II. ANALYSIS

“Congress did not mandate that an *inter partes* review must be instituted under certain conditions. Rather, by stating that the Director—and by extension, the Board—*may not* institute review *unless* certain conditions are met, Congress made institution discretionary.” *Intelligent Bio-Systems, Inc. v. Illumina Cambridge Ltd.*, Case IPR2013-00324, slip op. 4 (PTAB Nov. 21, 2013) (Paper 19). Our discretion is guided by 35 U.S.C. § 325(d), which provides, in relevant part:

MULTIPLE PROCEEDINGS -- . . . In determining whether to institute or order a proceeding under this chapter, chapter 30, or chapter 31, the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.⁸

⁵ JP Patent Pub. H05-190208 to Tobishima et al. (July 30, 1993) (Ex. 1010). An English translation of Tobishima was filed as Ex. 1011.

⁶ JP Patent Pub. H9-306543 to Ishida et al. (Nov. 28, 1997) (Ex. 1012). An English translation of Ishida was filed as Ex. 1013.

⁷ US Patent 4,731,304 to Lundquist et al. (Mar. 15, 1988) (Ex. 1014).

⁸ Although this provision appears in Chapter 32 of the Patent Act, which is directed to post-grant reviews, by its terms it is applicable also to proceedings under Chapter 31, which covers *inter partes* review proceedings.

Celgard asks that we deny institution of trial on all grounds in Ube Maxell's Petition, citing § 325(d). Prelim. Resp. 3. We, therefore, first examine whether the four grounds asserted in the instant Petition present "the same or substantially the same prior art or arguments" as those previously presented to the Office. Then, we ask whether it is appropriate to exercise our discretion to deny institution.

A. Same or Substantially the Same Prior Art or Arguments

Celgard sets forth how each ground raised in the Petition involves prior art and arguments that are the same as, or substantially similar to, those previously presented to the Board in the related IPRs. Prelim. Resp. 4–14. Except as set forth below, Ube Maxell makes no attempt in its Petition to distinguish the asserted grounds from those previously presented.

1. Anticipation by Tojo

Ube Maxell asserts that claims 1–3, 5, 6, and 11 are unpatentable under 35 U.S.C. § 102⁹ as anticipated by Tojo. Pet. 14–23. We note that Tojo was asserted as the basis for an anticipation ground of unpatentability in each of the Sumitomo IPR, the MPI IPR, the SKI '679 IPR, and the LGC IPR. In the '679 SKI IPR and the LGC IPR, we instituted trial on these grounds for claims 1–3, 5, 6, and 11, the same claims challenged by Ube Maxell. The Board ultimately determined that neither SKI nor LGC had met

⁹ Ube Maxell does not specify under which subpart of § 102 it believes Tojo qualifies as prior art, but states that Tojo was published more than one year prior to the filing of the application that issued as the '586 patent. Pet. 14–15.

its burden of proving the unpatentability of the claims as anticipated by Tojo.

The ground asserted by Ube Maxell raises Tojo, the same prior art as was previously presented to the Office in the prior IPRs. Ube Maxell does not indicate how its arguments on this ground differ in any material respect from those previously presented. We, therefore, conclude that this ground of unpatentability presents the same prior art and arguments as was previously presented to the Office.

2. Obviousness over Tojo and Tsukamoto

Ube Maxell asserts that claims 1–3, 5, 6, and 11 are unpatentable under 35 U.S.C. § 103 as having been obvious over the combined disclosures of Tojo and Tsukamoto. Pet. 23–36. As noted above, Tojo was previously presented to the Office in several of the related IPRs, while Tsukamoto was cited in the SKI '680 IPR. In that proceeding, we instituted trial of claims 7–11 on a ground of unpatentability alleging obviousness over Tsukamoto, Lundquist, and Tojo, and ultimately found those claims unpatentable on that basis.

The ground asserted by Ube Maxell raises a subset of the same art—i.e., Tojo and Tsukamoto—as previously presented to the Office in the SKI '680 IPR. Ube Maxell does not indicate how, if at all, the argument presented in its Petition on this ground differs from that previously presented to the Office. We, therefore, conclude that this ground of unpatentability presents the same or substantially the same prior art and arguments as was previously presented to the Office.

3. *Obviousness over Tobishima and Ishida*

Ube Maxell asserts that claims 1–6 and 11 are unpatentable under § 103 as having been obvious over the combined disclosures of Tobishima and Ishida. Pet. 36–47. Tobishima was previously presented to the Office in the LGC IPR, where it was presented as part of an obviousness ground in combination with Tojo. In that proceeding, we instituted trial as to claims 1–6 and 11 on that ground of unpatentability, and ultimately determined claims 1–6 and 11 to be unpatentable.

Ishida, however, has not previously been cited to the Office as part of a ground of unpatentability in the related IPRs, nor does either party indicate that the reference was cited during prosecution of the '586 patent. Furthermore, Ube Maxell expressly distinguishes the argument of its ground from the Tobishima/Tojo ground asserted in the LGC IPR, stating that Ishida expressly contradicts an argument made by Dr. Wensley, Celgard's expert, in the LGC IPR. *Id.* at 42–43. Specifically, Ube Maxell notes that Dr. Wensley testified that a person of ordinary skill would not have combined the inorganic particles of Tojo in the polymer layer of Tobishima, because it would reduce the conductivity of the layer. Pet. 42 (citing Ex. 1019, Wensley Decl. in LGC IPR, 35). Ishida, on the other hand, is said to disclose that adding ceramic particles to its gel polymer electrolyte exhibits high conductivity. Pet. 43 (citing Ex. 1013 ¶ 11).

While we, therefore, conclude that this ground of the Petition does not present the same prior art and arguments as the LGC Petition, we do consider the two cases to present substantially the same prior art and arguments. Ube Maxell relies on Ishida for essentially the same disclosure

for which Tojo was cited in the LGC IPR. *Compare* Pet. 39–40 (Tobishima does not disclose inorganic particles in its polymer layer; Ishida teaches a polymer layer having ceramic particles) *with* LCG IPR, Paper 2, 27 (“To the extent Tobishima is lacking in the use of a ‘mixture of inorganic particles in a matrix material,’ Tojo teaches including inorganic particles in the electrolyte solution impregnated polymer.”)

Nor do we consider the arguments presented by Ube Maxell on this ground to differ in any significant, material respect from those presented in the LGC IPR. While Ube Maxell indicates the conductivity disclosure of Ishida contradicts Dr. Wensley’s testimony regarding a lack of reason to modify Tobishima, we did not consider a reason to modify Tobishima in view of Tojo to be lacking in the LGC IPR. *See* LGC IPR, Paper 76, 28–30. In other words, the only difference in argument indicated by Ube Maxell addresses an alleged deficiency in Tojo that we did not consider to be a deficiency. The arguments in the instant Petition, therefore, do not differ materially from those previously presented to the Office in the LGC IPR, and we consider them to be substantially the same.

4. Anticipation by Lundquist

The final ground of unpatentability asserted by Ube Maxell is anticipation of claims 1–6 and 11 by Lundquist. Pet. 47–59. While Lundquist was not previously presented to the Office in any of the related IPRs, Ube Maxell does indicate that Lundquist is a continuation-in-part of the Lundquist ’730 patent,¹⁰ presented to the Office in the MPI and LGC

¹⁰ U.S. Patent 4,650,730 to Lundquist et al. (Mar. 17, 1987) (Ex. 1003).

IPRs. Ube Maxell cites Lundquist in lieu of Lundquist '730 “because of its disclosure of 16% of commercially available high density polyethylene,” as opposed to Lundquist '730's disclosure of 6% high density polyethylene. Pet. 47–48. This is the only difference indicated by Ube Maxell between the prior art, and therefore, we conclude that the instant Petition presents substantially the same prior art as that presented in the MPI and LGC IPRs.

Ube Maxell's arguments on anticipation by Lundquist are, for the most part, similar to those made in the related IPRs regarding Lundquist '730, but Ube Maxell does indicate some differences. In the MPI and LGC IPRs, we declined to institute trial on the Lundquist '730 anticipation grounds, because the Petitions failed to demonstrate that Lundquist '730 discloses a layer that blocks dendrite growth, as opposed to the entire separator blocking dendrite growth. *See* MPI IPR, Paper 12, 16–17. Ube Maxell devotes several pages of its Petition to addressing this directly, and explaining why, although Lundquist does not expressly state that its second ply blocks dendrites, a person of ordinary skill in the art would have understood that to be the case. Pet. 50–55. Ube Maxell supports these arguments with the declaration of Dr. Michael G. Pecht (Ex. 1005), a different expert than those relied upon in the MPI and LGC IPRs.

Although the arguments presented in the instant Petition are more focused on a particular issue we found lacking in the prior related IPRs, we do not consider them to be sufficiently different in any material respect such that we could conclude them not to be “substantially the same” as those previously presented. Ube Maxell's arguments are not of a different character than those previously presented, nor do they advance a different

theory of the prior art or how a particular element of the claims is taught or suggested. Rather, the instant Petition attempts to buttress the same arguments previously considered and found insufficient by the Board, by citing additional facts and testimony. As the Board has held, however, permitting petitioners to “use our decisions on institution as a roadmap, until a ground is advanced that results in review [is] a practice that would tax Board resources, and force patent owners to defend multiple attacks.” *Conopco, Inc. v. Procter & Gamble Co.*, Case IPR2014-00506, slip op. at 4 (PTAB Dec. 10, 2014) (Paper 25). Merely bolstering previously-made arguments that the Board found lacking does not change the argument sufficiently for us to consider the arguments not “substantially the same” for the purposes of § 325(d).¹¹

B. Discretion to Deny Institution of Trial

Having found that the instant Petition raises the same or substantially the same prior art and arguments as those previously presented to the Office in prior IPRs, § 325(d) states that we may take these facts into consideration when determining whether to institute trial. The question, therefore, is

¹¹ Prior decisions of the Board have held that there is nothing inherently wrong with using prior decisions of the Board as a “roadmap” for crafting subsequent petitions challenging a patent. *See Ford Motor Co. v. Paice LLC*, Case IPR2015-00606, slip op. at 8 n.7 (PTAB Nov. 9, 2015) (Paper 14); *FLIR Sys., Inc. v. Leak Surveys, Inc.*, Case IPR2015-00065, slip op. at 3 (PTAB Dec. 16, 2014) (Paper 13). We do not disagree, but note that the determination of whether we should exercise our discretion to deny institution in such a situation is different than the determination of whether the subsequent petition advances “substantially the same” arguments, which is the issue we address here.

whether we should exercise our discretion to deny the Petition, after weighing the particular circumstances of this proceeding, the interests of the parties, and the needs of the Board.

While petitioners may have sound reasons for raising art or arguments similar to those previously considered by the Office, the Board weighs petitioners' desires to be heard against the interests of patent owners, who seek to avoid harassment and enjoy quiet title to their rights. *See* H.R. Rep. No. 112-98, pt.1, at 48 (2011) (AIA proceedings “are not to be used as tools for harassment or a means to prevent market entry through repeated litigation and administrative attacks on the validity of a patent. Doing so would frustrate the purpose of the section as providing quick and cost effective alternatives to litigation.”). The Board also may take into account its need for efficient operation. *See Samsung Elec. Co. v. Rembrandt Wireless Techs., LP*, Case IPR2015-00114, slip op. at 6 (PTAB Jan. 28, 2015) (Paper 14) (“[I]t is more efficient for the parties and the Board to address a matter once rather than twice.”).

With these competing interests in mind, our cases recognize that certain facts guide our discretion. First, we take into account the identity of the parties—in particular, whether the second petition is filed by the same party as the first. When the petitioner is the same in both, and is simply seeking a “second bite[] at the apple,” we have disfavored institution. *See Butamax Advanced Biofuels LLC v. Gevo, Inc.*, Case IPR2014-00581, slip op. at 12–13 (PTAB Oct. 14, 2014) (Paper 8) (“Allowing similar, serial challenges to the same patent, by the same petitioner, risks harassment of patent owners and frustration of Congress’s intent in enacting the Leahy-

Smith America Invents Act.”). We have also denied institution where the second petitioner was a real party-in-interest to a prior *inter partes* review filed by a different petitioner. *Medtronic, Inc. v. Robert Bosch Healthcare Sys., Inc.*, Case IPR2014-00436, slip op. at 12 (PTAB June 19, 2014) (Paper 17) (informative). On the other hand, we have instituted in later petitions presenting similar challenges when the petitioners are different, as our decisions to institute the MPI, SKI, and LGC IPRs attest. *See Square, Inc. v. Protegrity Corp.*, Case CBM2014-00182, slip op. at 8 (PTAB Mar. 5, 2015) (Paper 16).

Another factor favoring denial is when the second petition merely seeks to remedy deficiencies in the first petition that have been identified by the Board in a prior decision denying institution. *See Google Inc. v. SimpleAir, Inc.*, Case CBM2014-00170, slip op. at 22–23 (PTAB Jan. 22, 2015) (Paper 13); *see also ZTE Corp. v. ContentGuard Holdings Inc.*, Case IPR2013-00454, slip op. at 6 (PTAB Sept. 25, 2013) (Paper 12) (informative) (“[a] decision to institute review on some claims should not act as an entry ticket, and a how-to guide, for the same Petitioner”).

When the prior art or arguments were previously presented to the Office in a different type of proceeding, such as *ex parte* examination, the Board has been less likely to deny institution than when both proceedings are before the Board. *See PRISM Pharma Co., Ltd. v. Choongwae Pharma Corp.*, Case IPR2014-00315, slip op. at 12 (PTAB July 8, 2014) (Paper 14) (informative). These cases have recognized that petitioners before the Board may present new evidence, such as expert declarations, not available to the

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Examiner during prosecution. *See Tandus Flooring, Inc. v. Interface, Inc.*, Case IPR2013-00333, slip op. at 6 (PTAB Dec. 9, 2013) (Paper 16).

The Board also takes into consideration the procedural status of the prior proceedings. Again, we note that we instituted the MPI, SKI, and LGC IPRs, which were filed within months of each other, despite the fact that they raised similar art and arguments. On the other hand, the Board has denied institution when the earlier proceedings were at a sufficiently advanced stage. *See Unified Patents, Inc. v. PersonalWeb Techs., LLC*, Case IPR2014-00702, slip op. at 6–9 (PTAB July 24, 2014) (Paper 13) (denying institution of *inter partes* review under 35 U.S.C. § 325(d) because three other petitions for *inter partes* review of the same patent based on the same prior art were filed by third parties, one of which determined claims to be unpatentable and was on appeal to the Federal Circuit, and another of which was pending a final written decision) (informative).

Finally, we have taken into account the potential prejudice to the petitioner if the second petition is denied institution. For example, if the second petitioner has not been served with a complaint alleging infringement, and therefore is unlikely to be subject to a one-year statutory bar under 35 U.S.C. § 315(b), we have considered the fact that the petitioner would not be statutorily prohibited from re-filing its petition if the earlier-filed petitions do not result in unpatentability of the challenged claims. *See Initiative for Responsibility in Drug Pricing LLC v. Wyeth LLC*, Case IPR2014-01259, slip op. at 6–7 (PTAB Feb. 13, 2015) (Paper 8).

Turning to the facts of the instant proceeding, we note that Ube Maxell was not a party to any of the prior petitions, nor is it alleged to have

been a real party in interest to those proceedings. This fact strongly weighs in favor of not denying the instant Petition under § 325(d).

Conversely, the instant Petition is the sixth *inter partes* review petition filed against the '586 patent. In some such situations, this may merely reflect the fact that the patent owner has filed infringement suits against multiple defendants. When many of the petitioners are not the subject of such suits, however, multiple serial petitions may indicate patent owner harassment. Without concluding whether the instant Petition reflects any harassment of Celgard, we do consider the number of petitions that have been filed to weigh in favor of denying the Petition, especially since there is no evidence Ube Maxell has been accused of infringing the '586 patent.

The fact that Ube Maxell has not been sued, and therefore is not facing a 35 U.S.C. § 315(b) bar, also weighs in favor of denying institution in this case. All claims challenged in the instant Petition were found unpatentable in the SKI IPRs or the LGC IPR. If, for some reason, those decisions do not result in cancellation of the claims, Ube Maxell may consider re-filing its Petition. In the meantime, proceeding with the instant Petition, to determine the patentability of claims that have already been found unpatentable, risks significant waste of Board resources.

Similarly, we note that three of the prior proceedings have resulted in final written decisions and the unpatentability of all claims challenged here. While the decisions are currently on appeal, the late stage of the prior proceedings weighs in favor of denying institution here.

Finally, we find it significant that Ube Maxell sets forth no justification in its Petition why Celgard should be subjected to yet another

inter partes review trial, after having only recently completed four others, three of which resulted in final written decisions. Nor does Ube Maxell explain why the Board should invest its finite resources in determining whether certain claims of the '586 patent are unpatentable, when the same claims have already been found unpatentable in the prior proceedings. Considering the totality of these circumstances, we determine that the facts weigh in favor of denying institution pursuant to 35 U.S.C. §§ 314 and 325.

III. CONCLUSION

For the foregoing reasons, we conclude that the instant Petition raises the same or substantially the same prior art or arguments as those previously presented to the Office in the prior related *inter partes* review proceedings. Furthermore, we conclude that the circumstances of this case justify exercising our discretion not to institute trial.

IV. ORDER

Accordingly, it is ORDERED that the petition is *denied* as to all challenged claims of the '586 patent.

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