

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNITED FIRE PROTECTION CORP.,
Petitioner,

v.

ENGINEERED CORROSION SOLUTIONS, LLC,
Patent Owner.

Case IPR2018-00991
Patent 9,144,700 B2

Before WILLIAM V. SAINDON, PATRICK R. SCANLON, and
BARRY L. GROSSMAN, *Administrative Patent Judges*.

Opinion for the Board filed by *Administrative Patent Judge* SCANLON.

Opinion Dissenting filed by *Administrative Patent Judge* SAINDON.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314(a)

I. INTRODUCTION

United Fire Protection Corp. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting an *inter partes* review of claims 1–9 of U.S. Patent No. 9,144,700 B2 (Ex. 1001, “the ’700 patent”). Engineered Corrosion Solutions, LLC (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). We have authority under 35 U.S.C. § 314 and 37 C.F.R. § 42.4(a).

An *inter partes* review may not be instituted unless it is determined that “the information presented in the petition filed under section 311 and any response filed under section 313 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.” 35 U.S.C. § 314(a). Institution of *inter partes* review is discretionary. *See id.*

After considering the Petition and Preliminary Response, and for the reasons explained below, we exercise our discretion to not institute an *inter partes* review as to any of claims 1–9 of the ’700 patent. We, therefore, *deny* the Petition.

II. BACKGROUND

A. *Related Matters*

The parties indicate that the ’700 patent was the subject of a prior *inter partes* review in Case IPR2016-00136 (“136 IPR”). Pet. 3; Paper 5, 2. The parties also indicate that U.S. Patent No. 9,186,533, which is related to the ’700 patent, was the subject of another prior *inter partes* review in Case IPR2016-01351 (“1351 IPR”). Pet. 3; Paper 5, 2. The parties do not report any district court litigation between them.

B. The '700 patent

The '700 patent relates to a fire protection system, such as those typically found in hotels, offices, and other commercial buildings. A basic fire protection system includes a water supply to provide adequate pressure and water flow to a water distribution piping system, where the water is discharged via sprinklers or nozzles. Ex. 1001, 1:8–12.

One of the problems of these fire protection systems is corrosion, which can severely compromise the performance of the system. *Id.* at 1:22–37. The '700 patent discloses a water-based fire protection system that is intended to reduce corrosion within the system. *Id.* at 2:19–22.

Rather than fill the distribution piping with pressurized air, the fire protection system disclosed in the '700 patent fills the distribution piping with pressurized nitrogen, from a nitrogen generator. *Id.* at 2:26–37. Oxygen dissolved in water or otherwise present within the fire protection system is displaced by the nitrogen in order to reduce or eliminate effects of oxidative corrosion of ferrous and cuprous components and to deprive aerobic microbiological organisms the opportunity to grow within the system. *Id.* at 4:38–45. The displaced oxygen exits the system through a vent. *Id.* at 2:66–3:3.

The patent discloses both “dry pipe” and “wet pipe” systems. *Id.* at 2:53–54. In the ready or stand-by mode, a “dry pipe” system is filled with pressurized gas. *Id.* at 5:15–16; 13:54–57. A “wet pipe system” is filled with pressurized water. *Id.* at 16:39–41. The Specification states that a dry pipe system is used primarily to protect unheated structures or areas where the system is subject to freezing temperatures. *Id.* at 5:4–9; 13:63–64. The Specification also states that in conventional dry pipe sprinkler systems,

pools of residual water often are left from initial hydrostatic testing, from periodic flow testing, or from condensation of moist air that is used to maintain system pressure. *Id.* at 5:11–15.

The disclosed dry pipe system is illustrated in Figure 1 of the '700 patent, reproduced below with annotations to identify specific components.

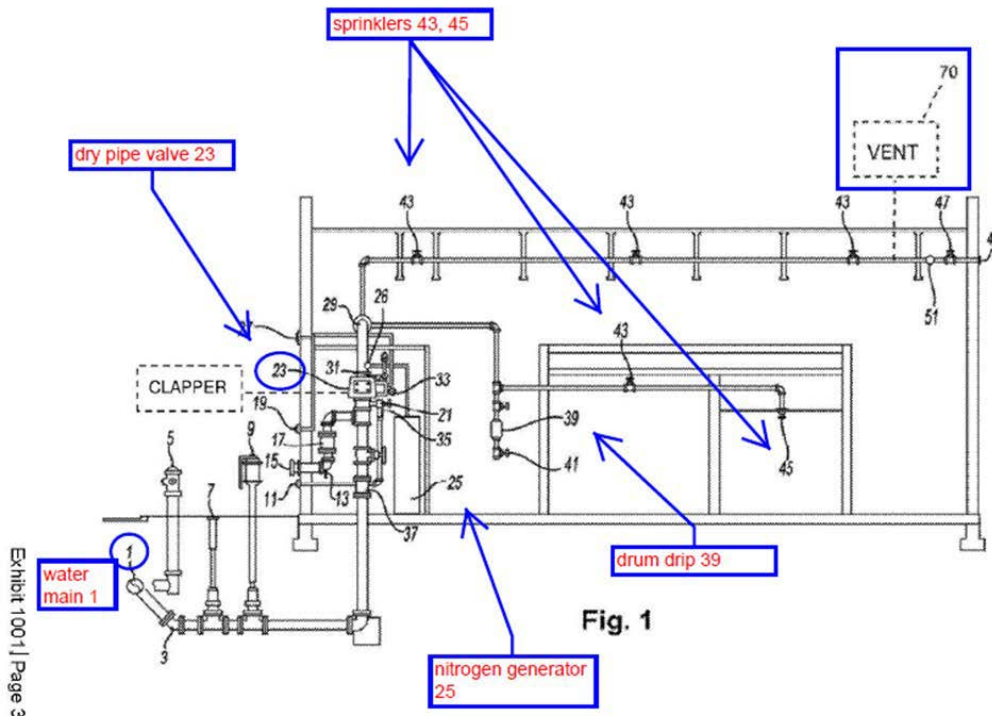


Figure 1 from the '700 patent showing the disclosed dry pipe sprinkler system, annotated to highlight selected components.

In operation, a dry pipe sprinkler system may be configured to continuously supply pressurized nitrogen into a piping network using nitrogen generator 25. Ex. 1001, 11:10–13. The nitrogen generator provides a steady stream of pressurized nitrogen into the sprinkler system to keep dry pipe valve 23 closed. *Id.* at 11:13–15. As explained in the Specification,

To prevent over-pressurization, the system may include *a vent, such as a relief valve*, in order to control or limit the pressure in the system. *The relief valve* allows pressurized nitrogen to escape at a preset or adjustable limit to prevent over-pressurization while maintaining enough pressure within the system to prevent the dry pipe valve from opening.

Id. at 11:15–23 (emphases added). Continuous venting of the system using one or more vents or valves facilitates removal of any oxygen within the system while maintaining the required system pressure of nitrogen to keep the dry pipe valve closed. *Id.* at 11:29–32.

As shown in Figure 1, the “vent” is illustrated in Figure 1 simply as a box labeled “vent” using reference numeral 70. *See id.* at Figure 1, upper right corner. With respect to the vent in a dry pipe system, the Specification states further only that “[o]ne or more oxygen sensors 51 are positioned near the inspector’s test valve 47 and inspector’s test drain 49, adjacent to system vents 70.” *Id.* at 16:20–23. Thus, concerning the claimed “vent,” the only structure disclosed is *a relief valve* that functions to control or limit the pressure in the system.

Drum drip 39 and drain valve and plug 41 are positioned in the piping network. *Id.* at 16:14–15. Sprinklers 43, 45 are positioned in the piping network to provide fire protection coverage. *Id.* at 16:15–18. In the event the fire protection system is actuated, due to a fire or for testing, sprinklers 43, 45 open, and pressure within the piping network is lost through the open sprinklers faster than the nitrogen generator can replace it, even when continuously applying pressurized nitrogen, thereby allowing the dry pipe valve to open and pressurized water to enter the piping network and exit through sprinklers 43, 45. *See id.* at 15:13–24.

The '700 patent also discloses a wet pipe sprinkler system, which it states is used in structures not subject to freezing. The claims of the patent, however, specifically recite a “dry pipe sprinkler system.”

C. Illustrative Claim

The sole independent claim, claim 1, reproduced below, is illustrative of the claims in the '700 patent.

1. A water-based fire protection system comprising:

a dry pipe sprinkler system comprising at least one fusible sprinkler, a source of pressurized water, a piping network connected to the at least one fusible sprinkler, one or more drains, and a dry pipe valve coupling the source of pressurized water to the piping network, the dry pipe valve having a clapper, the piping network pitched toward the one or more drains, and the one or more drains including a drum drip;

a nitrogen generator coupled to the piping network, the nitrogen generator operable to pressurize the piping network with nitrogen and maintain the clapper of the dry pipe valve in a closed position until the water-based fire protection system is actuated; and

at least one vent positioned within the piping network, the at least one vent operable to allow gas including oxygen displaced by the nitrogen to exit the piping network at a preset or adjustable limit while maintaining enough pressure within the system to prevent the clapper of the dry pipe valve from opening until the water-based fire protection system is actuated to thereby increase the concentration of nitrogen and decrease the concentration of oxygen in the piping network to reduce or eliminate the rate of corrosion in the piping network.

Id. at 18:14–37.

D. Asserted Grounds of Unpatentability

Petitioner challenges claims 1–9 of the '700 patent on the following grounds (Pet. 4–6, 28–71):

Reference(s)	Basis	Claims Challenged
Viking, ¹ AAPA, ² Nakamura, ³ and Yamada ⁴	§ 103	1, 2, and 5–9
Viking, AAPA, Nakamura, Yamada, and Cahill-O’Brien ⁵	§ 103	3, 4, and 6–9
Viking, Nakamura, Yamada, and Wagner ⁶	§ 103	3–8
Viking, AAPA, Nakamura, and Reilly ⁷	§ 103	1, 2, and 5–9
Viking, AAPA, Nakamura, Reilly, Yamada, and Cahill-O’Brien	§ 103	3, 4, and 6–9
Viking, AAPA, Nakamura, Reilly, and Wagner	§ 103	3–8
Viking, AAPA, Nakamura, and Wood ⁸	§ 103	1, 2, and 5–9
Viking, Nakamura, Wood, Yamada, and Cahill-O’Brien	§ 103	3, 4, and 6–9
Viking, Nakamura, Wood, and Wagner	§ 103	3–8
Viking, AAPA, Nakamura, and EPRI ⁹	§ 103	1, 2, and 5–9

¹ Viking Corp. Technical Data, *Dry Pipe Sprinkler System* (dated Mar. 2, 2007) (Ex. 1003, “Viking”).

² Applicant Admitted Prior Art. The only alleged admitted prior art relied on in the Petition is the reference to manufacturers of suitable nitrogen generators at column 10, lines 55–62 of the ’700 patent.

³ Japanese Patent No. 3,928,201, pub. June 13, 2007 (Ex. 1006, “Nakamura”).

⁴ Japanese Laid Open Application No. 2003-290380A, pub. Oct. 14, 2003 (Ex. 1008, “Yamada”).

⁵ U.S. Pat. No. 5,438,841, iss. Aug. 8, 1995 (Ex. 1020, “Cahill-O’Brien”).

⁶ U.S. Pat. No. 7,717,776 B2, iss. May 18, 2013 (Ex. 1013, “Wagner”).

⁷ U.S. Pat. No. 8,132,629 B2, iss. Mar. 13, 2012 (Ex. 1009, “Reilly”).

⁸ U.S. Pat. No. 6,540,028 B2, iss. Apr. 1, 2003 (Ex. 1010, “Wood”).

⁹ Electric Power Research Institute, *Plant Layup and Equipment Preservation Sourcebook* (March 1987) (Ex. 1014, “EPRI”).

Reference(s)	Basis	Claims Challenged
Viking, Nakamura, EPRI, Yamada, and Cahill-O'Brien	§ 103	3, 4, and 6–9
Viking, Nakamura, EPRI, and Wagner	§ 103	3–8
Viking, AAPA, Wilkins, ¹⁰ and Rowley ¹¹	§ 103	1, 2, and 5–9
Viking, Nakamura, Wilkins, Rowley, Yamada, and Cahill-O'Brien	§ 103	3, 4, and 6–9
Viking, Nakamura, Wilkins, Rowley, and Wagner	§ 103	3–8

Petitioner also relies on the Declaration of Frank Savino (Ex. 1017).

E. Prior Related Inter Partes Review

136 IPR

On November 19, 2015, other petitioners, South-Tek Systems, LLC and Potter Electric Co, LLC (the “Prior Petitioners”), filed a petition requesting an *inter partes* review of the ’700 patent, challenging claims 1–9, on the following grounds and prior art:

Reference(s)	Basis	Claim(s) Challenged
Viking, Wood, and AAPA	§ 103	1, 2, and 5–9
Viking, Wood, AAPA, and Wagner	§ 103	3 and 4
Wood, Ringer, and AAPA	§ 103	1, 2, and 5–9
Wood, Ringer, AAPA, and Wagner	§ 103	3 and 4

¹⁰ U.S. Pat. No. 8,297,370 B2, iss. Oct. 30, 2012 (Ex. 1011, “Wilkins”).

¹¹ U.S. Pat. No. 1,972,034, iss. Aug. 28, 1934 (Ex. 1012, “Rowley”).

136 IPR, Paper 3, 8–34. On May 12, 2016, the Board instituted an *inter partes* review of all the challenged claims on the two grounds relying on Viking. 136 IPR, Paper 8, 16. On May 10, 2017, the Board issued a Final Written Decision concluding that claims 1–9 were not demonstrated, by a preponderance of the evidence, to be unpatentable. 136 IPR, Paper 52, 25. The Prior Petitioners appealed the Board’s decision to the U.S. Court of Appeals for the Federal Circuit, which affirmed the Board’s decision with respect to the two grounds of unpatentability considered and remanded for the Board to consider whether the claims are unpatentable over the two non-instituted grounds. *See South-Tek Sys., LLC v. Engineered Corrosion Solutions, LLC*, Appeal No. 2017-2297 (Fed. Cir. Sept. 20, 2018).

III. ANALYSIS

A. *Discretionary Non-Institution Under 35 U.S.C. § 314(a)*

Patent Owner argues that “the Board should . . . deny institution by exercising its discretion under 35 U.S.C. § 314(a).” Prelim. Resp. 43.

According to Patent Owner,

Given the potentially massive number of grounds presented in the Petition and the inherent difficulty in sorting out how many grounds the Petition presents in the first place . . . , it is unclear how the parties could timely complete this proceeding within the statutory time limits. The Board’s limited resources are better devoted to other cases.

Id. at 44.

Although § 314(a) permits institution of an *inter partes* review under certain conditions, it does not require the Board, on behalf of the Director, to institute a review. *See* 35 U.S.C. § 314(a) (authorizing institution of an *inter partes* review under particular circumstances, but not requiring institution

under any circumstances); *Harmonic Inc. v. Avid Tech, Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (explaining that under § 314(a), “the [U.S. Patent and Trademark Office] is permitted, but never compelled, to institute an [*inter partes* review] proceeding”). Rather, a decision whether to institute is within the Director’s discretion, and that discretion has been delegated to the Board. *See* 37 C.F.R. § 42.4(a) (“The Board institutes the trial on behalf of the Director.”); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”).

When determining whether to exercise our discretion under § 314(a), we consider the following non-exhaustive factors:

1. whether the same petitioner previously filed a petition directed to the same claims of the same patent;
2. whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it;
3. whether at the time of filing of the second petition the petitioner already received the patent owner’s preliminary response to the first petition or received the Board’s decision on whether to institute review in the first petition;
4. the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition;
5. whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;
6. the finite resources of the Board; and
7. the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.

Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha, Case IPR2016-01357, slip op. at 15–16 (PTAB Sept. 6, 2017) (Paper 19) (precedential)¹² (“*General Plastic*”) (citing *NVIDIA Corp. v. Samsung Elec. Co.*, IPR2016-00134, slip op. at 6–7 (PTAB May 4, 2016) (Paper 9)).

The Board in *General Plastic* established a framework, delineated by the factors listed above, to balance the equities between a petitioner and a patent owner when information from prior Board proceedings challenging a patent is available for a subsequent proceeding challenging the same patent. *General Plastic*, slip op. at 15–19

We recognize that these *General Plastic* factors typically have been used to analyze situations in which the same party files multiple petitions challenging the same patent. Our discretion under 35 U.S.C. § 314(a), however, is not limited to situations where the same party files multiple petitions. Indeed, only the first *General Plastic* factor presumes the petitions are filed by the same party. Accordingly, we find that the *General Plastic* factors provide a useful framework for analyzing the facts and circumstances present in this case, in which a different petitioner filed a petition challenging a patent that had been challenged already by previous petitions. *See, e.g., Shenzhen Silver Star Intelligent Tech. v. iRobot Corp.*, Case IPR2018-00761, Paper 15 (PTAB Sept. 5, 2018) (weighing *General Plastic* factors to deny institution in view of an earlier challenge to the same patent by a different petitioner); *Samsung Elecs. Co. v. Elm 3DS Innovations, LLC*, Case IPR2017-01305, (PTAB Oct. 17, 2017) (Paper 11) (weighing *General*

¹² Section II.B.4.i. of the Decision in *General Plastic* was designated precedential on October 18, 2017.

Plastic factors to deny institution in view of an earlier challenge to the same patent by a different petitioner).

We address each factor in turn, but note that not all the factors need to weigh against institution for us to exercise our discretion under § 314(a).

Factor 1: Whether Petitioner Previously Filed a Petition Directed to the Same Claims of the Same Patent

Factor 1 weighs in favor of considering this Petition on the merits because Petitioner has not previously filed a petition challenging the '700 patent. Patent Owner, however, argues that Factor 1 “should only minimally weigh against an exercise of discretion because of the similarity of issues and arguments between this Petition and past petitions.” Prelim. Resp. 55 (citing *Samsung*, slip op. at 18–19). In particular, Patent Owner asserts “Petitioner presents the same arguments found in [the 136 IPR], incorporating the Board’s criticism or Patent Owner’s arguments to take another bite at the apple.” *Id.* at 54. Patent Owner also notes that the Petition relies on several prior art references (i.e., Viking, AAPA, Wood, Wagner, Cahill-O’Brien, and EPRI) that were relied on in the 136 IPR and/or the 1351 IPR. *Id.* at 45–46.

We agree that the Petition presents many issues and arguments, including Petitioner’s assertion that Viking discloses all the limitations of claim 1 except for the claimed nitrogen generator and vent (Pet. 28–30), and the reliance on AAPA as teaching a nitrogen generator (*id.* at 30–32) and Wood as teaching a vent (*id.* at 43–49), that also are present in the 136 IPR. Furthermore, there is no dispute that the claims challenged here were also challenged in the earlier-filed 136 IPR petition, such that this Petition is directed to the same claims of the same patent as the 136 IPR petition.

Accordingly, Factor 1 weighs only moderately against exercising our discretion to deny institution.

Factor 2: Whether Petitioner Knew of or Should Have Known of the Prior Art Asserted in the Second Petition When the First Petition was Filed

Because Petitioner was not a petitioner in the prior proceedings challenging the '700 patent, we conclude that whether Petitioner knew of or should have known of the asserted references at the time the prior petitions were filed has little probative value here. We conclude that Factor 2 weighs neither for nor against exercising our discretion.

Factor 3: Whether Petitioner Had Patent Owner's Preliminary Response and the Board's Institution Decision on the First Petition When Petitioner Filed the Second Petition

Patent Owner argues that “by the time Petitioner filed the Petition, Petitioner had already received the patent owner’s preliminary responses and the Board’s institution decisions in IPR2016-00136 and IPR2016-01351.” Prelim. Resp. 47. In addition, Patent Owner argues that Petitioner also had the patent owner responses, related expert testimony, and the final written decisions from the prior proceedings, and “used that information in an attempt to further strengthen its arguments.” *Id.* at 49.

Patent Owner filed its Preliminary Response in the 136 IPR on February 24, 2016 (*see* 136 IPR, Paper 7). The Board issued its Decision on Institution in the 136 IPR on May 12, 2016 (*see* 136 IPR, Paper 8). Hence, when Petitioner filed the Petition on May 7, 2018, Patent Owner’s Preliminary Response and the Board’s Decision on Institution had been available for nearly two years. Patent Owner’s Response, Patent Owner’s expert testimony, and the Board’s Final Written Decision in the prior

proceeding were also available when the Petition was filed. Petitioner acknowledges that it was aware of the 136 IPR. *See* Pet. 4. Thus, the timing of Petitioner's filing in this case raises the potential for abuse because Petitioner had ample opportunity to study the arguments raised by Patent Owner, and the Board's findings and conclusions of law, regarding the claims of the '700 patent commonly challenged between the two petitions.

Furthermore, the nature of the grounds asserted in the Petition strongly suggest that Petitioner used this information "as a roadmap" in an effort to find a successful challenge by curing the deficiencies the Board identified in the 136 IPR. *See General Plastic*, slip op. 17; *see also id.* at 11 (indicating modifying challenges in a later petition to cure the deficiencies that the Board identified in an earlier petition "is of particular concern"). For example, the 136 IPR petition relied on Viking as disclosing all the limitations of claim 1 except for the claimed nitrogen generator and vent, and relied on AAPA for teaching a nitrogen generator and Wood for teaching a vent. 136 IPR, Paper 3, 8–16. Here, the Petition asserts Viking, AAPA, and Wood against claim 1 in the same manner. Pet. 28–33, 43–49. The Board determined in the 136 IPR, however, that Wood combined with Viking did not disclose a vent as claimed. 136 IPR, Paper 52, 18–24. In seeming response to this finding, the Petition now provides a much more detailed description of Wood's drain (asserted in both proceedings to correspond to the claimed vent) than was provided in the 136 IPR petition. *Compare* Pet. 43–49, *with* 136 IPR, Paper 10–12, 15–16. A specific example of how the Petition was tailored to try to overcome the deficiencies identified by the Board in the 136 IPR is provided by the Board's determination that "Petitioners did not assert in the Petition that Wood's

automatic condensate drain would replace the manual condensate drain, or drum drip 24, in Viking, or any other drain in Viking.” 136 IPR, Paper 52, 20. The Petition now asserts that “[t]he automatic drain in Wood could be used as a replacement for any low-point drain in a conventional dry-pipe system as disclosed by Viking.” Pet. 46.

In addition, the Petition substitutes several references (Yamada, Reilly, EPRI, Wilkins, and Rowley) for Wood as alternative teachings of the claimed vent (*id.* at 33–42, 49–59). We are persuaded by Patent Owner’s assertion that, by relying on these references as alternatively disclosing the claimed vent, Petitioner was “substitute[ing] new references to create new combinations and attempt[ing] to make up for the deficiencies in the earlier petition.” Prelim. Resp. 48–49.

Factor 3 “is directed to Petitioner’s potential benefit from receiving and having the opportunity to study Patent Owner’s Preliminary Response, as well as our institution decisions on the first-filed petitions, prior to its filing of follow-on petitions.” *General Plastic*, slip op. 17; *see also NetApp Inc. v. Realtime Data, LLC*, Case IPR2017-01195, slip op. at 11 n.12 (PTAB Oct. 12, 2017) (Paper 9) (“Factor 3 is directed to situations in which a petitioner delays filing a subsequent petition so that it can tailor its arguments to address issues identified by the patent owner and/or the Board during a prior proceeding.”). Here, the circumstances show that the availability of Patent Owner’s arguments and the Board’s findings and conclusions of law in the 136 IPR provided substantial potential benefit to Petitioner to tailor its arguments.

In view of the above, Factor 3 weighs strongly in favor of invoking our discretion to deny institution.

Factor 4: The Elapsed Time between the Time Petitioner Learned of the Prior Art Asserted in the Second Petition and the Filing of the Second Petition

As discussed above regarding Factor 2, the record does not establish when Petitioner learned of the asserted prior art. As such, we cannot determine, with any certainty, the length of time that elapsed between when Petitioner learned of the asserted prior art and the filing of the Petition. Given the absence of specific information in the record on this issue, we determine that Factor 4 weighs neither for nor against exercising our discretion.

Factor 5: Whether Petitioner Has Provided Adequate Explanation for the Time Elapsed between the Filings of Multiple Petitions Directed to the Same Claims of the Same Patent

Petitioner does not provide any explanation related to the timing of filing its Petition in relation to the petition filed in the 136 IPR. Rather, Petitioner merely asserts that it “was not involved with the previous IPR of the ’700 Patent and only learned of this preceding [sic] after the Board made its final decision.” Pet. 4. Petitioner offers no explanation of the circumstances surrounding when it learned of the prior proceeding, *which ended nearly a year prior to this Petition being filed*. To the extent a reasonable explanation exists for the time elapsed between when Petitioner learned about the prior proceeding and the filing of this Petition, it was incumbent upon Petitioner to identify those circumstances to the Board. Petitioner could have requested leave to file a reply to the Preliminary Response under 37 C.F.R. § 42.108(c) to address Factor 5 (as well as all the other *General Plastic* factors), but did not do so.

Consequently, Factor 5 weighs strongly in favor of exercising our discretion to deny institution.

Factors 6 and 7: Board Considerations

The sixth and seventh *General Plastic* factors consider “the finite resources of the Board” and “the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.” *General Plastic*, slip op. at 9–10, 16.

Patent Owner argues that “this Petition is the second attempt to challenge this patent,” such that Factors 6 and 7 should weigh heavily in favor of Patent Owner. Prelim. Resp. 53. That alone does not persuade us that this proceeding would tax unduly the resources of the Board, however, or that we could not meet the requirement of 35 U.S.C. § 316(a)(11) to issue a final determination within one year after institution. Accordingly, we conclude that Factors 6 and 7 are not implicated under the circumstances of this case, and, therefore, do not weigh for or against exercising our discretion.

Summary of Analysis

We have considered the circumstances and facts before us in view of the *General Plastic* factors. Because the analysis is fact-driven, no single factor is determinative of whether we exercise our discretion to deny institution under § 314(a). Nonetheless, two factors (Factors 3 and 5) weigh strongly in favor of exercising our discretion to deny institution, four factors (Factors 2, 4, 6, and 7) are neutral, and one factor (Factor 1) weighs moderately against exercising our discretion to deny institution. On this record, we determine that the circumstances presented here weigh in favor of

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invoking our discretion under § 314(a) to deny institution of *inter partes* review.

B. Conclusion

For all the reasons discussed above, we exercise our discretion under § 314(a) not to institute review in this proceeding with respect to claims 1–9 of the '700 patent.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is *denied* as to all challenged claims of the '700 patent, and no trial is instituted.

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Before WILLIAM V. SAINDON, PATRICK R. SCANLON, and
BARRY L. GROSSMAN, *Administrative Patent Judges*.

SAINDON, *Administrative Patent Judge*, DISSENTING:

I respectfully dissent. In my view, the initial purpose of *General Plastic* was to set hard constraints, in the interest of fairness, on the ability of a single petitioner to challenge a single patent using multiple petitions filed over the course of time. That factors-based framework is not explicitly limited to multiple petitions filed by the same petitioner, however. I myself have proposed to extend *General Plastic* to a first petition of a second petitioner, when the first and second petitioners were co-respondents in ITC litigation and shared a common defense there. *Shenzhen Silver Star*

Intelligent Tech. v. iRobot Corp., Case IPR2018-00761, Paper 15 (PTAB Sept. 5, 2018) (Saindon, concurring). In that situation, I believed the fairness concept of *General Plastic* was implicated because, absent indications to the contrary, the second of the similarly-situated co-respondents seemed to be using the other’s petition to improve its chance of victory. *Id.* at 19 (“absent explanation, we have no other conclusion to make but that the second petition was filed at the time it was filed solely for the tactical reason of using the first petition as a test case”). In both cases, what was considered inopportune was waiting to file a petition specifically in order to gain an advantage, by using the delay as an opportunity to review the documents generated in the earlier proceeding.

In my view, the facts of this case do not indicate that the Petitioner specifically waited to file the Petition to gain advantage. Instead, it does not appear that the Petition was filed with any consideration as to the timing of the prior proceeding, because Petitioner did not know about the prior proceeding until it was over. Pet. 4 (“Petitioner . . . learned of [the prior IPR] after the Board made its final decision.”). Thus, under *General Plastic* Factor 3, measuring the time between this Petition’s filing date and any event of the prior proceeding provides little insight. Factor 3 is concerned with *intentional delay* for the purpose of gaining advantage, not merely losing a race to the PTAB. *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, Case IPR2016-01357, slip op. at 15–16 (PTAB Sept. 6, 2017) (Paper 19) (“Petitioner provided no meaningful explanation for the delay in filing the follow-on petitions.”); *NetApp Inc. v. Realtime Data, LLC*, Case IPR2017-01195, slip op. at 11 n.12 (PTAB Oct. 12, 2017) (Paper 9) (“Factor 3 is directed to situations in which a petitioner delays filing a subsequent

petition so that it can tailor its arguments to address issues identified by the patent owner and/or the Board during a prior proceeding.”).

In its analysis of Factor 3, the majority also faults Petitioner for improving on the grounds of the earlier proceeding. But there is a difference between waiting to see what happens and exercising due diligence. A litigant in any forum should consider what strategies prior litigants undertook on similar issues. The issue, in my view, is not whether the Petition is stronger because of the prior petition but rather whether the Petition was filed at a certain time *in order to be stronger than the prior petition*. Again, Petitioner did not know of the prior proceeding until it was over, so Petitioner could not have timed the filing of the Petition for the purpose of improving on the prior petition. I would not fault Petitioner for learning from the mistakes of the prior petitioner—I would only fault Petitioner if it purposefully waited in order to learn from those mistakes. Given no indication of delay as a strategy, I would weigh Factor 3 as neutral.

With respect to Factor 5, it is not clear to me what Petitioner could have said to persuade the majority of an adequate explanation. The majority effectively puts the burden on Petitioner to indicate why we should consider the Petition—a statement of standing, or perhaps a statement of no-ill-intent. If the latter, that would seem to put form over substance. If the former, the statute contains no standing requirement. Accordingly, unless the timing of a petition’s filing gives the outward appearance of waiting for the purpose of seeking advantage, as opposed to simply having come later, I view no particular requirement under *General Plastic* Factor 5 for a petitioner to establish a reason for filing its petition. I would weigh Factor 5 here as neutral.

Lastly, I believe Factor 1 weighs toward proceeding to consideration of the merits of the Petition. The majority considers heavily the degree of similarity between the grounds in the Petition and in the prior petition. As I read Factor 1, however, the similarity of the grounds is not the issue. That is left more properly for 35 U.S.C. § 325(d), which was not raised here. Here, we have different, independent petitioners, so Factor 1 should weigh toward consideration on the merits.¹³

Weighing the factors, I would consider this Petition on the merits and determine whether Petitioner meets the reasonable likelihood standard. In my mind, Factor 1 weighs heavily here. That is because in most sequentially filed petitions, if the petitioner is the same, the *General Plastic* factors work to effectively presume that the latter-filed petition was filed for the purpose of seeking advantage by filing later. But that is not the case here. I see Factors 2, 4, 6, and 7 as neutral for the reasons expressed by the majority. Factors 3 and 5 should be neutral for the reasons I have expressed above. Weighing the factors, I would determine that we should proceed to investigating the merits of the Petition. Accordingly, I respectfully dissent from the denial under 35 U.S.C. § 314(a).

¹³ To the extent there is a concern that petitioners not involved in litigation are filing in coordination with prior petitioners, such tactics are handled under the real party-in-interest, privity, and estoppel provisions (none of which are implicated in the briefing before us).