

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

E-ONE, INC.,
Petitioner,

v.

OSHKOSH CORP.,
Patent Owner.

Case IPR2019-00161
Patent 9,597,536 B1

Before BARRY L. GROSSMAN, TIMOTHY J. GOODSON, and
MATTHEW S. MEYERS, *Administrative Patent Judges*.

GOODSON, *Administrative Patent Judge*.

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

I. INTRODUCTION

Petitioner E-One, Inc. (“E-One”) filed a Petition (Paper 1, “Pet.”) requesting *inter partes* review of claims 1–7, 11–17, and 20 of U.S. Patent No. 9,597,536 B1 (Ex. 1001, “the ’536 patent”). Patent Owner Oshkosh

Corp. (“Oshkosh”) filed a Preliminary Response. Paper 9 (“Prelim. Resp.”). We have authority to determine whether to institute an *inter partes* review. *See* 35 U.S.C. § 314; 37 C.F.R. § 42.4(a). For the reasons explained below, we do not institute an *inter partes* review.

A. Related Matters

Oshkosh is asserting the ’536 patent against E-One in *Pierce Manufacturing, Inc. v. E-One, Inc.*, No. 8:18-cv-00617 in the U.S. District Court for the Middle District of Florida (“the Parallel District Court Case”). *See* Pet. 87–88; Paper 11, 1. An appeal from a preliminary injunction issued in the Parallel District Court Case is pending in *Pierce Manufacturing, Inc. v. E-One, Inc.*, No. 19-1276 at the U.S. Court of Appeals for the Federal Circuit. Paper 11, 2. The Federal Circuit heard oral argument in that appeal on May 13, 2019.

The parties also list as related matters several patents and patent applications and one Board proceeding: Case IPR2019-00162, which challenges U.S. Patent No. 9,814,915. *See* Pet. 88; Paper 11, 2.

B. The ’536 Patent

The ’536 patent is directed to a “quint configuration fire apparatus” that includes five components: an aerial ladder, a water tank, ground ladders, a water pump, and hose storage. Ex. 1001, 1:19–21. The Background section explains that “[t]raditionally, weight is added to the fire apparatus . . . in order to increase the horizontal reach or vertical extension height of the aerial ladder” and that traditional quints include a second rear axle to carry the additional weight. *Id.* at 1:23–29. However, according to the ’526 patent, these trucks are heavy, difficult to maneuver, and expensive. *Id.* at 1:29–31.

The '526 patent describes quint configuration trucks having an aerial ladder assembly with “an increased extension height rating and horizontal reach rating without requiring a chassis having a tandem rear axle.” *Id.* at 8:40–45. Specifically, the '526 patent discloses that the aerial ladder assembly is operable at a vertical extension of at least 95 feet and a horizontal reach of at least 90 feet with a tip capacity of at least 750 pounds. *Id.* at 4:11–15. The truck includes “a single rear axle chassis, thereby reducing cost and increasing maneuverability relative to traditional vehicles.” *Id.* at 4:15–17.

C. Challenged Claims

E-One challenges claims 1–7, 11–17, and 20. Claim 1 is reproduced below, with bracketed labels added by Petitioner:

1. [A] A quint configuration fire apparatus, comprising:
 - [B] a chassis;
 - [C] a body assembly coupled to the chassis and having a storage area configured to receive a ground ladder and a fire hose;
 - [D] a pump coupled to the chassis;
 - [E] a water tank coupled to the chassis;
 - [F] a ladder assembly including a plurality of extensible ladder sections, the ladder assembly having a proximal end that is coupled to the chassis;
 - [G] a single front axle coupled to a front end of the chassis;and
 - [H] a single rear axle coupled to a rear end of the chassis,
 - [I] wherein the single rear axle comprises either:
 - a single solid axle configuration extending laterally across the chassis, or
 - a first axle having a first constant velocity joint and a second axle having a second constant velocity joint, the first axle and the second axle extending from opposing lateral sides of a differential;

[J] wherein the ladder assembly is extensible to provide a horizontal reach of at least 90 feet and a vertical height of at least 95 feet, [K] wherein the ladder assembly is configured to support a tip load of at least 750 pounds, [L] wherein the water tank is configured to contain at least 500 gallons of water, and [M] wherein the center of gravity of at least one of the chassis, the body assembly, the pump, and the water tank are positioned to counterbalance a moment generated by the tip load with the ladder assembly extended to the horizontal reach of at least 90 feet.

Ex. 1001, 14:20–50; *see also* Pet. 14–15 (adding labels).

D. Alleged Grounds of Unpatentability

Petitioner asserts two grounds of unpatentability:

References	Basis	Claims Challenged
Shapiro ¹ , Dana ² , and AAPA ³	§ 103	1–7, 11–17, and 20
KME Manual ⁴ , Shapiro, and Dana	§ 103	1–7, 11–17, and 20

See Pet. 29, 59.

II. ANALYSIS

A threshold issue raised by the Preliminary Response is whether we should deny institution under 35 U.S.C. § 314(a) in view of the overlap between the Petition and the Parallel District Court Case, and the progress and expected completion date of the Parallel District Court Case. *See*

¹ Larry Shapiro, *Aerial Fire Trucks* (Kris Palmer ed. 2002) (Ex. 1019).

² Dana Spicer Steer Axles, *Application Guidelines AXAG0400* (Ex. 1041); Dana Spicer Drive Axles, *Application Guidelines AXAG0200* (Ex. 1042).

³ Petitioner refers to the '536 patent's descriptions of traditional quints or traditional techniques as Applicant's Admitted Prior Art. *See* Pet. 24 (citing Ex. 1001, 1:19–26, 3:54–58, 3:64–67, 8:34–39).

⁴ KME Kovatch, *KME Fire Apparatus Custom Chassis, Vehicle Manual* (Ex. 1005).

Prelim. Resp. 14–17. Because we determine that the circumstances of this case warrant denial of institution under § 314(a), this threshold issue is dispositive.

Institution of *inter partes* review is discretionary. Section 314(a) provides that “[t]he Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition . . . and any response . . . 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.” The Supreme Court has held that because the statute includes no mandate to institute review, “the agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.” *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016); *see also id.* at 2153 (Alito, J., concurring in part and dissenting in part) (“I agree that one can infer from the statutory scheme that the Patent Office has discretion to deny inter partes review even if a challenger satisfies the threshold requirements for review.”); *Oil States Energy Services, LLC v. Greene’s Energy Group, LLC*, 138 S. Ct. 1365, 1371 (2018) (“The decision whether to institute inter partes review is committed to the Director’s discretion.”). In view of the statutory language and the Supreme Court’s precedents, the Federal Circuit has explained that “the Director has complete discretion to decide not to institute review.” *Saint Regis Mohawk Tribe v. Mylan Pharms. Inc.*, 896 F.3d 1322, 1327 (Fed. Cir. 2018); *see also Harmonic Inc. v. Avid Tech, Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he PTO is permitted, but never compelled, to institute an IPR proceeding”). The Director has delegated these discretionary institution decisions to the Board. *See* 37 C.F.R. § 42.4(a).

The Board has issued precedential decisions describing factors that guide its discretion as to whether to deny institution under § 314(a). In *General Plastic Industrial Co. v. Canon Kabushiki Kaisha*, Case IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential in relevant part), the Board set out seven non-exhaustive factors the Board considers in determining whether to deny institution of a follow-on petition after the Board has already denied a petition challenging the same patent. *See id.*, slip op. at 16. Recently, the Board designated precedential its decision in *NHK Spring Co., Ltd. v. Intri-Plex Technologies, Inc.*, Case IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential), in which the Board denied institution under 35 U.S.C. §§ 325(d) and 314(a). In the § 314(a) portion of its analysis, the Board noted that a district court proceeding involving the same patent was scheduled to go to trial before a final decision would have been due in the Board proceeding, and the Board proceeding would involve the same claim construction standard, the same prior art references, and the same arguments as in the district court. *See id.*, slip op. at 19. The Board determined that these circumstances supported denial of the petition under § 314(a), considering the AIA’s objective “to provide an effective and efficient alternative to district court litigation.” *Id.* at 20 (quoting *General Plastic*).

This case presents the same circumstances that supported denial of institution under § 314(a) in *NHK Spring*. The Scheduling Order in the Parallel District Court Case sets a 10–12 day jury trial in April 2020. *See Ex. 2015, 5–6*. Accordingly, trial in the Parallel District Court Case is scheduled to conclude before a final decision would be due in this proceeding, if we were to institute. *See* 35 U.S.C. § 316(a)(11) (specifying

that “the final determination in an inter partes review [must] be issued not later than 1 year after the date on which the Director notices the institution of a review” unless the Director extends the deadline for good cause shown).

To date, the district court has already invested substantial resources in the Parallel District Court Case. The court has received briefing, heard oral argument, and issued detailed decisions granting a motion for a preliminary injunction. *See* Ex. 2014 (Magistrate Judge’s Report and Recommendation recommending that the motion be granted); Ex. 2024 (District Judge’s Order adopting Report and Recommendation). The district court has also received briefing and heard oral argument on claim construction, and issued a claim construction ruling. *See* Ex. 2005.

The issues, evidence, and argument presented in the Petition essentially duplicate what has been and continues to be litigated in the Parallel District Court Case. The terms that E-One proposes for construction in its Petition have already been construed by the district court. *See* Pet. 16–23; Ex. 2005, 4–8. Further, under the applicable version of our rules,⁵ the claim construction standard in this proceeding is the same standard the district court applied. *See* 37 C.F.R. § 42.100(b) (2018); Ex. 2005, 3 (applying *Phillips*).

⁵ The claim construction standard to be employed in an *inter partes* review recently changed from broadest reasonable interpretation to “the same claim construction standard used by Article III federal courts . . . which follow *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc) and its progeny.” *See* Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board, 83 Fed. Reg. 51,340, 51,341 (Oct. 11, 2018) (to be codified at 37 C.F.R. pt. 42). The *Phillips* standard applies to proceedings in which the petition was filed on or after November 13, 2018. *Id.* at 51,340. In this case, the Petition was filed on November 20, 2018. *See* Paper 4, 1.

The obviousness arguments in the Petition overlap substantially with those in the Parallel District Court Case. In opposing the motion for a preliminary injunction, E-One argued that the '536 patent is invalid as anticipated or obvious. *See* Ex. 2011, 21–29. In part, E-One argued that the only reason single axle quints having aerial ladders with reach and tip loads in the claimed ranges were rarely found until recently was because of weight limitations on previously available front and rear axles. *Id.* at 27–28. E-One argued that Dana began to offer axles having increased weight capacity, and the fire and rescue industry began to push for legislation to permit axles with increased weight capacity. *See id.* at 17–18, 28. An ordinarily skilled artisan would have been motivated, E-One argued, “to combine a traditional quint with the new DANA axles having larger [weight capacity ratings] in view of the change in law . . . in order to add a longer ladder, and have a heavier tip load.” *Id.* at 29. The obviousness arguments in the Petition are premised on this same theory. *See, e.g.*, Pet. 8–10 (discussing the same regulatory change regarding maximum axle weight capacities and arguing that it was the increased axle weight allowances that enabled single-axle quints to have increased ladder lengths and tip loads); *id.* at 39 (“By utilizing a single steering axle with a [weight rating] of 24,000 lbs. and a single drive axle with a GAWR of 35,000 lbs., as taught by Dana, a POSITA would be able to increase the weight supported by the single rear axle in the Shapiro quints, enabling a horizontal reach of at least 90 feet and a vertical height of at least 95 feet.”). The Petition also relies on a declaration from Dr. Craig Forest, the same witness whose testimony E-One relied on to support its invalidity arguments in the opposition to the preliminary injunction motion. *See* Ex. 1002; Ex. 2011, 24–29. In granting the preliminary injunction, the

district court considered E-One’s invalidity arguments but found that they did not raise a substantial question concerning validity. Ex. 2024, 2; *see also* Ex. 2014, 26–31 (Report and Recommendation analyzing E-One’s invalidity arguments). E-One’s invalidity contentions in the Parallel District Court Case assert that claims 1–7, 11–17, and 20 of the ’536 patent — the same claims challenged in the Petition — are invalid as obvious (among other statutory grounds). Ex. 2016, 2. E-One’s invalidity contentions incorporate its arguments from the preliminary injunction briefing and identify the same references as are cited in the Petition. *See id.* at 7, 12, 14–15.

In short, E-One’s Petition presents the same issues, arguments, and evidence as it has presented in the Parallel District Court Case. The district court has already expended substantial resources to gain familiarity with and resolve these issues, and is set to complete trial in the Parallel District Court Case before any final decision from the Board would be due. In these circumstances, consistent with the Board’s precedential decision in *NHK Spring*, we exercise our discretion to deny institution under § 314(a).

III. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is denied.

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