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Paper 12
Date: November 19, 2024

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SIEMENS MOBILITY, INC.,
GROUND TRANSPORTATION SYSTEMS USA, INC., AND
PIPER NETWORKS, INC.,
Petitioner,

v.

METROM RAIL, LLC,
Patent Owner.

IPR2024-00947
Patent 9,731,738

Before NEIL T. POWELL, STACEY G. WHITE, and
BRENT M. DOUGAL, *Administrative Patent Judges.*

WHITE, *Administrative Patent Judge*.

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

I. INTRODUCTION

Siemens Mobility, Inc., Ground Transportation Systems USA, Inc., and Piper Networks, Inc. (collectively "Petitioner") filed a Petition requesting an *inter partes* review of claims 1–18 of U.S. Patent No. 9,731,738 (Ex. 1001, "the '738 patent"). Paper 4 ("Pet."). Metrom Rail, LLC ("Patent Owner") filed a Preliminary Response. Paper 8 ("Prelim. Resp.").

Under 35 U.S.C. § 314, an *inter partes* review may not be instituted "unless . . . 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 in view of the present record and for the reasons explained below, we exercise our discretion under 35 U.S.C. § 325(d) to decline to institute an *inter partes* review.

A. Related Matters

The Parties identify the following pending case relating to the '738 patent: *Metrom Rail, LLC v. Siemens Mobility, Inc., et al.*, 1:23-cv-03057-MKV (S.D.N.Y.). Pet.; Paper 6, 2.

B. The '738 Patent

The '738 patent titled, "Rail Vehicle Signal Enforcement and Separation Control," describes a "system for vehicle management" that "includes a control signal interface subsystem and a vehicle-mounted subsystem" that "interfaces with a braking system of the vehicle," "determines the distance between it and the control signal interface subsystem based on the time-of-flight of at least one communication between the subsystems," and "can cause the braking system of the vehicle

to activate if the distance between the vehicle-mounted subsystem and the control signal interface subsystem is less than a threshold." Ex. 1001, codes (54), (57); *see also id.* at 2:10–6:3.

As described in the specification, "present methods and systems for controlling and enforcing rail vehicle separation," in order to prevent collisions, accidents, and other problems "when adequate spacing has not been maintained between rail vehicles" and "when sufficient spacing between rail vehicles is not properly maintained," can be "insufficient, particularly under certain circumstances." *Id.* at 1:29–31, 49–51, 57–59. Challenges arise "in subterranean tunnels, or subways," where "rail vehicles may not have a clear view of the sky, and . . . may not be traceable by GPS methods," making it "difficult . . . to know the location, speed, and position of the rail vehicle relative to other vehicles on the train track with the accuracy necessary to operate safely and efficiently." *Id.* at 1:59–66. It can also "be difficult for a rail vehicle control system to properly enforce separation among rail vehicles on a railroad track if the precise location of each rail vehicle is not accurately known" where there may be a "degradation in accuracy" when "using the odometer in non-GPS areas." *Id.* at 1:66–2:4.

The '738 patent endeavors to "provide a rail vehicle control system" that is "installable on a rail vehicle" and that "can include a collision avoidance system" and can "manage rail vehicle separation on a railroad track," as well as to "provide for a system for vehicle management." *Id.* at 2:10–13, 2:37–39, 3:54–55. The '738 patent purports to achieve this with a vehicle management control system that shares speed and location data of the vehicle with other peers to determine proper separation distance between

the peers. *Id.* at 26:39–29:24. The '738 patent utilizes an ultra-wideband (UWB) network in "varying operating environments including ones with buildings and walls (which cause reflections), curved tunnels, and underground." *Id.* at 27:28–37. The UWB helps to "determin[e] range information" and "may be used to communicate data, such as: the VMCS's unique ID, a signal indication, a track number, a track direction, the vehicle speed, the vehicle direction of travel, or GPS information (position information and/or GPS clock value)." *Id.* at 27:37–42.

C. Illustrative Claim

Petitioner challenges the patentability of claims 1–18. Claim 1 is independent and is reproduced below.

> 1. [1-Pre] A system for evaluating vehicle operation compliance, wherein the system comprises:
>
> [1A] a control signal interface subsystem; and
>
> [1B] a vehicle-mounted subsystem configured to:
>
> [1C] communicate with the control signal interface subsystem to receive information corresponding to a status of a control signal;
>
> [1D] determine a rule for behavior of a vehicle according to the information corresponding to the status of the control signal; and
>
> [1E] observe operation of the vehicle to evaluate compliance with the rule; wherein:
>
> [1F] the control signal interface subsystem comprises an ultra-wideband (UWB) communications component;
>
> [1G] the vehicle-mounted subsystem comprises an ultra-wideband (UWB) communications component; and
>
> [1H] the vehicle-mounted subsystem and the control signal interface subsystem are further configured to communicate UWB signals carrying data pertinent to

> evaluating vehicle operation compliance, the data comprising at least one of: a unique ID associated with the vehicle-mounted subsystem, a signal indication, a track number, a track direction, speed, and direction of travel.

Ex. 1001, 33:13–37; *see also* Pet. 77 (numbering the claim limitations).

D. Asserted Grounds of Unpatentability

Petitioner, supported by a Declaration of Foster J. Peterson (Ex. 1003), asserts the following grounds of unpatentability (Pet. 2)[1]:

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1, 2, 6–8, 13–15	103	Kane[2], Heddebaut[3]
3–5	103	Kane, Heddebaut, Das[4]
9–11, 16, 17	103	Kane, Heddebaut, Ackerman[5]
12, 18	103	Kane, Heddebaut, Hungate[6]
13–15	103	Kane, Heddebaut, Grisham[7]
16, 17	103	Kane, Heddebaut, Grisham, Ackerman
18	103	Kane, Heddebaut, Grisham, Hungate

[1] We apply the AIA version of 35 U.S.C. §§ 102, 103 because it appears the challenged claims have an effective filing date after March 16, 2013, the effective date of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011). *See* Ex. 1001, codes (22), (63).

[2] U.S. Pat. No. 6,957,131, issued Oct. 18, 2005 (Ex. 1005, "Kane").

[3] U.S. Pat. App. No. 2006/0151672, published July 13, 2006 (Ex. 1006, "Heddebaut").

[4] WO Pat. App. No. 2011/125074, published Oct. 13, 2011 (Ex. 1007, "Das").

[5] U.S. Pat. No. 5,803,411, issued Sep. 8. 1998 (Ex. 1008, "Ackerman").

[6] U.S. Pat. No. 5,950,966, issued Sep. 14, 1999 (Ex. 1009, "Hungate").

[7] U.S. Pat. No. 6,759,948, issued July 6, 2004 (Ex. 1010, "Grisham").

II. ANALYSIS

A. Level of Ordinary Skill in the Art

To determine whether an invention would have been obvious, we consider the level of ordinary skill in the pertinent art at the critical time. *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966). Resolution of this question is important because it allows us to "maintain[] objectivity in the obviousness inquiry." *Ryko Mfg. Co. v. Nu–Star, Inc*., 950 F.2d 714, 718 (Fed. Cir. 1991). In assessing the level of ordinary skill in the art, various factors may be considered, including the "type of problems encountered in the art; prior art solutions to those problems; rapidity with which innovations are made; sophistication of the technology; and educational level of active workers in the field." *In re GPAC, Inc*., 57 F.3d 1573, 1579 (Fed. Cir. 1995) (quotation omitted). Generally, it is easier to establish obviousness under a higher level of ordinary skill in the art. *Innovention Toys, LLC v. MGA Entm't, Inc*., 637 F.3d 1314, 1323 (Fed. Cir. 2011) ("A less sophisticated level of skill generally favors a determination of nonobviousness . . . while a higher level of skill favors the reverse.").

Petitioner asserts that a person of ordinary skill in the art "would have had a background in rail operations, signaling, and train/rail vehicle control systems, including at least a bachelor's degree in mechanical or electrical engineering or a related field" and "at least two years of experience with rail operations, signaling, and train/rail vehicle control systems such as collision avoidance systems." Pet. 5 (citing Ex. 1003 ¶¶ 23–28).

Patent Owner does not challenge Petitioner's description of the level of ordinary skill in the art. *See, generally,* Prelim. Resp. We are persuaded that Petitioner's description is consistent with the prior art and patent

specification. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001). For purposes of this Decision, we adopt Petitioner's description.

B. Claim Construction

In an *inter partes* review proceeding, a patent claim shall be construed using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. § 282(b). 37 C.F.R. § 42.100(b) (as amended Oct. 11, 2018). Our rule adopts 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. Under this standard, the words of a claim are generally given their "ordinary and customary meaning," which is the meaning the term would have to a person of ordinary skill at the time of the invention, in the context of the entire patent including the specification. *See Phillips*, 415 F.3d at 1312–13.

Petitioner asserts that "there are no claim terms that require construction." Pet. 6–7. Patent Owner does not challenge Petitioner's assertion. *See, generally,* Prelim. Resp.

We determine that no claim terms require express construction for purposes of this Decision. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017).

C. Overview of the Asserted Prior Art

1. Kane (Ex. 1005)

Kane is a U.S. patent titled "Positive Signal Comparator and Method," filed on November 21, 2002, and issued on October 18, 2005. Ex. 1005, codes (12), (22), (45), (54). Kane describes "[a] positive signal comparator system" including "a transceiver located on a train," "a wayside signal device," "an input device through which an operator enters a signal in

response to the signal received from the wayside signal device," and "a controller including a signal comparator for determining if the signal input by the operator matches the signal received from the wayside signal device and taking corrective action if the operator fails to enter the proper signal." *Id.* at code (57); *see id.* at 1:66–2:12. These corrective actions include "activating a warning device and/or activating the train's brakes." *Id.*

2. Heddebaut (Ex. 1006)

Heddebaut is a U.S. patent application publication titled "Device and Method for Positioning and Controlling Railway Vehicles with Ultra-Large Bandwidth," filed on July 15, 2004, and published on July 13, 2006. Ex. 1006, codes (12), (22), (43), (54). Heddebaut describes "[a] device and method for positioning and controlling railway vehicles" that "comprises fixed stations (1) including first means for transmitting/receiving (2) signals and a central control station (3) to which the fixed stations (1) are connected." *Id.* at code (57); *see id.* ¶ 41. "Each railway vehicle (4) and each fixed station (1) include processing means (8) for determining the identifier and the at least one message of each received signal," and "[t]he central control station (3) sends command control instructions." *Id.*

3. Das (Ex. 1007)

Das is a World Intellectual Property Organization International Patent Application publication titled "Obstruction Independent Persistent Signalling System," filed on April 7, 2011, and published on October 13, 2011. Ex. 1007, codes (22), (43), (54), (71). Das describes "an obstruction independent persistent signalling system to control and manage railway traffic" that "is devised to obviate the problems relating to accurate detection of the remotely situated signals which may arise due to many reasons like

reduced visibility in certain seasons, technical faults, human errors and alike." *Id.* at code (57); *see id.* at 1:5–10.

4. Ackerman (Ex. 1008)

Ackerman is a U.S. patent titled "Method and Apparatus for Initializing an Automated Train Control System," filed on October 21, 1996, and issued on September 8, 1998. Ex. 1008, codes (22), (45), (54). Ackerman describes "[a] vehicle initialization system for a control system that includes a vehicle, such as a train that is to be initialized, a vehicle track, a first reader, an onboard computer and a tachometer," wherein the "vehicle is adapted to coact with the track." *Id.* at code (57); *see id.* at 2:13–38. "The system also includes a vehicle identifier adapted to identify the vehicle characteristics," and "[a] second reader" that "is positioned along the track and is adapted to read the vehicle identifier as the vehicle travels along the track" and that interfaces with a "wayside computer." *Id.* The wayside computer also interfaces with "[a] wheel detector and a trip stop for preventing the vehicle from proceeding along the track." *Id.* at code (57); *see id.* at 2:39–59.

5. Hungate (Ex. 1009)

Hungate is a U.S. patent titled "Distributed Positive Train Control System," filed on September 17, 1997, and issued on September 14, 1999. Ex. 1009, codes (22), (45), (54). Hungate describes "[a] system for controlling train movement" that "uses a distributed architecture," such as "[w]ayside controllers" that "receive signals from individual trains, including position information derived from a navigation system." *Id.* at code (57); *see id.* at 1:61–2:3. "The wayside controllers interface with a

central train control network, and coordinate local train movement including the issuance of incremental authorities." *Id.*

6. Grisham (Ex. 1010)

Grisham is a U.S. patent titled "Railroad Collision Avoidance System and Method for Preventing Train Accidents," filed on September 21, 2001, and issued on July 6, 2004. Ex. 1010, codes (12), (22), (45), (54). Grisham describes "[a] railroad collision avoidance system and method . . . that utilize impulse radio technology to effectively warn a person when there is a locomotive in their vicinity." *Id.* at code (57); *see id.* at 4:3–18. Grisham describes that "the railroad collision avoidance system includes a transmitting impulse radio unit coupled to a locomotive and a receiving impulse radio unit coupled to a vehicle," where the transmitting impulse radio unit "transmit[s] an impulse radio signal towards the vehicle when the locomotive is a predetermined distance from a railroad crossing," and "the receiving impulse radio unit makes sure the person operating the vehicle is informed about the potentially dangerous situation." *Id.*

D. Discretionary Denial under 35 U.S.C. § 325(d)

Citing *Advanced Bionics*,[8] Patent Owner argues we should exercise discretion under 35 U.S.C. § 325(d) and deny institution because "the argument made in the Petition is the same as the argument considered and rejected by the Examiner using substantially the same art, and Petitioners' references were also presented to the Office." Prelim. Resp. 1. Petitioner opposes. Pet. 71–74. For the reasons discussed below, we invoke our discretion to deny institution under § 325(d).

[8] *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 7 (PTAB Feb. 13, 2020) (precedential).

In determining whether to institute an *inter partes* review, "the Director may take into account whether, and reject the petition because, the same or substantially the same prior art or arguments previously were presented to the Office."[9] 35 U.S.C. § 325(d). Our § 325(d) analysis employs a two-prong framework: (1) whether the prior art and arguments presented in the petition are the same or substantially the same as those previously presented to the Office; and (2) if so, whether the petitioner has demonstrated a material error by the Office in its prior consideration of those prior art and arguments. *Advanced Bionics*, Paper 6 at 8.

We consider several non-exclusive factors as set forth in *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (Dec. 15, 2017) (precedential as to § III.C.5, first paragraph) ("*Becton, Dickinson*"), which "provide useful insight into how to apply the framework" under § 325(d). *Advanced Bionics*, Paper 6 at 9. These non-exclusive factors include:

> (a) the similarities and material differences between the asserted art and the prior art involved during examination;
>
> (b) the cumulative nature of the asserted art and the prior art evaluated during examination;
>
> (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection;
>
> (d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art;
>
> (e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and

[9] The Board institutes trial on behalf of the Director. 37 C.F.R. § 42.4(a).

> (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.

Becton, Dickinson, Paper 8 at 17–18 (formatting added). "If, after review of factors (a), (b), and (d), it is determined that the same or substantially the same art or arguments previously were presented to the Office, then factors (c), (e), and (f) relate to whether the petitioner has demonstrated a material error by the Office." *Advanced Bionics*, Paper 6 at 10.

1. Whether the Prior Art and Arguments Are the Same or Substantially the Same

Patent Owner argues that the cited art is either the same or substantially the same as the art considered during prosecution. Prelim. Resp. 4. As Patent Owner points out, claim 1, the sole independent claim, is asserted to be obvious over the teachings of Kane and Heddebaut. *Id.* at 5 (citing Pet.2). Patent Owner argues that the Examiner was aware of both Kane and Heddebaut during the prosecution of the '738 patent. *Id.* Patent Owner further argues that in addition the cited references are cumulative of references cited by the Examiner in a rejection of the claims during prosecution. *Id.* at 7.

As to the first argument, Patent Owner directs us to the July 27, 2015 information disclosure statement ("IDS") filed during the prosecution of the '738 patent. This IDS lists on its face the Heddebaut reference. Prelim. Resp. 6 (citing Ex. 1002, 108). Patent Owner notes that "[t]he Examiner certified that 'all references' on the IDS were 'considered except where lined through,' and he did not line through Heddebaut." *Id.* (citing Ex. 1002, 182). Patent Owner also directs us to the Examiner's search report which lists Kane's patent number on its face. *Id.* at 6–7 (citing Ex. 1002, 186). In

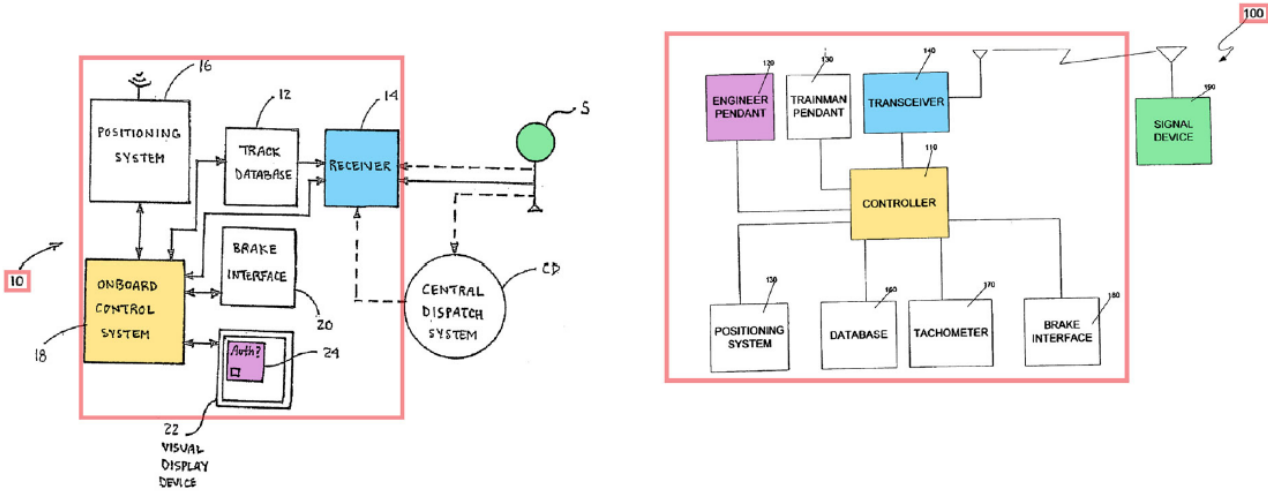
light of this evidence, Patent Owner argues that "Heddebaut and arguably Kane, were considered by the Office during the prosecution of the 738 Patent." *Id.* at 7 (citing *Vital Connect, Inc. v. Bardy Diagnostics, Inc*., IPR2023-00381, Paper 7 at 15-17 (PTAB July 11, 2023)).

Petitioner contends that while "Heddebaut and a continuation application of Grisham were cited in an IDS filed by Patent Owner during prosecution, neither was applied as a reference against any of the claims or otherwise discussed." Pet. 72. Petitioner then argues that "[t]he Board has 'consistently held that a reference that 'was neither applied against the claims nor discussed by the Examiner' does not weigh in favor of exercising discretionary denial under § 325(d)." *Id.* (*citing Bowtech, Inc. v. MCP IP, LLC,* IPR2019-00382, Paper 12, 12 (Aug. 6, 2019)). Petitioner, however, is relying on cases that predate our precedential decision in *Advanced Bionics.* As noted in *Advanced Bionics,* "[p]reviously presented art includes art made of record by the Examiner, and art provided to the Office by an applicant, such as on an Information Disclosure Statement (IDS), in the prosecution history of the challenged patent." *Advanced Bionics*, Paper 6 at 7–8. As such, the Kane and Heddebaut references were both previously before the Office.

Second, Patent Owner argues that during prosecution the Examiner rejected claims over Knott[10] and Soderi[11] and that the "Petition relies on Heddebaut and Kane as disclosing and combining the same elements said during prosecution to be disclosed and combined by Knott and Soderi."

[10] U.S. Pat. App. No. 2010/0063656, published Mar. 11, 2010 (Ex. 2001, "Knott").
[11] U.S. Pat. App. No. 2013/0138276, published May. 30, 2013 (Ex. 2002, "Soderi").

Prelim. Resp. 7–8. According to Patent Owner, "[a]lthough Kane and Heddebaut may be new in name, review of the file wrapper shows that the art relied upon in the Petition presents the same arguments previously disposed of by the Office." *Id.* at 9–10. Patent Owner contends that Knott and Kane "include nearly identical block diagrams for their respective train control systems, which include the components being relied upon for claim elements 1A to 1E." *Id.* at 10. Figure 1 of Knott and Figure 4 of Kane as annotated by Patent Owner are reproduced below.



Knott **Kane**

Figure 1 of Knott and Figure 4 of Kane as annotated by Patent Owner are reproduced above. Prelim Resp. 10. According to Petitioner, "Kane teaches a train control system and method for preventing train accidents that comprises a wayside signaling device 190 (which includes a control signal interface subsystem) and a controller 110 that connects to several components of a train, such as engineer/trainman 'pendants' 120/130 (which are essentially a man-machine interface controller on the train), [and] a transceiver 140." Pet. 7 (citing Ex. 1005, 3:23–7:51, Ex. 1003 ¶¶ 73–74). Similarly, the previously presented Knott describes "[a] train control system

for controlling trains traveling in a track," in which an "on-board control system receives position data and automatically brakes the train prior to encountering an upcoming signal based upon specified data points." Ex. 2001, code (57). Knott's system includes receiver 14 and on-board control system 18. As disclosed in Knott, "where the on-board control system 18 predictively enforces the signal aspect data of the upcoming wayside signal S to 'stop,' the on-board control system 18 may require that the operator press a selectable portion 24 that indicates that appropriate authority has been received by the operator from central dispatch to proceed." *Id.* ¶ 44.

Patent Owner then proceeds to step through Petitioner's allegations of obviousness over Kane and Heddebaut over claim 1 and directs us to evidence of substantially similar disclosures in Knott and Soderi as compared to the disclosure cited by Petitioner in this IPR. Prelim. Resp. 11–15. For example, for claim element 1A ("a control signal interface subsystem"), Petitioner relies upon Kane's wayside signal device 190 and Patent Owner directs us to Knott's generation of wayside signal S. *Id.* at 11 (comparing Pet. 13 and Ex. 2001 ¶¶35–36, Fig. 4, element 5, Ex 1001, 246 (Non-Final Office Action)).

Patent Owner further contends that Petitioner's "argument regarding the motivation to combine Kane's GPS based system with Heddebaut's UWB teaching repurposes the same argument that the Examiner initially made when he rejected the claims in view of Knott and Soderi." *Id.* at 17. In the rejection, the Examiner stated that one of ordinary skill in the art would have understood "Knott to use the UWB distance measurement system, as taught by Soderi, in addition to Knott's GPS system, in order to

ensure failsafe, accurate distance measurements with reference to stopping points at railway signals." *Id.* (citing Ex. 1002, 172). Patent Owner argues that this is substantially similar to Petitioner's contention that one of ordinary skill in the art "would have understood that UWB ranging would improve Kane in the same way that it improves Heddebaut, such as by providing more accurate positioning information in environments where the GPS positioning disclosed in Kane may not work, such as in a tunnel." *Id.* (citing Pet. 31); *see also id* at 26 (contending that Petitioner's declarant also proffers the same motivation to combine Kane and Heddebaut as that the Examiner used in combining Knott and Soderi).

Petitioner acknowledged that the Examiner rejected claims over Knott and Soderi, but does not provide analysis as to whether the arguments presented were substantially similar to those presented in this IPR. Pet. 6 (noting the rejection over Knott and Soderi), 72 (contending that step 1 of *Advanced Bionics* was not satisfied).

We are persuaded by Patent Owner's argument that "Petitioner merely swaps in similar references and repeats the same arguments already overcome in prosecution." *See* Prelim. Resp. 17. Patent Owner has provided detailed assertions that show the substantially similar disclosures of Knott and Soderi as compared to the disclosures of Kane and Heddebaut. We also find persuasive, Patent Owner's argument that the motivation to combine is substantially similar in the IPR and in the prosecution of the '738 patent. The Examiner's cited rationale was to use UWB to provide a failsafe and Petitioner's cited rationale was to positioning information in places where GPS may not work. We find that on this record, that is a restatement of the argument presented during prosecution. Petitioner does not direct us

to, nor do we discern from the record before us, any material differences between the references cited in the IPR, the arguments made in the IPR, and the references and arguments presented during prosecution as to claim 1 of the '738 patent.

As such, we are persuaded that Heddebaut and Kane were considered during prosecution and the arguments presented regarding Kane and Heddebaut are substantially similar to those adduced during prosecution regarding Knott and Soderi. As the Director has stated, "the first part of the *Advanced Bionics* framework is satisfied if either substantially the same prior art ***or*** substantially the same arguments were previously presented to the Office." *Nokia of America Corp. v. Alexander Soto and Walter Soto,* IPR2023-00680, Paper 18 at 4 (PTAB Mar. 4, 2024) (Director Review). Here, Patent Owner has established both elements and thus, we move to prong two of the *Advanced Bionics* framework.

2. Whether Petitioner Demonstrated Material Error

Because the first part of the *Advanced Bionics* framework is satisfied, we next determine whether Petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims. *Advanced Bionics*, Paper 6 at 8. In assessing the second part of the *Advanced Bionics* framework, we consider *Becton, Dickinson* factors (c), (e), and (f) to determine whether material error has been shown. *Advanced Bionics*, Paper 6 at 10. "An example of a material error may include misapprehending or overlooking specific teachings of the relevant prior art where those teachings impact patentability of the challenged claims." *Id.* at 6 n.9. However, "[i]f reasonable minds can disagree regarding the purported treatment of the art or arguments, it cannot be said that the Office erred in a manner material to

patentability." *Id.* at 9. Petitioner bears the burden of showing that the Examiner materially erred. *Id.* at 8.

Patent Owner argues that "the Petition addresses the second *Advanced Bionics* factor with only five conclusory sentences that do not demonstrate how the Office erred in a manner material to the patentability of the Challenged Claims." Prelim. Resp. 18 (citing Pet. 73).

As noted above, the Petition does not discuss the similarity between Heddebaut and Kane and the previously presented Knott and Soderi. Petitioner instead discusses the lack of a rejection over Grisham and Heddebaut. Pet. 73. Grisham is discussed as part of the challenge to dependent claims 13–18 and is not part of the challenge to independent claim 1. *See* Pet. 2. Petitioner contends that it is "not asking the Office to reconsider any arguments regarding Grisham or Heddebaut made during prosecution of the '738 Patent; rather, [it is] asking the Office to consider for the first time whether Grisham and Heddebaut in combination with other new references renders the challenged claims obvious." *Id.* at 73. Petitioner asserts that there was error in the Office's previous consideration of Grisham and Heddebaut because their teachings were "necessarily overlooked when [the Office] allowed the claims despite Grisham and Heddebaut being listed in an IDS." *Id.* Petitioner also states that the Office lacked the benefit of Foster J. Peterson's declaration testimony (Ex. 1003) that is presented as part of Petitioner's challenged. *Id.*

We agree with Patent Owner that "the Petition does not try to flesh out any material error the Examiner made when he allowed claim 1 over the substantially similar combination of Knott and Soderi." Prelim. Resp. 18–19. We further agree with Patent Owner that "[t]he evidence shows that the

Examiner considered Knott and Soderi at length, which are substantially the same on the points extracted by Petitioners from Kane and Heddebaut." *Id.* at 20. Also, Patent Owner persuasively argues that Petitioner's declarant, Mr. Peterson, does not provide further evidence that would support revisiting these substantially similar art and arguments. *Id.* at 26 (asserting that Mr. Peterson's "declaration is merely disagreeing on a point the Examiner already considered, not raising a new argument not previously considered").

Thus, on the record before us, we are persuaded that Petitioner has not established error on behalf of the Examiner in a manner material to patentability.

3. Conclusion as to Discretionary Denial

We conclude that (1) substantially the same art and arguments were previously presented to the Office, and (2) Petitioner has not demonstrated that the Office erred. We therefore conclude that it is appropriate to exercise discretion under 35 U.S.C. § 325(d) to deny the Petition.

III. CONCLUSION

For the foregoing reasons, we exercise discretion under 35 U.S.C. § 325(d) to deny institution of an *inter partes* review.

IV. ORDER

For the foregoing reasons, it is

ORDERED that the Petition is *denied*, and no trial is instituted.

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