

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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ESSELTE CORPORATION, ESSELTE AB, AND ESSELTE LEITZ  
GMBH & CO. KG,  
Petitioner,

v.

SANFORD L.P.,  
Patent Owner.

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Case IPR2015-00771  
Patent 7,140,791 B2

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Before DAVID C. MCKONE, BARBARA A. PARVIS, and  
JO-ANNE M. KOKOSKI, *Administrative Patent Judges*.

PARVIS, *Administrative Patent Judge*.

DECISION  
Instituting *Inter Partes* Review  
*37 C.F.R. § 42.108*

I. INTRODUCTION

A. *Background*

Esselte Corporation, Esselte AB, and Esselte Leitz GmbH & Co. KG (“Petitioner”) filed a Petition (Paper 1, “Pet.”) to institute *inter partes* review of claim 6 (“the challenged claim”) of U.S. Patent No. 7,140,791 B2 (Ex. 1001, “the ’791 Patent”). Sanford L.P. (“Patent Owner”) filed a

redacted Preliminary Response (Paper 9, “Prelim. Resp.”) and an unredacted Preliminary Response (Paper 10).<sup>1</sup> 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.” 35 U.S.C. § 314(a).

Petitioner contends that the challenged claim is unpatentable under 35 U.S.C. § 103 based on the following grounds (Pet. 3): (1) U.S. Patent No. 5,314,256 (“Niwa”) (Ex. 1003) and U.S. Patent No. 5,344,247 (“Sakuragi”) (Ex. 1004); (2) U.S. Patent No. 5,253,334 (“Kimura”) (Ex. 1005) and Sakuragi; (3) Niwa and U.S. Patent No. 5,559,934 (“Ogura”) (Ex. 1006); and (4) Sakuragi and Ogura.

For the reasons set forth below, we determine that, on this record, Petitioner demonstrates a reasonable likelihood of prevailing in showing the unpatentability of the challenged claim.

#### *B. Related Proceedings*

Petitioner identifies, as a related proceeding, a lawsuit in the United States District Court for the Southern District of New York captioned *Sanford L.P. v. Esselte AB*, Case Number 1:14-cv-07616-VSB. Pet. 1.

#### *C. The '791 Patent*

The '791 Patent pertains to a printing device for printing an image on a tape and, in particular, across the width of the tape. Ex. 1001, 1:4–7. Figure 6 of the '791 Patent is reproduced below.

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<sup>1</sup>Unless otherwise noted, citations herein will be to the redacted Preliminary Response (Paper 9).

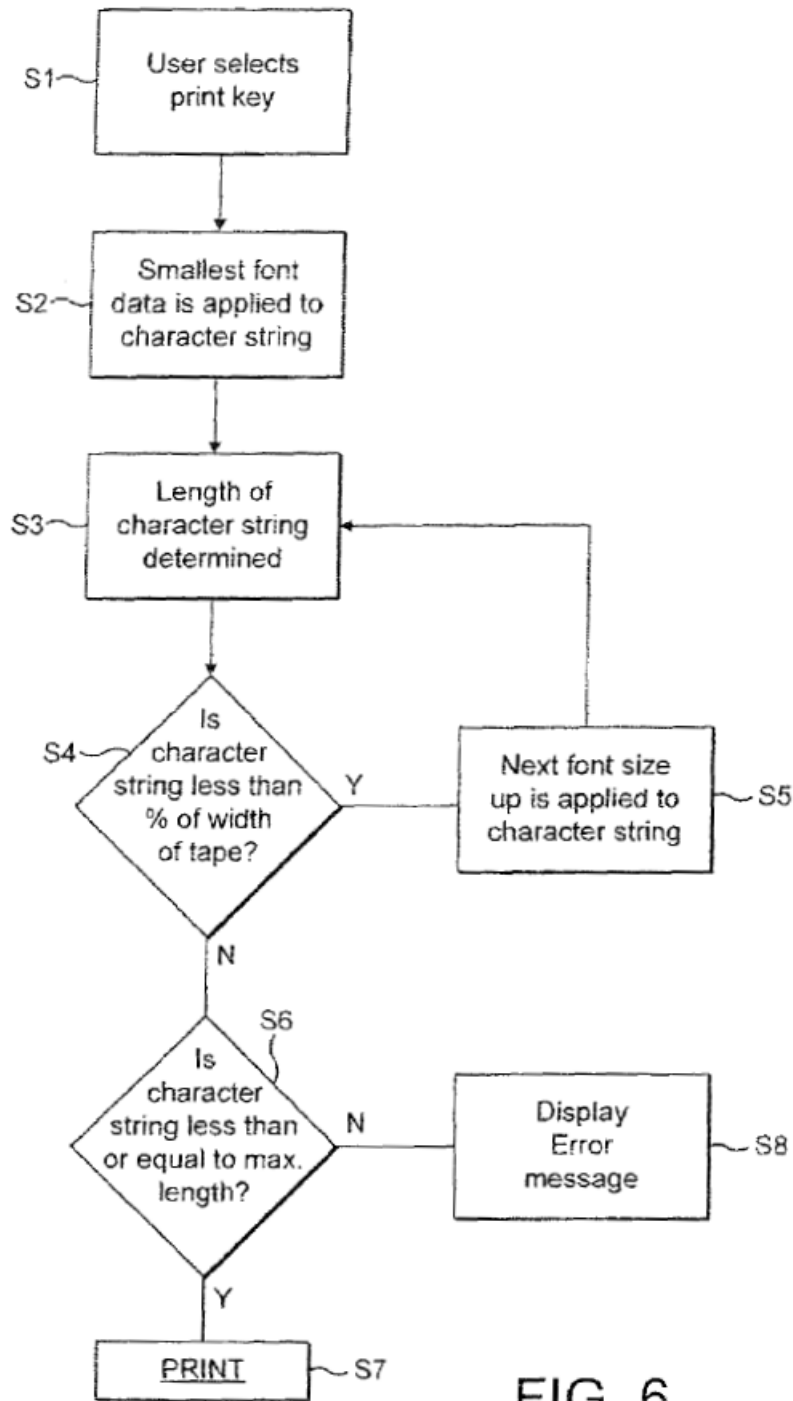


FIG. 6

Figures 6 of the '791 Patent illustrates a flow chart describing steps for generating print data.

As shown in Figure 6, the print operation starts when a user selects print with vertical mode, after entering a character string to be printed.

Ex. 1001, 8:21–23. Next, in step two, the processor retrieves font data from memory for each character in the character string and sizes it to the smallest font that is printable by the printing device. *Id.* at 8:24–28.

In step three, the length of the character string is determined. *Id.* at 8:33. In step four, the length of the character string is compared to the maximum printable length, which may be equal to the width of the tape. *Id.* at 8:34–38. If the length of the character string is less than 75% of the maximum printable length, the font data is sized to the next higher font size. *Id.* at 8:45–48. If the length of the character string is equal to or larger than 75% of the maximum printable length, a determination is made as to whether the length of the character string is less than or equal to the maximum printable length, and, if it is, then the character string is printed. *Id.* at 8:49–56. If the length of the character string is greater than the maximum printable length, an error message is displayed to the user. *Id.* at 8:57–59.

*D. Illustrative Claim*

Petitioner challenges claim 6 of the '791 Patent. Pet. 3. Claim 6 is independent and is reproduced below. Ex. 1001, 9:39–52.

6. A method for printing an image on an elongate image receiving medium comprising the steps:
  - inputting data defining the image to be printed;
  - selecting a vertical printing mode in which the image is to be printed across the width of the elongate image receiving medium;
  - initiating a print operation for printing the image;
  - generating print data in accordance with a print data generation method which ensures that the image fits in the width of the elongate receiving medium;
  - wherein the print data generation method comprises the steps of:

calculating a first length of the image with a first font data;  
comparing said calculated first length to a predetermined length;  
calculating a second length of the image with a second font data; and  
printing the image using the print data.

*E. Claim Construction*

*1. Legal Standard*

As a step in our analysis, we determine the meaning of the claims for purposes of this Decision. In an *inter partes* review, claim terms in an unexpired patent are interpreted according to their broadest reasonable construction in light of the specification of the patent in which they appear. *See* 37 C.F.R. § 42.100(b); *see also In re Cuozzo Speed Techs., LLC.*, No. 2014-1301, 2015 WL 4097949, at \*5–\*8 (Fed. Cir. July 8, 2015) (“Congress implicitly approved the broadest reasonable interpretation standard in enacting the [America Invents Act (Pub. L. No. 112–29, 125 Stat. 284 (2011)) (‘AIA’)],” and “the standard was properly adopted by [United States Patent and Trademark Office (‘USPTO’)] regulation.”). Under the broadest reasonable construction standard, claim terms are given their ordinary and customary meaning, as would be understood by one of ordinary skill in the art in the context of the entire disclosure. *See In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007).

*2. “selecting a vertical printing mode”*

Claim 6 recites “selecting a vertical printing mode.” Ex. 1001, 9:38. Petitioner contends that the term means “preparing to print perpendicular to the length of the printing medium.” Pet. 8. Patent Owner contends that “[n]o construction [is] required.” Prelim. Resp. 8. Patent Owner, however,

contends that “Claim 6 requires a user to ‘select[]’ a vertical printing mode.” *Id.* at 26.

The Specification does not define “selecting.” The *IEEE Dictionary* sets forth a plain and ordinary meaning of “select” as follows: “[t]o identify, within a set of items, all items that meet a particular criterion.” INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS 100, THE AUTHORITATIVE DICTIONARY OF IEEE STANDARD TERMS 1017 (7th ed., IEEE Press 2000) (emphasis added) (Ex. 3001). The dictionary definition of “select” is useful in ascertaining the way in which one of ordinary skill in the art would understand this claim term. *See Starhome GMBH v. AT&T Mobility LLC*, 743 F.3d 849, 856–57 (Fed. Cir. 2014).

The technical dictionary definition is consistent with the Specification, which describes “selecting” as follows: “[v]ertical printing mode may be selected by selecting a vertical mode function key 122.” Ex. 1001, 5:58–59. We note that the identification may be made manually by a user. *Id.* Additionally, the Specification uses the term “selectively” with respect to a process that is not controlled directly by manual user intervention, for example, “[p]ixels are selectively activated in each column to construct an image in a manner well known in the art.” *Id.* at 3:67–4:2.

Based on the current record and for purposes of this Decision, we determine that the term “selecting” means “identifying.” We determine, on this record, that the remainder of the phrase does not require construction. Additionally, we note that although “selecting a vertical printing mode” (Ex. 1001, 9:38) may be accomplished by a user manually inputting the selection, nothing in claim 6 requires that the selection occurs as the direct result of a user’s manual input.

3. “*generating print data in accordance with a print data generation method*”

Claim 6 recites “generating print data in accordance with a print data generation method.” Ex. 1001, 9:42–43. Petitioner contends that the term means “generating data to be transferred to the printing mechanism (e.g., print head) according to a specific method in response to the initiation of a print operation.” Pet. 8. Patent Owner contends “[n]o construction [is] required.” Prelim. Resp. 10.

The Specification does not define “print data.” The *IEEE Dictionary* sets forth a plain and ordinary meaning of “print data set” as follows: “[a] data set in which *data that is to be printed* are stored.” Ex. 3001 at 866 (emphasis added). The technical dictionary definition is consistent with the Specification, which describes “print data” as follows: “print data is then transferred column by column to the print head for printing.” Ex. 1001, 7:18–19.

We determine, based on the current record and for purposes of this Decision, that “generating print data in accordance with a print data generation method” does not require express construction, except for the term “print data” within the phrase. We determine that the term “print data” means “data that is to be printed.”

4. “*second font data*”

Claim 6 recites “calculating a second length of the image with a *second font data*.” Ex. 1001, 9:50–52 (emphasis added). Petitioner contends that the term “second font data” means “character data stored in memory.” Pet. 10. In support of its construction, Petitioner provides dictionary definitions and identifies portions of the Specification showing

sufficiently a usage of the term that is consistent with the plain and ordinary meaning ascertained from the dictionary definitions. *Id.* at 10.

Patent Owner contends that “Petitioners attempt to rewrite the claim language by limiting ‘second font data’ to data that is ‘stored in memory.’” Prelim. Resp. 14–15. Patent Owner, however, does not explain sufficiently how “second font data” would be used in a calculation, as recited in claim 6 (Ex. 1001, 9:50–51), without being stored.

Patent Owner also contends “Petitioners’ construction violates the claim differentiation doctrine” and, more specifically contends that claims 8 and 9 recite a “stored in memory” limitation. Prelim. Resp. 15. Claims 8 and 9, however, recite storing data in memory in a particular format, i.e., as “bit map data.” Ex. 1001, 9:56–10:5. We, therefore, are not persuaded by Patent Owner’s contention.

Accordingly, on this record, we determine that Petitioner’s construction is the broadest reasonable interpretation of “second font data.”

## II. ANALYSIS

### A. Overview

A patent claim is unpatentable if the differences between the claimed subject matter and the prior art are “such that the subject matter[,] as a whole[,] would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.” 35 U.S.C. § 103(a). The question of obviousness is resolved on the basis of underlying factual determinations, including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of skill in the art; and (4) objective evidence of nonobviousness, i.e., secondary considerations. *See Graham v. John Deere*



*Co.*, 383 U.S. 1, 17–18 (1966). In an obviousness analysis, inferences and creative steps that a person of ordinary skill in the art would employ can be taken into account. *See KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007).

*B. Obviousness of Claim 6 over Niwa and Sakuragi*

Petitioner contends that claim 6 of the ’791 Patent is rendered obvious by the combined teachings of Niwa and Sakuragi. Pet. 11–24.

*1. Niwa*

Niwa teaches a printing device that automatically determines the optimum size of characters to be printed in accordance with the width of a tape used as a print medium and the number of lines of inputted characters. Ex. 1003, 1:50–55. The determining is accomplished by calculating a first size and a second size. *Id.* at 2:5–10. The first size is calculated by comparing a number of longitudinal dots to be printed with the number of longitudinal dots available in a line. *Id.* at 6:44–56. A longitudinal pointer is incremented based on the comparison. *Id.* at 6:52–56. The longitudinal pointer points to the first character size in table 19. *Id.* at 7:1–6. Next a lateral pointer is set to be equal to the longitudinal pointer and then it is incremented based on a comparison of lateral dots to be printed to determine a second character size. *Id.* at 7:1–20.

*2. Sakuragi*

Sakuragi teaches printing device 1 including keyboard 4 with character input keys 2 and print keys 3. Ex. 1004, 2:58–62. Keyboard 4 is connected to Central Processing Unit (“CPU”) 40 so that CPU 40 can discriminate character input signals and function input signals input through function keys, such as print keys 3. *Id.* at 4:20–25.

Sakuragi also teaches a print execution program that begins by determining whether the set direction of the character string is 90 degrees or 270 degrees. *Id.* at 5:22–25. When the rotation angle is 90 degrees or 270 degrees, the width of the tape is detected. *Id.* at 5:54–56. Then the print width necessary for printing the character string is calculated and compared to the tape width. *Id.* at 5:64–67. If the print width is smaller than the tape width, the rotated image is printed without reduction. *Id.* at 6:1–7. If the print width is greater than or equal to the tape width, the size of the image to be printed is reduced at a predetermined reduction ratio, and, compared again. *Id.* at 6:8–15. If the reduced image is smaller than the tape width, the image is rotated and printed. *Id.* at 6:16–22.

### 3. Claim 6

Petitioner contends that claim 6 would have been obvious over the combined teachings of Niwa and Sakuragi, including those teachings summarized above. Pet. 11–24. Patent Owner’s contentions pertain to the teachings of Niwa (Prelim. Resp. 25–31) and whether Petitioner has satisfied the requirements for combining the references (*id.* at 17–25).

On this record, we are persuaded by Petitioner’s arguments and evidence relating to Sakuragi (Pet. 12–24) that Petitioner has shown sufficiently that Sakuragi teaches all the limitations recited in claim 6, except “calculating a second length of the image with a second font data” (Ex. 1001, 9:50–51). We discuss further below the parties’ contentions regarding that limitation and whether Petitioner has satisfied the requirements for combining Niwa and Sakuragi.

*a. Whether the combination of Niwa and Sakuragi teaches “calculating a second length of the image with a second font data”*

Petitioner points to Niwa’s teaching that “the determining means determines the second size in accordance with the dividing operation in which the number of dots capable of being included in the predetermined width is divided by the number of lines of the characters/symbols to be printed within the predetermined width.” Pet. 22 (citing Ex. 1003, 2:16–21). Petitioner also points to additional teachings in Niwa that provide further specificity regarding the operation to determine the second size. *Id.* at 22–23 (citing Ex. 1003, 4:62–5:19, 5:21–24, 6:50–7:6, 7:13–19, Fig. 4); *see also id.* at 19 (citing Ex. 1003, 6:32–7:23) (Niwa’s teaching of processing performed when print key is operated).

Patent Owner contends that “the Petition fails because Petitioners fail to show that Niwa discloses calculating either a first length or a second length.” Prelim. Resp. 27. According to Patent Owner, Petitioner “only discuss[es] character size.” *Id.* at 28 (citing Pet. 11–12). Patent Owner discusses the Specification of the ’791 Patent and contends that a “lookup table embodiment” is an alternate embodiment. *Id.* at 27.

Although we are persuaded that Sakuragi teaches calculating a first length, because Patent Owner’s contention pertains to calculating two lengths rather than one, we consider whether Niwa teaches calculating both a first length and a second length. Petitioner states:

Niwa's printing device automatically determines the optimum size of characters based on the width of the tape and the number of lines of inputted characters. ([Ex. 1003] at 1:50-55.) Niwa achieves this by determining a *first character size* based upon the number of the characters and/or symbols to be printed, and a *second character size* based upon the number of lines of the characters and/or symbols to be printed. (*Id.* at 2:3-10.) Niwa selects a smaller one of the *first and second sizes* as the size to be printed. (*Id.*)

Pet. 11–12 (emphasis added). Petitioner points to further details as to how the first character size is determined “[i]f the number of longitudinal dots  $T_{nd}$  indicated by the longitudinal pointer  $T_p$  is greater than the number of longitudinal dots  $t_d$  determined base[d] on the calculation (S:36:no), the longitudinal dots  $T_p$  is incremented by 1 (S37).” Pet. 21 (citing Ex. 1003, 6:52–56). Petitioner also points to further details as to how the second character size is determined “[i]f the number of lateral dots  $Y_{nd}$  indicated by the lateral pointer  $Y_p$  is equal to less than the number of lateral dots  $y_d$  (S42:Yes), a character size  $S_n$  corresponding to the number of lateral dots indicated by the lateral pointer  $Y_p$  is determined as a printing character size.” *Id.* at 23 (citing Ex. 1003, 7:13–19).

As Petitioner notes (Pet. 22 (citing Ex. 1003, Fig. 4)), processing involves use of a table, illustrated in Figure 4 of Niwa. Patent Owner has not persuaded us that claim 6 precludes any use of a table. We, therefore, are persuaded, on this record, that Petitioner has shown sufficiently that Niwa teaches calculating a first length and a second length.

Patent Owner additionally contends that Petitioner “fail[s] to make clear what feature(s) of Niwa they allege satisfy ‘first font data’ or ‘second font data.’” Prelim. Resp. 30. As Petitioner notes (Pet. 21–23), pointers

“Tp” and “Yp” point to rows in the Table illustrated in Figure 4, which is reproduced below (Ex. 1003, Figure 4):

FIG. 4

CHARACTER SIZE	LONGITUDINAL DOTS	LATERAL DOTS
S 1 (MAX.)	T 1 d	Y 1 d
S 2	T 2 d	Y 2 d
S 3	T 3 d	Y 3 d
S 4	T 4 d	Y 4 d
S 5	T 5 d	Y 5 d
S 6	T 6 d	Y 6 d
S 7	T 7 d	Y 7 d
S 8	T 8 d	Y 8 d
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
S i (MIN.)	T i d	Y i d
	E r	E r

Figure 4 illustrates a character table showing an arrangement of character sizes, the number of longitudinal dots, and lateral dots.

Niwa teaches pointer “Tp” pointing to a row having a corresponding character size and pointer “Yp” pointing to a row that will point to a second size when the number of the lateral dots “Ynd,” indicated by pointer “Yp,” is greater than the number of lateral dots “yd” (Ex. 1003, 7:7–19). We,

therefore, are persuaded, based on the record before us, that Petitioner has shown sufficiently that Niwa teaches a first font and a second font.

*b. Whether Petitioner has satisfied the requirements for combining the teachings of Niwa and Sakuragi*

Petitioner, in reliance on Mr. Gray's testimony, contends that a person of ordinary skill in the art would have found it obvious to combine Niwa and Sakuragi because both patents are directed to printing devices and combining these references "would have involved simply arranging old elements with each performing the same function it had been known to perform, to yield no more than one would expect from such an arrangement." Pet. 14 (citing Ex. 1002 ¶¶ 55–56, 83). Mr. Gray testifies regarding the background of the technology (Ex. 1002 ¶¶ 10–14), "the well-developed nature of the field" (*id.* ¶ 55), and "the predictable nature of the underlying technology" (*id.* ¶ 56). Mr. Gray further testifies that "a person of ordinary skill in the art would have been motivated to modify Sakuragi to use the lookup table approach of Niwa because doing so would have resulted in processing efficiencies and thus reduce the time required to determine the appropriate character sizes so that the printed image would fit within the printed area." *Id.*

Patent Owner contends that Petitioner fails to satisfy the requirements for obviousness because Petitioner's claim chart "includes block quotes from both Niwa and Sakuragi for all elements of claim 6, without explanation." Prelim. Resp. 18. Petitioner contends that during prosecution "the patentee argued that Sakuragi applied a reduction ratio . . . but lacked disclosure of a second font size" and, in contrast, Niwa teaches "using a look-up table for character (font) sizes (*i.e.*, the same approach in the '791 patent)." Pet. 13–

14. On this record, we are persuaded that Petitioner has provided sufficient explanation.

Patent Owner additionally contends that Petitioner fails to articulate a motivation to combine. *Id.* at 21–25. The Supreme Court has “recognized that when a patent claims a structure already known in the prior art that is altered by the mere substitution of one element for another known in the field, the combination must do more than yield a predictable result.” *KSR*, 550 U.S. at 416. We are not persuaded that Petitioner has failed to show a reason to combine. Instead, on this record, we are persuaded by Petitioner’s evidence that it would have been obvious to one of ordinary skill to arrange the printer of Sakuragi such that it generates print data by calculating two lengths, rather than using ratio reduction. Nonetheless, Petitioner’s expert testifies further regarding a motivation to combine Niwa and Sakuragi.

On this record, we determine that Petitioner has articulated sufficient reasoning with a rational underpinning as to why one of ordinary skill in the art would have combined a printer that generates print data by calculating a first and second length of the image with a first and second font data, respectively, as taught in Niwa (Ex. 1003, 6:32–7:23), with the teachings of Sakuragi relating to a printer that allows selection of a vertical printing mode of 90 degrees or 270 degrees (Ex. 1004, 5:22–25), to print an image across the width of a tape. *See KSR*, 550 U.S. at 418 (citing *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)).

*c. Conclusion*

Accordingly, we are persuaded that, on this record, Petitioner demonstrates a reasonable likelihood of prevailing in showing the unpatentability of independent claim 6.

*C. Obviousness of Claim 6 over Sakuragi and Ogura*

Petitioner contends that claim 6 of the '791 Patent is rendered obvious by the combined teachings of Sakuragi and Ogura. Pet. 46–55.

*1. Ogura*

Ogura teaches a label printing apparatus. Ex. 1006, 1:66–67. A program for controlling Ogura's label printing apparatus uses a character size table illustrated in Table 1, reproduced below (*id.* at 7:48–60).

TABLE 1

Size Classification	(vertical × horizontal; unit: dot)		
	Square Character (6 Types)	Horizontally Elongated Character (5 Types)	Vertically Elongated Character (5 Types)
SS	16 × 15	16 × 30	32 × 15
S	22 × 22	22 × 44	44 × 22
M	32 × 30	44 × 66	66 × 44
L	44 × 44	44 × 88	88 × 44
LL	66 × 66	66 × 88	88 × 66
3L	88 × 88	—	—

Table 1 shows character sizes ranging from the SS size to the 3L size. Character size is set automatically, as illustrated, for example, in Figure 10, which is reproduced below.



Fig. 10

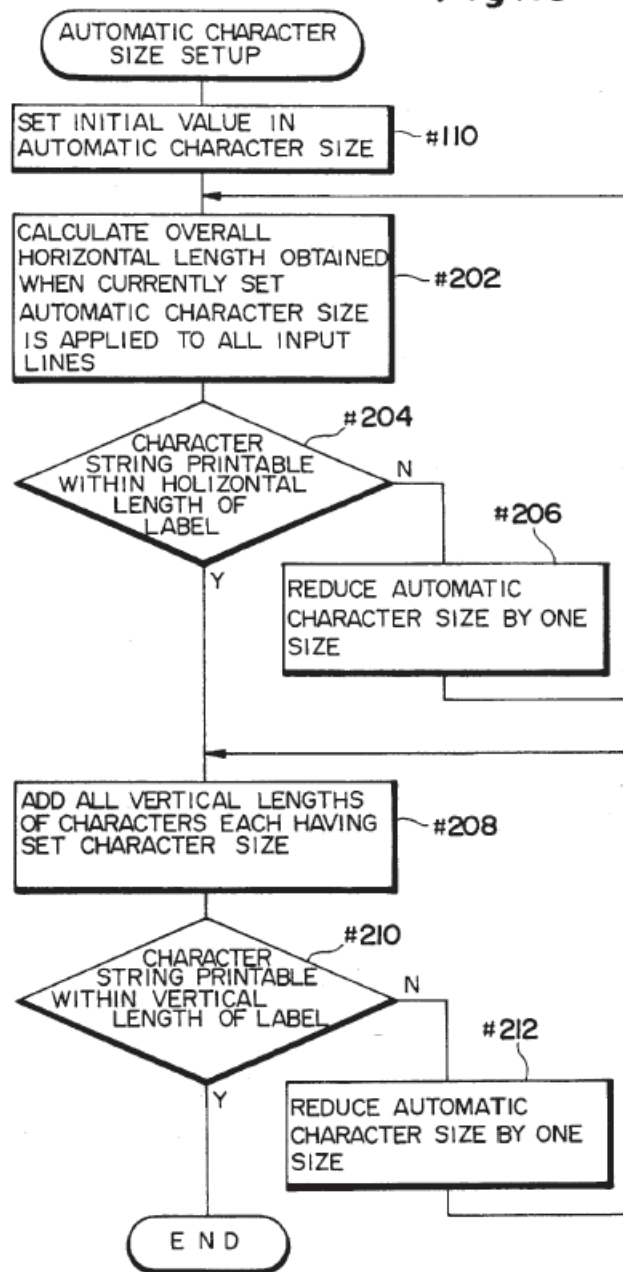


Figure 10 illustrates a flow chart that teaches processing for automatically setting character size.

In accordance with Figure 10, an initial value of the character size is determined. Ex. 1006, 10:12. Characters are input and the length of the character string is calculated. *Id.* at 10:14–16. The length is compared to

the length of the set print area and, based on the comparison a smaller character size is selected. *Id.* at 10:18–25. Processing is repeated until an appropriate character size is determined. *Id.* at 10:27–30.

2. *Claim 6*

Petitioner contends that claim 6 would have been obvious over the combined teachings of Sakuragi and Ogura, including those teachings summarized above. Pet. 46–55. Patent Owner contends that Ogura does not teach “generating print data in accordance with a print data generation method,” and that Petitioner has not satisfied the requirements for combining the references. Prelim. Resp. 42–45. We discuss these contentions further below.

a. *Whether the combination of Sakuragi and Ogura teaches “generating print data in accordance with a print data generation method”*

Claim 6 recites a print data generation method comprising four steps, including calculating first and second lengths with first and second font data, comparing the first length to a predetermined length, and printing the image. Ex. 1001, 9:42–52. In an overview of Ogura, Petitioner contends that Ogura teaches that “[a] CPU uses the information in the character size table to determine the appropriate character size such that the printed image fits within the printing area.” Pet. 35 (citing Ex. 1006, Fig. 10, 2:21–54, 2:66–3:4, 10:18–30, 13:19–42, 14:65–15:6). In an element-by-element analysis of claim 6, Petitioner points to further of Ogura’s teachings that correspond to each of the print data generation method steps. *Id.* at 50–55 (citing Ex. 1006, Abstract, 1:56–60, 1:65–2:2, 2:21–41, 2:46–54, 2:66–3:4, 7:39–62, 9:66–10:11, 10:18–30, 13:16–28, 13:33–42, 14:52–56, 14:65–15:6, 20:36–38, Figs. 9, 10). As summarized above, Figure 10, for example,

describes calculating first and second lengths with first and second font data, and comparing the first length to a predetermined length to determine the appropriate character size. Ex. 1006, Fig. 10, 10:18–30.

Patent Owner contends that Petitioner “cite[s] only to a statement in Ogura’s ‘Background’ section.” Prelim. Resp. 40 (citing Pet. 38); *see also id.* at 43 (Petitioner “fail[s] to specify where each element of the claim is found in Sakuragi and Ogura”). We, however, find Petitioner’s overview of Ogura and element-by-element analysis of the steps of the print data generation method to be persuasive, based on the current record.

*b. Whether Petitioner has satisfied the requirements for combining the teachings of Sakuragi and Ogura*

Petitioner, in reliance on the testimony of Mr. Gray, contends that a person of ordinary skill in the art would have found it obvious to combine Sakuragi and Ogura because both patents are directed to printing devices that change character size in accordance with the label. Pet. 47 (citing Ex. 1002 ¶¶ 175–78). Mr. Gray testifies that “[t]his combination would have involved no more than predictable use of prior art techniques according to the functions established in the respective prior art disclosures.” Ex. 1002 ¶ 178. Mr. Gray also testifies that “[a] person of ordinary skill in the art would have been motivated to combine Sakuragi and Ogura” because “both Ogura and Sakura provide improved printing devices.” *Id.* ¶ 176. As an example of an improvement taught in Ogura, Mr. Gray testifies that “Ogura provided several examples of tables that store font data for various character sizes.” *Id.* ¶ 177 (citing Ex. 1006, 7:39–63, Fig. 19).

Patent Owner contends that Petitioner “fail[s] to sufficiently articulate a motivation to combine” Sakuragi and Ogura. Prelim. Resp. 44. We are

not persuaded by Patent Owner’s contentions. On this record, we determine that Petitioner has articulated sufficient reasoning with a rational underpinning as to why one of ordinary skill in the art would have combined selecting character size based on iteratively comparing the length of the character string with the length of the print area as taught in Ogura (Ex. 1006, 10:18–30), with the teachings of Sakuragi relating to a printer that allows selection of a vertical printing mode 90 degrees or 270 degrees (Ex. 1004, 5:22–25), to print an image across the width of a tape.

*c. Conclusion*

Accordingly, we are persuaded that, on this record, Petitioner demonstrates a reasonable likelihood of prevailing in showing the unpatentability of independent claim 6.

*D. Whether Petitioner is Estopped or Barred from Requesting Inter Partes Review*

Patent Owner contends that “the doctrine of assignor estoppel [] bars the Petition.” Prelim. Resp. 49. Patent Owner also contends that a Stock Purchase Agreement (“SPA”) bars Petitioner from filing this *inter partes* review. *Id.* at 46. Patent Owner indicates that it “has a motion pending . . . in a parallel district court suit, in which it has asked the Court to enjoin Petitioners’ participation in furtherance of the instant petition or any future IPR proceedings relating thereto.” *Id.* at 48.

Petitioner contends that the doctrine of assignor estoppel does not apply in an *inter partes* review proceeding. Pet. 2–3 n.1 (citing *Redline Detection LLC v. Star Envirotech, Inc.*, Case IPR2013-00106 (PTAB June 30, 2014) (Paper No. 66)). In the *Redline* proceeding, the Board explained that 35 U.S.C. § 311(a) presents “a clear expression of Congress’s broad

grant of the ability to challenge the patentability of patents through *inter partes* review.” *Redline Detection LLC v. Star Envirotech, Inc.*, Case IPR2013-00106, slip op. at 4 (PTAB Oct. 1, 2013) (Paper No. 40). As Section 311(a) states, “a person who is not the owner of a patent may file with the Office a petition to institute an inter partes review of the patent.”

Patent Owner asserts that it disagrees with prior Board decisions “on the effect of assignor estoppel on a petitioner’s ability to [] file an IPR petition under Section 311(a).” Prelim. Resp. 50. Patent Owner further contends that “setting aside Section 311(a), there are other grounds by which the Board can recognize contractual bars or estoppel.” *Id.* at 51.

First, Patent Owner points to 35 U.S.C. § 314 and contends that “Petitioners that are barred by assignor estoppel from challenging the patent’s validity do not have a reasonable likelihood to prevail.” *Id.* at 51. Patent Owner’s contention assumes we are authorized to consider assignor estoppel, without sufficiently explaining the basis of that assumption. As the Board has said previously, and we agree, that “Congress has demonstrated that it will provide expressly for the application of equitable defenses when it so desires.” *See Redline*, Paper 40, slip op. at 4 (citing *Intel Corp. v. Int’l Trade Comm’n*, 946 F.2d 821, 836–38 (Fed. Cir. 1991)). In *Intel*, the Federal Circuit upheld the Commission’s application of assignor estoppel, endorsing the Commission’s reasoning that its statute explicitly stated that “[a]ll legal and equitable defenses may be presented in all [section 337] cases.” 946 F.2d at 837 (quoting 19 U.S.C. § 1337(c)(1988)). Patent Owner points to no such statutory mandate here. *Cf. In re Harvey, Inter Partes Reexamination Control No. 95/000,155, Decision Dismissing Petition to Vacate* (Mar. 8, 2007), slip op. at 6–7 (determining that, in an *inter partes*

reexamination, 35 U.S.C. § 311(a)<sup>2</sup> provided a broad statutory mandate that any third-party requester could file a request for *inter partes* reexamination and that Congress did not make provision for assignor estoppel in the statute).

Second, Patent Owner points to 35 U.S.C. § 316(a)(2). Prelim. Resp. 51. Section 316(a)(2) provides that the Director shall prescribe regulations, including “the standards for the showing of sufficient grounds to institute a review under section 314(a).” As Patent Owner points out (*id.*), Section 316(b) provides that, in prescribing these regulations, “the Director shall consider the effect of any such regulation on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings instituted under this chapter.” Patent Owner then cites the impact on the economy, the integrity of the patent system, and the Office’s efficient and timely administration of its proceedings as reasons we should apply assignor estoppel in *inter partes* review proceedings. Prelim. Resp. 52–54. In this discussion, Patent Owner does not specify which regulations it contends pertain to recognizing and applying contractual bars and assignor estoppel to *inter partes* review proceedings.

Accordingly, on this record, we reject Patent Owner’s contentions relating to assignor estoppel and the alleged contractual bar.

#### *E. Additional Grounds*

Petitioner also asserts further grounds of unpatentability contending that the challenged claim of the ’791 Patent is unpatentable under 35

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<sup>2</sup>The pre-AIA version of 35 U.S.C. § 311, governing *inter partes* reexamination.

U.S.C. § 103. Pet. 24–46. We exercise our discretion not to institute an *inter partes* review as to claim 6 on these additional grounds. *See* 37 C.F.R. § 42.108(a).

### III. CONCLUSION

For the foregoing reasons, based on this record, including the Petition and the Preliminary Response, we are persuaded that the information presented in the Petition demonstrates a reasonable likelihood that claim 6 of the '791 Patent is unpatentable. Pursuant to 35 U.S.C. § 314(a) and on behalf of the Director (37 C.F.R. § 42.4), we institute an *inter partes* review as to claim 6 of the '791 Patent. However, we have not made a final determination of the patentability of any challenged claim.

### IV. ORDER

For the reasons given, it is:

ORDERED that, pursuant to 35 U.S.C. § 314(a) and 37 C.F.R. § 42.4, an *inter partes* review of the '791 Patent is instituted on the following grounds:

1. Claim 6, under 35 U.S.C. § 103(a), as obvious over the combined teachings of Niwa and Sakuragi; and
2. Claim 6, under 35 U.S.C. § 103(a), as obvious over the combined teachings of Sakuragi and Ogura;

FURTHER ORDERED that we institute *inter partes* review on no other ground other than those specifically noted above; and

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is given of the institution of a trial on the grounds of unpatentability authorized above; the trial commences on the entry date of this decision.

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