

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BLD SERVICES, LLC,
Petitioner,

v.

LMK TECHNOLOGIES, LLC,
Patent Owner.

Case IPR2015-00721
Patent 7,975,726

Before GRACE KARAFFA OBERMANN, SHERIDAN K. SNEDDEN,
and ZHENYU YANG, *Administrative Patent Judges*.

SNEDDEN, *Administrative Patent Judge*.

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

I. INTRODUCTION

BLD Services, LLC (“Petitioner”) filed a corrected Petition to institute an *inter partes* review of claims 1–9, 11, 12, and 16–26 (Paper 5; “Pet.”) of U.S. Patent No. 7,975,726 B2 (Ex. 1101; “the ’726 patent”). LMK Technologies, LLC (“Patent Owner”) filed a Patent Owner Preliminary response. Paper 8 (“Prelim. Resp.”).

We have reviewed the aforementioned papers. For the reasons given below, we do not institute an *inter partes* review.

A. *Related Matters*

According to the parties, the ’726 patent is involved in the following co-pending case: *LMK Technologies, LLC, v. BLD Services, LLC*, Civil Action No. 1:14–cv–00956 in the Northern District of Illinois. Pet. 2; Paper 6.

Concurrent with the present *inter partes* review, Petitioner also requested review of certain claims in the ’726 patent (IPR 2014-00768), U.S. Patent No. 8,667,991 (IPR 2014-00770 and IPR 2015-00723), and U.S. Patent No. 8,667,992 (IPR 2014-00772). *Id.*

B. *The ’726 Patent (Ex. 1101)*

The ’726 patent discloses devices and methods for repairing the juncture between a main pipeline and a lateral pipeline in underground sewer pipe. Ex. 1101, Abstract, 1:56–2:17. The disclosed devices include liner tube assemblies that fit the juncture between a main pipe line and a lateral pipe line, and a hydrophilic gasket or band that seals against entry of ground

water at the juncture between the pipe lines. *Id.* at 2:1–17. Figure 1 of the '726 patent is provided below.

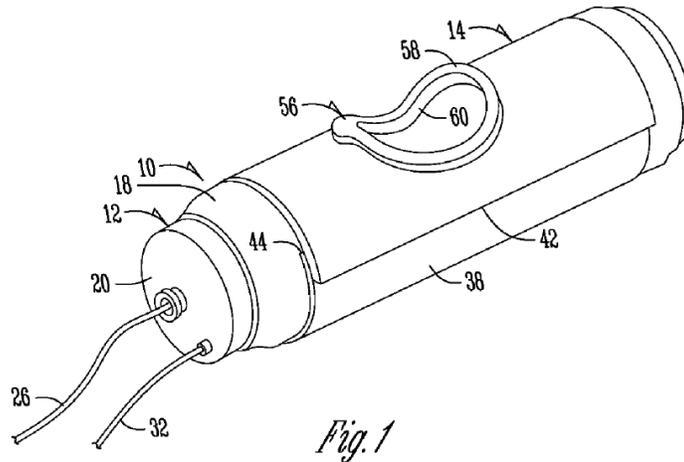


Figure 1 is a perspective view of repair assembly **10** for repairing a lateral pipe line and a main pipe line. *Id.* at 2:64–65. Repair assembly **10** includes launcher device **12** having mounted thereto liner assembly **14**. *Id.* at 3:20–52. Main liner tube **38** is comprised of what is initially a flat sheet of material that is wrapped around the outside of the main bladder tube and launcher device **12**. *Id.* Main liner tube **38** includes overlapping edges **42**, **44**. *Id.* In order to prevent seepage of ground water, a gasket **56** is positioned about a portion of liner assembly **14**. *Id.*

Repair assembly **10** also houses bladder tube assembly **16** (not shown in Figure 1). *Id.* Bladder tube assembly **16** is shown in Figure 2, provided below.

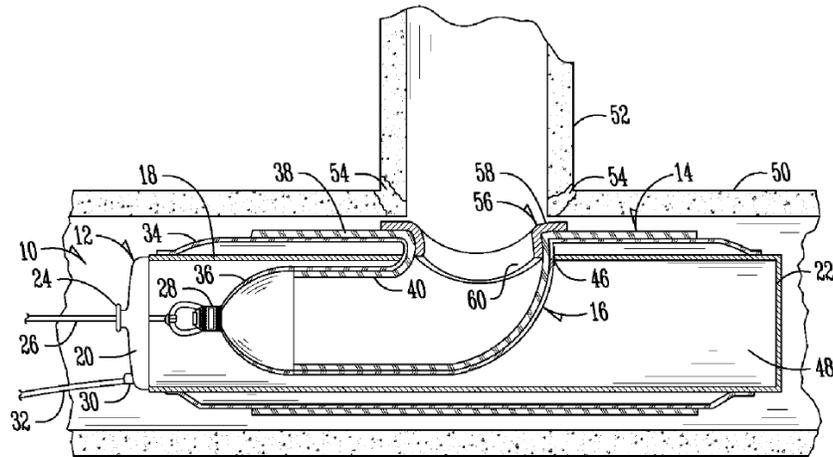


Fig. 2

Figure 2 is a sectional view of repair assembly **10** placed at the juncture of main pipe line **50** and lateral pipe line **52** in order to repair damaged portion **54**. *Id.* at 2:66–67. Bladder tube assembly **16** includes main bladder tube **34** and lateral bladder tube **36**. Bladder tube assembly is fitted on the interior of the liner assembly **14**, which includes main liner tube **38** and lateral liner tube **40**. Lateral bladder tube **36** and lateral liner tube **40** are contained within launcher device cavity **48**. *Id.* at 3:38–46.

Figure 2 also provides a sectional view of gasket **56**. *Id.* at 2:66–67. Gasket **56** includes tubular portion **60** extending within lateral liner tube **40**, and flange portion **58** extending outwardly about the periphery of one end of tubular portion **60**. *Id.* at 3:47–4:39. Flange portion **58** of gasket **56** is attached to main liner tube **38** around the juncture between main liner tube **38** and lateral liner tube **40**. *Id.* Gasket **56** may be made of a hydrophilic material capable of swelling in response to being exposed to water or other liquid, thereby creating a seal. *Id.* at 4:40–45.

Figure 3 of the '726 patent is provided below.

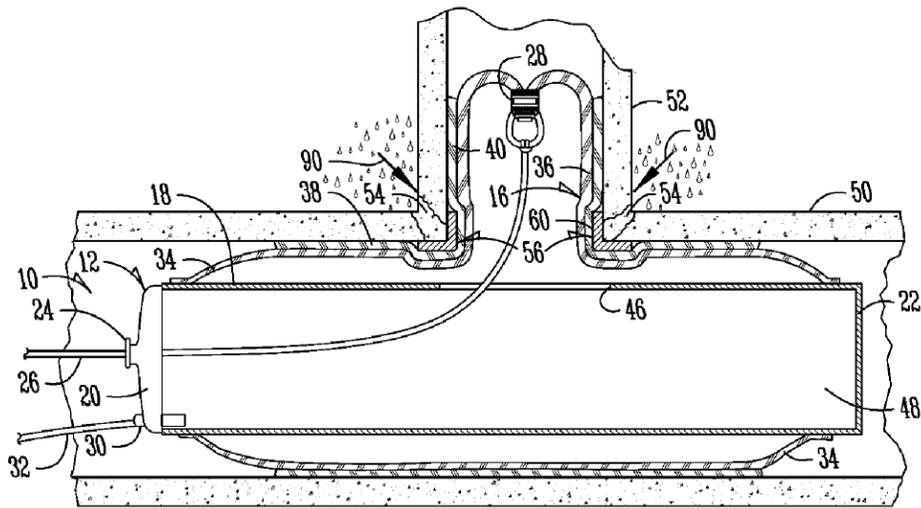


Fig. 3

Figure 3 shows the repair assembly **10** in the inflated position. *Id.* at 3:1–2. Lateral bladder tube **36** and the lateral liner tube **40** are launched outwardly into lateral pipe line **52** by increasing the air pressure in launcher device cavity **48**. *Id.* at 4:20–39. Gasket **56** is positioned between the main liner tube assembly **14** and the interior walls of the main pipe line **50** and between lateral liner tube assembly **16** and the interior walls of lateral pipe line **52**. *Id.*

C. Illustrative Claims

Independent claims 1, 9, 16, and 22 are representative of the challenged claims, and are reproduced below (emphasis added):

1. An apparatus for repairing a main pipe line a lateral pipe line connected thereto and in communication therewith to form a pipe joint, the apparatus comprising:
 - a bladder assembly comprising a main bladder tube and a lateral bladder tube;

a liner assembly comprising a main liner member and a lateral liner tube of resin absorbent material in communication with one another through a liner juncture;

the lateral bladder tube and the lateral liner tube being adapted to extend within the lateral pipe line with the lateral bladder tube being inside the lateral liner tube and the lateral liner tube being between the lateral pipe line and the lateral bladder tube;

the main bladder tube and the main liner member being adapted to extend within the main pipe line with the main liner member being between the main pipe line and the main bladder tube; and

a gasket surrounding a portion of the lateral liner tube and the main liner member near the liner juncture, the gasket being made of a hydrophilic material that is impermeable and capable of swelling in response to being exposed to a liquid, thereby forming a seal between the liner assembly and main and lateral pipe lines at the pipe joint, *wherein the gasket includes a tubular portion having a first end and a second end and a flange portion extending outwardly from one of the first and second ends of the tubular portion.*

9. A liner assembly for repairing a main pipe line and a lateral pipe line connected thereto and in communication therewith to form a pipe joint:

a main liner member and a lateral liner tube in communication with one another through a liner juncture, the lateral liner tube being adapted to extend within the lateral pipe line and the main liner member being adapted to extend within the main pipe line at the pipe joint; and

a gasket surrounding a portion of the lateral liner tube and the main liner member near the liner juncture, the gasket being made of a hydrophilic material that is impermeable and capable of swelling in response to being exposed to a liquid, thereby forming a seal between the main and lateral liners and the main and lateral pipe lines at the pipe joint.

16. An apparatus for repairing the junction of a main pipe line and a lateral pipe line connected thereto, comprising:

a main bladder tube and a lateral bladder tube;

a main liner member and a lateral liner tube formed of a resin absorbent material, the main liner member having a main liner member opening, the lateral liner tube extending from the main liner member about the main liner tube opening;

a launcher device having first and second opposite ends and a launcher device opening there between;

the main bladder tube being outside and surrounding the launcher device and the lateral bladder tube extending through the launcher device opening and into the inside of the launcher device;

the main liner member being outside and at least partially surrounding the main bladder tube and the launcher device, the lateral liner tube extending through the launcher device opening and into the inside of both the launcher device and the lateral bladder tube;

a compressible gasket of an impermeable material having a tubular portion with opposite first and second ends *and a flange portion extending outwardly away from one of the first and second ends of the tubular portion, the flange of the gasket being disposed on the outside of the main liner member;*

the lateral bladder tube, lateral liner tube and tubular portion of the gasket being invertible through the launcher device opening to an inverted position outside the launcher device wherein the lateral liner tube is on the exterior of the lateral bladder tube and the gasket is on the exterior of the main liner member and the lateral liner tube.

22. A method for repairing a damaged junction between a main pipe line and lateral pipe line, the method comprising:

forming a main bladder tube and a lateral bladder tube;

forming a main liner member and a lateral liner tube of resin absorbent material, the main liner member having a main liner opening therein, and the lateral liner tube extending from the main liner member about the main liner opening;

taking a compressible gasket or an impermeable material having a tubular portion with opposite first and second ends and *a flange portion extending outwardly away from one of the first and second-ends of the tubular portion;*

positioning the gasket with the flange of the gasket being disposed on the outside of the main liner member;

impregnating the main liner member and the lateral liner tube with a material capable of curing and hardening;

inserting the lateral liner tube at least partially inside the lateral bladder tube while at the same time keeping the main liner member at least partially outside the main bladder tube;

inserting the lateral liner tube and the lateral bladder tube at least partially into the inside of a launcher device through a launcher device opening in the launcher device while at the same time keeping the main bladder tube, the main liner member, and the flange portion of the gasket at least partially outside of the launcher device;

inserting the launcher device into the main pipe line;

registering the launcher device opening with the junction of the lateral pipe line and the main pipe line; and

inverting the lateral bladder tube and the lateral liner tube out of the launcher tube into the lateral pipe with the lateral liner tube and the tubular portion of the gasket being outside the lateral bladder tube.

Claims 2–8 depend directly from claim 1. Claims 11 and 12 depend directly from claim 9. Claims 17–21 depend directly from claim 16. Claims 23–26 depend directly from claim 22.

D. The Prior Art and Supporting Evidence

Petitioner relies on the following prior art:

U.S. Patent No. 6,994,118 B2 to Kiest et al. issued February 7, 2006. Ex. 1102 (“Kiest ’118”).

U.S. Patent No. 5,794,663 to Kiest et al. issued August 18, 1998. Ex. 1103 (“Kiest ’663”).

De Neef, Technical Information Waterstops, SWELLSEAL® WA, (dated March 2006). Ex. 1104 (“De Neef”).

Kempnaers, P., “The pressure resistance of SWELLSEAL Sealant WA,” De Neef Conchem (dated September 5, 2005). Ex. 1105 (“Kempnaers”).

U.S. Patent No. 7,135,087 B2 to Blackmore et al. issued November 14, 2006. Ex. 1106 (“Blackmore”).

U.S. Patent No. 5,915,419 to Tweedie et al. issued June 29, 1999. Ex. 1107 (“Tweedie”).

U.S. Patent No. 6,039,079 to Kiest issued March 21, 2000. Ex. 1108 (“Kiest ’079”).

Petitioner relies also on the Declaration of David Fletcher in support of the proposed grounds of unpatentability. Ex. 1109 (“Fletcher Declaration” or “Fletcher Decl.”).

E. The Asserted Ground

Petitioner challenges claims 1–9, 11, 12, and 16–26 of the ’726 patent on the following ground. Pet. 8–53.

Reference[s]	Basis	Claims challenged
Kiest ’118, Kiest ’663, De Neef, Kempnaers, Blackmore, Tweedie, Kiest’079	§ 103(a)	1–9, 11, 12, 16–26

II. ANALYSIS

The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a), which provides as follows:

THRESHOLD -- The Director may not authorize an *inter partes* review to be instituted unless the Director determines 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.

Notably, Congress did not mandate that an *inter partes* review must be instituted under certain conditions. Rather, by stating that the Director—and by extension, the Board—*may not* institute review *unless* certain conditions are met, Congress made institution discretionary.

Our discretion is further guided by 35 U.S.C. § 325(d), which provides: “[i]n determining whether to institute or order a proceeding . . . , the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. § 325(d).

The instant Petition challenges each claim that was denied review in IPR2014-00768 (“768 proceeding”). Specifically, in the 768 proceeding, we instituted an *inter partes* review as to claims 9–10, 13–15, and 27–42 of the ’726 patent, but denied the Petition as to claims 1–8, 11, 12, and 16–26. IPR2014-00768, Paper 12, 2. Patent Owner urges us to exercise our discretion, under 35 U.S.C. § 325(d), to decline to institute the Petition because the “same or substantially the same prior art or arguments” were presented in the 768 proceeding. Prelim. Resp. 9–25.

We are persuaded that arguments raised in the Petition are

“substantially the same” as those previously presented to the Office in the 768 proceeding. *Id.* In the 768 proceeding, Petitioner asserted that claims 1–8, 11, 12, and 16–26 of the ’726 patent were unpatentable over the combination of Kiest ’118, Kiest ’663, De Neef Instructions, and Kempenaers. IPR2014-00768, Paper 1, 7. Our treatment of claim 1 is illustrative. We did not institute an *inter partes* review of claim 1 based on this ground in the 768 proceeding because:

BLD does not explain adequately why a person of ordinary skill in the art would have fashioned the donut shaped gasket of Kiest ’663 into a gasket having the flange portions recited in claim 1.

IPR2014-00768, Paper 12, 17. Accordingly, we denied institution with respect to claim 1 because Petitioner did not provide a sufficient reason to combine the teachings of Kiest ’118, Kiest ’663, De Neef Instructions, and Kempenaers. *Id.* Petitioner now repeats the same arguments as to Kiest ’118, Kiest ’663, De Neef Instructions, Kempenaers and further raises three pieces of new prior art (Blackmore, Tweedie, and Kiest’079) for a disclosure of flange elements. Pet. 7–44. In both petitions, Petitioner advances “substantially the same” argument—namely, that claim 1 would have been obvious over Kiest ’118 in view of other prior art disclosing a gasket having a donut shaped ring as disclosed in Kiest ’663. *Id.* at 12. Petitioner further attempts to bolster Kiest ’663 with the teachings of Blackmore, Tweedie, and Kiest’079. *Id.* at 40–44.

We do not reach the merits of Petitioner’s additional reasoning, crafted with the benefit of our institution decision in the 768 proceeding. *See ZTE Corp. v. ContentGuard Holdings Inc.*, Case IPR2013-00454, slip

op. at 6 (PTAB Sept. 25, 2013) (Paper 12) (informative) (“[a] decision to institute review on some claims should not act as an entry ticket, and a how-to guide, for the same Petitioner”). Instead, we exercise our discretion under 35 U.S.C. § 325(d) to deny institution of *inter partes* review because it presents “the same or substantially the same prior art or arguments” presented to us in the 768 proceeding.

III. ORDER

Accordingly, it is

ORDERED that the petition is *denied* as to all challenged claims of the '726 patent.

IPR2015-00721
Patent 7,975,726 B2

PETITIONER:

Scott A.M. Chambers
B. Dell Chism
PORZIO, BROMBERG & NEWMAN P.C.
SAChambers@pbnlaw.com
BDChism@pbnlaw.com

PATENT OWNER:

Jeffrey D. Harty
NYEMASTER GOODE, PLC
jeff.harty@nyemaster.com

Christopher L. McKee
BANNER & WITCOFF, LTD.
LMKpatentIPRs@bannerwitcoff.com