

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DYNAMIC DRINKWARE LLC,
Petitioner,

v.

NATIONAL GRAPHICS, INC.,
Patent Owner.

Case IPR2013-00131
Patent 6,635,196

Before THOMAS L. GIANNETTI, TRENTON A. WARD, and
MITCHELL G. WEATHERLY, *Administrative Patent Judges*.

GIANNETTI, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73

I. INTRODUCTION

Dynamic Drinkware (“Petitioner”) filed a corrected Petition requesting *inter partes* review of claims 1, 8, 12, and 15 of U.S. Patent No. 6,635,196 to Goggins (Ex. 1001, “the ’196 patent”). Paper 10 (“Pet.”). National Graphics, Inc. (“Patent Owner”) filed a Preliminary Response. Paper 15. Based on these submissions, we instituted trial, but only as to claims 1 and 12 of the ’196 patent. Paper 16 (“Institution Decision”).

After institution, Patent Owner filed a Response (Paper 22; “PO Resp.”) and Petitioner filed a corrected Reply (Paper 34; “Pet. Reply”). In addition Patent Owner filed a Motion to Amend (Paper 23) and Petitioner filed a corrected Opposition to that motion (Paper 33). Oral Hearing was held on July 24, 2014, and the Hearing Transcript (“Tr.”) has been entered in the record. Paper 41.

We have jurisdiction under 35 U.S.C. § 6(c). This Final Written Decision is entered pursuant to 35 U.S.C. § 318(a). We conclude that Petitioner has failed to prove by a preponderance of the evidence that claims 1 and 12 of the ’196 patent are unpatentable.

A. Related Proceeding

Petitioner has identified, as a related proceeding, a district court case in which Petitioner is a defendant involving the ’196 patent and other patents, captioned *National Graphics, Inc. v. Brax Ltd.*, Case Number 12-C-1119 (E.D. Wis.). Pet. 2.

B. The '196 Patent

The '196 patent issued October 21, 2003, from an application filed November 22, 2000. The patent identifies, and claims benefit of, a provisional application filed on June 12, 2000. Ex. 1001, col 1, ll. 4-5.

The '196 patent is directed to methods for making molded plastic articles bearing a “lenticular” image. *Id.* at col. 1, ll. 8-14. As described in the patent, a lenticular image is a segmented image comprising one or more component images. *Id.* at col. 1, ll. 49-51. The segments are interlaced in any conventional manner and mapped (i.e., aligned) to a lenticular lens. *Id.* at col. 1, ll. 51-53. The interlaced images can be viewed through the lens to create visual effects such as motion or depth. *Id.* at col. 3, ll. 43-56.

As discussed in the patent specification the aesthetic requirements for molded plastic parts depend on their end use and the specification gives a number of examples where aesthetics would be important:

For those products that are used in applications in which their use is *visible to an end user*, or in which their appearance is important to their sale, e.g., promotional items, automobile and appliance facie, cups, bottles, bottle caps/enclosures, snowboards or wake boards, skis (e.g., water, snow), cameras, computer cases (e.g., laptop cases), cell phone (or other electronic) cases, cosmetic cases, collectibles, signs, magnets, coasters, display posters, menu boards, postcards, business cards, and packaging on boxes, the aesthetics of the product are important.

Ex. 1001, col. 1, ll. 35-45 (emphasis added).

As described in the Background section of the '196 patent, lenticular images are one way of improving the look of a product:

One way to improve the look of a product is to incorporate into it bright color schemes and fancy or even glitzy decor so as to

attract and keep a viewer's attention. The application of a lenticular image is one form of such a decor.

Id. at col 1, ll. 46-49.

C. Illustrative Claim

Both claims 1 and 12 are independent process claims. Claim 1, reproduced below, is illustrative:

1. A method for making a molded article having a lenticular image attached thereto, the method comprising the steps of:

providing a mold having a mold cavity in which to form the molded article having a lenticular image, the lenticular image comprising a lenticular lens and interlaced image, the mold cavity having a size that is appropriate to the molded article with the lenticular image;

inserting the lenticular image into the mold cavity;
introducing a molten plastic into the mold cavity having the lenticular image therein to form the molded article with the lenticular image attached thereto, the molten plastic introduced at at least one of a temperature, a pressure, and a turbulence that *minimizes any distortion to the lenticular lens and any degradation to the interlaced image*; and

removing the molded article having the attached lenticular image from the mold cavity.

(Emphasis added).

II. ANALYSIS

A. Claim Construction

The claim constructions provided in our Institution Decision were not challenged by the parties, including our construction of the “minimizing” limitation, italicized in claim 1 above, which limitation appears also in claim 12. For the purposes of this Final Decision, therefore, we adopt for that limitation the following construction from our Institution Decision:

We interpret “minimizes any distortion to the lenticular lens and any degradation to the interlaced image” to require that the claimed methods sufficiently prevent distortion to the lenticular lens or degradation of the interlaced image so that the *intended visual effect* of the lenticular image *still functions properly* within the finished molded article.

Institution Decision 8 (emphasis added). The other claim constructions from our Institution Decision are not material to this decision and therefore will not be discussed further.

B. Antedating Raymond

The Petition challenged claims 1, 8, 12, and 14 of the ’196 patent on several grounds. Trial was instituted, however, for two claims only (claims 1 and 12), based upon one ground: anticipation by U.S. Patent No. 7,153,555 (Ex. 1003; “Raymond”).

Patent Owner’s Response does not attempt to distinguish claims 1 and 12 from the teachings of Raymond. Instead, Patent Owner contends that Raymond does not qualify as prior art because the subject matter of claims 1 and 12 was reduced to practice before Raymond’s effective date as prior art under 35 U.S.C. § 102(e). PO Resp. 7.

i. Effective Date of Raymond

The parties dispute the effective date of Raymond as prior art. The application for Raymond was filed on May 5, 2000, claiming benefit of a provisional application filed on February 15, 2000. Ex. 1003, col. 1, ll. 6-8. Patent Owner argues that Petitioner has failed to meet the burden of establishing Raymond is entitled to benefit of the earlier provisional filing date; therefore, Raymond’s effective date under 35 U.S.C. § 102(e) is its May 5, 2000, filing date. PO Resp. 3-7. In response, Petitioner attempts to

rebut this by presenting a chart comparing claim 1 of the '196 patent to the Raymond provisional. Reply 4-5. No similar chart is provided for claim 12.

We agree with Patent Owner that Petitioner has failed to prove by a preponderance of the evidence that Raymond is entitled to the benefit of the earlier provisional filing date. To be entitled to rely on the February 15, 2000 provisional filing date, Petitioner had to establish that it relies on subject matter from Raymond that is present in and supported by its provisional. *In re Giacomini*, 612 F.3d 1380, 1383 (Fed. Cir. 2010) (“Therefore, an applicant is not entitled to a patent [under § 102(e) (2)] if another’s patent discloses the same invention, which was carried forward from an earlier U.S. provisional application”); *Ex Parte Yamaguchi*, 88 USPQ2d 1606 (BPAI 2008) (precedential).

In *Yamaguchi*, the appellants challenged the Examiner’s rejections based on a patent to Narayanan under 35 U.S.C. § 102(e). 88 USPQ2d at 1608. The Board noted that the filing date of Narayanan’s underlying provisional application would antedate the earliest effective filing date of the rejected application. *Id.* at 1613. But appellants took the position that the Examiner had failed to show that the provisional application properly supports the subject matter of the patent relied on in making the rejection. *Id.* The Board disagreed, and provided a chart correlating the Examiner’s fact findings on anticipation with both the Narayanan patent and Narayanan provisional application. *Id.* at 1614. The chart demonstrated that the Examiner’s findings were supported by subject matter common to the patent and the provisional application. *Id.*

Petitioner has not provided the analysis of common subject matter required by *Yamaguchi* and *Giacomini*. Instead, Petitioner’s chart compares

only one '196 patent claim to the Raymond provisional. It does not compare the portions of Raymond's patent relied on by Petitioner to the Raymond provisional, to demonstrate that those portions were carried over from the provisional. We therefore conclude that Petitioner has failed to carry its burden of proof that Raymond's effective date is earlier than May 5, 2000.

ii. Reduction to Practice

As a result of our determination that Raymond's effective prior art date is May 5, 2000, if Patent Owner can prove a reduction to practice of claims 1 and 12 prior to that date, Patent Owner can antedate Raymond and eliminate it as a reference. *See, e.g., Mahurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1577 (Fed. Cir. 1996); *In re Facius*, 408 F.2d 1396, 1404 (CCPA 1969).

Petitioner contends that Patent Owner has failed to meet its burden to antedate Raymond. Pet. Reply. 6. We disagree. Having reviewed this record, we conclude that Patent Owner has carried successfully its burden of establishing by a preponderance of the evidence an actual reduction to practice of claims 1 and 12 prior to Raymond's effective date.

iii. Summary of Testimony

To establish prior actual reduction to practice, Patent Owner relies on declaration testimony from two fact witnesses: Don Krause (Ex. 2003; "Krause Decl.") and Matt Walker (Ex. 2004; "Walker Decl."). In opposition, Petitioner relies on declaration testimony from named inventor Timothy Goggins (Ex. 1028; "Goggins Decl.") and expert David Roberts (Ex. 1029; "Roberts Decl."). The testimony of these witnesses is summarized below.

Don Krause

Krause, the founder and president of Patent Owner (“NGI”), testifies that in November 1999, NGI was interested in implementing technology for making injection molded lenticular articles. Krause Decl. ¶¶ 1-2. An NGI sales representative, Walker, contacted Rexam, an injection molding company, about producing an injection-molded lenticular cosmetic case. *Id.* ¶¶ 3-4. Krause refers to logs of Walker’s phone calls with Rexam. *Id.* ¶ 5.

Krause also identifies the sample cosmetic case (Ex. 2002) produced at Rexam “during the first successful injection molding run.” *Id.* ¶ 6. The cosmetic case is pictured below.



Exhibit 2002 (Cosmetic Case)

Relying on Walker’s phone logs, Krause testifies that the “first test run occurred sometime between March 15, 2000 and March 28, 2000.” *Id.* ¶ 6.

Krause also testifies about various meetings that took place at NGI and identifies notes he took at those meetings. *Id.* ¶¶ 8-10. He identifies a page from the notebook of Tim Goggins, the named inventor of the ’96 patent, who worked for NGI at the time. *Id.* ¶ 11. *See* Ex. 2008. The page, dated June 5, 2000, identifies Rexam and states “Initial test on a custom part were succesfull [sic]” *Id.*

Matt Walker

Walker, a former NGI employee, had been a sales representative with prior experience in the cosmetics industry. Walker Decl. ¶¶ 1-2. He testifies that he suggested using a cosmetic case to implement injection molded lenticular lens technology at NGI. *Id.* ¶ 3. Accordingly, he “reached out” to various injection molders, and Rexam, an injection molding company in Wisconsin, expressed interest. *Id.* ¶¶ 4-5.

Walker identifies his phone log (Ex. 2005) and testifies to the dates of various communications he had with Rexam concerning the project. *Id.* ¶¶ 6-9. He also identifies the sample cosmetic case (Ex. 2002, pictured above), which he testifies was molded by Rexam between March 15 and March 28, 2000. Walker Decl. ¶ 10. He testifies that the lenticular portion is the cover of the case. *Id.*

Referring to the sample, Walker testifies that this was the first successful test run of NGI’s injection molding process for forming a lenticular article. *Id.* ¶ 11. He testifies that the test run was successful. *Id.* Based upon his inspection of the mold prior to the test run, he testifies as to his understanding of the process used to make the cosmetic case. *Id.*

Timothy Goggins

Goggins worked for NGI from 1984 to March 17, 2004. Goggins Decl. ¶ 2. Currently he is employed by Pixalen Studios, LLC, as Studio Director. *Id.* ¶¶ 1-2. He testifies that Pixalen is “a company that is related to” Petitioner. *Id.* ¶ 4. At Pixalen, Goggins designs lenticular artwork for molded lenticular products and has been active in the lenticular industry since at least 1994. *Id.* ¶ 4-5.

While employed at NGI, Goggins was assigned by Krause to develop an in-mold lenticular product. *Id.* ¶ 7. At the time, he had worked on other lenticular projects, but had no experience with plastic molding. *Id.* ¶¶ 7-8. He testifies he has reviewed the Krause and Walker testimony, and was present at Rexam when most of the cosmetic case mold testing was done. *Id.* ¶¶ 9-11.

Referring to Rexam, Goggins testifies while the testing did result in molded lenticular products, “the products that were molded exhibited degradation to the lenticular image and distortion to the lenticular lens.” *Id.* ¶ 11. He testifies that “[n]one of the testing we performed at Rexam resulted in an acceptable lenticular product.” *Id.* ¶ 12. “None of the products produced at Rexam represented a molded lenticular item in which distortion to the interlaced image had been minimized or in which degradation of the lenticular lens had been minimized in a way that was consistent with the claims of the ’196 patent.” *Id.* ¶ 13.

Goggins testifies that his June 5, 2000, notebook entry “confirms that we still had a long way to go to prepare a molded lenticular item in which distortion to the interlaced image has been minimized or in which degradation of the lenticular lens has been minimized.” *Id.* ¶ 14. In support, he discusses a number of specific entries from the notebook. *Id.*

Goggins further testifies that when the Rexam tests failed to make a good lenticular part, NGI started experimenting with coatings to protect the ink on the printed surface. *Id.* ¶¶ 15-16. NGI partnered with Grimm Industries, another injection molding company. He visited Grimm and was present when they tested injection molded lenticular parts. *Id.* ¶¶ 17-18. He states the work with Grimm resulted in a successful molded lenticular cup

that became Figure 10 of the '196 patent. *Id.* ¶¶ 19-20. That cup is pictured below:



(Photograph of Cup)

Id. ¶ 21. Goggins does not believe the Grimm cup was molded when his provisional application was filed on June 12, 2005. The cup quality was not “perfect,” showing slight misalignment of the image and some damage to the protective layer. *Id.* ¶ 23. A sample of the Grimm cup was provided to Rexam. *Id.* ¶ 24. He kept a later sample of the Grimm cup.

David Roberts

Roberts is an expert in molded lenticular products. Roberts Decl. ¶ 1. He inspected the sample cosmetic case (Ex. 2002) both visually and using a portable 300X microscope. *Id.* ¶ 11. From a visual inspection he describes the lenticular image as “fuzzy and indistinct.” *Id.* ¶ 12. He describes other aspects of the image as having “problems.” *Id.* ¶¶ 11-14. His further analysis is based on microscopic images of the sample. *Id.* ¶¶ 15-26.

He concludes: “In my professional opinion, the cosmetic case does not represent a molded lenticular item in which distortion to the interlaced image has been minimized or in which degradation of the lenticular lens has

been minimized.” *Id.* ¶ 27. He further concludes: “Nor is this a situation in which distortion of the lenticular image and degradation of the lenticular lens has been functionally eliminated.” *Id.* He further testifies:

In my professional opinion, the intended visual effect of the lenticular image in the cosmetic case is substantially destroyed by the distortion of the interlaced image, the loss of the lenticular image in the gate area where molten resin has pushed the image into an unrecognizable blob, and the degradation of the lenticular lens.

Id. ¶ 28. He concludes that the sample “does not constitute a successful reduction to practice of the invention claimed in the ’196 patent.” *Id.* ¶ 29.

iv. Principles of Law

To establish an actual reduction to practice, the inventor must prove (1) that he constructed an embodiment or performed a process that meets all the claimed limitations of the invention, and (2) determined that the invention worked for its intended purpose. *Cooper v. Goldfarb*, 154 F.3d 1321, 1327 (Fed. Cir. 1998). “The essential inquiry here is whether the *advance in the art* represented by the invention . . . was embodied in a workable device that demonstrated that it could do what it was claimed to be capable of doing.” *Scott v. Finney*, 34 F.3d 1058, 1063 (Fed. Cir. 1994) (quoting *Farrand Optical Co. v. United States*, 325 F.2d 328, 333 (2d Cir. 1963)). “In tests showing the invention’s solution of a problem, the courts have not required commercial perfection nor absolute replication of the circumstances of the invention’s ultimate use.” *Id.* “Less complicated inventions and problems do not require stringent testing.” *Mahurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1578 (Fed. Cir. 1996) (citing *Scott*, 34 F.3d at 1062).

The testing that is required depends upon the intended use of the invention. As the Federal Circuit explains,

We reiterate that testing is relevant in that it is evidence of whether the inventor would have known that an invention is suitable for its intended purpose. As one of this court's predecessors, the Court of Claims, explained, "the inquiry is not what kind of test was conducted, but whether the test conducted showed that the invention would work as intended in its contemplated use."

Slip Track Sys., Inc. v. Metal-Lite, Inc., 304 F.3d 1256 (Fed. Cir. 2002) (quoting *E. Rotorcraft Corp. v. United States*, 384 F.2d 429, 431 (Ct. Cl. 1967)). As an example, in *Sellner v. Solloway*, 267 F.2d 321 (CCPA 2002), actual reduction to practice of the invention — an exercise chair — was established by witnesses who tried the chair out at a birthday party. *Id.* at 323.

There is no requirement that the invention, when tested, be in a commercially satisfactory stage of development. *Steinberg v. Seitz*, 517 F.2d 1359, 1363 (Fed. Cir. 1975) (citing *In re Dardick*, 496 F.2d 1234, 1238 (CCPA 1974)); *DSL Dynamic Sciences Ltd. v. Union Switch & Signal*, 928 F.2d 1122, 1126 (Fed. Cir. 1991). The fact that further refinements of the invention were made is not relevant. *Farrand Optical*, 325 F.2d at 332; *Loral Fairchild Corp. v. Matsushita Elec. Indus. Co., Inc.*, 266 F.3d 1358, 1362-63 (Fed. Cir. 2001) ("Once the invention has been shown to work for its intended purpose, reduction to practice is complete. Further efforts to commercialize the invention are simply not relevant to determining whether a reference qualifies as prior art against the patented invention.") (internal citation omitted).

v. Analysis

Patent Owner contends that the methods of claims 1 and 12 were reduced to practice by March 28, 2000, when the sample cosmetic case (Ex. 2002) was produced at Rexam using the claimed process. PO Resp. 7-11. Alternatively, should the effective filing date of Raymond be determined to be February 15, 2000, Patent Owner contends that there is a sufficient showing of diligence to antedate the Raymond reference. *Id.* at 17. Because we have determined that Raymond effectively was filed on May 5, 2000 (*see supra*), we do not address this alternative argument or Petitioner's response. Pet. Reply 8-9.

Petitioner first argues that Raymond, not Goggins, is the "first inventor," Raymond having conceived of his invention "well prior to December 2, 1999" and diligently reduced it to practice. Pet. Reply 1. We are not persuaded by this argument. The Raymond patent is a reference under 35 U.S.C. § 102(e); its effective date here cannot be moved back by Raymond's pre-filing activities. *See Sun Studs, Inc. v. ATA Equip. Leasing, Inc.*, 872 F.2d 978, 983 (Fed. Cir. 1989) ("When patents are not in interference, the effective date of a reference United States Patent as prior art is its filing date in the United States, as stated in § 102(e), not the date of conception or actual reduction to practice of the invention claimed or the subject matter disclosed in the reference patent.").

Petitioner further contends that Patent Owner's proffered "non-inventor" testimony (i.e., Krause, Walker) is unreliable. Pet. Repl. 6-7.¹ Petitioner points instead to Goggins's testimony, e.g., that a reduction to

¹ It is well-established that inventor testimony is not necessary to prove reduction to practice. *Borror v. Herz*, 666 F.2d 569, 575 (CCPA 1981).

practice did not take place until after May 2000, when Goggins began working with Grimm. *Id.* at 7. Petitioner also contends that the other evidence of reduction to practice presented by Patent Owner is inadequate. Pet. Reply 9. Petitioner focuses this argument mainly on the sample cosmetic case of Exhibit 2002, asserting that it was not produced by a process that meets all the claim limitations, and that it does not work for its intended purpose. Pet. Reply 9-10.

Petitioner identifies various deficiencies in the sample, including “the lenticular image is fuzzy and indistinct;” and “[p]roblems with the interlaced image are visible with the naked eye.” *Id.* at 10. Referring to the Roberts testimony, Petitioner also asserts “[u]nder microscopic evaluation, it is clear that there are problems with both distortion to the lenticular lens and degradation of the lenticular image.” *Id.* Petitioner, however, does not challenge the descriptions provided by Krause and Walker of the work done at Rexam producing the sample or their evidence of the process by which the sample was made, facts that are corroborated largely by the Goggins testimony.

At the outset of our analysis, we note that the conflicting testimony in this case presents an unusual situation. Normally, when priority of invention is the issue, testimony of the patentee is proffered to establish the earliest invention date. Here, just the opposite is true: Goggins’s testimony is proffered to establish a reduction to practice date that is *later* than the date asserted by the Patent Owner.

This is explained, in part, by the admission in Goggins’s declaration that he currently is employed by a company that is “related” to the Petitioner. Goggins Decl. ¶ 4. At oral argument, Petitioner’s counsel, when

asked to elaborate, advised the Board that Goggins's current employer, Pixalen Studios (which he created and is now its Studio Director) and Petitioner are under common ownership. Tr. 10, ll. 1-15. Moreover, it is clear from Goggins's testimony (and confirmed at the hearing) that Pixalen's work falls within the field of molded lenticular products to which the '196 patent is directed. Tr. 9, ll. 13-24. As Petitioner's counsel stated, "He [Goggins] does not have a direct financial interest in the outcome of these proceedings, but his employer does." Tr. 12, ll. 17-19.

As a consequence, Goggins's current interests are aligned against his patent, and therefore, we must give close scrutiny to his conclusions concerning perceived defects in the sample cosmetic case or whether the tests at Rexam produced a sample that met the requirements of the '196 patent claims. The Federal Circuit has warned us that the oral testimony of interested witnesses is unreliable. "[T]here is a very heavy burden to be met by one challenging validity when the only evidence is the oral testimony of interested persons and their friends, particularly as to long-past events." *Woodland Trust v. Flowertree Nursery, Inc.*, 148 F.3d 1368, 1371 (Fed. Cir. 1998).

More telling evidence than his testimony is Goggins's June 5, 2000, notebook page identifying Rexam and stating that the initial test on a custom part was "succesfull [sic]." Ex. 2008.² At the time of the notebook entry, Goggins was employed by Patent Owner and had no motivation to be untruthful.

Nor do we credit Goggins's testimony explaining the rest of the notebook entry. He testifies that the entry "confirms that we still had a long

² See Ex. 1016 for the entire notebook entry.

way to go to prepare a molded lenticular item in which distortion to an interlaced image has been minimized or in which degradation of the lenticular image has been minimized.” Goggins Decl. ¶ 14. He then goes on to describe his work on the project at Grimm leading to the cup pictured in the patent.

This testimony from Goggins does not persuade us that the claimed process was not reduced to practice in March 2000. Evidence of further work perfecting the invention for commercialization does not prove that no reduction to practice occurred. *Loral Fairchild Corp.*, 266 F.3d at 1362-63. Thus, we discount the testimony about his further experiments with Grimm. Goggins Decl. ¶¶ 17-25.

Nor are we convinced by the Roberts testimony concerning alleged defects in the sample cosmetic case produced at Rexam prior to March 28, 2000. The ’196 patent specification makes clear the intended use of the invention is “products that are used in applications in which their use is visible to an end user, or in which their appearance is important to their sale.” Ex. 1001, col. 1, ll. 35-45. The patent specifically provides examples of these products, which include cups, bottles, cell phone cases, cosmetic cases, signs, magnets, coasters, and others where “the aesthetics of the product are important.” *Id.* at col 1, ll. 39-45.

Roberts’s microscopic evaluation of the cosmetic case does not reflect the setting in which an end user such as a consumer normally would evaluate such products, e.g., in a store or at home. *See Slip Track Sys., Inc.*, 304 F.3d at 1267; *Sellner*, 267 F.2d at 323. Roberts testified at his deposition that “[a] consumer wouldn’t necessarily notice a defect because they’re not trained in that area.” Ex. 2010 (“Roberts Dep.”) 18:24-19:1.

Our visual inspection of the sample cosmetic case at the hearing did not confirm that the defects pointed to by Petitioner would be “visible to the naked eye.” *See* Pet. Reply 10. For instance, on inspection at the hearing, and confirmed by counsel, the “distortion to the image near the gate” (*id.*) cited by Petitioner turned out to be a small (“a little wider than a millimeter,” Tr. 71, ll. 6-7) portion along the side of the case. Roberts testified that it was on the hinge side of the lid, which our inspection confirmed. Roberts Dep. 38:20-22. Walker testified at his deposition that the image still had “movement,” “depth,” and “changes in color,” which our inspection also confirmed. Ex. 1025 (“Walker Dep.”) 42:1-2.

Petitioner’s arguments that there was “ongoing development” on the process, or that “testing and experimentation continued well past March 2000” are not persuasive. Pet. Reply 11-14. As discussed previously, commercial perfection is not a requirement for reduction to practice. *Scott*, 34 F.3d at 1063. And while we agree with Petitioner that Krause (like Goggins) is an interested witness, the facts concerning the work done at Rexam set forth in his declaration and in Walker’s are not challenged and in fact are corroborated by Goggins. *Compare* Ex. 2003 ¶¶ 5–6, *with* Ex. 2004 ¶¶ 9–10 *and* Ex. 1028 ¶¶ 7, 11, 14, 15. We also consider the facts that Walker is employed by neither party and has prior experience with lenticular images and advertising in the cosmetics field, where the sample product would be used (Walker Dep. 8:11-16; 11:16-17), when crediting his testimony that the test at Rexam was successful.

We conclude, therefore, that Patent Owner has shown by a preponderance of the evidence that by March 28, 2000, a sample product was produced for Patent Owner demonstrating that the Rexam process was

suitable for its intended purpose. The testimony establishes that the Rexam process was successful in injection molding a plastic product with a lenticular image that would be acceptable to the intended end user. Walker Decl. ¶ 11; Krause Decl. ¶ 7.

The question remains, however, whether all the claim elements were met. The only element challenged by Petitioner is that addressed in the Roberts declaration, namely, the “minimizing” limitation: “the molten plastic be ‘introduced at at least one of a temperature, a pressure, and a turbulence that *minimizes any distortion to the lenticular lens and any degradation to the interlaced image.*’” Pet. Reply 12 (emphasis added). We note that neither the Patent Owner’s Response nor the Petitioner’s Reply focuses on the temperature, pressure, or turbulence recitations or other aspects of the claims; the dispute between Petitioner and Patent Owner centers on the portion of the claim (italicized above) dealing with minimizing distortion to the lens and degradation to the image which Petitioner contends is not met in the Rexam process. *Id.*; Goggins Decl. ¶ 13; Roberts Decl. ¶¶ 27-29. That is not surprising, for the ’196 patent claims do not claim specific pressure, temperature, or turbulence levels. The claims say only that “the molten plastic is *introduced* at at least one of a temperature, a pressure, and a turbulence.” (Emphasis added). None of the witnesses, including Goggins, disputes that this much of the claim is met by the Rexam process.

Our construction of the “minimizes” limitation requires “that the claimed methods sufficiently prevent distortion to the lenticular lens or degradation of the interlaced image so that the *intended visual effect* of the lenticular image *still functions properly* within the finished molded article.”

Institution Decision 8 (emphases added). Thus, under this construction the focus of the inquiry is on the intended visual effect, which we determine is similar to the “suitable for its intended purpose” standard for determining reduction to practice. We conclude, therefore, that our previous analysis of “suitability for intended purpose” applies also to our consideration of this claim element.

We are persuaded, for the reasons stated above, that Patent Owner has carried its burden of showing that this element was reduced to practice on or before by March 28, 2000. Our inspection of the compact case at the hearing confirms Patent Owner’s evidence that its intended visual effect, while not perfect, functions properly, taking into account the nature of the product and its end users. We further conclude that the testimony from Goggins and Roberts fails to address whether the resulting sample would be acceptable to a consumer and is therefore not persuasive. On this issue, we find Walker’s testimony and Goggins’s notebook entry to be more persuasive evidence.

Finally, we are not persuaded by Petitioner’s arguments that Patent Owner has previously “declined to attempt to antedate Raymond” or has “expressly disclaimed knowledge of the facts.” Pet. Reply 14-15. For example, the argument that Patent Owner did not attempt to antedate Raymond in its Preliminary Response is unavailing in that such responses are optional. *See* 37 C.F.R. § 107(a) (“The patent owner *may* file a preliminary response to the petition.”) (emphasis added). We see no reason why this and other such prior positions cited by Petitioner should be determinative here.

D. Motion to Amend

Patent Owner's Contingent Motion to Amend (Paper 23) proposes two substitute claims, numbered 17 (substitute for claim 1) and 18 (substitute for claim 12). Patent Owner states, "These substitutions are strictly contingent on the Board finding each respective original claim unpatentable, as discussed below." Motion to Amend 1. As discussed, because we determine that claims 1 and 12 are not proven unpatentable, we dismiss Patent Owner's Motion to Amend as moot.

E. Patent Owner's Motion for Observations

We have considered Patent Owner's Motion (Paper 36), and to the extent that Patent Owner's observations are relevant they have been incorporated into our analysis.

III. CONCLUSION

Petitioner has not demonstrated, by a preponderance of the evidence, that claims 1 and 12 of the '196 patent are anticipated by Raymond under 35 U.S.C. § 102(e).

IV. ORDER

In consideration of the foregoing, it is hereby

ORDERED that claims 1 and 12 of the '196 patent have not been shown to be unpatentable; and

FURTHER ORDERED that Patent Owner's Contingent Motion to Amend is dismissed as moot.

This is a Final Decision. Parties to the proceeding seeking judicial review of the decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

IPR2013-00131
Patent 6,635,196

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