

Appeal No. 2019-2423

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

WATERBLASTING, LLC,
Appellant,

v.

**ANDREW HIRSHFELD, PERFORMING THE FUNCTIONS AND DUTIES OF THE
UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND
DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE,**
Intervenor.

APPEAL FROM THE UNITED STATES PATENT AND TRADEMARK OFFICE,
PATENT TRIAL AND APPEAL BOARD IN NO. IPR2018-00504

**INTERVENOR'S OPPOSITION TO APPELLANT'S COMBINED PETITION FOR PANEL
REHEARING AND REHEARING EN BANC**

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I. INTRODUCTION

This case does not meet the standards for panel rehearing or en banc rehearing. *See* Fed. R. App. P. 35(a); Fed. Cir. R. 35(b); Fed. R. App. P. 40(a)(2); Fed. Cir. R. 40(a)(5). The panel here simply issued a Rule 36 affirmance of the Patent Trial Appeal Board's decision finding all of the claims at issue obvious over the combination of two prior art references—Clemons and the NLB Brochure. In arguing that the Court's Rule 36 affirmance necessarily entailed a new ground of rejection, Waterblasting mischaracterizes the arguments made by the Director, the Board's decision, and this Court's affirmance of that decision. At most, Waterblasting presents a fact bound issue that requires neither panel nor en banc rehearing.

Waterblasting also requests rehearing on the basis that this Court violated 35 U.S.C. § 144 by affirming the Board's decision in a summary order pursuant to Fed. Cir. Rule 36. This aspect of Waterblasting's petition is also without merit. Section 144 does not require this Court to issue an opinion in every appeal from the Board, and this Court issues Rule 36 judgments after giving cases the full consideration of the Court. Accordingly, the panel's use of Rule 36 neither conflicts with precedent nor presents an issue of exceptional importance warranting panel rehearing or en banc review.

II. REHEARING IS NOT WARRANTED

Neither panel rehearing nor rehearing en banc to review the panel's fact-bound holding or its use of Rule 36 is warranted. Waterblasting fails to cite any precedent

contrary to the panel’s decision, to show that this case is one of exceptional importance, or that the panel’s decision misapprehends any point of fact or law.

A. Waterblasting’s new ground argument is based on a mischaracterization of the record and does not warrant panel rehearing or en banc review.

United States Patent No. 7,255,116 claims a cleaning system consisting of two vehicles: a truck and a tractor. Appx81, 6:35-59; Appx73, Fig. 1. The Board found Waterblasting’s claims obvious over the combination of Clemons (which teaches a truck) and the NLB Brochure (which teaches a tractor, referred to as the StripeJet). The Board found that a person of ordinary skill in the art would have been motivated to add a “compact and maneuverable” vehicle—like the NLB’s StripeJet—to the Clemons cleaning system to clean areas with limited access or that require a vehicle with a tight turning radius, benefits expressly taught by NLB. Appx34-35 (citing Appx283, ¶¶ 143-144). A panel of this Court affirmed the Board’s unpatentability decision pursuant to Rule 36.

Selectively focusing on the Board’s use of the words “secondary vehicle” and “non-self-contained vehicle” with the Clemons vehicle, Waterblasting contends that the Board erred and the USPTO disavowed this aspect of the Board’s reasoning, and that this Court must therefore have affirmed the decision based on a ground that was not in the Board’s decision, resulting in a violation of *SEC v. Chenery Corp.*, 318 U.S.

80 (1943) and *In re Zurko*, 258 F.3d 1379 (Fed. Cir. 2001); Pet.¹ at 4. But there was no mistake in the Board’s use of the term “secondary” or the term “non-self-contained.” As shown below, the Board only used the word “secondary” when talking about the combination with Clemons (where the StripeJet tractor is “secondary” to the Clemons truck), and the Board’s use of the word “non-self-contained” was accurate given that the StripeJet is necessarily connected to an external high pressure water source and vacuum tank. In any event, whether the StripeJet is a “stand-alone” or “complete” system is irrelevant to the Board’s analysis. The combination articulated by the Board is that of adding a short wheelbase tractor to the Clemons truck in order to increase maneuverability in areas that are difficult to access. Contrary to Waterblasting’s arguments, the Director advocated the same rationale on appeal and did not present alternative prior art or rationales at oral argument.²

¹ Citations to Waterblasting’s Combined Petition for Panel Rehearing and/or Rehearing *En Banc* are denoted as “Pet. at_.”

² Without further developing its argument, Waterblasting states that at oral argument, the Director “argued that alternative prior art not relied upon could be used to support the Board’s Decision.” Pet. at 6-7. The Director did not argue alternative prior art. Waterblasting appears to be referencing the discussion at oral argument following the exchange quoted in its petition at p. 7, but there was no indication that this was a proposal for an alternative ground for affirmance. The Director merely directed the Court to the ’116 specification—the paragraph beginning at Appx79, 2:8 discussing the commercial availability of a combination truck (prime mover) and tractor—in response to Judge Bryson’s question, “There’s no place in which it suggests that you could put them together?” Oral Argument Recording at 17:12-19:10 (Nov. 4, 2020).

1. The Board used “secondary” only to characterize the role StripeJet would play in combination with Clemons

The Board used “secondary” in stating its understanding of petitioner Blasters, Inc.’s argument that the Clemons truck would benefit from adding the StripeJet, which is the secondary vehicle where the Clemons truck is the primary, for cleaning areas with limited access or that require a tight turning radius. Appx29 (“Petitioner argues an ordinarily skilled artisan would have understood that the cleaning system of Clemons could be improved by including a secondary ‘compact and maneuverable’ utility vehicle, such as the StripeJet tractor disclosed in NLB, which is specifically designed to clean ‘areas with limited access (e.g., parking lots, garages, intersections).”); Appx31-32 (“Petitioner argues that an ordinarily skilled artisan would have understood that the cleaning system of Clemons could have been improved by including a secondary ‘compact and maneuverable’ utility vehicle, such as the StripeJet™ tractor disclosed in NLB.”); Appx34-35 (“We also credit Mr. Boos’s testimony that NLB teaches using a secondary ‘compact and maneuverable’ utility vehicle, such as the StripeJet tractor, for ‘areas with limited access (e.g., parking lots, garages, intersections.)”(citing Blasters’s expert report at Appx283-284, ¶¶ 143-144). As evidenced by the fact that the Board attributed these arguments to the petitioner, none of these uses of “secondary” suggest any departure from the reasoning in the petition or the by the petitioner’s expert which uniformly used the word “secondary” to describe the StripeJet vehicle when in the proposed combination with the Clemons

truck. Thus the petition explained that “Clemons can be improved by inclusion of a secondary ‘compact and maneuverable’ utility vehicle, such as the StripeJet™”.

Appx143-144 (Blasters’s petition). Mr. Boos, Blasters’s expert, testified that “the disclosed cleaning system in Clemons would benefit from a secondary utility vehicle, such as the StripeJet™ tractor disclosed in NLB” for the same reasons. Appx284. In other words, both the Board and Blasters characterized the StripeJet tractor as “secondary” when used in combination with Clemons. In the combination, the Clemons truck is the “primary” vehicle and the NLB Brochure’s StripeJet’s tractor, connected to the Clemons truck, is the “secondary” vehicle. Neither the Board nor Blasters characterized the StripeJet vehicle, standing alone as described in the NLB Brochure, as a “secondary vehicle.”

2. The Board accurately used the term “non-self-contained” to refer to the fact that StripeJet vehicle had external connections

Waterblasting’s “non-self-contained vehicle” argument is similarly without merit. Specifically, Waterblasting argues that the Board’s use of the term “non-self-contained” to describe StripeJet is inconsistent with the Director’s counsel’s agreement at oral argument that StripeJet is a “complete” system and thus it was a repudiation of the Board’s finding that the StripeJet system is not self-contained. But the exchange at oral argument quoted in footnote 1 of the combined petition for rehearing plainly concerned questions posed by the panel at oral argument asking whether the NLB Brochure’s StripeJet and the Clemons truck are “complete systems”

(yes, in the context of that question) and whether the NLB Brochure discusses connecting the StarJet and StripeJet systems to each other (no). *See* Pet. at 7, fn. 1. Neither of those answers is inconsistent with the Board's characterization of the StripeJet system as "non-self-contained."

Waterblasting's argument is that the Board's reference to the StripeJet as "non-self-contained" means that the Board read the NLB reference as describing a system where StripeJet was a "secondary" vehicle cooperating with a primary vehicle. Pet. at 5. But the Board merely described the StripeJet as "non-self-contained" in the context of contrasting it to the StarJet, a much larger vehicle that (unlike the StripeJet) carries the vacuum tank and water pump on its truck bed. Appx34 (citing Appx191).³ For that description of the StripeJet, the Board cites the NLB Brochure showing the StripeJet vehicle having an orange hose connected to the front of the vehicle and leading to a connection out of the frame to the right. Appx34; App191. As explained in Blasters's petition, that is the vacuum hose, which leads to an external vacuum tank. Appx106-107 (depicting an annotated picture of the StripeJet with the hose leading out of the frame labelled "vacuum hose leading to vacuum recovery system"); *see also* Appx144. Waterblasting conceded at oral argument that the NLB Brochure teaches an optional vacuum tank attached to the StripeJet. Oral Argument Recording at 26:28-43,

³ The NLB reference states that vacuum tanks weigh 2,000 pounds, almost as much as the StripeJet itself, which weighs 2,360 pounds and requires a 4' by 8' space. Appx190.

http://oralarguments.cafc.uscourts.gov/default.aspx?fl=19-2423_11042020.mp3

(Nov. 4, 2020) (“We don’t dispute there can be this optional vacuum recovery.”).

Nothing that the Director said at oral argument is inconsistent with the Board’s understanding of StripeJet. In response to various questions by the panel, counsel for the Director acknowledged that the NLB itself does not discuss combining StarJet with StripeJet, and that each of Clemons, NLB’s Starjet, NLB’s StripeJet were complete; but by this, the Director was only acknowledging that none of these vehicles was part of a two-vehicle combination. In characterizing StripeJet as complete in this context the Director was in no way disavowing the Board’s characterization of StripeJet as “non-self-contained.”

Chenery and *Zurko* are therefore inapposite here. The Board relied on the combination of Clemons and the NLB Brochure’s StripeJet (and discussed its findings at length), that combination was asserted in the Petition, the Director argued that the Board’s decision was correct and supported by the record, and the Director neither conceded error nor argued other grounds for this Court to affirm the Board. Appx26-38; Appx142-160; Director’s Intervenor Brief at 14-21, April 13, 2020, ECF No. 36. And unlike in *Zurko*, here, the Director did not concede that the NLB brochure does not teach the limitations claimed. *See Zurko*, 258 F.3d at 1385 (Commissioner conceded that neither of two prior art references relied upon by the Board teach the claimed limitation). There is no basis for rehearing.

B. The panel’s Rule 36 decision does not raise a question of exceptional importance because it followed a longstanding tradition that appellate courts may establish their own procedures concerning when to issue opinions

Waterblasting argues that the Federal Circuit’s summary affirmance under Fed. Cir. R. 36 violates 35 U.S.C. § 144. Pet. at 12-15. Further, Waterblasting states that the issuance of a Rule 36 affirmance prevents a review of the panel’s rationale. Pet. at 4. Not so. Rule 36 provides that “[t]he court may enter a judgment of affirmance without opinion” if “an opinion would have no precedential value” and if the decision “is based on findings that are not clearly erroneous,” has been entered without an error of law, or warrants affirmance under the standard of review in the statute authorizing the petition for review. Fed. Cir. R. 36(a)(1). Therefore, by issuing a Rule 36 affirmance this Court’s rationale is clear—it is in agreement with the decision below.

Section 144 does not require this Court to issue an opinion in every appeal from the Board. That provision addresses how this Court should give notice of dispositions in Board appeals and directs that the Court’s decision in a matter must govern any further agency proceedings. It specifies that, upon determination of an appeal from the USPTO, the Federal Circuit “shall issue to the Director its mandate and opinion, which shall be entered of record in the Patent and Trademark Office and shall govern the further proceedings in the case.” 35 U.S.C. 144. Although the statute

requires that any mandate and opinion be sent to the agency and made part of the agency record, it does not direct the court to generate an opinion in every case.

This understanding of Section 144 is supported by longstanding principles concerning courts' control over their operations. Congress has authorized the courts of appeals to "prescribe rules for the conduct of their business," so long as those rules are consistent with statutory requirements and with the federal rules of procedure and evidence. 28 U.S.C. § 2071(a). The Supreme Court has recognized that "the courts of appeals should have wide latitude in their decisions of whether or how to write opinions," and that this principle is "especially true with respect to summary affirmances." *Taylor v. McKeithen*, 407 U.S. 191, 194 n.4 (1972) (per curiam). Courts of appeals have often exercised that authority through rules that authorize unpublished summary dispositions. *See* 1st Cir. R. 36(a); 2d Cir. R. 32.1.1; 5th Cir. R. 47.6; 7th Cir. R. 32.1; 8th Cir. R. 47A, 47B; 10th Cir. R. 36.1. The longstanding tradition that appellate courts may establish their own procedures concerning when to issue opinions counsels strongly against reading Section 144 to contain an implicit prohibition on the use of summary affirmances.

The issue is also one of limited practical significance. A Rule 36 summary affirmance is not meaningfully different from a summary affirmance in the circuits that issue brief nonprecedential opinions stating that the decision of the agency is affirmed for reasons outlined in the agency's decision. This Court authorizes summary affirmance only when "an opinion would have no precedential value" and no

reversible error has been identified. *See* Fed. Cir. R. 36. When a Rule 36 summary affirmance is used to reject a legal challenge that is reviewed de novo, therefore, the affirmance communicates the court’s judgment that the agency committed no legal error. *See* Fed. Cir. R. 36(a)(4) and (5) (authorizing summary affirmance when “a judgment or decision has been entered without an error of law” or when “the decision of an administrative agency warrants affirmance under the standard of review in the statute authorizing the petition for review”). The use of Rule 36 to reject a factual challenge would similarly communicate that this Court found no clear error in the underlying factual finding. *See* Fed. Cir. R. 36(a)(1) (permitting summary affirmance under Rule 36 if the decision below “is based on findings that are not clearly erroneous”). An opinion that stated such a conclusion explicitly would add little to what is already implicit in the court’s Rule 36 judgment.⁴

This Court issues Rule 36 judgments after giving cases “the full consideration of the court,” *United States Surgical Corp. v. Ethicon, Inc.*, 103 F.3d 1554, 1556 (Fed. Cir.), cert. denied, 522 U.S. 950 (1997), and summary orders are among the tools that courts may use to resolve their cases even though such decisions do not provide precedential guidance. *See McKeithen*, 407 U.S. at 194 n.4.

⁴ A Rule 36 summary affirmance is a judgment of this Court and is subject to Supreme Court review. In *Oil States*, for example, the Court reviewed a Rule 36 judgment of this Court. *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 639 Fed. Appx. 639 (2016), aff’d, 138 S. Ct. 1365 (2018).

The Supreme Court has repeatedly denied challenges to the Federal Circuit's use of summary dispositions under Rule 36, and the same result is warranted here. *See, e.g., Fote v. Iancu*, 140 S. Ct. 2765 (2020); *Kaneka Corp. v. Xiamen Kingdomway Grp.*, 140 S. Ct. 2768 (2020); *Specialty Fertilizer Products, LLC v. Shell Oil Co.*, 138 S. Ct. 2678 (2018); *Shore v. Lee*, 137 S. Ct. 2197 (2017); *Concaten, Inc. v. AmeriTrak Fleet Solutions, LLC*, 137 S. Ct. 1604 (2017); *Cloud Satchel, LLC v. Barnes & Noble, Inc.*, 136 S. Ct. 1723 (2016); *Hyundai Motor Am. v. Clear with Computers, LLC*, 134 S. Ct. 619 (2013); *Kastner v. Chet's Shoes, Inc.*, 565 U.S. 1201 (2012); *White v. Hitachi, Ltd.*, 565 U.S. 825 (2011); *Max Rack, Inc. v. Hoist Fitness Sys., Inc.*, 564 U.S. 1057 (2011); *Romala Stone, Inc. v. Home Depot U.S.A., Inc.*, 562 U.S. 1201 (2011); *Wayne-Dalton Corp. v. Amarr Co.*, 558 U.S. 991 (2009); *Tebrani v. Polar Electro*, 556 U.S. 1236 (2009).

III. CONCLUSION

Waterblasting has failed to show that the panel's Rule 36 affirmance misapplies the law or creates any sort of conflict. Waterblasting has also failed to show that this fact bound case is one of exceptional importance where the panel simply and properly followed its local practice to summarily affirm the Board under Rule 36.

Dated: February 5, 2021

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CERTIFICATE OF COMPLIANCE

Pursuant to Federal Rule of Appellate Procedure 32(g), the undersigned certifies that the foregoing **INTERVENOR'S OPPOSITION TO APPELLANT'S COMBINED PETITION FOR PANEL REHEARING AND REHEARING EN BANC** complies with the type-volume limitation required by the Court's rule. The total number of words in the foregoing brief, excluding the parts exempted by Federal Rule of Appellate Procedure 32(g) and Federal Circuit Rule 32(b), is 2,797 words as calculated using the Word® software program.

Dated: February 5, 2021

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