

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NESPRESSO USA, INC.,
Petitioner,

v.

K-FEE SYSTEM GMBH,
Patent Owner.

Case No. IPR2023-00485
U.S. Patent No. 11,230,430

PATENT OWNER'S SUR-REPLY

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<i>Trs. in Bankr. of N. Am. Rubber Thready Co., Inc. v. United States</i> , 593 F.3d 1346 (Fed. Cir. 2010)	3

LIST OF EXHIBITS

Exhibit	Description
Ex. 2001	Declaration of Laurens “Lars” Howle (“Howle Decl.”)
Ex. 2002	Examiner-Initiated Interview Summary for Appl. No. 17/324,182
Ex. 2003	Examiner-Initiated Interview Summary for Appl. No. 17/108,175
Ex. 2004	<i>K-fee System GmbH v. Nespresso USA, Inc.</i> , Case No. 2:21-cv-3402 GW(AGRx), Dkt. No. 126-1 (Apr. 1, 2022)
Ex. 2005	<i>K-fee System GmbH v. Nespresso USA, Inc.</i> , Case No. 2:21-cv-3402 GW(AGRx), Dkt. No. 211 (June 17, 2022)
Ex. 2006	U.S. Patent No. 11,254,491
Ex. 2007	U.S. Patent No. 10,858,177
Ex. 2008	Excerpts of file history for U.S. Patent No. 10,858,176
Ex. 2009	Excerpts of file history for U.S. Patent No. 10,870,531
Ex. 2010	Excerpts of file history for Appl. No. 17/547,363
Ex. 2011	Applicant-Initiated Interview Summary for Appl. No. 17/963,392
Ex. 2012	File history for U.S. Patent 11,254,491
Ex. 2013	Notice of Allowance for Appl. No. 17/330,572
Ex. 2014	Excerpts from Appl. No. 17/670,629
Ex. 2015	Excerpts from Appl. No. 17/670,765

Exhibit	Description
Ex. 2016	Suggestion for Declaration of Interference, Appl. No. 13/697,297

Petitioner’s Blatantly Inconsistent Arguments. Petitioner seeks to have it both ways. As explained in the Patent Owner Preliminary Response, Petitioner advocated for a particular claim construction of “barcode” in the District Court and obtained a final judgment of non-infringement applying that construction. POPR at 16-18, 56-61. Now Petitioner accepts a broader plain and ordinary meaning that it fought against in the District Court to cover an identical disclosure found in the Yoakim reference. Petitioner’s positions are clearly inconsistent. To suggest otherwise, Petitioner first argues that “a party may advance a more detailed meaning of a term in district court...while also asserting that the Board need not expressly construe the term to resolve patentability.” Reply at 1-2 (citing *Chanel v. Molo Design*, IPR2022-00543, Paper 7 at 9-10 (PTAB Aug. 12, 2022)). But Petitioner did not elaborate on a meaning of the term “barcode” at the District Court consistent with the meaning it presents here. Instead, in the District Court Petitioner advocated for a narrow scope of the term in order to avoid reading on an explicit disclosure of “barcode.” In contrast here, Petitioner seeks the plain and ordinary meaning of the term to cover a purported disclosure of “barcode” in the prior art. That is not a difference in detail—it is a difference in scope. Moreover, the circumstances here are distinguishable from those in *Chanel*. In *Chanel*, the district court action had been stayed and thus did not (and would not) reach a final judgment. *Chanel*, IPR2022-00543, Paper 7 at 2. Thus, there was no concern of conflicting claim scope

between the district court and the PTAB. The Patent Owner in *Chanel* also failed to identify how the Petitioner's differing claim construction would impact the present issues before the Board. *See id.* at 10. Here, however, Patent Owner has specifically described how the single ground of unpatentability proposed by Petitioner would fail if Petitioner were held to its district court claim construction.

Petitioner's second argument is that its positions here are not inconsistent because Petitioner relies on Yoakim for disclosure of a "barcode"—not Jarisch. Petitioner misses the point. Petitioner previously advocated that K-fee's patent claims requiring a "barcode" did not cover Petitioner's Vertuo product, even though Petitioner publicly represented that the product contains a "barcode." POPR at 58. Petitioner now argues that Yoakim's cursory mention of "barcode" satisfies the same scope. Those positions are clearly inconsistent.

Petitioner's final argument is that judicial estoppel does not apply. But Petitioner's cases do not overcome the binding authority in the Preliminary Response. Indeed, Petitioner cites no binding authority in support of its position. The Federal Circuit has explained, "[j]udicial estoppel applies just as much when one of the tribunals is an administrative agency as it does when both tribunals are courts." *Trs. in Bankr. of N. Am. Rubber Thready Co., Inc. v. United States*, 593 F.3d 1346, 1353 (Fed. Cir. 2010). Each of the three factors is met here. POPR at 58-59. It is clearly inconsistent for Petitioner to prevail on non-infringement based on a claim

construction of “barcode” where its product is depicted in marketing materials as having a “barcode,” but then to advocate that three passing references to a “barcode” (without more) in the Yoakim reference satisfy the same limitation. This is a clear case of judicial estoppel, and the Petition should be denied on this basis alone.

Petitioner’s Unsupportable Lack of Priority Arguments. Petitioner’s repeated insistence that the claims of the ’430 Patent are unsupported by the German priority application mischaracterizes Patent Owner’s arguments and flies in the face of the evidence. As an initial matter, Petitioner incorrectly paints Patent Owner’s priority support for the barcode limitation [1.d] to be an “argu[ment] that **2.4.2 constitutes a barcode on the bottom of the flange** (POPR, 42).” Reply at 4 (emphasis added). Not so. In the Table cited by Petitioner, Patent Owner clearly explains that while Figures 16, 17, and 18 specifically depict element 2.4.2 as a toothed ring identifier, the description accompanying these figures (which all “show different embodiments of the portion capsule according to figure 16”) clearly teaches the use of a barcode or other “form-fitting and/or friction-fitting means and/or a detection means.” POPR at 42-43 (citing Ex. 1047 at 41). And the second German application provides numerous examples of these means (each of which is an example of element 2.4.2), such as the depicted gearwheel or a machine-readable print such as a barcode, that a POSITA would understand could be located on the bottom side of the flange. See Ex. 1047 at 43:11-14; POPR at 42-43, 51. Further,

Petitioner’s argument that the element 2.4.2 must be on the outer circumference of a flange rather than on its bottom is unsupportable in light of Patent Owner’s identification of Figures 16, 17, and 18 as supporting the ’430 Patent’s claims—Figure 17a irrefutably depicts a view of the repeated toothed ring identifier on the bottom side of the flange, held in place by the retaining arms, and Petitioner’s expert agreed. IPR2022-01574, Ex. 2012 at 186:10-20. Petitioner seeks to ignore plain evidence that contradicts its arguments.

Similarly, Petitioner ignores evidence that plainly depicts a capsule having an annular convexity. As explained in the Preliminary Response, a POSITA would recognize that Figure 16 depicts a convex or outwardly-bowed cover, which can result from the pressure differential between the inside and outside of the capsule. Petitioner’s expert relies on that same understanding to support its prior art disclosures in a related proceeding. IPR2022-01574, Ex. 1003, ¶ 224. Curiously, while Petitioner complains here that this understanding of Figure 16 is “not supported by any disclosure...let alone any discussion of FIG16,” Petitioner’s expert relies on a similar drawing, without written description support, to support a disclosure of an outwardly-bowed cover in Jarisch 929. *See id.* at ¶¶ 225-26.

The Examiners’ Thorough Examination of the Art. Patent Owner’s discussion of its interactions with the Examiner of the ’430 Patent directly counters Petitioner’s insinuations of nefarious conduct leading to Examiner error (factor (c)).

Indeed, it was Petitioner who first lodged the accusation that Patent Owner's "bury[ing] PTO examiner[] with a deluge of prior art references" resulted in Examiner error by impairing the Examiner's ability to properly evaluate the prior art. Pet. at 20-21. Not so. Communications with Examiner Jennison confirm that the number of references was not excessive or unduly burdensome. POPR at 27-28. Rather than "bury" the Examiner, Patent Owner's recent communications show that Patent Owner identified the most relevant art for the Examiner and that the Examiner is well aware of the arts relevance to this family of patents. See POPR at 29 ("[T]hese [references] seem to be the most relevant to the co-pending applications"). Examiner Jennison has been presented with these references time and time again, and has allowed Patent Owner's claims.

Moreover, this '430 Patent is within a chain of continuation applications that claim priority to the '923 Patent, which was identified by Petitioner's affiliate Societe des Produits Nestle S.A. in its efforts to provoke an interference with its own patent application, and presumably received additional scrutiny from Examiner and his Supervisors as a result. Ex. 2016 (Patent Owner notes that Ex. 2016 was *mistakenly* cited as Ex. 2015 in Footnote 3 of the POPR). The Board should thus exercise its discretion and deny institution.

Date: July 24, 2023

Respectfully submitted,

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§ 42.8 and 42.6(e), the undersigned hereby certifies that the foregoing Patent Owner's Preliminary Response and its respective exhibits was served on counsel of record for the Petitioner by filing this document through PTAB E2E and by sending this document via electronic mail to the following addresses:

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