

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NESPRESSO USA, INC.
Petitioner

v.

K-FEE SYSTEM GMBH
Patent Owner

IPR2023-00502
U.S. Patent 10,994,923

**PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY
RESPONSE**

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PETITIONER'S EXHIBIT LIST

No.	Reference	Referred To As
1001	U.S. Patent No. 10,994,923	'923 Patent
1002	Prosecution History of U.S. Patent No. 10,994,923	'923 Patent File History
1003	Declaration of Michael Jobin	Jobin Decl.
1004	U.S. Patent Pub. US2010/0239734A1	Yoakim
1005	U.S. Patent Pub. US2013/0064937A1	Jarisch
1006	U.S. Patent Pub. US2013/0064929A1	Jarisch 929
1007	PCT Pub. WO2010/026053A1	Denisart
1008	U.S. Patent Pub. US2012/0269933A1	Rapparini
1009	U.S. Patent Pub. 2008/0105131	Castellani
1010	PCT Pub. WO2005/079638A1	Panesar
1011	U.S. Patent Pub. 2006/0233921	Mock
1012	National Coffee Association	NCA
1013	U.S. Patent Pub. 2002/0078831	Cai
1014	U.S. Patent No. 726,793	Bezzera
1015	U.S. Patent Pub. 2009/0007793	Glucksman
1016	U.S. Patent No. 3,387,553	Tavera
1017	U.S. Patent No. 3,631,793	Bednartz
1018	U.S. Patent No. 4,136,202	Favre
1019	U.S. Patent No. 6,142,063	Beaulieu

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1020	U.S. Patent No. 4,389,925	Piana
1021	U.S. Patent No. 6,655,260	Lazaris
1022	U.S. Patent Pub. 2006/0230941	Ryser
1023	U.S. Patent Pub. 2009/0249961	Cheng
1024	U.S. Patent Pub. 2004/0089158	Mahlich
1025	PCT Pub. WO 2010/034663	Ozanne
1026	ASM Handbook, Volume 14B: Metalworking: Sheet Forming, S.L. Semiatin, editor.	ASM Handbook
1027	https://www.italcoat.com/flexible-aluminium-markets/coffee/	Italcoat
1028	EU Patent App. EP2145759A1	Geerts
1029	Penix J.A. (1991) Thermoforming of Plastic Film and Sheet. In: Berins M.L. (eds) SPI Plastics Engineering Handbook of the Society of the Plastics Industry, Inc.	Penix
1030	U.S. Patent No. 3,437,253	Davis
1031	U.S. Patent No. 5,261,558	Claydon
1032	U.S. Patent No. 5,243,164	Erickson
1033	U.S. Patent No. 6,645,537	Sweeney
1034	EU Patent App. EP1849718A1	Rubino
1035	PCT Pub. WO2010/041179A2	Mariller
1036	EU Patent App. EP0455337B1	Bentley
1037	U.S. Patent Pub. 2002/0048621A1	Boyd
1038	U.S. Patent Pub. 2007/0203587A1	Erlandsson

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1039	U.S. Patent Pub. 2005/0150391A1	Schifferle
1040	PCT Pub. WO2005/044067A1	Ruchonnet
1041	PCT Pub. WO2010/099806A1	Rossi
1042	US Patent Pub. 2009/0205747	Lillard
1043	U.S. Patent Pub. 2010/0078480A1	Aker
1044	U.S. Patent Pub. 2013/0099597	Perentes
1045	Official English translation of German application No. 102011010534.4	February 2011 Application
1046	Official English translation German application No. 102010031988.0	July 2010 Application
1047	Official English translation German application No. 102010044251.8	September 2010 Application
1048	<i>K-Fee System GmbH v. Nespresso USA, Inc. et al.</i> , Case No. 2:22-cv-00525	Complaint
1049	<i>K-Fee System GmbH v. Nespresso USA, Inc. et al.</i> , Case No. 2:22-cv-00525 – Supplemental Disclosure of Infringement Contentions (July 11, 2022)	Infringement Contentions
1050	Excerpt from Prosecution History of U.S. Appl. No. 13/744,623	'623 Appl.
1051	https://nestle-nespresso.com/our_products/product	Nespresso Vertuo System
1052	<i>K-Fee System GmbH v. Nespresso USA, Inc. et al.</i> , Case No. 2:21-cv-3402; Dkt. 111.	Claim Construction Order
1053	Intentionally Omitted	Intentionally Omitted

1054	<i>K-Fee System GmbH v. Nespresso USA, Inc. et al.</i> , Case No. 2:21-cv-3402; Dkt. 211.	Summary Judgment Order
1055	Food Packaging and Shelf Life: A Practical Guide (2009), Chapter 11 – “Packaging and the Shelf Life of Coffee”	Food Packaging
1056	Illy, Andrea, and Rinantonio Viani, eds. <i>Espresso coffee: the science of quality</i> . Academic Press, 2005.	Espresso Coffee
1057	Excerpt from Appl. No. 16/538,752: Nov. 8, 2019 Office Action Rejection	752 Appl. First Rejection
1058	Excerpt from Appl. No. 16/538,752: Jan. 23, 2020 Response to Office Action	752 Appl. First Response
1059	Excerpt from Appl. No. 16/538,752: Apr. 28, 2020 Office Action Rejection	752 Appl. Second Rejection
1060	Excerpt from Appl. No. 16/538,752: Jul. 27, 2020 Response to Office Action	752 Appl. Second Response
1061	Excerpt from Appl. No. 16/538,752: Nov. 3, 2020 Notice of Allowance	752 Appl. Notice of Allowance
1062	Excerpt from Appl. No. 16/860,441: Jul. 13, 2020 Office Action Rejection	441 Appl. First Rejection
1063	Excerpt from Appl. No. 16/860,441: Oct. 13, 2020 Response to Office Action	441 Appl. Response
1064	Excerpt from Appl. No. 16/860,441: Nov. 12, 2020 Notice of Allowance	441 Appl. Notice of Allowance
1065	Email authorizing reply and sur-reply	

Petitioner Has Not Taken Inconsistent Positions: Only terms in controversy need be construed, and only to the extent necessary to resolve the controversy. *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (internal citations omitted). Here, neither party argues that any terms require construction for the Board to resolve the dispute. Rather, K-fee attempts to argue that Petitioner should be required to make arguments from a related district court case that dealt with issues of non-infringement of its Vertuo product, which are not relevant here. At the same time, K-fee *agrees* with Petitioner that no constructions are needed for purposes of this IPR. POPR, 12. As the Board found in a similar proceeding between these parties, for the purposes of resolving the dispute, the Board need not expressly construe any terms. IPR2022-01574, Paper 12, 17.

Petitioner could not have foreseen and addressed K-fee's argument that Petitioner's positions are inconsistent, or that judicial estoppel applies. POPR, 11-13, 36-41. This is because (1) it is well-known that the Board recognizes that constructions proposed by parties before the PTAB and district court may differ because of different issues in dispute; (2) the Petition demonstrates that there are no inconsistent arguments; and (3) judicial estoppel does not apply for multiple reasons.

First, the Board has previously found that a party may advance a more detailed meaning of a term in district court (which deals with different issues such as infringement) while also asserting that the Board need not expressly construe the

term to resolve patentability. *Chanel v. Molo Design*, IPR2022-00543, Paper 7, 9-10 (PTAB Aug. 12, 2022) (finding no inconsistency with district court constructions and granting institution). Thus, Petitioner is not “shielding” constructions from the Board, as K-fee contends. POPR, 13. Instead, Petitioner acknowledged that the district court construed¹ “barcode”² in a related patent but noted that the Grounds are not impacted by these constructions and explained that no claim terms require construction here. Pet. 35. *K-fee does not disagree*. POPR, 11-12.

Second, Petitioner has not taken any inconsistent positions as K-fee contends. In district court, there was an issue as to whether the optical code on Nespresso's Vertuo capsules constituted a “barcode” according to K-fee's claims. The district court's claim construction included K-fee's representations to the EPO about the meaning of a “barcode,” which K-fee characterized in attempt to avoid invalidity in Europe by the Jarisch reference. EX1052, 12-13. K-fee now argues that the use of Jarisch in this Petition is inconsistent with the district court claim construction. However, there is no inconsistency because Petitioner relies on Jarisch for the claimed *location* of the system's optical code, but on *Yoakim* for its express disclosure of using a “barcode.” Pet. 55-56. Petitioner could not have foreseen that K-fee would suggest that Yoakim's disclosure of a “barcode” could be insufficient

¹ Currently on appeal to the Federal Circuit Case No. 2022-2042.

² Construed to have its plain and ordinary meaning, as explained before the EPO.

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by drawing a comparison to the use of “barcode” in Nespresso’s marketing documents for consumers. POPR, 38. Such marketing documents have no relevance as to whether the technical disclosure in Yoakim discloses a “barcode” to a POSITA. Petitioner’s expert confirmed that the district court’s construction does not change his opinion that Yoakim discloses a “barcode.” EX1003, ¶¶ 148, 243-244.

Third, “Patent Owner does not cite any authority squarely holding that judicial estoppel is applicable in Board proceedings.” *Precision Planting, LLC v. Deere & Company*, IPR2019-01044, Paper 17, at 35 (PTAB Dec. 2, 2019). Also, as explained *supra*, Petitioner’s position is not inconsistent at all, let alone “clearly inconsistent” as required for judicial estoppel. POPR, 38. Moreover, the district court’s construction remains on appeal at the Federal Circuit, counseling *against* applying judicial estoppel. *Trustees in Bank. of N. Am. Rubber Thready Co., Inc. v. U.S.*, 593 F.3d 1346, 1358-59 (Fed. Cir. 2010) (dissenting).

Petitioner Has Satisfied its Burden to Demonstrate a Lack of Priority: K-fee argues that the panel should consider recent priority determinations by examiners of related applications, which Petitioner could not have addressed because they post-date the filing of the Petition. POPR at 28-29. However, “[t]he written-description inquiry is a question of fact, is context-specific, and must be determined on a case-by-case basis.” IPR2022-01574, Paper 12, at 23-24 (citing *Ariad Pharm., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1351 (Fed. Cir. 2010) (en banc). To the extent the Board

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should consider a priority analysis of another patent, it should consider the thorough analysis done for related US Patent 11,254,491. IPR2022-01574, Paper 12, at 23-27.

K-fee also presents new cases and arguments it has not previously presented that Petitioner could not have foreseen. POPR, 29-32. K-fee claims that arguments concerning *In re Stempel* are aligned with Federal Circuit precedent (*id.* 31), but that is wrong. The Federal Circuit does not allow a patentee to antedate an obviousness combination by showing possession of *less* than a complete claimed invention. K-fee's new case, *In re Rozmus* (*id.* 31), is an unpublished decision arising from USPTO prosecution where the applicant was facing a *single*-reference rejection in a *genus-species* analysis, and submitted a declaration demonstrating possession of a *species* of the claimed invention. But in 1996, the Federal Circuit clarified that it requires an earlier conception of "the complete and operative invention" as claimed to antedate a reference. *Mahurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1577 (Fed. Cir. 1996); *see also* IPR2020-01219, Paper 39, 16 (PTAB Jan. 10, 2022). This is consistent with cases that limited *In re Stempel* to clarify that a *complete* invention must be shown, even in the genus-species application. *In re Tanczyn*, 347 F.2d 830, 832 (CCPA 1965). K-fee's critique of Petitioner's cited cases (*see* Pet. at 42, n.4) based on the MPEP fares no better (POPR, 31) because MPEP 715.02 confirms that 131 declarations "must establish possession of either the whole invention claimed or something falling within the claim (such as a species of a claimed genus), in the

sense that the claim as a whole reads on it.” *Id.* (citing *Tanczyn*).³ Also, K-fee’s new citation to *In re Spiller* (POPR, 31) does not apply because it would require K-fee to contend that the difference between Kruger’s alleged possession of a code on the bottom of the flange, and the remaining requirements of the claims, to be obvious.

325(d): K-fee includes a new discussion of self-serving prosecution from a co-pending application filed after the date of this Petition. POPR, 25. However, K-fee later providing a different Examiner with specific references, and the Examiner’s treatment of those references, is irrelevant to whether the ’923 Examiner materially erred in allowing the claims. K-fee never explains how this could have any bearing on factor (c), and it cannot. The same applies to factor (e), as it is irrelevant whether the Examiner may have been aware of Jarisch from related prosecution since (i) none of Yoakim, Jarisch or Rapparini were used in a ’923 Patent rejection, and (ii) K-fee does not dispute that the combination of Yoakim and Jarisch explicitly disclose the limitation that led to the Reasons for Allowance, demonstrating material error in allowing the ’923 claims. *Compare* Pet. 27-31 with POPR, 26-27; IPR2022-01574, Paper 12, 48-50. Accordingly, exercising 325(d) is inappropriate here.

³ The MPEP also focuses on using *Stempel* to address whether or not an inventor need show possession of *all* species within a genus, not less than a complete invention within the claims. MPEP 715.03(I)(B).

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Date: July 17, 2023

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§42.6 and 42.105, I hereby certify that on July 17, 2023, a copy of the attached PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE, was served via electronic mail to Patent Owner's Counsel of Record according to Patent Owner's Mandatory Notices.

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