

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
Patent 10,994,923 B2

Before GRACE KARAFFA OBERMANN, JON B. TORNQUIST, and
JAMES J. MAYBERRY, *Administrative Patent Judges*.

OBERMANN, *Administrative Patent Judge*.

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

A. *Background and Summary*

Nespresso USA, Inc. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting an *inter partes* review of claims 1–16 of U.S. Patent No. 10,994,923 B2 (Ex. 1001, “the ’923 patent”). K-fee System GmbH (“Patent Owner”) filed a Preliminary Response to the Petition. Paper 6 (“Prelim. Resp.”). With authorization, Petitioner subsequently filed a reply to the Preliminary Response (Paper 7, “Prelim. Reply”) to which Patent Owner filed a sur-reply (Paper 8, “Prelim. Sur-reply”).

We have authority to determine whether to institute an *inter partes* review. 35 U.S.C. § 314 (2018); 37 C.F.R. § 42.4(a) (2022). The standard for institution is set forth in 35 U.S.C. § 314(a), which provides that an *inter partes* review may not be instituted “unless the Director determines . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least [one] of the claims challenged in the petition.”

For the reasons set forth below, Petitioner demonstrates a reasonable likelihood of prevailing with respect to claims 1–16 of the ’923 patent. Accordingly, we institute an *inter partes* review.

B. *Real Parties in Interest*

Petitioner identifies itself, Nestlé USA, Inc., Nestlé Nespresso SA, and Société Des Produits Nestlé SA as the real parties in interest. Pet. 67.

Patent Owner identifies itself as the real party in interest, and notes that it is “a wholly owned subsidiary of Kruger GmbH & Co. KG, along with Kruger North America, Inc.” Paper 3, 2.

C. *Related Matter*

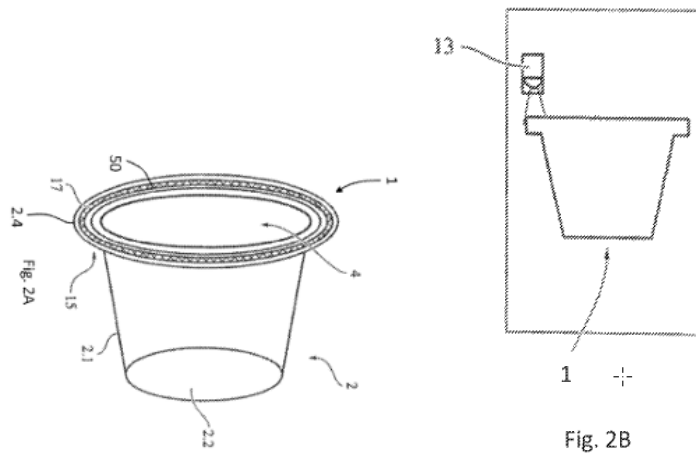
The parties identify the following district court proceeding as a related matter: *K-fee System GmbH v. Nespresso USA, Inc.*, No. 2:22-00525-GW

(C.D. Cal.). Pet. 67; Paper 3, 2. Concurrently with this decision, we enter a decision instituting review in IPR2023-00485 (“IPR485”), which involves the same parties and a challenge to U.S. Patent No. 11,230,430 B2, which shares ancestral patent applications in common with the ’923 patent.

Compare Ex. 1001, code (60), *with* IPR485, Ex. 1001, code (60).

D. The ’923 Patent

The ’923 patent is titled “Portion Capsule Having an Identifier,” and issued May 4, 2021, from an application filed June 12, 2019. Ex. 1001, codes (22), (45), (54). We reproduce below Figures 2A and 2B of the ’923 patent.



Figures 2A and 2B depict “a portion capsule containing a barcode.” *Id.* at 7:31–32.¹ As shown in Figure 2A, portion capsule 1 includes base element 2 with wall region 2.1, bottom area 2.2, and membrane 4. *Id.* at 8:3–5, 8:40–45. Membrane 4 is attached to edge region 2.4 and seals the cavity of the capsule. *Id.* at 8:7–9. Barcode 50 is placed “in the area of the membrane’s 4 top surface.” *Id.* at 8:43–45. Alternatively, as indicated by

¹ We rotate Figures 2A and 2B by 180 and 90 degrees, respectively, for ease of reference.

arrow 15, the barcode “can be attached to the base element’s edge region being averted from the membrane 4.” *Id.* at 8:50–53. This barcode is used as an identifier and is read by detector 13 (Figure 2B), which is placed, for example, in a media chute. *Id.* at 8:53–55.

We reproduce below Figures 16A and 17A of the ’923 patent.

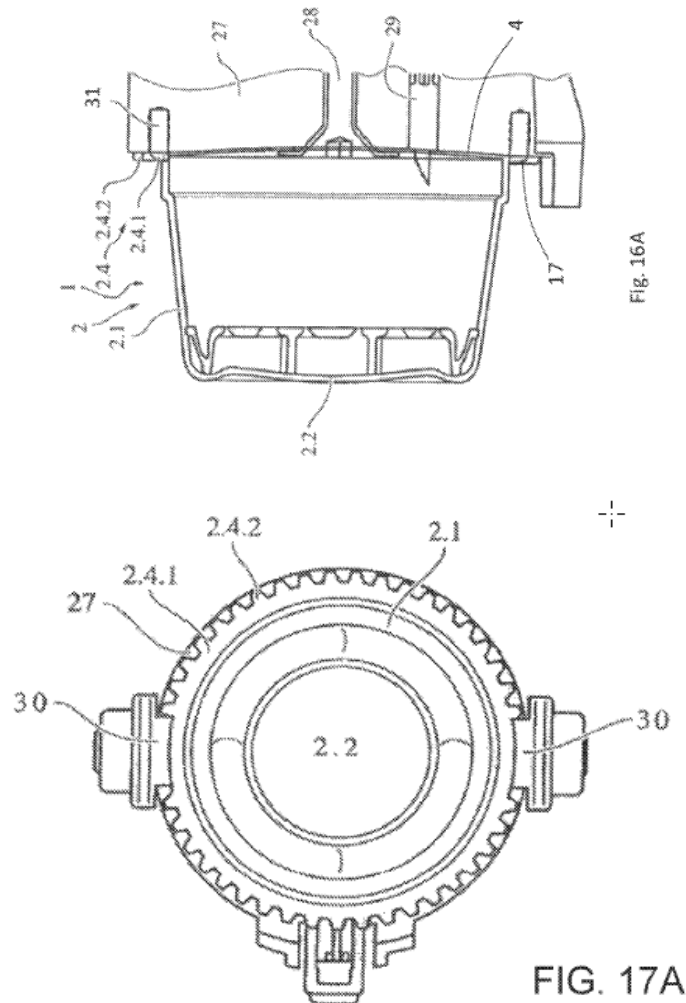


Figure 16A² depicts “a portion capsule with a gearwheel placed in the brewing chamber,” and Figure 17A depicts a different embodiment of the portion capsule of Figure 16A. Ex. 1001, 7:55–58. These figures show

² We rotate Figure 16A by 90 degrees for ease of reference.

“flange 17/edge region 2.4, which is preferably circular,” and includes a “means for fit locking, friction locking and/or detection 2.4.2 in the outer area (outer circumference).” *Id.* at 10:13–18. In Figure 16 and Figure 17A, means 2.4.2 is a gearwheel that is formed by several recesses/bulges evenly arranged in the edge region of portion capsule 1. *Id.* at 10:18–22. Holding arms 30 (Figure 17A) hold portion capsule 1 in place and interact with means 2.4.2. *Id.* at 10:35–39. The ’923 patent explains that without means 2.4.2 the holding arms will not hold the portion capsule, the portion capsule cannot be inserted into the brewing chamber, and the capsule will instead “fall through it into a dropping box.” *Id.* at 10:39–42.

E. Illustrative Claim

Petitioner challenges claims 1–16 of the ’923 patent. Pet. 1. Claim 1, reproduced below, is illustrative of the claimed subject matter.

1. Single-serve capsule for making a beverage, having a base element made of metal with a cavity that is free of a filter, and in which a raw beverage material is provided, the cavity including radially spaced and vertically oriented ribs, the capsule having a flange which is provided on the base element, and the cavity being closed by a metal cover, which is fastened on a top side of the flange, the base element comprises a wall region extending between the flange and a bottom region of the base element, the wall region includes radially spaced and vertically oriented grooves that are free from extending entirely to the bottom region:

wherein the capsule has an identifier, which makes it possible to individualize the respective single-serve capsule, and the identifier is a barcode provided on a bottom side of the flange which is directed away from the metal cover.

Ex. 1001, 12:52–12:67.

F. Prior Art and Asserted Ground

Petitioner asserts that claims 1–16 of the ’923 patent would have been unpatentable on the following ground (Pet. 35).

Claims Challenged	35 U.S.C. § ³	Reference(s)/Basis
1–16	103	Yoakim ⁴ , Jarisch ⁵ , Rapparini ⁶

Petitioner contends that these references qualify as prior art under 35 U.S.C. § 102(e). *Id.* at 36–38. In support of its ground of unpatentability, Petitioner relies upon the declaration of Mr. Michael Jobin. Ex. 1003.

II. ANALYSIS

A. Claim Construction

We construe the challenged claims “using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. [§] 282(b).” 37 C.F.R. § 42.100(b). Under that standard, the words of a claim are generally given their “ordinary and customary meaning,” which is the meaning the term would have had to a person of ordinary skill at the time of the invention, in the context of the entire patent including the specification. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312–13 (Fed. Cir. 2005) (en banc).

³ The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 287–88 (2011), amended 35 U.S.C. § 103, effective March 16, 2013. The parties assert that the challenged claims have an earliest effective filing date of either July 22, 2011, or July 22, 2010. Pet. 39; Prelim. Resp. 32–35. Accordingly, on this record, we apply the pre-AIA version of § 103. *See* 35 U.S.C. § 100(i)(1)(B).

⁴ US 2010/0239734 A1, filed May 7, 2010, and published September 23, 2010. Ex. 1004 (“Yoakim”).

⁵ US 2013/0064937 A1, filed May 12, 2011, and published March 14, 2013. Ex. 1005 (“Jarisch”).

⁶ US 2012/0269933 A1, filed October 19, 2010, and published October 25, 2012. Ex. 1008 (“Rapparini”).

Petitioner asserts that no claim terms “require formal construction” for purposes of this decision. Pet. 35.

Patent Owner asserts that Petitioner argued successfully before the district court that the term “barcode” means a “machine readable code consisting of parallel bars of different widths that encode more than only two unique binary characters such as 0 or 1.” Prelim. Resp. 11 (citing Ex. 1052⁷, 7). Patent Owner “does not agree” with that construction of barcode, but asserts that Petitioner should not be permitted to argue for a “broad, ordinary meaning” of that term in this proceeding. *Id.* at 12.

We do not understand Petitioner to advocate for a construction of “barcode” that differs from its ordinary meaning in the art, or that differs from the construction adopted by the district court. *See* Pet. 55 (asserting that Yoakim expressly discloses using a “barcode”); Prelim. Reply 2–3; Ex. 1052, 13 (construing “barcode” to have “its plain and ordinary meaning (*i.e.*, a code having bars of variable width, which includes the lines and gaps),” as understood by the “unequivocal statements K-fee made to the EPO (*i.e.*, the scope of barcode does not include the type of bit code disclosed in Jarisch/D1)”). On that basis, we find no claim terms require express construction for purposes of this decision. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999) (“[O]nly those terms need be construed that are in controversy, and only to the extent necessary to resolve the controversy.”)).

⁷ Patent Owner misidentifies the exhibit containing the quoted material as Exhibit 1057, which we deem a harmless error. *See* Prelim. Resp. 11.

B. Level of Ordinary Skill in the Art

Petitioner contends that a person of ordinary skill in the art “would have a bachelor’s degree in engineering plus five years of experience in design of mechanical beverage systems, or similar products.” Pet. 33 (citing Ex. 1003 ¶ 40). Patent Owner counters that this person “would have a bachelor’s degree in engineering plus five years of experience in design of mechanical beverage systems, or similar products, as well as experience with sensors for recognizing an identifier.” Prelim. Resp. 13.

The parties’ proposed definitions differ only in that Patent Owner would require experience with sensors for recognizing an identifier. Pet. 31; Prelim. Resp. 18. Because both independent challenged claims include an identifier, in the form of “a barcode,” based on the current record, we agree with Patent Owner that one of ordinary skill in the art would have experience with sensors for recognizing an identifier. Ex. 1001, 12:65, 14:3 (each independent claim of the ’923 patent requiring an identifier in the form of “a barcode”). As such, for purposes of this decision only, we adopt Patent Owner’s definition of a person of ordinary skill in the art. We invite the parties to address during trial whether the ultimate result would change based on our selection between these slightly differing proposed definitions.

C. Whether Jarisch is Prior Art to the ’923 Patent

The ’923 patent claims priority to a series of United States patent applications, the earliest of which was filed July 22, 2011. Ex. 1001, code (60). The ’923 patent also claims priority to three German patent applications. *Id.* at code (30). The first German priority application was filed July 22, 2010 (“first German priority application”), the second German priority application was filed September 2, 2010 (“second German priority

application”), and the third German priority application was filed February 7, 2011 (“third German priority application”). *Id.*

Jarisch was filed May 12, 2011, and published March 14, 2013. Ex. 1005, codes (22), (43); Pet. 35. To the extent the ’923 patent is not entitled to receive the benefit of the priority date of one or more of the three German priority applications, Petitioner contends that Jarisch is prior art to the challenged claims under at least 35 U.S.C. § 102(e). Pet. 37, 39–40.

Patent Owner contends multiple Examiners have continued to affirm Patent Owner’s entitlement to the priority date of its German priority applications, but it is nevertheless able to “swear behind” Jarisch to remove it as prior art in this proceeding. Prelim. Resp. 29–35.

We address below whether Patent Owner has demonstrated that it is entitled to the benefit of the filing date of any of the three German priority applications, and whether it has sufficiently removed Jarisch as a prior art reference based on prior invention of the claimed subject matter.

1. Priority Date

a) Legal Framework for Priority

“It is elementary patent law that a patent application is entitled to the benefit of the filing date of an earlier filed application only if the disclosure of the earlier application provides support for the claims of the later application, as required by 35 U.S.C. § 112.” *In re Chu*, 66 F.3d 292, 297 (Fed. Cir. 1995). One may show support for the claims of a later application by showing that a single, earlier application provides written description support for the claims. *PowerOasis, Inc. v. T-Mobile USA, Inc.*, 522 F.3d 1299, 1306 (Fed. Cir. 2008); *Studiengesellschaft Kohle, MBH v. Shell Oil Co.*, 112 F.3d 1561, 1564 (Fed. Cir. 1997) (noting that a patentee “cannot

show possession of an invention based upon a combination of several distinct previous applications”).

Once Petitioner identifies a prior art reference with an effective filing date prior to that of the challenged patent, the burden of production to show entitlement to the benefit of the filing date of an earlier filed application shifts to Patent Owner. *See In re NTP*, 654 F.3d 1268, 1276 (Fed. Cir. 2011) (“a patent’s claims are not entitled to an earlier priority date merely because the patentee claims priority . . . Rather, for a patent’s claims to be entitled to an earlier priority date, the patentee must demonstrate that the claims meet the requirements of 35 U.S.C. § 120”). Patent Owner may show possession of the invention through “such descriptive means as words, structures, figures, diagrams, formulas, etc., that fully set forth the claimed invention.” *Lockwood v. Am. Airlines, Inc.*, 107 F.3d 1565, 1572 (Fed. Cir. 1997). “Although the exact terms need not be used *in haec verba*, . . . the specification must contain an equivalent description of the claimed subject matter. A description which renders obvious the invention for which an earlier filing date is sought is not sufficient.” *Id.*

b) Analysis

(1) Petitioner’s Arguments

Petitioner contends that no single German priority application discloses the subject matter of independent claims 1 or 9 of the ’923 patent. Pet. 40. Petitioner contends the third German priority application is the only application to disclose the claimed vertical grooves and ribs on the exterior and interior of the capsule body wall, yet fails to disclose a barcode, a barcode on the bottom side of the flange, or a capsule made of metal. *Id.* at 40. Conversely, Petitioner asserts that the first and second German priority applications disclose a barcode, but not the claimed grooves and ribs. *Id.*

at 41. As no single German priority application provides written description support for any challenged claim, Petitioner contends that Jarisch is prior art to the '923 patent at least under 35 U.S.C. § 102(e). *Id.* at 37, 42.

(2) *Patent Owner's Arguments*

Patent Owner does not address Petitioner's arguments and citations to the first, second, and third German priority applications. Prelim. Resp. 28–29; Prelim. Sur-reply 3–5. Rather, Patent Owner asserts that this issue has already been resolved during prosecution of related patent applications. Prelim. Resp. 28–29; Prelim. Sur-reply 4–5. Patent Owner further asserts that Petitioner “does not challenge the fact that each and every limitation of the '923 [p]atent claims was conceived of, possessed by the inventor, or is disclosed in the three German priority documents.” Prelim. Resp. 29.

(3) *No Single Priority Document*

As noted above, to obtain the benefit of the filing date of an earlier application, Patent Owner bears the burden of production to present evidence showing where each limitation of the challenged claims is disclosed in a single priority application. *Studiengesellschaft Kohle*, 112 F.3d at 1564; *NTP*, 654 F.3d at 1276. Petitioner identifies limitations of the challenged claims that are missing from each individual German priority application, and Patent Owner provides no evidence or arguments to suggest the identified limitations are disclosed in a single German priority application. As such, Patent Owner has not demonstrated that the '923 patent is entitled to the benefit of the filing dates of any of the three German priority applications.

With respect to the prior Examiner determinations identified by Patent Owner, we are directed to no analysis or determination by an Examiner that

the claims of the '923 patent are supported in a single German priority application. As such, this argument is not persuasive.

In view of the foregoing, on this record, we determine that the '923 patent is not entitled to the benefit of the filing dates of the first, second, or third German priority applications and that Jarisch, therefore, is prior art under at least 35 U.S.C. § 102(e).

2. *Patent Owner's Ability to "Swear Behind" Jarisch*

Patent Owner contends that Jarisch is not prior art to the claims of the '923 patent because it is able to "swear behind" the reference.⁸ Prelim. Resp. 29; 37 C.F.R. § 1.131. According to Patent Owner, under the holding in *In re Stempel*, 241 F.2d 755, 759 (CCPA 1957), Patent Owner may "swear behind" Jarisch by demonstrating that the inventor had possession of the specific subject matter disclosed in the reference in question. Prelim. Resp. 32. To support its arguments, Patent Owner submits a declaration from Mark Krüger who testifies that, as the sole inventor of the '923 patent, he "was in possession of at least as much of the subject matter as relied upon by Petitioner from the Jarisch reference, before the effective date of Jarisch." *Id.*; Ex. 2001 ¶¶ 13–17 (Mr. Krüger citing to disclosures of the first German priority application of placing a barcode on a capsule and comparing this identifier to a stored identifier to adjust the brewing conditions).

In *Stempel*, the United States Court of Customs and Patent Appeals addressed the situation where a patent application claimed both a species and

⁸ On its face, Jarisch is prior art to the '923 patent under 35 U.S.C. § 102(b). As such, absent Patent Owner demonstrating entitlement to the benefit of the filing date of the priority application filed July 22, 2011, Jarisch could not be sworn behind. For purposes of this Decision we assume, without deciding, that Patent Owner is entitled to the benefit of the filing date of the priority application filed July 22, 2011.

a genus and a prior art reference disclosed the same species claimed in the application but not the broader claimed genus. In that case, the inventor filed multiple affidavits demonstrating that he had, prior to the publication of the prior art reference, conceived and reduced to practice the same species disclosed in the asserted reference. *Stempel*, 241 F.2d at 756–757. The question before the court was:

When a domestic patent discloses only a single species of an invention and the applicant submits an affidavit under Rule 131 showing completion of the invention of that species prior to the effective date of the reference (which does not claim it), can that reference be used as the basis of the rejection of generic claims in the application?

Id. at 757. In concluding that the reference could not be the basis of the rejection of the generic claims, the court determined that to remove the reference as prior art, “all the applicant can be required to show is priority with respect to so much of the claimed invention as the reference happens to show. When he has done that he has disposed of the reference.” *Id.* at 759.

Patent Owner contends that under the holding of *Stempel* all it must show through the declaration of Mr. Krüger is that it conceived and reduced to practice the subject matter disclosed in Jarisch that is relied upon in the Petition, i.e., placing a code under the flange of a capsule. Prelim. Resp. 33–34. We disagree. Although the language of *Stempel* could possibly be read as broadly as Patent Owner advocates, the same court in *In re Tanczyn* later found it “necessary to comment on and to restrict somewhat certain broad language in *Stempel*,” including the language relied upon by Patent Owner in this case. *In re Tanczyn*, 347 F.2d 830, 832 (CCPA 1965). The court noted that it “never intended by the language used in *Stempel* to authorize the overcoming of references by affidavits showing that the applicant had

invented, prior to the reference date, a part, some parts, or even a combination of parts . . . where the part or parts are not within the scope of the claims being sought.” *Id.* at 833. Rather, to “swear behind” a reference, “in addition to showing what the [prior art] reference shows,” the affidavit also must establish “possession of either the whole invention claimed, or something falling within the claim, in the sense that the whole claim reads on it.” *Id.*

Here, Patent Owner and Mr. Krüger attempt only to show that placing a barcode under the flange was conceived of and reduced to practice prior to the publication of Jarisch. Prelim. Resp. 34. Such a disclosure does not read on the challenged claims, which require, *inter alia*, a capsule made of metal, a barcode under the flange, and a wall region that includes radially spaced and vertically oriented grooves that are free from extending to the bottom region. Ex. 1001, 12:52–67. Accordingly, on this record, Patent Owner fails to “swear behind” Jarisch.⁹

3. Conclusions

For the reasons set forth above, based on the preliminary record, we determine Patent Owner has not carried its burden of production to show that any single German priority application provides written description support for the challenged claims. Patent Owner also fails to “swear behind”

⁹ The holding in *Tancyn* has been clarified by subsequent decisions of the court. For example, in *In re Spiller* the court noted that a prior art disclosure could be removed as a reference even though it would not literally read upon the claim, so long as the missing limitations would have been obvious to one of ordinary skill in the art. *See In re Spiller*, 500 F.2d 1170, 1177 (CCPA 1974). We note that Patent Owner does not argue that the limitations missing from Jarisch would have been obvious to one of ordinary skill in the art. Prelim. Resp. 32–35; Prelim. Reply 5.

Jarisch to remove it as a prior art reference. Accordingly, for purposes of this decision, we apply Jarisch as prior art to the '923 patent.

D. Claims 1–16 over Yoakim, Jarisch, and Rapparini

Petitioner contends the subject matter of claims 1–16 would have been obvious over the combined disclosures of Yoakim, Jarisch, and Rapparini. Pet. 46–81.

1. Yoakim

Yoakim is titled “Method for Preparing a Beverage or Food Liquid and System Using Brewing Centrifugal Force” and published September 23, 2010, from an application filed May 7, 2010. Ex. 1004, codes (54), (43), (22). Yoakim “relates to a capsule, device, system and method for preparing a beverage or food liquid from a food substance which is brewed or extracted by using centrifugal forces exerted on a capsule which contains the substance.” *Id.* ¶ 2.

Yoakim’s beverage device includes a sensor to read an identifier that is used to select predetermined parameters for a particular capsule. *Id.* ¶ 25. For example, “a capsule recognition system” may “recognize the types of capsules, i.e., espresso, lungo, cappuccino, long coffee (e.g., 180–400 ml), latte, tea, etc., and . . . adjust the speed and/or other brewing parameters (e.g., water temperature)” based on the type of capsule inserted into the device. *Id.* ¶ 192. The identifier may be a code on the capsule, “such as a color, a barcode, an RFID, a magnetic code, ferromagnetic micro-wires or labels, shapes and combinations thereof.” *Id.*

We reproduce below Yoakim's Figure 1.

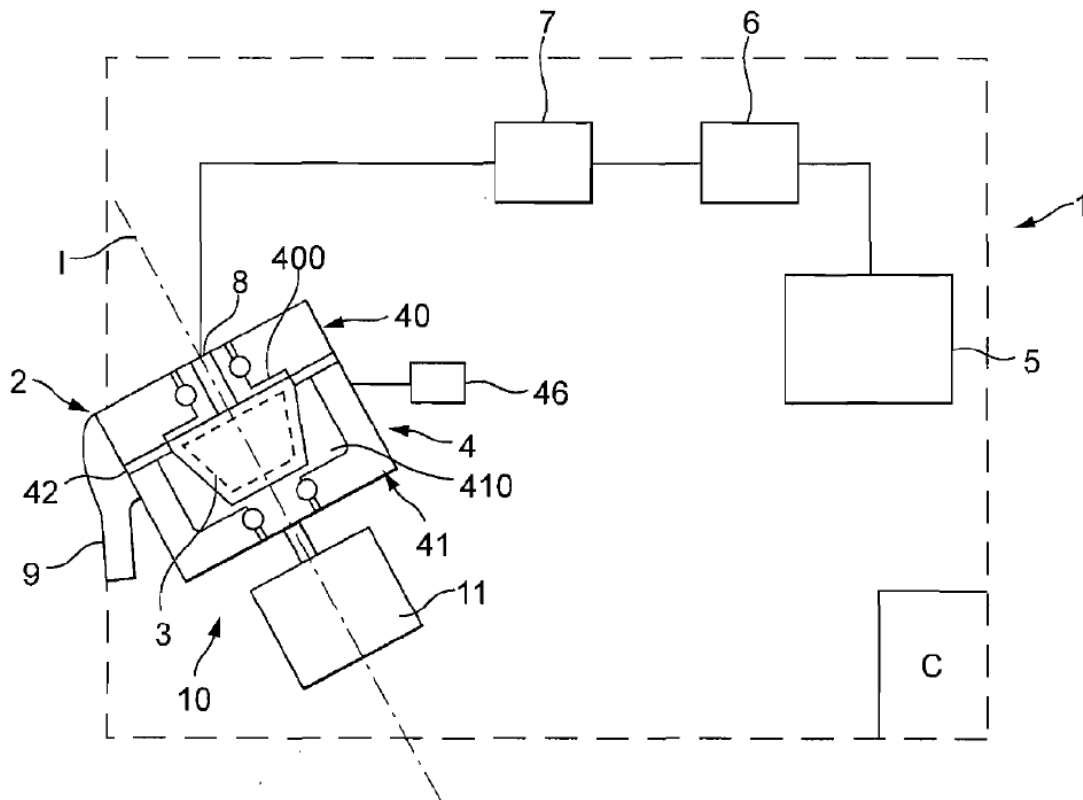


FIG. 1

Figure 1 depicts “a schematic representation of [Yoakim’s] system.”

Ex. 1004 ¶ 30. System 1 includes device 2 and capsule 3, with device 2 having brewing module 4 that receives capsule 2 for brewing. *Id.* ¶ 180. Module 4 is connected to water reservoir 5, with the water delivered to module 4 by low pressure pump 6. *Id.* Water heater 7 heats the water to the desired temperature for the capsule. *Id.* After brewing is complete, the capsule is removed and discarded. *Id.*

We reproduce below Figures 6 and 27 of Yoakim.

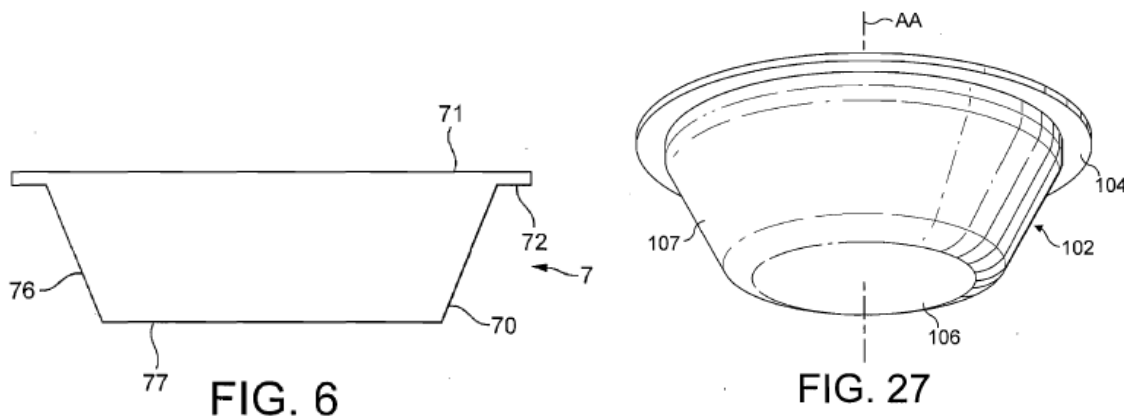


Figure 6 depicts a sealed capsule that can be used in the invention and Figure 27 is a perspective view from below of the capsule of the invention. *Id.* ¶¶ 35, 56. In Figure 6, capsule 7 comprises a cup-shaped body 70 having upwardly oriented sidewall 76 and a bottom wall 77. *Id.* ¶ 197. “The body terminates by an upper edge 72 raising outwards onto which is sealed a lid 71,” which may be “a flexible pierceable membrane of several microns in aluminum and/or plastic.” *Id.*

In Figure 27, the capsule comprises a dished body 102, onto which sealing foil 103 (not shown) is sealed to peripheral rim 104 of the body. *Id.* ¶ 414. Yoakim explains that “rim 104 can extend outwards forming a small annular portion, e.g., of about 2–5 mm.” *Id.*

2. *Jarisch*

Jarisch is titled “Capsule, System and Method for Preparing a Beverage by Centrifugation” and published March 14, 2013 from an application filed May 12, 2011. Ex. 1005, codes (22), (43), (54). *Jarisch* is directed to the preparation of a beverage using a capsule and, in particular, “focuses on the detection of the capsule.” *Id.* ¶ 1.

Jarisch notes that various prior art methods have been disclosed for identifying a capsule using a code, but proposes “an improved way to identify the capsule within a beverage production machine.” *Id.* ¶¶ 4–14. In a preferred embodiment, a “bit code” is used to identify the capsule and “is present on the bottom of the rim of the capsule which is opposed to the lid of the capsule.” *Id.* ¶¶ 17, 22. Jarisch explains that this position is preferable because the bottom of the rim “is sufficiently away from the liquid injection and beverage delivery areas so that there is a lower risk for the code to become unreadable . . . [due to] beverage residues.” *Id.*

3. *Rapparini*

Rapparini is titled “Filtering and Permeable Container for Substances Suitable for the Preparation of Beverages” and published October 25, 2012 from an application filed October 19, 2010. Ex. 1008, codes (22), (43), (54). Rapparini discloses a portion capsule that holds substances for preparing beverages such as coffee. *Id.* ¶ 8.

We reproduce below Figure 6 bis of Rapparini.

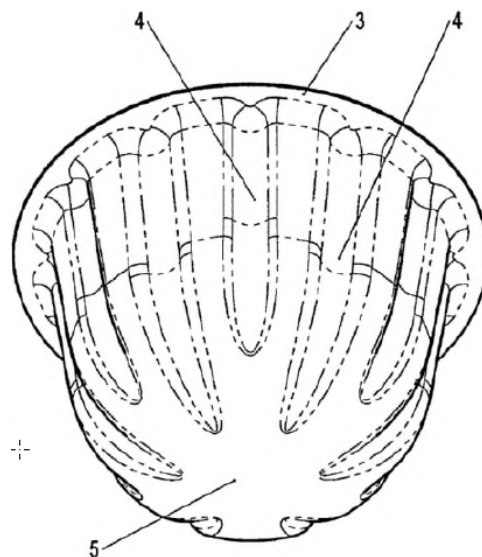


FIG. 6 bis

Figure 6 bis illustrates a 3D view of Rapparini's container, including annular rim 3 and longitudinal stiffening ribs 4 having variable lengths along the surface of the body of the container. *Id.* ¶¶ 9–10. In particular, “long and short ribs are alternated along the surface of the body,” with “long ribs extending at least partially in the bottom region of the container alternated to short ribs extending only along the side region of the container.” *Id.* ¶ 11.

On this record, the parties dispute whether the prior art discloses or suggests certain features of claims 1, 5, 7 and 13. Prelim. Resp. 35–43. The parties also disagree about whether Petitioner shows sufficiently a reason to combine the teachings of Yoakim, Jarisch and Rapparini in the manner claimed. *Id.* at 44–45. We address each disputed issue in turn.

4. *Analysis: Claim 1*

Petitioner argues the combined disclosures of Yoakim, Jarisch, and Rapparini teach or suggest every limitation of independent claim 1. Pet. 43–56. Petitioner shows sufficiently that Yoakim discloses a single-serve capsule for making a beverage that includes a base element and a filter-free cavity filled with, for example, coffee. *Id.* at 49–50. The main dispute, at this preliminary stage, is whether the prior art would have suggested including an identifier that “makes it possible to individualize” Yoakim's single-serve beverage capsule and, further, whether “the identifier is a barcode provided on a bottom side of the flange which is directed away from the metal cover” as specified by claim 1. Ex. 1001, 12:63–67.

a) *Identifier to Individualize a Capsule*

Petitioner shows sufficiently that Yoakim teaches a single-serve beverage capsule that includes a flange provided on and extending from the base element and a cavity closed by a metal cover fastened on a top side of the flange. *Id.* at 51–52. Petitioner also shows sufficiently that Yoakim

teaches a base element having a wall region that extends between the flange and bottom region of the base element as required by claim 1. *Id.* at 52–53.

In Petitioner’s view, Yoakim and Jarisch would have prompted the application of a barcode on the bottom side of the flange and directed away from the metal cover, making it possible to individualize a single-serve capsule within the meaning of claim 1. *Id.* at 54–55. Patent Owner disagrees and argues that claim 5 requires an “individualizing means” to ensure “the coffee machine operates only with the corresponding portion capsules.” Prelim. Resp. 35–36 (quoting Ex. 1001, 2:2–8) (emphasis omitted). On that point, Patent Owner argues, although “Yoakim states that its system can ‘recognize the types of capsules . . . and [] adjust the speed and/or brewing parameters (e.g., water temperature) according [to] the capsule which is inserted in the device,’ it does not disclose that it operates only with the corresponding portion capsules.” *Id.* at 36 (alterations in original).

The preliminary record supports Petitioner’s position that Yoakim discloses a barcode on a single-serve beverage capsule (Ex. 1004 ¶ 496) and Jarisch, more specifically, teaches the location of a code “on the bottom of the rim of the capsule which is opposed to the lid of the capsule” (Ex. 1005 ¶ 22). *See* Pet. 55–56. Significantly, all that is required to meet the terms of the limitation at hand is an identifier that “*makes it possible* to individualize” a capsule. Ex. 1001, 12:63–65 (emphasis added).

We are disinclined, at this juncture, to read those terms to import from the specification a narrowing limitation that requires a “coffee machine” that “operates only with” the individualized capsule. Ex. 1001, 2:7–8. Neither party addresses whether the disclosure in the specification, upon which Patent Owner relies, is definitional. *See id.* On this record, therefore, our focus is on the actual words that appear in claim 1, which are not so

narrowly drawn. In any event, we are directed to no evidence, at this stage of the proceeding, suggesting that Yoakim’s barcode is *incapable* of individualizing a capsule to ensure that a coffee machine operates only with the individualized capsule. Patent Owner may raise these issues in a timely-filed response to the Petition; otherwise, the issues are waived.

Petitioner shows sufficiently that Yoakim’s barcode is capable of individualizing a capsule, for example, by recognizing the type of capsule inserted (such as espresso, cappuccino, latte, or tea) and adjusting the brewing parameters (such as speed and water temperature) accordingly. Pet. 54–55 (and evidence cited therein). On this record, that is sufficient to show that Yoakim’s barcode meets the claim 1 limitation at hand.

b) Barcode and its Location

Patent Owner contends the term “barcode” was construed by the district court—at the urging of Petitioner—to have its plain and ordinary meaning of “a code having bars of variable width, which includes the lines and gaps,” and was found to exclude “a binary code,” such as that disclosed in Jarisch. Prelim. Resp. 36; *see* Ex. 1052, 9–10, 14. Given Petitioner advocated for this construction before the district court, Patent Owner contends Petitioner is now judicially estopped from arguing a different claim construction in this proceeding. Prelim. Resp. 38–40.

As to the merits, Patent Owner contends Petitioner’s argument, that Yoakim in combination with Jarisch discloses a barcode on the bottom side of the flange, fails “for at least two reasons.” *Id.* at 40. First, according to Patent Owner, “the Petition addresses only the plain and ordinary meaning of ‘barcode,’” and fails to demonstrate that Yoakim’s “barcode” satisfies the construction adopted by the district court, i.e., a series of parallel bars of different widths. *Id.* at 40–41. Second, Patent Owner contends that one of

ordinary skill in the art presented with only the bare disclosure of a “barcode” in Yoakim “would be equally if not much more likely to employ the [bitcode] of Jarisch under the flange.” *Id.* at 41.

On this record, Patent Owner’s arguments are unavailing. First, Yoakim expressly states that the capsule may use a “barcode,” and the plain and ordinary meaning of this term is a code that satisfies the construction adopted by the district court. To the extent Patent Owner has reason to believe that Yoakim does not apply the plain and ordinary meaning of the term “barcode,” and that one of ordinary skill in the art would have understood this fact, it is encouraged to present such evidence during trial. Second, in this obviousness inquiry the question is not whether a person of ordinary skill in the art is more likely to adopt a barcode or a bitcode, but whether one of ordinary skill in the art would have seen a benefit to applying the “barcode” of Yoakim under the flange of the capsule. *See Intel Corp. v. Qualcomm Inc.*, 21 F.4th 784, 800 (Fed. Cir. 2021) (“Our caselaw is clear. It’s not necessary to show that a combination is ‘the *best* option, only that it is a *suitable* option.’”). On that point, Jarisch expressly discloses the benefits of doing so. Ex. 1005 ¶ 22 (noting that applying the code at the bottom of the rim lowers the risk of the code becoming unreadable). As such, we determine that Petitioner sufficiently identifies where Yoakim discloses a barcode and explains why one of ordinary skill in the art would have placed such a “barcode” on the bottom of the capsule’s flange.

Patent Owner’s judicial estoppel arguments are not persuasive as we do not understand Petitioner to be advocating for a claim construction that differs from the one adopted by the district court. Prelim. Reply 2–3. Petitioner merely argues that the “barcode” disclosure of Yoakim teaches or suggests a “barcode,” absent some evidence to the contrary. *Id.* at 2.

As noted by Patent Owner, Petitioner demonstrated before the district court that, although various marketing materials described the code placed on the allegedly infringing capsules as a “barcode,” in actuality the identifier used in the commercial products was a “bitcode.” *See* Prelim. Resp. 38 (describing the “vertuo” technology of the accused device); Ex. 2003, 6, 9–11 (asserting that the “vertuo” system does not actually use a “barcode” as that term was construed by the district court). Accordingly, the district court granted summary judgment of non-infringement. Ex. 1054, 1 (granting summary judgement). Patent Owner contends that if the bare disclosure of a “barcode” in the marketing materials was not sufficient for purposes of infringement, then it should also not be sufficient for purposes of demonstrating obviousness over Yoakim. Prelim. Resp. 40. We disagree.

During the district court infringement proceeding, the question was what the allegedly infringing device or system actually uses as an identifier, not what the “barcode” disclosure of the marketing material would teach or suggest to one of ordinary skill in the art. As the evidence showed that the allegedly infringing system actually used a “bitcode,” as opposed to a “barcode,” summary judgement was granted by the district court. *See K-fee Sys. v. Nespresso USA, Inc.*, No. 21-3402, 2022 WL 2826441, at *7–9 (C.D. Cal. June 17, 2022). Here, the issue is not infringement, but rather obviousness. Thus, the question is not what type of “barcode” is actually used in Yoakim, but what Yoakim’s “barcode” disclosure would teach or suggest to one of ordinary skill in the art. On this point, the district court noted in its claim construction decision that Patent Owner argued before the European Patent Office (EPO) that when the term barcode is used in a prior art reference a “person skilled in the art then knows that this always and exclusively refers to the ‘classic Barcode,’” and not a bitcode. *See* Ex. 1052,

11; *see also K-fee Sys.*, 2022 WL 2826441 at * 7 (noting that K-fee asserted during prosecution before the EPO that a barcode is “always constructed of bars having variable widths, and therefore contains *more than only two binary symbols*, such as ‘0’ and ‘1’”).

In view of the foregoing, we determine that Patent Owner’s judicial estoppel arguments are not on point, Petitioner does not appear to be taking inconsistent positions, and Patent Owner’s attempts to limit or question the meaning of the term “barcode” in Yoakim appear to directly conflict with its previous representations before the EPO.

5. *Analysis: Claim 5 (Electrically Conductive Section)*

Petitioner contends Yoakim’s base element includes layers of aluminum, thereby satisfying the claim 5 limitation that requires a base element wherein a “wall region has an electrically conductive section.” Ex. 1001, 13:10; *see* Pet. 60 (for Petitioner’s arguments on point).

Patent Owner counters that Petitioner, in the district court infringement proceeding, proposed that this limitation “must be construed to mean that ‘some but not all of the wall region is electrically conductive.’” Prelim. Resp. 41 (citing Ex. 2005, 15¹⁰). In Patent Owner’s view, Yoakim discloses an embodiment in which aluminum forms “the *entirety* of the base element,” which does not meet the “electrically conductive *section*” limitation of claim 5 under the construction proposed by Petitioner in the district court litigation. *Id.* at 41–42 (emphases added).

We disagree. Petitioner directs us to evidence sufficient to support that Yoakim teaches a base element having walls made of aluminum

¹⁰ Patent Owner cites page numbers added to Exhibit 2005, not the original pagination of the document.

“and/or” plastic, which plainly indicates *both* materials may be present in the walls of Yoakim’s base element. Pet. 60 (citing Ex. 1004 ¶ 129). Patent Owner’s emphasis on the alternative circumstance wherein aluminum makes up “the entirety of the” wall is unavailing on this record. Prelim. Resp. 41.

6. *Analysis: Claims 7 and 13 (Turbulence of Water)*

Claims 7 and 13 pertain to the cavity of a single-serve beverage capsule, “wherein the cavity has grooves” that “generate turbulence of water in the cavity.” Ex. 1001, 14:15–17. Petitioner argues that, in the modified capsule of Yoakim, the cavity includes the grooves of Rapparini, and the “grooves would induce a turbulent flow of the water through the portion capsule” and that, “while spinning, the fluid [would be] guided and distributed into separate grooves which promotes flow.” Pet. 62–63 (citing Ex. 1003 ¶¶ 277–278; Ex. 1004 ¶ 218).

Further, Petitioner directs us to evidence that an ordinarily skilled artisan “would understand this to mean” that the grooves in the modified device “would generate turbulence of the water because under pressure and velocity, the grooves or recesses can cause abrupt changes in direction, thus resulting in turbulence and mixing within the capsule.” *Id.* at 63 (citing Ex. 1003 ¶ 278). Petitioner also advances evidence that “it was well-known in the art to utilize grooves in the capsule cavity to achieve the predictable result of influencing water flow, such as to further mix beverage contents.” *Id.* (citing Ex. 1003 ¶ 279; Ex. 1033, 2:30–35; Ex. 1034 ¶¶ 9, 19, 20).

Patent Owner takes issue with the sufficiency of the opinion testimony of Petitioner’s witness, Mr. Jobin. In particular, Patent Owner objects to Mr. Jobin’s reliance on background references as support for his opinions. *See id.* (Mr. Jobin’s reliance, in paragraph 279 of his declaration, on Exhibit 1033 and Exhibit 1034). In Patent Owner’s view, Mr. Jobin

improperly refers to references that are “not part of the combination” applied in the ground. Prelim. Resp. 42.

In addition, Patent Owner argues Mr. Jobin’s opinion that grooves “would cause the fluid to move in various directions, resulting in turbulence and mixing in the capsule” is conclusory because it is “made without reference to the underlying structure, direction, speed, pressure, volume flow, or any of the other parameters which determine whether a flow is laminar or turbulent.” *Id.* at 42–43. Further, Patent Owner observes that Mr. Jobin does not “cite to any experimentation or modeling he conducted or papers which show, under identical conditions to those disclosed by Yoakim and Rapparini, that turbulent flow necessarily would result” when fluid, in the spinning single-serve beverage capsule, encounters grooves. *Id.* at 43.

Patent Owner’s arguments do not undercut the sufficiency of Mr. Jobin’s declaration testimony to support institution of review. As an initial matter, Patent Owner’s arguments are unavailing because they are predicated on a disclosure in Yoakim “that the water flow is laminar” in the unmodified capsule, which lacks grooves. *Id.* at 42. It is unsurprising, therefore, that Yoakim discusses laminar as opposed to turbulent flow in its capsule cavity. *Id.* Where Yoakim’s **unmodified** capsule lacks the grooves of Rappini, Patent Owner’s reliance on Yoakim’s discussion of laminar fluid flow is misplaced. *See* Prelim. Resp. 42–43 (emphasizing Yoakim’s discussion of laminar fluid flow in a smooth-walled capsule).

Patent Owner further observes that “Rapparini makes no reference whatsoever to either turbulent or laminar flow.” *Id.* at 43. That observation, however, does not undercut Petitioner’s evidence that “spinning” fluid in the cavity of the **modified** capsule of Yoakim would be “guided and distributed into separate grooves which promotes flow” and “would generate

turbulence.” Pet. 62–63 (citing Ex. 1003 ¶¶ 277–278; Ex. 1004 ¶ 218). Mr. Jobin’s opinion, in that regard, is supported by background references, which indicate that “grooves in the capsule cavity” will “achieve the predictable result of influencing water flow.” *Id.* at 63 (citing Ex. 1003 ¶ 279; Ex. 1033, 2:30–35; Ex. 1034 ¶¶ 9, 19, 20).

Mr. Jobin’s failure to include an assessment of the “direction, speed, pressure, volume flow, or any of the other parameters which determine whether a flow is laminar or turbulent” does not, on this record, render his opinion “conclusory.” Prelim. Resp. 43. The technical proposition at hand is relatively simple and straightforward, and we find sufficient Mr. Jobin’s reliance on objective proof that an ordinarily skilled artisan would have understood the mere presence of “circumferentially spaced” grooves and ribs in a beverage capsule to produce a “beneficial increase in turbulence” of water in the cavity. Ex. 1033, 2:30–35 (*cited in* Ex. 1003 ¶ 279).

For the same reasons, at this juncture, we find Mr. Jobin’s opinion that grooves would generate fluid turbulence does not require the additional support of “experimentation or modeling.” Prelim. Resp. 43. Nor does Mr. Jobin’s opinion require “reference to the underlying structure” of the capsule, above or beyond the circumstance that Yoakim’s smooth sidewalls are modified to include Rapparini’s grooves and ribs. *Id.*

7. *Analysis: Reasons to Combine the References*

Petitioner shows sufficiently that Yoakim, Jarisch and Rapparini are “analogous art in the field of portion capsule beverage extraction, each disclosing an invention that may be applied in automatic coffee/espresso machines.” Pet. 43. “Yoakim and Jarisch both improve the optimization of beverage parameters in a single-serve brewing system, and use optical codes read by the machine to achieve this.” *Id.* “Rapparini further improves the

portion capsule brewing process by increasing the strength and stability of the wall of the capsule body like those used in Yoakim and Jarisch.” *Id.* at 43–44; *see id.* at 50–51, 53–54 (Petitioner’s further argument that Rapparini discloses “an optimized capsule structure that is stiffer and more stable” by virtue of radially spaced and vertically oriented ribs and grooves, where the vertically oriented grooves are free from extending entirely to the bottom region of the capsule). Petitioner directs us to additional evidence tending to establish that an ordinarily skilled artisan would have been prompted to modify Yoakim’s device, to include the code placement of Jarisch and the grooves and ribs of Rapparini, to arrive at the claimed invention with an expectation of success. *Id.* at 44–48.

Patent Owner responds, “Petitioner is the owner of the Jarisch reference” and “a parent application to Yoakim was cited against Jarisch” during examination. Prelim. Resp. 44. In Patent Owner’s view, during prosecution of the application that issued as Jarisch, Petitioner “disparaged the ability of” combining Yoakim’s parent application “with other references describing single-serve coffee capsules.” *Id.* Thus, in Patent Owner’s view, “Petitioner argued that different references describing single-serve coffee capsules were non-combinable” and “Petitioner should not be permitted to argue the opposite now.” *Id.* We disagree. Patent Owner raises attenuated prosecution arguments that borrow from principles of estoppel, and our analysis of that equitable doctrine, set forth above, applies with equal force.

Patent Owner also argues that the “bitcode” disclosure of Jarisch “teaches away from Petitioner’s proposed combination.” Prelim. Resp. 45. Patent Owner contends “Yoakim uses the bare term ‘barcode,’ without providing any information as to what that code would actually be, and certainly does not provide the narrow strictures offered in Petitioner’s

construction for that term.” *Id.* “As a result,” Patent Owner contends, one of ordinary skill in the art would not have used the “bitcode” described in Jarisch as an identifier, which the district court has found is not a “barcode” as specified in claim 1. *Id.*

On this record, Patent Owner’s argument does not undercut the sufficiency of Petitioner’s evidence because, absent some reason to conclude otherwise, we presume the “barcode” of Yoakim is a “barcode” as that term is ordinarily used in the art. That plain and ordinary meaning satisfies the district court’s construction of the term. Ex. 1052, 11 (district court noting Patent Owner’s assertion during prosecution before the EPO that “when reference is only made it [sic] to a ‘Barcode’, the person skilled in the art then knows that this always and exclusively refers to the ‘classic Barcode’”).

Finally, Patent Owner repeats its observation that Yoakim discusses “laminar flow” in the context of its *unmodified* capsule, which lacks the grooves and ribs suggested by Rapparini. Prelim. Resp. 45. That argument is unavailing for the same reasons discussed above. Here again, we do not understand Yoakim’s discussion of “laminar flow” in its *unmodified* capsule to suggest that the *modified* capsule, which includes Rapparini’s grooves and ribs, would likewise produce laminar flow. Patent Owner’s teaching away argument does not undercut the sufficiency of Petitioner’s evidence pertaining to the reasons to combine the references.

8. *Conclusions with Respect to Claims 1, 5, 7 and 13*

Petitioner identifies where Yoakim, Jarisch and Rapparini teach or suggest every limitation of claims 1, 5, 7 and 13. Petitioner also provides a reasoned explanation supported by factual underpinnings as to why one of ordinary skill in the art would have combined the teachings of the references to arrive at the subject matter of those claims. Accordingly, Petitioner shows

a reasonable likelihood that claims 1, 5, 7 and 13 would have been obvious over the combined disclosures of Yoakim, Jarisch and Rapparini.

9. *Claims 2–4, 6, 8–12 and 14–16*

Petitioner identifies where it contends Yoakim, Jarisch, and Rapparini teach or suggest every limitation of the other challenged claims, namely, claims 2–4, 6, 8–12 and 14–16. Pet. 73–81. Patent Owner does not address Petitioner’s arguments with respect to these additional claims, apart from the arguments addressed above.

Upon review of the parties’ arguments and supporting evidence, we find Petitioner demonstrates a reasonable likelihood that the subject matter of claims 2–4, 6, 8–12 and 14–16 would have been obvious over the combined disclosures of Yoakim, Jarisch and Rapparini.

III. DISCRETIONARY DENIAL

Patent Owner contends we should exercise our discretion and not institute trial under both 35 U.S.C. § 325(d) and 35 U.S.C. § 314(a). We address both arguments below.

A. *Discretionary Denial under 35 U.S.C. § 325(d)*

Patent Owner contends that we should exercise our discretion under 35 U.S.C. § 325(d) to deny the Petition, applying our precedential decisions in *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 (PTAB Feb. 13, 2020) (precedential) (“*Advanced Bionics*”), and *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (PTAB Dec. 15, 2017) (precedential as to § III.C.5, first paragraph) (“*Becton, Dickinson*”). Prelim. Resp. 13–28. For the reasons below, we do not exercise our discretion to deny institution under § 325(d).

1. Applicable Framework

Section 325(d) provides that, in determining whether to institute an *inter partes* review, “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 Board uses a two-part framework in determining whether to exercise its discretion under § 325(d), specifically:

- (1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and
- (2) if either condition of [the] first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.

Advanced Bionics, Paper 6 at 8.

In applying the two-part framework, we consider several non-exclusive factors from *Becton, Dickinson*, which provide “useful insight into how to apply the framework” (*Advanced Bionics*, Paper 6 at 9): (a) the similarities and material differences between the asserted art and the prior art involved during examination; (b) the cumulative nature of the asserted art and the prior art evaluated during examination; (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection; (d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art; (e) whether Petitioner has pointed out sufficiently how the examiner erred in its evaluation of the asserted prior art; and (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments. *Becton, Dickinson*, Paper 8 at 17–18. If, after review

of factors (a), (b), and (d), we determine that the same or substantially the same art or arguments previously were presented to the Office, we then review factors (c), (e), and (f), which relate to whether Petitioner demonstrates that the Office erred in a manner material to the patentability of the challenged claims. *Advanced Bionics*, Paper 6 at 10.

2. *Analysis*

Petitioner acknowledges that Yoakim, Jarisch and Rapparini were cited on an Information Disclosure Statement (IDS) during prosecution of the '923 patent. Pet. 23. We need not determine whether Part 1 of the *Advanced Bionics* framework is satisfied based on these disclosures, however, as Part 2 of the analysis, which we address below, is dispositive.

a) Factor (c)—the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for a rejection

The parties agree that the Examiner did not utilize Yoakim, Jarisch or Rapparini in any rejection during prosecution of the '923 patent. Pet. 24; Prelim. Resp. 15. Petitioner directs us to prior panel decision in which that circumstance weighed against exercising our discretion to deny institute. Pet. 24–25.

Patent Owner, for its part, points out that Jarisch was applied in rejections during prosecution of related patent applications. Prelim. Resp. 14–16. Patent Owner argues that circumstance “reinforces” a decision to deny institution of the ground based on Yoakim, Jarisch and Rapparini. Prelim. Resp. 16.

We disagree. Based on the current record, the references at hand, and in particular Yoakim, appear to expressly teach or suggest each element of the claimed invention, including a “flange comprising a top side and an

opposing bottom side” (Ex. 1004 ¶ 197, Fig. 6); “a cover that is fastened to the top side of the flange to close the cavity” (Ex. 1004 ¶¶ 128–129, 197, 414); “an identifier provided on the bottom side of the flange” (Ex. 1005 ¶ 22) that is “a barcode” (Ex. 1004 ¶¶ 496, 525); and “reading or detecting the identifier with the sensor/detector . . . to determine if the single serve capsule belongs to a group of single serve capsules operable for use with the beverage machine” (Ex. 1004 ¶¶ 25, 192, 477, 494–496, 525; Ex. 1005 ¶ 82; Ex. 1041, 3, 11). As such, to the extent the asserted art was evaluated during prosecution of the application that matured into the ’923 patent, and insofar as Jarisch was applied during prosecution of related applications, any evaluation by the Examiner of the **combination** of prior art references asserted in the Petition, on this record, was minimal at best.

In view of the foregoing, we determine that this factor weighs against exercising our discretion to deny institution.

b) Factor (e)—whether Petitioner has pointed out sufficiently how the examiner erred in its evaluation of the asserted prior art

Petitioner contends the Examiner erred in allowing the claims of the ’923 patent because the limitations outlined in the reasons for allowance are shown to be disclosed in Yoakim, Jarisch and Rapparini. Pet. 27–28 (citing Ex. 1002, 1941). In particular, the Examiner allowed the claims to issue because a prior art reference, not asserted in the Petition, “does not teach or reasonably disclose” a capsule having “an identifier that is a barcode provided on the bottom of the flange” and “directed away from the cover.” Ex. 1002, 1941.

As noted above, Petitioner identifies where the prior art teaches the specific limitation the Examiner identified as missing from the prior art.

Petitioner also presents an argument as to why one of ordinary skill in the art would have combined Yoakim, Jarisch and Rapparini to arrive at the subject matter of the challenged claims. Accordingly, this factor weighs against exercising discretion to deny institution.

c) Factor (f)—the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments

Petitioner contends that the strength of the Petition alone supports the Board not exercising discretion, but asserts that the declaration of Mr. Jobin further explains why the Examiner erred in allowing the challenged claims, including the fact that the '923 patent is not entitled to claim priority to its foreign applications. Pet. 32. “Importantly,” moreover, Mr. Jobin’s “testimony also explains why it would have been obvious” to combine the teachings of Yoakim, Jarisch and Rapparini in the manner claimed. *Id.*

Patent Owner counterargues that “no additional facts . . . would warrant reconsideration of the cited art or arguments.” Prelim. Resp. 27. According to Patent Owner, the same references (and oftentimes the exact same passages) were presented in past examinations, and the only avenue for Petitioner “is to argue that the Examiner and the Board were unscrupulous in indicating that they had reviewed the references.” *Id.*

On this record, we determine that this factor is neutral. Although Mr. Jobin provides testimony regarding obviousness and priority, absent new references or analysis, this is typically not the kind of “additional evidence” or facts that tend to tip the scales for or against discretionary denial. It is instead the type of additional evidence that is part of most *inter partes* review proceedings.

3. *Conclusion: Discretion under 35 U.S.C. § 325(d)*

Taking a holistic view of the totality of the information presented, we determine that Petitioner sufficiently demonstrates material Examiner error during prosecution of the application that matured into the '923 patent. Accordingly, we do not exercise our discretion under § 325(d) to not institute an *inter partes* review.

B. *Discretionary Denial under 35 U.S.C. § 314(a)*

Patent Owner contends that “[t]he parties have been embroiled in disputes involving substantive claims for infringement for both the '923 [p]atent and the Jarisch reference,” and “it is unnecessary to open up yet another front in this dispute.” Prelim. Resp. 46. As such, Patent Owner requests that we deny institution under 35 U.S.C. § 314(a). *Id.*

Patent Owner directs our attention to no case in which the Director has exercised discretion to deny a petition merely because the same patent was the subject of a co-pending district court infringement action. Indeed, 35 U.S.C. § 315(b) specifically contemplates such a scenario. Accordingly, we decline to exercise discretion to deny the Petition under 35 U.S.C. § 314(a).

IV. NOTICES

The Board shall deem waived any issue not raised in a timely response to the Petition, or as permitted in another manner during trial, even if asserted in the Preliminary Response or discussed in this decision.

Nothing in this decision authorizes Petitioner, in a manner not otherwise permitted by the Board’s rules, to supplement the information supporting any ground advanced in the Petition.

V. CONCLUSION

For the reasons discussed above, Petitioner demonstrates a reasonable likelihood of prevailing in showing that the subject matter of at least one claim of the '923 patent would have been obvious.

VI. ORDER

It is

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review of claims 1–16 of the '923 patent is instituted with respect to all grounds set forth in the Petition; and

FURTHER ORDERED that, pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4(b), *inter partes* review of the '923 patent shall commence on the date of this decision, and notice is hereby given of the institution of trial.

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