

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

OMEGA LINER COMPANY, INC.,
Petitioner,

v.

BUERGOFOL GMBH,
Patent Owner.

IPR2023-01372
Patent 9,657,882 B2

Before JEFFREY N. FREDMAN, GRACE KARAFFA OBERMANN,
and KIMBERLY McGRAW, *Administrative Patent Judges*.

OBERMANN, *Administrative Patent Judge*.

ORDER

Denying Petitioner's Motion for Sanctions (Paper 71)
37 C.F.R. §§ 42.11(a), 42.12(a), 42.51(b)(1)(iii)

I. INTRODUCTION

This Order resolves Petitioner’s Motion for Sanctions. Paper 71 (“Motion” or “Mot.”). Petitioner argues, and Patent Owner contests, that Patent Owner’s counsel “deliberately misled the Board by presenting blatant misrepresentations of fact and advancing grossly misleading arguments, all while concealing critical evidence that undermines its false positions and wasting the resources of the Board and Petitioner alike.” Mot. 15; *see generally* Paper 77 (“Opp.”) (Patent Owner’s counterarguments in opposition to Petitioner’s request for sanctions); *see also* Paper 79 (“Reply”) (Petitioner’s reply to Patent’s Owner’s opposition).

Petitioner requests “entry of judgment against” Patent Owner as a sanction or, alternatively, a monetary sanction in the amount of Petitioner’s “fees incurred in responding to” Patent Owner’s “motions in Papers 28, 33, 34, 35, 48, and 55.” Mot. 2–3. Concurrently herewith, we enter our Final Written Decision and Judgment against Patent Owner based on the merits of Petitioner’s patentability challenges, thereby mooting the first alternative.

For reasons that follow, we *deny* the Motion and impose no sanction.

II. BACKGROUND

Petitioner identifies four actions by Patent Owner as sanctionable conduct. First, Petitioner contends that Patent Owner knowingly submitted false information to the Board, in the form of evidence that a person of ordinary skill in the art would have had “no knowledge of a ‘sticking’ problem with an inner film” in Patent Owner’s products (which allegedly embody the claimed invention). Mot. 4. Specifically, Petitioner argues, Patent Owner “submitted inventor declarations falsely indicating that they had no knowledge, prior to the ‘spring of 2012,’ of any customer reporting

‘a problem with inner film tearing when it was pulled out of the cured liner because the inner film stuck to the cured resin.’” *Id.* at 4–5 (quoting and citing the original declarations of Mr. Gregor Schleicher (Ex. 2003 ¶ 24) and Dr. Abdel-Kadar Boutrid (Ex. 2004 ¶¶ 12, 14, 18, 19) (Petitioner’s emphasis). By way of support, Petitioner avers that a third co-inventor, Dr. Kurt Stark, “identified this same statement as being false.” *Id.* at 5 (citing Ex. 1072 ¶ 32).

By way of further support, Petitioner directs us to a 2006 Quality Agreement—signed by Dr. Boutrid in his capacity as Patent Owner’s quality officer, and signed also by Mr. Schleicher in his capacity as Patent Owner’s owner—which details four known problems with Patent Owner’s inner film, including “[s]trong adhesion to the laminate after curing.” *Id.* at 5 (quoting Ex. 1058, 6 (paragraph 7)) (Petitioner’s emphasis and alteration).

Petitioner also identifies a customer complaint, received by Dr. Boutrid by email in 2009 (“the 2009 Complaint Email”), indicating that, “[d]uring several construction projects, our customers complained on a *massive scale* because the inner foil that you supplied was extremely difficult to remove from the liner after installation.” *Id.* (quoting Ex. 1060, 2) (Petitioner’s emphasis and alteration).

Second, Petitioner asserts that Patent Owner made false claims to the Board in connection with allegedly “surprising” results stemming from the percentages of “release wax Constab PE-SA 270,” which is the compound employed as the “migrating additive” in Examples of B4–B6 of the ’882 patent specification. Ex. 1001, 16:4–65, 19:36; *see* Mot. 7–10 (Petitioner’s assertions). Those examples report, respectively, the use of 1%, 4%, and 6% of “release wax Constab PE-SA 270.” Ex. 1001, 16:5, 16:26, 16:47.

In Petitioner’s view, Patent Owner’s technical witness, Dr. Brant, falsely identified these percentages as “‘**1% release wax,**’ ‘**4% release wax,**’ and ‘**6% release wax,**’” and, further, Dr. Boutrid, in connection with Example B6, falsely identified “**the addition of 6% wax.**” Mot. 7 (quoting Ex. 2001 ¶ 72; Ex. 2004 ¶ 58) (Petitioner’s emphasis). Petitioner contends that those statements are false because the witnesses were well aware that “Constab PE-SA 270” is not composed of 100% wax, therefore, the witnesses advanced to the Board false percentages of the “migrating additive” from which any “surprising” results would have flowed. Ex. 1001, 16:6, 19:39; *see* Mot. 8–10 (Petitioner’s arguments).

Thirdly, and relatedly, Petitioner asserts that Patent Owner failed to disclose documents inconsistent with positions taken in this proceeding and, fourthly, that Patent Owner schemed to conceal and obstruct the truth about the tearing and wax content issues discussed above. Mot. 10–14.

III. ANALYSIS

A. Duty of Candor

Parties and individuals involved in an *inter partes* review “have a duty of candor and good faith to the Office during the course of [the] proceeding.” 37 C.F.R. § 42.11(a). “By presenting to the Board a petition, response, written motion, or other paper—whether by signing, filing, submitting, or later advocating it—an attorney, registered practitioner, or unrepresented party attests to compliance with the certification requirements under § 11.18(b)(2).” *Id.* § 42.11(c).

Such provisions include attestation that, “[t]o the best of the party’s knowledge, information and belief, formed after an inquiry reasonable under the circumstances,” the party’s “paper is not being presented for any

improper purpose” and all allegations and factual contentions there “have evidentiary support or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation of discovery.” *Id.* § 11.18(b)(2).

In a Notice published in the Federal Register, the Office “clarifie[d] the ‘duty of disclosure’ and ‘duty of reasonable inquiry’ owed to the USPTO and American public.” *Duties of Disclosure and Reasonable Inquiry During Examination, Reexamination, and Reissue, and for Proceedings Before the Patent Trial and Appeal Board*, 87 Fed. Reg. 45,764, 45,765 (July 29, 2022). In that Notice, the Office emphasized that, “[i]n the context of PTAB proceedings, if the party is or becomes aware of incorrect or inconsistent positions, the party must make the PTAB panel aware of the incorrect or inconsistent positions and must submit the inconsistent information.” *Id.*

Accordingly, a party in our forum is required to “serve relevant information that is inconsistent with a position advanced by the party during the proceeding concurrent with the filing of the documents or things that contains the inconsistency.” 37 C.F.R. § 42.51(b)(1)(iii). “Because of limited discovery, parties practicing before the Board must provide the Board with information necessary to fairly conduct a trial, consistent with the Board’s rules.” *Spectrum Solutions LLC v. Longhorn Vaccines & Diagnostics, LLC*, IPR2021-00847, Paper 142 at 33 (PTAB July 11, 2024).

Importantly, “requiring that the Board confirm the accuracy and completeness of all evidence would run counter to the goals of the” America Invents Act, our authorizing statute, “by substantially increasing the complexity and cost of” our *inter partes* review proceedings. *Id.* at 10. Accordingly, the Board is authorized to impose sanctions for misconduct,

including misrepresenting a fact, advancing a misleading argument, abusing our discovery process, or failing to comply with a rule or order. 37 C.F.R. § 42.12(a).

B. Recognition of “Sticking or Tearing Problems”

Based on our thorough consideration of the evidence and arguments presented, we determine that Petitioner does not sufficiently identify sanctionable conduct in connection with Dr. Boutrid’s or Mr. Schleicher’s representations about sticking or tearing problems associated with Patent Owner’s products. *Compare* Mot. 4–7; Reply 2–4, *with* Opp. 5–9.

Patent Owner submitted declarations to the Board in which two of the three named co-inventors, Dr. Boutrid and Mr. Schleicher, attest that, prior to the “spring of 2012,” neither was aware of Patent Owner’s customers complaining of “a problem with inner film tearing when it was pulled out of the cured liner because the inner film stuck to the cured resin.” Mot. 4–5 (emphasis omitted); Ex. 2003 ¶ 24; Ex. 2004 ¶ 18. In Petitioner’s view, the third co-inventor, Dr. Stark, “identified this same statement as being false in the declaration” that Patent Owner “attempted to coerce him into signing.” Mot. 5 (citing Ex. 1072 ¶ 32). Dr. Stark did not sign that draft declaration, but instead contacted Petitioner’s counsel and provided a marked-up copy of the draft in which Dr. Stark identified statements that he could confirm, could confirm “depend[ing] on a certain definition of what is meant,” or could not confirm. Ex. 1072, 1.

Under these circumstances, we disagree with Petitioner’s view that Dr. Stark “identified this same statement as being false.” *Id.* To the contrary, in an unsworn email to Petitioner’s counsel, Dr. Stark merely indicated “I cannot confirm” that statement. Ex. 1072, 1 (Dr. Stark’s email).

Significantly, there is a difference between “identifying a statement as being false” and indicating that a statement cannot be confirmed. Moreover, none of Dr. Stark’s assertions, including this one, were provided under oath. *Id.* Dr. Stark’s notations on an unsigned draft declaration do not show the falsity of any statement that Dr. Boutrid or Mr. Schleicher provided under oath and threat of penalty for perjury. Mot. 5.

Nor are we persuaded, by the additional evidence advanced by Petitioner, that Dr. Boutrid or Mr. Schleicher intentionally misrepresented their knowledge of tearing problems associated with Patent Owner’s products. Ex. 2003 ¶ 24; Ex. 2004 ¶ 18. On that point, Petitioner directs us to the 2006 Quality Agreement and the 2009 Complaint Email, neither of which actually state that an inner film experienced “tearing” upon removal from a cured resin—one refers to an “extremely difficult” removal and the other to a “strong adhesion” problem, but neither indicates that any tearing actually occurred. Mot. 5 (quoting Ex. 1058, 6 (paragraph 7); Ex. 1060, 2) (emphasis omitted).

We recognize that Petitioner’s evidence, although not *expressly* indicating that tearing occurred, reasonably could be construed to *imply* that tearing may have been the natural result of a difficult removal or strong adhesion. For two independent reasons, however, we do not find that Dr. Boutrid or Mr. Schleicher knowingly lied under oath based on that implication.

First, these witnesses were testifying in their original declarations about events that occurred more than a decade earlier. We find it reasonable that neither Dr. Boutrid nor Mr. Schleicher, when preparing their declarations for this proceeding in June of 2024, reasonably would have

recalled the 2006 Quality Agreement or the 2009 Complaint Email, neither of which specifically mentions film tearing as a problem. Ex. 1058, 6 (paragraph 7); Ex. 1060, 2; *see* Ex. 2003, 8; Ex. 2004, 27 (showing that the declarations were signed in June of 2024).

Second, both witnesses, in second declarations, provide reasoning that explains why their relatively broad original declaration statements, regarding the scope of their knowledge of tearing issues as of 2012, in fact relate only to a narrower tearing problem associated with the use of maleic anhydride in the curable resin, which first came to light in the spring of 2012. Ex. 2033 ¶¶ 9–24; 2043 ¶¶ 8–25. These second declarations stand unrebutted by other evidence of record.

Importantly, in that regard, both of the witnesses, in their original declarations, include statements that anchor the more robust explanations provided in their second declarations. *See* Ex. 2003 ¶ 23 (Mr. Schleicher, admitting, in his original declaration, knowledge of tearing problems prior to spring of 2012, which were due to “longitudinal stresses caused by pulling the entire length of the film by just one location on the film”)¹; Ex. 2004 ¶¶ 15–18 (Dr. Boutrid, explaining in paragraphs 15–17 of his original declaration that his focus was on a new tearing problem, first encountered in the spring of 2012, which he concluded was caused by the use of maleic anhydride in the curable resin, and which reasonably may be read to temper the breadth of his statements in paragraph 18); *compare* Ex. 2033 ¶¶ 9–24; 2043 ¶¶ 8–25.

¹ In view of this statement, we find unpersuasive Petitioner’s argument that Mr. Schleicher’s second declaration proves he lied in his first declaration about his awareness of tearing problems. Reply 2 (citing Ex. 2043 ¶ 7).

We agree with Petitioner that, when read in isolation, Dr. Boutrid's broad statement in paragraph 18 of his original declaration, indicating that he was unaware of "any customer experiencing a problem with inner film tearing when it was pulled out of the cured liner" prior to the spring of 2012 (Ex. 2004 ¶ 18), is in tension with his second declaration, wherein the witness limits this awareness to tearing problems specifically caused by the use of maleic anhydride in the cured resin (Ex. 2033 ¶¶ 7, 18). Reply 2–3.

But we do not read paragraph 18 of the original declaration in isolation. Instead, we read paragraph 18 in the context of the immediately-preceding discussion, in paragraphs 15–17, in which Dr. Boutrid describes what he viewed as the relevant tearing problem, due specifically to the use of maleic anhydride in the curable resin, which first came to light in the spring of 2012. *Compare* Ex. 2004 ¶¶ 15–17, *with id.* ¶ 18; *see* Ex. 2033 ¶ 10 (quoting Ex. 2037, 1; Ex. 2038, 1) (suggesting that neither Dr. Stark nor Dr. Boutrid knew of relevant tearing complaints prior to the spring of 2012).

For the above reasons, we deny Petitioner's request for sanctions based on allegedly false representations advanced by Patent Owner in connection with the above-discussed tearing issues.

C. Characterization of "Release Wax Constab PE-SA 270"

Based on our thorough consideration of the evidence and arguments presented, we determine that Petitioner does not persuasively identify sanctionable conduct in connection with Dr. Brant's or Dr. Boutrid's representations about the percentages of "release wax Constab PE-SA 270" reported in Examples B4–B6 of the '882 patent specification. Ex. 1001, 16:5, 16:26, 16:47; *compare* Mot. 7–10; Reply 4–5, *with* Opp. 9–12.

Petitioner submits that Patent Owner's witnesses, Dr. Brant and Dr. Boutrid, falsely represent that Examples B4–B6, respectively, “contain 1%, 4%, and 6% of ‘wax’ as the ‘migrating compound.’” Mot. 7 (citing Ex. 1001, 15:15–18, 16:4–50, 18:9–18, 19:58–67; Paper 13 at 65–67; Ex. 2001 ¶¶ 69–72; Ex. 2004 ¶¶ 36, 41–43, 48, 58).

Because the '882 patent specification applies those weight percentages to a component described as “release wax Constab PE-SA 270,” in Petitioner's view, that component would need to consist of 100% wax to render truthful the testimony of Dr. Brant and Dr. Boutrid on this point. Ex. 1001, 16:5, 16:26, 16:47; *see* Mot. 7–10. Petitioner argues that Patent Owner was well aware, based on a data sheet, that Constab PE-SA 270 was not comprised entirely of wax. Mot. 8 (citing the data sheet (Ex. 1051)).

We agree with Patent Owner that its witnesses, when referring in their declarations to the wax percentages employed in Examples B4–B6, were using the word “wax” as a fair shorthand for the “release wax Constab PE-SA 270,” which the '882 patent specification describes as the “migrating additive” from which any “surprising” results would have flowed. Ex. 1001, 16:6, 19:39; *see* Opp. 9–12 (Patent Owner's persuasive arguments on point). In particular, we agree with Patent Owner that the challenged patent itself alerts the ordinarily skilled artisan that Constab PE-SA 270 “is made ‘with’ EBS wax” and, further, that the content of EBS wax in Constab PE-SE 270 would have been “readily ascertainable by anyone skilled in the art” at the relevant time. Opp. 10–11 (including citations to persuasive evidence). Finally, we agree that when referring to particular values of 1%, 4%, and 6%, Patent Owner's witnesses were using the '882 patent shorthand for

“wax” without intending to assert any particular content of wax for the Constab PE-SA 270 product. Opp. 11.

For the above reasons, we deny Petitioner’s request for sanctions based on allegedly false representations advanced by Patent Owner in connection with the above-discussed wax content issues.

D. Asserted Failure to Disclose Inconsistent Documents

Petitioner’s assertion that Patent Owner’s failure to disclose inconsistent documents, rising to the level of sanctionable conduct, is tied to the allegation that Patent Owner misrepresented facts about the above-discussed tearing and wax content issues. Mot. 10.

Having determined that Petitioner does not show sufficiently that Patent Owner engaged in misrepresentations that warrant a sanction, we determine also that Petitioner’s assertions about improperly withheld documents similarly does not warrant a sanction.

E. Alleged Scheme to Conceal and Obstruct

Petitioner asserts that Patent Owner and its counsel concealed and obstructed access to “critical inconsistent information” tied to the allegation that Patent Owner misrepresented facts about the above-discussed tearing and wax content issues. Mot. 10. Having determined that Petitioner does not show sufficiently that Patent Owner engaged in a material misrepresentation of those facts that would warrant a sanction, we determine also that Petitioner’s assertions about improperly withheld information similarly does not warrant a sanction.

In that regard, we take note that Petitioner directs us to information that Patent Owner threatened Dr. Stark with civil and criminal penalties for failure to comply with agreements that, in Patent Owner’s view, compelled

him, as a former employee of Patent Owner, to cooperate with Patent Owner in this proceeding. *Id.* at 12 (citing Ex. 1075; Ex. 1076). But Petitioner does not provide any analysis tending to show that those alleged threats are unsupported by the legal authority cited by Patent Owner in the communications with Dr. Stark. *Id.*; *see* Ex. 1075; Ex. 1076 (Patent Owner's communications with Dr. Stark, citing authority for its claims of potential civil or criminal liability for failure to comply).

Petitioner directs us to other actions taken by Patent Owner and its counsel in this proceeding, but fails to explain adequately, if at all, why those actions rise to the level of sanctionable conduct, absent persuasive evidence that Patent Owner knowingly relied on false declaration testimony about the above-discussed tearing and wax content issues. Mot. 12–15.

G. Conclusion

On this record, we are not persuaded that Petitioner shows sufficiently that Patent Owner engaged in sanctionable conduct in this proceeding. Accordingly, we *deny* the Motion and impose no sanction.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Petitioner's Motion for Sanctions (Paper 71) is *denied*; and

FURTHER ORDERED that no sanction is imposed.

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