

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HILTI AKTIENGESELLSCHAFT,
Petitioner,

v.

SPECIFIED TECHNOLOGIES INC.,
Patent Owner.

Case No. IPR2024-00192
Patent No. 9,157,232

PATENT OWNER'S PRELIMINARY RESPONSE

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PATENT OWNER'S EXHIBIT LIST

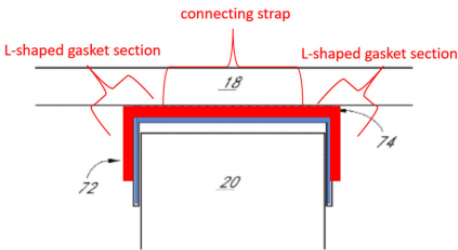
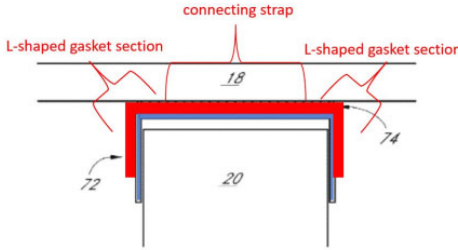
Exhibit No.	Description
2001	U.S. Patent No. 8,087,205
2002	Appendix A to Joint Claim Construction Chart
2003	Order Denying Motion to Stay
2004	Order Denying Motion to Sever
2005	Amended Scheduling Order (Docket No. 88)
2006	Declaration of Austen C. Endersby
2007	Counterclaim Complaint (Docket No. 13)

INTRODUCTION

Patent Owner Specified Technologies Inc. (“STI” or “PO”) respectfully submits its Preliminary Response to Hilti Aktiengesellschaft’s (“Hilti” or “Petitioner”) Petition for *inter partes* review (“Petition”) of U.S. Patent No. 9,157,232 (the “’232 Patent”).

The Petition should be denied because it relies solely on conclusory attorney argument that fails to identify with particularity how the challenged claims are purportedly rendered unpatentable by the prior art. Specifically, the Petition does not set forth the proper claim constructions to be applied in the analysis. More importantly, the Petition relies on a supporting declaration from its expert, which, as shown below, is nothing more than a carbon copy of the Petition itself.

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Petition	Puchovsky Declaration (Ex. 1003)
IPR2024-00192 U.S. Patent No. 9,157,232  FIG. 8 Ex. 1004, Fig. 8 (annotated). Pilz I discloses an “<i>adjustable</i>” head-of-wall insulating construction for sealing a head-of-wall area between a ceiling thereabove and a wall configuration therebelow which is <i>wider than standard</i>” because a POSITA would understand that Pilz I’s insulating gasket can be used in connection with a wall configuration of any size as discussed, <i>supra</i> (see pp. 52-53). Ex. 1003, ¶¶110-111. Pilz I’s insulating gasket is “adjustable” because the C-shaped insulating gasket can be positioned on any sized ceiling track to seal the area between the ceiling and the wall assembly. <i>Id.</i>, ¶111. Indeed, Pilz I teaches that “[v]arious 54	 FIG. 8 Ex. 1004, Fig. 8 (annotated). 110. Pilz I discloses an “<i>adjustable</i>” head-of-wall insulating construction for sealing a head-of-wall area between a ceiling thereabove and a wall configuration therebelow which is <i>wider than standard</i>” because a POSITA would understand that Pilz I’s insulating gasket can be used in connection with a wall configuration of any size as discussed, <i>supra</i> (at ¶¶66-68). 111. Pilz I’s insulating gasket is “adjustable” because the C-shaped insulating gasket can be positioned on any size ceiling track to seal the area between the ceiling and the wall assembly. Indeed, Pilz I teaches that “[v]arious geometries 67 Hilti Aktiengesellschaft Petitioner Exhibit 1003

Furthermore, Petitioner failed to act diligently, which should not be rewarded by instituting a grossly deficient challenge to the '232 Patent. Petitioner waited to file its Petition until the very end of the twelve-month statutory period. Because of Petitioner’s delay, the parties have continued to expend enormous resources litigating this patent (along with several other patents).

For these reasons and those set forth below, institution should be denied.

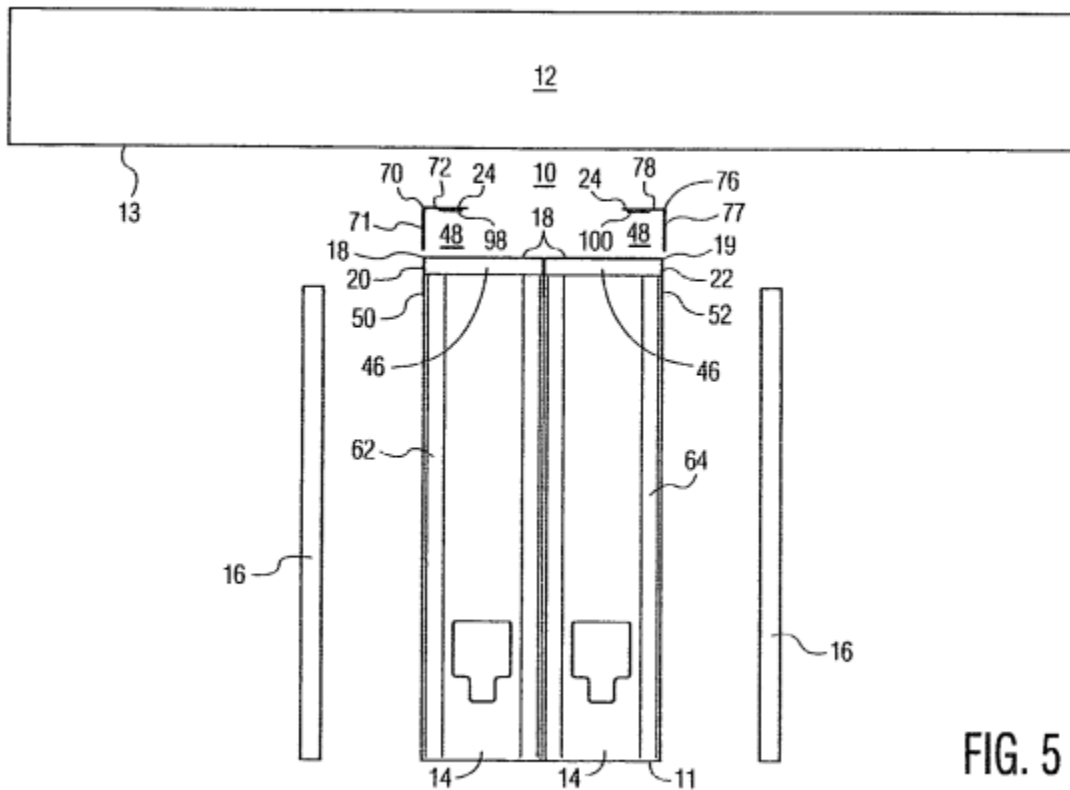
THE '232 PATENT AND THE ASSERTED ART.

A. Invention of the '232 Patent.

Since its founding in a New Jersey garage in 1990, STI has been a leader and innovator working with the construction industry to create unique and valuable solutions to firestopping problems. For example, on October 13, 2015, the United States Patent & Trademark Office (“USPTO”) granted U.S. Patent No. 9,157,232 (Ex. 1001), titled “Adjustable Head-of-Wall Insulation Construction for Use with Wider Wall Configurations.” (herein “the '232 Patent”).

The '232 Patent discloses a novel adjustable head-of-wall insulation construction capable of sealing the area between a wider than standard wall and a ceiling. (Ex. 1001 at 3:38-64.) More specifically, the '232 Patent discloses an improved insulating gasket construction that is capable of forming a seal between conventionally designed metal track sections and the immediately adjacent roof/ceiling area to acoustically insulate or for firestopping. (*Id.* at 5:5-8.) The insulation construction includes at least one L-shaped gasket section 70—or two L-shaped gasket sections per the challenged claims that can attach to a ceiling track 18 having a main track section 19 (extending horizontally) and one or more side track sections 20 (extending vertically). (*Id.* at 7:24-30.) The gaskets include an upper panel 72 that can be attached to a main track section of the ceiling track and a side

panel 71 that is extendable generally downward and across the side track sections. Together the upper panel 72 and side panel 71 form an L-shaped gasket section. Two L-shaped gasket sections can be connected by a connecting strap (not pictured below) attached to both gasket sections and that can limit the spatial separation therebetween. (*Id.* at 7:39-8:63.)



(Ex. 1001 at FIG. 5.)

B. Summary of the Prior Art.

Each of the prior art references—Pilz I, Morgan, and Pilz II—relate to wall construction components that utilize some firestopping materials.

First, Pilz I discloses a “fire-related wall construction product” that includes intumescent material 74 between some or all of the wall 20 and the ceiling 18. (*See* Ex. 1004 at ¶ 54, FIG. 8.) Pilz I is the prior publication of Application No. 12/196,115, which eventually issued as U.S. Patent No. 8,087,205 (“the ’205 Patent”). (*See* Ex. 2001 at 1.) The ’205 Patent was disclosed and considered by the Examiner during the prosecution of the ’232 Patent. (*See* Ex. 1002 at 61-62 (the examiner noting that “all references considered except where lined through” without a line through the ’205 Patent), 121-123 (the examiner noting that “all references considered except where lined through” without a line through a description of the ’205 Patent accompanying the IDS).)

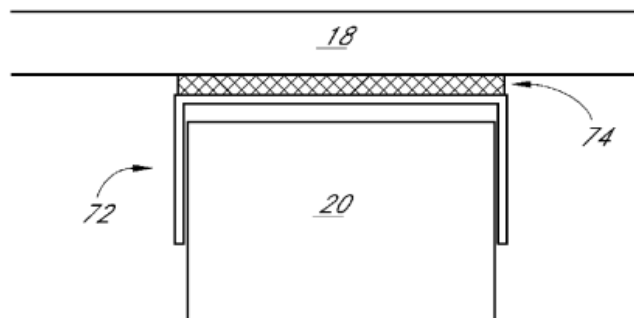


FIG. 8

Second, Morgan discloses “In Situ Molded Thermal Barriers” that use injectable and compressible molding bags 30—injecting with a firestop material—which are positioned between the wall and ceiling. (Ex. 1005 at 4:16-30, FIG. 6.)

Morgan was disclosed and considered by the Examiner during the prosecution of the '232 Patent. (See Ex. 1002 at 61-62 (the examiner noting that “all references considered except where lined through” without a line through Morgan, i.e., U.S. Patent No. 6,783,345), 80-81 (the examiner noting that “all references considered except where lined through” without a line through the description of Morgan accompanying the IDS).)

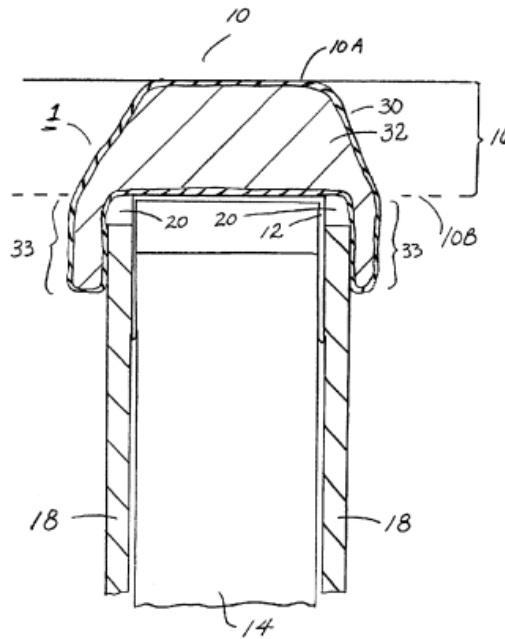


FIG. 3

(Ex. 1005 at FIG. 3; see also FIG. 4 (showing compressed state).)

Finally, Pilz II discloses a “Fire-Rated Joint System,” that includes an intumescent tape 30 that wraps over the corners of a fire-rated angle 20 (incorporated

into the head-of-wall assembly) and then is pinched to hold it in place. (Ex. 1006 at 7:16-41 (explaining adhesive associated with tape can fail).) Voids of flutes 104 above the wall are filled with a fire-resistant material, such as fire spray 110 and/or mineral wool 110, which have elastomeric properties. (*Id.* at 12:30-55.) Pilz II was disclosed and considered by the Examiner during the prosecution of the '232 Patent. (*See* Ex. 1002 at 61-62 (the examiner noting that “all references considered except where lined through” without a line through Pilz II, i.e., U.S. Patent No. 8,595,999), 136-138 (the examiner noting that “all references considered except where lined through” without a line through the description of Pilz II accompanying the IDS).)

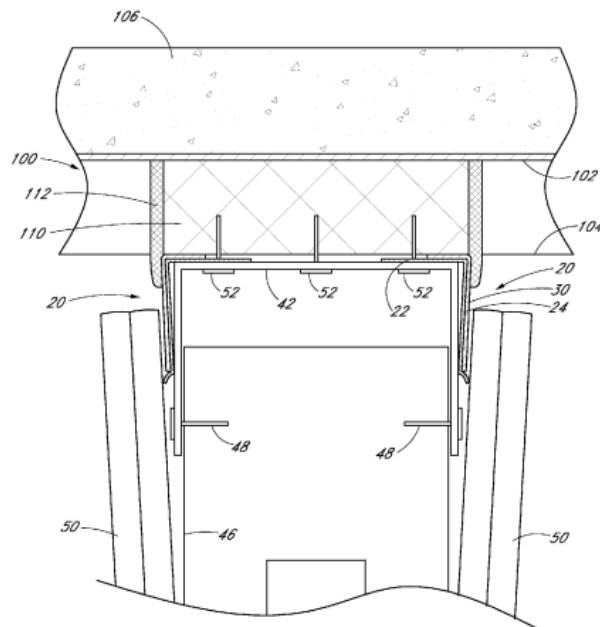


FIG. 12

(Ex. 1006 at FIG. 12.)

As explained below, the Petitioner has not shown that these prior art references, all of which were previously considered during the prosecution of the '232 Patent, disclose or render obvious every claim limitation of the challenged claims in the '232 Patent.

ARGUMENT

Institution should be denied where, as here, the Petition fails to provide the Board notice of what Petitioner believes are the proper claim constructions to be used in any invalidity analysis, repeatedly cites to a verbatim expert declaration—which should be given no weight—and makes conclusory and/or unsupported assertions for combining the prior art and disclosure in the prior art of the claimed limitations. As such, the Board should exercise its discretion and deny institution.

I. PETITIONER DOES NOT PROVIDE NOTICE OF ITS PROPOSED CLAIM CONSTRUCTION.

The Petition fails to present for consideration, or apply in its analysis, the claim construction positions it has taken in the pending District Court case. As the Federal Circuit has made clear, claims “must be interpreted and given the same meaning for purposes of both validity and infringement analyses.” *Kegel Co., Inc. v. AMF Bowling, Inc.*, 127 F.3d 1420, 1429 (Fed. Cir. 1997). Instead, Hilti improperly treats these claim terms like a “nose of wax,” twisting them one way for the District

Court and another for this tribunal. *See White v. Dunbar*, 119 U.S. 47, 51 (1886) (prohibiting such distortion of the patent claims).

Here, Petitioner has failed to provide constructions for claim terms it believes require construction and thus cannot meet its burden of proving invalidity. *See, e.g.*, 37 C.F.R. §§ 42.104(b)(3)–(4) (“[T]he petition must set forth . . . How the challenged claim is to be construed . . . [and] [h]ow the construed claim is unpatentable[.]”); Consolidated Trial Practice Guide November 2019 at 44 (“If a petitioner believes that a claim term requires an express construction, the petitioner must include a statement identifying a proposed construction of the particular term and where the intrinsic and/or extrinsic evidence supports that meaning.”).

Here, Petitioner has not been forthcoming with the Board about its claim construction positions. In the Petition, “Petitioner applies the plain and ordinary meaning of [all] claim terms.” (Pet. at 3.) However, Petitioner ***does not*** believe the plain and ordinary meaning should be given to all claim terms in the ’232 Patent and Petitioner did not offer any analysis—even an alternative analysis—of how the prior art allegedly reads on the challenged claims under what it believes is the proper construction.

Specifically, Hilti contends—in the District Court—that the following limitations of claim 6 either (1) need to be construed or (2) are “indefinite,” or, in

the alternative, have a “plain meaning... informed by the intrinsic record” as follows:

Claim Term/Phrase	Hilti’s Proposed Construction
“at least one connecting strap positioned above the main track section of the ceiling track”	“at least one connecting strap, which is removably detached from the L shaped gasket sections and selected from connecting straps of various different lengths, positioned above the main track section of the ceiling track”
“an adjustable head-of-wall insulating construction for sealing a head-of-wall area between a ceiling thereabove and a wall configuration therebelow which is wider than standard and which included a ceiling track”	Indefinite. If not indefinite: “a head-of-wall insulating construction configured for use in sealing the outermost track side section on each side of a head-of-wall area between a ceiling thereabove and a wall configuration therebelow, which is adjustably variable in lateral dimension to accommodate wider than standard ceiling tracks (i.e., wider in lateral dimensions than a typical commercially available ceiling track)”
“and attached to said first L-shaped gasket section and to said second L-shaped gasket section to limit spatial separation therebetween”	Indefinite. If not indefinite: “and attached to said first L-shaped gasket section and to said second L-shaped gasket section to limit spatial separation therebetween when the gasket is positioned on the track”
“spatially disposed”	Indefinite. If not indefinite: “spatially disposed from the entirety of the first and second side track sections”

(See Ex. 2002 at 14-18.)

Petitioner fails to disclose, much less apply these constructions to the prior art, in the Petition. (*See generally* Pet.) For example, there is no discussion in the Petition about how the prior art teaches a connecting strap that is “removably detached” from the gasket sections or how the first and second side track sections are spatially disposed from the “entirety” of each other. (*See id.*)

In addition, and as seen above, Petitioner contends that the claims are indefinite, which also supports denial of institution. When a claim term is indefinite and the Board cannot ascertain the scope of a claim with reasonable certainty, “the proper course for the Board to follow... is to decline to institute the IPR.” *Samsung Elecs. Am., Inc. v. Prisia Eng'g Corp.*, 948 F.3d 1342, 1353 (Fed. Cir. 2020). Here, as Petitioner contends, the claims are either indefinite—warranting dismissal—or should be construed in a manner not set forth in the Petition, which renders the Petition defective.

Therefore, institution should be denied.

II. THE PETITION IS DEFICIENT AND FAILS TO ESTABLISH, WITH PARTICULARITY, THAT ANY CHALLENGED CLAIM IS UNPATENTABLE.

Under 35 U.S.C. § 312(a)(3), a petition may be considered “only if ... the petition identifies, in writing and *with particularity*, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that

supports the grounds for the challenge to each claim.” (emphasis added). In addition, 37 C.F.R. § 42.104(b)(5) requires that the petition “identify[] specific portions of the evidence that support the challenge.” Section 42.22 further mandates that each petition must include a “detailed explanation of the significance of the evidence” relied upon. 37 C.F.R. § 42.22(a)(2). Here, the Petition meets none of these requirements.

A. The Declaration of Mr. Puchovsky Is a Near Verbatim Copy of the Petition and Should Be Given No Weight.

As an initial matter, Hilti’s Petition and its supporting expert declaration of Mr. Puchovsky should both be given no weight because they are little more than verbatim copies of one another and provide nothing more than conclusory attorney argument. Expert testimony is entitled to no weight where—as here—it provides no additional insight, analysis, or evidence beyond the attorney arguments in the Petition. *Xerox Corp et al. v. Bytemark, Inc.*, IPR2022-00624, Paper 9 (PTAB Aug. 24, 2022) (precedential) (citations omitted). Where a “cited declaration testimony is conclusory and unsupported, [it] adds little to the conclusory assertion for which it is offered to support, and is entitled to little weight.” *Id.*; see also *Apple Inc. v. Uniloc Luxembourg SA*, IPR2017-02202, Paper 8 at 16-17 (PTAB May 1, 2018) (giving no weight to an “unsupported verbatim statement” in an expert’s declaration).

The Board regularly gives little to no probative weight to expert declarations that parrot the petition's arguments and, in turn, denies institution. For example, in *Kinetic Technologies v. Skyworks Solutions, Inc.*, the Board gave the expert's testimony "no probative weight" and denied institution, in part, because the petitioner's expert declaration contained multiple paragraphs of argument that were identical to arguments set forth in the petition. IPR2014-00529, Paper 8 at 14 (PTAB Sep. 23, 2014) (holding that "merely repeating an argument from the Petition in the declaration of a proposed expert does not give that argument enhanced probative value."). Likewise, in *Facebook, Inc. v. Voxer IP LLC*, the Board denied institution upon finding that the petitioner's expert's arguments "mirror the arguments set forth in the [p]etition" and therefore petitioner had not provided support for its claim that the prior art disclosed a claimed limitation. IPR2021-00399, Paper 8 at 22 (PTAB July 21, 2021); *see also Volkswagen Group of America, Inc. v. StratosAudio, Inc.*, IPR2021-00717, Paper 12 at 36-38 (PTAB Nov. 12, 2021) (denying institution after finding expert declaration that contained identical arguments to petition provided little probative value).

Hilti's Petition and the supporting declaration of Mr. Puchovsky use the same unique verbiage, recite the same sentences without any (or at least any substantive) differences, emphasize the same points in the same way, and have the same

footnotes. Further, Mr. Puchovsky often fails to cite to any additional supporting evidence or provide any technical reasoning to support his statements.

For example, both the Petition and the supporting declaration use the unique phrase “[q]uite commonsensically” in the background section. (*See* Pet. at 5; Ex. 1003 ¶ 27.) Other examples related to the alleged motivation to combine include:

Petition	Puchovsky Declaration ¹
<u>Petition at 27-28:</u> A POSITA would have further been motivated to place the adhesive at a position between the gasket upper panels of the L-shaped gasket sections and the main track section of the ceiling track because doing so would allow for free movement of the portion of the L-shaped gasket sections that extends across the vertical portions of the ceiling track. <i>Id.</i>, ¶65. A POSITA would understand that the wall assembly including the L-shaped gasket sections and ceiling tracks will move vertically and horizontally due to normal forces exerted on a building (e.g., human movement, wind, etc.). <i>Id.</i> If a side gasket panel were affixed to the side of a standard ceiling track (such as wall component 72 in Fig. 8 of Pilz I),	<u>Puchovsky Declaration at ¶ 65:</u> A POSITA would have been further motivated to place an adhesive means on the upper gasket panel of Pilz I’s L-shaped gasket section because doing so would allow for free movement of the portion of the L-shaped gasket sections that extends across the vertical portions of the ceiling track. A POSITA would understand that the wall assembly including the L-shaped gasket sections and ceiling tracks will move vertically and horizontally due to normal forces exerted on a building (e.g., human movement, wind, etc.). If a side gasket panel were affixed to the side of a standard ceiling track (such as wall component 72 in Fig. 8 of Pilz I),

¹ The paragraphs have been combined/split to better show the mirrored nature of the arguments. In addition, Patent Owner has highlighted language that is not verbatim. However, any passage that is substantially similar has been highlighted the same color. For example, “further been” and “been further” in the first example are both highlighted yellow.

Petition	Puchovsky Declaration ¹
the building movement could place undue stress on the L-shaped gasket sections causing them to tear. <i>Id.</i> A POSITA would be motivated to avoid such damage to L-shaped gasket sections.	the building movement could place undue stress on the L-shaped gasket sections causing them to tear. A POSITA would be motivated to avoid such damage to the L-shaped gasket sections.
<u>Petition at 28:</u> As another example, Morgan discloses that “in FIG. 2, gypsum wallboards 18 are affixed on either side of the studs 14 to complete the wall assembly (PRIOR ART), and gaps 20 are typically left between the tops of the gypsum wallboard 18 and horizontal track 12 to permit movement of the wallboards 18.” Ex. 1005 at 4:42- 47; Ex. 1003, ¶66. Thus, it was known to allow for vertical movement of wallboards. Pilz II also discloses this. Ex. 1003, ¶66. If the side gasket panel were adhered to the side track section, the vertical movement of the wall boards could cause friction against the L-shaped gasket side panels and risk destroying the L-shaped gasket sections. Ex. 1003, ¶66. Adhering the upper panel to the ceiling track and leaving the side panel free to move will avoid such friction as the side panel is able to move laterally as the wallboards move vertically. <i>Id.</i>	<u>Puchovsky Declaration at ¶ 88:</u> As another example, Morgan discloses that “in FIG. 2, gypsum wallboards 18 are affixed on either side of the studs 14 to complete the wall assembly (PRIOR ART), and gaps 20 are typically left between the tops of the gypsum wallboard 18 and horizontal track 12 to permit movement of the wallboards 18.” Ex. 1005 at 4:42-47. Pilz II similarly acknowledges building and joint movement. Ex. 1006 at 1:27-23; 8:36-45. Thus, it was known to allow for vertical movement of wallboards. If the side gasket panel were adhered to the side track section, the vertical movement of the wall boards could cause friction against the L-shaped gasket side panels and risk destroying the L-shaped gasket sections. Adhering the upper panel to the ceiling track and leaving the side panel free to move will avoid such friction as the side panel is able to move laterally as the wallboards move vertically. This provides another reason a POSITA would place an adhesive means on the upper gasket panel.

Petition	Puchovsky Declaration ¹
Combining Pilz I and Morgan merely involves combining prior art elements according to known methods to yield predictable results, and use of known techniques to improve similar devices in the same way. <i>See KSR Int'l Co. v. Teleflex Inc.</i> , 550 U.S. 398, 415-421 (2007); Ex. 1003, ¶66.	Combining Pilz I and Morgan merely involves combining prior art elements according to known methods to yield predictable results, and use of known techniques to improve similar devices in the same way.
<u>Petition at 29-30:</u> A POSITA would reasonably expect to be successful in making the combination of Pilz I in view of Morgan and Pilz II. Ex. 1003, ¶69. The technology at issue is mechanical in nature and predictable. <i>Id.</i> The references disclose well-known components that are combinable with ordinary skill. <i>Id.</i> There is nothing unpredictable that would result from the combination. <i>Id.</i> Moreover, the three references all disclose insulating gaskets with which a POSITA would be well familiar and would readily recognize as combinable with—at the very least—a reasonable expectation of success. <i>Id.</i>	<u>Puchovsky Declaration at ¶ 69:</u> A POSITA would reasonably expect to be successful in making the combination of Pilz I in view of Morgan and Pilz II. The technology at issue is mechanical in nature and predictable. The references disclose well known components that are combinable with ordinary skill. There is nothing unpredictable that would result from the combination. Moreover, the three references all disclose insulating gaskets with which a POSITA would be well familiar and would readily recognize as combinable with—at the very least—a reasonable expectation of success.

The same copying of arguments can be seen throughout Ground 1A. For example, the three full paragraphs starting on page 32 of the Petition can be found as two paragraphs in the Puchovsky declaration. (*Compare* Pet. at 32-33 *with* Ex. 1003 ¶¶ 75-76.) The arguments related to Limitations 6a1 and 6b1 of Ground 1A are identical across the documents. (*Compare* Pet. at 37-38 *with* Ex. 1003 ¶ 81.);

compare also Pet. at 38-39 (argument for how Pilz I purportedly discloses Limitations 6a2 and 6b2 of Ground 1A) *with* Ex. 1003 ¶¶ 82-83 (same argument).)

Unsurprisingly, Ground 1B suffers from the same deficiency. For example, except for the first sentence in this section of the Petition and part of paragraph 104 in the declaration, the Petition's arguments for combining the prior art in Ground 1B can be found nearly verbatim in the Puchovsky declaration. (*Compare* Pet. at 48-52 *with* Ex. 1003 ¶¶ 100-106.) The same is true for the limitation-by-limitation analysis. (*See* Pet. at 59-66 (arguments for how the prior art purportedly disclose Limitations 6a1, 6b1, 6a2, 6b2, 6c, 6d, and 6e of Ground 1B) *with* Ex. 1003 ¶¶ 118-127 (nigh verbatim the same argument).)

Because the Petition only cites to conclusory statements in the declaration of Mr. Puchovsky, which add nothing, the declaration should not be afforded weight. *See Xerox*, IPR2022-00624, Paper 9 at 15 (holding that because the "cited declaration is conclusory and unsupported [and] adds little to the conclusory assertion[s] for which it is offered to support... [it should be afforded] little weight") (citing 37 C.F.R. § 42.65(a); other citations omitted). Moreover, the Petition itself is nothing more than conclusory attorney arguments. Under these facts, and for the additional reasons articulated *infra* Section II(B), institution should be denied.

B. The Petition Fails to Show All Limitations Are Found In the Prior Art.

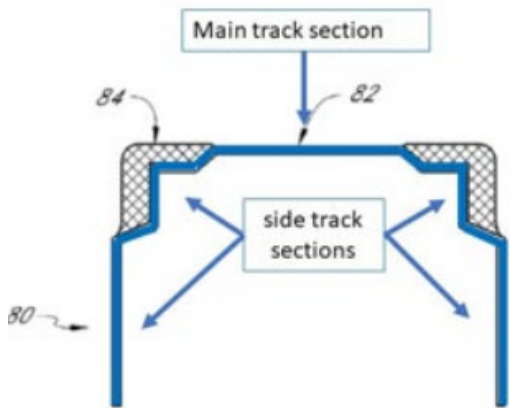
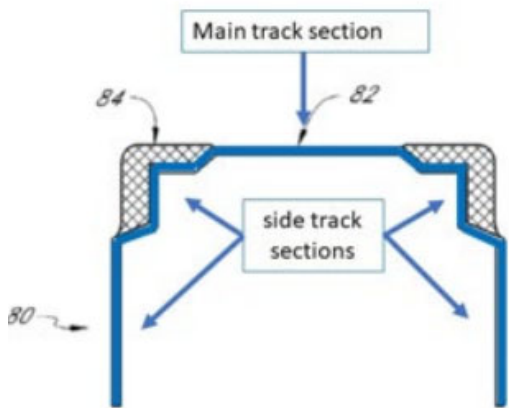
Petitioner must demonstrate that the combined cited prior art references teach all of the limitations of the challenged claims of the '232 Patent. *See, e.g., Securus Techs., Inc. v. Glob. Tel*Link Corp.*, 701 F. App'x 971, 976 (Fed. Cir. 2017). Because the Petition is based entirely on a declaration that copies the arguments found in the Petition, Petitioner cannot meet this burden. Verbatim recitations are “particularly problematic in cases where, like here, expert testimony is offered not simply to provide a motivation to combine prior-art teachings, but rather to supply a limitation missing from the prior art.” *Xerox*, IPR2022-00624, Paper 9 at 16 (citing *KSR Intern. Co. v. Teleflex Inc.*, 550 U.S. 398, 421 (2007) (stating that a “factfinder . . . must be cautious of arguments reliant upon ex post reasoning”).

Here, Hilti relies on nothing more than conclusory assertions by its expert—which should be afforded little to no weight—for multiple claim limitations.

i. Limitation 6pre – “... a first track side section defining a first lowermost edge thereof and a second side track section defining a second lowermost edge thereof...”

Petitioner provides only conclusory assertions that the prior art purportedly discloses a first and second “lowermost edge” for the first and second side track sections, as claimed in claim 6. (*See* Pet. at 33-34.) The Petition argues that the preamble should be limiting. (*See* Pet. at p. vi (listing claim limitations in preamble),

p. 30, n. 7 (stating that “Petitioner assumes the preamble is limiting for purposes of this IPR”). But, and as shown below in reproductions of the Petition and supporting declaration, the analysis simply quotes the claim language to say Pilz I discloses these limitations.

Petition	Puchovsky Declaration
<u>Petition at pp. 33-34:</u> The wall configuration of Pilz I includes “a ceiling track having a main track section which extends generally horizontally and a first track side section extending downwardly therefrom and a second side track section extend downwardly therefrom at a position spatially disposed from the first track section wherein the main track section includes a first track side section defining a first lowermost edge thereof and a second side track section defining a second lowermost edge thereof,” as recited in claim 6 and shown in the annotated figure below. Ex. 1003, ¶77.	<u>Puchovsky Declaration at ¶ 77:</u> Pilz I discloses a wall configuration as recited in the preamble, which includes “a ceiling track having a main track section which extends generally horizontally and a first track side section extending downwardly therefrom and a second side track section extend downwardly therefrom at a position spatially disposed from the first track section wherein the main track section includes a first track side section defining a first lowermost edge thereof and a second side track section defining a second lowermost edge thereof,” as shown in the annotated figure below.
 FIG. 9	 FIG. 9

Neither the Petitioner nor Mr. Puchovsky explain how the annotated figure discloses “*a first lower most edge*” or “*a second lower most edge*.” Nor do either cite to any disclosure in Pilz I or any other reference to show such a limitation was known in the art. This is inconsistent with Hilti’s own arguments and hence insufficient. Mr. Puchovsky’s declaration should be afforded no weight.

Because the Petition provides only conclusory and unsupported assertions that the prior art teaches each claim limitation, the Petition has failed to establish the claims are obvious and has failed to show a reasonable likelihood of success. For example, in *Western Digital Technologies, Inc. v. Longitude Licensing Ltd.*, the Board recently confronted a Petition that provided only conclusory assertions that the prior art taught a claim limitation. IPR2023-01123, Paper 7 at 28-36 (PTAB Jan. 8, 2024). Specifically, the Board found the only real support for the proposition that a claim limitation was met was the testimony of Petitioner’s expert who “largely repeats the arguments in the Petition, without adding to them materially.” *Id.* at 32-34. Accordingly, the Board found that Petitioner’s evidence did not demonstrate a reasonable likelihood of success and denied institution. *Id.* at 36; *see also Netflix Inc. v. Lauri ValJukka*, IPR 2023-00423, Paper 9 at 23 (PTAB Aug. 7, 2023) (denying institution where the Petitioner relied on a “conclusory assertion—repeated verbatim in [its expert’s] declaration—that” the prior art disclosed a particular claim

limitation). Similarly, here, the Petition's inconsistent and conclusory assertions regarding Limitation 6pre's first and second "lower most edge" fail to establish obviousness or show a reasonable likelihood of success.

ii. Limitation 6e – “at least one connecting strap... attached to said first L-shaped gasket section and to said second L-shaped gasket section to limit spatial separation therebetween.”

The Petition fails to demonstrate that prior art discloses a “connecting strap” attached to both gasket sections and that can limit spatial separation therebetween. The Petition relies on two different embodiments of Pilz I to purportedly disclose limitation 6e, but in both instances the Petition fails to show how the art discloses this limitation and provides only conclusory testimony as evidence in support thereof.

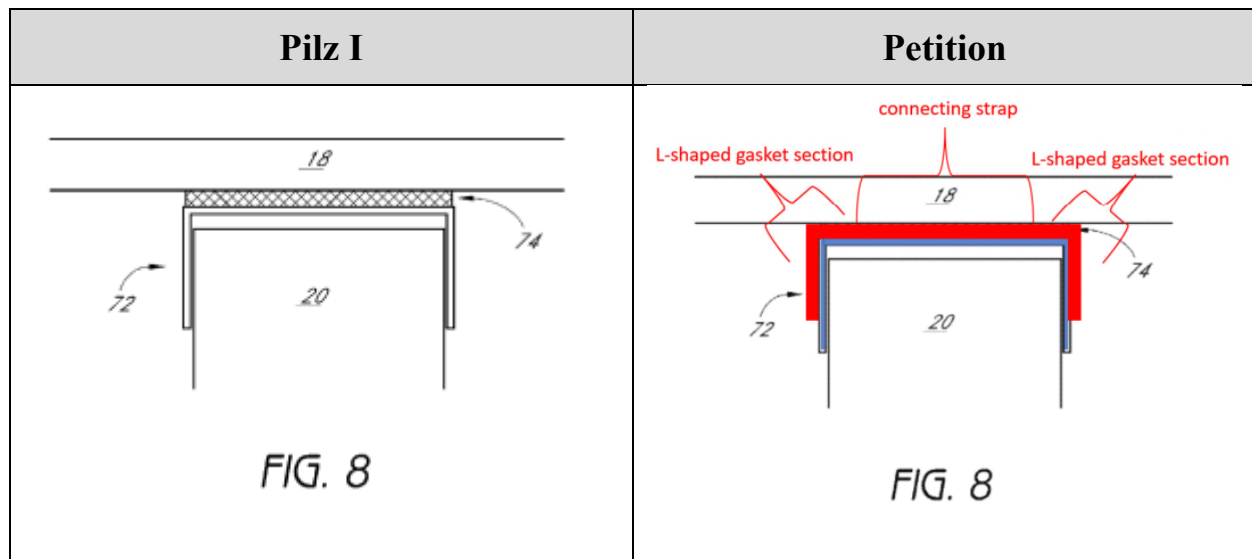
First, and with reference to Ground 1A, the Petition, and verbatim supporting declaration, state that Pilz I discloses that the “L-shaped gasket sections 120 can be adhered to ceiling track 114” and the “ceiling track 114 [can be] attached to, pressed, and/or placed against the fire strap 116” or the “fire strap 116 can be attached directly to the ceiling track.” (Pet. at 42-43 (citing Ex. 1004 ¶¶ 57-59); *see also* Ex. 1003 ¶ 87 (verbatim recitation of same paragraph).) That is, the Petition and Mr. Puchovsky admit that Pilz I only discloses (1) that the gaskets can be adhered to the ceiling track

114, and (2) that the connecting strap can be attached to the ceiling track 114. Neither cite to any disclosure that the connecting strap can attach to one or both gaskets.

Instead, the Petition makes the conclusory leap that because both the gaskets and the strap are connected to the ceiling track (1) the strap is attached to the gaskets and (2) because the strap connects the gaskets it limits spatial separation between the gaskets. To make this assertion, the Petition relies on and quotes the same conclusory assertions of Mr. Puchovsky (differences highlighted):

Petition	Puchovsky Declaration
<u>Petition at 42-43:</u> As such, the fire strap (also referred to as a flat strap) is attached to the two L-shaped gaskets 120, which are adhered to the ceiling track. Ex. 1003, ¶87. The result is a gasket comprising L-shaped gasket sections connected by a connecting strap that is positioned above the ceiling track. <i>Id.</i>	<u>Puchovsky Declaration at ¶ 87:</u> As such, the fire strap (also referred to as a flat strap) is attached to the two L-shaped gaskets 120, which are adhered to the ceiling track. The result is a gasket comprising L-shaped gasket sections connected by a connecting strap that is positioned above the ceiling track.
<u>Petition at 43-44:</u> When fire strap 116 is attached to the two L-shaped gasket sections, it will limit the spatial separation between the L-shaped gasket sections. Ex. 1003, ¶88. Indeed , any strap that connects two objects will limit spatial separation between those two objects (i.e., the space between the two objects is limited by the strap connecting those two objects). <i>Id.</i>	<u>Puchovsky Declaration at ¶ 88:</u> When fire strap 116 is attached to the two L-shaped gasket sections as shown in the figure above, it will limit the spatial separation between the L-shaped gasket sections. In fact, most any strap that connects two objects will limit spatial separation between those two objects (i.e., the space between the two objects is limited by the strap connecting those two objects).

Second, and with reference to Ground 1B, the Petition and verbatim supporting declaration, state that Pilz I discloses a connecting strap attached to two L-shaped gaskets with reference to FIG. 8 of Pilz I, reproduced below with the original on the left and Petitioner's annotated version on the right:



Pilz I states that “FIG. 8 illustrates another embodiment of a fire-rated wall component 72” where “the intumescent material 74 is attached to the top surface of the wall component 72.” (Ex. 1004 ¶54.) Despite Pilz I disclosing both “gaskets” and “straps” in other embodiments and making no such reference to “gaskets” or “straps” with the embodiment depicted in Fig. 8, Petitioner contends the disclosure of intumescent material 74 in Fig. 8 necessarily discloses a connecting strap and two L-shaped gaskets, which are thereby connected by the connecting strap. (Pet. at 62-64.) Relying on the same conclusory assertions of Mr. Puchovsky, the Petition states:

Petition	Puchovsky Declaration
<u>Petition at 63-64:</u> As shown in the figure, the portion of Pilz I’s insulating gasket between the L-shaped gasket sections is a connecting strap as claimed in claim 6. Ex. 1003, ¶124. Because the connecting strap is part of the same integrated piece of intumescent material as the L-shaped gasket sections, the connecting strap is attached to the L-shaped gasket sections. <i>Id.</i> The strap will limit spatial separation between the L-shaped gasket sections. <i>Id.</i> In fact, most any strap that connects two objects will limit spatial separation between those two objects (i.e., the space between the two objects is limited by the strap connecting those two objects). <i>Id.</i>	<u>Puchovsky Declaration at ¶ 124:</u> As shown in the figure, the portion of Pilz I’s insulating gasket between the L-shaped gasket sections is a connecting strap as claimed in claim 6. Because the connecting strap is part of the same integrated piece of intumescent material as the L-shaped gasket sections, the connecting strap is attached to the L-shaped gasket sections. The strap will limit spatial separation between the L-shaped gasket sections. In fact, most any strap that connects two objects will limit spatial separation between those two objects (i.e., the space between the two objects is limited by the strap connecting those two objects).

For both Grounds 1A and 1B, the Petition conclusorily states next that Morgan and Pilz II also disclose that it was known to use a connecting strap to connect two L-shaped gaskets. (Pet. at 44-45, 64-66.) However, the Petition’s only support for this comes from Mr. Puchovsky’s conclusory opinions about what he believes a figure in each reference purportedly discloses, and without any reference to the specification’s descriptions thereof. (*See id.* (citing Ex. 1003 ¶¶ 89-90, 126-127).) Neither Morgan nor Pilz II discloses or references a “strap.” (*See generally* Exs. 1005-1006.) For Morgan’s purported disclosure, the Petition/Mr. Puchovsky point

to a flattened piece of “molding bag 30,” which is designed to receive a flowable firestop material that hardens inside the bag. (*Compare* Pet. at 44-45, 64-65 and Ex. 1003 at ¶¶ 89, 126 *with* Ex. 1005 at 4:47-5:34.) For Pilz II’s purported disclosure, the Petition/Mr. Puchovsky point to a mineral wool 110 that has been sprayed with a fire spray material 112, which “has elastomeric qualities to it for flexibility.” (*Compare* Pet. at 45-46, 65-66 and Ex. 1003 ¶¶ 90, 127 *with* Ex. 1006 at 12:30-55 and FIG. 12.) There is also no assertion that either of these alleged “straps” limits the spatial separation of two gaskets, or how it could do so given its elastomeric qualities. Regardless, neither the Petition nor Mr. Puchovsky contend that a POSITA would be motivated to modify Pilz I based on these disclosures. (*See* Pet. at 46, 66 (arguing only that these disclosures confirm a POSITA’s understanding of Pilz I’s disclosures and not that a POSITA would modify Pilz I based on this understanding).)

These verbatim recitations of the claim limitations by Petitioner’s expert and subsequent verbatim reliance on Petitioner to show these limitations—including at least the “lower most edge” and “connecting strap... attached to said first L-shaped gasket section and to said second L-shaped gasket section to limit spatial separation therebetween” limitations—is exactly what the holding in *Xerox* is meant to prevent.

In addition, these conclusory and unsupported assertions fail to establish the claims are obvious and therefore Petitioner has failed to show a reasonable likelihood of success. *See Western Digital Technologies, Inc.*, IPR2023-01123, Paper 7 at 28-36 (denying institution based on conclusory arguments repeated by expert); *Netflix Inc.*, IPR 2023-00423, Paper 9 at 23 (denying institution based on conclusory assertions “repeated verbatim” by expert). Similarly here, the Petition’s conclusory assertions—regarding Limitation 6e’s connecting strap (1) attached to the L-shaped gaskets and (2) limiting spatial separation between the L-shaped gaskets—and verbatim recitation of same by Petitioner’s expert fail to present a reasonable likelihood of success.

Accordingly, institution should be denied.

III. THE BOARD SHOULD EXERCISE ITS DISCRETION TO DENY INSTITUTION.

The Board should exercise discretion to deny institution because the District Court is better suited to more fairly determine the validity of the ‘232 Patent on an accurate and complete record, where the Parties have already spent significant time and resources, where Petitioner is more forthcoming, and where Petitioner will present actual evidence (as opposed to the conclusory and weightless expert recitations described above) if it so chooses. The Board has complete discretion to deny a petition for reasons that relate to fundamental issues of fairness and abuse of

process. 35 U.S.C. § 314(a). The Board considers six factors that it should weigh to determine whether efficiency, fairness, and the merits support denial based on a parallel proceeding:

- 1) Whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
- 2) Proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
- 3) Investment in the parallel proceeding by the court and the parties;
- 4) Overlap between issues raised in the petition and the parallel proceeding;
- 5) Whether the petitioner and the defendant in the parallel proceeding are the same parties; and
- 6) Other circumstances that impact the Board's exercise of discretion, including the merits.

Apple, Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 6 (PTAB Mar. 20, 2020) (precedential).

As demonstrated herein, the majority of the factors counsel against institution.

A. Factor 1 Supports Denial or Is Neutral.

The District Court has already denied Hilti’s motions to stay and/or sever the ‘232 Patent case in the District Court litigation. (Ex. 2003; Ex. 2004.) Therefore, the Delaware case is likely to progress until at least the end of May or early June, after the claim construction hearing and through the conclusion of document production. (*See* Ex. 2005 (document production concludes on May 3, 2024).)

In addition, even assuming the Delaware court reconsiders a stay request post-institution, it is unlikely to grant such a request. In denying Hilti’s motion to stay, the District Court noted the litigation was “not exactly in its infancy” and highlighted that the case has been pending for nearly a year and half and all involved—the Court and the Parties—have been expending resources during that time. (*See* Ex. 2003.) Further, in denying Hilti’s motion to sever, the District Court found there are “common issues of fact or overlapping evidence regarding the claims as to the [‘232 Patent] on the one hand, and the rest of the patents in the instant case on the other hand. (Ex. 2004 (finding that each party has products that purportedly read on the ‘232 Patent and on other patents at issue).) Further, based at least in part on the fact the parties are already going to address—with respect to other patent claims that will move forward in the case—similar evidence and arguments the parties would address with respect to the ‘232 Patent claims, the court found that addressing the

‘232 Patent claims separately from the rest of the other patents would likely mean “the expenditure of additional court and party resources.” (*Id.*)

Moreover, as further described with respect to factors 3-4, the Parties have expended—and will continue to expend—significant resources on discovery, claim construction, etc. and but for a finding that every claim is invalid, the Board will not resolve issues that will simplify the District Court case. For example, Petitioner has not raised the same claim construction issues here that it insists are necessary to resolve in the District Court case. (*See supra* Section I.)

That is, there is no evidence the District Court case will be stayed in the event of institution. Regardless, the Board has reiterated that it does not attempt to predict how a District Court will rule on a stay request. *See, e.g., EClinicalWorks, LLC v. Decapolis LLC*, Case IPR2022-00229, Paper 10 at 8 (PTAB Apr. 13, 2022).

Therefore, this factor likely weighs against institution or is, at best for Petitioner, neutral.

B. Factor 2 Is Neutral.

The statutory deadline for a final written decision in this proceeding will be approximately May 17, 2025, i.e., three months and one year after the filing of this response. *See* 35 U.S.C. §§ 314(b)(1), 316(a)(11). This could be extended to

November 17, 2025, for good cause. *See* 37 C.F.R. § 42.100(c) (allowing a 6-month extension for good cause).

Trial in the Delaware court is scheduled for October 2025. That is, trial is scheduled for only a few months after the Final Written Decision—or before the Final Written Decision is due if a good cause extension is taken. Notably, however, it was Petitioner who delayed this proceeding. Petitioner has one year from the service of a complaint for infringement to file an IPR. 35 U.S.C. § 315(b). Petitioner waited until the very end of this twelve-month period to file the Petition. Petitioner should not be allowed to now argue that it needs a speedy resolution of this issue. That is, while this actor may favor institution, it is only one factor and should be countered by Petitioner’s own delay in filing its Petition. *See, e.g., 3Shape Trios A/S v. Densys Ltd.*, IPR2021-00236, Paper 12 at 9-10 (PTAB May 20, 2021) (denying institution due to Petition’s failure to provide evidence of diligence in filing the Petition).

Therefore, this factor is neutral.

C. Factor 3 Supports Denial.

By the time an institution decision is reached, the Delaware case will be at an advanced stage. “[I]f, at the time of the institution decision, the district court has issued substantive orders related to the patent at issue in the petition,” this factor

favours denial. *See Fintiv*, IPR2020-00019, Paper 11 at 9-10 (further stating “district court claim construction orders may indicate that the court and parties have invested sufficient time in the parallel proceeding to favor denial”).

The parties have been vigorously litigating these issues since September 2022. In this approximate year and a half, the Parties have exchanged multiple infringement and invalidity positions, exchanged over 38,000 documents, taken five depositions and noticed at least one other deposition, filed numerous motions, engaged experts, exchanged multiple rounds of claim construction briefing and will complete claim construction briefing on March 4, 2024, and are currently preparing for a claim construction hearing. (*See Ex. 2006*, ¶¶ 2-5.) Indeed, the Delaware court has issued at least four substantive orders related to the ‘232 Patent and will likely issue its Markman decision in short order. (*Id.*)

Again, the reason that the Delaware case will be so far along at the time an institution decision is made is because Petitioner unduly delayed in filing its Petition, waiting nearly the whole year after service of the infringement complaint. (*See Ex. 2007.*) Petitioner offers no explanation for this delay, which warrants denial. (*See Pet. at 77-79.*) *See also 3Shape Trios*, IPR2021-00236, Paper 12 at 9-10 (denying institution “in light of the advanced stage of the district court proceeding, and the

investment by the court and parties, and the Petition’s failure to provide evidence of diligence in filing the Petition”).

Because there has been substantial investment in the parallel proceedings by both the parties and the court, and Petitioner has offered up no explanation for its delay in filing the Petition, this factor weighs against institution.

D. Factor 4 Indisputably Supports Denial.

It is undisputed that “Factor 4 [overlap with the issues in the district court case] weighs in favor of discretionary denial.” (Pet. at 79.) Therefore, this factor weighs against institution.

E. Factor 5 Supports Denial.

There is no dispute that Petitioner is a counterclaim defendant in the Delaware case. This weighs in favor of denial. *See Apple, Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 15 (PTAB May 13, 2020) (“Because the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.”).

F. Factor 6 Supports Denial.

As explained *supra*, each of Petitioner’s grounds is weak and relies on conclusory and unsupported statements. (*See supra* §§ I, II.) Further, Petitioner has elected to be less than forthcoming with the Board, including by failing to present claim construction positions it believes to be necessary and correct and therefore

must necessarily be assessed and applied for any finding of invalidity. (*See supra* § I.) That is, not only does the Petition fail to present a compelling unpatentability challenge, the Petitioner should not be rewarded for its deception.

This factor weighs heavily against institution.

CONCLUSION

For the reasons stated herein, the Board should not institute *inter partes* review of the '232 Patent.

Dated: February 26, 2024

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CERTIFICATE OF WORD COUNT

Pursuant to 37 CFR § 42.24(d), the undersigned hereby certifies that the foregoing Patent Owner's Preliminary Response contains 7,056 words using the word count feature of Microsoft Word.

Dated: February 26, 2024

/s/ Lukas Toft

Lukas Toft

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Specified Technologies Inc.

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §42.6(e), I certify that on this 26th day of February, 2024, a copy of PATENT OWNER’S PRELIMINARY RESPONSE was served by electronic mail on Petitioner’s counsel, lead and back-up, as follows:

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Counsel for Petitioner has consented to service of all documents via electronic email. *See* Petition, Paper 1 at 81.

Dated: February 26, 2024

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