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Paper No. 28

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NESPRESSO USA, INC.,
Petitioner,

v.

K-FEE SYSTEM GMBH,
Patent Owner.

IPR2022-01574
Patent 11,254,491 B2

Record of Oral Hearing
Held: January 12, 2024

Before GRACE KARAFFA OBERMAN, JAMES J. AYBERRY, and ERIC C. JESCHKE, *Administrative Patent Judges*.

APPEARANCES:

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The above-entitled matter came on for hearing on January 12, 2024, commencing at 9:00 a.m. at the U.S. Patent and Trademark Office, 600 Dulany Street, Alexandria, Virginia.

1 P R O C E E D I N G S
2 - - - - -
3 JUDGE MAYBERRY: All right. Good morning, and welcome to
4 the Patent Trial and Appeal Board. I am Judge Mayberry, and with me are
5 Judges Obermann and Jeschke. We are here for an oral argument in
6 IPR2022-01574, which concerns U.S. Patent Number 11,254,491, which we
7 will refer to as the '491 patent, in the proceedings styled *Nespresso USA,*
8 *Inc., v. K-fee System GmbH*.
9 And we'd like to start with appearances by the parties. Who is
10 here representing the Petitioner?
11 MR. MCCRAW: Good morning, Your Honors. Clayton
12 McCraw with Mayer Brown on behalf of the Petitioner, Nespresso USA.
13 And with me today is my colleague, Amanda Bonner and Shantelle
14 LaFayette.
15 JUDGE MAYBERRY: All right. Thank you. And
16 representing the Patent Owner?
17 MR. CARSTEN: Good morning, Your Honors. Doug Carsten
18 of McDermott Will & Emery on behalf of K-fee System GmbH, and along
19 with me Kavya Rallabhandi. Michael Chu is our lead counsel, but I'll be the
20 head of conducting the argument this morning.
21 JUDGE MAYBERRY: All right. Thank you. As specified in
22 our hearing order, each party will have 60 minutes of total time to present
23 arguments. Petitioner bears the burden of proving unpatentability and will
24 go first. Petitioner may reserve rebuttal time. Then the Patent Owner will

1 respond to Petitioner's case. Patent Owner may reserve surrebuttal time.
2 Petitioner may use its rebuttal time to reply to the Patent Owner's responsive
3 arguments. The Patent Owner may use its surrebuttal time to reply to the
4 Petitioner's responsive arguments. The judges have a complete trial record
5 in front of us, and all three of the judges are here in the hearing room, which
6 means we will be able to see your demonstratives on the screen. Still, when
7 you refer to a slide, please refer to the slide number, because that way the
8 transcript will be able to follow along. And also, if you refer to an exhibit or
9 a paper, please refer to it by number and page.
10 We do have one issue to address before we start subsequent
11 arguments. The Petitioner filed objections to Patent Owner Slides 155 to
12 159. Now, first, I'm going to ask Petitioner to confirm if the parties did meet
13 and confer on this issue?
14 MR. MCCRAW: Yes, Honor. The parties met and conferred,
15 and my colleague, Amanda Bonner, met and conferred, I believe, with Ian
16 Brooks, and she's here, and had actually met with her two times, actually.
17 And to the extent you all would like to hear anything on those, Ms. Bonner
18 is prepared to address that.
19 JUDGE MAYBERRY: Only that, assuming that no resolution
20 of the meeting in conferring took place?
21 MS. BONNER: That's correct, Your Honor.
22 JUDGE MAYBERRY: All right. Thank you. So and I'm
23 going to try to summarize, but you can let me know if I get it wrong, that
24 Slides 155 through 159 refer to exhibits that are cited by exhibit number in
25 the Patent Owner response and the expert declaration, but only just a citation

1 to the exhibit. While the slides include information from specific paragraphs
2 or figures, those specific paragraphs and figures were not referred to in the
3 papers. Was that adequately summarized?
4 MS. BONNER: That's correct, Your Honor.
5 JUDGE MAYBERRY: All right. Thank you. So Patent
6 Owner's counsel, I do want to ask a few questions. For Exhibit 2022, does --
7 anywhere in the paper, do you cite the abstract, page 9 or Figure 10?
8 MR. CARSTEN: You Honor, my colleague, Ian Brooks, who
9 handled the meeting and conferred, is going to be handling this argument.
10 JUDGE MAYBERRY: Perfect.
11 MR. BROOKS: Good morning, Your Honors.
12 JUDGE MAYBERRY: Good morning.
13 MR. BROOKS: The answer to Your Honor's question is no.
14 JUDGE MAYBERRY: And how about paragraphs 9, 10, 33,
15 or 67 of Exhibit 2023?
16 MR. BROOKS: No.
17 JUDGE MAYBERRY: And the abstract in Figure 2 of Exhibit
18 2024?
19 MR. BROOKS: No.
20 JUDGE MAYBERRY: All right. Well, thank you. We are
21 going to sustain the objection. And if the Patent Owner, at their convenience
22 when they get back to the office, will go ahead and resubmit a set of your
23 slides without Slides 155 and 157.
24 MR. CARSTEN: We will do so, Your Honor.
25 JUDGE MAYBERRY: All right. Thank you. And so with

1 that, I'll ask Patent Owner's counsel if they have any questions.
2 MR. CARSTEN: Oh, I'm sorry. No, Your Honor.
3 JUDGE MAYBERRY: Great. And any questions from
4 Petitioner's counsel before we start?
5 MR. MCCRAW: Just, Your Honors, we have copies of the
6 demonstratives if you'd like physical copies before we start.
7 JUDGE MAYBERRY: We're fine. We have them up on our
8 screen. I don't know if the court reporter would like one, otherwise, yeah, I
9 think we're set.
10 MR. MCCRAW: Okay.
11 JUDGE MAYBERRY: And so Petitioner's Counsel, you can
12 start when you're ready. And do you know how much, if any, rebuttal time
13 you'd like to reserve?
14 MR. MCCRAW: Your Honor, I'd like to reserve 20 minutes of
15 rebuttal time.
16 JUDGE MAYBERRY: Okay. Well, that's perfect then. So
17 this is going to count down the 40 -- the other 40 minutes. And then with a
18 couple of minutes left, my understanding is your light is going to go on.
19 MR. MCCRAW: Okay.
20 JUDGE MAYBERRY: All righty.
21 MR. MCCRAW: All right. Thank you, Your Honor. May it
22 please the Court, I'm Clayton McCraw on behalf of Nespresso, USA for
23 Petitioner. We're here today because K-fee System has a prosecution
24 strategy of filing continuations again and again, and years, years after the
25 original filing, in an attempt to cover Nespresso's products today. And in

1 fact, since 2019, K-fee has filed 15 continuations in this patent family. As a
2 result, the '491 patent claims are untethered from the original written
3 description to which they claim priority. And in fact, the '491 patent claims
4 were filed in 2021, and claim a very specific coffee system configuration not
5 disclosed in K-fee's 2010 documents.
6 These patents -- or the '951 patent, rather, is invalid over
7 Nespresso's own prior art, including the Yoakim and Jarisch '929 references.
8 K-fee claims to have invented a system that's safer by preventing a coffee
9 machine from functioning if an identifier is not detected or if a capsule is not
10 suitable for the machine, but that's exactly what the Rossi reference teaches
11 and disclosed, and K-fee's patents are invalid over the prior art.
12 So at this point, there's only three issues in dispute, Your Honor.
13 The lack of priority to the September 2010 application, and that application
14 only. There's two other applications that K-fee claims priority to but has
15 provided no evidence or argument about how there can be priority. K-fee
16 only disputes the re-limitations in the prior art. The rest of them remain
17 undisputed, and the motivations to combine the references.
18 And Your Honor, I will take those issues in that order, first,
19 walking you through why there's no priority. So here are the undisputed
20 issues on priority, Your Honor. First of all, the February 2011 and July
21 2010 applications do not provide written descriptions to support the claims
22 of '491 patent. There's no evidence in the record at all from K-fee that
23 there's any support by those priority documents.
24 As for the September 2010 application, the petition identified, on
25 pages 41 and 42, a series of limitations that were never linked to any of the

1 embodiments, and that includes these limitations you see on this -- on Slide
2 8, which would be no disclosure of a sidewall that includes a plurality of
3 indentations around the central longitudinal axis, and no disclosure of an
4 identifier or a repeat pattern that's located both on the bottom of the flange
5 and on the capsule by the side wall. We put that in our petition, and it was
6 never addressed at any point by K-fee in this proceeding. And so at this
7 point, Claims 4 through 6 and 8 through 13 are unrebutted in terms of
8 priority and in terms of evidence.
9 For disputed issues, Your Honor, I think what the parties will be
10 arguing most about today, is whether the September 2010 application
11 teaches an identifier, which includes a repeat pattern provided on the bottom
12 side of the flange, whether there's discloser of a bowed cover. And then,
13 regardless, Your Honor, and whether those even are in the document and
14 whether the disclosure in the September 2010 application teaches the '491
15 patent claimed invention as a whole. Additionally, they submitted a
16 declaration from Mark Krüger himself that we believe should be given very,
17 very little weight. It's highly interested in bias, and it's also uncorroborated.
18 So those are the primary issues in dispute for priority, Your Honor.
19 JUDGE MAYBERRY: Excuse me, Counsel. A question about
20 the Krüger declaration: Was Mr. Krüger ever deposed in this matter?
21 MR. MCCRAW: No, Your Honor.
22 So moving on to Slide 10. First, I'd like to explain why there is
23 no repeat pattern on the bottom of the flange. The September 2010
24 application only makes a single passing reference to a repeat pattern, and
25 that's in the phrase you see on the screen, which is from the September 2010

1 application, at page 33, lines 1 through 7. And it says the identifier is
2 preferably a machine-readable print, that print is preferably a barcode, a
3 logo, or a repeat pattern. But there's no disclosure anywhere of a repeat
4 pattern on the bottom of the flange, no embodiments use a repeat pattern,
5 and no claims recite a repeat pattern.
6 Now, K-fee has alleged, on Slide 12, that the toothed-ring
7 embodiment, in Figures 16 through 18, constitutes an identifier, which
8 includes a repeat pattern on the bottom of the flange. Now, as an initial
9 matter, it's not on the bottom of the flange, but it's also not a repeat pattern.
10 The toothed ring 2.4.2 is a form-fitting means, friction-fitting means, or
11 detection means. It's not a printed identifier. And when we asked K-fee's
12 expert, and this is on Slide 13, about what a repeat pattern would be, his
13 declaration says, the identifier is repeated. But that simply leaves the word
14 pattern out of the claim or replaces pattern with identifier. And Slide 14 --
15 JUDGE MAYBERRY: Excuse me. Excuse me, Counsel.
16 MR. MCCRAW: Yes, sir.
17 JUDGE MAYBERRY: On Slide 12, the structure toothed-ring
18 2.4.2, and you have the long names there on the slide, form-fitting means,
19 friction-fitting means, and/or detection means. Would you agree that a
20 detection means is an identifier?
21 MR. MCCRAW: No, Your Honor. I don't think detection
22 means, broadly, is a form of identifier. I think the element, 2.4.2, is
23 specifically a form-fitting means, a friction-fitting means, and/or a detection
24 means. And when they're talking about a detection means, in this context of
25 2.4.2, they're talking about using that toothed-ring gear wheel, either when

1 it's form-fitting or friction-fitting, to turn a gear. And then they also talk
2 about it in the September 2010 document. If a sensor detects that gear
3 wheel, for example, via a camera seeing how the gear lines up with a pinion,
4 but it's not generically a detection means. And that's also corroborated by
5 the fact that the phrase detection means is found otherwhere and other places
6 in the document with a different number. The detector that would detect a
7 barcode is number 13. So, no, by no means is a detection means just a
8 generic identifier.
9 JUDGE MAYBERRY: And Mr. Jobin? Mr. Jobin's
10 deposition, when he was talking about the toothed ring, I thought he
11 described a situation where the machine would actually determine whether
12 the toothed-ring is present. And if it isn't, it would then drop away and not
13 be able to be used to make a beverage. And he says, in that way, it identifies
14 whether the capsule is appropriate for that machine. So isn't something that
15 identifies an identifier?
16 MR. MCCRAW: Your Honor, I agree with you that the
17 toothed-ring 2.4.2 is used as one of the many ways in the document to
18 identify a capsule. I just want to make clear that the detection means is not a
19 generic identifier, which is what I thought I understood your question to be.
20 JUDGE MAYBERRY: And looking at the toothed-ring, and
21 you talked -- putting aside the on the bottom part and just the repeat pattern,
22 isn't the toothed-ring -- there's material there, there's not material there,
23 there's material there, there's not material there all the way around so that it's
24 a pattern, material and no material, and it repeats, material, no material,
25 material, and no material, all the way around the circle?

1 MR. MCCRAW: Well, Your Honor, I think that comes down
2 to what a pattern is, and I don't think a pattern is a physical structure. When
3 you look at the September 2010 document in the sections that K-fee has
4 pointed to relating to the toothed-ring, all of them talk about a physical gear
5 wheel, and they talk about physical teeth in particular shapes. It's not a
6 repeat pattern. A pattern is only described in this document as an imprinted
7 machine-readable print that's distinct from a barcode or a logo.
8 And so I think, you know, we're not in the broadest and reasonable
9 interpretation territory. We are looking at the plain and ordinary meaning in
10 light of the document itself. And the only guidance a person of a skill in the
11 art receives on a repeat pattern is that it is a machine-readable print that's
12 distinct from a barcode or a logo. So I don't think a person of skill in the art
13 reading this document would find a toothed ring to be a repeat pattern, Your
14 Honor.
15 JUDGE MAYBERRY: Thank you. And if you'd bear with me,
16 I would like to kind of walk through then what this document, it's Exhibit
17 1047, and I think you referred to it as the September 2010 application in
18 your slides. I think it's also been referred to as the second German
19 application from time to time. So, but we're talking about Exhibit 1047.
20 And would you agree that the structure of the Exhibit -- and I'm focusing,
21 sorry, on page 30, on the English version of it -- that we have kind of a
22 summary of the invention, and then we have a listing of kind of a short
23 description of each of the figures, and then we have a more detailed
24 description of the individual figures?
25 MR. MCCRAW: I think what we have here is we do have an

1 introduction, Your Honor. And then kind of at a high-level conceptual
2 point, they lay out a smattering of different identifiers, some of which are
3 tethered to embodiments, and some of which aren't. It's kind of all over the
4 place. And then they do go into specific embodiments that are in the figures.
5 And, in particular, on page 37, for example, they go into detail about how
6 the identifier would function with the machine in terms of determining
7 whether the capsule is suitable for use, and what it would do based on that.
8 And then it says what we just told you about that identifier and how it's
9 going to operate, that applies to all of the -- all of the embodiments after this,
10 which makes sense since none of those other embodiments go on to discuss
11 the machine operation.
12 JUDGE MAYBERRY: Right now, you're more interested in
13 kind of this high-level description of identifiers. Well, first of all, it tells us
14 that the -- kind of that portion capsules are known. And it seems like they're
15 saying, well, our invention is taking this known portion capsule and putting
16 on an identifier on it. And then it gives us these broad types of identifiers.
17 And we know that there's a -- it can be a fluorescent material. It can be
18 metallic. It could be ferrometallic. It could be strips of this type of material.
19 It can be concave. It can be convex. It could be printed, and examples of
20 printed would be a barcode or a logo or a repeat pattern. So my takeaway
21 from reading this high-level introduction is while the invention is an
22 identifier plus some known capsule structure, and so my long-winded
23 question is why wouldn't we understand then that any one of those
24 identifiers could be attached to a known capsule, and we get a -- where the
25 inventor was in possession of a capsule that has any one of those types of --

1 MR. MCCRAW: Right. So I think what I understand, Your
2 Honor, that your question is why wouldn't we be combining these different
3 embodiments together with one another, effectively? And so --
4 JUDGE MAYBERRY: Or to say it a different way, why
5 doesn't the upper-level introduction kind of lead us to doing that?
6 MR. MCCRAW: Well, I think the upper-level introduction
7 happens to describe certain identifiers, and then it goes on to talk to others in
8 more details. And I think the lack of description from others later in the
9 document isn't evidence of written description, that's just a lack -- it's a lack
10 of written description. And there's a lack of disclosure of anything that you
11 would do with a repeat pattern. There's certainly no indication that it would
12 be -- I mean, for example, according to Dr. Howle, if you just would have
13 repeat a series of RFID chips, somehow that's a repeat pattern, and that just
14 doesn't make sense. So it has to -- the word pattern has to mean something,
15 and it makes sense that it's a machine-readable print.
16 But to answer your question, though, about why you can't just
17 combine these things, I think the patent document tells you. And also, I
18 guess, one thing I should point out, Your Honor, is the claims are not just
19 directed to an identifier on the bottom of the flange. They're directed to a
20 very specific coffee machine configuration with a particular type of
21 identifier in a particular place. And so, you know, even if the sort of
22 indention is just a generic type of identifier, which I don't know if that's
23 necessarily what it is, but they've tried to claim something, much, much
24 more specific, and I think that's part of what the issue is.
25 But the reason you can't combine these, for example, the reason

1 you would not swap in, for example, the barcode capsule of Figure 2 into the
2 system that you see in Figure 16, is told to us in the document. I believe it's
3 page 30, which is the introduction, and it tells you the object of the
4 invention. And I'm on -- I'm at Exhibit 1047 on page 30, lines 16 through
5 19. It's an object of the present invention to provide a portion capsule which
6 is suitable just for a quite specific machine. So the specific coffee machine
7 has to be configured for the specific portion capsule, and that's what this is
8 telling us.
9 And so what K-fee's saying is you can take Figure 2 or any of
10 these capsules and you can just put them in the brewing chamber of Figure
11 16. And that's not what this document is saying. For example, if we look at
12 Figure 4, and this is page 20 of Exhibit 1057, you'll see there's a series of
13 optical identifiers labeled 5 and 6 on the top of the capsule. But if you were
14 to put that into the brewing chamber of 16, that's where the water is going in,
15 and that's where it's being pierced, and that just doesn't make any sense.
16 More importantly, the operation is -- the operation of the machine in how it
17 detects the identifier, to some extent, at least with Figure 16, is very specific
18 on that gear wheel type of identifier.
19 And I'll direct you to page 42 of the September 2010 application,
20 Exhibit 1047. K-fee's told us that Figures 16 through 18 are all the same and
21 that they're all directed to the gear wheel. But K-fee's also said, hey, we
22 could just swap in the barcode capsule just into this, which I think is what
23 your question is directed to.
24 At lines 42 -- I'm sorry -- page 42, line 5 through 13, it says all the
25 figures in 17 show how the portion capsules retained on a part of the

1 brewing chamber by a means of two retaining arms. These retaining arms
2 act with a means of 2.4.2. And what follows is important: If this means was
3 not present, the retaining arms could not retain the capsule, and rather than
4 being introduced, they would drop through into the waste container. So a
5 capsule with a barcode is not compatible with this. And a person of ordinary
6 skill in the art is not going to say let me take the capsule of Figure 2 and put
7 it in the brewing chamber of Figure 16 through 18 because it's just going to
8 fall through. Each of these capsules are specific. I'll give you another
9 example. Figure 18 is a pinion embodiment. And so there you have -- it
10 says -- and let me make sure I get the quote for you correctly. It's page 42,
11 lines 22 through 29.
12 The spacing between the inner wall of the capsule and the pinion is
13 dimensioned such as the portion capsule can pass through the insertion shaft
14 only when the form-fitting means complement the teeth of the pinion 27.
15 Only then is it possible for the portion capsule, as it drops, to cause the
16 pinion to rotate. That's another example of -- Figure 2 is not going to -- the
17 general barcode invention or any other identifier is not going to work in this
18 generic Figure 16 embodiment. The only way that works is if it's a toothed
19 ring, if it's element 2.4.2. So, no, a person of skill in the art would not just
20 sort of consider these interchangeable.
21 And additionally -- additionally, I think it's worth noting that the
22 brewing chambers are labeled with different numbers. And so you have
23 brewing chamber 27 is what you see for Figure 16, which has, you know, a
24 piercing that is offset from the central axis. You have some water injection
25 coming in from the top. You have seals that are described repeatedly as

1 being associated just with the toothed ring. But then, if you go back and
2 look at some of these earlier capsules, like you were referring to, Your
3 Honor, Figures 1 and 2 and 3. Well, the brewing chamber, there is a
4 different brewing chamber; it's working with a different type of capsule.
5 That brewing chamber is actually being held from below and not from
6 above. It's being pierced from below and through the bottom of the capsule,
7 which there's a different style of capsule that does that and they typically
8 inject water through the bottom and not through the top, and they're labeled
9 differently. This is labeled Brewing Chamber 12, and the other one is
10 labeled Brewing Chamber 27. So I don't think the document considers to
11 be -- these to be the same or interchangeable, Your Honor.
12 JUDGE MAYBERRY: All right. Thank you.
13 MR. MCCRAW: So with that, Your Honor, I would like to go
14 onto the reason that the repeat pattern is not on the bottom of the flange, or
15 more particularly, that the toothed-ring, which is not a repeat pattern -- I
16 guess, before I do that, I will point out that, and this is Slide 14, when I
17 asked Dr. Howle, in deposition, what the term pattern means in the context
18 of this document, his initial answer was I have no opinion on patterns, so he
19 hasn't helped us in any way here. In Slide 15, he provided a very circular
20 response of a pattern is something that a person of ordinary skill in the art
21 would recognize as a pattern. And so I don't think any of this is useful,
22 credible testimony to opine on what the plain and ordinary meaning, in the
23 light of this document, would demonstrate the word repeat pattern to be.
24 But going onto the bottom of the flange issue, the document is
25 clear that the form-fitting, friction-fitting, or detection means, that's the

1 toothed-ring, is on the outer circumference of the periphery. It explicitly
2 says it, and you see it here on the screen, which is Slide 16, and that is
3 tagged Exhibit 1047, page 35, lines 8 through 11. You also can see in
4 Figure 18 that what's engaging with the pinion is the outer circumference.
5 Now, in any of K-fee's papers, I've never seen them address this notion that
6 it explicitly tells you that the toothed-ring is on the outer circumference and
7 on the periphery.
8 They just keep saying it's on the bottom of the flange. They say
9 that because our expert admitted that, sure, there's a figure that you're
10 looking at the capsule from the bottom, somehow, that means we have
11 admitted that the toothed ring is on the bottom of the flange. But that doesn't
12 escape what the document says. It tells you the toothed ring is on the outer
13 circumference. And there's been no response from K-fee in the papers on
14 that point.
15 JUDGE MAYBERRY: Excuse me, Counsel, just for clarity. Is
16 there any dispute, though, that the peripheral region, 2.4, can be referred to
17 as the flange? So we've got 2.4, which is the flange, and then the structure,
18 2.4.2, which is on the outer circumference of that structure.
19 MR. MCCRAW: Yes, I believe 2.4 is the flange, Your Honor.
20 JUDGE MAYBERRY: Thank you.
21 MR. MCCRAW: And so I know I just mentioned that K-fee
22 has suggested our expert, Jobin, testified that the toothed-ring is under the
23 bottom of the flange, but that's not what he said. He said, in his deposition,
24 and this is Slide 17, the outer circumference is where the teeth are formed.
25 And that's 2.4.2, and that's what that's referring to. So if there's no other

1 questions about the bottom of the flange, I'll move on to the bowed cover
2 issue.
3 So K-fee tries to make this very simple, I think over-
4 simplifying it. They, basically, slap a red line across it and say, look, you
5 see the line and you see something over it, we all go home. It's not that
6 simple, Your Honor. If you look at this Figure, and I'm on Slide 18, Figure
7 16 of Exhibit 1047, you clearly see shading; you clearly see what is an
8 attempt at a perspective drawing and giving some depth into the page.
9 And that's what our expert, Michael Jobin, testified, and this is
10 paragraph 168 of his report, Exhibit 1003, and he explains that this is the
11 perspective drawing in showing the depth and inner circumference of the
12 actual capsule, which makes sense because a person of ordinary skill in the
13 art reading the document would see flat capsules throughout. This is -- this
14 is Slide 19. All of the capsules in this document are flat. There is no
15 suggestion that there is any kind of pressurization or anything that would
16 cause the capsule to bow out. That's not discussed here, and it's certainly not
17 an inherent property.
18 So there's no reason to think that you've got some kind of bowed
19 cover. And if we look closer -- and this is the '491 patent, so this is what K-
20 fee filed when they tried to clean up these drawings -- you can see here that
21 the body of the capsule comes up, and this is 2.1 I'm on Slide 20, and this is
22 Figure 16B of Exhibit 1001, it comes up, it's contiguous with the rim, which
23 is also contiguous with this element that they say is going upward. It's just
24 the depth of the rim going into the page. Additionally, Your Honor, and this
25 is something that really stood out to our expert, Michael Jobin, if you look

1 closely at what they say is the bowed cover or the membrane going upward,
2 it just doesn't make sense because the water inlet, and you see the arms of
3 the water inlet come down -- and that's the element in the center, 28 here --
4 the arms come down and then they go to the side.
5 And you can see they're coming down and going to the side
6 underneath that area that's considered the membrane. There's no
7 conceivable way it would work like that in a system. So it makes no sense
8 that the water inlet would be below the membrane. It's further evidence, but
9 what this is is a flat capsule attempted to be drawn in a perspective form.
10 And, I guess, I'll add one other thing, Your Honor, which is these
11 are fairly poor-quality drawings, and there's -- if it's difficult to understand
12 them or interpret them, I don't know that that should be interpreted in K-fee's
13 favor. They had every opportunity to provide clear drawings that would
14 demonstrate to a person of ordinary skill in the art what they had invented.
15 And this grainy drawing that they're trying, after the fact, to try to say means
16 something, I don't think that gives them written description support.
17 The last thing I'll say on this, they've suggested we've been
18 inconsistent with our positions because Michael Jobin has testified -- and
19 this is Slide 22, by the way -- has testified that the Jarisch '929 reference
20 does disclose a bowed cover. And you can see here, and its Figure 5 that's
21 been reproduced, a critical difference here, Your Honor. One, it's element
22 60, and it's called out specifically as the membrane, and so we know the
23 membrane's coming upward. We also know that this is not a perspective
24 drawing. It has cross-hatching, there's no shading, it's very clearly a cross-
25 sectional view. So there's really no inconsistency at all between the Jarisch '

1 929 reference and what we are saying about what's in Figure 16.
2 So, I think, Your Honor, with the remainder of my time, I want
3 to quickly get to the Krüger declaration: The testimony of an inventor is
4 often an after-the-fact self-serving attempt to state what should have been
5 part of his or her patent application. And that's exactly what we have here.
6 We have the inventor 13 years after Exhibit 1047 was filed, a year and a half
7 after that inventor-initiated litigation against Nespresso. And even three
8 months after institution, so the validity of the patent is now on the line, this
9 inventor has now stood up, and I'm on Slide 31, and has stated that they
10 invented this invention before Jarisch '929.
11 It seems like they tried to say that their intention was to mix and
12 match embodiments so that they would establish a written description. No
13 corroborating evidence was submitted with this declaration. There was no
14 inventor notes, nothing describing what he communicated to his patent
15 attorney. He claims he conceived it at some earlier date, but there's no
16 documents, you know, evidencing that conception. So it's a highly, highly
17 biased document. Krüger stands to gain every penny he can squeeze out of
18 litigation that's currently going on, and he stands to gain a lot by preserving
19 the validity of his patent. So I think his declaration should be afforded very
20 little weight. But at a minimum, Your Honor, in Slide 32: Inventor
21 testimony cannot establish a written description where none exists. So the
22 fact that he's saying, what I intended this to mean was the following, is just
23 not sufficient. You need to look at the four corners of the document, and a
24 person of ordinary skill in the art should assess what the four corners of that
25 document mean. So unless there are any questions on priority, I'll move on

1 to the claim limitations, Your Honor.
2 JUDGE MAYBERRY: Okay.
3 MR. MCCRAW: So I'm going to start with the pump control
4 limitation. The limitation is a pump controlled to supply water into the
5 single-serve system -- single-serve capsule, rather, only upon detection of
6 the identifier and the determination by the machine that the single-serve
7 capsule is suitable for use with the machine, and this is Slide 39. And what
8 we've done here, Your Honor, and you can see in red, this is what we have
9 mapped to Yoakim, and what's in blue is what we have mapped to Rossi.
10 And you can find that on pages 61 to 65 of our petition, as well as pages 47
11 and 48 of our petition. And what -- I guess, before I go any further, and very
12 quickly, pump control is known. This is a patent, I think, that's associated
13 with Krüger, and this is Slide 4, and this is from 1999, I believe, and you can
14 see element 31 here is a pump, you can see that the controls command the
15 pump on.
16 So K-fee's invention is not having a pump or controlling a pump.
17 K-fee's trying to really claim to have invented adding this identifier and
18 determining whether the capsule is suitable for use. Now, the way K-fee has
19 attacked this disclosure is K-fee is taking Yoakim and Rossi individually.
20 And K-fee has said that, well, Yoakim doesn't disclose determining whether
21 it's suitable for use, and Rossi doesn't disclose a pump. But what K-fee has
22 never done is address what these two references collectively teach to a
23 person in the skill in the art. And Your Honors correctly noted this in the
24 institution decision with the in re Merck case, that you can't attack
25 references individually, and you have to look at what they collectively teach

1 to a person skilled in the art.
2 K-fee also argues against non-mapped portions of Yoakim. So K-
3 fee points to portions of Yoakim that don't use a pump, but that's not
4 relevant. Those are alternative embodiments, and that's not what we were
5 describing in our petition. And in number 3, K-fee's only attack on Rossi is
6 whether it discloses a pump. K-fee does not challenge that Rossi's overall
7 system operation utilizing an identification means and a validation means,
8 that those establish the limitations of detecting the identifier and determining
9 whether it's suitable for use. So just to be clear, and I'm Slide 42, Yoakim
10 discloses a pump, there is no doubt about that, and that's in our petition. It's
11 the first thing we say about this limitation on page 61. You could see it here
12 in element 6. You can see it in paragraph 180.
13 So Yoakim discloses a pump, but not just that. If we go to Slide
14 43, and this is originally in our petition, also on page 61 of the petition and
15 paragraph 477 of Yoakim, which is Exhibit 1004, Yoakim discloses
16 controlling aspects of the machine, including the pump, based on an
17 identification means with the capsule. So you can see in the first sentence:
18 The capsule system comprises an identification means associated with
19 different capsules in the set of each capsule and adjusting brewing
20 parameters accordingly. The following sentence says:
21 The adjustable parameters can include the volume of liquid fed in
22 the capsule. Well, a pump that Yoakim is using is how you're going to
23 adjust that volume. And it tells you right there in the last sentence, that the
24 identification means are associated to controls that control the adjustment of
25 the parameters by controlling, as you see here, the pump. There's no dispute

1 that Yoakim uses an identification means to control a pump.
2 Now, with Rossi, let me get to slide -- I'll get to Slide 46. So here,
3 Rossi is a reference that really, I think, teaches the same invention that K-fee
4 attempts to be claiming, which is use of an incorrect -- and they call it a load
5 element, but they're effectively saying a capsule -- use of an incorrect
6 capsule may cause the machine to malfunction and can prejudice the safety
7 and integrity of the machine and may harm the user. And this is the Rossi
8 reference, Exhibit 1041 at page 3: These types of machines often involve
9 high pressure and high temperature and pose a health hazard. And so Rossi
10 has proposed a task of a safe and simple system ensuring that the appropriate
11 capsule is used. This is the same invention K-fee has purported to invent.
12 And I'm on Slide 46. The way Rossi works is it has an identification
13 element and a validation element, both of which can be optical codes, just
14 like the optical codes that we already know of in Yoakim and in Jarisch '929,
15 and it recognizes them and makes determinations. It determines whether it
16 detects those elements. It also determines whether the capsule is suitable for
17 use. And then, only after doing so, will it then activate the brewing cycle.
18 And for Yoakim, that means activating the pump. And so that's the steps
19 you see here, and I think K-fee has a similar slide that says step one, step
20 two, and step three that K-fee's slide says, but no pumps.
21 That's not what the issue is, Your Honor. What's important is that
22 each of these steps, recognizing the identification and validation element,
23 validating it, and then only activating the cycle of production and only
24 brewing the beverage after it recognizes and determines that the capsule is
25 suitable, that teaches the limitations of the claims. And K-fee has never

1 disputed that these steps teach limitations of those claims. K-fee has only
2 disputed whether this discloses the pump.
3 And I'd like to point out, and just on page 64 of our petition, and
4 this is also in paragraph 261 of Jobin's declaration, which is Exhibit 1003,
5 and I'm on Slide 53, at a minimum, Rossi renders obvious to a person of
6 ordinary skill in the art, not operating a pump without detection of the
7 identifier and determination that the capsule is suitable for use, in order to
8 increase the safety of the system by preventing the dangerous operating
9 conditions. So Rossi renders this obvious regardless of whether Rossi
10 discloses a pump. And we know you don't want to turn on the machine
11 under high pressure and hot water based on -- based on the dangers that can
12 occur.
13 I'm just going to add quickly, and this is Slide 54, because there's
14 an additional claim. There's Claim 7 which requires comparison to a stored
15 reference. You can see here, and this is Rossi at 9, Rossi includes a
16 checking means that compares the signal from the identification and
17 validation element to pre-stored data and allows the machine to proceed to
18 activation only if it recognizes that. That teaches the limitation, and K-fee
19 has never challenged that.
20 One more thing. K-fee has attempted to argue that we have made
21 new arguments here, and I do want to clarify that. K-fee, in its Patent
22 Owner response, stated that there's no pump shown in Rossi -- I'm sorry --
23 no pump shown in Yoakim. And K-fee's Patent Owner response is on the
24 left here, and they direct you to paragraphs 521 and 523 of Yoakim. And
25 what we told you, and our reply is on the right, they've omitted -- they

1 overlooked 522, and 522 is copied below, control of the volume of liquid
2 injected in the capsule is carried out by the control means selectively
3 activating the pump. All we were saying, Your Honor, is they've left
4 something out. If you're going to read 522 to 523 -- I'm sorry -- 521 to 523,
5 you should also read 522. That's not a new argument. That's exactly what
6 we're saying is taught in '477. It's completely consistent. It's the same
7 disclosure. And so, we're just saying that they left that out.
8 JUDGE OBERMANN: What slide number is that, counsel?
9 MR. MCCRAW: I'm sorry?
10 JUDGE OBERMANN: I'm sorry. What slide number are we
11 on?
12 MR. MCCRAW: I'm on Slide 55. I'm sorry, Your Honor.
13 JUDGE OBERMANN: Thank you.
14 MR. MCCRAW: So, I think, with my remaining time, I just
15 want to quickly address the seal and groove limitations. This is another
16 limitation that K-fee has challenged. It's a groove that's laterally offset from
17 the chamfered mandrel and is sealed. It's at least partially seated in the
18 groove and configured to bear against the top side of the cover in a region
19 between the edge of the cover and a region of the cover that's pierced by the
20 mandrel. This is on Slide 56. K-fee, in its sur-reply and in its
21 demonstratives, don't appear to be challenging seal anymore, so I won't
22 spend time on seal.
23 I will go to groove so we can discuss that because it appears they
24 are challenging whether the groove is offset from the chamfered mandrel.
25 And here you go, you can see Figure 35 here of Yoakim. I'm on Slide 66,

1 and Yoakim is Exhibit 1004. You can see the chamfered mandrel is the
2 spike down there in the center, and you see the seal that is in blue, and you
3 see the groove that is in red. It is very clear. Arrows to the right, the seal --
4 I'm sorry -- yes, the seal where it's partially seated in the groove, that groove
5 is located off to the side. And so K-fee tries to argue -- they argue -- their
6 argument has actually shifted a little bit. They originally said, well, the
7 distinction is that this is medial, it's inward, and actually, it needs to be
8 lateral and outward. But then when we came back and deposed their expert,
9 their expert admitted that that concept's nowhere in the patent. They seem to
10 have abandoned that, and they're arguing that this groove is over the
11 mandrel. But the groove is laterally offset. It is off to the side. And so this
12 limitation is -- they've also never articulated, anywhere in the record, any
13 relevant function or relevant distinction between this particular
14 configuration.
15 Let me quickly get to motivations to combine Rossi. So, first of
16 all, K-fee's never disputed, and I'm Slide 77 right now, K-fee has never
17 disputed that Yoakim and Rossi are in the analogous art field of portion
18 capsule beverage extraction. The only basis that they've used to try to
19 challenge the combination with Rossi, is that Rossi uses a different pressure
20 than Yoakim, or that Yoakim has its own safety mechanism, or that you
21 wouldn't add the validation element. All of these reasons fail. Just quickly,
22 Slide 80, these are all examples of Yoakim disclosing high-pressure systems.
23 And so you have Yoakim uses a high-pressure piston pump if you want to,
24 and more importantly, when it's operating as a centrifuge, that's creating
25 high pressure in the system, and it absolutely benefits from the high-pressure

1 safety features of Rossi. And at a minimum, even if you're not operating at
2 high pressure, the high temperate water and hot water that can burn you, is a
3 need for a safety mechanism alone.
4 JUDGE OBERMANN: Is that all in your petition?
5 MR. MCCRAW: It is, Your Honor. That is -- we'll get that
6 citation for you, Your Honor, on reply.
7 JUDGE OBERMANN: Thank you.
8 MR. MCCRAW: That's all I have. I'll reserve the rest of my
9 time for rebuttal.
10 JUDGE MAYBERRY: All right. Thank you, counsel. You've
11 got just a smidge under 20 minutes.
12 MR. CARSTEN: Good morning.
13 JUDGE MAYBERRY: Good morning. Are you ready to go?
14 MR. CARSTEN: I believe so, Your Honor. Thank you.
15 JUDGE MAYBERRY: All right. Excellent. Do you have an
16 idea of how much time you would like to reserve for rebuttal, if any?
17 MR. CARSTEN: Yes. And I think I'll split it 45/15 if I might,
18 and we'll see if that holds or, you know, just depending upon the questions
19 from the panel.
20 JUDGE MAYBERRY: Okay. Great. Well, then you may start
21 when you're ready.
22 MR. CARSTEN: Thank you, Your Honor. Good morning, and
23 may it please the Court, my name is Doug Carsten. I'm here on behalf K-fee
24 Systems. I think that I'm going to try and use the Elmo, largely, which will
25 do sort of two purposes. One, it will force me to actually say the number of

1 the slide that I put up, which will be a good thing, and I think it's a little
2 more invigorating.
3 I'm going to start with a slide here, and this is Petitioner's slide 6,
4 and the title is "K-fee Only Disputes," meaning that, you know, we've really
5 narrowed the number of things that we're really talking about here. Well,
6 that's sort of true and sort of not. The first issue that they've got is lack of
7 priority to the September '10 application. We call it, sometimes, the
8 September '10 application. It's Exhibit 1047 that Your Honor identified
9 earlier. If the panel finds that we are, in fact, entitled to priority to the
10 September '10 application, the German priority document, that's fatal, that
11 ends the analysis because we predate one of the critical references that is
12 relied upon for each and every -- for both of the grounds upon which there
13 was institution. So that knocks out everything right there.
14 Secondly --
15 JUDGE MAYBERRY: Excuse me, Counsel.
16 MR. CARSTEN: Yes.
17 JUDGE MAYBERRY: You said knocks out everything there.
18 What about Claims 4 through 6 and 8 through 13 where Petitioner contends
19 they have written description arguments that remain unrebutted?
20 MR. CARSTEN: Right, Your Honor. I think that's simply
21 wrong. If you look at our Patent Owner response at pages 37 and 38, and
22 the Patent Owner response at page 30, that we did talk about those
23 indentations. We talked about them in the context of, as Your Honor
24 pointed out, the toothed ring where you had projection indentation and
25 projection indentation. So we talked about all of that. And so I think, quite

1 candidly, my learned friend is just incorrect that we didn't. Moreover, I
2 think it was really one sentence in a reply for the pre-institution where they
3 said, oh, we have these specific things, but then you missed some other stuff.
4 And it was really one sentence, and so we went ahead and addressed that.
5 But, in a fairly conclusory manner, mind you, but it was commensurate with
6 the level of disclosure and tenor of the argument that we received from the
7 Petitioner, who bears the burden all along with respect to establishing the
8 prior art. So I think he's just wrong on that.
9 JUDGE MAYBERRY: And excuse me, Counsel. I do also
10 want to poke at that a little bit.
11 MR. CARSTEN: Sure.
12 JUDGE MAYBERRY: You know, we do understand that the
13 Petitioner bears the ultimate burden of proving unpatentability, but it is you,
14 Patent Owner, who is trying to claim priority back to an earlier document.
15 Doesn't Patent Owner bear that burden?
16 MR. CARSTEN: Yeah. I think the burden of proof remains
17 always with the Petitioner here. The burden of persuasion to convince you
18 that we have that entitlement is on us for the priority challenge or the
19 priority claim that we're making. I agree with you on that, for sure. I don't
20 think that shifts the burden, however, overall in terms of the Petitioner
21 having to show that these references that they're relying upon are prior art.
22 That burden never shifts.
23 JUDGE MAYBERRY: All right. Thank you.
24 MR. CARSTEN: Okay. With respect to the second item on
25 Nespresso's slide here, the disclosure of three limitations in the prior art.

1 Well, yeah, it seems like it's not very much, but with respect to two of them,
2 entirely dispositive of the case. With respect to two of those limitations,
3 namely, the pump or the laterally offset groove, that ends the analysis
4 regardless -- either one of them -- regardless of what the Court finds and
5 decides to do with respect to priority. For the third, which is the ledge, it's
6 fatal to Claims 5, 9, and 10. So three claims will remain patentable if the
7 panel does not agree that Petitioner has met its burden with respect to the
8 ledge limitation. And then with respect to the motivations to combine, on
9 either one of those, again, fatal to the entirety of the petition. And so,
10 essentially, Nespresso is faced, notwithstanding, they say we only dispute
11 those handful of issues, to run the table in order to prevail. Any one of these
12 issues, independently and separately, dispatches of the petition.
13 I'd like to turn to the merits' arguments first, and then I'll back into
14 the priority if that's amenable to the Board. But I am here at your pleasure,
15 and so if you have any questions about anything or you'd like to drive me to
16 a particular area, I want to make sure that we get your questions answered.
17 That's the benefit of the oral argument. So unless I hear otherwise, I'm going
18 to proceed.
19 And I'm going to -- I'd like to start with the groove laterally offset
20 argument. And I think the best place to start is with respect to the
21 independent claim language, and this is Patent Owner Slide 116. And so
22 each of the independent claims 1, 7, and 10 require that the groove is
23 laterally offset from the chamfered mandrel. You'll note that there is
24 nothing in that claim language about a central axis. There's nothing in that
25 that sort of limits what "laterally offset from" is. If you look at Slide 177 --

1 Patent Owner's Slide 117, Nespresso seems to agree that from means from.
2 They didn't identify any claim construction issue with respect to the word
3 from or any issue, for that matter. And with respect to laterally offset, what
4 that means, and this is Patent Owner Slide 118, it appears that the experts
5 agree there too that laterally offset means off to the side.
6 Well, so let me turn to patent -- this is Patent Owner's Slide 119.
7 In the petition, Nespresso said, well, in Yoakim Figure 35, we're going to
8 arbitrarily color in this groove red. We're going to assemble some parts and
9 say this is a groove, and then we're going to turn around and we're going to
10 highlight this chamfered mandrel in yellow, and we're going to say, well,
11 yeah, that's laterally offset. Well, we had some depositions in between, and
12 then comes reply time, and low and behold -- and this is patent -- this is
13 Petitioner's Slide 66 -- low and behold we see something totally different.
14 And that is, now we have a central axis. Now, what happened to necessitate
15 that change? Well, Mr. Jobin, at his deposition, was asked about laterally
16 offset, and he said -- and this would be on Petitioner's slide, and the
17 highlight in here is interesting. So generally speaking, laterally offset would
18 mean off to the side, and then, as exemplary but not definitionally, says for
19 example, of a central axis. But then he goes on to clarify what he means.
20 We heard something saying, well, sort of off to the side is enough. No, no,
21 no. What Mr. Jobin said is so not on that axis but offset from that axis to the
22 side of the axis. But they chose the red. They arbitrarily chose the green. I
23 don't think that's correct. I think this is a claim construction issue, frankly.
24 But even under the original claim construction, which was plain and
25 ordinary meaning, or this tortured, unsupported, baseless claim construction

1 by Mr. Jobin, on the fly, at his deposition, they drew in the green line.
2 And here's Patent Owner's Slide 120. We've just blown this up,
3 but you can see the red axis. The red so-called groove element appears on
4 both sides of the green central axis. So even if we were to illuminate it in
5 this way, it still doesn't meet what Mr. Jobin said. It still doesn't meet the
6 limitation of laterally offset from the chamfered mandrel. As a result, this
7 alone ends the analysis. This is enough to create -- to cause the entire case
8 to go away because every claim requires this laterally offset. And if they
9 don't meet this, it's over.
10 JUDGE MAYBERRY: Excuse me, Counsel.
11 MR. CARSTEN: Yes, Your Honor.
12 JUDGE MAYBERRY: It might be easier if you put the Slide
13 120 back up.
14 MR. CARSTEN: Absolute. I'm happy to. You asked for 120,
15 correct, Your Honor?
16 JUDGE MAYBERRY: Right.
17 MR. CARSTEN: Great. There it is.
18 JUDGE MAYBERRY: So if we were to determine that groove
19 is the vertical part that's in red, and that the blue seal is up against, so, if you
20 will, kind of where the yellow arrowheads are. Would that groove be
21 laterally offset from the mandrel?
22 MR. CARSTEN: It's sort of difficult for me to say exactly
23 where you're drawing the line, Your Honor. I would say, as an initial matter,
24 what you're proposing is not the argument that was found in the petition and
25 an argument that was never made. And so I think that there's a problem with

1 respect to trying to allow them, at this late stage, to change the argument that
2 they're making. So they chose the red, and this is what they said was the
3 groove. Having said that, though, you could, in theory, narrow down the
4 scope of the red, if you were to make some choices, to try to avoid it.
5 However, that doesn't change the fundamental structural feature that's
6 depicted here. And every piece that they put together in order to cover that
7 groove -- and remember, a groove, now, it needs a top piece, it needs a
8 vertical piece, and it needs a horizontal piece on the bottom to be a groove --
9 all of that -- all of that structural material that's depicted in that figure, if you
10 assume that, that's what they've colored it as red. And so you have to
11 redesign this in some way. And again, that's nothing that we've ever heard
12 from Mr. Jobin or from Petitioner, at all. I think this is simply a failure of
13 proof, Your Honors.
14 JUDGE OBERMANN: I have a question, Counsel.
15 MR. CARSTEN: Yes, Your Honor.
16 JUDGE OBERMANN: We're hearing a lot about the extrinsic
17 support through the experts. Can you direct me, in particular, to the intrinsic
18 support in the specification that will show me a comparison of the position
19 of the mandrel compared to what the patent says is a groove?
20 MR. CARSTEN: Oh, a very good question, Your Honor. Let
21 me -- I'm not sure that the patent -- I'm not sure that there is a direct
22 quotation that's going to be satisfying to Your Honor, but let me have my
23 team check, and I will respond to that if I can.
24 JUDGE OBERMANN: Right. It would be helpful to me to
25 know, you know, these are -- this is really a very mechanical-type thing, and

1 I'm looking at a mandrel and what they've identified as a groove. And as an
2 initial matter, I sometimes have a problem with a Petitioner that takes that
3 element and tries to shade it and say that's something, you know, in the prior
4 art. But what I'd like to do is compare the position of the mandrel and what
5 they've proposed as the groove to how it's described in the patent.
6 MR. CARSTEN: Right. Well, I would call -- If I -- I'm sorry.
7 Judge Mayberry, you wanted Slide 120 up here. May I remove this just to --
8 JUDGE MAYBERRY: Yes.
9 MR. CARSTEN: Thank you. I've got Figure 16A here, and
10 this is from the '491 patent. I'm not sure if this directly addresses your
11 question, Judge Obermann, because it's tough to see a groove in this
12 particular iteration. But you can see the -- here is the seal off to the side, and
13 it's -- I'm going to use item 17.
14 JUDGE OBERMANN: Okay. I want to put it up on my
15 screen. We're in the Exhibit 101, Figure 16.
16 MR. CARSTEN: I'm at Figure 16A of the '491 patent, 1001.
17 JUDGE OBERMANN: Right, yeah. Okay. And does the
18 patent describe the mandrel and the groove at all in this figure?
19 MR. CARSTEN: Well, no. But the mandrel, you can see, is
20 entirely offset. It's over here, and that's Item 29.
21 JUDGE OBERMANN: And where's the groove?
22 MR. CARSTEN: That's what I'm saying. I don't the groove
23 is so the seal is 31, and that's in the groove. And I guess you can also see
24 it on 17. And so you'll see that the seal is I imagine the groove is the
25 corresponding piece of 31, of the complement if you'll have it, and that's

1 what forms the seal. And then the chamfered mandrel is offset, 29, in the
2 medial
3 JUDGE OBERMANN: Okay, figures are one thing. Do we
4 have anything in the written description, any text that describes what it
5 means to be laterally offset in?
6 MR. CARSTEN: Certainly, I would submit that the figures are
7 part of the written description, generally.
8 JUDGE OBERMANN: Right.
9 MR. CARSTEN: If there is a specific passage in the text, I
10 don't know that I'm going to be able to satisfy, Your Honor. But may I look?
11 JUDGE OBERMANN: Absolutely. Thank you.
12 MR. CARSTEN: Did you have any further questions, Judge
13 Obermann?
14 JUDGE OBERMANN: No, but that's very helpful.
15 MR. CARSTEN: Okay. Thank you very much. And again, so
16 just to reiterate, that would end the entirety of the case. All the claims would
17 remain patentable because it would be, simply, a failure of proof.
18 I'd like to switch over to ledge. Now, this one has to do with
19 Claims 5, 9, and 10, so it's not entirely dispositive. And we can start with
20 here, we have this is Petitioner's Slide 69, ledge. It has the claim language.
21 And you can just see that it's wherein the cavity is defined by an inside
22 wall, which includes a ledge at an upper region thereof, the ledge projects
23 from the inside wall towards the center longitudinal axis. And then, Claim
24 10's language is similar and reproduced below.
25 Well, how does Nespresso characterize what the dispute is

1 here? I think this is instructive. This is Petitioner's Demonstrative 70. The
2 dispute is whether Yoakim's ledge is in an upper region of the inside wall of
3 the capsule's cavity. So everyone is the parties are reading this as
4 requiring that the ledge be on the inside wall of the cavity.
5 Now, with respect to this is Patent Owner's Slide 128. The
6 spec and the claims, as we've talked about, the beverage material, the area
7 where the beverage material is encapsulated, that's the cavity piece of the
8 overall capsule.
9 And here's Slide 129. And so, it's perhaps easiest to see, this is
10 with respect to Figure 28, you can see that the sort of shaded material, that's
11 the beverage material, Item 114. That's the area that is the cavity. Now,
12 again, we have Petitioner engaging, as Judge Obermann, you mentioned in
13 the last limitation, with this line drawing. So they've got the this is from
14 the petition. And you've got this sort of red aspect of what they say, okay, a-
15 ha, here is what we're saying is the ledge.
16 Now, there is a slight change of position in the reply. I don't
17 want to really bear on it, but this is Patent Owner's Slide 131. You have the
18 original image on the left from the Petition. You have the amended one on
19 the right. They say, well, we sort of changed it a little bit to make it
20 transparent or translucent, so you can see it better. I don't really think it's I
21 see anything better. I'm not even sure that there is absolutely a change in
22 position here but be it as it may. They did, in fact, change the -- a little bit of
23 the location.
24 JUDGE OBERMANN: It looks, to me, like they curved it
25 upward.

1 MR. CARSTEN: You know, Judge Obermann, you're
2 absolutely right. That was I wanted to think that there wasn't a change, but
3 it seemed like it was a little bit squiggled, and so I thought maybe there is a
4 change. But I think, regardless, where they how they've drawn it and how
5 they've rendered that red line, either way, I think they miss, and here's why.
6 The closest features in the Yoakim Figure that I can see are elements 119
7 and 116. And I've colored these in blue and yellow.
8 And so, then, during the deposition, we asked Mr. Jobin, that's
9 Nespresso's expert, about 116. And I'm at Patent Owner's Slide 134 here.
10 The slide I had just put up with the yellow and blue was Patent Owner's
11 Slide 132. We asked him, would you agree that that's on the outside of the
12 internal enclosure 114, what he admitted was the cavity. And he said, yeah,
13 it's on the outside surface of that lid. So, okay. 116 not in the cavity.
14 And then we said, well, what about and this is Patent Owner's
15 Slide 136 what about 119? Is that in the cavity? And he answered, he said
16 it's on the outer peripheral on the outer peripheral portion of the collecting
17 recess, which is part of that lid. It's on the lid, not the cavity.
18 Well, so here's Patent Owner's Demonstrative 139. So we've got
19 we've got 116, and you've got 119, which dips down. And then, when you
20 look at where they've drawn the figure for the red line to say this is the
21 ledge, 116 is above it, and 119 dips below it, two things that their expert said
22 no, no, no, they're not in the cavity anyway.
23 So how, on God's green Earth, could you assume that a red line,
24 arbitrarily drawn, that exists, by the expert's own admission, between two
25 things, which themselves are outside of the cavity, how could that be in the

1 cavity?
2 JUDGE MAYBERRY: Excuse me, Counsel.
3 MR. CARSTEN: Yes, Your Honor?
4 JUDGE MAYBERRY: What about seat portion 120?
5 MR. CARSTEN: Seat portion 120. Seat portion 120 is the area
6 let me see if I can find a good figure that gets us there.
7 JUDGE MAYBERRY: Well, how about your Slide 131?
8 MR. CARSTEN: I went to 132, but I think we can do either one of
9 those, right? They're roughly the same. I guess, actually, 132 is a little bit
10 bigger, so if you don't mind, we'll stick with this one.
11 So I'd like to blow this up if I could. Use the magic of the Elmo
12 here. So seat element 120 pushes -- it provides an arrow up to the top, and
13 that's sort of the divot piece on top there. That, too, is above where we were
14 talking about on this side, the 119 dip, and so that doesn't help at all. That's
15 still outside the cavity, Your Honor.
16 JUDGE MAYBERRY: Well, I mean, the seat portion is what the
17 lid seats on. So it's that ledge there at the upper, so if you trace the outside
18 wall --
19 MR. CARSTEN: Right.
20 JUDGE MAYBERRY: and then it takes a left turn.
21 MR. CARSTEN: It does take a left turn.
22 JUDGE MAYBERRY: And that's 120, that's the seat portion.
23 MR. CARSTEN: Right.
24 JUDGE MAYBERRY: Because, after all, the lid is seated on it. I
25 guess I'm unclear why that's not a ledge at the upper portion of the wall.

1 MR. CARSTEN: Well, they have not -- again, you might be trying
2 to help them, and I understand, Judge Mayberry, but that's not the argument
3 that they made in the petition and not the amended argument that they made
4 in the reply.
5 But having said that, the lid can't be within the cavity. And so,
6 when the lid sits there, and frankly, I'm not convinced, Your Honor, with
7 respect, that the lid actually sits on top of what Your Honor has identified or
8 called in vernacular a ledge. I actually see it seated deeper and under, where
9 the line goes across. And so, I think it's actually seated in where it tapers.
10 And so, I think what Your Honor has said is the ledge, or identified as the
11 ledge in this figure, is above that.
12 JUDGE MAYBERRY: Okay. Thank you.
13 MR. CARSTEN: But again, I'm trying to find if I have a little bit
14 unfortunately, because of the way that 116 and 119 appear, we sort of
15 focused in on the right-hand side of the image or the figure, as opposed to
16 the left-hand, where you see 120. This is Patent Owner's Demonstrative
17 140, however, and you can -- you know. I think what you're actually talking
18 about, in terms of 120, if we were to put it on the other side, is obscured by
19 the red bar, frankly, Your Honor.
20 JUDGE MAYBERRY: Yeah, so why don't we just go to the
21 source, Figure 28 of Exhibit 1004?
22 MR. CARSTEN: Just a moment, Your Honor. Glad I chose to do
23 the Elmo today. Okay. Does that get you what you need, Judge Mayberry?
24 JUDGE MAYBERRY: It does.
25 MR. CARSTEN: Okay. Right. And so, you're talking about if

1 you're if we consider it to be a highway, a road we're driving on, and we
2 start at the upper-top at what is identified as Element 104, we drive. We
3 take a right-hand turn, and then we go around the curve. That's, I think, the
4 left you talked about. That is above the edge of the lid, right? So, you see,
5 you have to make a right-hand turn in order to get down into the cavity, and
6 that's what I was talking about earlier, Your Honor.
7 I think that they have tried to identify the piece that you are talking
8 about as what they think is or they're alleged to be, either in the petition or in
9 the reply, as the ledge. But when you actually look and see what this figure
10 depicts, and this is the figure they chose to actually elucidate this argument,
11 is actually outside of the cavity.
12 And there's nothing that their expert could do to try to rehabilitate
13 that or resuscitate that, other than trying to move the line.
14 JUDGE OBERMANN: So, in other words, the cavity is that
15 shaded part.
16 MR. CARSTEN: The shaded part, 114. And we know that that's
17 the shaded part because we asked Mr. Jobin exactly about that. And this
18 is -- I'm sorry. This is Patent Owner's Slide 129, excerpting the deposition
19 of Mr. Jobin. Question, now, this internal enclosure 114, that would be the
20 cavity of the capsule, right? Answer well, there's a baseless objection
21 interposed. Answer, it calls it the internal disclosure, but the cavity inside
22 the capsule is understood by me to be the same thing. And so he's admitting
23 that that's -- that is, 114 is the cavity.
24 And so, on this record, I respectfully submit that Claims 5, 9, and
25 10 are preserved regardless of what the Board does with respect to any of the

1 other arguments.
2 So, Your Honor, I've got about 18 minutes on the clock. I'm happy
3 to go to anything that may be troubling you. Otherwise, I'll just continue to
4 sort of slog through, but if there is something Your Honor wants to hear
5 about, or Your Honors what to hear about, just let me know, please.
6 JUDGE MAYBERRY: Well, Counsel, before you slog on, there is
7 one thing, and that is Dr. Howle and whether he qualifies as having the skills
8 of a person of ordinary skill in the art.
9 MR. CARSTEN: Yes, Your Honor. He is.
10 JUDGE MAYBERRY: Specifically, I want to know where the
11 five years of experience comes from.
12 MR. CARSTEN: Understood, Your Honor. So, well, he certainly
13 is a qualified person of ordinary skill in the art as of the time that he was
14 testifying and providing opinions in this case. The challenge, as I
15 understood it, was he was not a person of skill in the art at the time of the
16 priority, and that's completely irrelevant. Moreover, and so, he has a Ph.D.
17 in engineering. He's a full professor and been a named professor at an
18 amazing institution for 25 years. The man is absolutely qualified. I'm going
19 to try to get the particular work experience that Your Honor is asking for.
20 However, I would think that -- so this is Patent Owner's Slide 180.
21 And this goes through excerpts some of the issues from that he talks about,
22 in terms of his background, in his declaration. He has a Bachelor's of
23 Engineering, Master's, and Ph.D. degree from Duke in the field of
24 Mechanical Engineering. He was a faculty at the Department of Mechanical
25 Engineering and Materials Science as an assistant professor.

1 In 2000, he was promoted to associate professor, and he's
2 promoted to full professor with tenure. He has considerable experience
3 designing and using strain gauges, thermocouples. It goes on and on. And
4 he's accumulated more than 13,000 hours of designing, analyzing, and
5 evaluating single serve brewing systems. The man is absolutely an expert
6 and a more than a person of ordinary skill in the art, so he himself qualifies.
7 And this is his CV. This is his declaration at the time that he was rendering
8 the opinions in this case. So
9 JUDGE MAYBERRY: Excuse me, Counsel. So the definition
10 requires five years of experience in design of mechanical beverage systems,
11 pretty darn specific. What we see, pointing to 1,300 hours, which seem to
12 be a tad short of five years.
13 MR. CARSTEN: I guess it depends on how much you work
14 during those years, Your Honor. But having said that, I don't mean to be
15 glib or facetious, Your Honor. I think that the standard was not this is
16 Patent Owner's Slide 178. And a person let's look at the actual definition.
17 A person having ordinary skill in the art of the '491 patent would have a
18 bachelor's degree in engineering plus five years of experience in design of
19 mechanical beverage systems, or similar products, as well as experience
20 with sensors for recognizing an identifier. Additional education might
21 substitute for some experience and substantial experience might substitute
22 for some educational background.
23 The man's got a Ph.D. He has 1,300 hours specific to single-serve
24 beverage systems and launched off a litany of related fields and related
25 similar products that he had spent significant time on. Your Honor, I would

1 be hard-pressed to find somebody who's more qualified to be an expert than
2 Dr. Howle.
3 JUDGE MAYBERRY: All right. One thing, though, I do want to
4 follow up on, as far as your understanding, should we disagree with you.
5 Your papers, and this is specifically page 9 of the surreply, Paper 21, says,
6 well, that doesn't matter; expert doesn't have to have the level of ordinary
7 skill in the art.
8 MR. CARSTEN: Well
9 JUDGE MAYBERRY: And so I want to know how you reconcile
10 that with the Federal Circuit's decision in *Kyocera Senco Industries*. That's
11 22 F.4th 1369, which says, to offer expert testimony from the perspective of
12 a skilled artisan in a patent case, like for claim construction, validity, or
13 infringement, a witness must at least have ordinary skill in the art.
14 MR. CARSTEN: Well, as we just elaborated, he does qualify at
15 the time he rendered the opinion, the opinions in this case, by far. And
16 frankly, I submit, given a 1993 educational background and beginnings of
17 becoming a professor, I think that that work experience absolutely applies
18 and subsumes some of the required work experience with the particular
19 technologies.
20 Having said that, however, the Kyocera case you talk about, Your
21 Honor, had to do with, my recollection was, it was an expert who didn't
22 qualify at the time of the at the time of rendering the opinions. This is not
23 the case that we have here. I need to check that, but that's my recollection of
24 that case, Your Honor.
25 JUDGE MAYBERRY: All right.

1 MR. CARSTEN: Moreover, I think there are a number of opinions
2 out there, Fed Circuit and District Court opinions. I don't know I couldn't
3 lay hands or finger a Patent Trials and Appeals Board decision off the top of
4 my head that recognize and allow for experts who qualify as a person of skill
5 in the art as of the time of the rendering the opinion without incident.
6 JUDGE MAYBERRY: All right. Thank you.
7 MR. CARSTEN: If I just may have a brief moment, Your Honor?
8 Oh, I stand corrected. I do have something I can point to, not off the top of
9 my head, but on one of the slides. And so, this is Patent Owner's Slide 179.
10 There are two cases here. The one on the left, the BMW case versus Paice.
11 It appears to be a Patent Trials and Appeals Board case from January 31st,
12 2022. It says whether or not the expert was a skilled artisan in September
13 '98 presumably, that was the priority date at issue in that case is
14 irrelevant because an expert does not have to be one of ordinary skill in the
15 art during the relevant timeframe to be qualified as an expert. And that's my
16 recollection, also, of the case you particularly mentioned to me, Your Honor.
17 JUDGE MAYBERRY: All right. Thank you.
18 JUDGE OBERMANN: I don't know. I know those cases, and I'm
19 aware of the cases. And it's definitely clear that a witness can, for example,
20 read the prior art and educate themselves about that, but this is a little
21 different, isn't it? Because we're talking about relevant experience in the
22 field. How do you establish that he had that if that's part of the definition?
23 MR. CARSTEN: Well, I thought, when we looked at the
24 definition of the level of ordinary skill in the art, Your Honor, it allowed for
25 it allowed for additional education substituting for some experience.

1 JUDGE OBERMANN: Oh, I see that. Okay.
2 MR. CARSTEN: Obviously, the man has a Ph.D.
3 JUDGE OBERMANN: I see it, yeah.
4 MR. CARSTEN: And then, was active as a full professor. And I
5 thought I put out -- let me just throw this up here again, Your Honor.
6 JUDGE OBERMANN: I'm looking at testimony that he's read the
7 art. He's familiar with it and all that.
8 MR. CARSTEN: Absolutely. Absolutely.
9 JUDGE OBERMANN: Okay.
10 MR. CARSTEN: And at 180, you know, this is an excerpt from
11 Dr. Howle's declaration. You know, he has considerable experience
12 designing and using in a whole host of things which are related, in terms of
13 the thermocouples and heating and so forth, that are all relevant to the
14 question of single-service single-serve beverage machines. So, you know,
15 with respect, the man's an expert. But thank you for raising it. I'm glad to
16 have the opportunity to clear that up for you all.
17 All right. I've got ten minutes on the clock. If I don't mention
18 something or raise something, it's certainly not because I don't feel passion
19 about the argument, but there are some things that I think I would like to hit
20 during the balance of the ten minutes of my time. But I'm obviously not
21 seeking to consider myself waiving any of the arguments that are in our
22 Papers.
23 I'd like to talk a little bit just about motivation to combine. And
24 this is Patent Owner's Slide 163. Yeah, I heard Mr. McCraw sort of pooh-
25 pooh the notion that the Yoakim low-pressure difference and Rossi high-

1 pressure difference was relevant in some in terms of how you go about
2 thinking -- how a person of skill in the art would go about thinking about
3 combining these two.
4 I mean, the fact is that Yoakim already has safety features
5 disclosed. And this is Patent Owner's Slide 169. It's the shape, the shape of
6 the capsule is what seats it in the Yoakim reference here. It's the
7 complementary shape and a safety function for ensuring that only capsules
8 adapted to the system can be used and brewed successfully.
9 Well, when you actually assume that and think about that there
10 was a slide that Mr. McCraw put up that said, well, there's all this piston
11 pump, and that's high-pressure, et cetera. That's Mr. McCraw's view. You'll
12 note that on that slide there was no reference to, or citation, to any expert.
13 Nobody raised that because it all came up during the reply phase. So that's
14 all simply attorney argument, with respect to the piston pump giving rise to
15 pressure that would be considered high or in any way similar to that that
16 we're seeing in Yoakim.
17 JUDGE OBERMANN: I didn't see, correct me if I'm wrong
18 because this is a question I have pending of the Petitioner's Counsel, and
19 they were going to identify in the petition where they talked about this
20 pressure issue. And I didn't see it.
21 MR. CARSTEN: I don't see it either. I don't think it's there. It's in
22 the reply. It is in the reply for the first time. So when Mr. McCraw stands
23 up and says, well, here it's talking about a piston pump and that means high
24 pressure, well, that's all well and good. But you know, they kind of missed.
25 JUDGE OBERMANN: It's kind of a new argument about the

1 combination, isn't it? I didn't see it.
2 MR. CARSTEN: It's absolutely a new argument. And the new
3 arguments -- we've seen shifting sands, new arguments, repeatedly in this
4 case. And so, this is one example of it.
5 JUDGE OBERMANN: Can you take a second, if you're familiar
6 with the *Rembrandt* case, where the Federal Circuit gave us some guidance
7 on when we should and shouldn't consider an argument that's raised in the
8 reply?
9 MR. CARSTEN: Well, I think that where my recollection there
10 are cases that go both ways on that question.
11 JUDGE OBERMANN: Well, *Rembrandt* was pretty clear, and
12 MR. CARSTEN: If it's truly in response, right?
13 (CROSSTALK)
14 JUDGE OBERMANN: -- truly in response, but it can't sort of
15 you know, it has to key off of something in the petition, right?
16 MR. CARSTEN: It does. And I'll say straight-up that we did talk
17 about, in terms of motivation to combine, that Rossi is a high-pressure
18 reference and Yoakim is a low-pressure reference. I agree with that.
19 That's -- we did say that. But to take that and then say, well, here's an
20 isolated word that doesn't say anything about pressure, this piston pump, and
21 to make that into an argument where we don't have the ability to have our
22 expert come back and actually address it, that's a new argument in my view,
23 Your Honor.
24 And then they point to another passage where it uses the word
25 espresso, but it says espresso and then, parentheses, 40 milliliters. And it's

1 in a series where it's talking about ristretto at 15 milliliters and -- or 25
2 milliliters. And espresso, it's talking about the volume of the beverage. It's
3 not saying that Yoakim becomes the type of high-pressure device that you
4 make it -- make espresso from at home. Like, this is all just backfill and
5 with no support whatsoever.
6 And I submit that if Your Honors are going to credit that new
7 information, that we really ought to have had an opportunity to respond to it
8 or at least figure out, for your benefit, what a person of ordinary skill in the
9 art would understand from that, as opposed to just what Mr. McCraw or
10 what I stand here and tell you.
11 I've got -- did you have any further questions about that?
12 JUDGE OBERMANN: No. Thank you.
13 MR. CARSTEN: Okay. Thank you. Well, so, turning back, I've
14 got Patent Owner's Slide 174 up here. And this really gets to, I think, one of
15 the real cruxes of the motivation to combine problems that they have. So
16 you've got Rossi, which is high-pressure. You've got Yoakim, which is a
17 lower pressure.
18 And Yoakim itself has its own safety parameters in check. There's
19 no question that Yoakim is a safe system. And so, you know, I don't see any
20 reason, whatsoever, to take the safety systems from a high-pressure Rossi
21 and just apply them willy-nilly.
22 And then, they've also got the two references of Jarisch '929 and
23 Yoakim. And they say, well, a person of skill in the art would just combine
24 those two. But the problem there is they have very different geometries in
25 terms of where the identifier is.

1 And so, when you actually try to -- and again, let's just use
2 Petitioner's slide here. This is, you know -- I'll note also, this is reply, and
3 there's no citation at the bottom to any expert here either. This is the bodily
4 incorporation argument.
5 And they say, well, you know, if you make this, this portion of the
6 holder of the capsule translucent, then you're not on the path of the brewed
7 coffee, and you can use an optical identifier. But if you actually do that
8 directly to the image of Figure 61, on the right, you don't actually get to the
9 area where the identifier would be.
10 And so, how do you fix that? Well, you have to -- you have to
11 actually shift the wall. You have to redesign the system. But remember,
12 we're talking about messing around with Yoakim. And we're talking about
13 messing around with the spot that holds the capsule.
14 But what did we know about Yoakim and this shape? That's
15 critical to the safety. And so, essentially, what they're saying is you'd have
16 to undermine the safety in Yoakim to then apply the teachings of Jarisch.
17 And then, because you've now made this less safe, you have to use its
18 creating problems that don't exist in order to solve -- create disadvantages in
19 order to try to backfill. And you know, it's just a step too far, with respect to
20 the motivation to combine.
21 And again, if the Board thinks, you know, there really is no
22 motivation to combine here. They've not considered the disadvantages of
23 the changes that they've proposed. In fact, based upon the lack of citation
24 and my recollection of reading through the entirety of the record, there's no
25 evidence about how, in the petition or in the declarations, how you would

1 actually implement these things. They just say, well, it's well known, so, so
2 be it. But that's enough to carry the burden.
3 With respect to -- I've got about a minute left. I did want to pick
4 up some things. Mr. McCraw spent an awful lot of time on priority. I don't
5 want me not saying anything about priority to suggest, in any way, that I
6 don't believe it. I believe it passionately.
7 With respect to the bowed cover, believe your eyes. I mean, really,
8 it's-- this is not a flat Earth situation. Even if -- I'm going to go out on a limb
9 here a little bit. Even if we didn't have a figure that clearly depicted a
10 bowing on that cover, both experts agree that bowing, it would be expected
11 to accommodate pressure from the beverage material within the cavity
12 versus the outside pressure. So here's
13 JUDGE MAYBERRY: Counsel?
14 MR. CARSTEN: Yes?
15 JUDGE MAYBERRY: Where in the specification, in the Exhibit
16 1047, does it talk about pressurizing the capsule?
17 MR. CARSTEN: Well, it doesn't talk about pressurizing the
18 capsule per se. This is, I think Dr. Howle talks about this expected off-
19 gassing from the beverage material itself causes that delta in pressure.
20 Remember, too, these capsules are designed to be installed and
21 inserted into a machine which is going to inject water into the capsule during
22 the processing. And so, even if you don't even if you were to disagree, for
23 whatever reason, and both experts do agree that when there's a pressure
24 differentiation, which there would expect -- be expected to be, it's going to --
25 it results in a bowed-outward cover, that during operation, when you're

1 injecting water in there, the cover is going to bow as well because of the
2 enhanced pressure going into the water, from the water.
3 Moreover, Your Honor, I'll tell you straight-up, the word bowing
4 doesn't appear anywhere in the 1047 specification. But the Figure is there,
5 and both experts agree that bowing would be a natural phenomenon more
6 and expected.
7 Moreover, Your Honor, Mr. Jobin looks at the Yoakim reference
8 and says, a-ha, I see; that's bowing. But again, the Yoakim -- I'm sorry -- the
9 Jarisch. The Jarisch reference itself doesn't talk at all about bowing. It's
10 simply the figure that and this is Patent Owner's Slide 21. It's simply the
11 figure that he relies upon to say, for purposes of obviousness, a-ha. Here,
12 there's bowing. But the --
13 JUDGE OBERMANN: I have a problem with this because, for
14 purposes of written description support in an application, you can't rely on
15 an obvious disclosure.
16 MR. CARSTEN: I'm not, and I'm not advocating or suggesting
17 that we are relying upon an obviousness disclosure.
18 JUDGE OBERMANN: How is that an expressed disclosure if
19 there's no depiction of the volume on that.
20 MR. CARSTEN: Your Honor, I believe, and I respectfully submit
21 that, and I see I'm actually in my rebuttal time, but that red line is the flat
22 line, and the membrane is over that flat line. It's bowed. And so, Your
23 Honor, I submit, with respect, that this figure does demonstrate and depict
24 bowing. But even if you were to be concerned about it. Both experts, Dr.
25 Howle and Mr. Jobin agree that where there's a pressure differentiator,

1 which you would expect based upon off-gassing of the beverage material,
2 that the capsule will be bowed. The cover will be bowed.
3 JUDGE OBERMANN: That sounds like an obviousness
4 argument.
5 MR. CARSTEN: No. I think it's simply reviewing the priority
6 document from the perspective of a person of skill in the art, bearing in mind
7 the knowledge and experience that they bring to bear with them as of the
8 priority date. And so they expect that the beverage material is going to off-
9 gas. They expect that there's going to be a pressure differentiator after
10 you've sealed the capsule. Because remember, this is a sealed system, and
11 so off-gassing would increase the pressure within that system.
12 JUDGE MAYBERRY: Excuse me, Counsel. I mean, why include
13 it in the claim then? That, it makes no sense as a limitation of a claim then if
14 it's something that every capsule is going to do.
15 MR. CARSTEN: Well, it is a defining feature of the capsule. It
16 may not be something that --
17 JUDGE MAYBERRY: Of all the prior art capsules.
18 MR. CARSTEN: Well, it may not be so -- a limitation that
19 differentiates prior art, but it is a feature of the capsule.
20 JUDGE MAYBERRY: And I'm more concerned with Figure 16
21 because I do not understand what it -- what I'm looking at. Can you explain
22 what I'm looking at?
23 MR. CARSTEN: Sure. I see I'm very much deep into my rebuttal
24 time. I'm three minutes in, but I want to make the we're here for you, and
25 so, however this works is fine with me.

1 Figure 16 is a depiction of the capsule, in its entirety, placed over
2 the workings of an exemplary beverage-brewing system. And so, there's a
3 JUDGE MAYBERRY: So the mandrel, for example, has it
4 pierced that? I mean, it looks like it's below what you've defined as the
5 membrane.
6 MR. CARSTEN: Well, certainly, if a blade of the mandrel -- a
7 mandrel is a sharp piece which is designed to pierce the membrane.
8 JUDGE MAYBERRY: Right.
9 MR. CARSTEN: And so, yes, the blade, for sure, is under the
10 thing that is the --
11 JUDGE MAYBERRY: So the blade -- so the membrane's already
12 been pierced?
13 (CROSSTALK)
14 MR. CARSTEN: Again, this is a – this -- there's nothing in Figure
15 16, and I think Dr. Howle talks about this in his declaration. They said,
16 well, he's being inconsistent. He's not. This is simply an illustration to show
17 the capsule superimposed on the workings of the machine to demonstrate
18 operation. There's nothing in Figure 16 that tells a person of skill in the art
19 that this a true representation of the device in operation, being with water
20 and during the brewing cycle. There's nothing to say that. And I think Dr.
21 Howle reflects that in his -- in his declaration.
22 JUDGE MAYBERRY: All right. Thank you.
23 MR. CARSTEN: Thank you. There's a lot more I could say, but I
24 know I've taken up more than my time of the -- on the opening round. And I
25 appreciate the Panel's questions and your indulgence. Thank you very

1 much.
2 JUDGE MAYBERRY: Thank you, Counsel.
3 MR. McCRAW: Okay. Thank you, Your Honors. I am ready to
4 go. So let me start, first, to answer your question, Judge Obermann, about
5 the motivation in the Petition. And then I'd like to address some of the
6 comments about Dr. Howle and his expertise. And then I'll go through some
7 of the other issues.
8 First of all, Your Honor, our description of combining Yoakim and
9 Jarisch is found on starting at page 44 of our Petition. And we do explain
10 that Yoakim, Jarisch '929, and Rossi are all analogous art in the field of
11 portion capsule beverage extracting -- extraction, each disclosing invention
12 that may be applied in automatic coffee and espresso machines. It is
13 understood it is a -- it is a necessary point that if you're making espresso,
14 you're making it under high pressure. So any of these systems that are
15 capable of espresso are capable of doing it under high pressure.
16 The other point I'd like to make, Your Honor, is, on pages 47 and
17 48. We walk through the specific motivation of what we're combining with
18 Yoakim and Rossi and why. And there is not a shift of new argument here.
19 From the start, we have said we're combining the system of Yoakim with the
20 capsule recognition process of Rossi. At no point are we saying you need
21 Rossi's high-pressure pump. That's not necessary. We don't need that.
22 We're taking the system of Yoakim with the capsule recognition
23 process of Rossi. And the benefit you get from that is right here on the page,
24 on 147, providing a safe and simple system to ensure that the appropriate
25 capsule is used. And so, just generally speaking, with coffee, it's hot. You

1 benefit from safety there. And because Yoakim is brewing espresso, it's
2 going to be high-pressure. Then we go on to say, you know, using an
3 incorrect capsule can cause the machine to malfunction and prejudice the
4 safety and integrity of the machine. This all applies to Yoakim.
5 The concept of some distinction being drawn between Yoakim and
6 Rossi about high pressure and low pressure is not one we could've even
7 envisioned just because it's abundantly clear Yoakim operates at high
8 pressure. So we responded to it properly on reply. They said Yoakim
9 doesn't apply high pressure. We said, well, that doesn't make sense. Yes, it
10 does. And so we came in in our reply, and this is on pages 21 and 22, and
11 we explained why.
12 First, we've provided our motivation to combine, but to the extent
13 you're going to challenge it based on the pressure, we've explained why
14 that's not correct based on the document. And in, you know, evaluating
15 obviousness here, we do need to look at the document as a whole and what it
16 teaches. So that's what I'd like to say about motivation there.
17 I'd also like to - I'd also like to address this redundancy argument
18 that Patent Owner made, quickly. Oh, it's not presenting.
19 MR. CARSTEN: You absolutely are presenting.
20 MR. McCRAW: Thank you. I'm not presenting the PDF. Let me
21 fix that.
22 So, as we've gone through, Rossi's system reduces the safety
23 hazards, and Yoakim absolutely benefits from that. They've suggested that
24 it's redundant because of a feature that's already in Yoakim. But I think
25 they're dramatically overstating what is occurring in Yoakim.

1 Yoakim has an embodiment that says the complementary shape of
2 the capsule and capsule holder can utilize a gearing function, first, to drive
3 the capsule at high speed because if you're going to rotate it in a centrifuge,
4 you need something to engage it, to spin it quickly. Otherwise, the capsule
5 may sit there while it's spinning. And a safety function for ensuring that
6 only capsules adapted to the system can be used to brew successfully.
7 That's all fine and good, but Rossi describes significant additional
8 safety measures that are not found in Yoakim's little driver. And Dr. Howle
9 has admitted that Yoakim wouldn't actually prevent the safety issues that
10 arise in Rossi.
11 And so, first of all, you have the identification element that's not
12 just recognizing the capsule, but it's recognizing its contents. So, regardless
13 of whether the capsule fits or if someone has made a capsule with the same
14 shape, the code actually is going to recognize its content and prevent it from
15 operating.
16 Second of all, there's a validation means. And the validation
17 means operates to make sure that the same element is not used twice. And
18 so, even if you're working with a Yoakim capsule that's got your little driver,
19 nothing is going to prevent it, in Yoakim, from being used a second time.
20 And right here on the page, Rossi has explained that reuse of a capsule can
21 provide problems, problematic dynamics of fluid flow that can cause the
22 machine to malfunction and create and associated health hazard.
23 So I asked K-fee's expert about this. And I said, does this is
24 I'm on Slide 84 right now. Does the shape of the gripping structure stop an
25 identically shaped capsule that's not meant to be used with Yoakim? He

1 said, no, sir. It does not.
2 I went on. I said, where does it say in Yoakim that that gripping
3 structure will prevent the capsule from being used a second time? He
4 acknowledges it doesn't prevent it from being used again. So all of these
5 safety benefits you're getting from Rossi are in addition to what you have
6 from Yoakim. So they're absolutely not redundant.
7 And I respectfully disagree with my learned friend, Mr. Carsten,
8 that there's some trade-off or some kind of removal of benefit that has to
9 occur to combine with Rossi. Nothing in Rossi has to change. That
10 gripping structure can stay there. There's nothing inconsistent about it. You
11 just simply add Rossi's processing. You add that processing to Yoakim's
12 system, where the system doesn't operate until you've detected the identifier
13 and determined that it's suitable for use. It's a simple combination that I
14 think Counsel's tried to make seem much more complicated than it actually
15 is. So that's what I have to say about that.
16 I'd like to quickly go to the discussion about Dr. Howle, who is
17 unquestionably not a person of ordinary skill in the art today or at the time of
18 the invention. And so this is Slide 96. First of all, this is Jobin. This is our
19 expert.
20 Unquestionably, Michael Jobin is an expert. He is a product
21 designer. That's what he does for a living. He has 30 years of designing
22 products. He designs consumer products. He designs fluid products. He's
23 designed coffee machines. He's even designed beer systems that are single
24 serve, based on cartridges, and use identifiers. It's such a similar type of
25 invention. He's worked on all of these types of things.

1 So he's unquestionably a person of skill in the art. He's had far
2 more than five years of experience in designing these types of products at
3 the at the date of the invention. And he put forth a very extensive
4 technical background, explaining the state of the art. On the other hand
5 JUDGE OBERMANN: On page 96, are you, then, contesting
6 because when I asked your friend this question, he showed us some material
7 that said you can substitute education for the
8 MR. McCRAW: I would like to address thank you. Thank you,
9 Judge Obermann. So that, that quote that substituting education for
10 experience, that comes from K-fee's proposal of what the definition of
11 ordinary skill in the art is.
12 Your Honors, if you look at the definition that you all adopted in
13 the institution decision, that is not that is not in the definition. The
14 definition in the institution decision is and I will find it.
15 JUDGE OBERMANN: I see it on your Slide 96. It's pulled from
16 the decision, Paper 12, page 15.
17 MR. McCRAW: Right. So, basically, five years of experience in
18 the design of mechanical beverage systems or similar products. And then
19 Your Honors added additional experience with sensors for recognizing
20 identifier, which Mr. Jobin also has.
21 So Howle, I want to point out, has zero years of design experience.
22 And there's some sort of I think there's been some things that need to be
23 clarified. So Dr. Howle, we discussed this. He claims to have 1,300 hours
24 of designing and analyzing coffee systems. Well, that's -- I broke that down
25 for him during the deposition. Those 1,300 hours come from him, after the

1 fact, after 2014, working on patent litigations.
2 And I said, okay. And this is -- I'm on page 2 of our reply brief.
3 And I'll give you all of the depositional cites, which I encourage to read
4 because I think these truly do show that he's not a person of ordinary skill in
5 the art. He admitted that only 100 out of those 1,300 relate to product
6 design. So, now, I know, Judge Mayberry, you were concerned that 1,300
7 didn't satisfy five years. We're now down to 100, as he's admitted in his
8 deposition.
9 And then I asked him, well, what was that design work? And
10 effectively, what he's talking about is working with a client on freedom to
11 operate analysis and infringement analysis. He's not designing capsules.
12 He's working on patent issues with a client. If that satisfies the five years of
13 being a person of ordinary skill in the art, that makes me a person of
14 ordinary skill in the art. I mean, that's not what we're talking about here.
15 We're talking about someone who actually designs these products.
16 And so, I would like to direct Your Honors to Dr. Howle's
17 deposition. This is Exhibit 1058. And all of this is cited on page 2 of the
18 reply. But in particular, page 49, lines 23 through page 58; page 44, line 25
19 through page 45; 24. So those, I think, really demonstrate that he's not a
20 person of ordinary skill in the art.
21 And Judge Mayberry, I, too, had the same concern about the
22 *Kyocera* case and actually brought a copy with me because I had read it.
23 And it struck me because it's such a similar situation to what we have here.
24 You have a definition of skill in the art that really requires technical
25 experience, actual experience doing something.

1 And what the proponent of that expert said, well, he has a lot of
2 advanced degrees, and he has some experience doing some other things.
3 And the Federal Circuit said, well, no. You don't have experience as defined
4 by a person of skill in the art. And they said that's not reliable.
5 And so, you know, we did not move to exclude Howle's testimony.
6 We understand that the Board doesn't prefer motions to exclude. And we
7 know you know how to weigh evidence. But we do think, unquestionably, if
8 you are going to be weighing the evidence between Michael Jobin and Dr.
9 Howle, Michael Jobin's should be given significantly more weight.
10 Going back to -- let's talk about the groove that's laterally offset. I
11 want to address some things Counsel said about the groove. So, and I am on
12 Slide 63. I guess I'd like to stay at this slide, 66.
13 So, first of all, we've not changed our position. This figure was
14 always there in our Petition. This is the figure that was originally in our
15 petition that has the blue seal and the red groove, and it's unquestionable to
16 us that it is offset from the chamfered mandrel.
17 JUDGE OBERMANN: I'm sorry to interrupt, but what slide is
18 that?
19 MR. McCRAW: Oh, I'm sorry. It's Slide 65.
20 JUDGE OBERMANN: Thank you.
21 MR. McCRAW: Thank you, Judge Obermann. So where the seal
22 is seated in that groove, where that groove is located, it is off to the side. It
23 is off to the side of the central axis. Now, I think what Counsel was saying
24 is, well, it -- look, it overlaps just a tiny bit. It's just a tiny bit over the top of
25 the chamfered mandrel.

1 I agree, actually, with something that Counsel said at the beginning
2 of the discussion. He said nothing in the claim limits what laterally offset is,
3 and I completely agree with that. There's no further discussion in the patent
4 or in the claim about what laterally offset must be.
5 I encourage you to think about if you were stacking two textbooks
6 on top of one another. And if you were to shift one so that it was offset,
7 there may still be some overlap with that textbook, but that textbook is now
8 offset from the textbook that's under it. And that's exactly what we have
9 here is laterally offset. And in particular, the area where the butt end of the
10 seal is engaging with the groove on all sides is completely offset from the
11 mandrel.
12 So I don't think there's really anything more to be said about this.
13 It's certainly not a new argument. All we tried to do, and I'll go in here to
14 Slide 66, is we didn't change our position. We just tried, to the extent that
15 K-fee seemed confused by it or didn't understand it, we said no; here's what
16 we mean. Here's the arrow in case you seem to not understand what we
17 mean by laterally offset. But the coloring never changed. The positioning
18 never changed. Our position never changed. So the groove sits off to the
19 side of the chamfered mandrel.
20 I think, importantly, also, they articulated no distinction or
21 relevance to this in any way. I mean, Counsel could not even identify where
22 the groove is in the patent because it's not -- I mean, other than, I guess,
23 looking at Figure 16, maybe you could gather the fact that the seal might be
24 seated in the groove. But there's no discussion of a groove. There's no
25 discussion of what they mean by laterally offset.

1 And so, certainly, I think, under the under the limitations of the
2 claim, this constitutes laterally offset. You know, they originally were
3 complaining which side it was on, and they seem to have abandoned that.
4 And now they're saying that they think it's above, but it's off to the side.
5 Let's see. Is there anything else I want to say about that? One
6 other thing, this is just -- it's obvious. I mean, one of the additional
7 arguments we made is Yoakim, at a minimum, renders this obvious. And
8 they've never really responded to that. They've never articulated any
9 relevant technical distinction with this feature.
10 JUDGE MAYBERRY: And excuse me, Counsel. Is that the
11 purpose of showing the embodiment of Figure 38, which doesn't have a
12 mandrel in that embodiment?
13 MR. McCRAW: Correct, Your Honor. The purpose of 38 is, yes,
14 we have a seal. Yes, we have a groove. I will certainly admit there is no
15 mandrel in that particular embodiment, but all of the other embodiments in
16 Yoakim have one. And you can certainly create a situation where they have
17 one. It would be obvious to have it set up like that.
18 And you know, K-fee has not addressed the point that it's simply
19 obvious. There's nothing special about having this groove in this particular
20 position. The seal and the groove, they operate to do what they do.
21 And Judge Obermann, you were absolutely correct that, you know,
22 there's nothing in the specification that describes the groove being laterally
23 offset or what it is or how.
24 JUDGE OBERMANN: Well, we have one example in the figures,
25 right?

1 MR. McCRAW: At best, there's an example in Figure 16, if you
2 would assume that what's described as the seal is seated in a groove, but you
3 have to assume that.
4 JUDGE OBERMANN: I'm having a little bit of trouble with offset
5 from the mandrel because it really does not look offset, even in your -- with
6 your yellow line there.
7 MR. McCRAW: Well, Your Honor
8 JUDGE OBERMANN: It's along the axis.
9 (CROSSTALK.)
10 MR. McCRAW: Let me try to just come closer to it, and if I just
11 may approach this right here.
12 JUDGE OBERMANN: Well, if you -- yeah.
13 MR. McCRAW: What I'm talking about is here. We're over here.
14 I think Counsel said that if you have a groove, you know, you've got to have
15 a side on every side of it. So that's where this groove is. It's right here
16 where the seal is connecting with it, partially seated in it right there. That is
17 in no way overlapping with it.
18 JUDGE OBERMANN: You've defined the groove as the red-
19 shaded area of a broader element in this reference, correct?
20 MR. McCRAW: We did. That's right. This is -- I mean, this is
21 the groove, but that is the groove there, where it's sitting in. And Your
22 Honor, to the extent there is some overlap, I will acknowledge this is a
23 comprising claim. It's off to the side, but if it's also a little bit on top, I don't
24 see how that is in any way inconsistent with the claim.
25 JUDGE OBERMANN: It has to be laterally offset. Laterally is

1 the line that you have on your next slide.
2 MR. McCRAW: Correct.
3 JUDGE OBERMANN: And offset, to me, means it's got to be off
4 that line, no?
5 MR. McCRAW: It has to be coming off of that line. So and that's
6 what we have. It's coming off of that line. I think the fact that it's touching
7 it doesn't seem to be inconsistent with it at all.
8 JUDGE OBERMANN: It's a pretty fine line to draw.
9 MR. McCRAW: Well, we are talking about coffee machines, so
10 we're looking at millimeters here, so I mean, there's not a real distinction
11 between what the laterally offset is going to be. This is not a large-scale
12 product. And so, there is nothing in the claim, I think, that changes what the
13 term laterally offset means. It just means off to the side. And this is off to
14 the side.
15 If you think there is a portion that is -- that is above it, I just --
16 JUDGE OBERMANN: Well, no. I'm looking at what you've
17 decided is the groove itself, which is that red-shaded portion. And that is not
18 offset laterally. It's on the line.
19 MR. McCRAW: Well, Your Honor, I would respectfully point to
20 all of this right here, where it's seated, which is offset. This is not on the
21 lines. This is all off to the side. Really, only the final perimeter of it touches
22 the line. The rest of it extends off from it. That's the point. Laterally offset
23 from it, that's the point we're trying to make.
24 I do want to use some of my remaining time, just quickly, to talk
25 about ledge. Oh, and I guess I should also add, nothing in the specification

1 anywhere says that it needs to be 100 percent offset. That's not found
2 anywhere.
3 On ledge, let me quickly go to Slide 69. I want to be clear. We
4 did not change positions here in any way. We, at all times, were identifying
5 element 120. It is the flat figure you see here in 71. Judge Obermann, you
6 were correct. There does seem to be a little curve here. I apologize. That
7 was our, you know, graphics person putting this in. We're not trying to
8 suggest that it's going up. We're trying to suggest that it's the flat portion of
9 120. That's all it's supposed to be.
10 JUDGE OBERMANN: Well, the bigger issue, for me, is that
11 within the shaded area there.
12 MR. McCRAW: Well, so, I think, what we have here is we have
13 our expert testified 114 is the cavity because the cavity is where the coffee
14 sits. But I think the whole dispute that's been manufactured by K-fee here is
15 that the cavity ends at this lid. But the cavity ends at the membrane. That's
16 actually in the patent itself.
17 In the '491 patent, it states, the beverage raw material is arranged
18 within the portioned capsule's cavity. After the beverage raw material has
19 been filled with the cavity, the base element is usually sealed by a
20 membrane. This is on Patent Owner's slides at 128. It's citing column 21, I
21 believe, lines 26 through 27. But you can see what they highlighted here, on
22 the left. Oh, no. This is lines 41 through 45. So it's clear here that the
23 cavity's in the membrane.
24 And I do want to go on to just make very clear, if you look at
25 Michael Jobin's testimony that we've provided on Slide 22, he is very clear;

1 he does not agree that the capsule ends or it's outside the capsule above that
2 lid. He said it's where the membrane is. And so, the membrane, as defined
3 by the patent, the patent tells you the membrane is what closes the cavity
4 where the coffee sits.
5 And there's nothing inconsistent about that. The point of Michael
6 Jobin's deposition that they pointed to, where they asked him is that the
7 cavity, he admitted that 114 is the cavity. But he never admitted that the lid
8 above closes off the cavity. He's very clear, on Slide 72 here, that it's the
9 membrane that closes it off.
10 JUDGE OBERMANN: Well, he might say that, but don't we need
11 I mean, that's all extrinsic. That's extrinsic.
12 MR. McCRAW: Well, then, I think we can just look at the patent,
13 Your Honor. And we can look at -- we can look at the portion I just read to
14 you that's on Slide 128 of
15 JUDGE OBERMANN: And it says the cavity into the cavity,
16 the base element is usually sealed by a membrane. So
17 MR. McCRAW: So, you have a base element. Inside, it's a cavity.
18 You have the coffee sitting in the cavity, and you seal that with the with
19 the membrane. The fact that there's a lid in there that's got a bunch of holes
20 in it that's not actually even sealing the coffee or closing off the coffee, the
21 coffee could go through it, that doesn't change the area that the coffee is in.
22 The coffee is inside the capsule, closed by the membrane.
23 In Element 120 is a ledge that meets all of the limitations of the
24 claim, but I'd also add that there is absolutely no relevance discussed about
25 this ledge anywhere in the patent. It's not a technical feature or anything

1 they've suggested that's not obvious based on Yoakim's teaching.
2 And with that, Your Honor, I don't have any other response unless
3 there's any further questions.
4 JUDGE MAYBERRY: Anything else? All right. Thank you,
5 Counsel.
6 MR. McCRAW: Thank you very much. I appreciate it.
7 JUDGE MAYBERRY: Counsel, since you ran a little over, we're
8 going to go ahead and restore all 15 minutes of your rebuttal time.
9 MR. CARSTEN: That's awfully kind of you. Thank you so much,
10 Judge Mayberry, and to the Panel. I hope I don't take all of it, but if you
11 have questions, I'm happy to go as long as you all want to talk.
12 Let's pick up where my learned friend left off, and that is with
13 respect to this. He's confusing the capsule and the base element, which is, in
14 this instance, sealed with a membrane with the cavity. The cavity, as he
15 said, there's a base element. The cavity is inside the base element. And then
16 you seal the whole thing off at the top with a membrane.
17 But in the instance they are pointing to, there is a lid. And that lid
18 is what is what defines the cavity 114 that's under the membrane. And so,
19 on the illustration that they chose to rely upon in order to demonstrate
20 obviousness of this lid -- of this ledge, they fail because that's not inside the
21 cavity. And we just walked through that. So nothing that Mr. McCraw just
22 said changes that analysis in any way.
23 With respect to the groove -- with respect to the groove, I'm
24 looking at the -- I've got the petition in my hand. Oh, I'm sorry. May I have
25 the Elmo, please? Thank you very much. I've got the petition here, and I'm

1 looking at page 69 of the petition. And here's where the argument is laid out
2 with respect to Figures 35 and 38, and it continues onto the other side.
3 I thought I heard Mr. McCraw say, oh, and we generally argue the
4 obviousness of Figure 38, in terms of combining 35 and 38, even though 38
5 does not offer a mandrel. But that argument is not present -- I'm going to
6 turn the page. This is page 70, where it ends. They're not talking about
7 Figure 38 as being independently a basis for obviousness. They're talking
8 about combining the two. So there is no separate obviousness position that
9 we saw in the petition. So I think that's another brand-new argument that
10 we're seeing for the first time.
11 I do want to come back to the question of seal, Your Honor. Judge
12 Obermann, you mentioned -- you asked me about the seal, and I pointed out
13 item 31, with the mandrel 29, in connection with the figure from the '491
14 patent. This is the '491 patent at column 10, and -- this is column 10, lines
15 28 or so.
16 It starts with the word preferably, and I've highlighted the language
17 here. Preferably, it is provided that the edge region has a sealing surface,
18 2.4.1, which sealingly interacts with the seal 31 which is what we pointed
19 to earlier, Your Honor -- attached to the brewing chamber 27, on the interior
20 side of the gear wheel. The seal 31 makes sure that the water coming from a
21 water inlet flows through the portioned capsule by passing an opening which
22 has been made by a mandrel 29, then around it.
23 And so, the -- here's the disclosure where this is the reason why.
24 You have this seal. And then, internally, you have to be offset, so that way,
25 when the mandrel cuts a hole in the top of the membrane, that you're still

1 within the terms of the seal.
2 And so, here it is in the specification. It isn't just in the figure, the
3 offset between the mandrel on one end and the seal on the other. So I really
4 do believe that we have absolutely explained, and the patent supports and
5 provides absolute disclosure for this. So I hope that response to the question
6 that Your Honor had earlier.
7 JUDGE OBERMANN: I'm sorry. What column was that, please?
8 MR. CARSTEN: Oh, I'm sorry, Your Honor. I'll put it back up on
9 the Elmo here for you. It's column 10 at lines -- I'm never good at this on
10 the fly. It looks like 28 to 34.
11 JUDGE OBERMANN: Thank you.
12 MR. CARSTEN: Thank you, Your Honor. Now, we heard some
13 stuff on rebuttal here about the pump limitation and mapping. I'll put up
14 their Slide 40.
15 So this is Petitioner's Slide 40. And this is what they say that their
16 argument is that the pump limitation -- Yoakim discloses a pump, and Rossi
17 discloses the control features with respect to it. Okay. So this is Rossi
18 disclosing everything. So it's Rossi in view of Yoakim. Yoakim is just
19 giving you the pump. That's what they said. Well, that's not at all what they
20 said in their petition. This is the reply argument.
21 The reply argument is where they criticize us. They say we map
22 Yoakim for pump control and Rossi for identifier. Well, no. It's the
23 opposite. They've actually flip-flopped. So, in the petition, they said Rossi
24 discloses controlling a pump. There's no pump in Rossi. That's petition at
25 61. At petition at 63, Rossi discloses only operating the pump. At petition

1 at 64, Rossi's disclosure to constitute operating the pump. There is no pump
2 in Rossi. They mapped it inappropriately.
3 And that's exactly the reason why we pointed out, in our Patent
4 Owner response, that this -- that this argument fails. So they've actually
5 switched it. It used to be Rossi did the pump -- did the control of the pump,
6 and Yoakim was just the pump. And so, that -- it was Rossi in view of
7 Yoakim. They flipped it such that now they're pointing to Yoakim for
8 control of the pump. And they're only using Rossi for the identification and
9 validation features. So, now, it's Yoakim in view of Rossi. And that's a
10 complete flip-flop between the petition and the reply.
11 JUDGE OBERMANN: Can you just tell me what slide you're on?
12 MR. CARSTEN: Oh, I'm sorry. I'm on our slide, Patent Owner's
13 slide, at 150.
14 JUDGE OBERMANN: Thank you.
15 MR. CARSTEN: And so this cites the Petitioner's reply at 15,
16 where they take issue with us for criticizing, in our Patent Owner response,
17 the notion that Rossi does not have a pump and doesn't control a pump. But
18 that's exactly premised upon the argument that was set forth here at pages
19 61, 63, 64, again and again. I had mentioned, now, a number of times now,
20 the various changes that we've seen in terms of the argumentation, and this is
21 one of them.
22 And then, you know, funny, we actually -- this is Petitioner's Slide
23 55. You know, they actually have the temerity to say, well, we ignored
24 Yoakim '522 for control of the pump, when we just saw in the petition, they
25 said Rossi controls the pump, not Yoakim. And moreover, the petition does

1 not cite 522, paragraph 522 of Yoakim at all. It's absent. So how can we
2 ignore something that they never even cited to for a purpose in Yoakim that
3 they never ascribed? It's a complete shift of argument. And again, that was
4 Petitioner's what was Petitioner's Slide 55.
5 There were some questions earlier about how the bulge, if you'll
6 have it, the bowed. And I just want to make it clear. This is our Slide 19, so
7 Patent Owner's Slide 19. It's an excerpt from the declaration of Michael
8 Jobin at paragraph 224. And this, I think, gets to the crux of the expectation
9 that there would be bowing.
10 The very first sentence there says -- and this is their expert -- a
11 person of ordinary skill in the art would understand that including an inert
12 gas in a gastight capsule that is sealed by a thin foil membrane cover would
13 result in the cover bowed outwardly in a central region.
14 It's an admission. They admit that there would be bowing. And
15 so, even if you have questions about the depiction in Figure 16, their expert
16 admits there would be bowing.
17 JUDGE JESCHKE: Counsel, I had a question about that.
18 MR. CARSTEN: Yes, sir.
19 JUDGE JESCHKE: Figure 16 in Exhibit 1047.
20 MR. CARSTEN: Yes.
21 JUDGE JESCHKE: It seems to be your position that that is a
22 cross-section. Is there anything in the document or in the testimony or
23 otherwise that shows that that's a cross-section, rather than, I believe, the
24 Petitioner's position is that it's a kind of perspective view or some other
25 view? What do we look to to answer that question?

1 MR. CARSTEN: Well, I think you look to the other similar
2 figures that were set forth there, and they all seem to be straight-on views,
3 with the exception of Figure 2. And Figure 2 is sort of cocked a little bit and
4 is a perspective drawing, but it is obviously a perspective drawing.
5 And in fact, there's a reference in the description to Figure 2,
6 which talks about, you know, the side and how there's an arrow pointing to
7 the underside of the flange 15. And it says in the description of Figure 2, a
8 person of skill in the art would recognize you could put the thing on -- the
9 identifier on this side of the flange. So that's obviously a perspective view.
10 The other figures really are straight-on either cross-sections or
11 under views, such as, I'm thinking now about Figure 17A through C, which
12 are, you know, from the bottom. And both experts agreed that that's a
13 perspective from the bottom. I don't see any reason to think that Figure 16A
14 is in any way a perspective view. There is a bowing.
15 And initially, Mr. Jobin said, oh, gee, I think that's the rim because
16 if it's in perspective, you would see it -- you would expect to see an arc as
17 you take a cylinder and turn it, right? But then, he later said no, no, no. This
18 horizontal line is the rim.
19 And so it's inconsistent. I was actually surprised when I saw their
20 Petitioner reply brief that they were maintaining the argument because I
21 thought Mr. Jobin had recognized his error and said no, no, no. It's
22 absolutely not a perspective.
23 I think the shading there actually reflects a light source as opposed.
24 JUDGE JESCHKE: What do you mean? You mean there, in
25 Figure 16A?

1 MR. CARSTEN: Yes.
2 JUDGE JESCHKE: Okay.
3 MR. CARSTEN: There is some shading there. But to my mind,
4 that actually demonstrates the -- a light source and to illustrate certain
5 features within the -- or attempting to illustrate certain features within Figure
6 16. It's not a turned view, if you'll have it. It's not a perspective view, in my
7 view. And you can look through the figures and see that, I think with the
8 only exception I'd have to flip through, but I think the only exception is
9 Figure 2.
10 With the waning moments here, I'm at three minutes left on the
11 clock. I do just want to open up the question on Dr. Howle. Dr. Howle did
12 recognize and read the institution decision. He saw that Your Honors had
13 adopted, provisionally, the Petitioner's definition of person of ordinary skill
14 in the art with the additional language that my friend identified.
15 And here, in paragraph 25, he goes through and understands it.
16 That's at paragraph 24. At paragraph 25, I would've qualified as a person
17 of -- at least ordinary skill in the art as of September 2nd, 2010, and I have
18 the sufficient level of knowledge, experience, and education to provide an
19 expert opinion in the field of the challenged claims of the '491 patent. I
20 mean, we have to take the man at his word.
21 We can look and see, but you know, from your experiences, that a
22 professor of mechanical engineering is consulted all the time about a variety
23 of things. He's an active, full-tenured professor. To say that simply because
24 he's identified 1,300 hours of work or even 100 hours of work, if you want
25 to buy what Mr. McCraw said, that that excludes him somehow or that his

1 experience and education does not qualify him as an expert. And they're not
2 even seeking to exclude him. They're simply saying, nope. You ought to
3 give his position less weight. Candidly, Dr. Howle is the kind of person
4 who was educating their expert back in the day.
5 Unless you have any other questions, we could talk about this all
6 day. You can see I love talking about this stuff. But unless you have any
7 further questions to address, I'll just cede the minute and half of my time.
8 JUDGE MAYBERRY: It doesn't look like there is any more
9 questions. Thank you, Counsel.
10 MR. CARSTEN: Thank you, all, very, very much. I appreciate it.
11 JUDGE MAYBERRY: And we actually want to thank both
12 parties for being well-prepared, excellent presentations, and for indulging us
13 in our questions. Well, so with that, this case is submitted, and we are
14 adjourned.
15 (Whereupon, the above-entitled matter went off the record at 11:15
16 a.m.)

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