UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CHAMPION LABORATORIES, INC.,
FIRST BRANDS GROUP, LLC

Petitioners

v.

HENGST SE

Patent Owner

Case No. IPR2024-00603
Patent No. 9,023,203

PATENT OWNER'S PRELIMINARY RESPONSE

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2001	Defendant's Initial Non-Infringement and Invalidity Contentions
2002	Plaintiff's Response to Initial Invalidity Contentions
2003	Defendant's Final Invalidity Contentions
2004	Plaintiff's Response to Final Invalidity Contentions
2005	District Court Amended Scheduling Order
2006	Defendant's Opening Claim Construction Brief
2007	Plaintiff's Responsive Claim Construction Brief
2008	Defendant's Claim Construction Reply Brief
2009	Minute Entry Setting Markman Hearing
2010	United States District Court for the Northern District of Illinois Estimated Patent Schedule
2011	Waiver of Service
2012	German Patent Application DE 202007001227
2013	Translation of DE 202007001227

I. INTRODUCTION

In this action, Champion Laboratories, Inc. and First Brands Group, LLC ("Petitioners") requested *inter partes* review (the "Petition") of claims of U.S. Patent No. 9,023,203 (the "'203 Patent") on February 22, 2024. Patent Owner Hengst SE ("Patent Owner" or "Hengst") hereby submits this preliminary response under 37 C.F.R. § 42.207.

As established below, the Patent Trial and Appeal Board (the "Board") of the United States Patent and Trademark Office ("USPTO" or "the Office") should deny institution of the Petition. Specifically, the Board should deny institution under 35 U.S.C. § 314(a) in view of *Hengst SE v. Champion Laboratories, Inc.*, No. 23-cv-00794 (N.D. Ill. February 8, 2023). Additionally, the Board should deny institution under 35 U.S.C. § 325(d)[1], because the same or substantially the same prior art or arguments previously were presented to the USPTO during prosecution of the '203 Patent. Finally, Petitioners have not shown with particularity why each challenged claim is unpatentable, given their inconsistent claim construction positions in the District Court Proceeding and before the Board.

[1] The Board can also deny institution of the Petition under 35 U.S.C. § 314 because the Petition does not establish that Petitioners would prevail in challenging at least one claim of the '203 Patent for the reasons provided in this analysis.

II. RELATED MATTERS

The '203 Patent is asserted against Petitioner Champions Laboratories, Inc. ("Petitioner") in *Hengst SE v. Champion Laboratories, Inc.*, No. 23-cv-00794 (N.D. Ill. February 8, 2023) (the "District Court Proceeding").

In February 2023, Patent Owner sued Petitioner in the Northern District of Illinois, alleging infringement of the '203 Patent. On May 22, 2023, Patent Owner served its Initial Infringement Contentions on Petitioner. In the District Court Proceeding, Petitioner served its Initial Non-Infringement and Invalidity Contentions in response on June 5, 2023. Ex. 2001. Hengst responded with its Initial Response to Defendant's Invalidity Contentions on June 20, 2023. Ex. 2002. On January 16, 2024, Patent Owner served its Final Infringement Contentions, and Petitioner served its Final Unenforceability and Validity Contentions. Ex. 1012; Ex. 2003. Hengst provided its response to Petitioners' Final Invalidity contentions on February 13, 2024. Ex. 2004.

In the District Court Proceeding, fact discovery closed on April 30, 2024. Ex. 2005. The Parties have conducted seven depositions, including depositions of five deponents in Germany.

On May 7, 2024, Petitioner filed its Opening Claim Construction Brief. Ex. 2006. On June 4, 2024, Hengst filed its Responsive Claim Construction Brief, and Petitioner replied on June 18, 2024. Ex. 2007; Ex. 2008. A Markman hearing is

scheduled for August 7, 2024, and a final written decision on claim construction is anticipated by September 19, 2024. Ex. 2009; Ex. 2010.

III. OVERVIEW OF THE '203 PATENT

The '203 Patent is directed towards a ring filter insert for use in an oil filter of an internal combustion engine. Ex. 1001 at col. 1, ln. 5-24. An issue found in some filter inserts of the prior art is that "an operator must actively establish the correct rotational position" of the filter insert during installation due to a blocking element on the filter insert. *Id.* at col. 3, ln. 43-47. The '203 Patent addresses this issue:

> "By rotating the ring filter insert about itself, which might be necessary, the positioning means guide the [eccentric] blocking element arranged thereon to the outlet in an engagement-compatible manner as soon as the positioning means come into contact with each other. Special attention of the operator, who installs the filter insert, is not required hereby, whereby installation errors are virtually eliminated."

Id. at col. 3, ln. 6-13. Specifically, the '203 Patent provides a ring filter insert having positioning means which allow for "the filter insert [to be] brought into its engagement-compatible rotational position for the [eccentric] blocking element relative to the outlet." *Id.* at col. 3, ln. 31-35. Following this, "it is attained with this that the filter insert is brought into its engagement-compatible rotational position for the blocking element relative to the outlet virtually solely by means of the force of gravity." *Id.* at col. 3, ln. 31-35.

In other words, the invention has a self-alignment feature associated with the eccentric blocking element not previously disclosed in the prior art. This feature

thereby requires minimal effort on the part of an individual to align and install the filter insert into the engine, which in turn exponentially reduces the risk of installation errors.

IV. THE '203 PATENT'S PROSECUTION HISTORY

The application for the '203 Patent was filed on June 5, 2012. Ex. 1001, 1002. Information Disclosure Statements ("IDS") were provided by Patent Owner on June 5, 2012 and November 20, 2014. Ex. 1002 at p. 60, 292. A Notice of Allowance was issued by the USPTO on December 10, 2014. *Id.* at p. 45. Patent Owner filed a petition to withdraw the application from issue and submitted a third IDS on March 30, 2015. *Id.* at p. 34. Two references cited in the Petition were disclosed by Patent Owner in these Information Disclosure Statements during prosecution. *Id.* After consideration of the March 30, 2015 IDS, the USPTO issued a second Notice of Allowance on April 6, 2015, and the '203 Patent issued on May 5, 2015. *Id.* at p. 5.

V. LEVEL OF SKILL IN THE RELEVANT FIELD OF ART

Hengst submits that a Person of Ordinary Skill in the Art ("POSA") would have at least a bachelor's degree in mechanical or automotive engineering and/or five or more years of experience in the automotive industry designing, developing, testing, and engineering automotive components or practical experience servicing, assembling, repairing, and/or developing internal combustion engines and/or engine oil filters. Hengst further submits that the Board need not make a determination on

the level of the skill of a POSA in making its determination assessing whether to institute the Petition.

VI. CLAIM CONSTRUCTION

The following table provides the Parties' contended constructions offered in both the District Court Proceeding and the petition:

Disputed Phrase	Hengst's Construction	Petitioners' District Court Construction	Petitioners' Petition Construction
"rotating the ring filter insert relative to the filter housing" (Claim 15)	Twisting or spinning at least a portion of the ring filter insert relative to the filter housing	Rotating the ring filter insert, which comprises the hollow-cylindrical filter material body surrounded on front sides by top and bottom front panels, relative to the filter housing[2]	Plain and ordinary meaning
"a panel"	covering structure formed from one or more elements	covering structure formed from one or more elements (agreed)	Plain and ordinary meaning

Hengst submits that the Board need not make a determination on claim construction in assessing whether to institute the Petition.

[2] In the District Court Proceeding, Petitioner argues that the "ring filter insert—the ***entire*** ring filter insert—rotates." Ex. 2006 at p. 1 (emphasis added).

VII. THE BOARD SHOULD EXERCISE ITS DISCRETION TO DENY INSTITUTION PERSUANT TO 35 U.S.C. § 314(a) IN VIEW OF THE PARALLEL DISTRICT COURT PROCEEDING

Institution of an inter partes review under 35 U.S.C. § 314(a) is discretionary. See *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (citing § 314(a) and stating "the agency's decision to deny a petition is a matter committed to the Patent Office's discretion"); see also *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (explaining that under § 314(a), "the PTO is permitted, but never compelled, to institute an IPR proceeding"). In determining whether to exercise its discretion to deny institution of a proceeding, the Board considers the following *Fintiv* factors:

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

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 15 at 7–8 (PTAB Mar. 20, 2020) (precedential). Each of these factors is addressed in turn below.

1. A Stay Has Not Been Instituted in the District Court Proceeding

In the District Court Proceeding, the Court has not granted a stay and is

unlikely to grant a stay now given the advanced stage of proceedings. Moreover, Petitioners have not asserted that they intend to pursue a stay in the District Court Proceeding. The Board has found that the first *Fintiv* factor weighs in favor of a stay when "neither party states that it intends to request a stay if the trial is instituted." *10X Genomics, Inc. v. President & Fellows of Harvard Coll.*, IPR2023-01299, Paper 15 at 16 (PTAB Mar. 7, 2024). Accordingly, the first *Fintiv* factor weighs in favor of denial, and certainly cannot be said to weigh in favor of institution as asserted by Petitioners.

2. The District Court's Trial Date is Projected to Precede a Final Written Decision

The Board's precedential decision in *NHK Spring* recognized that the Board should deny institution in its discretion under Section 314(a) where, as here, parallel district court resolution of the same issues would moot the "'objective of the AIA . . . to provide an effective and efficient alternative to district court litigation.'" *NHK Spring Co., Ltd. v. Intri-Plex Technologies, Inc.*, IPR2018-00752, Paper 8 at 20 (PTAB Sept. 12, 2018) (precedential) (quotations omitted). As in *NHK Spring*, institution of a parallel inter partes review proceeding would be an inefficient use of the Board's limited and valuable resources and would not advance the "effective and efficient alternative to district court litigation" contemplated by the AIA. *NHK Spring*, IPR2018-00752, Paper 8 at 20.

Here, the statutory deadline to decide whether to institute the present

proceeding is on or before September 27, 2024. 35 U.S.C. § 314(b). If the Petition is instituted, the extendable statutory deadline to issue a final written decision would be around September 27, 2025. 35 U.S.C. § 316(a)(11).

In the District Court Proceeding, the Parties have completed briefing on claim construction and submitted a Joint Claim Construction Chart on June 25, 2024, in accordance with the Court's Scheduling Order. Ex. 2005. For patent cases in the United States District Court for the Northern District of Illinois, trial is expected to occur 52 weeks after the Parties submit their Joint Claim Construction Chart. Ex. 2010 at p. 2. Thus, the anticipated trial date in the District Court Proceeding is June 25, 2025 – over three months ***before*** the Board would issue a final written decision if this proceeding.

The Board has found that the second *Fintiv* factor weighs in favor of denial in cases where the projected trial date is closer to the date of the Board's anticipated final written decision than in the present dispute. *Fintiv*, IPR2020-00019, Paper 15 at 7–8 (when the district court trial was scheduled 2 months before the Board's anticipated final decision); *10X Genomics*, IPR2023-01299, Paper 15 at 17 (when the district court trial was anticipated between 1 and 5 months before the Board's anticipated final decision). The Board should likewise find that this factor favors denial since the anticipated trial date in the District Court Proceeding is over three months before the Board would issue a final written decision here.

3. The Court and Parties Have Invested Significant Resources in the District Court Proceeding

The third *Fintiv* factor considers "the amount and type of work already completed in the parallel litigation by the court and the parties and the time of the institution decision." *Fintiv*, IPR2020-00019, Paper 11 at 9. "If, *at the time of the institution decision*, the district court has issued substantive orders related to the challenged patent, such as a claim construction order, this fact may weigh in favor of exercising our discretion to deny institution." *10X Genomics*, IPR2023-01299, Paper 15 at 17 (citing *Fintiv*, IPR2020-00019, Paper 11 at 9–10) (emphasis added). Additionally, "if the evidence shows that the petitioner filed the petition expeditiously, such as promptly after becoming aware of the claims being asserted, this fact has weighed against" discretionary denial. *Fintiv*, IPR2020-00019, Paper 11 at 11. Petitioner erroneously analyzes this factor at the time of filing of the Petition, ***not the time of the institution decision***. *10X Genomics*, IPR2023-01299, Paper 15 at 17; Petition at p. 23-24.

A. Significant Resources Have Been Expended

In the District Court Proceeding, the Parties have exchange initial and final infringement and invalidity contentions, completed all depositions of numerous fact witnesses, completed all briefing on claim construction, and fact discovery has closed. Ex. 2005. As such, the Parties have expended tremendous time and resources on the District Court Proceeding. The claim construction hearing will be

held on August 7, 2024 and a claim construction ruling is projected to be issued before the time of the institution decision. Ex. 2009. Because the District Court will have likely issued a claim construction ruling at the time of the Board's decision on institution and the Parties have expended significant time and resources in the parallel proceeding, this factor weighs in favor of denial.

B. Petitioners Have Not Filed the Petition Expeditiously

Moreover, the Board has found this factor to weigh in favor of denial when the petitioner has not filed the petition expeditiously after becoming aware of the claims asserted. In *10X Genomics*, the Board found that this factor weighed in favor of denial because "petitioner waited to file its Petition until exactly one year after it was served" in the parallel proceeding. *10X Genomics*, IPR2023-01299, Paper 15 at 18. Similarly, in *Ericsson*, the Board found that this factor weighed in favor of denial when the petitioner waited nearly one year from the filing of the parallel proceeding. *Ericsson Inc. v. Collision Commc'ns, Inc.*, IPR2022-01233, Paper 12 at 14–15 (PTAB Jan. 19, 2023).

Here, Petitioners waited exactly one year after a waiver of service was filed in the District Court Proceeding, after infringement and invalidity contentions had already been exchanged by the Parties. Ex. 2011. If Petitioners had waited another day to file the present proceeding, it would have been barred under 35 U.S.C. § 315(b). Like in *10X Genomics* and *Ericsson*, the Board should find that the third

factor weighs in favor of denial for this additional reason.

In sum, since the Parties and the Court have already expended significant resources on the District Court Proceeding and Petitioners has failed to file the petition expeditiously, this factor weighs heavily in favor of denial.

4. Significant Overlap Exists Between Proceedings

If a "petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this [factor] has favored denial." *Fintiv*, IPR2020-00019, Paper 11 at 12. On the other hand, if a *Sotera* stipulation is filed such that the petitioner broadly stipulates that "they will not pursue in the district court litigation *any* ground raised or that could have been reasonably raised in an IPR," the stipulation better addresses the concerns addressed under this factor. *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 18 (PTAB Dec. 1, 2020) (precedential as to § II.A) (emphasis added).

Despite its purported stipulation here (Petition at p. 24), Petitioners have asserted the grounds of the present Petition in the invalidity contentions in the District Court Proceeding, including a 133-page claim chart asserting invalidity of Yokoyama in view of Cline (Ground II) and a 137-page claim chart asserting invalidity of Honermann in view of Cline (Ground III). Ex. 2001 at p. 28-160; 265-401. Moreover, although Petitioners assert that only certain claims remain in dispute

in the District Court Proceeding[3], all claims at issue in the Petition were addressed in the invalidity contentions. Ex. 2001; Ex. 2002. Patent Owner spent significant time and resources substantively addressing and responding to the same contentions, resulting in Petitioner withdrawing and surrendering these contentions in the District Court Proceeding. *See* Ex. 2002 at p. 9, 31. Considering that the same grounds of invalidity were not only "presented in the parallel proceeding," but also extensively argued, the fourth *Fintiv* factor must weigh strongly in favor of denial. *Fintiv*, IPR2020-00019, Paper 11 at 12.

After Patent Owner substantively addressed these grounds for invalidity in the District Court Proceeding did Petitioners abandon the same and assert new but substantially identical grounds for invalidity in its Final Invalidity Contentions in its claim charts.[4] Ex. 2003[5]. Instead of asserting Yokoyama in view of Cline, Petitioners asserted Yokoyama in view of a new reference, "*Audi System*." *Id.* Likewise, instead of asserting Honermann in view of Cline, Petitioners asserted Honermann in view *Audi System*. *Id.* Hengst notes that *Audi System* could not have been brought in this proceeding because it was asserted to be in public use or on sale

[3] Petitioner acknowledges that there is substantial overlap between the claims at issue in the parallel proceedings. Petition at p. 110-111.
[4]Petitioner still asserts that each reference relied on in this Petition is invalidating prior art in the District Court Proceeding. Exhibit 2003 at p. 8
[5] Hengst notes that US 2012/0261326 to Deschamps et al. ("Deschamps") is both asserted as prior art in the Final Invalidity Contentions and relied upon in this Petition. Petition at p. 16-19. Petitioner has since conceded that Deschamps does not qualify as prior art over the '203 Patent.

under pre-AIA 35 U.S.C. § 102(b). *Id.*

Despite Petitioners' meaningless stipulation, there continues to be substantial overlap between the invalidity grounds because the same prior art references are before the Board and the District Court. Not only are the same primary prior art references at issue in the parallel proceedings, but the arguments in Petitioners' asserted grounds in its Final Invalidity Contentions are substantially identical to the asserted grounds in this Petition (and the Initial Invalidity Contentions). For example, Petitioners assert that Yokoyama discloses all claim elements of independent Claim 15, with the exception of eccentric blocking element, in both proceedings. Ex. 2001 at p. 28-160; Petition at p. 59-63. Moreover, Petitioners present substantially the same arguments as to the motivation to combine Yokoyama with Cline and Yokoyama with *Audi System* in both proceedings. *See* Ex. 2003 at p. 65 ("a POSA would understand that, the eccentric blocking element ... offers multiple advantages, including avoiding splashing of oil and contamination of the outer surface of the filter case); Petition at p. 53 ("it is desirable that he does not receive any oil splashes and that the oil does not flow onto the outer walls of the filter housing and onto the other engine components") The same can be said for Petitioners' assertions with respect to Honermann in view of Cline and Honermann in view of *Audi System*.

The Board has held that the fourth *Fintiv* factor weighs against institution

when "the stipulation would not prevent Petitioner from arguing invalidity in the [parallel proceeding] on a similar, and perhaps substantively identical, ground using different references that are cumulative of the references asserted here." *Samsung Electronics Co., Ltd. v. Mojo Mobility Inc.*, IPR2023-01099, Paper 11 at 15 (PTAB Feb. 6, 2024). Here, like in *Samsung*, substantially identical grounds for invalidity remain asserted in both proceedings. As such, even if identical grounds had not been presented and extensively argued in the District Court Proceeding, this factor would weigh in favor of denial. For the above reasons, this factor heavily weighs in favor of denial.

With respect to Petitioners' assertions related to the fourth *Fintiv* factor, Petitioners argue that certain claims are not asserted in the District Court Proceeding.[6] With respect to this assertion, the Board merely needs to review pages 110 and 111 of the Petition which equate the corresponding non-asserted claims to asserted claims for a showing that substantial overlap exists between the parallel proceedings. Petition at p. 110-111. Accordingly, the Board should not afford any weight to Petitioner's argument and find that the fourth *Fintiv* factor heavily weighs in favor of denial.

5. <u>The Proceedings Involve the Same Parties</u>

[6]All claims asserted invalid in the Petition were asserted invalid by Petitioner in its Preliminary Invalidity Contentions. However, Petitioner asserted that only claims 15-17, 19, 23-25, and 28-30 were invalid in its Final Invalidity Contentions.

One of the Petitioners and Patent Owner are the same parties in both proceedings. Petition at p. 25. Accordingly, this factor weighs in favor of denial.

6. The Discretionary Factor Favors Denial

Each of the first five *Fintiv* factors weigh in favor or weigh heavily in favor of discretionary denial. The sixth *Fintiv* factor allows the Parties to "point out, as part of the factor-based analysis, particular 'strengths or weaknesses' to aid the Board in deciding whether the merits tip the balance one way or another." *Fintiv*, IPR2020-00019, Paper 11 at 15. Here, both Yokoyama and Cline were before and considered by the Examiner during prosecution of the '203 Patent. Additionally, Honermann is cumulative of art before the USPTO, including Yokoyama, as established in the following section. The grounds asserted herein in the Petition are repetitive, cumulative, and provide nothing new with respect to the references considered during prosecution of the '203 Patent.

As shown in the Petition, Petitioners assert that both Honermann and Yokoyama disclose the same elements as claimed in the '203 Patent. Petition p. 59-63, 78-104, 110-111. As indicated above, Petitioners assert that Cline discloses the same element – the eccentric blocking element – in both Grounds II and III for invalidity. *Id.* The USPTO has already considered both Yokoyama and Cline and found the '203 Patent to be patentable over the references, whether considered alone or in combination. Petitioners have not shown a substantial likelihood of success on

any Ground in its Petition, and the Board should not overturn the USPTO's finding that the '203 Patent is patentable over the references in this Petition[7]. Accordingly, the sixth *Fintiv* factor also weighs in favor of the Board discretionarily denying the Petition.

Because all six *Fintiv* factors weigh against institution, the Board should exercise its discretion to deny institution of the Petition under 35 U.S.C. § 315.

VIII. THE BOARD SHOULD DENY INSTITUTION UNDER 35 U.S.C. § 325(d)

Under 35 U.S.C. § 325(d), "the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office." In making a determination under § 325(d), the Board assess the two-part *Advanced Bionics* framework: (1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially; and (2) if either condition of the first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims. *Advanced Bionics, LLC v. Med-El Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 8 (PTAB Feb. 13, 2020) (precedential).

1. <u>The Same or Substantially the Same Art was Presented to the Office</u>

[7] Hengst's substantive assertions with respect to the cited prior art references under Section VIII, p. 21-24, are reasserted here.

Petitioners do not dispute that both Yokoyama and Cline were presented to the Office. Petition at p. 19. The Board has found that a reference submitted, even if not substantively discussed during prosecution, "nonetheless qualifies as prior art previously presented to the Office." *Fitesa Simpsonville, Inc. v. The Procter & Gamble Company*, IPR 2023-01450, Paper 11 at 12 (PTAB Mar. 20, 2024). Since both Yokoyama and Cline were cited in an IDS, they qualify as prior art presented to the Office under the first prong of the *Advanced Bionics* framework analysis.

While Honermann was not cited during prosecution of the '203 Patent, it is substantially similar to references presented to the Office, including at least Yokoyama. As discussed above, Petitioners assert that both Honermann and Yokoyama discloses the same elements as claimed in the '203 Patent in Grounds II and III. Petition p. 59-63, 78-104, 110-111. For example, in Claim 15 of these Grounds, it is asserted that Yokoyama and Honermann disclose every element of the claim, except for the eccentric blocking element. *Id.* The Board has held that a reference not presented to the Office is substantially the same as art before the Office under the first prong of the *Advanced Bionics* framework when "the portions of [the reference not cited in prosecution] Petitioner relies on in each of its asserted grounds is substantively the same as the disclosure in [art cited during prosecution]." *Fitesa*, IPR 2023-01450, Paper 11 at 12-13. Here, like in *Fitesa*, Petitioners rely on both Yokoyama and Honermann in portions that are substantively the same. As such, the

first prong of the *Advanced Bionics* framework is satisfied.

Moreover, Petitioners failed to address the cumulative nature of Honermann in its Petition. With respect to Honermann, Petitioners simply state "The Office was not presented with Honermann, the primary reference for Ground 3. Thus, there is no basis to deny the petition under Section 325(d) given this new art." Petition at p. 19. The Board should independently find that Honermann is substantially the same art presented before the Office for this reason. This Board has found "that Petitioner's failure to conduct any analysis of whether its art was cumulative *is, by itself, fatal under AB part one*. See Pet. 66 (limiting its discussion to the assertion that [the reference not cited in prosecution] was not considered by the Examiner at all during prosecution")" *Parse Biosciences, Inc. v. 10x Genomics, Inc.*, IPR2023-01033, Paper 8 at 14 (PTAB Dec. 19, 2023) (emphasis added). The facts here are no different than in *Parse Biosciences*. For the above reasons and because each of the asserted prior art references was presented to the Office or the same as those presented to the Office during prosecution, the first prong of the *Advanced Bionics* framework is satisfied.

2. Petitioners have not Satisfied Their Burden to Show that the Office Erred in a Material Manner

Under Board precedent, Petitioners bear the burden to "demonstrate[] that the Office erred in a manner material to the patentability of challenged claims." *Advanced Bionics,* IPR2019-01469, Paper 6 at 8. Petitioners have failed to satisfy

its burden showing that the Office erred in a material manner. "An example of material error may include misapprehending or overlooking specific teachings of the relevant prior art where those teachings impact patentability of the challenged claims." *Advanced Bionics*, Paper 6 at 10. However, "[i]f reasonable minds can disagree regarding the purported treatment of the art or arguments, it cannot be said that the Office erred in a manner material to patentability." *Id.* at 9.

In the Petition, Petitioners advance a single reason[8] as to why the Office erred in a manner material to the patentability of the '203 Patent: the Examiner's statements in the August 20, 2014 Notice of Allowance and/or consideration of closest prior art was a material error. Petition at p. 20-21.

The Petition explains that the Notice of Allowance stated that the identified closest art "does not teach the inclined plane or nose being arranged on either of the inner circumference of the ring filter insert or the outer circumference of a filter housing part arranged inside the ring filter insert nor would it have been obvious to one of ordinary skill in the art." Petition at p. 21. Because of this, Petitioners reason, "the examiner made a material error in allowing the '203 Patent over Yokoyama, which discloses a nose on the inner circumference of the filter insert and an inclined plane on the outer circumference of a housing part." *Id.*

[8] Petitioner also mentions that no translation was provided or requested during prosecution of the '203 Patent. This is not a material error. See MPEP § 609.04(a).

First, Hengst notes that Yokoyama was not cited in an IDS until March 30, 2015. Ex. 1002 at p. 34. Thus, Yokoyama was not before the USPTO at the time the reason for allowance was given on the August 20, 2014 Notice of Allowance. As such, the Examiner's statements in the August 20, 2014 Notice of Allowance cannot be said to be a material error.

Next, the Examiner's cited reason, related to the first and second positioning means of the claimed self-alignment feature associated with the eccentric blocking element, was proper because the cited DE-227 reference disclosed an eccentric blocking body 9 and failed to cite the claimed self-alignment feature. Ex. 2012 at p. 9; Ex. 2013. The Examiner correctly stated that the reference did not teach such a self-alignment feature, nor would it have been obvious to one of skill in the art. Petition at p. 21. In contrast, Yokoyama fails to disclose an eccentric blocking element altogether. The Examiner's identification of DE-227 as the closest prior art (instead of Yokoyama) was not a material error for this additional reason.

Even if additional reasons were offered by Petitioners as to why the Office erred in a manner material to the patentability of the '203 Patent that were unrelated to the Examiner's statement in the August 20, 2014 Notice of Allowance, Petitioners would not have been able to overcome the deficiencies of Yokoyama, Honermann, and Cline. Yokoyama and Honermann are cited as the primary references in each of Grounds I-III of the Petition. In these primary references alone, there are several

key deficiencies that the Petitioners did not address.

As an example, neither Yokoyama nor Cline have structure capable of bringing an eccentric blocking element into a single rotational position such that the eccentric blocking element could align with a single eccentric opening as claimed. As indicated above, a primary function of the '203 Patent addressing deficiencies in the prior art references is to bring the eccentric blocking element into the "compatible rotational position" such that it is aligned with an eccentric opening of a filter housing. Yokoyama, as alleged by Petitioners, discloses three protruding noses (locking protrusions 46) that interact with a plurality of side surfaces 19a. Ex. 1008 at FIG. 4. Petitioners do not show how each of this arrangement, including three symmetrical locking protrusions 46 of Yokoyama, could rotate an eccentric blocking element such that it would be rotationally aligned with a single eccentric opening. Indeed, the teachings of Yokoyama allow for the filter element 40 to be brought into *one of three* rotational positions. As such, Yokoyama does not and cannot disclose or suggest bringing an eccentric blocking element into engagement with an eccentric opening at a single rotational position. Similarly, Honermann discloses an arrangement in which protrusions 121, 122, 123, 124 engage with two slide surfaces 318. Ex. 1006 at FIGS. 23-24. The Petition has not addressed these critical deficiencies in the prior art references, and it is unclear as to how Petitioners assert that the structure of Yokoyama or Honermann could be used to bring an

eccentric blocking element into engagement with an eccentric opening at a compatible rotational position. No person of skill in the art would find that the cited references disclose or suggest such a feature.

As another example, both Yokoyama and Honermann are mounted and screw upwards into an apparent filter housing. *See* Ex. 1008, FIG. 2; Ex. 1006, FIG. 1. The '203 Patent emphasizes that the eccentric blocking element is "brought into its engagement-compatible rotational position for the blocking element relative to the outlet virtually solely by means of the force of gravity." Ex. 1001 at col. 3, ln. 31-35. The Petition is unclear as to how, for filter elements such as those disclosed in Yokoyama and Honermann which are installed and screwed upwards into a filter housing, the first and second positioning means could be used to align an eccentric blocking element by the force of gravity. These references certainly do not disclose or suggested the claimed alignment of the eccentric element via the positioning means, considering a mechanic or user would install the filter element upwards in this configuration.

Finally, both Yokoyama and Honermann already contain a mechanism for allowing fluid to be drained when the filter insert is removed from the housing. *See* Yokoyama, drain plug/cap on bottom 31 shown in FIG. 2-3; Honermann, drainage aperture arrangement 160 shown in FIG. 10. No reason has been given in the Petition as to why Petitioners' proposed combination including Cline is preferrable

to these pre-existing central drainage structures in Yokoyama and Honermann. Additionally, Yokoyama and Honermann screw upwards into a filter housing, having drainage structures at the opposing bottom end of the ring filter insert. *Id.* It is unclear to Hengst as to how Petitioners assert such drainage feature would be implemented on both Yokoyama and Honermann. Certainly, any proposed drainage structure including an eccentric blocking element could not be provided on the alleged upper panels of Yokoyama and Cline, considering that such modification would prevent any drainage from occurring due to the forces of gravity. In light of the above, no person of skill in the art would be motivated to modify such these pre-existing drainage features of both Yokoyama and Honermann.

For these additional reasons, Petitioners cannot show the Office erred in a manner material to the patentability of the claims of the '203 Patent, even if it were alleged in its Petition. Thus, the second prong of the *Advanced Bionics* framework is satisfied.

Institution of the Petition should thus be denied under 35 U.S.C. § 325(d).

IX. PETITIONERS HAVE ADVANCED INCONSISTENT CLAIM CONSTRUCTION POSITIONS

The Petition should not be instituted where Petitioners have taken inconsistent positions regarding the construction of Claim 15 between the Board and with the District Court. *Cf. ResMed Corp. v. Cleveland Medical Devices Inc.*, IPR2023-00565, Paper 13, at 17 (PTAB Sep. 25, 2023) ("We agree with Patent Owner that on

the facts of this case, by providing inconsistent positions regarding the proper construction of the claims, Petitioner is not being transparent. . . . The potential for conflicting decisions favors denial.").

Specifically, Petitioners submit that the "non-'means' terms in the challenged claims are not required to resolve this petition and they should be given their plain and ordinary meaning." Petition at 7. In setting forth its grounds in the Petition, Petitioners necessarily readily understand the definite meaning of Claim 15 and contends that the asserted prior art references disclose the various elements and limitations of Claim 15 based solely on the plain language of the claim, as opposed to any specific construction of any term therein. Petitioner's expert, Michael Nranian, further stated that "I have applied the plain and ordinary meaning of those terms as the[y] would have been interpreted by a POSITA at the earliest filing date of the '203 Patent." Ex. 1003 at ¶ 57. As such, Petitioner's expert also gave the terms of Claim 15 their plain and ordinary meaning in submitting his opinions to be presented to the Board. Ex. 1003 at ¶ 57.

In the District Court Proceeding however, the Parties dispute the construction of two claim terms[9] and/or phrases asserted in Claim 15: (1) "panel"; and (2) "rotating the ring filter insert relative to the filter housing." *See* Ex. 2007 at p. 2; Ex.

[9] Petitioners also agreed that the recitation "arranged on" is not entitled to the plain and ordinary meaning and should be construed as "positioned on or disposed on."

2006 at p. 4. Petitioners agreed to apply Patent Owner's construction for "panel," stating "as a compromise and in an effort to narrow the issues to be decided by the Court, [Petitioner] accepts for purposes of this case Plaintiff's proposed construction for panel: 'covering structure formed from one or more elements.'" Ex. 2006 at p. 4. Currently before the District Court are the parties' proposed constructions for "rotating the ring filter insert relative to the filter housing":

Disputed Phrase	Patent Owner's Construction	Champion's Construction
"rotating the ring filter insert relative to the filter housing" (Claim 15)	Twisting or spinning at least a portion of the ring filter insert relative to the filter housing	Rotating the ring filter insert, which comprises the hollow-cylindrical filter material body surrounded on front sides by top and bottom front panels, relative to the filter housing

Petitioners should have taken the consistent position in the District Court, *i.e.*, the disputed terms should be given their plain and ordinary meaning as argued in the Petition. Instead, Petitioners in fact agreed to Patent Owner's construction of the term "panel." The District Court Proceeding is therefore already advancing on an agreed term construction that is inconsistent with proposed construction set forth in the Petition. Moreover, Petitioners have advanced their own construction for the phrase "rotating the ring filter insert relative to the filter housing" that is now before the District Court. That is, Petitioners have advanced a construction for the aforementioned phrase that is not simply the "plain and ordinary meaning" of the

phrase. Accordingly, where the Petitioners have taken inconsistent positions regarding how Claim 15 should be construed in the different forums, Patent Owner respectfully requests that the Board exercise its discretion and deny institution in order to avoid inconsistent results between the two proceedings.

X. CONCLUSION

For the reasons provided above, the Board should deny institution of the Petition. First, the Board should deny institution under 35 U.S.C. § 314(a) in view of the parallel District Court Proceeding. Next, the Board should deny institution under 35 U.S.C. § 325(d), because the same or substantially the same prior art or arguments previously were presented to the USPTO during prosecution of the '203 Patent. For the substantive reasons provided by Hengst in its analysis under 35 U.S.C. § 325(d), Petitioners also have not shown that they would prevail in challenging at least one claim of the '203 Patent. Finally, Petitioners given their inconsistent claim construction positions in the District Court Proceeding and before the Board, and the Board should deny the Petition on this ground.

Dated: June 27th, 2024.

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CERTIFICATION OF WORD COUNT

Pursuant to 37 C.F.R. § 42.24(d), the undersigned hereby certifies that the foregoing Patent Owner's Preliminary Response is produced using a 14-point Times New Roman font and contains approximately 7,028 words, which is less than the 14,000 total words permitted by the U.S. Patent Trial and Appeal Board rules. Counsel relies on the word count of the computer program used to prepare the response on June 27, 2024.

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CERTIFICATE OF SERVICE

I hereby certify that on the 27th day of June 2024, I served a copy of the foregoing, via email directed to counsel of record for Petitioner at the following:

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