

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 SUR-REPLY

LISTING OF EXHIBITS

Exhibit	Description
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
2014	Petitioners' Request for Leave to File Reply Brief
2015	District Court Scheduling Order
2016	Markman Hearing Minute Entry

Petitioners' Preliminary Reply advances several arguments not included in its Petition. The Board should not consider these impermissible new arguments and should make its determination based on only those positions advanced in the Petition. 37 CFR § 42.23(b) ("A reply may only respond to arguments raised in the corresponding opposition").

Further, Petitioners' assertion that Hengst did not dispute the merits of Petitioners' grounds of challenge is simply not correct. Preliminary Reply at p. 1. Hengst plainly asserted that the Board could also deny the "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." Preliminary Response at p. 18-23; Footnote 1.

I. The *Fintiv* Factors Favor Denial

In seeking leave to file a Reply, Petitioners only alleged that good cause exists to reply to *Fintiv* factor 2. Ex. 2014 ("...in particular, its *Fintiv* arguments that, *despite no trial date being set*, denial is appropriate") (emphasis added). Thus, this Board should not consider Petitioners' arguments on the other *Fintiv* factors since Petitioners failed to identify good cause to reply. Nevertheless, Hengst will address each factor.

Even though Petitioners have not alleged that good cause exists relative to the first *Fintiv* factor, the Preliminary Reply asserts that the first factor is neutral. In

doing so, Petitioners mischaracterize *10X Genomics*, which found that the first factor weighed in favor of denial for several reasons. As the Board stated, “given the coordinated schedule with the related cases, the prior denial of a motion to stay, and the lack of intent by either party to file a motion to stay, we agree with Patent Owner that it is unlikely the district court proceeding will be stayed.” *10X Genomics, Inc. v. President & Fellows of Harvard Coll.*, IPR2023-01299, Paper 15 at 16 (PTAB Mar. 7, 2024). Like *10X Genomics*, it is highly unlikely that a stay would be granted in the parallel proceeding and neither party has sought a stay. The first *Fintiv* factor favors denial.

As for the second *Fintiv* factor, Petitioners allege that, without any authority, this factor must weigh heavily against denial because a trial date has not been set. Preliminary Reply at p. 1. In actuality, the Board has found that this factor weighs in favor of denial based on *anticipated* trial dates. *See, e.g. 10X Genomics*, IPR2023-01299, Paper 15 at 17.

Petitioners also assert that “the Court in the parallel litigation declined to adopt” a general patent schedule in the parallel proceed. Preliminary Reply at p. 1. At no time has the Court in the parallel proceeding declined to adopt any schedule. In fact, the Court’s adopted schedule includes the major scheduling milestones shown in the Northern District of Illinois’ projected schedule for patent cases. Ex. 2015 at p. 10-13; *see also* Ex. 2005 and Ex. 2010.

The Board should afford no weight to Petitioners' reliance on the cited "median time-to-trial for civil actions." Ex. 1013. First, this new material was not included in the Petition. Moreover, Petitioners fail to provide any circumstances or supported reasoning why it be appropriate for the Board to use a "median time-to-trial" for general cases when an estimated patent schedule for the Northern District of Illinois has been provided by Hengst. Ex. 2010. The parallel proceeding has generally progressed according to this estimated patent schedule, which provides an accurate projection for the parallel proceeding. The second *Fintiv* factor heavily weighs in favor of denial.

Despite failing to allege good cause exists to address the third *Fintiv* factor, Petitioners have again failed to assess this factor at the projected time of the Board's institution decision. Petition at p. 23-24. Nevertheless, the claim construction hearing was scheduled to and did take place one day after Petitioners filed the Reply. Ex. 2016. The Court in the parallel proceeding has indicated that a claim construction ruling will issue on September 18, 2024. Ex. 2016. Having completed fact discovery and claim construction, the Parties and the Court have invested significant resources, including exchanging over 37,000 pages of documents in the parallel proceeding. Thus, this factor heavily favors denial.

As noted above, Petitioners did not allege that good cause exists to address the fourth *Fintiv* factor in its Reply. Nevertheless, Petitioners do not dispute

Hengst's assertion that the same grounds of invalidity were not only "presented in the parallel proceeding," but there were also extensively argued and briefed, resulting in Petitioner failing to include the grounds in their Final Infringement Contentions. Having waived these grounds, Petitioners' purported *Sotera* stipulation is meaningless. Further, Petitioners' assertion that the claims 1 and 15 do not have significant overlap, does not align with the Petition which states that these claims "mirror" each other. Petition at p. 110-111.

It is not disputed that the fifth *Fintiv* factor, weighs in favor of denial.

With respect to the sixth *Fintiv* factor, Patent Owner's substantive assertions under Section VIII of its Preliminary Response were also asserted its Preliminary Response. Preliminary Response at p. 15-16; Footnote 7. Petitioners have not shown a substantial likelihood of success on any Ground in its Petition. *Id.* Considering the merits of the Petition, the sixth *Fintiv* factor also favors denial.

II. The Board Should Deny the Petition under Section 325(D)

While Honermann, not Yokoyama, was relied on for claim 1 of the Petition, Petitioners cannot now say that these claims are not similar having referred to claims 1 and 15 as being "mirrors" of each other. Petition at p. 110-111. Moreover, Petitioners do not deny that for both Honermann and Yokohama, the only feature alleged to be missing from either reference is the eccentric block element. Thus, Honermann and Yokohama are cumulative.

Petitioners also infer that Hengst set forth only general allegations of similarity. This is not true. Preliminary Response at 16-18, 21-23.

Finally, Petitioners fail to address the fact that the closest prior art referenced by the Examiner was alleged to disclose an eccentric blocking element – one of the most critical features of the '203 Patent. Yokoyama and Honermann, in contrast, disclose no such feature, and therefore would not be considered the closest prior art. The Examiner correctly concluded that it would not be obvious to combine the closest prior art reference, which was alleged to have disclosed an eccentric blocking element, with Yokoyama.

III. Petitioners' Claim Construction Positions Warrant Denial

Petitioners assert that its positions are not inconsistent because the phrases with specific constructions before the Court are the plain and ordinary meaning. However, even if both parties agree that a term is entitled to its plain and ordinary meaning, the parties can still dispute what that meaning is. *See O2 Micro Int'l Ltd. v. Beyond Innovation Tech. Co.*, 521 F.3d 1351, 1361 (Fed. Cir. 2008) (“A determination that a claim term ‘needs no construction’ or has the ‘plain and ordinary meaning’ may be inadequate when a term has more than one ‘ordinary’ meaning or when reliance on a term's ‘ordinary’ meaning does not resolve the parties' dispute”). Petitioners should not be able to hide behind their vague construction.

U.S. Patent No. 9,023,203
IPR2024-00603

Patent Owner's Preliminary Sur-Reply

Dated: August 13th, 2024.

/s/ Patrick J. Smith

Patrick J. Smith (Reg. No. 65,626)
Greer, Burns & Crain, Ltd.
300 South Wacker Drive, Suite 2500
Chicago, Illinois 60606
312.360.0080
312.360.9315 (facsimile)
psmith@gbc.law

*Lead Counsel for Patent
Owner Hengst SE*

CERTIFICATE OF SERVICE

I hereby certify that on the 13th day of August 2024, I served a copy of the foregoing, via email directed to counsel of record for Petitioner at the following:

Jim Glass
Matthew Robson
Quincy Lu
Quinn Emmanuel Urquhart & Sullivan, LLP
51 Madison Avenue, 22nd Floor
New York, New York 10010
jimglass@quinnemanuel.com
matthewrobson@quinnemmanuel.com
quincylu@quinnemanuel.com

By: /s/ Andrew D. Burnham
Andrew D. Burnham (Reg. No. 82,330)
Greer, Burns & Crain, Ltd.
300 South Wacker Drive, Suite 2500
Chicago, Illinois 60606
312.360.0080
312.360.9315 (facsimile)
aburnham@gbc.law

Counsel for Patent Owner
Hengst SE