

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CHAMPION LABORATORIES, INC.,
FIRST BRANDS GROUP, LLC,
Petitioner,

v.

HENGST SE,
Patent Owner.

IPR2024-00603
Patent 9,023,203 B2

Record of Oral Hearing
Held: June 18, 2025

Before MITCHELL G. WEATHERLY, KIMBERLY MCGRAW, and
SHELDON M. MCGEE, *Administrative Patent Judges*.

IPR2024-00603
Patent 9,023,203 B2

APPEARANCES:

ON BEHALF OF THE PETITIONER:

JIM GLASS, ESQ.
Quinn Emmanuel Urquhart & Sullivan, LLP
295 5th Avenue, 9th Floor
New York, NY 10016
(212) 849-7100
jimglass@quinnemanuel.com

ON BEHALF OF THE PATENT OWNER:

PATRICK J. SMITH, ESQ.
Greer, Burns & Crain, LTD
200 West Madison Street
Suite 2100
Chicago, IL 60606
(312) 987-2927
psmith@gbc.law

The above-entitled matter came on for hearing on Wednesday, June 18, 2025, commencing at 11:00 a.m., via video teleconference.

P R O C E E D I N G S

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JUDGE MCGEE: This is the hearing in IPR2024-00603. I am Judge McGee, and I am appearing remotely. I would like to introduce my co-panelists. Also appearing remotely is Judge McGraw, and in Alexandria, we have Judge Weatherly. Who do we have appearing for Petitioner today?

MR. GLASS: Good morning, Your Honor. Jim Glass for Petitioner. With me on the line is also co-counsel, Quincy Lu.

JUDGE MCGEE: Okay, thank you. Good morning. And who do we have appearing for Patent Owner?

MR. SMITH: Good morning, Your Honors. This is Patrick Smith on behalf of the Patent Owner. With me, I have Justin Joseph and Andrew Burnham.

JUDGE MCGEE: Okay, thank you. Do we also have a Court Reporter on the line?

COURT REPORTER: Yes, sir. Yes, I'm here.

JUDGE MCGEE: Okay, great. I want to remind counsel that there is also a public line for this hearing, so even though you may not see members of the public on the video feed, that doesn't mean that they can't see you and hear you. So please be aware that this hearing is opening to the public. And it's my understanding that we do not have any confidential information at issue in this case, so please inform me now if my understanding is not correct.

MR. GLASS: You are correct from Petitioner's perspective, Your Honor.

JUDGE MCGEE: Thank you.

1 MR. SMITH: You are correct from Patent Owner's perspective,
2 Your Honor.

3 JUDGE MCGEE: Great, thank you. Each party has requested 60
4 minutes of total presentation time. Petitioner will begin because they bear
5 the burden of proof, and I'll be asking Petitioner's Counsel before they begin
6 if they would like to reserve any time for rebuttal. Patent Owner --

7 MR. GLASS: I --

8 JUDGE MCGEE: -- will also have the opportunity to reserve
9 some of its time for surrebuttal. So Petitioner's Counsel, would you like to
10 reserve any time today for rebuttal arguments?

11 MR. GLASS: Yes, Your Honor. I'd like to reserve, optimistically,
12 20 minutes.

13 JUDGE MCGEE: Reserve 20 minutes. Okay. So I'm going to go
14 ahead and set up the stopwatch here for 40 minutes and I will try to give you
15 a five-minute warning before that expires.

16 MR. GLASS: Thank you, Your Honor.

17 JUDGE MCGEE: Okay. So Petitioner, you may begin when
18 you're ready.

19 MR. GLASS: All right. I'm going to share my screen. And can
20 Your Honors see my slides?

21 JUDGE MCGEE: I can see your slides.

22 JUDGE WEATHERLY: Yes.

23 MR. GLASS: All right. So I'm going to get right into the issues. I
24 know Your Honors are familiar with the record. I'll start at Slide 8. I am
25 going to walk through a very brief overview of the '203 patent. I don't
26 ordinarily do this, but I do think it's worth to put this in context with the

1 prior art. Now, at a high level, we all know this patent, the '203 patent,
2 discloses a filter and a filter housing. Notably, just to get some context, the
3 filter in the '203 patent is what I'll refer to as a top-loading filter. I'm going
4 to annotate these figures as I go through the day. It is a top-loading filter in
5 the sense that it sits on a bracket in the engine.

6 And what do I mean by that? These oil filters are designed to work
7 within design constraints dictated by vehicle manufacturers. The filter
8 manufacturers don't determine how these filters interact with the motors.
9 The vehicle manufacturers design the motors, they design the brackets, and
10 the filter manufacturers make their filters to fit.

11 So for example, I'm going to very unartfully draw in here. The
12 engine manufacturer would design the engine with a bracket. The filter
13 manufacturer designs their filter to sit on the bracket, and I'll refer to this
14 type as an upright style of filter. We have throughout the prior art, as I'll go
15 through this today, we have several examples. This is Cline, Deschamps,
16 Brisson of upright standing style filters and we have hanging filters. That's
17 Yokoyama and Honermann.

18 And how these work, they all work under the same principles and
19 people of ordinary skill in the art would really understand that whether it's
20 an upright or a hanging style filter, the principles are all the same and there's
21 no dispute on the basics between the experts. These systems are pressurized.
22 They have a set amount of pressure. Oil enters from the periphery of the
23 filter.

24 This blank spot here that I'm highlighting is the filter on both sides,
25 and this is common to all of the references. The oil traverses from the
26 periphery of the filter into the center and then goes out the center. Filter oil

1 goes out the center and back into the engine. And again, this is how all the
2 references work. The difference being in a hanging style, the oil enters out
3 through the top. In a sitting upright style, it enters through the bottom.

4 Two points that I think are immediately apparent here and what
5 we've pointed out in our papers is that these design criteria immediately put
6 constraints on the filter. If, for example, you want to put a drain in the
7 filter -- and not all filters have drains. Some filters -- for example, Claim 15
8 does not require a drain. If Your Honors have experience changing oil,
9 consumer oil filters don't have drains. It's in the oil pan, but to the extent
10 you want to have a drain, if you're using an upright style of filter, you can't
11 put it in the center because it would interfere with this flow return.

12 So in each and every upright style filter that we're going to walk
13 through, including the ones that Patent Owners cited to in their surreply,
14 you'll see that the drain is eccentric. It has to be. This is not novel, it's not
15 new, the Examiner said it wasn't new in the notice, in the allowance. So
16 that's kind of the backdrop. I'm not going to get into the nitty gritty of it. I
17 think Your Honors are familiar with the operation. I think those are the
18 high-level points I wanted to walk through.

19 I will point out, as I referenced, Patent Owner on surreply, the '203
20 patent refers to three German patents -- this is in the beginning of the
21 specification -- and describes them as having eccentric bolts or -- I think
22 they are eccentric drains. Patent Owner cited to these in the claim
23 construction argument, which I'll get to next, but this actually just
24 underscores the point that I just made.

25 Each of these filters is what I refer to as an upright style of filter.
26 You can see most clearly in this filter all the way on the right, there's arrows

1 drawn. That's exactly how I depicted the oil flowing through the filter.
2 Their expert agreed with us on this point as -- by the way -- how these filters
3 work.

4 In each of these embodiments -- again, in every single upright filter
5 you're going to see today, there's an eccentric drain. Why? Because you
6 can't put it in the center. It would interfere with this oil flow. And this is not
7 just my say so. On Slide 11, this is exactly what the Examiner found in the
8 notice of allowance. And allowing the claims over the prior art, there was
9 another German reference, DE-227.

10 The Examiner stated all the elements were shown and I think
11 actually -- I think it's instructive. I will put up on the screen -- I'm going to
12 put up Exhibit 1002, page 131. I ellipsed out a lot of what the Examiner
13 said, but the Examiner listed practically chapter and verse of the elements
14 that were disclosed in the prior art, including the ring filter insert arranged
15 from the bottom of the filter housing. There was an eccentric blocking
16 element for the eccentric opening arranged on the bottom of the panel, the
17 first positioning means, et cetera, et cetera.

18 The Examiner went down and listed practically every single
19 element of the claim as being disclosed by this reference, saying that the
20 only thing that wasn't disclosed was the -- let me bring my pen back -- the
21 only thing that wasn't disclosed was the incline, plane, or nose. So again,
22 these eccentric -- we're going to hear a lot about eccentric, a lot about
23 opening. All of this was known. These filters have been around for
24 decades. Persons of ordinary skill in the art are very familiar with them.

25 The only thing that was new -- and in fact, these eccentric -- I'll
26 point out that these eccentric blocking elements -- by being listed in the

1 patent, they're admitted prior art by -- and Patent Owner, again, cited this in
2 their surreply. The only thing that was new, according to the Examiner, was
3 incline, plane, or nose. Ironically, there's no dispute that the prior art --
4 Honermann and Yokoyama -- discloses the incline plane and the protrusions.
5 So no dispute over that point.

6 What is the dispute over? With that segue, I'll jump ahead to Slide
7 26. I'll start with the -- so the way I'm -- Your Honors, just to give you a
8 quick high level. The way I'm going to walk through this, there are some
9 overlapping issues between Grounds 1 and 2. Grounds 1 and 2 both rely on
10 Yokoyama. Ground 2 relies on a combination of Yokoyama and Cline. In
11 both grounds, we've argued that one of ordinary skill in the art, because
12 these filters operate identically, whether they're inverted or not, would have
13 had no problem flipping them over. I'll hit that issue when I get to Ground
14 2.

15 I'll focus on just the unique issues to Ground 1 now and those are
16 two claim construction issues. The first one is the proper construction of
17 eccentric. Now, we have argued that simply the plain and ordinary meaning
18 applies for the word "eccentric" and we've used their own definition from
19 their own -- we've used their dictionary to support our expert's opinion on
20 the ordinary meaning.

21 We've explained how the specification is consistent with that
22 ordinary meaning. They have argued -- it is a little unclear in the POR --
23 they've argued very clearly in surreply that they are requiring the
24 specification to define this term. And then they go and they focus on various
25 embodiments of the use of the word "central" as definitional for the term
26 "eccentric." Two problems that I'll walk through.

1 They fail to meet the legal standard. You can't just -- the law is
2 very clear. You can't just go to different embodiments of -- don't even use
3 the word "eccentric" and say, well that's definitional. That's exactly what
4 Sony v. Thorner says you don't do. And even if they could, as we walk
5 through these, I'll show Your Honors that those embodiments are eccentric
6 under Patent Owner's definition of the term.

7 Now, I'll start with their definition. Again, they didn't go to a
8 dictionary. They didn't really start with the ordinary meaning. They jumped
9 right to the spec. They looked at the embodiments and said that the spec
10 defines the term. We went to their dictionary, and we started with the very
11 first definition that applies in this case. It applies to something that's
12 physical.

13 Eccentric simply means located elsewhere than the geometric
14 center. They, for the most part -- I believe they've quoted this at one point,
15 but they've, for the large part, ignored that, and their definition is that
16 eccentric has an axis -- this is at their POR -- I believe it's at 18. To be
17 eccentric, it has an axis -- one axis -- that is not at the geometric center of the
18 oil filter. So that's their definition based on this tertiary definition in their
19 own dictionary.

20 Now, ironically, they accuse us of cherry picking. They accuse us
21 of cherry-picking dictionaries and definitions. We did nothing of the sort.
22 What they have done is the epitome of cherry picking. They've dropped
23 down and ignored the first and most relevant definition and they've taken a
24 definition that is also a tertiary definition.

25 We didn't stop there, we went to -- on Slide 28, we went to the
26 Academic Press. This is a dictionary of science and technology. And just to

1 be clear, we are not going to these dictionaries as they say to trump the
2 specification. We're doing nothing of the sort. We're doing exactly what the
3 Federal Circuit has told us to. You start with the ordinary meaning of the
4 term and we're confirming that with objective evidence. And the very first
5 definition in this science dictionary is that eccentric means located away
6 from the center. This comports, word for word practically, with their chosen
7 dictionary -- Merriam-Webster's dictionary. So we don't -- we are not
8 arguing that these definitions trump the specification. We are arguing that
9 the spec doesn't define the term. They haven't met their burden to show that
10 the spec is definitional and the ordinary meaning is simply located away
11 from the center. It does not require at least an axis to be different from the
12 center of the filter. Now --

13 JUDGE MCGEE: Counsel, can I interrupt you here? This is
14 Judge McGee. I have a question regarding your Slide 26, so if we can go
15 back to Slide 26. You say that you're applying the plain and ordinary
16 meaning as not located at the center, and my question is what is,
17 quote/unquote, "the center?" Is it a minuscule point in the middle of this
18 disc or essentially, how far out from the center point of this disc can we go
19 and it still be, quote/unquote, "the center?"

20 MR. GLASS: That's a good point, Your Honor. What I probably
21 neglected to put into our definition. And we agree with Patent Owner that
22 when we're talking about the center -- and this is from their POR 18 -- it's
23 the center of the filter element. So that's what's critical because that's what
24 the claims are referring --

25 JUDGE WEATHERLY: I think more accurately, you might be
26 referring to the longitudinal axis of the filter, defining the center.

1 MR. GLASS: I would suggest that it is the intersection of the -- it
2 is the center of the filter. It's not just the Z axis. It's the center.

3 JUDGE WEATHERLY: No, I don't -- "the center" is -- that's not
4 doing it enough for me. There's a vertical center, there's a radial center,
5 there are a lot of different kinds of centers. There's a center of the opening
6 45 in Yokoyama. So just saying "the center" is not precise enough.

7 MR. GLASS: Well, like I said --

8 JUDGE WEATHERLY: The center --

9 MR. GLASS: I'm sorry, Your Honor. Continue.

10 JUDGE WEATHERLY: Is the center a point? Is it an axis? What
11 is it?

12 MR. GLASS: I would suggest that it is the center of the filter
13 element. It is the center of -- it is the center --

14 JUDGE WEATHERLY: Is it a point? Is it a point or is it an axis?

15 MR. GLASS: I think it has to be more than an axis, Your Honor.
16 That is consistent with Patent Owner's definition, as well. They argue that --

17 JUDGE WEATHERLY: What do you mean by "more" than an
18 axis? Is a point more than an axis?

19 MR. GLASS: Well, let me -- I'll demonstrate for a moment. Let
20 me drop down to one of my slides. Let's just assume -- this is the filter
21 element -- this is a filter element in Figure 13. Its center is roughly at this
22 point in three-dimensional, so I'm talking a three-dimensional center of the
23 filter --

24 JUDGE WEATHERLY: When you say "at this point", I can't see
25 what you're pointing at. You've got to be more precise with your language
26 for me to understand what you're saying.

1 MR. GLASS: It would be -- to be mathematically correct, I would
2 say it's the intersection of the three axis in three dimensions. At the center of
3 this --

4 JUDGE WEATHERLY: By "this point", do you mean the red
5 scribble that you just put on your Slide 32?

6 MR. GLASS: I put a red scribble on slide -- correct.

7 JUDGE WEATHERLY: Okay. Well, I mean, recognize that our
8 transcript doesn't show your red scribbles. The transcript is going to read
9 like nonsense if you're not more precise with your language. And I'm not
10 trying to be obnoxious. You know this very well.

11 I mean, any time you're taking a deposition, you've got to provide
12 the context and frame of reference for the words on the page to have some
13 sort of a meaning. So now I see a red dot on your Slide 32 on the image on
14 the left that maybe approximates something like a center of mass maybe or a
15 center of geometry of some kind, or center of volume. I don't know.
16 Somewhere in the middle of that filter structure.

17 MR. GLASS: Well, I think -- and Your Honor, I do appreciate
18 that. You're absolutely correct. I do understand that the transcript is not
19 going to show my scribbles on the screen. I'll make a better effort. I will be
20 annotating as we go through today. I'll make a better effort to also explain
21 what I'm doing. I think what I said is the most accurate. The geometric
22 center, the -- if you will, the intersection in three dimensions of the X, Y,
23 and Z axis of the filter, which is roughly in the three-dimensional center of
24 the filter. And that's what the claims are --

25 JUDGE WEATHERLY: The lack of precision in your language is
26 pretty shocking, I'll just say. All of those things presume a sort of frame of

1 reference that is unstated and implied, but honestly, I think we're in a little of
2 a rabbit hole. When I look at Yokoyama and think about the dispute over
3 whether the portions 48 in Yokoyama are eccentric or not, I'll grant you that
4 those portions are located away from the center, as defined by, for example,
5 a center of rotation that that structure 47 could spin around in a kind of
6 symmetrical way.

7 I'm more interested in why those portions 48 could constitute a
8 blocking element, as recited in Claim 15, and why Yokoyama grooves 22
9 constitute a, quote, "opening in the filter housing", end quote, as recited in
10 Claim 15. I don't think that those -- I think you lose on both of those two
11 concepts, so let's take the first one first. What is a blocking element, as
12 claimed, and why is portion 48 of seal 47 a, quote/unquote, "blocking
13 element?"

14 MR. GLASS: Well, let me -- I'll drop down to Slide 39. The
15 blocking -- now, keep in mind, Claim 1 requires a drain -- eccentric drain --
16 and an eccentric blocking element that blocks that drain. Claim 15 does not
17 require a drain. Claim 15 simply requires that it is a blocking element.
18 There is no dispute between the parties that this element, I believe
19 Yokoyama refers to as a rubber ring with W shaped elements, it blocks raw
20 oil from the filtered oil, and that's the purpose of the ring. So that is the
21 blocking element purpose, and that's why we did -- one of the reasons we
22 didn't --

23 JUDGE WEATHERLY: Where does Yokoyama say that element
24 47 seals filtered oil from, I'll say raw oil, because that's one of the ways that
25 I think Yokoyama describes.

26 MR. GLASS: I will pull a cite, Your Honor. I don't have it at my

1 fingertips. It is referred to as a sealing element and it performs, I believe --

2 JUDGE WEATHERLY: No, I know. It looks to me though like
3 it's really just a friction fit that allows the filter to hang in the top half of the
4 housing before you screw the bottom half of the housing on and that it
5 actually doesn't have anything to do with preventing oil flowing anywhere.
6 And that's why I'm asking, where does Yokoyama describe that as a seal,
7 like to prevent oil from flowing from one place to another place?

8 MR. GLASS: I'll have to check, Your Honor. I will doublecheck
9 this, but I believe what Yokoyama -- our position is that Yokoyama, again,
10 refers to this seal on element 48 that I'm highlighting, as a rubber seal. It
11 refers to it as a sealing element. Our expert has opined that as the oil --

12 JUDGE WEATHERLY: Yeah, it does. Definitely refers to it.

13 MR. GLASS: -- travels through the --

14 JUDGE WEATHERLY: Sealing member 47 and it has portions
15 48. I get that, but I can't find anywhere in Yokoyama that describes sealing
16 member 47 as -- I do see a place in Yokoyama where it describes it as
17 simply two structures that press fit into each other. You press fit element --
18 member 47 into groove 22 so that the filter can remain in place, even though
19 the bottom half of the housing isn't screwed in. It's to hold it there in place
20 to make it easier to install.

21 I don't see any place in Yokoyama that describes -- other than
22 using the word "sealing member", there's no description of any kind of oil
23 pathway that's being obstructed by that member. So that's why I'm asking
24 you to show me where it is in Yokoyama, where that kind of description of
25 this being an oil seal is shown.

26 MR. GLASS: And I -- I'm sorry, Your Honor.

1 JUDGE WEATHERLY: That's all.

2 MR. GLASS: I understand the question and I do not think that
3 there is an expressed discussion in Yokoyama that this seals the raw oil from
4 the filtered oil. Our expert is opining -- keep in mind that this is again, a
5 rubber seal that is between where the raw oil is coming into the filter and
6 going out back to the engine. So one of the functions it would serve is to
7 seal. It may not be expressly disclosed in Yokoyama, but that's how one of
8 ordinary skill in the art would have understood it.

9 JUDGE WEATHERLY: And the evidence you have for that is
10 your expert's testimony?

11 MR. GLASS: Correct.

12 JUDGE WEATHERLY: And you can't identify anywhere in
13 Yokoyama itself that expressly says that, other than maybe implicitly
14 through calling this element 47 a seal member?

15 MR. GLASS: I wouldn't agree that it's implicitly. And again,
16 these references are viewed through the eyes of one of ordinary skill in the
17 art. It's through --

18 JUDGE WEATHERLY: Okay.

19 MR. GLASS: -- his eyes, his understanding, but other than that --

20 JUDGE WEATHERLY: Fair enough.

21 MR. GLASS: -- Your Honor, I agree.

22 JUDGE WEATHERLY: Fair enough. So how about the opening
23 limitation in Claim 15? If the opening in the filter housing --

24 MR. GLASS: Well, again, the opening, that is -- let me drop down
25 to it. This is, again, simple claim construction. So again, we've dropped
26 down to simply the ordinary meaning of the term. Opening using their own

1 definition of the term and opening is a breach, it's an aperture, it's a span, it's
2 an open width. We've relied on our -- again, the same Academic Press
3 dictionary -- an open place, a hole, or a space. So this is one -- this is purely
4 a claim construction issue, and the question is, does an opening have to be
5 through and through or can it simply be a groove as in Yokoyama.

6 Based on the ordinary meaning of the term, the ordinary meaning
7 is broad enough, certainly, to include a hole, but it's not limited to a hole.
8 And so our position is not just limited, again, to the dictionary definition --

9 JUDGE WEATHERLY: So in your view, a groove is a type of
10 opening and opening is recited broadly enough to include things like
11 grooves?

12 MR. GLASS: Correct.

13 JUDGE WEATHERLY: The specification doesn't describe the
14 opening as -- well, let me put it a different way. All instances of the opening
15 described in the specification that I see are a hole, a pathway, where oil can
16 leave the housing.

17 MR. GLASS: Correct.

18 JUDGE WEATHERLY: So what significance, if any, are we to
19 make of that?

20 MR. GLASS: Okay. So I will back up then. Two points.
21 Claim -- so let me back up to the law. I'll start with Sony v. Thorner and this
22 is important because this is what Patent Owner has done with both eccentric
23 and with opening. When we depart from -- we have the ordinary meaning.
24 We've cited evidence and expert testimony as to what the ordinary meaning
25 of opening is. There's only two and only two instances when we depart from
26 that ordinary meaning, and I know Your Honors are familiar with this.

1 One, when the Patentee -- and I'm on Slide 29, for the record --
2 when a Patentee sets out a definition and acts as a lexicographer, so we have
3 lexicography and disavowal. The Federal Circuit has made it very clear; it is
4 not enough to use a word in the same manner in all embodiments. There has
5 to clearly express an intent. That's exactly what Patent Owner has done, and
6 I have more nuances in this particular point. Using the word --

7 JUDGE WEATHERLY: And --

8 MR. GLASS: -- consistently throughout the spec is insufficient.

9 JUDGE WEATHERLY: So Claim 1 is -- there's not really any
10 argument about Claim 1. The opening in Claim 1 really is an opening that
11 allows -- it's an outlet for --

12 MR. GLASS: Correct, and that --

13 JUDGE WEATHERLY: -- opening a filter house.

14 MR. GLASS: -- gets to my next point, Your Honor. And this is --

15 JUDGE WEATHERLY: And I know that Claim 15 doesn't have
16 the same kind of express limitation and I'm guessing that your argument is
17 that because it doesn't have the express limitation, almost like a
18 dependent/independent claim relationship -- it's not in this instance, but
19 similar -- that it --

20 MR. GLASS: You --

21 JUDGE WEATHERLY: -- must be something -- it must be
22 broader.

23 MR. GLASS: It --

24 JUDGE WEATHERLY: Must be broader. Broad enough to
25 encompass groups.

26 MR. GLASS: It's more than that. It's the same -- that's the right

1 idea, but I would say it's more than that. I would say --

2 JUDGE WEATHERLY: Okay.

3 MR. GLASS: -- at Sony v. Thorner, again, we have to have a
4 clearly expressed intent to deviate from the ordinary meaning. Claim 1 is an
5 example of a clear, expressed intent to deviate from the ordinary meaning. It
6 says, we're not taking the -- we're not applying the ordinary meaning of
7 eccentric. Eccentric opening has to be an outlet.

8 JUDGE WEATHERLY: I'm not focusing on eccentric.

9 MR. GLASS: In the context --

10 JUDGE WEATHERLY: I'm not focusing on eccentric at all. I'm
11 focusing only on the opening.

12 MR. GLASS: Right. I'm not --

13 JUDGE WEATHERLY: What does opening mean?

14 MR. GLASS: I read that for completeness. I'm looking at the
15 word "opening."

16 JUDGE WEATHERLY: Okay.

17 MR. GLASS: The opening in Claim 1 -- the opening must be an
18 outlet. Why is that? Because it expressly requires an opening for emptying
19 the filter. Claim 15 --

20 JUDGE WEATHERLY: Okay. And that is the only kind of
21 opening that's described in the spec, correct?

22 MR. GLASS: That is the only kind of opening, a drain for the
23 filter. Exactly. Claim 15 does not require a drain. There's no mention --

24 JUDGE WEATHERLY: I know, I see that.

25 MR. GLASS: -- of a drain -- excuse me?

26 JUDGE WEATHERLY: I see that it doesn't mention the word

1 "drain." It just refers to an opening, and the only kind of opening that's
2 described in the spec is a drain. What we make of it and whether we -- our
3 decision ends up being consistent with the case law that you've described is
4 going to be up to us to describe. I'm just trying to get straight the factual
5 situation that's in front of me. That's all.

6 MR. GLASS: I would suggest, Your Honor, that the ordinary
7 meaning applies and in Claim 15, there is no intent, no clearly expressed
8 intent, to deviate from that ordinary meaning. This is underscored by the
9 fact that Claim 15 does not require a drain. These embodiments that
10 disclose a drain are -- Claim 15 is not directed to these embodiments. So the
11 fact that there are drains --

12 JUDGE WEATHERLY: What do you mean by that? Do you
13 mean that Claim 15 doesn't read on these embodiments?

14 MR. GLASS: I would say that these are not informative of how to
15 interpret the term "opening" in Claim 15 because they deal with an opening
16 in a drain, and Claim 15 does not require a drain. Could include a drain, but
17 it does not -- is not limited to a drain. And again, it's not even implicit in the
18 notion of an oil filter and not all oil filters have drains. So --

19 JUDGE WEATHERLY: don't.

20 MR. GLASS: The --

21 JUDGE WEATHERLY: I am one of those DIY people who have
22 changed oil in probably 25 different kinds of cars with cartridge filters and
23 spin on filters, and filters that load from the top and filters that load from the
24 bottom and from the side. So I've actually never seen a filter that has a drain
25 like this on it. I had to figure out like what kind of car does this go -- and the
26 only car I could identify was an Audi diesel V6 that used a filter similar to

1 this.

2 MR. GLASS: Yeah.

3 JUDGE WEATHERLY: So --

4 MR. GLASS: Me, as well, Your Honor. I've worked on mostly
5 consumer cars and this is for larger -- these are for larger motors. That's
6 where these are applicable, but again -- and that's our point. The opening in
7 Claim 15 is not the same as the opening in Claim 1. Because Claim 15 is
8 directed to a different invention, it is not directed to a filter that engages with
9 a drain. There is no legal reasoning or rationale to depart from the ordinary
10 meaning of the term "opening", and that's our point. That we have an
11 ordinary meaning, there's no dispute over what the ordinary meaning is.

12 Patent Owner has done, again -- and at the risk of being
13 repetitious -- Patent Owner has done again, in connection with opening, have
14 done exactly what the Federal Circuit has cautioned us not to. Simply
15 because it's used throughout the specification, that is not a basis. That is not
16 a legally recognized basis and it's admonished to limit the terms to those
17 embodiments. Does that answer your questions on opening, Your Honor?

18 JUDGE WEATHERLY: It answers the questions that I'm willing
19 to ask.

20 MR. GLASS: Okay. If there's any other questions, I'm happy to
21 respond to them. Otherwise, I'll move on to a few other points.

22 JUDGE WEATHERLY: Sure.

23 MR. GLASS: So I think that takes me a little bit out of order, but I
24 believe I've hit everything I wanted to on openings. I will point out, just
25 with respect to the eccentric, I will point out again just a few points on this.
26 Using Patent Owner's definition, I just want to -- just to reset the table,

1 Patent Owners, from POR 18, their definition is having an axis not located in
2 geometric center.

3 And when we're talking about something that's eccentric, if it has a
4 single access that's not located in the center, it is eccentric. I will just point
5 out, they've walked through multiple embodiments in the patents where it
6 refers to a central portion. It doesn't refer to a centric portion. It refers to a
7 central portion and they've argued, well this is an example if something has
8 all axis in the center.

9 I'm referring to Figure 8 of this bottom portion, where it refers on
10 Slide 32, first with central through hole. And in respect to that bottom piece,
11 if you line up all the axis -- I'll draw in on the screen X, Y, and Z axis -- all
12 of these axis do intersect at the center of that base plate, but they do not
13 intersect at the center of the oil filter and that's what their interpretation
14 requires. It has to --

15 JUDGE WEATHERLY: Counsel, this is a great example of why I
16 have a problem with what you've just done. You can draw those axis
17 anywhere. You can put the origin anywhere inside this three-dimensional
18 space. The place you just drew it is arbitrary. The intersection of those
19 three axis at that point is meaningless. It's because you chose it. And that's
20 this -- what I've referred to is the implicit frame of reference problem that is
21 rampant throughout both parties' arguments in this case.

22 MR. GLASS: Well --

23 JUDGE WEATHERLY: It includes things like top and bottom. I
24 mean, top and bottom -- a human being normally understands top and
25 bottom to be top is farther away from the earth than bottom is, but the earth
26 is the frame of reference -- the ground. I'm not going to really complain

1 deeply any more than I already have because I've already done enough of
2 that but recognize that your arguments are being spoken into -- in front of a
3 person who needs to be disciplined about the frames of reference. Now, I
4 will say it's very difficult to avoid this kind of ambiguity and I've certainly
5 fallen into the same kind of trap, but it's part of the --

6 MR. GLASS: Right.

7 JUDGE WEATHERLY: -- but it's part of the struggle that I'm
8 having with the way that you're trying to present this case.

9 MR. GLASS: Well, I appreciate that, Your Honor. I'll lead with
10 this, that the frame of reference for these claims, that both sides agree, is that
11 the center is in the center of the filter. When we're looking at the central
12 portion, it is the center of the filter. I would also take a step back. I would
13 also suggest that their citations and walking through each of these
14 embodiments for the exact same reason that I just explained for the opening,
15 it's of no moment. Because again, the Federal Circuit has cautioned us the
16 same -- I'm going to say the same thing.

17 The Federal Circuit has cautioned us that the use of a word
18 throughout the specification does not define that word. Even worse here,
19 they're not relying on the use of the word "eccentric". They're relying on the
20 use of the word "central" and attempting to argue that well, whatever central
21 is, eccentric has to be something different, and they've come up with --
22 they've walked through each of these embodiments attempting to support
23 their claim construction. That is insufficient. That is not a sufficient, legally
24 recognized rationale to deviate from the ordinary meaning of the term
25 "eccentric."

26 I'll point out one last thing on this issue. One last point on this

1 issue, on Slide 30. There is really only one portion of the specification that
2 describes eccentric and on Slide 30, it states that you have a plurality of
3 centric blocking elements, which are arranged accordingly on the bottom
4 panel in Figure 8. Just to be clear for the record, on Slide 30, we have
5 modified that figured. We've annotated it. We have modified it, I believe,
6 in our reply. We annotated it with this red block to illustrate what the patent
7 is referring to as a plurality of blocking elements.

8 It doesn't matter really where it goes on the ring. As you can see,
9 laterally, longitudinally, there's really no room for these blocking elements
10 to go, really any closer to the center portion of this ring or the edge. Under
11 Patent Owner's definition, Patent Owner has argued at their POR that this
12 type of configuration, because this is in their -- in their interpretation, this is
13 what Yokoyama discloses -- that this a concentric arrangement and this is
14 excluded under their definition.

15 And they've provided in their surreply on Slide 31, they've
16 provided a diagram. I would suggest -- well, before I get to it, what they're
17 arguing is that well, you could put these plurality of blocking elements
18 basically in different orbits. So you could have one closer to the edge, one
19 closer to the inner edge, and one on the center. Therefore, it wouldn't violate
20 their claim construction because these are now in different orbits. I would
21 suggest this has no basis in the patent whatsoever. If you look at their
22 figure, they wholesale changed the figure. They've decreased the size of the
23 blocking element, they've increased the size of the ring. This is not a
24 modification that has any basis in the '203 patent that --

25 JUDGE WEATHERLY: To be fair, isn't Figure 8 with three
26 blocking elements on it on this Slide 31? Isn't that something that was made

1 up out of thin air by --

2 MR. GLASS: I --

3 JUDGE WEATHERLY: -- your expert?

4 MR. GLASS: To be fair, yeah, and that's exactly, Your Honor,
5 what I said in context with Slide 30. I tried to make that very clear. We
6 have added --

7 JUDGE WEATHERLY: Yeah.

8 MR. GLASS: -- those two boxes.

9 JUDGE WEATHERLY: So Patent Owner has a different
10 modified arrangement and Patent Owner says that this -- these are eccentric
11 blocking elements or are not? Help me understand so that I can make sure.

12 MR. GLASS: Well, the --

13 JUDGE WEATHERLY: I'm new to the case, so I'm going to ask a
14 lot of questions that reveal that I don't know the case as deeply as I
15 otherwise would have.

16 MR. GLASS: I appreciate that, Your Honor, but the point is their
17 argument is that concentric elements are not covered by their claim
18 construction. Their point --

19 JUDGE WEATHERLY: Okay.

20 MR. GLASS: -- is that these elements in their modified figure
21 would be eccentric because they are not concentric on the ring. Our point is
22 that --

23 JUDGE WEATHERLY: Like your modified version of Figure 8
24 isn't eccentric?

25 MR. GLASS: Our modified portion is eccentric under our
26 construction because it's not in the center. The point is concentric elements

1 are not necessarily non-eccentric. That's the point. And I will point out,
2 too -- I do understand your -- the point, Your Honor, that we have modified
3 this. We have not changed the size of the blocking elements. We have not
4 changed the size of the ring. This was an attempt to stay true to the spec and
5 true to the figures. I think it is very clear from their figure that they have
6 dramatically reduced the size of those blocking elements to that --

7 JUDGE WEATHERLY: So --

8 MR. GLASS: -- other point.

9 JUDGE WEATHERLY: -- back on Slide 30, the portion of the
10 spec that you guys quoted, your position is that this text describes what's
11 drawn in your modified version of Figure 8, but it doesn't describe what's
12 drawn by Patent Owner in their surreply on Slide 31?

13 MR. GLASS: I don't see how it could, Your Honor. They
14 changed the size and dimensions of the elements. So the short answer to
15 your question is yes.

16 JUDGE WEATHERLY: Okay.

17 JUDGE MCGEE: Counsel, you have two minutes remaining in
18 your argument.

19 MR. GLASS: I am going to jump to -- I'm going to eat into some
20 of my reply time. Let me jump to -- I've gone through eccentric, I've gone
21 through opening. I will go through motivation to combine, but Your Honor,
22 before I do, is there any other questions? I feel like that's the best use of my
23 time is to respond to your questions, if you have anything else. Otherwise, I
24 will move on to this notion of the motivation to combine.

25 Okay. So I will move on. So again, as I mentioned, and I think
26 you prefaced this earlier, Your Honor, that on the issue of top and bottom,

1 our point is in Ground 1 and in Ground 3, there's no dispute. Yokoyama
2 says it has a top plate as a bottom plate. Our position is given the design
3 constraints of a motor, if you have an upright, top mounted style of bracket
4 versus a hanging style of bracket, one of ordinary skill in the art would have
5 no problem taking, for example, the hanging style of Yokoyama, if
6 presented with a vehicle that had a bracket that you had to mount it in a
7 sitting fashion, would have no problem saying, I just need to invert this. I
8 need to invert this and then make the required modifications to make that
9 work.

10 So that is the issue with top and bottom, and our expert has
11 testified to this. And I believe the discussion has gotten off the rails. We're
12 not in the briefing. We're not modifying the top and the bottom. We're
13 simply saying if one of ordinary skill in the art would understand that these
14 are pressurized -- I'm on Slide 36 -- these are pressurized systems. Your
15 Honors, do you still see my slides?

16 JUDGE WEATHERLY: I don't.

17 JUDGE MCGEE: No.

18 MR. GLASS: I believe I --

19 JUDGE WEATHERLY: But we have them locally, too.

20 MR. GLASS: Okay. I think I just --

21 JUDGE WEATHERLY: Now we do.

22 MR. GLASS: Okay. On Slide 36, our expert has testified no
23 dispute on this. These are pressurized systems. They would work in an
24 inverted or upright, or non-inverted manner. As our expert has testified,
25 entirely consistently with what I've been arguing, that vehicle manufacturers
26 may require a bracket that has an upright position or a hanging position, and

1 based on this -- these are very well-known design criteria. One of ordinary
2 skill in the art would have had no problems adapting the Yokoyama filter for
3 a particular application, given that application.

4 And again, there's no dispute -- I know Your Honor has extensive
5 experience in this field -- there's no dispute, I don't think there is, that these
6 are pressurized systems. This is the -- on Slide 60, their expert agreed with
7 us that these are pressurized systems, and they work exactly the way I
8 referenced it, that the oil goes through the periphery of the filter, clean liquid
9 is getting out from the center of it. So there's no dispute on that point.

10 Now, again, given the design constraints, if you had a vehicle that
11 required a filter to be sitting upright, one of ordinary skill in the art would've
12 readily understood that because that oil flows out through the filter -- the
13 center -- you would need an eccentric blocking element. You can't put --
14 you need a drain off the center. You can't put a drain where you have the oil
15 flowing back to the motor. It would interfere with that, so that's our
16 motivation to combine Yokoyama with Cline. I'm going to short shrift this a
17 little bit because I do want to spend some time on Honermann. I don't know
18 if Your Honor have any question on that argument.

19 JUDGE MCGEE: I do. This is Judge McGee. I do have a quick
20 question regarding the combination. So I was a little confused, frankly, how
21 you're piecing this together because some of the motivational statements
22 suggest a substitution is happening and other statements in the motivation to
23 combine section of your petition suggest that you're using Cline's blocking
24 element in place of Yokoyama's sealing ring 47. So can you clarify for the
25 record, which is it? Is it a substitution or is it a combination of Cline's
26 blocking element with this sealing ring 47, as illustrated here at Slide 65?

1 MR. GLASS: Thank you, Your Honor. In connection with
2 Ground 1 where it's just Yokoyama, we're saying one of ordinary skill in the
3 art would simply have inverted the filter and would have understood how to
4 adapt the housing to make that filter work. In Ground 2, now we
5 anticipating that there might be some discussion on whether that blocking
6 element in Yokoyama was eccentric, so in Ground 2, we suggested that
7 should one of ordinary skill in the art, again, be presented with an
8 application where there's a bracket that requires the filter be mounted
9 upright. Had 1 to 2 included a drain, one of ordinary skill in the art would
10 have just gone right to the prior art. One of these was Cline and included
11 that drain from Cline in the combination and necessary modifications. Does
12 that respond to your question, Your Honor?

13 JUDGE MCGEE: Yeah, so which is it, though? Is it a substitution
14 of ring 47 as suggested by one of the petition's motivations to combine the
15 references? It seems like there was a substitution of one known element for
16 the other, so the question is, what was the substitution or is it both would
17 still be used?

18 MR. GLASS: In this case, there's no reason -- because the
19 blocking element in Yokoyama, that seal is not acting as a drain, there's no
20 need to substitute it. So in our combination in Ground 2, you could keep the
21 seal and not remove it -- the sealing element.

22 JUDGE MCGEE: Okay, thank you.

23 MR. GLASS: In the few minutes I have left, I did want to spend
24 more time on Honermann, but I will -- I'll walk through Honermann. Now,
25 Honermann -- so there's two primary issues. There's issue one, is whether
26 the filter rotates or the basket rotates or both, but the second issue -- the

1 primary issue -- I'm not going to have time to go through everything is why
2 would one of ordinary skill in the art have replaced Honermann's auto drain
3 with Cline's eccentric drain. I hope to have time to go through both of these.

4 Our point in our petition and in our reply was that -- and as Your
5 Honors found in the institution decision, was that -- and we expressly
6 stated -- this is at 97 through 99 of our petition. We stated that the filter
7 does rotate, and we explained in the motivation to combine section that the
8 Honermann invention is just like Deschamps.

9 Deschamps is a reference that was filed before the '203 patent. It's
10 not prior art because it was not filed with the translation. We use it as
11 evidence of how one -- the knowledge of one of ordinary skill in the art.
12 And as Deschamps works, as we explained in our reply, in Honermann, you
13 have a filter that drops on to this central basket. The Honermann filter has a
14 protrusion that sticks out and engages on Slide 81, that ramp -- that incline
15 ramp 314.

16 As force is exerted, either from gravity or from pressing down on
17 the filter, because that filter -- because that protrusion is physically attached
18 to the filter, the filter will rotate counterclockwise until it reaches the other
19 side -- the right-hand side of that ledge. At that point, it will begin to engage
20 against that ledge and then rotate the basket counterclockwise. So we're not
21 saying there's no rotation of the basket. We said that repeatedly in our
22 petition, but because of the way Honermann works, and again, we said it
23 worked just like Deschamps. As it engages that plane, as it slides down that
24 green highlighted plane on Slide 81, of course the filter is going to rotate in a
25 clockwise fashion until it's blocked by the other side of that slide.

26 Now, I will point out that, again -- we said this in the petition -- I'll

1 point out in a minute where we said this. We did say this. We analogized
2 Deschamps in the motivation to combine section. On page 97 in our
3 petition, we also said expressly that the filter rotates during our expert's --
4 during their expert's deposition, he stated plainly -- this is at Exhibit 1017,
5 page 83 -- this is on redirect by his own attorney. He was asked, your
6 opinions that the filter cartridge is inserted into the filter housing and that
7 causes rotation, and he answered quite clearly -- you put the cartridge inside
8 the housing and rotate it -- the filter cartridge -- against the basket. That was
9 his understanding at his deposition when asked by his expert -- by his
10 attorney.

11 He was then asked a follow-up question -- this is important -- does
12 your opinion go through a detailed explanation of how each element of
13 Honermann reference functions? Are you sure, basically, is what his
14 attorney asked. I think I covered a good portion of it. Why am I going
15 through this? First off, again, just to point out, just to reiterate, he testified
16 very clearly at his deposition that the filter does rotate. The timing of this,
17 though, they did file an errata. Now, the deposition was March 20. We filed
18 our reply April 4. Three weeks later, April 22, after Patent Owner had the
19 full benefit of reviewing our arguments, after Federal Rules of Civil
20 Procedure allow errata to be filed, they filed and served an errata.

21 You'll see the footnote in their surreply. They don't explain that
22 they filed an errata. They just say, our expert testified that the basket moves.
23 Their errata -- and I think the reason -- there's no argument that this was a
24 mistaken stenographer error. I think the error was either he was confused or
25 he misspoke. I forgot which one it was. They literally flipped it. They said
26 that you put the cartridge inside the housing and rotate the cartridge -- the

1 basket against the filter, so they changed the substance of the testimony
2 completely in 180 degrees.

3 I would suggest, Your Honors, we have ample Federal Circuit case
4 law that Your Honors are permitted to consider the original testimony in
5 connection with the errata. The errata does not erase the original testimony.
6 I would suggest that given the context that this was his attorney asking him,
7 that he was asked on follow-up, is he sure, essentially, that it's pretty clear
8 their expert believed that the filter rotated.

9 I'll make one more point on the motivation to combine and I'm
10 going to jump to Slide 92. I know I don't have a lot of time left. Why would
11 one of ordinary skill in the art replace the auto drain mechanism of
12 Honermann with the eccentric guide of Cline? We've cited several reasons
13 throughout our papers. I'll just point out that the -- two points. The auto
14 drain mechanism in Honermann is very complicated and as Your Honors are
15 familiar, the engine -- the inside of an engine bay is a hot, caustic, vibration
16 prone environment. You have in this Honermann seal, in this Honermann
17 mechanism, you have four seals, a spring, all of which eventually will wear
18 out, all of which will have to be replaced because they are not attached to the
19 filter. They are attached to the housing.

20 So at some point, you have this complicated mechanism with a risk
21 of failure with seals that will fail. What is the motivation? The eccentric
22 valve in Cline is a much simpler design. I believe it's a two-piece design.
23 Importantly, it is attached directly to the filter. So although it has a seal and
24 is just as prone to wearing out as the seals in Honermann, every time you
25 replace the filter in Cline, you're going to replace that eccentric valve
26 because it is physically attached to the filter, so there's ample motivation.

1 And why would you have to make it -- why would it be eccentric?
2 Because it's attached to the filter. You can't put it in the hole in the filter. It
3 has to be on the edge of the filter, so that's why it's eccentric and that's the
4 motivation to replace this -- the auto drain feature of Honermann with the
5 eccentric valve in Cline. Your Honors, there's a lot more I want to go
6 through, but I appreciate that you had questions. I hope I answered all of
7 them. Unless there are any others, I'll bank the rest of my time for response.

8 JUDGE MCGEE: Judge Weatherly, any questions?

9 JUDGE WEATHERLY: No, none from me.

10 JUDGE MCGEE: Judge McGraw?

11 MR. GLASS: Thank you, Your Honors.

12 JUDGE MCGRAW: None from me.

13 JUDGE MCGEE: Okay. So I have you at 52 minutes and 38
14 seconds. I'm going to make some notes here. And I'm actually going to call
15 a five-minute recess for everyone here, and we'll reconvene here in five
16 minutes, just to give everyone a stretching back. And I will also extend a
17 five-minute recess after Patent Owner's opening arguments, just in the
18 interest of fairness here. So, five-minute break and we'll reconvene.

19 MR. GLASS: Thank you, Your Honors.

20 (Whereupon, the above-entitled matter went off the record at 12:02
21 p.m. and resumed at 12:07 p.m.)

22 JUDGE MCGEE: Okay. I think everyone is back on camera. So
23 Patent Owner, would you like to save some time for surrebuttal?

24 MR. SMITH: Thank you, Your Honor. Yes. I'd like to reserve 10
25 minutes for surrebuttal.

26 JUDGE MCGEE: I will try to give you a five-minute warning.

1 And you may begin when you're ready.

2 MR. SMITH: Okay, thank you. I am going to share my screen.

3 Can Your Honors see my slides?

4 JUDGE MCGEE: I can. They are just a little small on my screen,
5 so I don't know if you can expand them.

6 JUDGE WEATHERLY: What we're seeing is your Adobe
7 Acrobat application window.

8 MR. SMITH: Let me --

9 JUDGE WEATHERLY: It's taking up a lot of the space --

10 MR. SMITH: Okay.

11 JUDGE WEATHERLY: -- on the screen for us.

12 JUDGE MCGEE: And I just want to confirm that Mr. Glass is still
13 with us. I see his name, but I do not see his video feed anymore. Mr. Glass,
14 do we still have you?

15 MR. GLASS: You do, Your Honor. I turned off my video feed.
16 We received emails from your paras this morning saying there were
17 technical issues and --

18 JUDGE MCGEE: Okay.

19 MR. GLASS: -- we should go --

20 JUDGE MCGEE: Fair enough.

21 MR. GLASS: -- off video, but I am still here. If you'd like me to
22 stay on video, I will.

23 JUDGE MCGEE: I am totally fine if you're off video. I just
24 wanted to be sure that you're still with us. Thank you.

25 MR. SMITH: I hope the slides are better for Your Honors now.

26 JUDGE MCGEE: We can see them. It's fine.

1 JUDGE WEATHERLY: They're pretty small.

2 MR. SMITH: Still? All right. Well, I'll begin and I'll refer the
3 slides. And I think before I get into some of the points that were raised in
4 the Petitioner's argument, I want to kind of start with a little background of
5 the '203. And again, the Petitioner brought this up, but the invention here is
6 both, to a filter insert and a filter. Now, this is important and it's going to
7 come up with respect to which claims are challenged under which grounds.
8 So the filter insert is the item inserted into the filter. So the filter insert,
9 which is Claim 15 only, has filter body material, top front panels, with an
10 outlet on one of the front panels, and positioning elements.

11 As explained in the '203 patent, the problem to be addressed here is
12 when you have an eccentric blocking element, and as the Patent discloses,
13 these are known in the art. There are essential blocking elements. The
14 problem is because that aligns with an outlet at the bottom of the housing,
15 rotating that and obtaining the right position is difficult. So the idea of the
16 invention is on one part, to provide a reliable, automatic engagement
17 compatible positioning for these two different separate elements. The filter
18 insert and the housing, which has the outlet.

19 So the '203 patent explains that is when necessary, because it
20 certainly is possible that a technician that's installing a filter insert has it
21 aligned perfectly as it's inserted into the housing, but if it's not, then the
22 positioning means rotate the insert in order to align this blocking element
23 with the outlet drain in the housing. And I think that's important to
24 understand when we look at the three grounds because Ground 1 is
25 Yokoyama on its own, rendering Claims 15 and some dependent claims
26 obvious, and Ground 2 is Yokoyama in view of Cline, alleged surrender

1 Claims 15 and other dependent claims obvious.

2 Now first, Claim 15 is only directed to the filter insert. So as it
3 was correctly brought up earlier, the eccentric outlet is actually not part of
4 the filter insert. That's in the housing. Ground 3, Honermann in view of
5 Cline is directed towards Claim 1 and 15. So 1 is the entire filter, which is
6 the housing, and the filter insert, and 15, which is just a filter insert.

7 The other thing to remember is that all three of these grounds are
8 brought on obvious and we think there are a couple themes that need to be
9 considered when we're talking about modifications. The first thing -- and
10 everyone seems to agree -- that when someone is making an oil filter for an
11 engine, space is important and relationships to other things in the engines are
12 important. So Exhibit 1003, the Petitioner's expert recognized that space is
13 important. The Patent Owner's expert recognized that space is important.

14 The patent talks about prior designs, and their positioning means,
15 and how that's bad because it takes us too much space. So the filter insert
16 and the filter of the '203 patent provide a space savings construction, so a
17 smaller, better sized managed construction that allows and obtains this
18 rotational alignment that's desired and needed for eccentric blocking
19 elements.

20 The other thing to consider when making these modifications is the
21 idea of spilling oil. Now, these systems are under pressure. When an engine
22 is running, the oil system is under pressure, but when you go to change the
23 oil, the pressure is off because otherwise, the oil would spray everywhere.
24 So one of the things that everyone agrees is that spilling oils is bad,
25 especially when we're changing the insert.

26 So the Petitioner's expert confirmed that yes, it would be bad to

1 spill oil. Honermann, one of the references, talks about that spills and drips
2 are inconvenient and they want to solve this problem. Even the petition
3 itself talks about the technician does not want any oil splashes and it's
4 desirable to have a minimal amount of oil lost when changing the insert. So
5 I think in view of those two considerations, because these are all 103
6 rejections, they have to make changes. None of these references are alleged
7 to anticipate the claims. All their positions are based on rejecting the claims
8 in 103 by modifying and making modifications.

9 And our grounds with respect to Yokoyama -- Grounds 1 and 2 --
10 do overlap with it, and I think first, we want to raise a point that the petition
11 doesn't ever answer the question why you would invert the filter insert of
12 Yokoyama. Now, Yokoyama has a top filter panel and a bottom filter panel,
13 which is the opposite arrangement of the claimed invention, and those are
14 the words of Yokoyama -- although, maybe upper.

15 I apologize, but Yokoyama is clear that it uses the top and bottom
16 because that's how it's used in the orientation that it describes and discloses.
17 And the filter that it has, the top is at the top, the bottom is at the bottom, but
18 the only way to have the filter at the top -- we now it the bottom -- would be
19 to orient the whole filter upside down so that the filter insert is now a normal
20 operation inserted in an upside down configuration.

21 The petition and the reply repeatedly talk about what a person of
22 ordinary skill in the art could have done. They could have flipped it over.
23 They could have -- they would understand it would work upside down.
24 Well, whether it works or not is a question of reasonable expectation of
25 success, not a motivation to flip it over.

26 So we make this argument that the petition lacks any reason to start

1 with Yokoyama and flip it over and go from there, and to make any more
2 changes. So I don't think anywhere in the petition have they identified
3 where they said a person of ordinary skill would want to flip it over because.
4 Instead, they merely state that it could be flipped over. That's not what the
5 standard of obviousness is. It's not what one of ordinary skill in the art could
6 have done. It's what they would have done.

7 Now, aside from that error, we think a person of ordinary skill in
8 the art wouldn't have flipped over Yokoyama. Why? Because Yokoyama
9 already has a drain. Now, Yokoyama doesn't expressly in its specifications
10 identify at the bottom what's identified up in Slide 12 as the drain, but it's
11 very clear that that's a drain.

12 If we jump to the next slide, on Slide 13, where we have the
13 inverted Yokoyama and you can see the cross section, the drain now at the
14 top, it says T plug. We're turning to Slide 12. If one of ordinary skill did
15 flip over Yokoyama and start using this, that's all we did. Flip it over.
16 That's the only change we made. This drain would be rendered useless.
17 There's no way this could drain oil in order to change the filter insert.

18 JUDGE WEATHERLY: You mean there's no way it could gravity
19 drain the oil?

20 MR. SMITH: That's correct. I suppose if it was under pressure,
21 you could pull the drain out and it would spray out through the top and --

22 JUDGE WEATHERLY: I use a pump to suck oil out of my
23 sump --

24 MR. SMITH: Um-hum.

25 JUDGE WEATHERLY: -- so that I don't have to get under the
26 car, so there are ways to get it out --

1 MR. SMITH: Okay.

2 JUDGE WEATHERLY: -- without gravity.

3 MR. SMITH: But notably in reply, the Petitioner recognizes and
4 now note that Yokoyama does have a drain plug. So in the petition, they
5 ignored it. In the reply, they acknowledged that yeah, there is a drain plug in
6 Yokoyama.

7 Now, if we looked at Yokoyama and we flipped it over, and we
8 were going to change -- without adding the drain, a drain on the bottom here,
9 which they now say is necessary as a bottom mounted filter, every time we
10 go to the change the oil, we unscrew the top. Any oil in this upper housing
11 is able to flow out as I unscrew it. In addition, since I'm no longer
12 pressurized, oil is going to flow back into the return and the inlet, allowing
13 dirty and clean oil to be mixed.

14 So without any modification, because there is no drain flow
15 preventer here, if we started with a bottom-mounted filter or look at the '203
16 patent, it discusses a backflow preventer so that when you're taking this out,
17 you close the inlets so that dirty unfiltered oil doesn't flow into the back.
18 But Yokoyama doesn't have that because it's not its design.

19 In addition, Yokoyama is designed to prevent this wobble that
20 occurs when you're screwing this thing together, and it does that by allowing
21 the bottom to hold the filter insert as you're screwing it up. If you flip it
22 over, you're going to drop the filter insert on and continue to screw the top
23 down, there's no pressure between the top and the filter insert as you're
24 making these rotational movements. And the wobble is what Yokoyama
25 wants to avoid.

26 And I made this point that in the reply, the Petitioners now state,

1 well yeah, you have to add an eccentric drain, it would be necessary, and
2 you'd like to Cline to do that. Well, that's fine. That's Ground 2, but we're
3 dealing with Ground 1. And would a person of ordinary skill in the art flip
4 over Yokoyama and use it like that, without making these other changes?
5 And we don't think they would.

6 Now, we have the definition of eccentric, and I think for -- we'll
7 get into questions in a second, but I think the best way to do this is to go to
8 Slide 21. Now, on Slide 21, on the left, there are the elements that the patent
9 describes, both on the filter insert and in the filter itself, with respect to the
10 housing, are eccentric -- the eccentric outlet and eccentric blocking element.
11 On the right, there are elements that the patent describes as being centrally
12 located. The central pipe nozzle, that's on the filter insert; the return, which
13 is in the housing; and although not colored here -- we'll talk about that, as
14 well -- this plane 3, which has 3.1 and 3.2, which surrounds the central pipe
15 nozzle. All of those are described as being central.

16 In the middle, we have the elements that the Petitioner would like
17 the Board to find as being eccentrically located. Well, based on the petition,
18 it's this entire blocking element and its this groove. I'd submit to the Board
19 if you look at these and compare what does the patent talk about being
20 central, what does it talk about being eccentric. Now, the Petitioner seems
21 to take the position now that central isn't important, but it is important
22 because if we go back to what our definitions are, both of us are talking
23 about eccentric relates to the center or a center. And that begs the question,
24 well what's the center.

25 So if you compare elements described as being central and
26 elements described as being eccentric, and then look at the elements in

1 Yokoyama, it's Patent Owner's position -- it's pretty clear that this sealing
2 member and the grooves 22 are centrally located.

3 JUDGE MCGEE: Mr. Smith, this is Judge McGee. I just wanted
4 to give you a reminder to please notify us of which slide you're on, just so
5 the transcript is clear about which figures you may be referring to. Thank
6 you.

7 MR. SMITH: Yes, yes. And for the record, I was back to Slide 21
8 that has six images on it. Now, I think I'm going to jump ahead to one of the
9 Petitioner's slides here and this gets into this -- where both parties have put
10 together and arbitrarily created new embodiment to cover the plurality of
11 blocking elements.

12 So I'm on Petitioner's Slide 30, and I'll be talking about 30 and 31,
13 as well, but starting with 30. Now, they quote the patent and I think it's
14 important to look at the language of the patent and look at what words are
15 used. They talk about a plurality of eccentric blocking elements, which are
16 arranged accordingly. Now, "are" is plural, and in our understanding, "are" is
17 referring to the individual blocking elements. Plurality is a single word. If it
18 was talking about the arrangement of the plurality, as if it were a single
19 element, it would've said "is." So the Petitioner would like you to believe
20 that this construction doesn't fall -- that our construction and our
21 interpretation of eccentric excludes this construction. It does not.

22 If you look at the individual axis of each of the blocking elements,
23 they are each eccentrically located. Thus, you have a plurality -- more than
24 one -- of eccentric blocking elements. There's nothing in here that says
25 concentric. Nothing in this statement here that says this is how it has to be
26 done.

1 Now I'm looking at Slide 31 from the Petitioner's submissions, and
2 the Patent Owner's response here is where we thought it'd be a lot easier to
3 see what will be a top view because that's usually not shown. And the
4 Petitioner made a big argument about, well, it doesn't have the same sizes,
5 but I don't think the '203 patent anywhere says that the sizes, as depicted, are
6 the sizes as they are. I think. Unless the patent says that as depicted, as to
7 the size and the relationship of everything, you can't rely on that. So it
8 shouldn't be that we change sizes. The fact is, we're both creating something
9 without any direction and it doesn't really matter. All right. I'm going to
10 return, again, to our Slide 21. And I think on this issue, all the Board --

11 JUDGE WEATHERLY: Slide 21?

12 MR. SMITH: Slide 21, yes.

13 JUDGE WEATHERLY: Okay. I think I heard you say 20.

14 MR. SMITH: Well, I apologize. 21.

15 JUDGE WEATHERLY: Sorry.

16 MR. SMITH: And this is the slide that shows here the eccentric
17 blocking element, here are the eccentric elements, both in the insert, in the
18 housing -- not just on one, but on both. Here are the central things. Here's
19 what Yokoyama has. And again, are these central --

20 JUDGE WEATHERLY: When you say "here are these" and "here
21 are those" and you're --

22 MR. SMITH: All right.

23 JUDGE WEATHERLY: -- indicating with a pointer --

24 MR. SMITH: Right. In the center. My apology. In the center are
25 the elements from Yokoyama. And I'd ask the Board, the easiest way to do
26 this is to look and compare the constructions on the left, constructions on the

1 right, with those in the center.

2 JUDGE WEATHERLY: So is it your argument then that
3 Yokoyama's element 47, seal member 47, is, quote/unquote, "centrally
4 located", not eccentric?

5 MR. SMITH: Yes, Your Honor.

6 JUDGE WEATHERLY: Is that your argument as a whole? And
7 is it because it has a -- kind of a -- you could think of a kind of axis of
8 rotation? I don't know. I don't know if that's the right way to say it.

9 MR. SMITH: I would --

10 JUDGE WEATHERLY: It is a generally circular element that
11 implies to me a kind of center point.

12 MR. SMITH: It --

13 JUDGE WEATHERLY: That is -- and there is some degree of --
14 it's not really symmetry because there are three of these things distributed
15 around that circumference, but why is that centrally located and why are the
16 portions 48 not eccentric to that center?

17 MR. SMITH: Well, Your Honor, thank you. I think the best
18 answer to that is to look at the '203 patent itself. This is our best guide to
19 determining and interpreting claims in prior art. So if you look at Slide 24,
20 here you have the '203 -- on the left, you have the '203 patent, talking about
21 incline plane 3, with two partial planes, 3.1 and 3.2. Again, visible in the
22 center of the filter insert.

23 Now, this is important for a couple of reasons. One, previously,
24 the patent has described this center 2, which is closer to a geometric center
25 of this disc as being central. So now you have a structure outside that center
26 2 still being described as central. Not eccentric, but central. In addition, in

1 the petition, the Petitioner has identified the entire 47 as the eccentric
2 blocking element. By the time they got to the reply, they focused only on
3 elements 48, these W portions of a singular structure.

4 The entire structure here at 47 is required to seal. If you only have
5 these W-shaped portions, it wouldn't seal, but as you see in the '203 patent
6 on the left, the '203 patent doesn't talk about the individual incline planes 3.1
7 and 3.2. It refers to the entire structure formed by the planes 3.1, 3.2. So I
8 think --

9 JUDGE WEATHERLY: So is center then in the patent describing
10 a location that's, for lack of a better word, in the interior of the filter media?
11 Like anywhere inside the filter media is -- could be considered to be central?

12 MR. SMITH: I think in addition to being located towards the
13 middle, it also needs to have an axis that's consistent with the geometric axis
14 or longitudinal axis of the -- whether it be the insert or the housing. The
15 '203 patent does talk about longitudinal axes in one instance and that's at --
16 that's at Column 12. And it refers to -- I'm going to flip to a slide here. I'm
17 on Slide 21. At Column 12, about lines 27, the '203 patent talks about the
18 central pipe nozzle 15 and the component forming to C14 are embodied with
19 parallel longitudinal axis so the unit consisting of the pipe nozzle 15 and seat
20 can be installed into the housing...

21 So the patent does mention longitudinal axes. So we see in Figure
22 19 on the left on Slide 21, we'd added essential axes here. The axis of the
23 outlet, which on top of the outlet is the seat 14, it would have a parallel
24 longitudinal axis.

25 So beyond the eccentric blocking element, Claim 15, which again,
26 Yokoyama is only directed towards Claim 15. Not Claim 1. Claim 15 does

1 mention an eccentric opening, but that eccentric opening is in the housing,
2 which is not part of the filter insert. That's not part of the claimed filter
3 insert. So eccentric opening isn't actually a limitation of Claim 15, but it
4 does describe and it relates to the eccentric blocking element, which is part
5 of the filter insert.

6 Now, again, as shown on Slide 25, we have the centric opening,
7 which is a groove that surrounds the center pipe, to engage a sealing member
8 that surrounds the central through hole. Again, Patent Owner does not think
9 that that opening, to the extent it is an opening, is eccentric, but more
10 importantly, would a person of ordinary skill in the art think that that groove
11 is an opening in the housing. Without looking at any dictionary definitions,
12 is that an opening in the housing? And our position is that they would not.

13 Like even if you looked to Yokoyama on Slide 26, here,
14 Yokoyama talks about its filter insert and it refers to the opening, and it
15 points to a hole. I think it's relatively clear that the grooves of Yokoyama
16 that surround the center pipe at the top are not eccentric or an opening.
17 Now, before I jump to Ground 2 in view of Cline, I know that eccentric was
18 brought up before, so I wanted to see if there were any questions about that
19 before I proceed.

20 JUDGE MCGEE: I have no questions, Counsel.

21 MR. SMITH: Thank you. So moving on to Ground 2, I think a lot
22 of the points we raised with respect to Ground 1 are element here because
23 again, the Petitioners never explain why you would flip over Yokoyama's
24 filter system. They continually recite that the person of ordinary skill in the
25 art could. Well, the way Yokoyama is disclosed is a top mounting filter. In
26 order to arrive at the claim language, you have to invert that filter.

1 They missed step one, so all of their statements about why you
2 would add the blocker of Cline, which we'll talk about in a sec, failed
3 because they haven't done step one, which is to tell us why a person would
4 do this. They have the burden in the petition to explain with particularity
5 why this would happen, why this modification would be made, and they
6 haven't done that when they started with top mounting filters and they
7 explained why someone would pick one of those as a starting point, as
8 opposed to the myriad of other bottom mounted filters that already exist.

9 Now, if one did add the very simple flow blocker of Cline to the
10 bottom front panel here -- and I'm on Slide 31, which shows an inverted
11 Yokoyama in cross section, as well as the housing. If one added an
12 eccentric blocking element, perhaps on -- where 43 is -- that is going to plug
13 a drain, which could not be opened until a person of ordinary skill in the art
14 picked up that filter insert and unplugged it from -- and pulled it away.
15 Now, in order to do that, you'd have to unscrew the top while it's filled with
16 oil again.

17 So again, as they did with the regular Ground 1 motivation, they
18 failed to take into consideration the fact that turning a top mounting filter
19 over, is going to start causing oil to spill. Now, in reply, they start to make
20 changes of the sizes and to add, make things taller --

21 JUDGE WEATHERLY: Counsel --

22 MR. SMITH: Um-hum.

23 JUDGE WEATHERLY: -- isn't that exactly the same arrangement
24 that's shown, for example, in your patent, in Figure 2? You've been
25 confusing me with the way that you're describing filters as being top
26 mounted or bottom mounted. I'm still -- I'm not understanding what you

1 mean by top --

2 MR. SMITH: Sure.

3 JUDGE WEATHERLY: -- mounted and bottom mounted.

4 MR. SMITH: Well --

5 JUDGE WEATHERLY: For example, your Figure 2 in the '203
6 patent shows a cap 16 -- I think it's called "cover" in your patent -- that you
7 unscrew from a housing -- well, it's part of the housing when it's screwed
8 together -- but you take the cap off, the bottom part of the housing remains.
9 I think of this as kind of a top loaded housing or filter.

10 The drain outlet 13 is a gravity feed drain and 24 is just a plug that
11 plugs that drain when the filter is in place. When you take the cap off, is
12 there oil left in the housing? Yeah, there's oil left in the housing. Does it
13 overflow? No, it doesn't overflow, because it's not like that housing is filled
14 to the very top with oil when you turn the engine off. That's my experience
15 of these things, and the things you've been saying about top mounted and the
16 way Yokoyama is inverted concept might work, don't seem to be consistent
17 to me. So either go through it again or help me understand where I've gone
18 off the rails.

19 MR. SMITH: Nope. Let me start with my nomenclature. When I
20 say "top mounted", I mean that there's a fixed part of the housing at the top
21 and the filter insert is pushed up, and then a cover is adject --

22 JUDGE WEATHERLY: Right.

23 MR. SMITH: -- on the bottom. I'm using my hands to
24 demonstrate.

25 JUDGE WEATHERLY: Okay. Yeah, yeah. No, I understand.

26 MR. SMITH: Okay. When I say "bottom mounted" --

1 JUDGE WEATHERLY: So your top mounted is like a bottom
2 loaded in my parlance. You push the filter in from underneath. You
3 unscrew the part that comes off the bottom. That's a top mounted
4 arrangement in your view.

5 MR. SMITH: Yes, yes.

6 JUDGE WEATHERLY: Okay.

7 MR. SMITH: I will try to switch to your nomenclature, but I --

8 JUDGE WEATHERLY: No, that's okay. I can stick with you.

9 MR. SMITH: Right.

10 JUDGE WEATHERLY: Your Figure 2 -- by "your Figure 2", I
11 mean Figure 2 of the '203 patent. In your parlance, that is a bottom mounted
12 arrangement, yes?

13 MR. SMITH: Yes.

14 JUDGE WEATHERLY: Okay.

15 MR. SMITH: Absolutely, yes. We --

16 JUDGE WEATHERLY: I'll adapt to you.

17 MR. SMITH: I appreciate that, Your Honor. And now more to
18 your technical question of how ours works in the '203 patent. Well, because
19 it started as a bottom mounted or top loaded filter, our patent and our device
20 have auto drain features like Honermann that allow oil to be drained without
21 disassembling the whole housing. And that's important. Again, that's one of
22 the things that everybody agrees is important. You don't want to spill oil
23 and it --

24 JUDGE WEATHERLY: Oh, that's right. Now I remember. In
25 your spec, you talk about partially unscrewing the cap that allows the oil to
26 drain out of that hole --

1 MR. SMITH: Yes, and --

2 JUDGE WEATHERLY: -- past this 13? Okay.

3 MR. SMITH: And --

4 JUDGE WEATHERLY: That clarifies it for me.

5 MR. SMITH: Sure. And actually, Honermann describes the same
6 similar thing. Now, Honermann is a top mounted --

7 JUDGE WEATHERLY: Okay.

8 MR. SMITH: -- or bottom loaded and it --

9 JUDGE WEATHERLY: Yeah.

10 MR. SMITH: -- has at its bottom an auto drain feature, and it
11 specifically talks about how it's important, and they have claims -- they tried
12 to get claims that partially unscrewing it without fully taking it off allows
13 this drain to lift that drain at the bottom, and allows everything to be
14 collected in a container and disposed of without spilling it. And we'll talk
15 about that, and I am going to jump ahead. We're going to talk about that
16 now.

17 JUDGE WEATHERLY: Yeah.

18 MR. SMITH: I'm jumping ahead to Slides 44 and 45.

19 JUDGE WEATHERLY: I don't understand why the modified
20 Yokoyama with Cline, that was on your Slide 31, you talked about locating a
21 drain in your -- the tag 43 in the figure on the left in Slide 31.

22 MR. SMITH: Yeah.

23 JUDGE WEATHERLY: I don't understand why that wouldn't
24 work. It's almost like -- it's as -- I thought you were saying that if you took
25 the cover off, it would leak oil, but why? If there's a drain in the bottom and
26 there's a plug that's possibly unseated when you start to unscrew the top cap,

1 why wouldn't it work just like your -- the one that's drawn in Figure 2 in the
2 '203 patent?

3 MR. SMITH: Because there are no springs. Because the petition
4 makes clear that a person of ordinary skill in the art would want the simple
5 design of Cline. When they talk about Honermann and all the springs --

6 JUDGE WEATHERLY: Okay.

7 MR. SMITH: -- and allowing it to be spring loaded, they say that's
8 a problem, and that's why they want to get rid of the Honermann auto drain
9 and add in the Cline simple one. Well, if it's a simple one, the only way to
10 get that eccentric blocking element out of that outlet is for someone to
11 physically reach in there and pull the dirty filter insert up.

12 JUDGE WEATHERLY: Okay. It's also funny to me that you
13 describe the oil as being dirty in one side and not dirty in the other because
14 it's all dirty.

15 MR. SMITH: It is. I think raw and -- I've dealt with different
16 types of water before, and so I --

17 JUDGE WEATHERLY: Yeah.

18 MR. SMITH: -- have clean water in the head, so I will always --
19 when it comes to filters, there's clean water and dirty, so that's why.

20 JUDGE WEATHERLY: Yeah.

21 MR. SMITH: I appreciate you --

22 JUDGE WEATHERLY: Dirty and dirtier, but it's all dirty.

23 MR. SMITH: Yeah. And actually, to our point, nobody wants the
24 dirty or clean oil on anything.

25 JUDGE WEATHERLY: Right.

26 MR. SMITH: Whether that's an environmental hazard on your

1 hands, on your garage, on your engine, no one wants that oil coming out.
2 And our point, especially with respect to the three modifications they made
3 where they took a top mounted or bottom loaded insert and made all these
4 changes, is it's going to increase the spilling. Yokoyama and Honermann
5 don't have problems with spilling as they are designed. The problems --

6 JUDGE WEATHERLY: Well, let me ask you. Do your claims
7 recite elements that would make it work -- make the claimed insert work --
8 filter work the way that you're saying? Is that advantageous? Mainly that
9 partially unscrewing the housing would cause the blocking element to be
10 lifted out of the opening?

11 MR. SMITH: Well, certainly not Claim 15, because again, Claim
12 15 is only directed to the insert itself.

13 JUDGE WEATHERLY: Uh-huh.

14 MR. SMITH: Claim 1, I do not believe it has any -- it doesn't talk
15 about an auto drain feature or that it will come up and do that automatically.
16 There is this --

17 JUDGE WEATHERLY: What's the flaw then in Petitioner's
18 combination of Yokoyama and Cline? I understand that it's a simpler device
19 and you'd have to take the entire cap off and maybe there'd be some oil
20 spilling, because you have to physically lift the filter element out of the
21 opening. But if that's not a requirement of the claim that it lift without
22 spilling, what's the problem with their combination?

23 MR. SMITH: Well, I think the problem is that that is a -- it would
24 frustrate the purpose. Honermann specifically talks about, we don't want it
25 to spill oil. So it's not a question of whether this device does that or doesn't
26 do that. It's whether this combination is going to frustrate a purpose of the

1 prior art. And as we talked about and everyone agrees, the person of
2 ordinary skill in the art knows that spilling oil is bad. And so when you start
3 adding modifications that create this increased oil spill or increased chances
4 of oil spill, someone is not going to -- a person of ordinary skill in the art is
5 not going to want to undertake that change.

6 JUDGE WEATHERLY: Okay.

7 MR. SMITH: So --

8 JUDGE WEATHERLY: I think I understand.

9 MR. SMITH: So our response to that is not at the structures
10 identified then, it's the combination and the legal requirements of an
11 obviousness to not frustrate the purpose of the prior art, to not do something
12 that the prior art teaches away from. That's what the law requires for an
13 obviousness determination, which is what we're dealing with here. Not
14 anticipation where we can just look at the structures and say, oh, that's there.

15 This is obviousness and we need to take that based on what a
16 person of ordinary skill in the art is thinking about. And two of those things
17 we talked about are engine space and spilling oil. And every time they talk
18 about making a tiny little tiny, a tiny little change, a tiny little change, well,
19 we're affecting the engine space. All these tiny non-trivial changes start to
20 add up. And again, I return to -- this is a bottom mounted or top loaded filter
21 insert -- filter and filter insert.

22 Both primary references are the opposite, and they want to modify
23 those when there's no need to. There's other art out there. I think -- I was
24 going to talk about this point in Cline and I think it's very similar to what we
25 just discussed with Honermann in view of Cline, is that Honermann -- and
26 I'm on Slide 44 -- Honermann has an auto drain in the middle. The proposed

1 modification is to remove that auto drain and add Cline's simple flow
2 blocker so that it would plug an eccentric plug or outlet that we've now
3 added, because Honermann has a centrally located one, and there's no reason
4 to do that because Honermann already allows this auto drain to happen.

5 And because the inlet and outlet are at the top, it doesn't need -- is
6 not necessary, as the Petitioner's expert testifies -- it's not necessary to add
7 anything eccentric at the bottom because the central portion is accessible.

8 But if we remove the auto drain feature from Honermann, every time we
9 wanted to change the filter insert, we would have to fully remove the bowl
10 from the cover, reach in again, and physically pull out a filter insert from a
11 bowl that's filled with oil. Now, you can do this, but again, Honermann
12 provides and tries to claim a device where it allows you to drain while it's
13 still attached to the cover. The modification, by changing and getting rid of
14 the spring loaded auto drain and using the simple Cline, does not allow that
15 to happen.

16 One more point on Honermann I'd like to make is Honermann is
17 used to challenge Claims 1 and 15, unlike Yokoyama, which is only used to
18 challenge Claim 15. Claim 1 is for the filter, which includes the housing
19 cover and the filter insert. So Claim 1 physically and positively recites a
20 filter housing, including at least one inlet for raw liquid to be filtered.
21 There's our raw, dirty or clean liquid.

22 The petition and Petitioners have identified this arbitrary space --
23 I'm on Slide 46 -- called an inlet with blue at the top of the bowl. Well, any
24 liquid that's in that inlet has already passed through the cover. I've gone
25 back to Slide 45. We even see the cover. The cover has an inlet so that fluid
26 can make it into the housing, which includes the cover and the bowl, so by

1 the time it reaches this space within the bowl, beyond the cover, it's already
2 inside the housing. So a person of ordinary skill in the art is not going to
3 believe that this arbitrary space is an inlet to the housing when it's fluently
4 located inside the housing.

5 JUDGE WEATHERLY: It is in the inlet path, though, isn't it?

6 MR. SMITH: Yes, yes. The fluid flows in, past the cover, and I
7 don't recall exactly which one is the inlet. I'm looking at 45 on the cover.

8 JUDGE WEATHERLY: Yeah.

9 MR. SMITH: I don't think it matters, but we'll assume 128 is in
10 the inlet. Yes, it's going to -- fluid is --

11 JUDGE WEATHERLY: Yeah, it's probably 128.

12 MR. SMITH: Right, because 130 is centrally located. So 128, it
13 flows in and then past the upper part of the screw cap. That's 134 and 132,
14 and then into the bowl, which is shown on the right there, 36, into that upper
15 portion of the bowl. So by the time it reaches that upper portion, which is
16 where the inlet, as I've identified exists, has already entered the housing.

17 Well, again, would a person of ordinary skill in the art believe,
18 looking at page 46, that the space at the top of the bowl, which is inside the
19 housing, be an inlet for the housing for raw liquid to be filtered. I agree, it's
20 a space for fluid to come in through the inlet, but is it the inlet.

21 Now, going back to Honermann, I think our bigger argument, if we
22 start at Slide 37, is that the petition does not ever talk or disclose how the
23 filter insert is rotated. Everything in the petition talks about the basket being
24 rotated. Then on reply, they've added this figure where they now have
25 added the surrounding filter insert rotates counterclockwise. That's not in
26 the petition. This is an added argument that isn't explained in the petition

1 about how this works.

2 They'd like to say that it does support that and they point to two
3 sections of the petition. I'm on Slide 38. And their reply says, for limitation
4 1K, it talks about that. Well, if you look at the petition, 1K is not an
5 element. It does not talk about that the filter insert is rotated. That's not the
6 limitation where rotating is used. It's the next limitation -- limitation 1L.
7 And on 38 at the bottom, you can see the quote from the petition where it
8 says repeatedly that it's the basket that rotates.

9 Well, the petition has identified the basket as part of the housing.
10 So as the filter insert is being inserted and pushed down into the bowl, the
11 filter insert is held stationary so that the basket can rotate. If the basket
12 pushed back on the filter insert, then the basket couldn't rotate. So this is not
13 only a new argument, as we discuss on Slide 38, but it also fails because
14 that's not how Honermann works and that's not how Honermann discloses
15 and talks about. It talks about rotating the basket, rotating the housing,
16 having the insert rotate the housing, and that's not what the claims say.

17 The claims have the opposite. That the housing allows the filter
18 insert to be rotated. And again, if the basket allowed the filter to rotate -- if
19 we look at Slide 40 -- it wouldn't allow the filter insert to rotate. So one or
20 the other has to rotate. They both can't be rotating, but again, this argument
21 only came up in reply when it was pointed out that the petition does not
22 explain and Honermann doesn't explain that the filter insert is rotated, and it
23 certainly doesn't explain that it's rotated to bring the blocking element that
24 we've added into engagement with this eccentric opening, as is in the claim
25 language in the '203 patent.

26 As noted on Slide 42, actually it's the person installing the filter

1 insert that's going to obtain the right rotation. I'm talking about in their
2 surreply. It's not the protrusions and it's not the sliding surfaces that bring
3 the blocking element into engagement with the eccentric opening by rotating
4 the ring filter insert relative to the filter housing. That's the claim language,
5 but they don't explain what Honermann does.

6 I'd just like to jump to Slide 43, just briefly to make this point
7 again, is that the Petitioners have asserted that Honermann would be
8 combined because this is how Cline and Deschamps and Brisson operate.
9 Well, Cline, Deschamps, and Brisson are all bottom mounted or top loaded
10 filters, as shown on Figure 1 from Cline. Honermann and Yokoyama are the
11 top mounted or bottom loaded filter systems. Why would a person of
12 ordinary skill in the art looking to design a bottom mounted filter start with
13 these top mounted filters? They never explain why.

14 JUDGE MCGEE: Counsel, you've got four minutes remaining. I
15 just wanted to let you know.

16 MR. SMITH: Thank you. I'd just like to jump ahead briefly to a
17 couple of the slides that Petitioner submitted and to note a couple things.
18 I'm looking at their Slide 26. I think we talked about this. The proposed
19 construction -- they say the ordinary meaning "not located at the center."
20 Well, what's interestingly is they left off geometric now. If you looked at
21 their next slide, which has the dictionary definition on Slide 27, geometric is
22 now gone. And if you look at the reply, well that's how they describe in
23 reply because they didn't do this on petition. They just said plain and
24 ordinary meaning and we'll see what happens. They didn't offer this
25 definition in the petition. They came back on reply.

26 I'd like to look briefly at their Slide 42. Here, they talk about the

1 Patent Owner's construction of opening requires all these things. I would
2 just ask the Board to read our briefs. We don't require any of those things.
3 And finally, on Slide 56, similarly, they say in our surreply, we've said, top
4 inserted filters cause oil spills and are non-trivial to design. Again, I'd ask
5 the Board to read what we wrote. We said that the modified designs that
6 they're provided and basing this petition on are going to create oil spills.
7 Yokoyama and Honermann, as their design, do not have oil spill problems.
8 It's only when they start making changes and modifying them that that's
9 when it creates an issue. And as we all agree, minor changes are non-trivial
10 because this is in an engine and space is important. Unless there are any
11 more questions.

12 JUDGE MCGEE: Judge Weatherly, do you have any questions?

13 JUDGE MCGRAW: None from me.

14 JUDGE WEATHERLY: No.

15 JUDGE MCGEE: Okay. So Patent Owner, we have you at 48
16 minutes, 20 seconds. We're going to have another five-minute break before
17 Petitioner will bring us their rebuttal arguments. So, five minutes. Thank
18 you.

19 MR. GLASS: Thank you.

20 MR. SMITH: Thank you.

21 (Whereupon, the above-entitled matter went off the record at 12:56
22 p.m. and resumed at 1:02 p.m.)

23 JUDGE MCGEE: Okay. It looks like everyone is back. So Mr.
24 Glass, I have you at around 7 minutes and 20 seconds remaining. I'll tell
25 you what. We're going to be a little flexible here. If the panel has got
26 additional questions, we're not going to be very rigid about the one hour, but

1 I will say we'll be fair and we'll extend additional time to Patent Owner. If
2 you need a few extra minutes, we are available. That's part of the reason
3 we've been doing these short breaks, so if we need to go over a little bit, no
4 problem, but we will extend that same courtesy to Patent Owner's Counsel.

5 So I'm going to go ahead and set the timer to eight minutes, and if
6 you go over, you go over. We'll just extend that for Patent Owner, as well.
7 So you can begin when you're ready. Thank you.

8 MR. GLASS: Thank you, Your Honor. I don't think I'll need an
9 extension, but I do appreciate that.

10 JUDGE MCGEE: Um-hum.

11 MR. GLASS: I only have a few points. I'll share my screen very
12 quickly. I'm going to start with -- can you see my screen?

13 JUDGE WEATHERLY: Yes, sir. We can. Yes.

14 JUDGE MCGEE: We can see your screen. Thank you.

15 MR. GLASS: I'm on Slide 92 and I'm going to start with
16 Honermann. Again, to get to this point of -- just to hit some of the points
17 Counsel made. This point of spilling oil, just to keep this in context,
18 Honermann is a -- I forgot the nomenclature -- it's a hanging style of filter.
19 If you're replacing this filter, you're either under the car -- hopefully you
20 have a lift. As in Honermann unmodified, as you start to unscrew this filter,
21 the auto drain automatically disengages while your hand is up there.
22 Hopefully, you have a receptacle with a gooseneck catching the oil. You
23 have to stand there and wait while the oil drips down.

24 If their assertion is correct that simply unscrewing it in the
25 modified Honermann combination would cause oil to spill over the sides, it
26 would spill over the sides in the unmodified Honermann, as well. So our

1 point is that this is just -- the Honermann-Cline combination -- is just as
2 convenient as the Honermann, if not more convenient than the Honermann
3 alone.

4 In Honermann, you're standing there, again, under a lift while hot
5 oil drips down your arm or into a receptacle as you're changing the oil. In
6 the Cline combination, yes, you are unscrewing the entire canister, bringing
7 it over to a receptacle and you don't even have to pull the filter out fully.
8 You simply pull it out to the extent to unblock that drain mechanism, and
9 then you can have it drip into the receptacle without splashing.

10 So to the extent there's an oil spillage issue, there is none in the
11 combination. And to the extent there's a spillage issue with it flowing over
12 the sides, that would of course happen in the unmodified Honermann, as
13 well. So it's a wash on that point. I would suggest that the modified version
14 has a far less chance of spillage than standing there waiting while the car is
15 on a lift as the oil drips down.

16 The same points on Slide 65 on the oil spillage issue, and this is
17 just a matter of understanding how these things work. In the Yokoyama
18 combination, there is no oil spillage because you're -- this is a -- it's the
19 opposite of a hanging filter. It's seated -- it's sitting on the bracket. You're
20 going to unscrew the top, you have a receptacle underneath the car to
21 capture the oil, you pull the filter out. That will disengage that stopper, and
22 the oil will flow into your filter.

23 To the extent that Patent Owner argued that there's an issue with --
24 as you unscrew the top -- you'll get oil flowing out of the sides and I've
25 marked that very unartfully on the slide. That would also be an issue with
26 '203. Now, '203 patent has an auto drain, yes, but as soon as you unscrew it,

1 it's not -- the oil is not going to drop out immediately. So to the extent that
2 this was a concern, that oil is going to spill out over the sides immediately,
3 as soon as you unscrew this top, the challenged patent would have exactly
4 the same issue. The '203 patent would have the same issue until that oil
5 level drops down.

6 I would submit that people have been designing these types of
7 filters that sit upright on a bracket for at least decades. They're designed so
8 that when you take the top off, they don't spill. They're just made -- and this
9 is exactly what we pointed out in reply -- that you'd simply make the
10 housing a little bit bigger, a little bit taller.

11 On the rotation of -- going back to Honermann. I'll go back to
12 Slide -- well, I don't think I really need a slide for this. But in terms of
13 where we raise this point, we expressly stated, pages 97 through 99 of our
14 petition, in connection -- I think it was with the 1K. We said expressly that
15 in the Honermann-Cline combination, the blocking element enters the
16 eccentric opening when the filter cartridge has been properly rotated and
17 inserted into the filter bowl.

18 We explained in the motivation to combine at page 75 how
19 Deschamps works with its protruding nose, and it guides along the planes,
20 and that Honermann is exactly -- we said, this is precisely how Honermann
21 works. Your Honors, in the institution decision, page 22 stated, Honermann-
22 Cline combination into the -- excuse me -- the petition explained how this
23 interaction would bring the blocking element of the Honermann-Cline
24 combination into engagement with the eccentric opening by rotating the ring
25 filter insert relative to the filter housing, citing exactly the same pages I just
26 referenced, 97 through 99.

1 I will also point out, again -- and Counsel did not address this at
2 all -- when asked unprompted and without the benefit of our reply at his
3 deposition, their own expert, when asked by his own attorney how
4 Honermann works, he said that the cartridge inside the housing and rotates
5 the cartridge against the basket. That was his unfiltered testimony prior to
6 seeing our reply and prior to them submitting belated corrections.

7 Just a few more points. To Your Honor's points on the claims,
8 Counsel has argued that well, the auto drain feature of the '203 patent is very
9 significant. It's not captured in the combinations. As I pointed out, the oil
10 would not spill, as Your Honors have pointed out. It's not a feature of the
11 claims. There's nothing in either Claim 1 or Claim 15 which speaks to this
12 novel -- allegedly novel aspect of the '203 patent. It's not there. So to the
13 extent it's not there, it's relevant, and as I've already explained, it's not a
14 problem with the prior art.

15 A few other things just on Claim construction. I'm not going back
16 to eccentric. I think Your Honors get our positions on that point. I pointed
17 out repeated that they are trying to define these terms, lexicography, by the
18 specification. Patent Owner has not explained their position. Patent Owner
19 has not explained how they comport with Sony v. Thorner. I would suggest,
20 again, that they are doing exactly what that case tells us not to do. Patent
21 Owner also said -- and I wrote this down because I didn't -- I think I heard
22 this correctly -- on Claim 15, the opening is not a limitation of the claims. If
23 that's the case, then we have no issue with that because we don't have to
24 show that in connection with Yokoyama.

25 One last point. Patent Owner has repeatedly said in their briefs --
26 I'm going to jump back to Slide 59 very briefly. They said in their briefs,

1 they said during -- Patent Owner's Counsel explained or argued during his
2 presentation that we have not explained why you would have made these
3 modifications to Yokoyama and Cline and why we have made them to
4 Honermann. I would suggest -- I have these positions. I did this on purpose.
5 I put these block quotes on Slide 59. Also, on Slide 36.

6 We've explained repeatedly why, with specificity, and not just
7 mirroring the language of KSR. We've explained it as one of ordinary skill
8 in the art who has worked in this field would understand that, that they
9 understand that vehicle manufacturers makes brackets of different sizes and
10 different orientations, and that the teachings and rationale of different filters
11 are applicable to each other. That you would want to use -- where you
12 would want to use an eccentric oil filter and why. This is laid out explicitly
13 in our petition, in our reply, and in the supporting declarations. And with
14 that, Your Honors, unless there are any questions, those are the only points I
15 wanted to address. Unless there are any questions, I do thank you for your
16 time and hearing our positions.

17 JUDGE MCGEE: Thank you. I have no further questions. Judge
18 Weatherly, do you have any further questions for Counsel?

19 JUDGE WEATHERLY: I do not.

20 JUDGE MCGEE: Judge McGraw?

21 JUDGE MCGRAW: No questions from me. Thank you very
22 much.

23 JUDGE MCGEE: Okay.

24 MR. GLASS: Thank you, Your Honors.

25 JUDGE MCGEE: Thank you. So I have you went over by about
26 three minutes, so I'm going to add that to Patent Owner's time. If you need

1 it, that'll leave you with about 15 minutes. So you can begin when you're
2 ready. Thank you.

3 MR. SMITH: Thank you very much, Your Honors. I hope I don't
4 need 15 minutes to rehash everything we've done already to this point, but I
5 just want to address a couple points. First, the errata sheet. There's no
6 motion to strike filed. It was served within 30 days -- 30 days plus one,
7 because 30 days was a Sunday -- 30 days of the deposition.

8 Moreover, our surreply at footnote 4 clearly talks about how the
9 change was made to comport the already provided declaration from the
10 expert about his understanding of how it works. Frankly, I'm not surprised
11 that someone in a deposition or perhaps an oral hearing would misspeak, and
12 instead of saying "basket rotates insert", says "insert rotates basket." It isn't
13 noticed until later on when some Wiley attorney figures it out. People are
14 allowed to make mistakes. They're allowed to correct those mistakes,
15 especially when those mistakes comport with what they testified about in their
16 declaration.

17 A second point I'd like to bring up is Deschamps. Now,
18 Deschamps is not prior art and they cited some case law that says, even
19 though it's not prior art, it could be used as evidence for what would
20 motivate or what one of ordinary skill in the art would do, but that's not what
21 they started to do now. They started to rely on specific structures in
22 Deschamps, allegedly to explain how the device of Honermann works.
23 There is no explanation in Deschamps about the device of Honermann. And
24 to the extent they're relying on the disclosure of Deschamps' prior art, the
25 simple fact is, it's not prior art because this is a pre-AIA case.

26 I think with respect to the Counsel's argument that Honermann is

1 going to leak in an unmodified version -- that's not what Honermann says --
2 I would direct the Board to Honermann at paragraph 189, which talks about
3 how it allows you, the auto drain, to function without the bowl being
4 removed from the cover, and I believe method Claim 107 is specifically
5 directed to a method where it's only partially unscrewing the bowl. Not
6 removing it entirely. Partially unscrewing the bowl. So Honermann does
7 not require you to remove the bowl for the auto drain to work.

8 Finally, on various slides, the Petitioners tried to show where they
9 explained why the petition establishes one of ordinary skill in the art would
10 flip over Yokoyama. Notably, most of those citations that actually do deal
11 with flipping it over, not deal with the combination of Cline's blocking
12 element, but deal with flipping it over, are from the supplemental
13 declaration. If you look at the slides of the Petitioner's attorney brought
14 forth, they all rely on the reply and the supplemental declaration. They don't
15 have anything in the petition or the original expert declaration that describes
16 why.

17 Finally, I think what's important for all three modifications is to
18 consider that each one requires a person to stick their hand inside and pull
19 out the filter insert in order to start the drain, but the present invention --
20 Deschamps, Yokoyama, Honermann -- all of those patents, all of those
21 references, all of those pieces of information allow oil inside the housing to
22 be drained without removing the filter insert. And unless there are
23 questions, we have nothing further.

24 JUDGE MCGEE: Thank you. I have no further questions. Judge
25 Weatherly?

26 JUDGE WEATHERLY: No further questions.

1 JUDGE MCGEE: Judge McGraw?

2 JUDGE MCGRAW: No questions. Thank you.

3 JUDGE MCGEE: Okay. Well, thank you very much, Counsel.

4 Appreciate your presentations. I'd ask that we both stay on the line in case
5 Ms. Shorter, our Court Reporter, has any questions regarding spellings or
6 anything of that nature, but the case is now entered and we're going to go off
7 the record.

8 (Whereupon, the above-entitled matter went off the record at 1:17
9 p.m.):

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PETITIONER:

James Glass
Quincy Lu
QUINN EMMANUEL URQUHART & SULLIVAN, LLP
jimglass@quinnemanuel.com
quincylu@quinnemanuel.com

PATENT OWNER:

Patrick Smith
Andrew Burnham
Kevin Guynn
GREER, BURNS & CRAIN, LTD
psmith@gbc.law
aburnham@gbc.law
kguynn@gbc.law