

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

KOHLER CO.,
Petitioner,

v.

DELTA FAUCET CO.,
Patent Owner.

Case No. IPR2024-00700
U.S. Patent No. 10,393,363

**PATENT OWNER'S
AUTHORIZED SUPPLEMENTAL BRIEF IN RESPONSE TO DIRECTOR
REVIEW DECISION**

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I. INTRODUCTION

The Board's Final Written Decision (FWD) is well supported by the evidence at trial and legal framework of the legal issues considered and addressed by the Board. The Board was right to apply a plain meaning to "a translucent light pipe including an outer illumination surface extending perpendicular to the longitudinal axis of the housing" because the parties, especially Petitioner, advanced no construction of this term throughout the entire proceeding. Additionally, the Board was right to determine that an out-of-context, isolated statement was not sufficient to meet the evidentiary standard required to cancel a valid claim.

The Director's Decision appears to follow the unsupportable path laid out by Petitioner in its Director Review Request. The Director's Decision determines a claim construction advanced by neither party during the proceeding and without sufficient reasoning. The Director has deprived the parties' due process with this late (and unsupported) claim construction. In addition to the absence of any briefing on this issue during the trial, the parties have been deprived of the opportunity to seek discovery from experts on the merits of any construction beyond plain meaning, which the Board correctly applied. The Director also substitutes its judgment over the Board's regarding Petitioner's attempt to leverage an out-of-context statement from an expert. In short, there are no factual or legal errors to correct.

Importantly, even if the Director's Decision were correct (it is not), the record

does not and cannot support unpatentability by a preponderance of the evidence. The Board's well-reasoned FWD already addressed the two statements (the single-photon statement by Patent Owner's expert in deposition and the semi-transparent statement by Patent Owner at the hearing) that the Director takes issue with, and the lack of evidence remains true even under the Director's Review Decision.

Accordingly, the Board should affirm its prior conclusion that claims 3-8 and 10-24 are not unpatentable.

II. THE BOARD SHOULD MAINTAIN ITS CONCLUSION THAT CLAIMS 3-8 AND 10-24 ARE NOT UNPATENTABLE

A. The Preponderance of the Evidence Does Not Support Finding Claim 10 Unpatentable

The Board correctly determined, after "considering the totality of the evidence presented in the record," that "a preponderance of the evidence does not support Petitioner's position" that claim 10 is unpatentable. FWD, 40, 31. Even under the Director's new construction, the evidence is still insufficient for Petitioner to meet its burden to show that Tseng discloses or would have suggested an outer illumination surface extending perpendicular to the longitudinal axis of the housing.

As an initial matter, the Board correctly recognized and properly credited Dr. Klopp's testimony over Mr. Cook's on the factual dispute regarding Tseng's "output face." FWD, 34-35. Mr. Cook offered no "sound technical reasoning supported by objective evidence" beyond repeating Petitioner's conclusory statements. FWD, 34.

Moreover, when deposed, Mr. Cook abandoned the positions in his written declaration and instead agreed that light enters through the “input face” and exits through the bottom “output face” and that the bottom surface is the only surface marked as an output face in Tseng. Ex-2005, 78:2-4, 78:9-12, 80:9-12, 81:5-7, 81:16-20, 81:22-82:5; POR, 30-31. After Mr. Cook’s change in position, Petitioner opted to not submit a supplemental declaration from Mr. Cook with its Reply.

The only evidence in the record Petitioner relies on is an out-of-context, non-definitive statement by Dr. Klopp that “no one could say that no photons at all would reach [the annular protrusion 383]”). Ex-1015, 37:14-15. But the Board already considered and rejected Petitioner’s argument. Paper 29 (Hearing Tr.), 42:22-46:10. Importantly, Dr. Klopp’s deposition statement was immediately qualified: “[T]he question is, is it a meaningful amount; and I don't believe it would be. So cannot say that no photons whatsoever would get there, but the way I read [] is that no meaningful light would reach 383, because that would defeat the enhanced illumination part.” Ex-1015, 37:22-38:2; POR, 25-33; FWD, 33. And in any event, as the Board correctly recognized, the experts’ “differing explanations for why annular protrusion 383 would enhance light transmission” are not “explicitly disclosed or suggested in Tseng.” FWD, 36. Tseng itself “does not disclose or teach that light is emitted through the side surface of annular protrusion 383 in a direction perpendicular to the longitudinal axis of the housing.” FWD, 34. Where both experts

testified, consistent with Tseng, that the only disclosed light output face is the *bottom* output face, there is not a preponderance of the evidence to support Petitioner's argument that the *side* of Tseng's protrusion 383 is an outer *illumination* surface.

Even under the Director's construction, the record is still devoid of evidence that Tseng discloses structure to "defin[e] a closed loop *to diffuse light from the light emitters outwardly to the outer illumination surface.*" The Board recognized this deficiency and confirmed it at the hearing—"Q: And that's because there's no angled surface or any other structure to reflect it outwardly [in Tseng]. Is that the point? A (Patent Owner): Yes, exactly, Your Honor." Paper 29, 41:24-42:7. By contrast, the '363 patent discloses structure to diffuse light *outwardly to the outer illumination surface*—"Q: So, the proximal portion, 180 extends radially outwardly from the distal portion 178 within a gap or opening between the housing the cap. Am I reading the correct statement? A (Patent Owner): That's right." *Id.* at 67:19-68:14.

Finally, an independent reason the Board should reject Petitioner's new theory is that Petitioner first raised it on Reply—not in the Petition—without supportive expert testimony, so the Board can properly disregard it. *Henny Penny Corp. v. Frymaster LLC*, 938 F.3d 1324, 1331 (Fed. Cir. 2019); Sur-Reply, 5-6. The Board correctly recognized that Petitioner's new position "is inconsistent with their initial position," and that "[n]either Petitioner nor Mr. Cook provides any explanation, beyond their conclusory assertions ... to establish that output face 313 of Tseng's

light conductor 38 constitutes an outer illumination surface extending perpendicular to the longitudinal axis of Tseng's housing." FWD, 39-40.

The Board should confirm its conclusion that Petitioner has not carried its burden to prove that claim 10 would have been obvious over Tseng. FWD, 31.

B. The Director's Decision Does Not Impact the Board's Reasoning for Claim 19

The Board correctly determined that "a preponderance of the evidence does not support Petitioner's position" that claim 19 is unpatentable over Tse. FWD, 60. Patent Owner presented multiple reasons why Tse does not disclose all elements required by claim 19. POR, 62-68. One reason was that Petitioner did not sufficiently show that Tse's semi-transparent *cover* discloses or renders obvious the claimed "translucent light pipe." POR, 62-63. On this point, the Board found Petitioner's expert not credible because his declaration "simply repeat[ed] Petitioner's conclusory statements." FWD, 59.

The Director's Decision focuses on Petitioner's contention that Tse's semi-transparent material is translucent. Director Review Decision, 4. The Board already considered this issue—including the statement that is the focus of the Director's Decision—and correctly concluded that counsel statements at the hearing "do not bolster the weight of the Petitioner's evidence and arguments, which are insufficient to support the factual proposition at hand." FWD, 58. This has not changed, and

the “Petitioner bears the burden of persuasion to prove unpatentability by a preponderance of the evidence.” FWD, 58.

Moreover, the Director’s focus on whether Tse’s semi-transparent *material* differs from a translucent *material* does not resolve whether Tse’s cover discloses the claimed translucent light pipe. The material was only one aspect, but Patent Owner argued that Tse’s *cover* as a whole does not disclose or suggest the claimed light pipe. Paper 29, 55:19-56:2. The Board credited Dr. Klopp’s testimony on Tse’s *cover* as a whole because “Tse’s *thin*, transparent/semi-transparent *cover* is unlike a light pipe and instead is more like a window [which] would have showed ‘hot spots.’” FWD, 58-59. And the Board correctly recognized that “Petitioner does not direct [the Board] to evidence sufficient to establish that Tse discloses or would have suggested such a light pipe.” FWD, 57. This issue, misunderstood by the Director, provides independent support for patentability.

And this was only one of the Petition’s deficiencies. Tse’s cover also does not define a closed loop *surrounding* the water outlet (POR, 64-66), and the Petition failed to present a *prima facie* case of obviousness (POR, 68).

The Board also correctly found the Tse/Carter ground deficient because (1) Petitioner relied on Carter’s “transparent” light pipe (FWD, 61); and (2) it was “unclear” what modification Petitioner was proposing (FWD, 62). Furthermore, as

explained in the POR, Carter is not analogous art, and its over-molded light pipe would have discouraged a combination with Tse. POR, 69-71.

The Board should confirm its conclusion that Petitioner has not carried its burden to prove that claim 19 would have been obvious over Tse. FWD, 60.

C. The Director’s Decision Does Not Impact the Board’s Conclusion for Dependent Claims It Found Patentable

The Board previously found that Petitioner did not establish the unpatentability of dependent claims 3-8, 11-18, and 20-24, and it should do so again for the reasons stated in the FWD and the additional reasons Patent Owner presented throughout the trial, which should not be impacted by the Director’s Decision.

For dependent claims 3-5 and 12-14, in addition to the Board’s correct finding that Petitioner failed to show “the light pipe includes an annular ring configured to transmit light radially outwardly from the longitudinal axis” (FWD, 40-43), Petitioner’s arguments also fail because it relied on the same annular protrusion 383 to show both separately claimed elements the “light pipe” and the “annular ring.” POR, 38. Under Petitioner’s logic that Tseng’s light conductor shows the claimed “light pipe” because Tseng’s light conductor includes the annular protrusion (Reply, 9), the independent and dependent claims improperly collapse into the same scope.

For claims 17 and 18, in addition to the Board’s reasons (FWD, 50), Petitioner failed to explain why a POSITA would be motivated to modify Tseng to implement

Schneider beyond offering conclusory statements. POR, 55-57. Moreover, even if the Board were to find that Tseng discloses side illumination under the Director's construction (it should not), the Petition still fails to set forth a motivation to combine Tseng with Schneider that is not driven by hindsight. *See* POR, 57-62.

Petitioner also failed to show that claims 8 and 22 are unpatentable because Tse's cover is not placed intermediate the water outlet and the housing wall; otherwise, "intermediate ... the housing wall" would be meaningless. POR, 67-68.

The Board should also confirm claims 6-7, 11, 15-16, 20-21, and 23-24 patentable for the reasons set forth above, as well as those in the FWD and POR.

III. THE DIRECTOR'S DECISION TO ADOPT PETITIONER'S NEW CLAIM CONSTRUCTION VIOLATES THE ADMINISTRATIVE PROCEDURE ACT

The Administrative Procedure Act (APA) imposes "particular requirements" on the PTAB for patent owners in IPRs to have notice and a fair opportunity to meet the grounds of rejection. 5 U.S.C. § 554. The Board must 1) "'timely inform' the patent owner of 'the matters of fact and law asserted'"; 2) "provide 'all interested parties opportunity for the submission and consideration of facts and arguments and hearing and decision on notice'"; and 3) "allow 'a party to submit rebuttal evidence as may be required for a full and true disclosure of the facts.'" *Qualcomm Inc. v. Intel Corp.*, 6 F.4th 1256, 1262 (Fed. Cir. 2021). These procedural requirements were not met by the Director's Decision.

The Director's Decision applied a new, previously undisclosed and unrequested claim construction for the term "a translucent light pipe including an outer illumination surface extending perpendicular to the longitudinal axis of the housing" to mean "*any* amount of light emitted from the side surface." Director Review Decision, 3. But Director Review is not the time for introduction of a new claim construction that has not previously been requested, considered, or briefed by the parties or the Board. The Petition stated that no terms need construction. Petition, 13. The Patent Owner Response agreed. POR, 7. As such, the Board's Institution Decision and Final Written Decision both similarly applied plain and ordinary meaning without construing this or any other term. Institution Decision, 8; FWD, 9. For the first time in this proceeding, after the Board's FWD rejected Petitioner's arguments, Petitioner in its Director Review Request raised a new claim construction argument that neither party had previously addressed or briefed. *See* Paper 33 at 13.

The Director's adoption of this new construction at the Director Review stage, without any evidence in the record to support that construction, without either party previously briefing or addressing that construction,¹ and without any expert testimony addressing the correctness or application of that construction, is improper

¹ Patent Owner does not agree that the Director's new claim construction is correct, and reserves the right to challenge the merits of the new construction on appeal.

under the APA. “[U]nlike with disputed terms, it is unreasonable to expect parties to brief or argue agreed-upon matters of claim construction.” *Qualcomm*, 6 F.4th at 1263. Here, the parties did not.

Nor have the parties here had the required “opportunity to supply any evidence, whether expert or documentary,” about whether the construction is correct or how a skilled artisan would have applied the Director’s new construction to the grounds in the Petition. *Qualcomm*, 6 F.4th at 1265 (reversing FWD under APA where Patent Owner had no opportunity to supply evidence regarding *sua sponte* claim construction); *see also Dell Inc. v. Acceleron, LLC*, 818 F.3d 1293, 1301 (Fed. Cir. 2016) (reversing FWD under APA where Board relied on factual assertion first made at oral argument). For example, Patent Owner could have introduced evidence into the record including how Dr. Klopp would have assessed the Director’s claim construction and analyzed any evidence that Petitioner might have introduced about the Director’s claim construction, including deposing Petitioner’s expert to the extent he offered any opinions. *Qualcomm*, 6 F.4th at 1265.

IV. CONCLUSION

The Board should again confirm the patentability of the claims.

Dated: February 4, 2026

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that, on February 4, 2026, I caused a true and correct copy of:

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