

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GODBERSEN-SMITH CONSTRUCTION COMPANY
d/b/a GOMACO CORPORATION,
Petitioner,

v.

GUNTERT & ZIMMERMAN CONST. DIV., INC.,
Patent Owner.

Case IPR2024-00835
U.S. Patent No. 11,535,318

**PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW
PURSUANT TO 37 C.F.R. § 42.75(a)**

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I. INTRODUCTION

Pursuant to 37 C.F.R. § 42.75(a), Guntert & Zimmerman Const. Div., Inc., (“Patent Owner” or “G&Z”) respectfully requests Director Review of the decision denying G&Z the opportunity to file a supplemental declaration regarding the consideration of prior art made during the prosecution of U.S. Patent No. 11,535,318 (“’318 Patent”) and the Board’s subsequent institution of *Inter Partes* Review of claims 1-8 of the ’318 Patent (Paper 9, “the Decision”). The Decision denied G&Z an opportunity to provide evidence relevant to its arguments under 35 U.S.C. § 325(d), which only became available after G&Z filed its Preliminary Response.

“The indispensable ingredients of due process are notice and an opportunity to be heard by a disinterested decision-maker.” *Abbott Lab’ys v. Cordis Corp.*, 710 F.3d 1318, 1328 (Fed. Cir. 2013) (citations omitted). The board’s decision not to consider the declaration of G&Z’s prosecution attorney’s discussion with the examiner regarding the consideration of the prior art references and IPR papers for a substantially similar claim in a related patent, wrongly denied G&Z the opportunity for the submission and board’s consideration of the facts supporting G&Z’s arguments under § 325(d). *See* 35 U.S.C. §§ 554(c), 556(d).

II. STATEMENT OF THE CASE

The ’318 Patent is related to several patents that Petitioner previously challenged in a series of *inter partes* review cases. *See, e.g.*, Ex. 1036 (Judgement

in IPR2020-01698 for U.S. Patent No. 10,029,749); '318 Patent at Related U.S. Application Data. In IPR2020-01698, the board invalidated the claims based upon a combination of the CIII, Rio, and Smolders references—the same references relied upon in this Petition. *See* Ex. 1036 at 110; Paper 1 at 6-7.

In support of its arguments under § 325(d), Petitioner claimed that other than the IDSs, “there is no indication that the examiner considered CIII, Rio, Smolders, or the Board’s analysis” and that “the examiner’s notices of allowance provide no information as to why he thought the '318 patent claims were allowable over any prior art, let alone CIII and Rio.” Paper 1 at 83-84. G&Z responded by pointing out that the Examiner had not only indicated that he considered CIII, Rio, and Smolders, but he had also indicated that he considered the Petition, Institution Decision, and Final Written Decision applying those references to the claims of a related patent. Paper 8 at 21.

After G&Z’s Preliminary Response, the prosecuting attorney for G&Z’s patent applications held an interview with the Examiner who examined the '318 Patent, regarding a related application. The attorney signed a declaration communicating the results of the interview and the Examiner’s deep understanding of this area of the art. The declaration confirms, among other things, the Examiner’s own Interview Summary, which shows that he considered CIII, Rio, Smolders, and the Final Written Decisions prior to allowing the '318 Patent and when choosing not

to issue a rejection over those references in the pending application. U.S. Patent App. No. 18/237,679, Sept. 4, 2024 Interview Summary at 2. Despite this declaration containing factual evidence rebutting the claims made in the Petition, the Board did not authorize G&Z to supplement the record and instituted trial two days later. See Paper 9 (Nov. 14, 2024, Institution Decision).

III. LEGAL STANDARD

Under the USPTO's current Director review process, Director review of a Board decision may be warranted to determine if it includes, among other things, (a) an abuse of discretion, or (b) important issues of law or policy. USPTO, Director Review Process at 2.B, Proceedings under part 42 of 37 C.F.R. (effective October 31, 2024). "An abuse of discretion is found if the decision: (1) is clearly unreasonable, arbitrary, or fanciful; (2) is based on erroneous conclusions of law; (3) rests on clearly erroneous fact finding; or (4) involves a record that contains no evidence on which the Board could rationally base its decision." *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1367 (Fed. Cir. 2016) (citation omitted).

The Administrative Procedure Act requires the PTO to give "all interested parties opportunity for . . . the submission and consideration of facts [and] arguments . . . [and] hearing and decision on notice," § 554(c), and to permit a party "to submit rebuttal evidence, and to conduct such cross-examination as may be required for a

full and true disclosure of the facts,” § 556(d). See *Bowman Transp., Inc. v. Arkansas-Best Freight Sys., Inc.*, 419 U.S. 281, 288 n.4 (1974); *Pension Benefit Guaranty Corp. v. LTV Corp.*, 496 U.S. 633, 655 (1990). This principle applies fully in *inter partes* review proceedings. *Aqua Prods., Inc. v. Matal*, 872 F.3d 1290, 1325 (Fed. Cir. 2017) (en banc) (plurality opinion) (“[A]n agency’s refusal to consider evidence bearing on the issue before it is, by definition, arbitrary and capricious within the meaning of 5 U.S.C. § 706.”) (citation omitted).

IV. ARGUMENT

G&Z respectfully requests that the Director vacate the Institution decision and permit G&Z to file a declaration confirming that the Examiner currently examining claims substantially similar to those of the '318 Patent would have found it inappropriate to reject the claims over any combination of prior art raised in the Petition. The declaration contains information directly applicable to the Board’s factual findings regarding the second prong of *Advanced Bionics* framework.

The Board abused its discretion when it denied G&Z its right to submit evidence rebutting the Petition’s speculative allegations concerning the Examiner’s consideration of the prior art. *Intelligent Bio-Sys., Inc.*, 821 F.3d at 1367; *Aqua Prods., Inc.*, 872 F.3d at 1325. The Board then credited those speculative allegations when instituting trial. DI at 11. Vacatur is necessary because G&Z was denied its right to submit the evidence necessary for developing a full and true factual record.

This evidence becomes moot once trial is instituted because it is only relevant to the Director's "commitment to defer to previous Office evaluations of the evidence of record" when it has already considered substantially the same prior art and arguments. *Advanced Bionics, LLC v. Elektromedizinische Geräte GmbH*, No. IPR2019-01469, 2020 WL 740292, at *3 (P.T.A.B. Feb. 13, 2020).

After G&Z submitted its preliminary response, G&Z's prosecution counsel conducted an interview with Examiner Hartmann, who had just issued an Office Action confirming that a set of claims substantially similar to those of the '318 Patent was patentable over the prior art of record in this case and the Board's Final Written Decisions applying that art to the claims of some related patents. During the interview the Examiner Hartmann expressly stated that he considered each of the references and documents asserted in the Petition before deciding not to issue a rejection of the claims using that material:

Applicant also asked if some specific references in the information disclosure statement had been considered. Examiner stated that all references which were not lined through in the IDS included with the non-final Office action have been considered.

U.S. Patent App. No. 18/237,679, Sept. 4, 2024 Interview Summary at 2; *compare* '318 Patent at Claim 1 *with* U.S. Patent App. No. 18/237,679, Aug. 24, 2023 Claims.

Due to the substantially similar language and subject matter between claim 1 of the '318 Patent and claim 1 the '679 Application—and the Examiner's on-the-record statement that he did consider those references and documents—the Board should have accepted and considered this rebuttal evidence when determining whether to deny institution under the second prong of *Advanced Bionics*. The evidence addresses facts relied upon by the Board in its Decision:

Under factor (c), Petitioner shows that the Office's previous consideration of CIII, Rio, and Smolders was not well developed. Pet. 83–84; Ex. 1004, 164–167, 293–296, 308–310, 419–421, 479–481, 530–533, 548–550. For example, none of these references were applied, and no statement was made to explain why the claims of the '318 patent were deemed allowable over these references. *See id.* at 308–310, 419–421, 479–481, 548–550.

DI at 11.

The Board has exercised its discretion not to institute under § 325(d) where the Petition relies upon the same or substantially similar art, and the petitioner offers only conclusory arguments directed towards the inference of material error. *See Siemens Mobility, Inc. v. Metrom Rail, LLC*, No. IPR2024-00947, Paper 12 at 17-19 (P.T.A.B. Nov. 19, 2024) (finding that Petitioner has not established error on behalf of the Examiner by using only unsupported conclusory arguments); *Helena Lab'ys Corp. v. Sebia*, No. IPR2024-00801, Paper 10 at 17-21 (P.T.A.B. Oct. 23, 2024)

(denying institution under § 325(d) where the petition fails to show that the references present on the IDS during prosecution were not considered).

The Board's decision and rationale rest on an incomplete because it denied G&Z's the right to present time-sensitive evidence and argument that it could not have presented earlier. *In re NuVasive, Inc.*, 841 F.3d 966, 971 (Fed. Cir. 2016) (under the APA, the Board must provide all interested parties opportunity for the submission and consideration of facts and arguments and hearing and decision on notice); *Altaire Pharms., Inc. v. Paragon Biotech, Inc.*, 889 F.3d 1274, 1284-85 (Fed. Cir. May 2, 2018), *vacated in part on other grounds by* 738 F. App'x 1017 (Fed. Cir. 2018) (holding that the PTAB violated the APA by refusing to consider a fact witness' declaration supporting arguments before the board).

V. RELIEF REQUESTED

For these reasons, G&Z respectfully requests Director Review of the Board's Decision denying G&Z the right to fully present facts supporting its case and deny the Decision to Institute IPR upon an incomplete record.

Patent Owner's Request for Director Review
IPR2024-00835 (U.S. Patent No. 11,535,318)

Respectfully submitted,

Dated: November 27, 2024

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CERTIFICATE OF SERVICE

The undersigned certifies, in accordance with 37 C.F.R. § 42.6(e), and pursuant to agreement by the parties that filing with the Board through the Patent Trial and Appeal Case Tracking System (P-TACTS) constitutes electronic service, that service was made on the Petitioner as detailed below.

<i>Date of service</i>	November 27, 2024
<i>Manner of service</i>	Electronic Filing with the Board
<i>Documents served</i>	PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW PURSUANT TO 37 C.F.R. § 42.75(a)
<i>Persons Served</i>	Finnegan, Henderson, Farabow, Garrett & Dunner, LLP: Jason E. Stach Luke J. McCammon David K. Mroz Sonja W. Sahlsten Robert K. High

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