

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ANTHONY INC.,
Petitioner

v.

CONTROLTEC, LLC,
Patent Owner.

IPR2025-00636
U.S. Patent 7,421,847

PATENT OWNER REQUEST FOR DISCRETIONARY DENIAL

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PATENT OWNER'S EXHIBIT LIST

Ex.2001	Anthony corporate history webpage, https://www.anthonyintl.com/Aboutus/History.aspx
Ex.2002	U.S. Patent No. 4,261,179 to Dageford
Ex.2003	U.S. Patent No. 5,778,147 to Kim
Ex.2004	Declaration of John “Weeb” Bunch under 37 C.F.R. § 1.68
Ex.2005	Photographs of ControlTec LLC’s AS-20 Anti-Sweat Controller case
Ex.2006	Maintenance fee report for U.S. 7,421,847
Ex.2007	WIPO(PCT) Application No. WO2006093751A2 to Murry
Ex.2008	Internation Search Report for Application No. WO2006093751A2
Ex.2009	Written Opinion of the International Searching Authority for Application No. WO2006093751A2
Ex.2010	Information Disclosure Statement filed in U.S. Patent Application No. 12/337,981 on March 17, 2009.
Ex.2011	Patent Assignment, Reel 023084, Frame 0117 (assigning U.S. Patent Application No. 12/337,981 to Anthony International).
Ex.2012	Patent Assignment, Reel 027144, Frame 0103 (confirming Anthony International as a DBA of Anthony, Inc. and that U.S. Patent Application No. 12/337,981 was assigned to Anthony Inc.).

I. Introduction

Patent Owner ControlTec LLC respectfully requests that the Director exercise discretion to deny institution of an inter partes review trial on the petition filed by Anthony Inc. (“Petitioner”). Denial of institution is appropriate under the Board’s *Fintiv* precedent, 35 U.S.C. § 325(d), the Director’s March 26, 2025, Memorandum setting forth the “Interim Process for PTAB Workload Management,” and additional case-specific factors outlined below.

II. *Fintiv*

Discretionary denial of institution is appropriate and requested under the *Fintiv* and *Sotera* precedents: *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (“*Fintiv*”) and *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (“*Sotera*”).

Petitioner provided only a cursory discussion of *Fintiv* factors 1, 2, and 6. *See* Pet., 68. When all the *Fintiv* factors are considered, they favor discretionary denial.

A. Stay of proceedings

Petitioner and Patent Owner are involved in copending litigation styled as *ControlTec LLC v. Anthony, Inc. and Hill Phoenix, Inc.*, C.A. No. 24-883 (D. Del.). There are two patents at issue in that litigation, namely, the ’847 patent at issue in

this IPR proceeding, and U.S. Patent No. 7,207,181 (“the ’181 patent”).¹ In the copending litigation, Petitioner represented that it would seek *inter partes* review of both patents “by the end of January 2025.” Ex.1038, 1. Relying on that representation, confident in the strength of its patents, and seeking to minimize its own litigation costs, ControlTec voluntarily agreed to a short, limited stay of the copending litigation until issuance of the Director’s institution decisions.

Contrary to its promises, Petitioner did not seek *inter partes* review of both patents by the end of January 2025. Petitioner delayed until February 24, 2025—some eight months after Petitioner was served with the Complaint alleging infringement—to initiate this proceeding. The Petition was not accorded a filing date until April 10, 2025—meaning that an institution decision may not issue until October 10, 2025, nearly a year since the parties agreed to a voluntary stay. *See* Ex.1038 (dated Nov. 6, 2024). ControlTec did not expect such delays and would not have agreed to a temporary, voluntary stay if ControlTec had been aware of the languid pace Petitioner would take in pursuing its challenges.

Accordingly, the current stay of the copending litigation should be accorded little to no weight under *Fintiv* because Patent Owner was induced to agree to the stay under the false pretense that Petitioner would file its *inter partes* review

¹ The ’181 patent is the subject of copending *inter partes* review IPR2025-00559.

challenges “by the end of January 2025.”

Alternatively, the first *Fintiv* factor is neutral because the current stay of litigation is not a “stay of the litigation pending resolution of the PTAB trial.” *Fintiv*, Paper 11 at 6. The current, voluntarily agreed to stay lasts only “until the PTAB renders its decision on IPR institution.” Ex.1038, 1. In agreeing to a temporary stay, neither the parties—nor, importantly, the court—took “any position concerning whether the stay should or should not be lifted at any time following the PTAB rendering its decision on IPR institution.” Ex.1038, 2. This situation is distinguished from those where a trial court’s orders expressly indicate its openness to staying a litigation through the entirety of an *inter partes* review proceeding. *Cf. Fintiv*, Paper 11 at 7-8.

In summary, the first *Fintiv* factor should either be ignored or evaluated as neutral. *See, e.g., Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 4 n.5 (Mar. 28, 2025) (denying institution on Director Review despite a stay of copending litigation).

B. Trial date

No trial date has been set in the copending litigation. Petitioner states that this fact favors institution. Pet., 68. However, the Director’s precedential guidance states that “[i]f the court’s trial date is... significantly after the projected statutory deadline, the decision whether to institute will likely implicate other factors...”

Fintiv, Paper 11 at 9. Thus, this factor is neutral.

C. Investment in the parallel proceeding

In the copending proceeding, “the district court has not issued orders related to the patent at issue in the petition,” so factor three “weighs against exercising discretion to deny institution.” *Fintiv*, Paper 11 at 10.

D. Overlap between issues raised in the petition and in the parallel proceeding

Petitioner has not offered any stipulation to prevent duplication of work between this IPR and the copending district court litigation. When that litigation resumes, Petitioner will likely raise substantially similar invalidity allegations in the district court proceeding. Even if the estoppel provision of 35 U.S.C. § 315(e)(2) applies, Petitioner may present invalidity arguments based on a combination of a prior art system and the prior art patents and printed publications raised in this proceeding. Petitioner is an operating company whose corporate history webpage touts its history in the industry, including describing alleged prior art products featuring an “aluminum/glass refrigerator door” as far back as 1958. Ex. 2001. And Petitioner’s expert makes reference to numerous product manuals (Ex.1018-Ex.1022) and even to Petitioner’s “internal engineering change records” relating to an alleged prior art controller. Ex.1003, ¶41 n.3. Especially because Petitioner’s primary prior art reference here does not disclose a refrigerated display case (*see infra*, § II.F.), there is a high likelihood that Petitioner will present

invalidity contentions that mix system prior art with the prior art it presents in its petition. That concern is exacerbated by Petitioner’s unnecessary presentation of multiple redundant grounds in the petition, including three distinct challenges to many claims—all with no attempt at explaining or justifying taking such a scattershot approach that multiplies and complicates the issues before the Board.

The Director’s exercise of discretionary denial takes concerns about duplicating work between IPR and district court seriously. *See Motorola Sols. v. Stellar, LLC*, IPR2024-01205, Order Granting Director Review, Vacating the Decision Granting Institution, and Denying Institution of Inter Partes Review, Paper 19 (PTAB Mar. 28, 2025) (“Petitioner’s stipulation does not ensure that these IPR proceedings would be a ‘true alternative’ to the district court proceeding. Petitioner’s invalidity arguments in the district court are more expansive and **include combinations of the prior art asserted in these proceedings with unpublished system prior art**, which Petitioner’s stipulation is not likely to moot.”) (emphasis added). Petitioner’s presentation of duplicative and overlapping grounds is, itself, yet another independent basis for exercising discretion to deny the petition. *Adaptics Ltd. v. Perfect Co.*, Case IPR2018-01596, Paper 20 (March 6, 2019) (informative) (denying institution of a petition that presented “voluminous or excessive grounds” that added multiple secondary references, without identifying “limitations [that] are missing” from separately presented primary art).

In view of Petitioner’s failure to offer any stipulation to prevent its pursuit of duplicative invalidity contentions in district court, *Fintiv* factor four favors denial of institution.

E. Identity of the parties

Petitioner here is the defendant in the copending litigation. “Because the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 15 (PTAB May 13, 2020) (informative); *see also Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 19 (Dec. 1, 2020) (precedential as to §II.A) (“[T]he parties are the same.... Thus, this factor supports denying institution.”).

F. Other circumstances

The merits of the petition are weak, as ControlTec will explain more fully in its Preliminary Response. It is sufficient for purposes of weighing the *Fintiv* factors, however, to consider one exemplary weakness: Petitioner’s primary prior art reference, Carter, has nothing whatsoever to do with the refrigerated display case technology at issue in this proceeding. The ’847 patent describes and claims technology relating to the “efficient elimination of door and frame condensation at widely utilized commercial **freezer/refrigeration display cases**.” Ex.1001, Abstract (emphasis added). The patent’s focus on “refrigerated display cases” is

reiterated in the field of the invention and each of the independent claims. Ex.1001, 1:15-16, 10:26-27 (“A method for condensation control **at a refrigerated display case...**”), 10:1-2 (“A method for condensation control **at a refrigerated display case,...**”), 10:28-29 (“A system for condensation control **at a plurality of refrigerated display cases...**”) (emphasis added).

Carter is not even from the same field of technology. Carter relates to “the control of heating functions of an air temperature control system.” Ex. 1004, 1:7-8. While Carter does mention “freezer/refrigeration equipment,” Carter is not directed to refrigerated *display cases*. Instead, Carter describes “freezer/refrigeration equipment” used to control the environment of “specimens” or to “develop cultures”—an apparent reference to *encouraging* bacterial growth. Ex.1004, 1:34-44; *see also id.*, 4:3-12 (emphasis added).

Most refrigerated display cases are used, however, to store and display food items for human consumption, such as at supermarkets or restaurants. *See* Ex.1001, 6:10-13 (“The internal case temperature must remain below FDA approved levels or food will spoil, such being both a health concern as well as an expense to the installation for potential loss of goods.”). The petition cherry-picks from the prior art, ignoring its context, and provides only two sentences of conclusory allegation about a POSITA’s supposed motivation to use Carter’s apparatus anywhere condensation occurs:

A POSITA would have been motivated to apply Carter’s *apparatus* to the well-known use case of *refrigerated display* cases that store retail food items in an environment where “undesirable condensation can occur.” EX1003, ¶81 (quoting EX1004, 1:15–2:32), ¶¶34–41. Just as *condensation control apparatus* were desirable in the context of refrigerated cases for specimens, they were also sought by skilled artisans for refrigerated cases used to display food items. *Id.*

Pet., 10.

Petitioner’s argument is wholly inadequate relative to its burden of showing a reasonable likelihood of success, as there are many holes in this “analysis.” First, Petitioner provides no explanation for why a POSITA seeking to control “undesirable condensation” in a refrigerated display case (like those used in supermarkets) would have looked to or considered Carter (which describes refrigeration for storing “specimens” or growing “cultures”—neither of which suggests appropriateness for displaying foods intended for human consumption). Petitioner’s only threadbare rationale is that Carter addresses “undesirable condensation.” Pet., 10. But for a POSITA to have employed that rationale to arrive at Carter—other than relying on improper hindsight—a POSITA would have had a mountain of prior art to consider. Undesirable condensation occurs in numerous contexts, including automotive windshields (Ex. 1005, 1:4-14; US 5699857),

clothes dryer air exhaust duct wall connectors (US 5568947), telescoping bicycle fork suspensions (US 5472072), and steam turbines (US 5473898). Petitioner offers no explanation for why or how a POSITA would have looked across these and many other widely disparate technologies when seeking to improve refrigerated display cases.

A second and more fundamental problem with Petitioner's analysis is that "undesirable condensation" is not, itself, the problem addressed by the '847 patent. As the '847 patent discusses in its background section, various prior art solutions existed "to prevent excessive condensation build-up at display case doors and frames." Ex.1001, 1:26-27. "Undesirable condensation" in refrigerated display cases was an already-solved problem. The technology described and claimed in the '847 patent represented an improvement on prior art systems by addressing condensation build-up "proactively" and "efficiently." Ex. 1001, 2:13-24. Nowhere does Petitioner argue that Carter is directed to the problem addressed by the inventors of the '847 patent. Nor does Petitioner present any argument as to why a person of ordinary skill seeking to improve the efficiency of refrigerated display cases would have found Carter instructive.

Carter is the foundation of all of Petitioner's challenges to the '847 patent claims. Pet., 1. The defects in Petitioner's Carter-based ground affect and weaken all of Petitioner's challenges. Petitioner's attempted reliance on expert testimony to

fill in for the missing “refrigerated display case” limitation (*see infra*, § IV.B.) only compounds the problem and further demonstrates the weaknesses in Petitioner’s arguments. The weak merits of Petitioner’s challenges make *Fintiv* factor six favor of discretionary denial.

G. Summary of *Fintiv* factors

In summary, *Fintiv* factors one and two are neutral; factor three favors institution; and factors four, five, and six all favor discretionary denial. While no single factor is dispositive, on balance the factors here weigh in favor of discretionary denial.

III. 35 U.S.C. § 325(d)

Discretionary denial is also appropriate because substantially the same prior art was considered by the Examiner before allowing the ’847 patent claims to issue.

A. The Office Already Considered Carter

The primary reference used by the Petitioner was already considered. The new precedential opinion addresses the scope and application of discretionary denial under 35 U.S.C. § 325(d). *See Ecto World, LLC v. Rai Strategic Holdings, Inc.*, IPR2024-01280, Paper 13 (May 19, 2025). Importantly, and in contrast to prior guidance from the Office, prior art that was cited but not discussed is presumed to have been considered by an examiner:

This decision resolves that dispute and clarifies that **a petitioner must provide an analysis even when the asserted prior art is on an IDS**, but the Examiner did not apply the reference.

Ecto World, IPR2024-01280, Paper 13 at 5.

The heart of Petitioner's combination of references has already been considered by the Office, and the challenged claims were effectively determined to be patentable. Carter was considered by the Office in the context of an International Search Report that issued on December 21, 2007 for a Patent Cooperation Treaty application (*see* Ex. 2007) having essentially the same contents as the '847 Patent. *See* Ex. 2008, 3. This action occurred approximately nine months before the '847 Patent issued on September 9, 2008. Unsurprisingly, the Office, acting as the International Searching Authority in a Written Opinion of the International Searching Authority issued on September 24, 2007, found that the claims presented were novel and contained an inventive step. *See* Ex. 2009, 4. Those presented claims included claims identical to the issued '847 Patent (at least in relation to the method claims and those claims dependent thereon, claims 14-20; the remaining claims 1-13 are apparatus claims and were pursued in the '181 Patent). This Written Opinion of the International Searching Authority was issued by the US receiving office. *Id.* at 1.

Section 325(d) provides that the Director may deny institution when "the same or substantially the same prior art or arguments previously were presented to

the Office.” 35 U.S.C. § 325(d). Discretionary denial under § 325(d) is exercised using the two-part *Advanced Bionics* framework: (1) whether the same or substantially the same prior art or argument previously was presented to the Office; and (2) if the first part is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.

Advanced Bionics v. Med-El Elektromedizinische Geräte GMBH, Paper 6 at 8 (February 13, 2020). The factors set forth in the Board’s *Becton Dickinson* decision provide useful insight into how to apply the framework under 35 U.S.C. § 325(d). *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (Dec. 15, 2017) (precedential as to § III.C.5, first paragraph).

The *Becton Dickinson* factors are:

- (a) the similarities and material differences between the asserted art and the prior art involved during examination;
- (b) the cumulative nature of the asserted art and the prior art evaluated during examination;
- (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection;
- (d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art;
- (e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and

(f) the extent to which additional evidence and facts presented
in the Petition warrant reconsideration of the prior art or arguments.

Becton, Dickinson & Co., IPR2017-01586, at 17–18.

For factors (a) and (b), the Petitioner’s asserted prior art for Ground 1A (Carter) is precisely the same and entirely the same as the prior art previously considered. Since there were only four cited references of the one at issue here, there is no basis to doubt the presumption that Carter was sufficiently evaluated under factor (c). Under factor (d), there are no arguments to evaluate, except that in the Written Opinion of the International Searching Authority (i.e., the Office), it was determined that the claims were patentable in view of Carter. *See* Ex.2009, 4. Under factor (e), Petitioner offers no specific analysis of how the Office allegedly erred in its prior evaluation of Carter. Under factor (f), Petitioner relies on Carter alone in Ground 1A, without combining Carter with any additional prior art. While additional prior art evidence is presented in the other grounds, this evidence is flawed as explained elsewhere in this Paper.

Based on the nearly identical nature of the claims and the citation of Carter in the International Search Report, the Board should find that the references were previously presented to the Office under part 1 of the *Advanced Bionics* framework.

Under the second part of the framework, the USPTO Examiner writing the International Search Report plainly considered Carter, as the search report lists

only four prior art references—all of which the Examiner located and identified herself. *See* Ex. 2008, 3. The Petition does not allege that the Examiner made any material error.

Finally, under *Becton Dickinson* factor (f), the Carter reference was not buried among numerous references. *Cf. Ecto World, LLC and SV3, LLC v. Rai Strategic Holdings, Inc.*, IPR2024-01280, Paper 13 at 6, (May 19, 2025). There were only four references considered. This reference forms the entire basis of Ground 1A (Carter) and the core of the other Grounds 1B-1D (Carter). Because Carter has already been considered by the Office in preparing the International Search Report, denial under 35 U.S.C. § 325(d) is appropriate.

B. Carter Was Before the '847 Examiner and Is Cumulative of Prior Art Expressly Considered In Prosecution.

Additionally, Petitioner states, without evidence or explanation, that the “asserted combinations in this Petition are materially different from the art references considered during prosecution of the '847 [P]atent.” Pet., 68. Petitioner also alleges—again, without evidence or explanation—that its “new references provide the features erroneously deemed missing from the prior art by the Examiner.” Pet., 68.

Contrary to Petitioner’s conclusory allegations, the petition’s prior art references are duplicative and cumulative of prior art already considered by the Examiner in determining the patentability of the '847 patent claims. Petitioner’s

primary reference, Carter, describes providing “supplemental heat from a heat source based upon the operating environment of a refrigeration or freezer.”

Ex.1004, Abstract. As noted above, Carter’s context is in handling of “specimens” and facilitating “growing cultures,” which are contrary to the goals of the ’847 patent. The Examiner considered during prosecution other, similar—and frankly, more relevant—disclosures of supplemental heating in refrigerated display cases:

For example, commercial refrigerated units, e.g., **refrigerators and freezers, particularly commercial upright units located in retail stores**, are typically enclosed with by [sic] glass doors with the **products contained therein visible to the consumer**.

Typically, metal framed glass doors are used in these units. From the retailers point of view, it is **necessary to prevent formation of condensate on these units**, not only for aesthetic reasons, but more importantly because condensate, e.g., moisture and/or frost, reduces visibility through the glass doors and, reduces sales.

To overcome this problem, a number of techniques have been utilized for **heating the exposed portions of the refrigerated unit** e.g., the door frame, the mullion, and/or the glass itself to preclude the formation of condensate.

A number of techniques have been developed for so

intermittently heating the exposed surfaces of refrigerated units in an attempt to prevent the formation of condensate and to keep the surface temperatures of the glass, the door frame, the outer frame, and the mullions just above that point at which formation of condensate.

Ex. 2002, 1:45-56 (emphasis added); *see* Ex. 1002, 17 (Examiner citing U.S. 4,261,179), 14 (“...the prior art of record fails to disclose or teach the recited display case...”).

Other references considered during prosecution provided additional, relevant disclosures of related concepts, such as calculating a dew point from temperature and humidity readings, and using that information to control heater actuation:

A dew preventing mechanism prevents the formation of dew.... Signals proportional to those **temperatures and humidity are sent to a control device which calculates the dew point** of the incoming room air and compares the humidity of the incoming air with a reference humidity. When the outgoing air temperature is less than the dew point, and/or the incoming air **humidity exceeds the reference humidity, the heater is actuated.**

Ex. 2003, Abstract (emphasis added); Ex. 1002, 16 (U.S. 5,778,147 initialed by the Examiner as a considered reference).

It is also noteworthy that the ’847 Examiner conducted searches that repeatedly returned Carter as part of a small set of results. The Examiner’s search

history shows searching for US Class 62/248 (Ref #L11) and US Class 62/150

(Ref#L13), then searching for prior art in both classes (Ref#L17). Ex.1002, 19.

Carter is in both those classes (Ex.1001, cover page) and therefore was among the twelve references returned for the Examiner's L17 query. Ex.1002, 19. Carter is also in US Class 62/275 (Ref#L12) and therefore was among the twenty-five references returned for the Examiner's L20 query. Ex.1002, 19. Even if the Examiner did not identify Carter on a Notice of References Cited, the search history conclusively shows that Carter was before the Examiner.

Thus, the prior art relied upon by Petitioner is merely cumulative to and redundant of the references already cited, considered, and overcome during the original prosecution of the '847 patent. Under the first prong of *Advanced Bionics*, the "same or substantially the same prior art" was presented to the Office in prosecution. *See Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, Case IPR2019-01469, Paper 6 at 8 (Feb. 13, 2020) (precedential).

Consideration now turns to "whether Petitioner sufficiently demonstrates that the Office erred." *Advanced Bionics*, Paper 6 at 20. Petitioner has again failed to do so.

Wholly missing from Petitioner's analysis is any identification of the alleged differences or features that might distinguish Petitioner's art from the that considered during prosecution. This is insufficient to meet Petitioner's burden of

addressing § 325(d): “Petitioner must demonstrate that the Examiner erred in the evaluation of the prior art, for example, by showing that the Examiner misapprehended or overlooked specific teachings in the relevant prior art such that the error by the Office was material to the patentability of the challenged claims.” *Advanced Bionics*, Paper 6 at 21. Because Petitioner has not done so, the Director should deny institution under 35 U.S.C. § 325(d).

IV. Additional reasons supporting discretionary denial

The Director’s Memorandum on Interim Processes identifies several additional factors that further support the exercise of discretionary denial here, including:

- extent of the petition’s reliance on expert testimony;
- settled expectations of the parties, such as the length of time the claims have been in force; and
- compelling economic, public health, or national security interests; and
- any other considerations bearing on the Director’s discretion.

These factors further support discretionary denial, as discussed below.

A. Extent of the petition’s reliance on expert testimony

As discussed above, Petitioner’s primary challenge to claim 1 fails to identify any teaching of a “refrigerated display case” in the sole prior art reference relied upon, Carter. *See* Pet., 10; *supra*, § II.F. Instead, Petitioner cites to testimony

of its expert to fill in for this missing limitation. *Id.* (citing Ex. 1003, ¶67). This is a “particularly problematic” use of expert testimony that further supports the exercise of discretion to deny institution. *See Xerox Corp. v. Bymark, Inc.*, IPR2022-00624, Paper 9 at 16 (August 24, 2022) (precedential).

B. Settled expectations of the parties

The ’847 patent expired at the end of its natural lifespan, having been in force as a validly issued patent since September 9, 2008. Ex. 1001, cover. Indeed, the ’847 patent is expired as of March 1, 2025, long before the Board’s decision on institution is due on September 10, 2025.² Thus, were the Director not to exercise discretion to deny institution, and if the Board institutes an IPR trial, the trial would be to reconsider a patent that existed as a validly issued patent for the entirety of its statutory lifetime.

Petitioner was aware of the ’847 patent and its parent, U.S. 7,207,181 for most of their statutory lifetimes. Petitioner cited the then-pending ’847 application (U.S. Publication No. 2007/0193294) in 2009 in an Information Disclosure Statement Petitioner filed in its own patent application. Ex.2010, 3; Ex.2011 & Ex.2012 (assignment to Anthony, Inc.). Petitioner also cited the challenged patent’s parent, U.S. 7,207,181 that is the subject of copending IPR2025-00559. Ex.2010,

² The ’847 patent has an effective filing date of March 1, 2005, and its term was extended or adjusted by under 35 U.S.C. 154(b) by 0 days. Ex. 1001, cover. Thus, the patent will expired on March 1, 2025.

2. “Petitioner’s awareness of Patent Owner’s applications and failure to seek early review of the patents favors denial and outweighs” other considerations. *IRhythm Techs., Inc. v. Welch Allyn, Inc.*, IPR2025-00363, Paper 10 at 3 (June 6, 2025) (Director Discretionary Denial Decision).

Consistent with Petitioner’s delay in challenging the ’847 patent family, ControlTec’s settled expectation is for the ’847 patent claims to be upheld. The ’847 patent has never previously been the subject of a reexamination challenge or IPR challenge. In reliance on the ’847 patent’s presumption of validity, ControlTec timely paid the fourth year, eighth year, and twelfth year maintenance fees. Ex. 2006. Since the ’847 patent is a method patent, no marking of products was conducted. But for years ControlTec has marked its products implementing the claimed technology, such as the AS-20z anti-sweat controller, with a related patent (U.S. 7,207,181, to which the ’847 patent claims priority (Ex.1001, code (62))):



Ex. 2005 (annotated).

Thus, the settled expectations of the parties and the end-of-life status of the '847 patent further support the Director's exercise of discretion to deny institution.

C. Compelling economic interests

The inventors of the '847 patent identified a need for improved efficiency in refrigerated display cases. ControlTec's compelling economic interests are demonstrated by the combination of the inventors' foresight, ControlTec's investment into developing the innovations described and claimed in the '847 patent, and ControlTec's investment in bringing products to market implementing those innovations.

Notably, ControlTec invested in and developed the claimed efficiency innovations in the 2000's, many years before the United States government undertook to mandate improved efficiency in refrigerated display cases. *See* 10 C.F.R. § 431.306. By anticipating the need for improved efficiency and developing technology to achieve it, ControlTec laid the groundwork that allowed the government to mandate greater efficiency. ControlTec has a compelling economic interest in being compensated for the risks it undertook by anticipating and developing the claimed technologies before they became required.

D. Other considerations bearing on the Director's discretion.

ControlTec also urges the Director to exercise discretion to deny institution because the parties here, ControlTec and Anthony, are “marketplace competitors that account for the vast majority of sales of anti-sweat systems.” Ex. 2004, ¶5. Litigation disputes between direct competitors frequently raise complex, intertwined issues that are best evaluated in a single forum—a federal district court—that can hear and adjudicate all of them collectively. As with so many competitor litigations, the parties here have litigated against one another before. *See, e.g., Controltec v. Anthony Doors, Inc.*, Civil Action No. 06-cv-00295-MSK, (D.Colo. 2006). That earlier litigation related to Anthony's breach of a sales contract under which ControlTec supplied Anthony with AS-20 model anti-sweat controllers, which embody the '847 patent's claimed technology.

Controltec v. Anthony Doors, Inc., 2006 U.S. Dist. LEXIS 116363, *2.

Among other considerations, the parties' complex history, including its various contractual and litigation touchpoints, supports discretionary denial so that the entire current dispute may be heard and adjudicated in a single forum. The parties' history is expected to be particularly important for ControlTec's development of evidence of secondary considerations of non-obviousness. The PTAB's restrictive policies governing discovery are expected to impede ControlTec's ability to obtain from Anthony information showing non-obviousness, including:

- Information on Anthony's efforts to identify and procure controllers to substitute for ControlTec's AS-20 controller;
- Information on Anthony's product development efforts following its decision to cease purchasing ControlTec's AS-20 controller;
- Information on Anthony's response (including any new product development initiatives) following changes in Department of Energy regulations in 2017 (*see* 10 C.F.R. § 431.306); and
- Information on Anthony's sales of anti-sweat controllers.

ControlTec believes that discovery into these and related issues will show the non-obviousness of the challenged claims. Since all of Anthony's claim challenges are based on obviousness, ControlTec's ability to mount a robust non-

obviousness defense is important to the preservation of its substantial patent rights. ControlTec's ability to present its non-obviousness defense, however, is reasonably expected to be hamstrung by the Board's policy limiting so-called "non-routine" discovery (i.e., discovery that is routinely permitted in district court but not in PTAB proceedings). *See Garmin Int'l Inc. v. Cuozzo Speed Techs. LLC*, IPR2012-00001, Paper at 5 (Mar. 5, 2013) ("Thus, in *inter partes* review, discovery is limited as compared to that available in district court litigation."). In particular, the Board's discovery procedures require a party to already have some of the information that it seeks to discover. *Id.* at 6 ("**The party requesting discovery should already be in possession of evidence** tending to show beyond speculation that in fact something useful will be uncovered.") (emphasis added). ControlTec may have difficulty obtaining the evidence it is entitled to for its non-obviousness defense because of these limiting PTAB discovery procedures.

In short, this IPR proceeding is but a small piece in a set of wide-ranging, multi-decade disputes between the parties. Piecemeal evaluation of portions of the parties' dispute is inefficient for both the parties and all the involved tribunals. These additional considerations weigh heavily in favor of discretionary denial.

V. Conclusion

For all of the reasons discussed above—both individually and collectively—Patent Owner respectfully requests that the Director exercise her discretion to deny

institution of the petition.

Respectfully submitted,

Dated: June 10, 2025
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CERTIFICATE OF WORD COUNT

Pursuant to 37 C.F.R. § 42.24(d), Patent Owner hereby certifies, in accordance with and reliance on the word count provided by the word-processing system used to prepare this Request for Discretionary Denial, that the number of words in this paper is 5,004. Pursuant to 37 C.F.R. § 42.24(d), this word count excludes the table of contents, table of authorities, mandatory notices under § 42.8, certificate of service, certificate of word count, appendix of exhibits, and any claim listing.

Dated: June 10, 2025

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), the undersigned certifies that a true and correct copy of the foregoing was served on the Petitioner as detailed below:

<i>Date of service</i>	June 10, 2025
<i>Manner of service</i>	Electronic Email: IPR43789-0260IP1@fr.com ; PTABInbound@fr.com
<i>Documents served</i>	Patent Owner Request for Discretionary Denial Exhibits Ex.2001-Ex.2012
<i>Persons Served</i>	Kenneth W. Darby Jr. Kenneth Hoover Christopher Dillon (Pending <i>Pro Hac Vice</i>) Fish & Richardson P.C. 60 South Sixth Street, Suite 3200 Minneapolis, MN 55402

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