

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ANTHONY INC.,
Petitioner,

v.

CONTROLTEC, LLC,
Patent Owner.

Case IPR2025-00636
Patent 7,421,847

**PETITIONER'S OPPOSITION TO PATENT OWNER'S
REQUEST FOR DISCRETIONARY DENIAL**

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All emphasis in this brief is added unless otherwise indicated

LIST OF EXHIBITS

EX1001	U.S. Patent No. 7,421,847
EX1002	U.S. Patent No. 7,421,847 File History
EX1003	Declaration of Dr. Gregor P. Henze
EX1004	U.S. Patent No. 7,137,262 (Carter)
EX1005	U.S. Patent No. 6,422,062 (King)
EX1006	U.S. Patent No. 7,240,501 (Bunch)
EX1007	U.S. Patent No. 6,502,409 (Gatling)
EX1008	U.S. Patent No. 5,396,796
EX1009	U.S. Patent No. 5,778,689
EX1010	U.S. Prov. Appl. No. 60/569,581
EX1011	U.S. Prov. Appl. No. 60/559,113
EX1012	U.S. Patent No. 3,939,666
EX1013	U.S. Patent No. 3,696,360
EX1014	U.S. Publication No. 2005/0007136
EX1015	ACT2-CS Convenience Store Controller, Johnson Controls (1999)
EX1016	U.S. Patent No. 4,260,876
EX1017	RESERVED
EX1018	Altech Controls XPRT Eagle Controls Manual (Section A-B)

EX1019	Altech Controls XPRT Eagle Controls Manual (Section C)
EX1020	Sensirion, SHT1x/SHT7x Humidity & Temperature Sensor (revised May 2005)
EX1021	Altech Controls AASC Anti-Sweat Heater Controller
EX1022	Anthony Engineering Change Notice—Engineering Drawings for Altech Controls AASC Control Assembly and Altech Controls Sensors
EX1023	Steven J. Slayzak & Joseph P. Ryan, Instrument Uncertainty Effect on Calculation of Absolute Humidity Using Dewpoint, Wet-Bulb, and Relative Humidity Sensors (National Renewable Energy Laboratory) 1998
EX1024	David H. Walker et al., Investigation of Energy-Efficient Supermarket Display Cases, Oak Ridge National Laboratory (Dec. 2004)
EX1025	RESERVED
EX1026	RESERVED
EX1027	Contemporary Control Systems Inc., Introduction to Control, Vol. 2. Issue 2 (2001)
EX1028	Shivakumar Raman & Paul H. Cohen, <i>Remote sensing for on-line temperature estimation in machining: A basic framework</i> , 38 J. of Materials Processing Tech. 613 (1993)
EX1029	U.S. Publication No. 2004/0050072
EX1030	Sensirion, SHTxx Humidity & Temperature Sensmitter, Application Note Dew-point Calculation (revised January 2005)
EX1031	ASHRAE Psychometric Chart No. 1 (1992)

- EX1032 Low Cost Humidity Sensor SHT10, Sensirion (Mar. 12, 2006),
https://web.archive.org/web/20060312033617/http://www.sensirion.com/en/02_sensors/00_products.htm?cat=3&category=&art=11&product=humidity%20sensor%20SHT10
- EX1033 Larry D. Wittie, Microprocessors and Microcomputers (Encyclopedia of Computer Science) (2003)
- EX1034 Ramin Faramarzi, P.E. et al., Anti-Sweat Heaters in Refrigerated Display Cases, ASHRAE J. 64 (2001)
- EX1035 U.S. Publication No. 2007/0130968
- EX1036 U.S. Patent No. 5,369,753
- EX1037 Complaint (Document 1), *ControlTec, LLC v. Anthony, Inc. et al.* 1:24-cv-00883 (DDE)
- EX1038 Stipulation and [Proposed] Order to Stay Proceedings (Document 20), *ControlTec, LLC v. Anthony, Inc. et al.* 1:24-cv-00883 (DDE)
- EX1039 American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., 2002 ASHRAE Handbook: Refrigeration (excerpt)
- EX1040 U.S. Patent No. 5,778,147
- EX1041 RESERVED
- EX1042 RESERVED
- EX1043 Refrigeration Monitor and Case Control Installation and Operation Manual (Rev 4 08-12-99)
- EX1044 UltraSite 32 User's Guide (Rev 3 9-28-99)
- EX1045 Order to Stay Proceedings, *ControlTec, LLC v. Anthony, Inc. et al.* 1:24-cv-00883 (DDE)

- EX1046 Joint Status Report Regarding Order to Stay Proceedings (Document 21), *ControlTec, LLC v. Anthony, Inc. et al.* 1:24-cv-00883 (DDE)
- EX1047 Order of Dismissal with Prejudice and to Close Case (Document 26), *ControlTec, LLC, et al. v. Anthony Doors, Inc.* 1:06-cv-00295 (D. Colo)
- EX1048 Time to Milestones Report: Delaware District, Docket Navigator (retrieved May 4, 2025)
- EX1049 District Report Delaware District Court in Patent Cases (January 2000–January 2025), LegalMetric (excerpt)
- EX1050 Federal Court Management Statistics–Profiles, Administrative Office of the U.S. Courts (December 31, 2024)
- EX1051 Declaration of John Roche
- EX1052 Settlement Agreement and Release (redacted)
- EX1053 U.S. Patent No. 7,207,181

I. THERE ARE MULTIPLE COMPELLING REASONS TO INSTITUTE

This case raises multiple compelling discretionary reasons to review the '847 patent that outweigh the exaggerated complaints from Patent Owner.

First, this case presents a prime opportunity to conserve both party and judicial resources, just like Congress intended. *See infra*, §II.A. Months before Anthony filed its Petition, the parties stipulated to stay the parallel district court litigation at the pleadings stage pending the Board's institution decision. The District Court ordered the stay, and the stay is indefinite. Because the parties have expended far more effort on invalidity here at the PTAB than in the stayed litigation—where the topic has not even been broached—a discretionary denial under § 314(a) and *Fintiv* would be unprecedented and counterproductive.

Second, Anthony's Petition deserves a merits review because the '847 patent was not thoroughly vetted during prosecution. *See infra*, §II.B. The Examiner allowed the '847 patent's broad method claims to grant without issuing even a single prior art rejection. Equally troubling, the Examiner's cursory reasons for allowance hardly make sense. He merely recited a basic feature that even the '847 patent reveals was already known in the art. Anthony's Petition rightfully seeks to correct the Examiner's errors by presenting strong obviousness grounds based on references that were not before the Examiner. Denying institution under § 325(d) and *Advanced Bionics* would be unwarranted and unjust.

Third, a merits review is consistent with the parties' settled expectations. *See infra*, §II.C.2. For one, the parties plainly expected the Board to decide institution—that is why they stipulated to stay the district court litigation. In addition, Anthony had a longstanding settled expectation that it would be free to continue being a domestic market leader in refrigerated display cases with condensation control systems absent any kind of adverse legal action by Patent Owner. Many years ago, the parties executed a broad and comprehensive release of all existing and future causes of action against one another. Now that Patent Owner has breached this agreement, Anthony is justifiably seeking a swift end to Patent Owner's unexpected, untimely, and untenable infringement suit based on the '847 patent.

For all these reasons and more provided below, Anthony respectfully asks that this case be referred to a merits panel.

II. ARGUMENT

A. The *Fintiv* Factors and § 314(a) Support Institution

This case presents a prime opportunity for the *inter partes* review process to serve in its intended role as a true alternative to the parallel district court litigation, which has been stayed for more than six months. All of the asserted claims (and more) are challenged in this IPR involving the '847 patent and co-pending IPR2025-00559 involving related U.S. Patent No. 7,207,181. If the Board finds the asserted claims obvious, the parallel litigation will end. On the other hand, if the Board

upholds the asserted claims, the statutory § 315(e)(2) estoppel will significantly narrow the scope of the parallel litigation by preventing Anthony from asserting “any ground that [Anthony] raised or reasonably could have raised during [these] *inter partes* review[s].” No precedent from the Board supports denial under circumstances like these, where none of the *Fintiv* factors favor denial.

1. Factor 1 Strongly Favors Institution Because the Parallel District Court Litigation Is Stayed

On November 6, 2024, the parties stipulated to stay the parallel litigation. *See* EX1038. The District Court accepted the stipulation and adopted the parties’ proposed order that same day. EX1045. Per the stipulation and proposed order, “[i]f IPR Petitions [against both asserted patents] have been filed by [February 28, 2025], the stay shall continue at least through the institution decisions on the Petitions” and “until further Order of the Court.” EX1038 p.2.

As the parties jointly told the District Court, Anthony timely filed its Petitions. *See* EX1046 (joint status report dated February 27, 2025). Thus, the stay remains. And because the parallel litigation is stayed indefinitely, *Fintiv* factor 1 strongly favors institution. *See Apple v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 6–8 (PTAB Mar. 20, 2020) (precedential) (explaining that a district court stay “has strongly weighed against exercising the authority to deny institution”); *Snap, Inc. v. SRK Tech. LLC*, IPR2020-00820, Paper 15 at 8–9 (PTAB Oct. 21, 2020) (precedential)

(finding based on a district court stay that “the first *Fintiv* factor weighs strongly against exercising discretion to deny institution”); *Twitch Interactive, Inc. v. Razdot Holdings LLC*, IPR2025-00307, Paper 18 at 2–3 (PTAB May 16, 2025) (the Acting Director denying a patent owner’s request for discretionary denial based on the likelihood of a post-institution district court stay).

Seeking an exception to the Board’s precedent, Patent Owner says the stay should be accorded “little to no weight.” PO Br. at 5–6. But the circumstances here are not exceptional. Patent Owner was not lured into the stipulated stay under a “false pretense,” as it claims. *Id.* Anthony never “promise[d]” to “seek *inter partes* review of both patents by the end of January 2025,” (PO Br. at 5). Rather, the explicit filing deadline set by the parties’ joint stipulation and proposed stay order is February 28, 2025, which Anthony met. *See* EX1038 p.2 (“If IPR Petitions have been filed by this date, the stay shall continue . . .”). It is irrelevant that Anthony intended to complete both petition filings sooner than the stipulated deadline. It is equally irrelevant that Patent Owner now has buyer’s remorse and “would not have agreed to” the stay in hindsight. PO Br. at 5. What matters is that the District Court entered the stay and that the stay remains until the District Court says otherwise.

Next, Patent Owner retreats to a fallback position that the stay is merely “neutral” in the *Fintiv* analysis because it “***lasts only***” until the Board’s institution decisions. PO Br. at 6 (partially quoting EX1038 p.2). But that’s not what the

stipulation says. The stipulation says the stay “is appropriate *at least* until the PTAB renders its decision[s] on IPR institution.” EX1038 p.2. At that point, the parties will provide their respective “positions on whether the stay should be lifted.” *Id.*

Patent Owner offers no reason to believe the District Court will issue an order lifting the stay in the event of institution. Tellingly, Patent Owner does not even state that it intends to seek such relief in that scenario. What would be the point? The parallel litigation was stayed in its infancy, “the pleadings hav[ing] just closed” and “neither party hav[ing] conducted any discovery.” EX1038 p.1. By the time of institution, the litigation will have been stayed for “nearly a year,” (PO Br. at 5), and the Board will be well on its way to rendering final written decisions long before the District Court could possibly conduct a jury trial (*see infra* § II.A.2). Like Anthony, Patent Owner agreed that a stay was “appropriate” because “the scope of the Litigation may be substantially impacted based on the outcome of the IPR” and because the stay would “preserve the resources of the parties and the Court.” EX1038 p.1. These same reasons will justify maintaining the stay upon institution. Accordingly, just like the Board’s precedential *Snap* decision, *Fintiv* factor 1 “strongly” favors institution. *See* IPR2020-00820, Paper 15 at 8–9.

2. Factor 2 Strongly Favors Institution Because the District Court Has Not Set a Trial Date or Even a Schedule

The District Court ordered the stipulated stay before setting a trial date or even setting a schedule. EX1045; EX1038 p.1 (“WHEREAS, the pleadings have just closed in the Litigation, such that neither party has conducted any discovery, and no schedule has been set[.]”). The absence of a trial date undeniably favors institution. Patent Owner’s unexplained contrary suggestion that this factor is somehow “neutral” defies all reason and common sense. PO Br. at 6–7. When, as here, a district court has not provided a schedule or a trial date, there is no basis to believe that the district court might reach a final resolution before the Board. That means the entire premise of the *Fintiv* factors is moot. *See Fintiv*, IPR2020-00019, Paper 11 at 6 (“These factors relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution *in view of an earlier trial date* in the parallel proceeding.”).

Moreover, because the parallel litigation is stayed, there are no legitimate concerns of unnecessary and counterproductive litigation costs, duplication of work between two tribunals, or any other downsides from litigating similar issues in two forums at once. *See Fintiv*, IPR2020-00019, Paper 11 at 5 (fn 7). Even if the District Court had not ordered a stay, the parallel litigation would not have progressed to a

jury trial before early April 2027,¹ approximately *six months after* the Board's projected final written decision date in early October 2026.

The stay, the lack of a scheduled trial date, and the lack of any reasonable trial date projection preceding the Board's anticipated final written decision all weigh heavily in favor of institution.

¹ Patent Owner filed its patent infringement complaint on July 26, 2024. The District of Delaware's reported timeline statistics suggest a time-to-trial of no less than 32.3 months. For example, data compiled by Docket Navigator over a timespan between January 1, 2008 and May 4, 2025 shows a median time-to-trial in patent cases of 35.2 months. *See* EX1048 p.2. Data compiled by LegalMetric for the patent cases of all active judges in the District of Delaware as of January 2025 shows an average time-to-trial in patent cases of 36.8 months. *See* EX1049 p.3. Data compiled by the Administrative Office of the U.S. Courts for all civil cases within a 12-month period ending on December 31, 2024 shows a median time-to-trial of 32.3 months. *See* EX1050 p.14. Note that Anthony presents district-wide statistics here because the Honorable District Judge Jennifer Hall took the bench in January 2024 and has not yet presided over a patent case from the pleadings to a jury trial.

3. Factor 3 Strongly Favors Institution Because the Parties and the District Court Have Not Invested Any Resources on Patentability

Patent Owner concedes, as it must, that *Fintiv* factor 3 favors institution because the District Court has not issued any substantive orders related to the '847 patent. *See* PO Br. at 7; *see also Fintiv*, IPR2020-00019, Paper 11 at 9–10. And that is only half the story: The procedural posture here is even more favorable than in the Board's precedential *Snap* decision. In *Snap*, the Board favored institution when the parties had already exchanged preliminary contentions, were preparing for *Markman* briefing, and were in the midst of discovery. *See* IPR2020-00820, Paper 15 at 9–11. Here, the District Court ordered the stay following the pleadings phase—no contentions, no briefing, no discovery. These facts strongly favor institution.

4. Factor 4 Favors Institution Because There Are No Overlapping Issues Between This Proceeding and the District Court Litigation

There can be no overlapping issues between this IPR and the parallel litigation because the District Court stayed the litigation before the parties raised any specific validity issues. *See supra*, §§ II.A.1–3. As a result, the concerns raised in *Fintiv* regarding “inefficiency and the possibility of conflicting decisions” do not exist here. IPR2020-00019, Paper 11 at 6–8.

Unable to change this immutable truth, Patent Owner complains about Anthony hypothetically combining some unspecified “system prior art with the prior

art it presents in its petition” at some unspecified future time when Anthony “present[s] invalidity contentions” in the parallel litigation. PO Br. at 7–8. But conjecture of this sort has never guided the Board’s *Fintiv* analysis. For example, in the precedential *Snap* decision, the Board made a detailed comparison between the prior art cited in the petition and the petitioner’s **existing** district court invalidity contentions, ultimately finding “material differences” between them that supported institution. *See* IPR2020-00820, Paper 15 at 13–16. Despite reaching a different conclusion, the Acting Director similarly compared the petitioner’s petition against its **existing** invalidity contentions in the more recent case of *Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205 (et al.), Paper 19 at 3–4 (PTAB Mar. 28, 2025). No such comparison is possible here because no invalidity contentions exist.

This fact must favor institution. To hold otherwise would encourage the unreasonable result of discretionary *Fintiv* denials even in scenarios **without** parallel litigation, all because the petitioner might one day raise a prior art invalidity defense if accused of infringement. Accepting Patent Owner’s unbridled speculation creates an unnecessary slippery-slope problem.

As for Patent Owner’s complaint that “Petitioner has not offered any stipulation,” (PO Br. at 7), the reason for that is clear: The District Court stayed the litigation. There is no need for a stipulation because all signs—the stay, the lack of a trial date, the time-trial-statistics, the strength of the merits—are that Anthony will

be bound by the estoppel provision of § 315(e)(2) before the district court litigation makes any headway on validity. Rather than a needless contingent stipulation, the way to ensure duplication of work does not occur is to institute this IPR and reach a final written decision on patentability, which would either eliminate the asserted claims entirely or invoke the statutory estoppel against Anthony.

Lastly, though the matter is hardly relevant to *Fintiv*, Patent Owner’s gripe that the Petition’s obviousness grounds are “duplicative” is easily and conclusively disproven. PO Br. at 8–9. For one, the grounds are necessarily not duplicative because each ground addresses a unique subset of the Challenged Claims.

ID	Claims	Basis for Rejection
1A	8–12	§103: Carter (US7,137,262)
1B	1–20	§103: Carter, Bunch (US7,240,501)
1C	3, 9–10, 19	§103: Carter, Bunch, King (US6,422,062)
1D	2, 11–13, 17	§103: Carter, Bunch, Gatling (US6,502,409)

Pet. at 1. The reason some of the grounds partially overlap is because Anthony preemptively addressed the flawed arguments it anticipated Patent Owner would make against Carter with supplemental teachings from Bunch, King, and Gatling. This case is nothing like the Board’s *Adaptics* decision that Patent Owner cites. *See* PO Br. at 8. The petition at issue in *Adaptics* employed the grammatical conjunction “and/or” to construct “hundreds of possible combinations” without explaining why such a voluminous number of grounds was warranted. *See Adaptics Ltd. v. Perfect*

Co., IPR2018-01596, Paper 20 at 18–24 (PTAB Mar. 6, 2019) (informative). By contrast, Anthony’s Petition raises only four grounds.

Because Anthony’s Petition raises sensible obviousness challenges against the ’847 patent that have not been presented to the District Court, *Fintiv* factor 4 favors institution. See *Fintiv*, IPR2020-00019, Paper 11 at 12–13 (“[I]f the petition includes materially different grounds, arguments, and/or evidence than those presented in the district court, this fact has tended to weigh against exercising discretion to deny institution[.]”).

5. Factor 5 Is Neutral or Favors Institution Because the Board’s Final Decision May Moot the District Court Litigation and the Statutory Estoppel Will Bind Anthony

As discussed, the parallel litigation was voluntarily stayed many months ago before any discovery, briefing, or substantive orders. There is no schedule, no trial date, and no indication that the District Court could possibly conduct a jury trial before the Board reaches a final written decision. As a result, the conclusion of this IPR will invoke the § 315(e)(2) estoppel and prevent Anthony from ever asserting a duplicative invalidity ground against the ’847 patent in any district court or ITC proceeding. Although the Board often finds *Fintiv* factor 5 in favor of denial when the same parties are involved, the unique circumstances here warrant a different result. See, e.g., *Snap*, IPR2020-00820, Paper 15 at 16 (“[W]e regard the consideration of the fifth *Fintiv* factor as neutral[.]”).

6. Factor 6 Favors Institution Because the Merits Are Strong

The strong merits of Anthony’s Petition further support institution. The Petition raises new prior art that the Examiner never considered (*infra*, § II.B.1), preemptively addresses certain arguments Patent Owner may later advance (*supra*, § II.A.4), and relies on corroborated, thorough, and focused expert testimony to demonstrate the relevant knowledge and understanding of an ordinarily skilled artisan (*infra*, § II.C.1). Unable to spot a single flaw in the Petition’s motivation to combine, expectation of success, or prior art mapping analyses, Patent Owner’s sole critique is that the Carter reference (EX1004) “is not even from the same *field*” and not “directed to the *problem* addressed by the inventors.” See PO Br. at 9–13. In effect, Patent Owner suggests Carter is non-analogous art.² The reality, however, is that Carter shares the same field as the ’847 patent and is also reasonably pertinent to the same problems faced by the ’847 patent’s inventors.

Like the ’847 patent, Carter describes a condensation control apparatus that anticipates condensation and activates door/frame heaters based on readings from a

² *In re Bigio*, 381 F.3d 1320, 1325 (Fed. Cir. 2004) (“Two separate tests define the scope of analogous prior art: (1) whether the art is from the same *field* of endeavor, regardless of the problem addressed and, (2) . . . whether the reference still is reasonably pertinent to the particular *problem* with which the inventor is involved.”).

surface temperature sensor, an ambient air temperature sensor, and a relative humidity sensor. *See, e.g.*, EX1003, ¶¶62–64 (summarizing Carter’s disclosure). As the Petition shows, the structure and function of Carter’s condensation control apparatus are commensurate with what the ’847 patent describes and claims, a fact Patent Owner does not dispute. *See* Pet. at 9–30. Under the law, that means Carter and the ’847 patent share the same technical field. *See In re Deminski*, 796 F.2d 436, 437–42 (Fed. Cir. 1986) (finding prior art pumps to be in the same technical field as the patented compressor because they “have essentially the same function and structure: they move fluids by means of a double-acting piston, a cylinder, and valves”); *Bigio*, 381 F.3d at 1325–26 (agreeing with the Board that “the structural similarities between toothbrushes and small brushes for hair” mean they share the same technical field).

The fact that Carter describes his system in the context of a freezer for scientific specimens, while the ’847 applies the same kind of system in the setting of refrigerated display cases does not exclude Carter from the corpus of analogous art. This minor distinction between Carter and the ’847 patent is no more pronounced than that of the pumps and compressors in *Deminski* or the tooth and hair brushes in *Bigio*. *Cf. Unwired Planet, LLC v. Google Inc.*, 841 F.3d 995, 1001 (Fed. Cir. 2016) (“The field of endeavor of a patent is not limited to the specific point of novelty, the narrowest possible conception of the field, or the particular

focus within a given field.”). If anything, the facts here are even more compelling because the ’847 patent makes clear that the type of condensation control techniques at issue are “utilized in a variety of applications.” EX1001, 1:48–54.

Although sharing the same technical field is sufficient to establish that Carter is analogous art, (*see Bigio*, 381 F.3d at 1325), it is worth noting that Patent Owner also gets it wrong on the reasonable-pertinence prong of the analogous art test. Even under Patent Owner’s articulation of the inventors’ problem as “addressing condensation build-up ‘*proactively*’ and ‘*efficiently*,’” (PO Br. at 12)³, Carter is reasonably pertinent and, thus, analogous. As the Petition makes clear, and Patent Owner cannot deny, Carter’s system activates its door/frame heater *proactively*—i.e., before the surface temperature reaches the dew point temperature—to “prevent condensation from forming,” (EX1004, Abstract). *See* Pet. at 8–10, 12–17. The Petition also expressly relies on Carter’s teachings to promote *efficiency* by not running the heater continuously and, instead, only activating the heater when condensation is anticipated. *See* Pet. at 16–17 (citing EX1004, 2:4–32), 41. Not only does Carter share the same structure and function as the ’847 patent, but Carter also employs those characteristics for the same purpose Patent Owner identifies as

³ Anthony does not adopt Patent Owner’s narrow problem statement. Anthony merely references this statement for the sake of the present argument.

the '847 patent's problem. These "pertinent similarities" mean Carter is analogous. *Donner Tech., LLC v. Pro Stage Gear, LLC*, 979 F.3d 1353, 1361 (Fed. Cir. 2020).

With Patent Owner's only critique now debunked, the Petition's strong merits are confirmed and support institution.

B. The *Advanced Bionics* Test and § 325(d) Support Institution

The undisputed facts show why denial under § 325(d) is inappropriate under the Board's two-part *Advanced Bionics* test.⁴ The Examiner did not consider obviousness grounds that even remotely resemble those advanced in Anthony's Petition, and the Examiner erred materially by failing to evaluate the prior art thoroughly. Had the Examiner done so, he would not have allowed the Challenged Claims to issue without a single prior art rejection.

⁴ "[T]he Board uses the following two-part framework: (1) whether the same or substantially the same art [or arguments] previously [were] presented to the Office . . . ; and (2) if either condition of first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability[.]" *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 8–9 (PTAB Feb. 13, 2020).

1. Part 1: The Prior Art Combinations and Arguments Are Not the Same or Substantially the Same as Those Considered During Prosecution

There is no sign that the Examiner who allowed the '847 patent to grant meaningfully considered any of the four prior art references in the obviousness grounds of Anthony's Petition. All four references—Carter (EX1004), King (EX1005), Bunch (EX1006), and Gatling (EX1007)—are entirely new in this regard. Patent Owner's suggestion that Carter "was already considered" in connection with the '847 patent is demonstrably wrong, as is Patent Owner's complaint that Carter is "merely cumulative to and redundant of" the considered prior art. PO Br. at 13–20. Regardless, even in Patent Owner's erroneous hypothetical that assumes Carter alone is a considered or cumulative reference (which it is not), there is no dispute that the Petition's *combinations* of Carter with King, Bunch, and Gatling are presently presented for the first time.

i. Carter Was Not Considered at All During Prosecution of the '847 Patent, Much Less in the Manner Presently Presented

While Patent Owner boasts that Carter was cited in "an International Search Report," this fact is far from dispositive under Part 1 of the *Advanced Bionics* framework. PO Br. at 14 (citing EX2008; EX2009). For one, the International Search Report and Written Opinion fail to identify any of the supplemental references that Anthony's Petition combines with Carter. EX2008 p.3. In addition,

per Article 33 of the PCT, Written Opinions are merely “preliminary” and “non-binding.” They do not represent the same standard of rigorous consideration that ought to be applied during prosecution of a United States patent application. Moreover, the substance of the Written Opinion undercuts Patent Owner’s view that the PCT Examiner’s focus was on claims like those in the ’847 patent. PO Br. at 14. After all, the “explanations” in the Written Opinion highlight features that the ’847 patent does not claim—namely, “a housing means for establishing thermal isolation of the sensing units by locating the temperature sensor and the dew point sensor amid insulating pockets formed by the structure of the housing means.” EX2009 p.4.⁵

Worse, despite noting that the International Search Report and Written Opinion came “months before,” Patent Owner fails to explain why it never cited Carter in an IDS during prosecution of the ’847 patent. PO Br. at 14; EX1002 pp.22–

⁵ When raising a lack of unity objection, the PCT Examiner acknowledged that the method claims resembling the ’847 patent “can be practiced by another and materially different apparatus such as one that does not require housing means for establishing thermal isolation of the sensing units.” EX2008 p.5. Nevertheless, the PCT Examiner’s “explanations” on novelty and inventive step do not discuss these broader method claims. This misstep reveals a material error under Part 2 of the *Advanced Bionics* framework.

25. The PCT Application and the '847 patent do not cross-reference or claim priority to one another, and they were examined by different people. *Compare* EX2007, Cover (listing the PCT "Priority Data"), *with* EX1001, Cover (listing the '847 patent's related application data); *also compare* EX2008 p.3 (PCT Examiner Tyler), *with* EX1002 p.7 (US Primary Examiner Tapolcai). There is no legal presumption or procedural mechanism by which the references considered for one would necessarily be considered for the other. In effect, the two applications were siloed. And although Patent Owner was best positioned to ensure the US Examiner had an opportunity to study Carter, Patent Owner chose not to do so.

Given this choice to not help the US Examiner identify Carter, Patent Owner's claim that the "search history conclusively shows that Carter was before the Examiner" rings hollow. PO Br. at 19–20. The Examiner's search history is scant on details and does not identify the many references returned by his queries. *See* EX1002 pp.19–20. It is more than a stretch to say that Carter was necessarily among the search results. If anything, the search history reveals a perfunctory job because the "Time Stamp" column shows that the Examiner performed more than *twenty queries* within a span of just *ten minutes* and then signed the notice of allowance that very same day. *Id.* pp.7–10 (notice of allowance signed "April 28, 2008"), p.16, pp.19–20 (search history showing all queries on "2008/04/28" between "16:50" and "17:00"). One could not credibly assume, as Patent Owner apparently does, that the

Examiner conducted any sort of meaningful review in such a short amount of time. Instead, the more reasonable approach is to take the Examiner at his word regarding the references he considered. Those references are listed on the face of the '847 patent—and Carter is not among them.

ii. Carter Is Not Cumulative of the Considered Prior Art

Carter's disclosure is not cumulative or redundant of the prosecution prior art. As Anthony's Petition explains—and as Patent Owner does not dispute—Carter is strikingly similar prior art in that it provides the same kind of condensation control scheme, sensing units, and sensor housing structures that the '847 patent describes. *See* Pet. at 6–17. None of the eleven prosecution prior art references provides a comparable combination of disclosures. The two representative references Patent Owner focuses on are illustrative. *See* PO Br. at 18–19 (citing EX2002 and EX2003). These references show that condensation control systems were well known, but they employ a materially different approach. Unlike Carter and the '847 patent, which activate heaters based on a comparison between a door or frame temperature and a dew point value, U.S. Patent No. 4,261,179 (EX2002) describes a system where heaters are activated to address condensation “when condensate begins to form on the surface of [a] sensor.” EX2002, 6:55–61. Similarly distinguishable, U.S. Patent No. 5,778,147 (EX2003) describes a system where room air temperature, discharge temperature, and relative humidity values are used to

regulate heater activation, but not a door or frame temperature like in Carter and the '847 patent. *See* EX2003, 4:26–49, FIG. 3.

Carter compels a finding of obviousness against the '847 patent's claims in a way and to an extent that none of the prosecution prior art does and, for that reason, cannot reasonably be considered the same or cumulative. Moreover, the prosecution record cannot be said to have involved arguments overlapping those in Anthony's Petition because the Examiner allowed the claims without any rejections. The prior art and arguments presently at issue are new in every material way.

2. Part 2: The Examiner Materially Erred in Granting the Challenged Claims

As the Acting Director recently explained, “a petitioner may argue that it satisfies the second part of *Advanced Bionics* because the asserted prior art was not a basis for rejection during examination, is not substantially the same as prior art the Examiner applied, and includes specific teachings that impact patentability of the challenged claims.” *Ecto World, LLC, et al. v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13 at 5 (PTAB May 19, 2025) (precedential) (quotes omitted). That is exactly the case here for all the above reasons regarding Carter. *See infra* § II.B.1. What's more, even if Carter's teachings were merely cumulative of the prosecution prior art, that means the Examiner necessarily erred by failing to “issue any prior art rejections during examination.” *Ecto World* at 5.

The lack of even a single rejection is especially telling here because the method claims of the '847 patent are far broader than the system claims with means-plus-function limitations that the Examiner previously allowed in the related '181 patent. *See, e.g.*, EX1053, 9:29–53 (“processing means” and “housing means”).⁶ To make matter worse, the Examiner’s stated reasons for allowance are dubious because they point to a feature—“processing the data at the display case to anticipate formation of condensation”—that the '847 patent at least implicitly concedes was known. EX1002 p.9. The '847 patent does not say that anticipating condensation was new, only that “*most* heretofore known systems . . . remain reactive” and “[f]urther improvement could thus still be utilized.” EX1001, 2:13–16; *see also* 1:48–60 (discussing prior art). If *most* prior art systems did not anticipate condensation, then it logically follows that *some* did.⁷ The Examiner’s conclusory statement fails to take note of the '847 patent’s prior art admission and also fails to

⁶ As noted above at FN5, the PCT Examiner also erred by not addressing this meaningful difference in claim scope.

⁷ The prior art patent filed by Patent Owner’s declarant, John Bunch, is a prime example. *See* EX2004 (John Bunch declaration); EX1006, 2:8–18 (prior art Bunch patent disclosing a system “to provide door heating where condensation has not yet been detected but is *anticipated*”).

identify any purported improvements to the admittedly known technology that are actually recited in the '847 patent's broad method claims (there are none).

Further still, and deficiencies in the examination process aside, the Examiner simply did not have access to all that the Petition brings to bear. The thorough expert testimony and corroborating evidence Anthony submitted with its Petition provide insights regarding a skilled artisan's background knowledge of key enabling technologies (EX1003, ¶¶33–60), interpretation of the asserted prior art references (*e.g.*, *id.*, ¶¶22–86), and motivations that would have driven such a person to arrive at the '847 patent's claimed invention (*e.g.*, *id.*, ¶¶167–174). Had the Examiner known what the Petition shows, the Challenged Claims would not have been granted.

C. Patent Owner's "Additional Reasons" Do Not Support Denial

The Acting Director's memorandum outlining the Interim Processes for PTAB Workload Management ("Memo") invites parties to address certain enumerated considerations beyond *Fintiv*, *General Plastic*, and *Advanced Bionics* when they are "relevant" to the Board's decision on institution. *Memo* at 2. Here, although made under the pretense of the additional considerations in the memorandum, Patent Owner's criticisms are plainly not relevant. Patent Owner's attempt to shoehorn them into the discretionary analysis fails.

1. Thorough and Focused Expert Testimony Properly Supports the Petition

Patent Owner’s cursory complaint does not change the fact that Anthony’s Petition relies on expert testimony in the ordinary and appropriate way—i.e., to establish the knowledge and understanding of a skilled artisan at the time of the claimed invention. *See* PO Br. at 21–22. Regarding the “refrigerated display case” language in the preamble of the ’847 patent’s independent claim 1, the cited expert testimony details the skilled artisan’s understanding that the kind of condensation control apparatus Carter describes in the context of a refrigerator or freezer for science specimens would also have a natural application in a retail refrigerated display case, as was exceedingly well known in the prior art. *See* EX1003, ¶¶67; *see also id.* ¶¶34–41 (detailing the extensive evidence of using condensation control systems in refrigerated display cases). There is nothing wrong with applying a skilled artisan’s background knowledge of the prior art, common sense, and ordinary creativity in an obviousness analysis. Under *KSR*, the law compels it. *See B/E Aero., Inc. v. C&D Zodiac, Inc.*, 962 F.3d 1373, 1380 (Fed. Cir. 2020) (“After *KSR*, we recognized that courts **must** consider common sense, common wisdom, and common knowledge in analyzing obviousness.”) (quotes omitted).

The expert testimony here is not “particularly problematic” like the *Xerox* decision Patent Owner cites (but leaves unexplained). PO Br. at 22 (citing *Xerox*

Corp. v. Bymark, Inc., IPR2022-00624, Paper 9 at 15–16 (PTAB Aug. 24, 2022) (precedential)). For one, the expert testimony is not conclusory and does far more than merely “offer[] only a verbatim restatement of the assertion being supported” in the Petition. *Xerox* at 16. Rather, the testimony expands on the argument in the Petition with additional supportive technical reasoning. *See* Pet. at 12–13 (citing *See* EX1003, ¶¶72–94; *see also id.* ¶¶34–41).

Additionally, unlike the *Xerox* decision, the language in question is merely and intended use introduced in the preambles of the claimed “method[s] for condensation control.” *E.g.*, EX1001, 9:26–43. Even if the “at a refrigerated display case” preamble language were assumed to be limiting—which it should not be⁸—such an intended-use limitation is certainly not “missing” from the prior art, as Patent Owner contends. PO Br. at 17. The expert testimony establishes that condensation control apparatuses like the one Carter teaches “were commonly employed on refrigerated display cases.” EX1003, ¶67; *see also id.* ¶¶34–41; *see Koninklijke Philips N.V. v. Google LLC*, 948 F.3d 1330, 1337–38 (Fed. Cir. 2020) (distinguishing a known prior art technique from a “missing” claim limitation). The ’847 patent likewise concedes that condensation control systems were “utilized in a

⁸ “Generally, we have said, the preamble does not limit the claims.” *Am. Med. Sys. v. Biolitec, Inc.*, 618 F.3d 1354, 1358 (Fed. Cir. 2010) (quotes omitted).

variety of different applications” and commonly employed on refrigerated display cases. EX1001, 1:22–2:16. Thus, the expert testimony merely confirms this concession, bolsters it, and applies it to Carter’s disclosure.

2. This *Inter Partes* Review Is Consistent With and Reflects the Parties’ Settled Expectations

The fact that Patent Owner has paid maintenance fees and allegedly marked its products is not a legitimate reason to deny institution. *See* PO Br. at 23–24. Those actions are merely the bare minimum for Patent Owner to file its (misguided) complaint for patent infringement. And to the extent Patent Owner’s expectation “is for the ’847 patent claims to be upheld,” it can attempt to achieve that result with arguments rebutting the Petition on the merits. PO Br. at 23. An expectation that an asserted patent is valid should not be confused with an expectation that an asserted patent will not be challenged. That general proposition applies with even more force here, where Anthony informed Patent Owner about this IPR in advance and the parties jointly stipulated to stay the parallel litigation. There is nothing unexpected about Anthony’s Petition; Patent Owner invited the challenge by filing its complaint and agreeing to the stay.

To the extent either party’s settled expectations have been disrupted by this dispute, it is Anthony’s, not Patent Owner’s. Anthony is a domestic market leader in refrigerated display cases and has employed various condensation control systems

in its products for decades without incident, right up until Patent Owner decided to file a lawsuit demanding damages based on the nearly-expired '847 patent. *See, e.g.*, EX1016 (a 1981 patent assigned to Anthony that describes and claims an anti-sweat, condensation control device for a refrigerated display case), EX1003, ¶41 (fn3) (discussing Anthony's 2005 Engineering Change Notice (EX1022) identifying an anti-sweat, condensation control system), EX2004, ¶5 (Patent Owner's declarant identifying Anthony as one of the "major providers of anti-sweat systems in the United States" for at least "the past twenty years")⁹.

Further, the facts of this case distinguish the Director's recent *iRhythm* decision that Patent Owner cites in two important ways. PO Br. at 22–23. First, on April 13, 2007, years before the 2009 IDS that Patent Owner points to, (PO Br. at 22), the parties executed a broad settlement and ***release of all existing and future causes of action*** in any way related to their co-development contract dispute that Patent Owner says produced the "AS-20 model anti-sweat controllers, which embody the '847 patent's claimed technology," (PO Br. at 20). *See* EX1052 p.2. Thus, unlike *iRhythm*, Anthony had every expectation following the release and the years of peace afterward that its dealings with Patent Owner were put to bed—

⁹ To be clear, Anthony does not adopt or endorse the testimony of Patent Owner's declarant as true or accurate.

forever. Those settled expectations were disrupted when Patent Owner breached the settlement agreement and filed an out-of-no-where infringement complaint on the eve of the '847 patent's expiration. The agreed and now breached release between the parties is one of multiple "persuasive reasons why the Board should review [the '847 patent's] claims several years after [its] issuance date." *Intel Corp. v. Proxense LLC*, IPR2025-00327, Paper 12 at 2–3 (PTAB Jun. 26, 2025); *see also Globus Medical, Inc. v. Spinelogik, Inc.*, IPR2025-00225, Paper 8 at 2 (PTAB Jun. 12, 2025) (the Acting Director holding that a patent owner allowing its patent to expire before filing suit created a "non-enforcement" expectation that precluded denial).

In addition, Patent Owner ignores that Anthony's actions are fundamentally different than the petitioner in *iRhythm*, whose founding engineer was "focused on patent searches" and "dived...deeply in the analysis of specific [competitor patent] claims." IPR2025-00363, Paper 7 at 29–31; *iRhythm* at 3. For one, given the parties' amicable separation, mutual comprehensive release, and lack of subsequent business dealings, Patent Owner was not on Anthony's radar at the time of the IDS in 2009. *See* EX1052 p.2. Accordingly, testimony from Anthony's Director of New Product Development from 2008 to 2013 confirms that he had no knowledge of Patent Owner, Patent Owner's products, or Patent Owner's patents throughout his tenure. EX1051, pp.2-3. Besides, as Patent Owner put it, Anthony did not "change[its] anti-sweat unit controller to [the accused] design" until eight years after the 2009 IDS—

“in 2017.” EX1037 at 7 (¶24). Simply put, Anthony had no business reason to monitor or evaluate Patent Owner’s patents, much less to challenge them.

Though the point is not dispositive, it bears noting that *iRhythm* does not support Patent Owner’s claim that a mere citation in an IDS means the petitioner was “aware” of the challenged patent. PO Br. at 22. The duty to disclose requires anyone associated with the application, including outside counsel, to cite any information material to patentability. 37 C.F.R. § 1.56(c)(2). An IDS submitted by *outside counsel* alone shows nothing more than compliance with this duty. It does not establish that the *applicant/assignee* knew the cited patent was invalid, knew there was a risk the cited patent might be asserted, or even knew about the cited patent at all. In *iRhythm*—but not here—there was additional evidence beyond the IDS indicating that the petitioner’s founder analyzed “specific claims” in the cited patent. IPR2025-00363, Paper 7 at 29–31.

Lastly, the importance of this IPR is not diminished merely because the ’847 patent will expire before the Board issues a final written decision. As Patent Owner obviously knew when it filed its complaint for patent infringement, expired patents can still be asserted in district court for recovering damages on past infringement. *See Genetics Inst., LLC v. Novartis Vaccines & Diagnostics, Inc.*, 655 F.3d 1291, 1299 (Fed. Cir. 2011) (“For example, an expired patent may form the basis of an action for past damages subject to the six-year limitation under 35 U.S.C. § 286.”).

Thus, as in all instituted IPRs, the point of this proceeding is to “resolve concrete patent-related disputes among parties” and “protect the public’s paramount interest in seeing that patent monopolies are kept within their legitimate scope.” *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 279–80 (2016) (cleaned up).

3. Patent Owner’s Desire for Compensation Is Not a Relevant Economic Interest

There are no economic interests relevant to institution. Patent Owner’s desire to be “compensated,” (PO Br. at 24), is not unique or compelling. The kind of monetary compensation Patent Owner seeks is exceedingly common in patent infringement lawsuits that routinely lead to instituted IPRs. *See* EX1037 p.17. Seeking a payday is not a credible basis for discretionary denial, especially here, where Patent Owner has been sitting on its (invalid) patent rights for several years. *Id.* p.9 (making infringement accusations based on alleged acts “in 2017”).

Besides, Patent Owner’s suggestion that it deserves compensation because it “laid the groundwork” for the Federal Regulations is dubious. PO Br. at 25. The Regulations make no mention of the ’847 patent, and Patent Owner does not explain how the power draw requirements of 10 C.F.R. § 431.306 have any specific connection whatsoever with the ’847 patent. That the Regulations mention “antisweat heat controls” and “relative humidity” does not implicate the ’847 patent.

After all, the '847 patent concedes that this basic technology was already well known. *See* EX1001, 1:22–60.

4. Patent Owner's Preference for the District Court Has No Bearing on Institution

Patent Owner's claim that "[l]itigation disputes between direct competitors . . . are best evaluated in a single forum" supports institution, not denial. PO Br. at 25. Indeed, the parties' patentability dispute would be most efficiently and effectively adjudicated by the agency that issued the '181 and '847 patents in the first place. If the '181 and '847 patents' claims are unpatentable—as Anthony's Petitions show—then the entire dispute will be resolved here at the PTAB.

This is not a case involving “complex, intertwined issues.” PO Br. at 25. The complaint Patent Owner filed with the District Court is limited to infringement allegations regarding the '181 and '847 patents that Petitioner challenged in these IPRs. As for the “earlier litigation” that Patent Owner mentions, (PO Br. at 25), that case was quickly dismissed “with prejudice” based on a settlement providing broad releases on both sides. EX1047. The breach-of-contract dispute from that settled litigation has no relationship to the current suit involving the '181 and '847 patents. Nor is it relevant that the Board has different discovery policies than the District Court. PO Br. at 26–27. As in the Board's precedential *Snap* decision, “Patent Owner does not meaningfully explain why it would be in the interests of justice for

discovery regarding secondary considerations to take place before the District Court instead of before the PTAB.” *Snap*, IPR2020-00820, Paper 15 at 17–18. And Patent Owner cannot complain about lacking access to the District Court’s discovery mechanisms when it voluntarily stipulated to stay the parallel litigation.

III. CONCLUSION

For all the reasons discussed above, there are multiple compelling reasons to institute and discretionary denial is not warranted.

Respectfully submitted,

Dated: July 10, 2025

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CERTIFICATION UNDER 37 CFR §42.24

Under the provisions of 37 CFR § 42.24(d), the undersigned hereby certifies that the word count for the foregoing Petitioner's Opposition to Patent Owner's Discretionary Denial Brief totals 7,094 words, which is less than the 14,000 words allowed under 37 CFR § 42.24.

Dated: July 10, 2025

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CERTIFICATE OF SERVICE

Pursuant to 37 CFR § 42.6(e), the undersigned certifies that on July 10, 2025, a complete and entire copy of this Petitioner's Opposition to Patent Owner's Request for Discretionary Denial and Accompanying Exhibits were provided by email, to the Patent Owner, by serving the correspondence address of record as follows:

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