

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMERICAN FUJI SEAL, INC.,

Petitioner,

v.

BROOK + WHITTLE LTD.,

Patent Owner.

Case No.: IPR2025-01176

U.S. Patent No. 11,961,422

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

TABLE OF CONTENTS

	Page
I. INTRODUCTION.....	1
II. BACKGROUND.....	2
III. THE BOARD SHOULD NOT EXERCISE DISCRETIONARY DENIAL...5	
A. 35 U.S.C. § 325(d)— <i>Advanced Bionics</i>	5
B. 35 U.S.C. § 314(a)— <i>General Plastic</i>	15
1. Factors 1, 2, 4, and 5: Petitioner and other Real Parties in Interest are Entirely Separate and Unrelated Entities from Multi-Color	15
2. Factor 3: The Different Prior Art at Issue Between the Proceedings Ensures No Advantage Is Gained	18
3. Factors 6 and 7: The Distinct Grounds and Lack of Significant Relationship Ensure the Board's Resources and Ability to Render a Decision Within the Statutory Timeframe Are Not Significantly Impacted	18
C. 35 U.S.C. § 314(a)— <i>Fintiv</i>	19
1. Whether the Court Granted a Stay or Evidence Exists that One May Be Granted if a Proceeding Is Instituted.....	20
2. Proximity of the Court's Trial Date to the Board's Projected Statutory Deadline for a Final Written Decision	21
3. Investment in the Parallel Proceedings by the Court and the Parties	22
4. Overlap between Issues Raised in the Petition and in the Parallel Proceedings	23
5. Whether the Petitioner and the Defendant in the Parallel Proceedings Are the Same Party	23

6.	Other Circumstances that Impact the Board's Exercise of Discretion, Including the Merits (<i>Strongly Favors Institution</i>).....	24
IV.	CONCLUSION	27

TABLE OF AUTHORITIES

	<u>Page(s)</u>
Cases	
<i>Advanced Bionics LLC v. MED-EL Elektromedizinische Gerate GmbH,</i> IPR2019-01469 (PTAB Feb. 13, 2020).....	<i>passim</i>
<i>Apple Inc. v. Fintiv, Inc.,</i> IPR2020-00019 (PTAB Mar. 20, 2020)	<i>passim</i>
<i>Apple Inc. v. Maxell, Ltd.,</i> IPR2020-00204 (PTAB June 19, 2020).....	23
<i>Becton, Dickinson and Co. v. B. Braun Melsungen AG,</i> IPR2017-01586 (PTAB Dec. 15, 2017).....	<i>passim</i>
<i>Code200, UAB v. Bright Data, Ltd.,</i> IPR2022-00861 (PTAB Aug. 23, 2022)	17
<i>CommScope Techs. LLC v. Dali Wireless, Inc.,</i> IPR2022-01242 (PTAB Feb. 27, 2023)	24
<i>General Plastic Industrial Co. v. Canon Kabushiki Kaisha,</i> IPR2016-01357 (PTAB Sept. 6, 2017).....	15, 17, 19
<i>Intel Corp., v. FG SRC LLC,</i> IPR2020-01449 (PTAB Mar. 3, 2021)	21
<i>iRhythm Technologies, Inc. v. Welch Allyn,</i> IPR2025-00363 (PTAB June 6, 2025).....	27
<i>LifeVac, LLC v. DCSTAR, Inc.,</i> IPR2025-00454 (PTAB July 11, 2025)	27
<i>Multi-Color Corp. v. Brook + Whittle, LTD,</i> PGR2025-00025 (PTAB July 16, 2025).....	27
<i>Nokia v. Soto,</i> IPR2023-00680 (PTAB Dec. 3, 2024).....	24

<i>Oticon Medical AB v. Cochlear LTD,</i> IPR2019-00975 (PTAB Oct. 16, 2019)	12
<i>Progenity, Inc. v. Natera, Inc.,</i> IPR2021-00279 (PTAB Jun. 11, 2021).....	21
<i>Sand Revolution II, LLC v. Continental Intermodal Group Trucking LLC,</i> IPR2019-01393 (PTAB June 16, 2020).....	20, 23
<i>Sotera Wireless, Inc. v. Masimo Corp.,</i> IPR2020-01019 (PTAB Dec. 1, 2020).....	4, 19, 23, 24
<i>Valve Corp. v. Elec. Scripting Prods., Inc.,</i> IPR2019-00062 (PTAB Apr. 2, 2019).....	16, 17
<i>Volkswagen Group of America, Inc. v. Neo Wireless, LLC,</i> IPR2022-01537 (PTAB May 5, 2023).....	16
<i>Zomm, LLC v. Apple Inc.,</i> 391 F. Supp. 3d 946 (N.D. Cal. 2019)	20
Statutes	
35 U.S.C. § 314(a)	15, 19
35 U.S.C. § 325(d)	5, 15
Other Authorities	
37 C.F.R. § 42.24	29

PETITIONER'S EXHIBIT LIST

NO.	DESCRIPTION	REFERRED TO AS
1001	U.S. Patent No. 11,961,422	'422 Patent or Challenged Patent
1002	File History for '422 Patent (Part I)	'422 Patent File History
1003	File History for '422 Patent (Part II)	'422 Patent File History
1004	Declaration of Dr. Robson F. Storey, Ph.D.	Storey Decl. or EX-1004
1005	CV of Dr. Robson F. Storey, Ph.D.	Storey CV or EX-1005
1006	US 11,358,363 B2	Schurr or EX-1006
1007	JP 2017-114041 A	Kitano or EX-1007
1008	JP 2004-250040 A	Ohta or EX-1008
1009	U.S. Pat. Pub. No. 2016/0361939	Keulders or EX-1009
1010	U.S. Pat. Pub. No. 2022/0389214	Lee or EX-1010
1011	Tamma, Paola; Scha100art, Eline; Gurzu, Anca (11 December 2019). "Europe's Green Deal plan unveiled". <i>POLITICO</i> .	Tamma or EX-1011
1012	Schyns, Zoé OG, and Michael P. Shaver. "Mechanical recycling of packaging plastics: a review." <i>Macromolecular rapid communications</i> 42.3 (2021): 2000415.	Schyns or EX-1012
1013	Ügdüler, Sibel, et al. "Towards closed-loop recycling of multilayer and coloured PET plastic waste by alkaline hydrolysis." <i>Green chemistry</i> 22.16 (2020): 5376-5394	Ügdüler or EX-1013

NO.	DESCRIPTION	REFERRED TO AS
1014	Limbo, Sara, et al. "Storage of pasteurized milk in clear PET bottles combined with light exposure on a retail display case: A possible strategy to define the shelf life and support a recyclable packaging." <i>Food chemistry</i> 329 (2020): 127116.	Limbo or EX-1014
1015	JP 2017-114041A	Japanese Version Kitano
1016	JP 2004-250040 A	Japanese Version Ohta
1017	<i>Brook + Whittle LTD v. Nestlé USA, Inc., et al.</i> , Case No. 2:24-cv-735 (E.D. Tex.), Dkt. 35 (Fuji Seal International, Inc.'s Motion to Dismiss)	-
1018	<i>Brook + Whittle LTD v. Nestlé USA, Inc., et al.</i> , Case No. 2:24-cv-735 (E.D. Tex.), Dkt. 63 (Fuji Seal International, Inc. and Nestlé USA, Inc.'s Motion to Stay)	-
1019	<i>Brook + Whittle LTD v. Nestlé USA, Inc., et al.</i> , Case No. 2:24-cv-735 (E.D. Tex.) (Compilation of Deposition Notices)	-
1020	Judge Gilstrap's Current Docket	-
1021	District Courts' Time to Trial Statistics	-
1022	<i>Brook + Whittle LTD v. Nestlé USA, Inc., et al.</i> , Case No. 2:24-cv-735 (E.D. Tex.), 10/07/25 Dkt. Entry (Resetting Claim Construction Hearing)	-

I. INTRODUCTION

Patent Owner Brook + Whittle LTD's ("PO") request for discretionary denial (Paper 6) of Petitioner American Fuji Seal, Inc.'s ("Petitioner") petition for inter partes review ("Petition") (Paper 1) of U.S. Patent No. 11,961,422 ("the '422 Patent") is not warranted under *Fintiv*, *Advanced Bionics*, *General Plastics*, or any other considerations PO could muster in its brief. Petitioner and the real parties in interest have executed ***Sotera stipulations*** and intend to move to stay concurrent district court cases if the Petition is instituted, eliminating duplicative litigation. The Petition is based on ***new prior art*** not considered by the Examiner or cumulative of prior art that was considered by the Examiner. And there is ***no connection*** between Petitioner and Multi-Color Corporation ("MCC"), a petitioner in an already instituted post-grant review of the '422 Patent, negating any concern of coordinated serial attacks.

Indeed, ***compelling considerations*** weigh against discretionary denial. For example, the '422 Patent is a new patent that is already subject to PGR based on completely different prior art than the current petition—***two independent challenges*** so close in time to examination should be allowed to proceed, resolving questions of unpatentability before expectations in the '422 Patent rights are strongly settled. Also, the Petition presents a ***compelling case of unpatentability*** because two of the references never considered by the Examiner disclose ***structurally identical*** labels to those claimed in the '422 Patent.

And if the Board institutes IPR here, there would be a ***strong basis*** for the district courts presiding over the concurrent litigations to stay those cases to allow two independent post-grant proceedings to resolve questions of patentability of the single patent-in-suit. For these and other reasons more fully discussed below, Petitioner requests that the Board deny PO's request for discretionary denial.

II. BACKGROUND

The '422 Patent issued on April 16, 2024. (EX-1001.) Within the first 15 months after issuance, the '422 Patent and each of its claims was already the subject of two petitions challenging patentability. The first petition was filed January 16, 2025, in *Multi-Color Corporation v. Brook + Whittle LTD*, PGR2025-00025 ("the MCC proceeding"), and the second petition, here, was filed June 25, 2025, in *American Fuji Seal, Inc. v. Brook + Whittle LTD*, IPR2025-01176 (Paper 1).

Petitioners in both proceedings are competitors with each other and with PO in the label industry. Petitioner and MCC are unrelated companies. The real parties in interest in the MCC proceeding are different from those in this proceeding, except for PO. (*Compare* PGR2025-00025, Paper 1, at 1 *with* IPR2025-01176, Paper 1, at 11.) MCC has no legal or factual relationship to Petitioner or the other real parties in interest in this proceeding. (PGR2025-00025, Paper 9, at 4.) Neither Petitioner nor MCC collaborated with the other or had any input into the other's preparation of its respective petition. PO has not sued MCC for infringement of the '422 Patent.

Moreover, the two petitions are based on completely different prior art. MCC's petition for post-grant review, as PO itself acknowledges (Paper 6, at 4), seeks a determination of unpatentability based on MCC's own prior art labels (i.e., Gatorade and Febreze), alone and in combination with each other and with the knowledge and skill of a person of ordinary skill in the art ("POSITA"). The Petition, here, by contrast, challenges the patentability of the '422 Patent based upon three prior art patents or printed publications (Schurr, Kitano, and Lee) and the knowledge and skill of a POSITA. None of these references are at issue in the MCC proceeding. (PGR2025-00025, Paper 1, at 13.) And **none** of the prior art in either petition was before the Examiner during prosecution of the '422 Patent.

The '422 Patent is at issue in two concurrent federal court litigations. The first was filed by PO in the Eastern District of Texas in case 2:24-cv-735 ("the Texas case"). Petitioner is not a named party in the Texas case, which is ripe for dismissal or to be stayed based on multiple pending motions. Indeed, instead of suing Petitioner directly, PO alleged infringement in the Texas case against Petitioner's Japanese parent holding company, Fuji Seal International, Inc. ("FSI") and Petitioner's Delaware-incorporated customer—Nestlé USA, Inc. ("NUSA")—neither of which has any responsibility for the manufacture of products PO alleges infringe the '422 Patent, and neither of which has a physical presence in the Texas court's jurisdiction.

The Texas court has yet to rule on two motions filed by the defendants: (i) FSI moved to dismiss the Texas case for lack of personal jurisdiction (EX-1017); and (ii) both FSI and NUSA moved to stay the Texas case based on the customer-suit exception and based on traditional equitable principles (EX-1018)—which asks the Texas court to stay the case to allow the dispute as to the infringement of the '422 Patent play out between PO (the owner of the '422 Patent) and Petitioner (the manufacturer of the allegedly infringing product, i.e., "true defendant") in the other concurrent litigation, a declaratory judgment action for non-infringement that Petitioner filed in Delaware in case 1:24-cv-1215 ("the Delaware case"). Currently, the Delaware case is stayed pending the outcome of the Texas case. (EX-2008.)

Little progress has been made in the Texas case to date, with much more work ahead. As mentioned, a motion directed to the pleadings is still pending, as is a motion to stay. Discovery is still in the early stages, where the depositions conducted thus far have been directed to electronic discovery, merely seeking to discover likely custodians of electronic documents and appropriate search terms, and directed to claim construction. (EX-1019.) Claim construction, however, is not complete, with a Markman hearing more than a month away. Expert discovery has not yet begun. And no dispositive motions directed to the merits have been filed.

Importantly, Petitioner and the real parties in interest have executed *Sotera* stipulations, stating they "will not pursue in the [Texas case] any grounds raised or

any grounds that reasonably could have been raised before the PTAB in the instituted IPR." (EX2020; EX2021; EX2022.) Also, if the Board institutes IPR in this proceeding, FSI and NUSA will move the Texas court for a stay based on the pendency of two post-issuance challenges to the '422 Patent: the MCC proceeding and this proceeding.

III. THE BOARD SHOULD NOT EXERCISE DISCRETIONARY DENIAL

A. 35 U.S.C. § 325(d)—*Advanced Bionics*

The *Advanced Bionics* framework and the *Becton Dickinson* factors weigh strongly against discretionary denial because at no time during prosecution did the Examiner consider prior art that, like the references relied on in the Petition, disclosed the same structural limitations as the claims of the '422 Patent.

The Board employs a two-part test to determine whether discretionary denial under § 325 is warranted. *Advanced Bionics LLC v. MED-EL Elektromedizinische Gerate GmbH*, IPR2019-01469, Paper 6 (PTAB Feb. 13, 2020) (precedential). The Board first determines "whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office." *Id.* at 8. If either condition of this first prong is satisfied, the Board then determines "whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of the challenged claims." *Id.*

For purposes of applying this two-pronged framework, the Board weighs the following non-exclusive factors:

- (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 prior art or arguments.

Becton, Dickinson and Co. v. B. Braun Melsungen AG, IPR2017-01586, Paper 8, at 17-18 (PTAB Dec. 15, 2017) (precedential).

Advanced Bionics Prong 1: First, none of the prior art references in the Petition (Schurr, Kitano, and Lee) were cited during the '422 Patent's prosecution. (Paper 1; EX-1002; EX-1003.) Nor were the arguments in the petition the same as, or substantially similar to, the arguments previously presented to the Examiner during prosecution. (*Id.*; EX-1004, ¶¶ 50-55.)

PO's arguments to the contrary are unavailing, primarily because PO picks and chooses snippets from the file history to paint an incomplete understanding of the references relied on by the Examiner and the reasons PO was able to overcome those references. At the time the Examiner rejected the pending claims of the application that issued as the '422 Patent, claim 1 read:

-
1. A recyclable shrink label comprising:
a heat shrink film having a first surface and a second surface opposite of the first surface, the heat shrink film having a thickness from 15 μm to 100 μm or 30 μm to 80 μm ; and
a light blocking layer disposed adjacent the first surface and comprising a light blocking component, the light blocking layer being constructed for the recyclable shrink label to block at least 80 % of incident light having wavelengths in a range of 200 nm to 900 nm.
-

(EX-1002, 45).

As discussed in the Petition (Paper 1, at 17), the First Office Action included a rejection of claims 1-11 and 13-18 as obvious over U.S. Pat. Pub. 2017/0223879 ("Mitchell I"). (*Id.*, 224.) The Examiner found that Mitchell I disclosed the structural features of claim 1 and determined that the recited term "recyclable" was not afforded patentable weight, either because it was a proposed use or because

Mitchell I's labels would inherently be "recyclable." (*Id.*, 225.) Original claim 19, which at the time recited a heat shrink film comprised of PET, was not rejected over Mitchell I because the Examiner found Mitchell I did not disclose PET heat shrink film. (*Id.*, 63, 224.)

To overcome these rejections, PO amended claim 1 to explicitly recite that the heat shrink film ***comprises PET*** and that the label is "recyclable with a PET container":

-
1. **(Currently Amended)** A recyclable shrink label comprising:
a heat shrink film comprising polyethylene terephthalate (PET) and having a first surface and a second surface opposite of the first surface, the heat shrink film having a thickness from 15 μm to 100 μm ; and
a light blocking layer disposed adjacent the first surface and comprising a light blocking component, the light blocking layer being constructed for the recyclable shrink label to block at least 80 % of incident light having wavelengths in a range of 200 nm to 900 nm,
wherein the recyclable shrink label is recyclable with a PET container.
-

(EX-1003, 82). (*See also id.*, 90, 94.)

Applicant argued that the cited prior art failed to teach a PET heat shrink film and, importantly, that the limitation regarding the labels being "recyclable with a PET container" was disclosed by the cited art. (*Id.*, 89-94.) Specifically, PO noted that Mitchell I taught a shrinkable film comprised of propylene terpolymer or propylene random copolymer. (*Id.*, 89.)

Applicant also attempted to distinguish its claimed invention by asserting that the cited art was not recyclable because it needed to be removed from the container prior to the container entering the recycling stream. (*Id.*, 89-90, 92, 94.) Relying on an APR document that identified two methods of recycling shrink films, Applicant stated that its film fell within the second category while Mitchell I did not:

The shrink labels taught by Mitchell '879 are not made of PET and would not be recyclable with a PET container. Labels made of other materials, including polypropylene, polyethylene, and paper, are considered contaminants in a PET recycling stream and need to be removed for the PET container to be recycled. This is supported by a Resource Document by the Association of Plastic Recyclers (APR), provided herewith. The APR document states:

“APR recommends films that are compatible with PET recycling such as:

1. Films that float in water and that can be **separated from PET** that sinks in water, or,
2. **PET based films** that crystallize and **can be recovered *with the PET stream***.”

See APR document page 2, emphasis added.

The Mitchell '879 film does not fall into the second category and is not recyclable with the PET stream. If the film floats (despite its metal content), it may fall into the first category because it can be separated from PET.

(*Id.*, 89). (*See also id.*, 90, 92, 94.)

Unlike the references considered by the Examiner, both Schurr and Kitano disclose light-blocking film made from PET. Petitioner's expert confirms that Schurr and Kitano disclose what was missing during prosecution. For example, he notes: (i) "Schurr teaches that its film is polyester-based, specifically including PET as a suitable material" (EX-1004, ¶ 52 (citing EX-1006, 2:50-55; 3:4-6)); and (ii) "Thus,

Kitano itself provides teachings of a PET-based heat shrink film" (*id.*, ¶ 53). For its part, Lee "is specifically directed to solving the technical problem of achieving integrated recyclability for PET-based shrink labels with PET containers." (*Id.*, ¶ 53.) "Lee teaches formulating PET/copolyester blends with controlled crystallizability such that the label 'can be reused while attached to a PET container' and processed within standard PET recycling streams without issues like fusion." (*Id.* (citing EX-1010, Abstract, [0004], [0010], [0020]).)

Notwithstanding PO's contention to the contrary—Schurr, Kitano, and Lee are not "cumulative" of the references the Examiner considered for the First Office Action. Unlike Mitchell I, these references disclose shrink film *made from PET*. Dr. Storey explains precisely how Schurr, Kitano, and Lee disclose teachings not found in the prior art considered by the Examiner. (*Id.*, ¶¶ 50-55.) Dr. Storey also notes that Schurr and Kitano disclose the same structural elements of the claimed label (*id.*, ¶¶ 69-72 (Schurr); ¶¶ 73-76 (Kitano)) and explains why a POSITA would understand that the PET-based films disclosed in these references would be recyclable either by removing them prior to recycling the container *or without removing them* from the container (*id.*, ¶¶ 110-15 (Schurr); ¶¶ 212-15 (Kitano/Lee)).

In a Second Office Action, the Examiner cited Japanese Pat. Pub. JP2009-214535A ("Sasaki") and rejected numerous claims, including amended claim 1, as anticipated or obvious. (EX-1003, 114, 116, 119, 121.) The Examiner found that

Sasaki disclosed all of the features of amended claim 1, again noting that "wherein the recyclable shrink label is recyclable with a PET container" is functional language related to an intended use, which adds no patentable weight, or that Sasaki's disclosed structure would inherently perform the recited use. (*Id.*, 114-15.)

In response, PO alleged that incorporating light blocking particles into the heat shrink film would result in an unrecyclable label and argued that Sasaki taught away from the claimed invention by allegedly using void spaces within the film for light blocking, rather than particulates in an adjacent layer. (*Id.*, 184-85.) Despite these arguments, PO amended claim 1 to include the limitations of then-pending claims 12 and 13, which recited light blocking components in the light blocking layer having a size between 0.1 μ m and 100 μ m and being comprised of metal, metal oxide, reflective pigment, carbon black, mica, or a combination thereof. (*Id.*, 177-78.) PO also added claim 27 (now issued claim 19), which recited all the features of claim 1, except it replaced the light blocking particles with a high-opacity layer comprising white pigment, arguing Sasaki also taught away from such a layer. (*Id.*, 180, 185.)

In allowing the claims, the Examiner accepted PO's arguments distinguishing Sasaki. (*Id.*, 197; EX-1004, ¶ 49.) The Examiner appeared satisfied that the prior art of record failed to teach a label with a heat shrink film comprising PET and a separate, adjacent layer having specific light blocking particles (or a high-opacity layer) that was also "recyclable with a PET container." (EX-1004, ¶ 49.)

As with Mitchell I, the Petition's references (Schurr, Kitano, and Lee) disclose light-blocking achieved by using metallic particles, located in a layer separate from the shrink film itself. Again, Petitioner's expert discusses this in his declaration. (*Id.*, ¶ 52 (Schurr); ¶ 53 (Kitano/Lee).) PO faults Lee for not containing light-blocking particulate (Paper 6, at 18), but Petitioner does not rely on Lee for that teaching (Kitano discloses that)—rather, Lee's teachings are "specifically directed to solving the technical problem of achieving integrated recyclability for PET-based shrink labels with PET containers." (*Id.*, ¶ 53.) "Lee teaches formulating PET/copolyester blends with controlled crystallizability such that the label 'can be reused while attached to a PET container' and processed within standard PET recycling streams without issues like fusion," which is the very type of recycling process to which Applicant alleged that its purported invention was drawn. (*Id.* (citing EX-1010 (Lee), Abstract, [0004], [0010], [0020])).

As demonstrated above, the first prong of *Advanced Bionics* is not satisfied because the Petition relies on prior art and arguments that are not the same or substantially similar to those considered by the Examiner during prosecution. *Oticon Medical AB v. Cochlear LTD*, IPR2019-00975, Paper 15, at 20 (PTAB Oct. 16, 2019) ("There is new, noncumulative prior art asserted in the Petition . . . [f]or at least this reason, we determine not to exercise our discretion under §325(d).").

And the perceived gap in the prior art considered by the Examiner is addressed by the references presented in the Petition. (EX-1004, ¶ 50.) Specifically, the Schurr reference (EX-1006), and the combination of the Kitano reference (EX-1007) with the Lee reference (EX-1010), provide clear teachings or strong suggestions for this combination of elements—a PET-based heat shrink film, separate adjacent light-modifying layers, and disclosed recyclability—when viewed by a POSITA considering the state of the art at the time. (EX-1004, ¶¶ 51-54.)

Accordingly, because neither condition of the first prong is satisfied, the Board should find that the *Advanced Bionics* framework weighs strongly against discretionary denial.

Advanced Bionics Prong 2: To the extent the Board finds the first *Advanced Bionics* prong is satisfied, it should nevertheless determine that discretionary denial is not warranted in view of the second *Advanced Bionics* prong and *Becton Dickinson* factors. The claims of the '422 Patent were allowed based on the Examiner's mistaken view that "the prior art does not teach or render obvious the claimed invention of the instant application." (EX-1003, 94.) As demonstrated in the Petition, including with reference to Dr. Storey's declaration, however, the Examiner's failure to consider the obviousness of the claims over the uncited references relied on in the Petition constitutes material error.

Moreover, each of the *Becton Dickinson* factors weighs against discretionary denial. For the reasons discussed at length above with respect to the first *Advanced Bionics* prong, ***factor (a)*** (the similarities and differences between the asserted art and the prior art involved during examination), ***factor (b)*** (the cumulative nature of the asserted art and prior art evaluated during examination), and ***factor (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) ***all weigh against discretionary denial***. Schurr, Kitano, and Lee are not the same or cumulative to the prior art the Examiner relied on during prosecution. Put simply, the gap in the prior art considered by the Examiner during prosecution which led to the mistaken issuance of the '422 Patent is addressed by the references relied on in the Petition. Schurr, Kitano, and Lee fill those gaps and provide clear teachings and suggestions for the combination of elements in the '422 Patent's claims: a PET-based shrink film, separate light-blocking layer with metal particulate, and recyclability (with the PET container).

Factor (c) (the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection) and ***factor (e)*** (whether petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art) ***also weigh against discretionary denial***. Schurr, Kitano, and Lee were not evaluated or submitted during prosecution.

And, finally, *factor (f)* (whether additional evidence and facts presented in the petition warrant reconsideration of prior art or arguments) *weighs against denial*.

The Petition does not reconsider prior art or argument presented during prosecution.

To the extent the Board even finds it necessary to undergo the *Becton Dickinson* factorial analysis, it should determine that Examiner materially erred by not considering prior art such as those references relied on in the Petition.

In sum, discretionary denial is not warranted under § 325(d) and PO's requests for denial on those grounds should be rejected.

B. 35 U.S.C. § 314(a)—*General Plastic*

General Plastic does not apply because there is *absolutely no connection* between MCC and Petitioner. MCC's petition and the current one are entirely distinct—filed by separate, unrelated parties (with separate, unrelated real parties in interest)—and rely upon completely different prior art. For at least these reasons, the *General Plastic* weigh against discretionary denial. *General Plastic Industrial Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19, at 16 (PTAB Sept. 6, 2017) (precedential as to section II.B.4.i).

1. Factors 1, 2, 4, and 5: Petitioner and other Real Parties in Interest are Entirely Separate and Unrelated Entities from Multi-Color

Because there is no evidence of any relationship between Petitioner and MCC, "*General Plastic* factors 1, 2, 4, and 5 weigh against discretionary denial."

Volkswagen Group of America, Inc. v. Neo Wireless, LLC, IPR2022-01537, Paper 8, at 11 (PTAB May 5, 2023). Where, as here, "there is no indication of a significant relationship under *Valve* and factor 1 between Petitioner and the" prior petitioner, it is proper to determine that "Petitioner did not file a second petition following-on to a first petition under factors 2, 4, and 5." *Id.*

Petitioner and MCC are separate companies with no legal or commercial relationship. Neither company collaborated or had any input into preparing the other's respective petitions. And PO has not sued MCC for infringing the '422 Patent. As such, the holding of *Valve Corp. v. Elec. Scripting Prods., Inc.*, IPR2019-00062, Paper 11, at 9-10 (PTAB Apr. 2, 2019) (precedential) and similar decisions does not apply here. In *Valve*, the two petitioners were co-defendants in the underlying federal patent infringement case accused of infringing the patent at issue and had a significant commercial relationship, where the first petitioner sold products incorporating technology licensed from the second petitioner. *Id.*

PO's efforts to manufacture the appearance of an improper connection, or to suggest collaboration tantamount to collusion, between MCC and Petitioner (Paper 6)¹—nothing of the sort has ever existed. PO made the same arguments in its

¹ In its brief, PO offers *no evidence* to support claims that MCC and Petitioner are coordinated. Rather PO resorts to incendiary phrases referring to Petitioner and

discretionary denial brief in the MCC proceeding, but the Director rejected those unsupported contentions in denying PO's discretionary denial request. (PGR2025-0025, Paper 10 (citing as a factor weighing against discretionary denial that MCC is "not a party to either [district court] proceeding and represents that it has no substantive relationship with any defendant in the district court proceedings").)

The lack of relationship between Petitioner and MCC obviates any concern that Petitioner is, as PO repeatedly alleges in its brief, attempting to take a "second bite of the apple" or staging its Petition for a strategic advantage in cooperation with a previously filed petition. *Id.* (citing *General Plastic*, Paper 19, at 17; *Code200, UAB v. Bright Data, Ltd.*, IPR2022-00861, Paper 18, at 5 (PTAB Aug. 23, 2022) (precedential)). MCC and Petitioner are merely two competitors potentially affected by the wrongful issuance of the '422 Patent and independently moved to have the claims cancelled.

MCC as "*strategic* competitor[s]" (Paper 6, at 4) or "*strategically aligned* competitors" (*id.* at 10), suggesting of this petition that "[t]he *highly suspect* timing is indicative of *strategic* behavior" (*id.* at 13); and referring to this petition, repeatedly, as "a second bite of the apple" (*id.* at 2, 10, 20). But PO never substantiates any of these allegations because no facts support them.

2. Factor 3: The Different Prior Art at Issue Between the Proceedings Ensures No Advantage Is Gained

The prior art in this proceeding and the MCC proceeding is entirely different. As noted above, and by PO itself (Paper 6, at 4), MCC's petition relies primarily on MCC's own prior art labels (i.e., Gatorade and Febreze), alone and in combination with each other and with the knowledge and skill of a POSITA. The Petition, here, by contrast, relies on three prior art patents or printed publications and the knowledge and skill of a POSITA, none of which are at issue in the MCC proceeding. (Paper 1, at 13.) Importantly, *none* of the prior art in either petition was before the Examiner during prosecution of the application that issued as the '422 Patent.

Moreover, PO's efforts to suggest that Petitioner improperly laid in wait to gain some benefit from PO's filings in the MCC proceeding are belied by the fact, again, that there is no relationship between MCC and Petitioner and that each rely on separate and distinct prior art. Accordingly, no benefit should be, as PO suggests, "gleaned" from the timing of the two petitions.

3. Factors 6 and 7: The Distinct Grounds and Lack of Significant Relationship Ensure the Board's Resources and Ability to Render a Decision Within the Statutory Timeframe Are Not Significantly Impacted

Because this Petition and MCC's petition have no prior art references in common and because Petitioner and MCC share no relationship (strategic or otherwise), the rights of Petitioner to pursue this Petition will not in any way be

affected by the outcome of the MCC proceeding. A final written decision in the MCC proceeding will have no impact on the merits or conduct of an instituted IPR from this Petition. And although the Board will expend resources necessary to hear this Petition, the expenditure is justified by Petitioner's independent basis for filing this Petition and Petitioner's right to have its compelling case heard on the merits.

Furthermore, PO may very well settle with MCC and seek termination of the MCC proceeding at any time during its pendency. Petitioner's right under § 314 to have the Board consider the patentability of the '422 Patent should not be put in tension with and potentially curtailed by PO and MCC's distinct right to settle their dispute outside of Petitioner's control.

For all these reasons, the *General Plastic* factors favor institution.

C. 35 U.S.C. § 314(a)—*Fintiv*

PO's *Fintiv* arguments should be rejected because all factors either weigh against discretionary denial or are neutral—particularly because Petitioner and other real parties in interest have executed *Sotera* stipulations eliminating duplicative litigation in the district court. The Board's discretion under 35 U.S.C. § 314(a) and the factors set forth in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) ("*Fintiv*") favor rejecting PO's request for discretionary denial. Instituting IPR would serve the Board's core mission of efficiently resolving patentability issues while avoiding unnecessary duplication with the district courts.

1. Whether the Court Granted a Stay or Evidence Exists that One May Be Granted if a Proceeding Is Instituted

Petitioner and the other real parties in interest intend to move for a stay of the district court litigation if the Board institutes IPR in this proceeding. Until the court decides that motion, any attempt to predict the outcome would require speculation. *Sand Revolution II, LLC v. Continental Intermodal Group Trucking LLC*, IPR2019-01393, Paper 24, at 7 (PTAB June 16, 2020) (informative) ("In the absence of specific evidence, we will not attempt to predict how the district court in the related district court litigation will proceed"); *Fintiv*, Paper 11, at 12 (similar).

But the grounds for a stay would be compelling. When considering the motion, the Texas court would be faced with a scenario where all the claims of the single patent-in-suit (the '422 Patent) would be subject to not one, but two concurrently pending post-issuance challenges before the Board: the MCC proceeding and this proceeding. It would stand to reason that, if the Board institutes IPR here, the existence of two post-issuance proceedings regarding the '422 Patent would present a compelling basis for staying the litigation regardless of what stage those proceedings had reached. *See Zomm, LLC v. Apple Inc.*, 391 F. Supp. 3d 946, 957 (N.D. Cal. 2019) (granting stay despite advanced stage of litigation where two instituted petitions provided "a real possibility that the IPR process will simplify the case"). Given this scenario, this factor weighs against discretionary denial.

2. Proximity of the Court's Trial Date to the Board's Projected Statutory Deadline for a Final Written Decision

The factor weighs against discretionary denial because two instituted post-grant proceedings would cast significant doubt as to whether the trial in the district court would happen at all. Under the current schedule in the Texas case, "jury selection" is set to begin May 18, 2026. (EX-2007.)² But that date and ensuing trial will almost surely slip until later in 2026 given the large docket before Judge Gilstrap for that same week, including *five* trials and a handful of pretrial conferences. (EX-1020.) Indeed, the estimated trial date based on time-to-trial statistics for the Eastern District of Texas would place trial more likely to occur, if at all, in August 2026 (23 months) (EX-1021). Thus, the Board should not take any estimated trial date at face value because an estimate is intrinsically infirm. *Progenity, Inc. v. Natera, Inc.*, IPR2021-00279, Paper 12, at 29 (PTAB Jun. 11, 2021); *Intel Corp., v. FG SRC LLC*, IPR2020-01449, Paper 13, at 15 (PTAB Mar. 3, 2021).

Furthermore, whether the trial date happens *at all* is speculative. There is a motion to dismiss for lack of personal jurisdiction and a motion to stay based on the customer-suit exception and traditional equitable principles currently pending in the Texas case. Couple those motions with the potential scenario discussed above where

² The district court in the Delaware case stayed the case before issuing a scheduling order. (EX-2008.)

the Texas court may eventually be considering a motion to stay based on two co-pending inter partes challenges to the patentability of the '422 Patent before the Board and whether the Texas case ever reaches trial at all is placed in serious doubt. Under these circumstances, this factor weighs against discretionary denial.

3. Investment in the Parallel Proceedings by the Court and the Parties

This factor weighs against discretionary denial because little progress has been made in the underlying litigations to date, with much more work still ahead. The Delaware case was stayed before a scheduling order was put in place. (EX-2008.) In the Texas case, the only depositions taken to date relate to search terms and custodians for electronic discovery purposes and a deposition aimed at claim construction. (EX-1019.) Claim construction is not complete, however, as the *Markman* hearing is scheduled for November 24, 2025. (EX-1022.) Fact discovery is not complete. (EX-2007.) Expert discovery has not yet begun. (*Id.*) Dispositive motions are not permitted February 9, 2026. (*Id.*) And, as noted above, whether jury selection is set to begin on May 18, 2026, is doubtful. (*Id.*) Thus, at the time the Board is statutorily required to issue an institution decision—presumed to be on or before January 16, 2026—much work will remain in the Texas case, including completing expert discovery, dispositive motion briefing, briefing on a motion to stay, pretrial preparation, trial, and a likely appeal. This factor weighs against denial.

4. Overlap between Issues Raised in the Petition and in the Parallel Proceedings

This factor strongly weighs against discretionary denial and deserves significant weight because the *Sotera* stipulations prevent duplicative litigation. Petitioner and the other real parties in interest have executed binding stipulations that, should the Board institute IPR, they "will not pursue in the [Texas case] any grounds raised or any grounds that reasonably could have been raised before the PTAB in the instituted IPR." (EX2020; EX2021; EX2022.) These comprehensive stipulations eliminate any possibility of duplicative efforts between forums.

The Board has consistently held that such *Sotera* stipulations are dispositive on this factor and often outweigh other considerations. *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, at 19 (PTAB Dec. 1, 2020) (precedential) (holding this factor "weighs strongly in favor of not exercising discretion to deny institution" when a *Sotera* stipulation is present); *see also Sand Revolution*, Paper24, at 11-12; *Apple Inc. v. Maxell, Ltd.*, IPR2020-00204, Paper 11, at 15-17 (PTAB June 19, 2020). The stipulations here address the core policy concern underlying *Fintiv*—avoiding duplicative efforts between district court and Board proceedings. This factor strongly weighs against discretionary denial.

5. Whether the Petitioner and the Defendant in the Parallel Proceedings Are the Same Party

Although Petitioner, the other real parties in interest, and PO are parties in the

co-pending district court actions, this factor should be given minimal weight. Party overlap is inherent in the vast majority of IPR proceedings, and this fact does not alone give rise to a likelihood of duplicative efforts and inefficient use of resources. Moreover, because Petitioner and the other real parties in interest have submitted broad *Sotera* stipulations, the concern that typically underlies this factor—duplicative work across forums—is eliminated entirely. *See Nokia v. Soto*, IPR2023-00680, Paper 30, at 13 (PTAB Dec. 3, 2024) (Director agreeing that *Fintiv* factor 5 is "neutral" despite stipulation being a narrower *Sands Revolution* type stipulation rather than a *Sotera* type stipulation present here). Thus, the *Sotera* stipulations here make this factor neutral.

6. Other Circumstances that Impact the Board's Exercise of Discretion, Including the Merits (*Strongly Favors Institution*)

Lastly, under *Fintiv*, it is only necessary to consider other circumstances, including the merits of the petition, where *Fintiv* factors 1-5 weigh in favor of discretionary denial. *CommScope Techs. LLC v. Dali Wireless, Inc.*, IPR2022-01242, Paper 23, at 4-5 (PTAB Feb. 27, 2023) (decision on Director review) (precedential). Here, factors 1-5 weigh against discretionary denial and, thus, the Board need not take into account other considerations for purposes of *Fintiv*.

Other considerations, however, including the strength of the unpatentability challenge, are authorized by the Interim Processes for PTAB Workload Management

Memorandum, dated March 26, 2025 ("Interim Processes Memorandum"). Thus, should the Board consider the strength of the petition either under *Fintiv* factor 6 or the Interim Processes Memorandum, the Board will find that the Petition indeed presents particularly strong and compelling arguments for unpatentability based on entirely different prior art than what was considered during prosecution.

As discussed above, the references Petitioner relies upon were not before the Examiner, nor are they the same or substantially similar to prior art that was considered by the Examiner. (Paper 1; EX-1002; EX-1003; EX-1004, ¶¶ 50-55.) Moreover, two of Petitioner's references disclose structurally identical labels as those claimed by PO. (EX-1004, ¶¶ 69-72 (Schurr); ¶¶ 73-76 (Kitano).) Petitioner's references are also not the same or substantially similar to prior art relied on in the petition filed in the MCC proceeding, as noted by PO itself (Paper 6, at 4).

Put simply, this is not a case where Petitioner is attempting to recycle arguments already evaluated by the Examiner or presented by another petitioner in another post-grant proceeding. Instead, Petitioner brings entirely new, highly relevant prior art that directly challenges the patentability rationale underlying the '422 Patent's issuance. The omission of these references during prosecution resulted in the issuance of claims that should have been rejected—precisely the scenario for which inter partes review was designed. And Petitioner's patentability challenges are well-supported by the expert declaration of Dr. Storey (EX-1004) but is not over-

reliant on his opinion to fill gaps in analysis, which is another consideration authorized in the Interim Processes Memorandum ("The extent of the petition's reliance on expert testimony").

Moreover, institution of MCC's petition based on different grounds provides the Board with an opportunity to comprehensively evaluate the '422 Patent's patentability in view of the challenges of affected competitors. Again, while MCC primarily relies on product-based prior art (i.e., the Gatorade and Febreze labels) and an indefiniteness argument, this Petition focuses on published prior art references that were not previously considered by the Examiner. Allowing both competitors' challenges to the '422 Patent to proceed through different proceedings and on different grounds serves the public interest in ensuring patent quality and the Board's core mission of issuing valid patents. Petitioner's lack of relationship with MCC further distinguishes this Petition from situations where the Board has exercised its discretion to deny institution of serially-filed petitions. This is not a case of coordinated, tactical filings to allow petitioners multiple bites at an apple. Rather, it reflects genuine, independent concerns about a patent that has been granted in error when viewed against the full scope of relevant prior art.

Finally, the '422 Patent is relatively new, having been issued on April 16, 2024. (EX-1001.) The Board has found that challenging patents that have been in force for an extended time is disfavored because such challenges run contrary to

"settled expectation" of patent rights. *iRhythm Technologies, Inc. v. Welch Allyn*, IPR2025-00363, Paper 10 (PTAB June 6, 2025). In *iRhythm*, the challenged patent had issued 13 years prior to it being challenged. *Id.* Conversely, the Board encourages inter partes and post-grant reviews that are "close in time to examination" because they "occur before expectations in the patent rights are strongly settled." *Multi-Color Corp. v. Brook + Whittle, LTD*, PGR2025-00025, Paper 9, at 2-3 (PTAB July 16, 2025) (citing *LifeVac, LLC v. DCSTAR, Inc.*, IPR2025-00454, Paper 11, at 2 (PTAB July 11, 2025)). Here, the '422 Patent issued 16 months ago, well short of the time frame considered in *iRhythm* and, accordingly, well before the expectation of the patent rights at issue have been strongly settled.

These additional considerations weigh against discretionary denial.

IV. CONCLUSION

For the reasons above, Petitioner requests that the Board deny PO's request for discretionary denial.

Dated: October 16, 2025

Respectfully submitted,

/Paul J. Linden/

Paul J. Linden (Reg. No. 74,058)
FROST BROWN TODD LLP
301 East Fourth Street, Suite 3300
Cincinnati, Ohio 45202
Tel: (513) 651-6135
Email: plinden@fbtlaw.com

Barry M. Visconte (Reg. No. 52,325)
FROST BROWN TODD LLP
301 East Fourth Street, Suite 3300
Cincinnati, Ohio 45202
Tel: (513) 651-6849
Email: bvisconte@fbtlaw.com

John H. Bieber (Reg. No. 76,702)
FROST BROWN TODD LLP
301 East Fourth Street, Suite 3300
Cincinnati, Ohio 45202
Tel: (513) 651-6733
Email: jbieber@fbtlaw.com

Counsel for Petitioner

CERTIFICATE OF LENGTH (37 C.F.R. §§ 42.24(d))

The undersigned hereby certifies that the foregoing document contains 6,112 words as measured by the word-processing system used to prepare this paper, and is, therefore, in compliance with word limit prescribed by 37 C.F.R. § 42.24 and the Director's March 2025 Memorandum on Interim Processes for PTAB Workload Management.

Dated: October 16, 2025

Respectfully submitted,

/Paul J. Linden/

Paul J. Linden (Reg. No. 74,058)

Counsel for Petitioner

CERTIFICATE OF SERVICE

The undersigned certifies that a complete and entire copy of the foregoing document was provided via email to the Patent Owner by serving the email correspondence addresses of record as follows:

W. Todd Baker, Esq.
Counsel for Patent Owner
todd.baker@kirkland.com

BWhittle_IPR_KE@kirkland.com

Dated: October 16, 2025

Respectfully submitted,

/Paul J. Linden/

Paul J. Linden (Reg. No. 74,058)

Counsel for Petitioner