

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

McCORMICK & COMPANY, INC.,
Petitioner,

v.

ZOOMESSENCE, INC.,
Patent Owner.

Case IPR2026-00416
U.S. Patent No. 9,332,776

PATENT OWNER'S BRIEF
REQUESTING DISCRETIONARY DENIAL

TABLE OF EXHIBITS

Exhibit No.	Description
2001	Declaration of Michael B. Powell in Support of Patent Owner's Notice of Intent to Designate Provisionally Recognized PTAB Attorney as Back-up Counsel
2002	"KY: Governor Beshear Announces ZoomEssence to Create 20 New Jobs in Northern Kentucky," Trade and Industry Development (Oct. 28, 2010)
2003	"Charles P. Beetz: Outstanding Alumni Award 2011," Purdue University Department of Physics and Astronomy
2004	"Liquids to Powders Without Heat—No Heat Spray Drying Technology," U.S. Department of Energy, Advanced Manufacturing Office (Dec. 2017)
2005	"Targeting Energy-Intensive Water Evaporation Processes," Lawrence Livermore National Laboratory
2006	"Intellectual Property," ZoomEssence, Inc. website (www.zoomessence.com/our-technology/intellectual-property/)
2007	"IFF and ZoomEssence Announce Settlement of Lawsuit," International Flavors & Fragrances Inc. Press Release (June 23, 2017)
2008	First Amended Complaint, <i>ZoomEssence, Inc. v. McCormick & Company, Inc., et al.</i> , Case No. 2:25-cv-1240-JRG (E.D. Tex. Mar. 31, 2026)
2009	"McCormick Acquires FONA International, LLC," McCormick & Company Press Release (Dec. 30, 2020)
2010	Non-Confidential Excerpts from Defendants' P.R. 3-3 and 3-4 Invalidity Contentions, <i>ZoomEssence, Inc. v. McCormick & Company, Inc., et al.</i> , Case No. 2:25-cv-1240-JRG (E.D. Tex.)
2011	Information Disclosure Statement, U.S. Patent Application Ser. No. 15/652,486 (filed July 18, 2017)

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2012	Information Disclosure Statement, U.S. Patent Application Ser. No. 17/552,011 (filed Dec. 15, 2021)
2013	U.S. Patent No. 11,235,303 to Sobel et al., “Flavor Encapsulation Using Electrostatic Atomization” (Issued Feb. 1, 2022)
2014	U.S. Patent No. 11,845,052 to Sobel et al., “Flavor Encapsulation Using Electrostatic Atomization” (Issued Dec. 19, 2023)
2015	“ZoomEssence Awarded Zooming Patent,” Perfumer & Flavorist (Aug. 9, 2018)
2016	First Amended Docket Control Order, <i>ZoomEssence, Inc. v. McCormick & Company, Inc., et al.</i> , Case No. 2:25-cv-1240-JRG (E.D. Tex. Apr. 24, 2026)
2017	Letter from FONA to ZoomEssence re U.S. Patents 8,939,388; 9,332,776; and 9,551,527 (Aug. 14, 2017)
2018	E-mail from FONA to ZoomEssence re “Request for zoomes- sence technology information” (Mar. 10, 2011)
2019	Letter from ZoomEssence to FONA re U.S. Patents 8,939,388; 9,332,776; and 9,551,527 (July 6, 2017)
2020	E-mail from FONA to ZoomEssence re “Reconnect” (Oct. 23, 2018)
2021	E-mail from FONA to ZoomEssence re “Follow-Up on Next Steps” (Mar. 17, 2020)
2022	McCormick & Company, Inc. 2025 Form 10-K
2023	LinkedIn Profile of Robert M. Sobel, Ph.D.

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PRELIMINARY STATEMENT

The considerations identified by the Director and the Board strongly favor discretionary denial. Settled expectations regarding the validity of the '776 patent are overwhelming: the patent has been in force for over a decade, ZoomEssence gave actual notice of the patent nine years ago, and Petitioner did nothing to challenge validity until a few months ago.

Petitioner's assertion of invalidity—coming seven months after it was sued for patent infringement and trade secret misappropriation—is yet another instance of a market-dominant company attempting to use a tactical IPR to subvert clearly established settled expectations. About 15 years ago, Patent Owner ZoomEssence, Inc. (“ZoomEssence”) and real parties-in-interest FONA Technologies, LLC and Fona International, LLC (together, “FONA”) engaged in multi-year licensing and commercialization discussions about ZoomEssence's technology under a non-disclosure agreement. FONA ended those discussions abruptly and decided to develop competing technology in secret. FONA revived them, however, in 2018—after it received notice of the '776 patent and obtained freedom-to-operate opinions to assess IP risk. Those discussions culminated in its request to acquire ZoomEssence and its patents outright, and they, too, ended abruptly, with Petitioner McCormick & Company, Inc. (“McCormick”) acquiring FONA months later and folding the company into its McCormick Flavor Solutions division. Petitioner's about-face—

arguing now for the invalidity of a patent it previously tried to buy—conflicts with its pre-litigation conduct and suggests it seeks AIA review only to “gain litigation leverage.” *Magnolia Med. Techs., Inc. v. Kurin, Inc.*, IPR2026-00097, Paper 17 at 3 (Director May 14, 2026) (precedential).

The *Fintiv* factors all strongly weigh in favor of denial because institution would multiply proceedings. The parallel Eastern District of Texas litigation includes another unchallenged ZoomEssence patent and a trade secret misappropriation claim. Petitioner waited nearly seven months to file its Petition and has not moved to stay the litigation. Trial is slated to begin one day after the projected deadline for a final written decision. The district court will likely address the same printed prior art references with respect to the patent that is not challenged before the PTAB, on top of multiple prior art systems and Section 112 challenges that cannot be brought in an IPR. Petitioner's carefully crafted *Sotera* stipulation does not cure any duplication.

That is enough under *Fintiv*, but the Petition suffers from additional problems. Petitioner advances “inconsistent positions, without sufficient reasoning, on overlapping issues between district court and the PTAB.” *Id.* at 4. In the district court, Petitioner contends that five separate claim terms render the challenged claims indefinite. Here, however, it advances plain and ordinary meaning for those terms. Those conflicting positions further support discretionary denial.

On the merits, Petitioner identifies no anticipatory reference and relies on a 150-page expert declaration to supply what the cited art lacks for every obviousness ground. That extensive reliance on expert testimony does not strengthen the Petition; it confirms that the references themselves fail to disclose the claimed limitations and weighs strongly in favor of discretionary denial.

Finally, institution would disadvantage a domestic job creator that depends on strong and predictable patent rights in favor of an internationally focused competitor seeking an end-run around its infringement. This too favors denial under the Director’s guidance.

Taken together, the *Fintiv* factors and Director guidance all weigh strongly in favor of denial.

BACKGROUND

A. ZoomEssence Invents Breakthrough Spray-Drying Technology.

Patent Owner ZoomEssence is a leading technology and flavor company that poured decades of work and tens of millions of dollars into developing transformative technology that significantly advances the art of spray drying. *See, e.g.*, Ex. 2002 (“KY: Governor Beshear Announces ZoomEssence to Create 20 New Jobs in Northern Kentucky” (Oct. 28, 2010)).¹ “Zooming Technology”—pioneered by inventor

¹ *See also* “About Us,” available at <https://www.zoomessence.com/about-us/> (last accessed Sept. 9, 2026).

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Dr. Charles Beetz, ZoomEssence's co-founder and longtime Chief Scientist—transforms liquids into powder at near-ambient temperatures. *See* Ex. 2003 (“Charles P. Beetz: Outstanding Alumni Award 2011” (Purdue University)). This revolutionary advance allows volatile compounds to be dried into potent, shelf-stable powders, making “Zoomed” flavors taste like their naturally occurring analogues.

ZoomEssence's breakthrough has been widely heralded, including by the United States Department of Energy. Ex. 2004 (“Liquids to Powders Without Heat—No Heat Spray Drying Technology” (DOE Dec. 2017)). With the aim of advancing American manufacturing competitiveness, the DOE awarded ZoomEssence a grant from its Advanced Manufacturing Office and selected it for an extraordinary partnership with Lawrence Livermore National Laboratory (“Livermore”) that advanced Zooming Technology with “commercial and ultramodern” computational fluid dynamics methods. Ex. 2005 (“Targeting Energy-Intensive Water Evaporation Processes” (LLNL)). Separately, the National Science Foundation has awarded ZoomEssence a series of Small Business Innovation Research grants, and the Kentucky Cabinet for Economic Development and the Public Service Enterprise Group have awarded grants of their own to ZoomEssence. *See, e.g.*, Ex. 2002 (“[E]conomic development project was approved for funding up to \$175,000 by the Kentucky Economic Development Finance Authority (KEDFA)”).

Patents have enabled ZoomEssence's success and will safeguard its future.

Indeed, ZoomEssence built its commercial business, deployed substantial capital, created scores of well-paying local jobs, and secured industry praise and recognition based on the strength of its patent portfolio. Exs. 2006, 2015. Absent strong and protectable patent rights, ZoomEssence could not overcome the structural disadvantages arising from its status as a relatively new entrant in an industry dominated by larger, established players.

ZoomEssence thus understands that its intellectual property must be actively defended. In a 2012 case that garnered industry attention, ZoomEssence sued industry giant International Flavors & Fragrances, Inc. (“IFF”) for infringing its intellectual property. *See ZoomEssence, Inc. v. Int’l Flavors & Fragrances, Inc.*, Case No. 12-cv-1471 (D.N.J.). The case eventually settled, with IFF paying ZoomEssence \$56 million. *See* Ex. 2007 (“IFF and ZoomEssence Announce Settlement of Lawsuit”).

B. After Receiving Actual Notice, Petitioner’s Subsidiary Conducts Patent Diligence and Attempts to Acquire ZoomEssence.

Petitioner McCormick is a global, publicly traded spice and flavor conglomerate with \$6 billion in annual revenue. Ex. 2008 ¶ 8. Real parties-in-interest FONA were acquired by McCormick in December 2020 for \$710 million and currently do business as McCormick Flavor Solutions—McCormick’s flavor and flavor-technology division. Ex. 2009. For example, navigating to “www.fona.com” currently redirects the user to McCormick’s Flavor Solutions webpage.

The parties have a long history. In 2011, FONA approached ZoomEssence to

learn more about its “zoomessence technology for flavor encapsulation²” and to explore “licensing the technology.” Ex. 2018. They then executed an NDA under which ZoomEssence, across two years, supplied FONA with sensitive trade secret information. Ex. 2008 ¶¶ 100–03. Despite what seemed to be a productive collaboration, the relationship terminated abruptly when, unbeknownst to ZoomEssence, FONA decided to develop its own derivative technology in secret. *Id.* at ¶ 105. That ZoomEssence’s trade secrets form the bedrock of FONA’s technology only came to light recently, as did evidence of McCormick and FONA’s willful patent infringement. *E.g., id.* at ¶¶ 129–41. These revelations prompted the parallel litigation.

Neither Petitioner nor FONA sought AIA review until July 2026, even though ZoomEssence provided FONA with actual notice of the ’776 patent nearly a decade before on July 6, 2017. Ex. 2019. In a responsive letter dated August 14, 2017, FONA’s counsel responded by identifying the same references it asserts in these proceedings as relevant to validity. Ex. 2017. Yet FONA sat on its hands.

Indeed, up until a few months ago, neither McCormick nor FONA pursued any invalidity action before the USPTO concerning the ’776 patent. Instead, they repeatedly identified the patent in Information Disclosure Statements—including in at least one Information Disclosure Statement filed *after* the McCormick acquisition.

² “Flavor encapsulation” is a reference to the process of spray-drying a liquid flavor oil to create an encapsulated flavor powder.

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Exs. 2011 at 2 (IDS, Ser. No. 15/652,486 (July 18, 2017)), 2012 (IDS, Ser. No. 17/552,011 (Dec. 30, 2021)); *see also* Ex. 2013 at (56) (“9,332,776 B1 5/2016 Beetz et al.”); Ex. 2014 at (56) (same).

FONA also sought and received opinions of counsel at least by 2019 concerning its freedom to operate upon learning of the ’776 patent. Ex. 2008 ¶ 112. It also restarted discussions with ZoomEssence about a commercial partnership. Ex. 2020. But rather than seek a license like before, FONA tried to acquire ZoomEssence and its patents outright in 2020: “We believe that an outright acquisition of ZoomEssence by FONA International would be the best approach.” Ex. 2021. Those steps—conducting diligence and then attempting an acquisition—are not the actions of a party that believed ZoomEssence’s patents were invalid.

C. Petitioner Seeks AIA Review Seven Months After It Is Sued.

On December 19, 2025, ZoomEssence sued McCormick and FONA in the United States District Court for the Eastern District of Texas for willfully infringing the ’776 patent and related U.S. Patent No. 9,551,527, and for misappropriating ZoomEssence’s trade secrets. Ex. 2008 ¶¶ 142–205, 206–30. The litigation is rapidly advancing. Defendants filed a motion to dismiss, ZoomEssence amended its complaint, and Defendants partially renewed their motion. ZoomEssence has served its infringement contentions, and Petitioner responded with invalidity contentions relying on numerous printed publications and three different prior art systems.

Specifically, Petitioner identified multiple prior art products and formulations as allegedly invalidating the asserted patents, and “reserv[ed] the right to rely on . . . other products that may become known and/or relevant during the course of” the litigation. Ex. 2010 at 15–16.³ Petitioner also asserts indefiniteness challenges directed to five claim terms—*i.e.*, that those terms are incapable of construction and thus do not have a plain and ordinary meaning. *Id.* at 60–61.

ARGUMENT

Petitioner seeks AIA review:

- a decade after the patent issued;
- nine years after ZoomEssence gave actual notice of the '776 patent;
- after trying but failing to buy ZoomEssence and its patents; and
- after litigating in the district court for seven months.

This IPR is a litigation tactic. If it were permitted to proceed, it would subvert the stability, predictability, and settled expectations that the patent system is designed to protect. This factor alone warrants discretionary denial.

Indeed, IPRs are intended “as an ‘alternative’ to litigation,” not a tool “to gain litigation leverage.” *Magnolia*, IPR2026-00097, Paper 17 at 3. Where institution does not align with the AIA’s objective “to provide an effective and efficient

³ Counsel for Patent Owner has conferred with counsel for Petitioner to ensure it attaches only non-confidential portions of the overall document.

alternative to district court litigation,” it should be denied. *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16–17 (PTAB Sept. 6, 2017) (precedential). Denial is also warranted when, as here, an IPR would be inefficient in view of parallel litigation. *See, e.g., United Microelectronics*, IPR2025-01053, Paper 11 at 2; *Charter Commc’ns, Inc. v. Adaptive Spectrum & Signal Alignment, Inc.*, IPR2025-00087, Paper 14 at 8–16 (PTAB May 5, 2025).

This Petition is designed exclusively to extract litigation leverage. It offers no efficiency gains because it would address a mere subset of the invalidity positions the district court is poised to consider—and only on one of the two asserted patents. It also depends on claim construction positions that are diametrically opposed to those Petitioner advances in the parallel litigation. On the merits, the Petition includes only obviousness challenges and asks the Board to disregard the plain teachings of the cited art in favor of a 150-page expert reinterpretation of the same.

Institution of *inter partes* review is a matter of discretion. *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 273 (2016) (citing 35 U.S.C. § 314); *Apple Inc. v. Squires*, 166 F.4th 1349, 1353 (Fed. Cir. 2026) (“No law compels institution.”); *Mylan Labs. Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1382 (Fed. Cir. 2021) (“[N]o petitioner has a right to such institution.”). In exercising that discretion, the Board and the Director adopt “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review” and consider these

factors:

- (1) whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
- (2) proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
- (3) investment in the parallel proceeding by the court and the parties;
- (4) overlap between issues raised in the petition and in the parallel proceeding;
- (5) whether the petitioner and the defendant in the parallel proceeding are the same party; and
- (6) other circumstances that impact the Board's exercise of discretion, including the merits.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 6 (PTAB Mar. 20, 2020) (precedential). The Director also may consider “[a]ny other considerations bearing on the Director’s discretion,” including the settled expectations of the parties and the extent of the Petition’s reliance on expert testimony. *See* “Interim Processes for PTAB Workload Management” at 2–3 (Acting Director Mar. 26, 2025) (“Interim Processes”). Here, the factors favor denial.

I. THE SETTLED EXPECTATIONS OF THE PARTIES STRONGLY FAVOR DISCRETIONARY DENIAL

This is a quintessential case of settled expectations. The patent has been in force for over ten years, Ex. 1001; the FONA real parties-in-interest received notice more than nine years ago; and all relevant parties—ZoomEssence, FONA, and McCormick alike—have acted in reliance on those settled expectations of validity.

First, the ’776 patent is as old or older than patents routinely found sufficient

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to support settled expectations in other discretionary denial decisions. *See, e.g., Cambridge Industries USA, Inc. v. Applied Optoelectronics, Inc.*, IPR2025-00435, Paper 10 at 2–3 (Director June 26, 2025) (discretionary denial appropriate where claims in force for seven and nine years); *iRhythm Techs., Inc. v. Welch Allyn, Inc.*, IPR2025-00378, Paper 10 at 3 (Director June 6, 2025) (institution denied for claims in force for over 10 years); *Dabico Airport Solutions Inc. v. AXA Power ApS*, IPR2025-00408, Paper 21 at 2 (Director June 18, 2025) (informative) (institution denied for claims in force for eight years); *United Microelectronics*, IPR2025-01053, Paper 11 at 2 (“strong settled expectations” support denial where certain claims were in force for ten years); *Hisense USA Corp. v. VideoLabs, Inc.*, IPR2025-00880, Paper 11 at 2–3 (Director Oct. 10, 2025) (discretionary denial appropriate where certain claims were in force for 11 or 12 years).

Second, FONA received actual notice of the '776 patent over nine years ago and systematically identified the patent in its own pending applications. Ex. 2019; Exs. 2011–14. While “actual notice of a patent or of possible infringement is not necessary to create settled expectations,” *Dabico*, IPR2025-00408, Paper 21 at 3, a petitioner’s “awareness of Patent Owner’s applications and failure to seek early review of the patents favors denial,” *iRhythm Techs., Inc. v. Welch Allyn, Inc.*, IPR2025-00378, Paper 10 at 3 (Director June 6, 2025); *see also NKT Photonics Inc. v. Omni Continuum LLC*, IPR2025-00839, Paper 10 (Director Sept. 4, 2025) (finding

strong settled expectations and denying institution because “Petitioner appears to have had notice of the challenged patent”). Petitioner’s awareness of the ’776 patent, but decision to do nothing except identify it in pending applications, compels the same conclusion here. In fact, Petitioner sat on its rights despite being aware by 2017 of the same references asserted in this IPR. *Compare* Ex. 2017, *with* Petition at 3.

Third, Petitioner took actions outside the context of litigation demonstrating a well-formed belief in the validity of the ’776 patent. FONA sought and received opinions of counsel concerning its freedom to operate upon learning of the patent’s existence, Ex. 2008 ¶ 112, and sent an unsolicited request “to re-connect” with ZoomEssence. Ex. 2020. It then sought to acquire ZoomEssence and its patents “out-right.” Ex. 2021. All of this undercuts Petitioner’s belated, litigation-driven assertions of invalidity. Stated plainly, parties do not seek to acquire patents they believe are invalid.

It is no excuse for Petitioner that this conduct occurred before it acquired the FONA real parties-in-interest. Following the acquisition, McCormick integrated FONA as part of its McCormick Flavor Solutions division. Key FONA personnel continued on at McCormick in senior positions, including Dr. Sobel, head of research and innovation at both companies. *E.g.*, Ex. 2013, 2014 (showing Dr. Sobel is lead inventor on FONA patents); Ex. 2023 (showing Dr. Sobel stayed on at McCormick after the acquisition). And the ’776 patent continued to be cited in

Likewise, that “Patent Owner did not previously assert the challenged patents against Petitioner does not defeat Patent Owner’s settled expectations.” *United Microelectronics*, IPR2025-01053, Paper 11 at 3. ZoomEssence repeatedly sought to collaborate with FONA on commercializing and licensing the patented technology, and the parties discussed ZoomEssence’s IP rights extensively. Further, McCormick and FONA concealed their infringement, such that suit became possible only after recent revelations.

II. THIS IPR WOULD DUPLICATE, RATHER THAN SIMPLIFY, PROCEEDINGS

The *Fintiv* factors, which primarily concern efficiency and the avoidance of duplication, weigh heavily in favor of discretionary denial. Their application demonstrates that this IPR is being used “to gain litigation leverage,” not “as an ‘alternative’ to litigation” as Congress intended. *Magnolia*, Paper 17 at 3.

The district court has not granted a stay, and there is no evidence one will be granted. Petitioner has not moved for a stay in the district court and a stay would be exceedingly unlikely even if it did. The parallel litigation involves a second patent, which has not been challenged before the Patent Office, as well as claims for trade secret misappropriation. In the Eastern District of Texas, it is the Court’s consistent and long established practice to deny motions to stay” when only some asserted claims are subject to IPR “because at least one or more originally asserted

claims will be unaffected by the outcome of those parallel proceedings and left intact before this Court to be tried.” *AGIS Software Development LLC v. Google LLC*, No. 2:19-CV-00361-JRG, 2021 WL 465424, at *2 (E.D. Tex. Feb. 9, 2021).

The trial date is days away from the projected statutory deadline for a final written decision. The Board's final written decision deadline and the district court's anticipated trial are likely only days apart from each other. A final written decision here would issue around January 9, 2028 (i.e., July 9, 2026 + 18 months). The trial is scheduled to begin in Marshall, Texas a day later, on January 10, 2028. Ex. 2016 at 1. Given the complete overlap of these schedules, institution would require the Board, the district court, and the parties to invest significant and duplicative resources in parallel validity proceedings.

The district court and the parties have invested and will continue to invest in the parallel proceedings. The parties have already invested significant time and effort in the district court, including on infringement and invalidity contentions, motions to dismiss, and discovery motions—not to mention on discovery itself. As the litigation includes a trade secret claim and another unchallenged patent, those investments will continue regardless of what happens before the Board.

Any overlap in issues between this proceeding and the parallel litigation will not lead to efficiencies. The continued litigation that will be necessary to resolve the unchallenged patent and trade secret claims in the parallel litigation also

creates the further risk of inconsistent rulings (*e.g.*, at *Markman*, summary judgment, or trial) between the district court and the Board on issues related to the '776 patent or on any issues that may be common to the second, unchallenged patent. This provides an additional reason for denial. *See United Microelectronics*, IPR2025-01053, Paper 11 at 2 (noting “a risk of inconsistent decisions” supports denial).

Moreover, there will be significant issues left to be litigated with respect to the '776 patent itself. Petitioner challenges the validity of the '776 patent in the district court proceedings using many of the same prior art references relied on in its Petition. *See* Ex. 2010 at 20 (“Subramaniam,” “Baranauskiene”), 21 (“Watanabe”). In addition, Petitioner has indicated its intent to rely on alleged prior art systems and assert numerous Section 112 challenges. *Id.* at 15, 60–61. As a result, Patent Owner will be required to engage in expensive litigation about the validity of the '776 patent in district court. Forcing the Patent Owner to defend validity on two fronts would be unfair and burdensome. *See United Microelectronics*, IPR2025-01053, Paper 11 at 2 (recognizing the “significant duplication of effort” and “additional expense for the parties” caused by parallel proceedings). As *Magnolia* confirms, the overlapping system art indicates that the IPR would expand, rather than narrow, the parties' validity dispute. Paper 17 at 3.

Petitioner's carefully crafted *Sotera* stipulation does little to avoid the redundancy and expense of litigating invalidity in the district court and the PTAB

simultaneously. Petitioner cabins its stipulation to “the specific grounds asserted in the *inter partes* review in this proceeding, and any other ground that could have been reasonably raised . . . on the basis of prior art patents or printed publications.” Ex. 1044 at 1. Petitioner’s attempt to expand the breadth of its *Sotera* stipulation by agreeing “not [to] pursue in District Court litigation combinations of the prior art asserted in this proceeding with unpublished system prior art (or any other type of prior art)” is largely illusory. Its stipulation does nothing to prevent it from relying on the identified system art in the underlying litigation—even if that system art were otherwise reflected in printed publications that could have been raised in these proceedings. Therefore, at a minimum, Patent Owner will be forced to defend the validity of the ’776 patent against this unpublished system art. Further, Petitioner’s *Sotera* stipulation avoids stating that it applies to the other, unchallenged, patent in the parallel litigation, leaving Petitioner free to repackage its IPR invalidity arguments in the context of that patent. There are no efficiencies to be gained by forcing Patent Owner to defend the validity of the ’776 patent here.

McCormick and the other real parties-in-interest are defendants in the parallel litigation. McCormick is both the Petitioner and a defendant in the parallel litigation. The real parties-in-interest, FONA Technologies, LLC and FONA International, LLC, are also defendants. Paper 2 at 84. The district court can therefore adjudicate the rights of all impacted parties in a single proceeding.

III. PETITIONER’S CLAIM CONSTRUCTION POSITIONS ARE INCONSISTENT AND UNEXPLAINED

Petitioner flouts the Director’s clear admonition against taking inconsistent claim construction positions without a reasoned basis. *See Revvo Techs., Inc. v. Cerebrum Sensor Techs., Inc.*, IPR2025-00632, Paper 20 (Director Nov. 3, 2025) (precedential). In its invalidity contentions in the district court, Petitioner identifies five claim terms it contends are indefinite under 35 U.S.C. § 112 for “fail[ing] to inform those skilled in the art with reasonable certainty about the scope of the claimed inventions.” Ex. 2010 at 60–61. In its Petition, however, it asserts only that the terms should be afforded their “ordinary and customary meaning.” Petition at 3.

When, as here, “a petitioner advances different positions before the Board and a district court, that petitioner is *required* to explain why those different positions are warranted.” *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00340, Paper 18 at 3 (Director Nov. 5, 2025) (informative) (emphasis in original). Petitioner’s failure to provide the required explanation “detracts from[] the Office’s goal of ‘providing greater predictability and certainty in the patent system.’” *Id.* at 3–4 (quoting *Revvo Techs.*, Paper 20 at 4–5).

This too supports discretionary denial. *Tesla*, Paper 18 at 3–4 (informative); *see also Infineon Technologies Americas Corp. v. MOSAID Technologies Inc.*, IPR2025-01171, Paper 27 at 2–4 (Director Feb. 19, 2026) (denying institution for “fail[ing] to adequately explain why it is proposing different claim constructions

before the Board and the district court”); *Terumo BCT, Inc. v. Haemonetics Corp.*, IPR2025-01374, Paper 20 at 2–5 (Director May 12, 2026) (informative) (denying institution on same grounds); *Ford Motor Co. v. AutoConnect Holdings LLC*, IPR2025-01342, Paper 27 at 2–4 (Director May 12, 2026) (informative) (same).

IV. PETITIONER’S HEAVY RELIANCE ON EXPERT TESTIMONY TO FILL ANALYTICAL GAPS WEIGHS IN FAVOR OF DENIAL

“[T]he extent of the petition’s reliance on expert testimony” also sharply cuts against institution. Interim Processes at 2. Each of Petitioner’s grounds for institution is based on obviousness, and each relies heavily on the 150-page declaration of Petitioner’s expert, Dr. Miller. In Ground 1, Petitioner uses its expert to convert the prior art’s peak area measurements into weight percent (making numerous assumptions in the process). Ex. 1003 at ¶¶ 107–22. In Ground 2, Dr. Miller attempts to correlate light absorption measurements to weight percent, and then tries to extrapolate measurements at four weeks (672 hours) to 1,000 hours (almost six weeks). *Id.* at ¶¶ 159–88. And in Ground 3, he tries to correlate “flavor” in a mix of ingredients to weight of the claimed powder, and to perform the same type of extrapolation as in Ground 2. *Id.* at ¶¶ 222–27. This is not an instance where an expert provides only background knowledge of the art,⁴ but rather a tacit acknowledgment that extensive

⁴ *Compare iRhythm Technologies, Inc. v. Welch Allyn, Inc.*, IPR2025-00378, Paper 10 at 2–3 (Acting Dir. June 6, 2025) (noting expert was not “fill[ing] gaps in the prior art” but merely providing “background knowledge”).

expert testimony is required to bridge the factual and analytical gap between the references themselves and Petitioner's obviousness arguments.

This highlights the substantive weakness of Petitioner's arguments. The references do not themselves disclose the claimed weight percentages or 1,000-hour aging requirement; those propositions arise only after Dr. Miller's conversions, correlations, assumptions, and extrapolations. The Petition therefore depends on contestable expert methodology, not merely expert explanation of teachings already present in the printed publications. These disputes will require factual development and meaningful testing through discovery and cross-examination in the parallel litigation. Instituting a second proceeding whose asserted grounds reach the challenged limitations only through layers of expert inference would neither simplify the parties' dispute nor provide an efficient alternative to district court adjudication.

V. DENYING INSTITUTION WOULD FURTHER THE PURPOSES OF THE PATENT SYSTEM BY PROTECTING INVESTMENTS IN DOMESTIC JOBS AND INFRASTRUCTURE

The Director considers the extent to which the Patent Owner's or accused infringer's products are manufactured in the United States, with an eye toward "appropriately weigh[ing] the interests of entities that invest in domestic production." "Additional Discretionary Institution Considerations – U.S. Manufacturing and Small Business Use of AIA Proceedings" at 1–3 (Director Mar. 11, 2026). Patent Owner manufactures its spray-dried powders exclusively in the United States in its

Hebron, Kentucky facility. By contrast, McCormick's public filings show significant investment in manufacturing capacity outside of the United States. In its 2025 Form 10-K, McCormick lists FONA as a subsidiary and identifies its Flavor Solutions products as being manufactured in 26 worldwide plants, only 11 of which are domestic. Ex. 2022 at 21, 102. This contrast reinforces denial because ZoomEssence has invested—and continues to invest—in domestic jobs and domestic infrastructure in reliance on its patents.

CONCLUSION

Considering Patent Owner's strong settled expectations, the duplicative parallel litigation, and the additional circumstances discussed above, Patent Owner respectfully requests that the Director exercise his discretion to deny institution.

Patent Owner's Brief Requesting Discretionary Denial
U.S. Pat. No. 9,332,776

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on September 9, 2026, I caused a copy of the foregoing Patent Owner's Discretionary Denial Brief to be served on the Petitioner of the subject patent as follows:

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