

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MCCORMICK & COMPANY, INC.
Petitioner,

v.

ZOOMESSENCE, INC.
Patent Owner.

IPR2026-00416
Patent 9,332,776

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

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LIST OF EXHIBITS

- EX-1001 U.S. Patent No. 9,332,776 B1 to Beetz et al., “Methods and Apparatus for Low Heat Spray Drying,” issued May 10, 2016 (“776Patent”).
- EX-1002 Prosecution History of U.S. Patent No. 9,332,776 B1 (“Prosecution History”).
- EX-1003 Declaration of Dr. Dave A. Miller, Ph.D (“Miller Declaration”).
- EX-1004 Subramaniam et al., European Patent No. EP 1,435,797 B1, “Spray-Dried Compositions and Method for Their Preparation,” granted Aug. 22, 2007 (“Subramaniam”).
- EX-1005 Renata Baranauskienė, Eglė Bylaitė, Jūratė Žukauskaitė & Rimantas P. Venskutonis, “Flavor Retention of Peppermint (*Mentha piperita* L.) Essential Oil Spray-Dried in Modified Starches during Encapsulation and Storage,” 55 J. Agric. Food Chem. 3027–3036 (2007) (“Baranauskiene”).
- EX-1006 Watanabe et al., U.S. Patent Application Publication No. US 2004/0228959 A1, “Edible Powder Material Having Excellent Shelf Stability,” published Nov. 18, 2004 (“Watanabe”).
- EX-1007 R.P. Singh, *Scientific Principles of Shelf Life Evaluation, in Shelf Life Evaluation of Foods 3* (C.M.D. Man & A.A. Jones eds., 1st ed. 1994) (“Singh”).
- EX-1008 ICH Harmonised Tripartite Guideline, Stability Testing of New Drug Substances and Products, Q1A(R2), Step 4 version (Feb. 6, 2003) (“ICH Q1A(R2)”).
- EX-1009 U.S. Food & Drug Admin., Guidance for Industry: Q1A(R2) Stability Testing of New Drug Substances and Products (Nov. 2003) (“FDA Q1A(R2)”).
- EX-1010 Hagemann et al., U.S. Patent No. 4,663,068, “Bleach-Stable Deodorant Perfumes in Detergent Powders,” issued May 5, 1987 (“Hagemann”).

- EX-1011 RESERVED
- EX-1012 Aurélie Bechoff, Claudie Dhuique-Mayer, Manuel Dornier, Keith I. Tomlins, Renaud Boulanger, Dominique Dufour & Andrew Westby, “Relationship between the kinetics of β -carotene degradation and formation of norisoprenoids in the storage of dried sweet potato chips,” 121 Food Chemistry 348–357 (2010) (“Bechoff”).
- EX-1013 Theodore P. Labuza, Shelf-Life Dating of Foods (Food & Nutrition Press, Westport, Conn. 1982) (“Labuza”).
- EX-1014 Manuel Jesús Palma Astudillo, “Extraction of Capsanthin from Paprika Flakes (*Capsicum annuum* L.) and Stabilization by Microencapsulation” (M.S. thesis, Univ. of Chile, Mar. 2013) + certificate of translation (“Palma”).
- EX-1015 Jennings, U.S. Patent No. 5,723,424, “Concrete Cleaning Mixture,” issued Mar. 3, 1998 (“Jennings”).
- EX-1016 EMEA/HMPC, Community Herbal Monograph on *Mentha × piperita* L., aetheroleum, Doc. Ref. EMEA/HMPC/349466/2006 (Final, Oct. 31, 2007) (“EMA Monograph”).
- EX-1017 “Aetheroleum Menthae Piperitae,” in WHO Monographs on Selected Medicinal Plants, Vol. 2, at 188 (World Health Organization, Geneva 2002) (“WHO Monograph”).
- EX-1018 József Deli, Péter Molnár, Zoltán Matus & Gyula Tóth, “Carotenoid Composition in the Fruits of Red Paprika (*Capsicum annuum* var. *lycopersiciforme rubrum*) during Ripening; Biosynthesis of Carotenoids in Red Paprika,” 49 J. Agric. Food Chem. 1517–1523 (2001) (“Deli”).
- EX-1019 Ayhan Topuz & Feramuz Özdemir, “Assessment of carotenoids, capsaicinoids and ascorbic acid composition of some selected pepper cultivars (*Capsicum annuum* L.) grown in Turkey,” 20 J. Food Composition & Analysis 596–602 (2007) (“Topuz 2007”).
- EX-1020 H.-G. Grigoleit & P. Grigoleit, “Pharmacology and preclinical pharmacokinetics of peppermint oil,” 12 Phytomedicine 612–616 (2005) (“Grigoleit”).

- EX-1021 Dámaso Hornero-Méndez & M. Isabel Mínguez-Mosquera, “Rapid Spectrophotometric Determination of Red and Yellow Isochromic Carotenoid Fractions in Paprika and Red Pepper Oleoresins,” 49 J. Agric. Food Chem. 3584–3588 (2001) (“Hornero-Méndez”).
- EX-1022 G. Britton, S. Liaaen-Jensen & H. Pfander (eds.), Carotenoids, Volume 1B: Spectroscopy (Birkhäuser Verlag 1995) (“Britton”).
- EX-1023 Manuel Jarén-Galán & M. Isabel Mínguez-Mosquera, “Quantitative and Qualitative Changes Associated with Heat Treatments in the Carotenoid Content of Paprika Oleoresins,” 47 J. Agric. Food Chem. 4379–4383 (1999) (“Jarén-Galán”).
- EX-1024 Antonio Pérez-Gálvez & M. Isabel Mínguez-Mosquera, “Structure-Reactivity Relationship in the Oxidation of Carotenoid Pigments of the Pepper (*Capsicum annuum* L.),” 49 J. Agric. Food Chem. 4864–4869 (2001) (“Pérez-Gálvez 2001”).
- EX-1025 Antonio Pérez-Gálvez & M. Isabel Mínguez-Mosquera, “Degradation of non-esterified and esterified xanthophylls by free radicals,” 1569 Biochimica et Biophysica Acta 31–34 (2002) (“Pérez-Gálvez 2002”).
- EX-1026 Ayhan Topuz & Feramuz Özdemir, “Influences of γ -Irradiation and Storage on the Carotenoids of Sun-Dried and Dehydrated Paprika,” 51 J. Agric. Food Chem. 4972–4977 (2003) (“Topuz 2003”).
- EX-1027 Ayhan Topuz, “A novel approach for color degradation kinetics of paprika as a function of water activity,” 41 LWT – Food Science and Technology 1672–1677 (2008) (“Topuz 2008”).
- EX-1028 J.H. Shin, H.L. Chung, J.K. Seo, J.H. Sim, C.S. Huh, S.K. Kim & Y.J. Baek, “Degradation Kinetics of Capsanthin in Paprika (*Capsicum annuum* L.) as Affected by Heating,” 66 J. Food Sci. 15–19 (2001) (“Shin”).
- EX-1029 M. Isabel Mínguez-Mosquera & Manuel Jarén-Galán, “Kinetics of the Decolouring of Carotenoid Pigments,” 67 J. Sci. Food & Agric. 153–161 (1995) (“Mínguez-Mosquera”).

- EX-1030 Antonio Pérez-Gálvez, José J. Rios & María Isabel Mínguez-Mosquera, “Thermal Degradation Products Formed from Carotenoids during a Heat-Induced Degradation Process of Paprika Oleoresins (*Capsicum annuum* L.),” 53 J. Agric. Food Chem. 4820–4826 (2005) (“Pérez-Gálvez 2005”).
- EX-1031 José J. Rios, Elisabet Fernández-García, María Isabel Mínguez-Mosquera & Antonio Pérez-Gálvez, “Description of volatile compounds generated by the degradation of carotenoids in paprika, tomato and marigold oleoresins,” 106 Food Chemistry 1145–1153 (2008) (“Ríos”).
- EX-1032 David Pybus & Charles Sell (eds.), *The Chemistry of Fragrances* (Royal Society of Chemistry 1999) (“Pybus”).
- EX-1033 “Paprika Extract,” in *Compendium of Food Additive Specifications*, FAO JECFA Monographs 5, at 51 (69th meeting, Rome 2008) (“JECFA Monograph”).
- EX-1034 Richard Cantrill, “Paprika Extract: Chemical and Technical Assessment (CTA),” prepared for the 69th JECFA (2008) (“JECFA CTA”).
- EX-1035 James T. Scanlon & Donald E. Willis, “Calculation of Flame Ionization Detector Relative Response Factors Using the Effective Carbon Number Concept,” 23 J. Chromatogr. Sci. 333–340 (1985) (“Scanlon & Willis”).
- EX-1036 Thomas E. Furia & Nicolò Bellanca (eds.), *Fenaroli’s Handbook of Flavor Ingredients*, Vol. II (2d ed., CRC Press 1975) (“Fenaroli’s”).
- EX-1037 ACS Record (American Chemical Society Publications Record for Baranauskiene et al., 55 J. Agric. Food Chem. 3027 (2007), DOI 10.1021/jf062508c (published online Mar. 24, 2007; published in issue Apr. 1, 2007), available at <https://pubs.acs.org/doi/10.1021/jf062508c>)
- EX-1038 PubMed Record (U.S. National Library of Medicine, MEDLINE/PubMed Record for Baranauskiene et al. (PMID 17381102), available at <https://pubmed.ncbi.nlm.nih.gov/17381102/>)

- EX-1039 Food & Agriculture Organization of the United Nations, Document Repository Record for Compendium of Food Additive Specifications, FAO JECFA Monographs 5 (Rome 2008), FAO Doc. No. i0345e, available at <https://www.fao.org/4/i0345e/i0345e00.htm> (“FAO Repository Record”)
- EX-1040 Food & Agriculture Organization of the United Nations, JECFA Online Database of Food Additive Specifications, available at <https://www.fao.org/food/food-safety-quality/scientific-advice/jecfa/jecfa-additives/en/> (“JECFA Database”)
- EX-1041 Baranauskiene Cited-By Bibliography (bibliography of select publications citing Baranauskiene et al., 55 J. Agric. Food Chem. 3027 (2007))
- EX-1042 Baranauskiene Cited-By Bibliography on Google Scholar (bibliography of publications citing Baranauskiene et al., 55 J. Agric. Food Chem. 3027 (2007) (available at https://scholar.google.com/scholar?cites=12531058245374932528&as_sdt=5,33&scioldt=0,33&hl=en))
- EX-1043 FAO guidelines on the structure and content of the document called “Chemical and Technical Assessment (CTA)” (available at https://www.fao.org/fileadmin/templates/agns/pdf/jecfa/2003-02-24_CTA.pdf)
- EX-1044 Stipulation Letter
- EX-1045 November 17, 2017 Letter from ZE Counsel to FONA Counsel
- EX-1046 December 5, 2017 Letter from FONA Counsel to ZE Counsel
- EX-1047 March-June 2020 Emails between FONA and ZE
- EX-1048 Plaintiff’s Opp. to Defendants’ Mot. to Transfer, ECF No. 80, *ZoomEssence, Inc. v. McCormick & Co.*, No. 2:25-cv-01240-JRG (E.D. Tex. Sept. 16, 2026)
- EX-1049 U.S. Patent No. 8,939,388 to Beetz et al.

- EX-1050 Final Written Decision, *Int'l Flavors & Fragrances Inc. v. ZoomEssence, Inc.*, IPR2015-01418, Paper 24 (P.T.A.B. Dec. 14, 2016)
- EX-1051 Entry of Judgment Without Opinion (Rule 36), *ZoomEssence, Inc. v. Matal*, No. 17-1581, ECF No. 40-1 (Fed. Cir. Jan. 16, 2018)
- EX-1052 July 1, 2026 Email from McCormick counsel to ZE Counsel re Rule 11
- EX-1053 Defendants' Renewed Mot. to Dismiss Count III, ECF No. 37, *ZoomEssence, Inc. v. McCormick & Co.*, No. 2:25-cv-01240-JRG (E.D. Tex. Apr. 6, 2026)
- EX-1054 Memorandum from John A. Squires, Director, USPTO, Additional Discretionary Institution Considerations – U.S. Manufacturing and Small Business Use of AIA Proceedings (Mar. 11, 2026)
- EX-1055 RESERVED
- EX-1056 Defendants' Mot. to Transfer, ECF No. 33, *ZoomEssence, Inc. v. McCormick & Co.*, No. 2:25-cv-01240-JRG (E.D. Tex. Mar. 23, 2026)
- EX-1057 Google Patents search results for “assignee:(McCormick & Company, Incorporated) country:US status:GRANT,” (last visited Oct. 8, 2026)

The “central purpose of IPRs is to determine whether the patent at issue may have been improvidently granted and whether and to what extent that right should continue to be recognized.” *Magnolia Med. v. Kurin*, IPR2026-00097, Ppr. 17, 7 (precedential). That purpose is served here.

The examiner materially erred during prosecution. The challenged claims recite spray-dried powders, yet the examiner allowed them without comparison to *any* prior art spray-dried powder. The only art he applied was a concrete-cleaning mixture, which he acknowledged lacks the claimed retention, and he applied no art to the stability claims. The Petition shows that three references describing such powders disclose or render obvious every challenged claim. Further, the file history shows that the examiner incorrectly viewed the claims through the lens of a related patent’s no-heat methods, explaining the misapplication of the art.

Settled expectations also weigh against denial. ZoomEssence (“ZE”) has known of two of the Petition’s references since 2017, when FONA sent both to ZE, explained how these disclose the claims, and asked ZE to explain what the references lacked. ZE did not answer (and omits these facts). Instead, ZE waited eight years to sue—after McCormick (“McK”) acquired FONA.

Beyond error and expectations, discretionary denial turns on “a holistic assessment of all of the evidence and arguments presented,” not any one factor. *Padagis v. Neurelis*, IPR2025-00464, Ppr. 12, 4 (informative). *Apple v. Fintiv*,

IPR2020-00019, Ppr. 11, 6, 14 (precedential). The record shows that these balanced considerations weigh against denial and review is a good use of Office resources.

I. ZE Can Have No Settled Expectations of Validity for a Patent It Knew Was Invalid Over Art that FONA Provided to ZE Nearly a Decade Ago

ZE claims that “all relevant parties” have relied on “settled expectations of [the ’776 patent’s] validity.” Br. 10. The record shows otherwise. Settled expectations are those “of the parties,” and turn on their conduct, not only the patent’s age. Mem., Interim Processes for PTAB Workload Mgmt., 2 (Mar. 26, 2025) (“Int. Proc.”); *Magnolia*, Ppr. 17, 8. A patent owner’s “own actions, or lack thereof, cut against any settled expectations.” *Ford v. AutoConnect*, IPR2025-01342, Ppr. 10, 3, *vacated on other grounds*, Ppr. 27 (informative).

A. In prior dealings, ZE met with silence FONA’s diligent handling of the ’776 patent and its invalidity assertions

On July 6, 2017, ZE wrote FONA about a FONA international application related to spray drying, identified the ’388 patent and two related patents (’776, a CIP of ’388, and the ’527, a child of the ’776), and asked FONA to confirm that its activities did not conflict with those patents or use information provided under a 2011 NDA. EX-2019, 1–2. On August 14, 2017, FONA responded in detail, reporting that it had found no misuse of ZE’s information and had not used the patents’ low heat process. EX-2017, 1–2. FONA explained that the ’776 claims must be construed to include the ’388 slurry and heat limitations to be valid (*see* §II.A), but if

ZE instead believes they cover any spray-dried powder regardless of slurry or drying temperature, “then the ’776 patent claims would read on the prior art.” *Id.*, 2.

FONA identified two prior-art references. *Id.*, 2–3. For the retention claims (1–9), it cited Baranauskiene’s Table 2, which “clearly satisfies the ‘about 5%’ limitation recited in claim 1.” *Id.*, 2. For the stability claims (10–19), it cited Watanabe’s Example 5 powder, which retained 97.5% of paprika pigment after 4 weeks at 50°C. *Id.*, 3. FONA also obtained an FTO. *See* EX-2008 ¶ 112; Br. 7.

On November 17, 2017, ZE replied—without explanation—that Baranauskiene and Watanabe “do not raise any issues of validity or enforceability” of the ’776 claims, and that it “will actively pursue litigation to abate any infringement.” EX-1045. On December 5, 2017, FONA raised that ZE had not provided any basis for its position, asked what claim elements ZE deemed missing, and offered a call to discuss them. EX-1046. *ZE’s brief omits both these letters.*

ZE never responded or identified any claim element missing from Baranauskiene or Watanabe. FONA reasonably believed the issue was settled. So in October 2018, when Jeremy Thompson (who had just joined FONA) contacted ZE, he sought to “re-connect.” EX-2020. The parties signed a new NDA in 2019 and exchanged and evaluated samples. EX-2008 ¶ 114; EX-2021.

On March 17, 2020, FONA proposed acquiring ZE and asked for limited financial information to develop a non-binding offer. EX-2021. ZE refused, insisting

its “core” value was not in its financials, but rather in its “intellectual property.” EX-1047, 2. FONA, which had previously shown that the ’776 patent claims were invalid, replied that “the true value is most easily discerned ... from the cash flow a business has generated on the technology historically,” and that it needed financials to assess commercialization. *Id.*, 1. Without that data, FONA could not value ZE’s technology, and on June 10, 2020, FONA ended the discussions. *Id.* ZE omitted these later emails from its brief. Late that year, McK acquired FONA.

On December 19, 2025, eight years after FONA’s 2017 letters and five years after McK acquired FONA, ZE sued McK and FONA in the Eastern District of Texas (the “Litigation”). Pet. 84. Its amended complaint asserts the ’776 and ’527 patents and a trade secret claim. EX-2008. ZE accuses only McK of infringement, not FONA (who makes the accused TrueTaste product). *Id.*, 45, 57; EX-1056, 8.

B. If imputed to McK, FONA’s expectations outweigh ZE’s

McK (Petitioner) and FONA are separate entities, which ZE leverages in the Litigation. EX-1048, 10 (relying on distinction between FONA and McK, and McK as the “lone Defendant” on patent claims, to oppose venue transfer). Before the Litigation, McK’s only exposure to the ’776 patent was the 2020 acquisition of a subsidiary (FONA) who had told ZE years earlier that the patent was invalid, after which ZE went silent and never responded to these assertions.

In 2017, FONA identified Baranauskiene and Watanabe and explained where

each discloses the retention and stability limitations. EX-2017, 2–3. ZE then continued to work with FONA for the next three years without discussing the patents that FONA had informed ZE were invalid.

On these facts, it was reasonable for FONA to expect—over the 8 years between the 2017 letters and ZE’s suit—that the ’776 claims were invalid over that art and that ZE would not assert them. Such expectations can outweigh a patent owner’s when they rest on the parties’ own conduct, even for a patent in force for many years. *See Ford*, Ppr. 10, 3 (9 years); *Apple v. Allani*, IPR2025-00856, Ppr. 11, 3 (13 years); *cf. Home Depot v. H2 Intellect*, IPR2025-00480, Ppr. 11, 2–3 (informative) (12 years). A patent owner that: is shown specific prior art; told how that art renders patent claims invalid; cannot identify what it lacks; and does not answer a request for its reasons cannot credibly argue that it developed settled expectations of validity. If anything, this record shows settled expectations of the ’776 patent’s invalidity.

To be clear, Petitioner does not argue that ZE lost its expectations simply by waiting to sue. *Cf. United Microelecs. v. Advanced Integrated*, IPR2025-01053, Ppr. 11, 3. ZE did more than wait: it threatened suit and, when asked to explain its validity position against the backdrop of clear invalidity contentions, went silent. The parties then resumed business discussions that lasted into 2020. §I.A. ZE sued only after McK, a large American company, acquired FONA (EX-2009, 1); even then, ZE did not accuse FONA of infringement. EX-2008, 45, 57. On this record, FONA’s

expectations outweigh any that ZE built on its own silence.

C. FONA did not sit on its rights

ZE claims that Petitioner “sat on its rights” after learning of the ’776 patent in 2017. Br. 12.¹ The opposite is true. Within six weeks of ZE’s notice letter, FONA investigated and stated its invalidity position in detail, and later sought ZE’s reasoning and offered a call. EX-2017; EX-1045, -1046. ZE sat on its rights by offering no rebuttal to FONA’s art and contentions. §I.A. None of the cases ZE cites (Br. 11–13) involved a petitioner that told the patent owner, years before suit, that specific prior art invalidated the claims, asked for an explanation, and heard nothing back.

D. FONA’s conduct shows a belief in invalidity, not validity

ZE claims that FONA’s FTO, its 2018 outreach, and its 2020 acquisition proposal show “a well-formed belief in the validity of the ’776 patent.” Br. 12. They do not. *First*, seeking an opinion of counsel following a patent notice is prudent and routine. FONA’s position has not changed: the ’776 claims are invalid over the identified art. EX-2017, 2. *Second*, FONA proposed acquiring ZE, not licensing its patents; talks ended when ZE would not provide financials and insisted its value lay in its intellectual property (IP), which FONA had already identified as invalid or not

¹ Again, McK was not involved or related to FONA in 2017. ZE never raised any patents with McK before filing the Litigation.

used by FONA. §I.A. FONA's unanswered invalidity claims and the Federal Circuit's affirmance of the '388 patent's claim cancellation confirm the limited value of ZE's IP. *Finally*, FONA's citation of the '776 patent in its own applications does not show reliance on validity; FONA had a duty to disclose known prior art, and an issued patent is prior art regardless of its invalidity. Br. 6–7, 13; 37 C.F.R. § 1.56.

E. Review is an appropriate use of office resources

Importantly, settled expectations are weighed against all relevant considerations. *See* Int. Proc., 2. In many cases ZE cites where settled expectations favored denial, petitioners gave no persuasive reason why review was “an appropriate use of Office resources.” *Dabico v. AXA Pwr.*, IPR2025-00408, Ppr. 21, 3 (informative); *see NKT Photo. v. Omni*, IPR2025-00839, Ppr. 10, 2; *United Microelecs.*, Ppr. 11, 2. Not so here, where the '776 claims issued through material examiner error. §II; *see Magnolia*, Ppr. 17, 8.

II. Material Error During Prosecution Favors Maintaining This IPR

A substantial showing of examiner error “can overcome other factors that suggest discretionary denial,” including a patent's age. *Magnolia*, Ppr. 17, 8. Such is the case here, where the examiner never compared the claims to a spray-dried powder, applied art unrelated to spray drying, judged the claims by the '388 patent's no-heat method that the claims don't recite, and searched the wrong art. But for those errors, he would have reached the Petition's references: one already in the record, and two

his search should have found.

A. '776 patent's prosecution

As ZE acknowledges, spray drying “has existed since the late 1800’s.” EX-1001, 1:33. ZE claims to have invented spray drying with little or no heat. *See* Br. 3–5. ZE’s ’388 patent (the ’776’s parent) is titled “Methods and Apparatus for Low Heat Spray Drying.” EX-1049, face. The ’776, a CIP of the ’388 patent, has the same title and the same examiner. EX-1001; EX-1002, 60.

While every ’388 claim requires a slurry viscosity of 500 to 16,000 mPa-s and low or no heat, these features are absent from the ’776 claims. The ’776 claims are in two groups: 1–9 recite a retention limitation measured after drying; 10–19 recite a stability limitation measured after aging at elevated temperature. EX-1001, cls. 1, 10 (claim 20 covers fiber, and is not addressed in the Petition or Litigation). While these limitations appear in ’388 claims 20–27, the ’776 claims omit “formed by the method of claim 2” and any other process (i.e., temperature or viscosity). *Compare* EX-1001, cls. 1, 10, *with* EX-1049, cls. 1, 2, 20–27.

During the ’776 patent’s prosecution, the ’388 patent went through an IPR. EX-1050, 1–2; Pet. 84. All challenged claims were cancelled (*id.*, 1–2, 36), which the Federal Circuit affirmed. EX-1051. ZE did not disclose the ’388 IPR during the ’776 prosecution, but it did file five IDSs, citing 294 references, including Subramaniam. EX-1002, 67–82, 84–106, 108–13; *id.*, 61, 102. On February 9, 2016, the

examiner: (1) signed all five IDSs, stating “all references considered except where lined through” (none is) (EX-1002, 72, 80, 90, 104, 111); (2) filed a Notice of References Cited listing only the ’388 patent and U.S. Patent No. 5,723,424 to Jennings (*id.*, 66); and (3) filed search notes listing four CPC groups for medical, dental, or toiletry preparations and two U.S. subclasses (424/439, 456), with no search terms or NPL search. *Id.*, 83. The only later entry says, “search updated” and lists no new classes, search terms, or references. *Id.*, 25.

The examiner then issued the only Office Action. EX-1002, 60–65. *First*, he rejected claims 1–9 as obvious over Jennings, a “Concrete Cleaning Mixture” of clay and cat litter, and applied no art to claims 10–20. *Id.*, 62–65. *Second*, he rejected all twenty claims for nonstatutory double patenting over the ’388 patent, stating “the product is disclosed as being made by the methods of ’388.” *Id.*, 64 (¶ 6). ZE traversed the Jennings rejection without amendment, explaining Jennings “lacks disclosure of any ‘spray dried powder,’” and filed a terminal disclaimer over the ’388 patent. *Id.*, 30–31, 38, 42, 46–47; Pet. 4–5. The examiner subsequently allowed all claims without a reason for allowance or citing another reference. EX-1002, 20, 24.

B. The examiner never tested the claims against spray-dried powder

As shown in §II.A, the examiner applied no art to claims 10–20 and rejected claims 1–9 only over Jennings, which, as ZE explained, “lacks disclosure of any ‘spray dried powder.’” Even that rejection acknowledged that Jennings does not

disclose the retention limitation of claims 1–9, yet further misread the claimed “initial” and “final” limitations as two ingredients of a mixture (rather than the claimed comparison of a molecular type’s weight percentage in the final active ingredient against the initial). EX-1001, cl. 1; EX-1002, 43, 47, 62–63 (§ 4); *see Yealink v. Barco*, IPR2025-00491, Ppr. 18, 2–3. Yet the examiner allowed all claims without applying any spray-drying reference or stating a reason for allowance. EX-1002, 20, 24.

C. The examiner judged the ’776 claims by an incorrect standard

The examiner’s only statement of how the claimed powders are made is his double-patenting rejection: the claims are not patentably distinct from the ’388 claims “because the product is disclosed as being made by the methods of ’388.” EX-1002, 64 (§ 6). But every ’388 claim requires low or no heat and a defined viscosity, while the ’776 claims omit the method, temperature, and viscosity. §II.A. The examiner thus treated product claims that reach any spray-dried powder with the recited retention and stability as though they were confined to ZE’s no-heat process—a process the ’388 patent defines against conventional spray drying at 180–200° C. EX-1049, 1:38–40, cl. 2. On that mistaken premise, powders made by conventional heated spray drying would appear to have no bearing on the claims. However, the product claims at issue here had to be tested against conventionally spray-dried powders, like those disclosed in the Petition’s references. They never were.

D. The examiner's search was aimed at the wrong art

The examiner's search notes list only medical, dental, and toiletry groups (CPC A61K) and U.S. subclasses 424/439 and 456, with no search terms and no search of non-patent literature, and his lone follow-up entry, "search updated," added nothing. EX-1002, 83, 25. That is not the detergent and food art in which spray-dried flavor and fragrance powders are classified, and it reached no non-patent literature at all. An examiner "must conduct a thorough and complete search of the prior art." MPEP § 904.02. Such a search was not done here.

E. Subramaniam was incorrectly disregarded during prosecution

Subramaniam discloses one such spray-dried powder (EX-1004, [0051], [0060], [0064]), and was listed in an IDS, yet it was never applied or discussed beyond the blanket IDS legend. EX-1002, 24, 60–65, 102, 104. That Subramaniam was buried among 294 references filed across five IDSs in a single day, with the "Relevant Passages" column left blank, confirms it received no substantive consideration. EX-1002, 102; *Ecto World v. RAI*, IPR2024-01280, Ppr. 13, 7 n.3, Ppr. 16, 13–15. It was likely passed over given the examiner's own faulty premise tying the '776 claims to the '388 patent's no-heat approach. Again, heat is not recited in the Challenged Claims, and Subramaniam meets the two key limitations—the retention the examiner admitted Jennings lacks (Example 5: 100% retention of an encapsulated fragrance) and the storage stability to which he applied no art (Example 7: hexyl

salicylate fully recovered after 4 weeks at 37° C). Pet. 57–62, 72–79.

F. Same prosecution errors omitted Baranauskiene and Watanabe

These references were never before the Office. *See generally* EX-1002. Like Subramaniam, Baranauskiene and Watanabe make their powders by conventional heated spray drying, EX-1005, 3028; EX-1006, [0053], which the examiner’s ’388 premise incorrectly treated as irrelevant, and both sit in the detergent and food classes and the non-patent literature that the examiner’s search never reached. EX-1002, 25, 83; EX-1005, 3027; EX-1006, (51)–(52); EX-1033; EX-1034. They are material: Baranauskiene’s Table 2 shows menthone’s weight percentage staying within about 5% through spray drying (Ground 1), and Watanabe’s Example 5 powder retained 97.5% of its paprika pigment after 4 weeks at 50° C (Ground 2). Pet. 16–20, 37–47.

This record is a “substantial showing of apparent examiner error,” and review is an appropriate use of Office resources despite the patent being in force for about ten years. *Magnolia*, Ppr. 17, 8; *Taiwan Semicond. v. Marlin*, IPR2025-00847, Ppr. 11, 3–4; *Anthony v. ControlTec*, IPR2025-00559, Ppr. 12, 2 (17–18 years).

III. The *Fintiv* Factors Weigh Heavily Against Discretionary Denial

A. Factor 1 is neutral given that no stay has been requested

Factor 1 is neutral because no stay has been requested. *Charter v. Adaptive Spectrum*, IPR2025-00087, Ppr. 14, 8–9. Contrary to ZE’s assertion, the Board “will not attempt to predict” how the parallel litigation will proceed. *Sand Revolution v. Cont’l Intermodal*, IPR2019-01393, Ppr. 24, 7 (informative). ZE argues a stay would

be “exceedingly unlikely” because “only some asserted claims are subject to IPR,” citing the Eastern District of Texas’s established practice. Br. 13–14. But the other claims involve the ’527 Patent, which McK has identified as not infringed and lacking any Rule 11 basis for assertion (EX-1052), and trade secret claims (currently subject to a pending motion to dismiss, EX-1053), which cannot be raised here.

B. Factor 2 favors institution as the FWD will issue before trial

Trial is set for January 10, 2028, one day after the projected FWD. EX-2016, 1; Br. 14. Moreover, when trial is “at or around the same time as the projected statutory deadline,” the decision “will likely implicate other factors” such as the clear material error that makes it “an appropriate use of Office resources to review the potential error.” *Fintiv*, Ppr. 11, 9; *Padagis*, Ppr. 12, 3; *see* §II.

C. Factor 3: No substantial investment as it relates to the ’776 patent

The litigation remains in its early stages here, with the parties having exchanged initial invalidity and infringement contentions and discovery focusing largely on non-patent claims. Defendants have not yet answered. No claim construction proceedings have occurred, and the parties will not exchange terms for construction until March 16, 2027—well after the institution date. EX-2016, 4–5. Nothing substantive will happen until late 2027, by which time most briefing will be concluded (if instituted). *Id.*, 4 (fact and expert discovery end 8/23/27 and 9/27/27; dispositive motions due 10/4/27). The Court has not issued any substantive orders on

the '776, which further “weighs against” discretionary denial. *Fintiv*, Ppr. 11, 10.

McK also filed the Petition promptly. A petitioner may reasonably “wait to file its petition” upon learning which “claims are being asserted,” and a prompt petition has weighed against denial. *Fintiv*, Ppr. 11, 11. McK filed this IPR less than 4 months after ZE identified the asserted claims and about 5 months before the 1-year §315(b) deadline. EX-2010, 1; *Illumina v. Natera*, IPR2019-01201, Ppr. 19, 8.

D. Factor 4: Petition seeks efficient review; stipulation avoids overlap

Efficiency and public interest warrant a proper review of the challenged claims. The Petition challenges ZE’s asserted claims (1–3, 7–12, 16, and 19) (EX-2010, 1) and several claims (4, 5, 13–15, 17, 18) not asserted in Litigation. Pet. 3. This IPR would enable timely and efficient review of a majority of the '776 claims, which promotes the patent and legal system by potentially precluding their subsequent assertion against other entities. The Litigation does not, because the asserted subset will only narrow before trial. This IPR is McK’s only opportunity to seek a thorough review of the '776 claims. *See Illumina*, Ppr. 19, 6–7; *Fintiv*, Ppr. 11, 13.

Given that the FWD here would issue before trial, Petitioner would be subject to §315(e) estoppel, which is akin to a *Sotera* stipulation (i.e., at trial, Petitioner could not assert grounds raised or those that could be reasonably raised). Nevertheless, Petitioner’s stipulation goes further by precluding reliance, upon institution, on “combinations of the prior art” asserted in the IPR “with unpublished system prior

art (or any other type of prior art).” EX-1044, 1. ZE says this stipulation allows reliance on system art reflected in printed publications, but it is focused on unpublished system art, and Petitioner is unaware of any asserted system art that is reflected in a printed publication. The stipulation thus avoids any alleged “repackag[ing]” of IPR arguments in litigation. What remains in litigation are §112 challenges, which can’t be raised here, and assertions involving the ’527 patent, which isn’t challenged in IPR and lacks a Rule 11 basis for assertion of infringement.

E. Factor 5 weighs against denial because FWD will precede trial

ZE appears to contend this factor (same parties) favors denial, but the Board has held otherwise in these circumstances. Specifically, when the FWD “is likely to issue before the district court trial,” the Board has “weigh[ed] this factor against exercising discretion.” *BMW v. Mich. Motor*, IPR2023-01234, Ppr. 11, 14.

F. Factor 6: Merits and examination record favor review

Factor 6 (other circumstances, including the merits) favors review. The merits are strong: each ground relies on art the examiner did not apply, and Dr. Miller explains what the references disclose rather than supplying missing teachings. *Fintiv*, Ppr. 11, 14–15; Pet. 3; §IV.A. The examination record—highlighting significant material error—also strongly favors review. §II.

IV. Other Considerations Warrant Maintaining This IPR

ZE raises three other considerations: expert testimony, claim construction, and U.S. manufacturing (Br. 17–20), none favoring denial here.

A. Expert reliance: Dr. Miller does not fill gaps

Expert testimony that fills no “gaps in the prior art” weighs against denial. *iRhythm v. Welch Allyn*, IPR2025-00363, Ppr. 10, 2–3; *see* Int. Proc., 2. ZE cites Dr. Miller’s “conversions” and “extrapolations” (Br. 18–19), but each reference reports the claimed property, which Dr. Miller explains using published methods.

In *Ground 1*, Baranauskiene reports an unchanged menthone peak-area percentage after spray drying, and a published conversion confirms at most a 0.78% weight change (retention limitation). EX-1005, 3031, Table 2; EX-1003 ¶¶ 108–19 (citing EX-1035). In *Ground 2*, Watanabe reports 97.5% pigment retention after 672 hours at 122°F, and Dr. Miller uses JECFA references and carotenoid literature to confirm capsanthin’s loss is within about 5%, even at 1,000 hours (stability limitation). EX-1006, [0057]–[0058], Table 3; EX-1003 ¶¶ 160–71, 183–87 (citing EX-1007; EX-1013). In *Ground 3*, Subramaniam reports 100% retention of a whole fragrance (retention limitation), and 100% hexyl salicylate recovery in harsher-than-claimed conditions (stability limitation). EX-1004, [0047], [0060]–[0061], [0067], Table 1; EX-1003 ¶¶ 219, 222–27, 254–56, 265. Nor need Dr. Miller be tested in the Litigation (Br. 19): ZE may cross examine him here, and the stipulation removes these grounds there. 37 C.F.R. § 42.51(b)(1)(ii); EX-1044, 1.

B. McK explains why certain positions are warranted in litigation

While different positions in the two forums “without sufficient explanation”

can be a discretionary denial consideration (*Magnolia*, Ppr. 17, 8), such concerns are overcome when the petitioner explains “why those different positions are warranted,” including where a POSITA “underst[ood] that the ... art satisfies the claim limitation (such as if the limitation prescribed a range and only the outer bounds of the range were unclear).” *Tesla v. Intell. Ventures*, IPR2025-00340, Ppr. 18, 3–4 (informative); *Revvo v. Cerebrum*, IPR2025-00632, Ppr. 20, 3–5 (precedential).

McK’s positions do just that. In litigation, McK contended indefiniteness for five terms “at least under ZoomEssence’s actual and/or apparent application of the claims.” EX-2010, 60–61. According to ZE, McK contends that these terms are “incapable of construction” (Br. 8), but McK challenges the terms’ scope, not whether they lack meaning. The Petition applies and explains each term’s “ordinary and customary meaning” (Pet. 3) and the art meets each term however its bounds are drawn.

- “Within about [5 / 3 / 2 / 1] %” (cls. 1, 7–9): This term is like the range that *Tesla* describes. The claims require that a principle molecular type’s weight percentage after drying be “within about” 5%, 3%, 2%, or 1% of its weight percentage before drying. EX-1001, cls. 1, 7–9. Wherever the outer edge of “about” lies, the art is not near it: Baranauskiene’s menthone changes by less than 1%, and Subramaniam reports 100% retention. §IV.A; Pet. 19–20, 60–62. Either is within even claim 9’s “about 1 %”—even if the bounds of “about” are not definite.

- “by more than about [5/3] %” (cls. 10, 16): The stability limitations similarly recite

a range, requiring that a principle molecular type's weight percentage "not vary by more than about" 5% or 3% during aging at elevated temperature. EX-1001, cls. 10, 16. Subramaniam reports 0% loss of hexyl salicylate at 37° C, and Watanabe discloses a 2.5% loss of paprika pigment at 50° C. §IV.A; Pet. 38–40, 73–74. Each is thus well under the "about" 5 or 3%—even if the bounds of "about" are not definite.

- "Principle molecular types" (cls. 1, 10): The claims do not say what a constituent's role must be to make it "principle." EX-1001, cls. 1, 10. Even if the boundary of "principle" is not clear, the art is aligned with what the term encompasses in view of the specification. For example, d-limonene is described in the specification as being "[t]he most abundant and readily perceived molecule in citrus flavors." Thus, if "principle" encompasses abundance, the art discloses that. Pet. 11–13; EX-1001, 15:18–20; EX-1003 ¶¶ 97–99. Menthone is one of the five "major compounds" in Baranauskiene's peppermint oil. EX-1005, 3031. Capsanthin is the predominant carotenoid in Watanabe's paprika oil. Pet. 35–36. All five ingredients in the identified perfume have "the same weight percentage." EX-1004, [0065] n.1; EX-1003 ¶249.

- "desirable food, flavor, fragrance... pigment" (cls. 1, 10): Even if the bounds of "desirable" are not clear, the specification uses the term for the property an active ingredient provides, such as flavor. Pet. 8, 54 (citing EX-1001, 6:10–15). ZE likewise told the examiner the limitation requires "a molecular type for obtaining a food, flavor, fragrance, medicament, and/or pigment," and the dependent claims name

each category separately. EX-1002, 43; EX-1001, cls. 2–6, 11–15. The art is aligned: Baranauskiene’s peppermint oil is a flavor, Watanabe’s paprika oil a pigment, and Subramaniam’s active ingredient a fragrance. Pet. 11–13, 36–37, 71.

- “Initial” and “final” active ingredient (cl. 1): Even if the bounds of these terms are not clear, ZE told the examiner what they mean: the “initial active ingredient” is “the active ingredient prior to spray drying,” and the “final active ingredient” is “the active ingredient in the spray dried powder.” EX-1002, 43. The art is aligned with that reading. Baranauskiene analyzes the “pure peppermint EO used as the initial material for the encapsulation” and the oil recovered from each powder, and Subramaniam measures its fragrance in “[t]he final product (after the process).” EX-1005, 3031, Table 2; EX-1004, [0061]; Pet. 13, 59.

ZE argues that the Petition asserts “only” that the terms should receive their “ordinary and customary meaning.” Br. 17. But for each contested term, the Petition identifies the claim language, its intrinsic evidence, and the art satisfying the terms. Pet. 11–13, 36–37, 59, 71–74. Unlike ZE’s cited decisions, this case does not involve petitioners that had taken divergent construction positions in court. *See Tesla*, Ppr. 18, 3–4; *Revvo*, Ppr. 20, 2, 5; *Infineon v. MOSAID*, IPR2025-01171, Ppr. 27, 2–3.

Nor does the record show gamesmanship. *See Terumo v. Haemonetics*, IPR2025-01374, Ppr. 20, 4 (informative); *Ford*, Ppr. 27, 3; *Magnolia*, Ppr. 17, 4. FONAs’ position has not changed since 2017, when it told ZE that the ’776 claims,

as ZE read them, “would read on the prior art,” and identified Baranauskiene and Watanabe, the same references the Petition relies on. §I.A; EX-2017, 2–3; EX-2010, 60. Because the art meets each limitation however its bounds are drawn, the Board’s decision would not turn on the court’s definiteness ruling. EX-1044, 1. *Ford* and *Terumo* differ. There, the petitioners raised indefiniteness in court after review was instituted, and in *Ford* the contentions reached terms beyond the petitioner’s *Tesla* showing. *Ford*, Ppr. 27, 3. Here, the contentions came first, per the local rules, and the Petition addresses all five terms. §IV.B.

C. U.S. Manufacturing: The accused products are made in USA

The manufacturing and small business considerations do not favor denial. EX-1054. The concern is “companies that neither manufacture in the [U.S.] nor make American manufacturing investments” benefiting from the post grant process. *Magnolia*, Ppr. 17, 7. That concern is inapplicable here considering that McK is a reputable American company headquartered in Maryland that has U.S. manufacturing plants in ten locations (including a flavor plant in Illinois where FONA is based (EX-2022, 21; EX-2009, 1)). The accused TrueTaste products are made in the U.S. EX-1056, 8. McK develops its own technology, holding about 65 U.S. patents (EX-1057) and spending \$102.9 million on R&D in 2024. EX-2022, 55.

Thus, the present record counsels against discretionary denial, and Petitioner requests that the Petition be referred to the Board.

Respectfully submitted,

Dated: October 9, 2026

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CERTIFICATE OF SERVICE

Pursuant to 37 CFR § 42.6(e)(4), the undersigned certifies that on October 9, 2026, a complete and entire copy of this Petitioner's Opposition to Patent Owner's Request for Discretionary Denial was provided via email, to the Patent Owner by serving the correspondence address of record as follows:

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