

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GODBERSEN-SMITH CONSTRUCTION COMPANY
d/b/a GOMACO CORPORATION,
Petitioner,

v.

GUNTERT & ZIMMERMAN CONST. DIV., INC.,
Patent Owner.

Case PGR2024-00026
U.S. Patent No. 11,772,723

**PATENT OWNER'S SUR-REPLY
TO PETITIONER'S PRELIMINARY REPLY**

I. INTRODUCTION

U.S. Patent No. 11,772,723 (“the ’723 Patent”) is not eligible for PGR because it, and its ancestor, U.S. Patent No. 9,908,571 (“the ’571 Patent”), are pre-AIA Patents. In the only case where the relevant issue—adequate written description support for Claim 8 of the ’571 Patent—was actually litigated, the Board concluded that the ’571 Patent had an effective filing date of no later than March 22, 2011. IPR2021-00135, Paper 11 at 3, 10. Collateral estoppel bars Petitioner’s attempt to relitigate this issue because the parties contested the issue, Petitioner lost the argument, and Petitioner had legally sufficient opportunities for review of the Board’s decision. On the other hand, the issue of adequate written description support for the relevant limitations was not actually litigated in IPR2021-00136 under binding precedent that Petitioner does not acknowledge or address.

II. PETITIONER IS COLLATERALLY ESTOPPED

A. Petitioner Could Have Obtained Review of the Decision

Although institution decisions are “final and nonappealable” under 35 U.S.C. § 314(d), the relevant question is not whether Petitioner could have *appealed* the decision; it is whether Petitioner could have obtained “*review* of the judgment in the initial action.” Restatement (Second) of Judgments § 28 (1982) (emphasis added) (“Restatement”); *cf.* Reply at 1-2. According to the Restatement—which the Federal Circuit follows (POPR at 10 (collecting cases))—issues decided in “a valid and final judgment” are only exempt from collateral estoppel when “the party who lost on that

issue is . . . disabled as a matter of law from obtaining review by appeal **or, where appeal does not lie**, by injunction, **extraordinary writ**, or statutory review procedure.” Restatement § 28 cmt. *a* (emphasis added).

Because the Federal Circuit maintains jurisdiction to hear petitions for writs of mandamus from decisions denying institution of *inter partes* review, Petitioner was not “disabled as a matter of law from obtaining review by . . . extraordinary writ.” *Id.*; see *Mylan Labs. Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1379 (Fed. Cir. 2021) (“While there is no avenue for direct appeal of decisions denying institution, we conclude that judicial review is available in extraordinary circumstances by petition for mandamus.”). And it is no defense that Petitioner did not seek review of the Board’s decision. Restatement § 28 cmt. *a* (“The exception in Subsection (1) applies only when review is precluded as a matter of law. It does not apply in cases where review is available but is not sought.”). Accordingly, while “appeal does not lie” for decisions denying institution, Petitioner had other means for obtaining review. *Id.*

Jackson Jordan, Inc. v. Plasser American Corp., 747 F.2d 1567, 1577-78 (Fed. Cir. 1984) is not inconsistent with this black letter law. *Cf.* Reply at 2. *Jackson Jordan* concerned a patent owner unhappy with a claim construction determination despite the claim being held valid and infringed. Because the patent owner *prevailed* on validity and infringement, it was disabled as a matter of law from obtaining *any*

review of the subsidiary claim construction issue. 747 F.2d at 1577-78. Similarly, in *Mantissa Corp. v. First Financial Corp.*, No. 2022-1963, 2024 WL 607717, at *5-6 & n.3 (Fed. Cir. Feb. 14, 2024) (nonprecedential), the Federal Circuit explained that the parties would not be estopped from “contesting the issue in the other cases” because it had no *jurisdiction* to hear the issue, which was unrelated to the issue being considered on appeal. *Cf.* Reply at 2.

Unlike the non-estopped parties in *Jackson Jordan* and *Mantissa*, Petitioner had the opportunity to seek review of the Board’s decision by writ of mandamus. Thus, issues decided in decisions denying institution are not exempt from the general rule of issue preclusion merely because they are nonappealable.

B. The Issue Was Actually Litigated in IPR2021-00135

Petitioner’s admission that it did not “raise a meaningful challenge” in IPR2021-00135¹ does not mean that the issue was not actually litigated in that case. *Cf.* Reply at 3-4. On the contrary, a determination giving rise to collateral estoppel “may be based on a failure of pleading or of proof as well as on the sustaining of the burden of proof.” Restatement § 27 cmt. *d*. The critical question is whether the parties *contested* the issue, not whether the party with the burden of proof met its burden. *Id.* at cmt. *e* (an issue is not actually litigated when a party does not “contest

¹ Petitioner raised the same non-“meaningful” challenge in IPR2021-00136.

an assertion”); *see also VirnetX Inc. v. Apple Inc.*, 792 F. App'x 796, 804 (Fed. Cir. 2019) (actual litigation requires some level of “adversarial engagement”). Thus, even setting aside that the issue was contested in IPR2021-00135, Petitioner's failure to meet its burden of proof in that case is not a get out of jail free card. -00135, Paper 11 at 12 (explaining that “Patent Owner detail[ed] where and how Guntert discloses each of the limitations Petitioner lists” and that the Board was “satisfied that Patent Owner has demonstrated sufficient written description support for Petitioner's listed limitations”).

Petitioner's attempt to analogize this case to *Voter Verified, Inc. v. Election Sys. & Software LLC*, 887 F.3d 1376 (Fed. Cir. 2018) fails because although Petitioner levied a baseless, unexplained argument in -00135, it nevertheless *made* the argument and *elicited expert testimony* in support. Reply at 4; -00135, Pet. at 23 & Ex. 1002, ¶ 51. In *Voter*, on the other hand, the defendant merely counterclaimed with an assertion of invalidity under § 101 and then “failed to present any arguments or evidence regarding invalidity of [the] claims.” 887 F.3d at 1379.

III. PATENT OWNER IS NOT COLLATERALLY ESTOPPED

Collateral estoppel does not apply to the Board's decision in IPR2021-00136 because the issue was not actually litigated in that case. *Jackson Jordan*, 747 F.2d at 1576 n.8 (“An issue is not actually litigated . . . if it is raised by a material allegation of a party's pleading but is admitted (explicitly or by virtue of a failure to

deny) in a responsive pleading” (quoting Restatement § 27 cmt. e)). Rather than address this binding precedent, Petitioner cites a “preliminary determination” from a nonprecedential institution decision, *Google v. Parus Holdings, Inc.*, No. IPR2022-00279, Paper 16 at 20 (P.T.A.B. Sept. 18, 2023), which also did not consider the *Jackson Jordan* case, the Restatement, the Supreme Court’s decision in *Arizona v. California*, 530 U.S. 392 (2000), or any of the recent cases confirming the validity of this black letter law. *See* POPR at 10.

IV. CONCLUSION

Because Petitioner has not raised the relevant ’571 Patent written description issue in this case, collateral estoppel provides the only possible basis for finding that the ’723 Patent is PGR eligible. But that argument is foreclosed because the issue was not actually litigated in IPR2021-00136. *See* § III. Accordingly, even if the Board declines to find Petitioner collaterally estopped based on the -00135 Decision, it should still deny institution based on Petitioner’s failure to meet its burden of proof in this case.

Alternatively, the Board should exercise its discretion to deny institution under 35 U.S.C. § 325(d) given that the same argument was previously presented to the Office, and Petitioner has not pointed out any error in the Board’s analysis in IPR2021-00135. *See* POPR at 1, 8-9; *see also* Petition at 111-115 (omitting any discussion of the Board’s decision in IPR2021-00135 regarding the same issue).

Patent Owner's Sur-Reply to Pet. Preliminary Reply
PGR2024-00026 (U.S. Patent No. 11,772,723)

Respectfully submitted,

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(Case No. PGR2024-00026)

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CERTIFICATE OF SERVICE

The undersigned certifies, in accordance with 37 C.F.R. § 42.6(e), and pursuant to agreement by the parties that filing with the Board through the Patent Trial and Appeal Case Tracking System (P-TACTS) constitutes electronic service, that service was made on the Petitioner as detailed below.

<i>Date of service</i>	October 2, 2024
<i>Manner of service</i>	Electronic Filing with the Board
<i>Documents served</i>	PATENT OWNER'S SUR-REPLY TO PETITIONER'S PRELIMINARY REPLY
<i>Persons Served</i>	Finnegan, Henderson, Farabow, Garrett & Dunner LLP: Jason E. Stach Luke J. McCammon David K. Mroz Sonja W. Sahlsten Robert K. High

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