

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MULTI-COLOR CORPORATION
Petitioner

v.

BROOK & WHITTLE LIMITED
Patent Owner

PGR2025-00025
Patent No. 11,961,422

PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL

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LISTING OF EXHIBITS

EX	DESCRIPTION
2001	"Going for Gold," Multi-Color Corporation, available at https://www.mcclabel.com/en/resources/going-for-gold
2002	"NESCAFÉ® Debuts Gold Espresso and Ice Roast Instant Coffee in the U.S., Offering Rich Variety for Every Occasion," Nestle, April 3, 2024, available at https://www.nestleusa.com/media/pressreleases/gold-espresso-ice-instant-coffee
2003	recycLABEL™ Shrink Sleeve brochure, Multi-Color Corporation
2004	"Labeled with Care – Sustainability Update," Multi-Color Corporation, available at https://issuu.com/mcclabel/docs/mcc_2024_sustainability_update?fr=sOTFjMjY0MTE4OTQ
2005	"Nestlé to use recyclable, light-blocking shrink sleeves on some beverage products," Packaging Dive, April 17, 2024, available at https://www.packagingdive.com/news/nestle-recyclable-shrink-sleeve-label-light-blocking/713427/
2006	<i>Brook + Whittle LTD v. Nestle USA, Inc. et al.</i> , 2:24-cv-00735-JRG-RSP, Docket Report, generated May 13, 2025
2007	<i>Brook + Whittle LTD v. Nestle USA, Inc. et al.</i> , 2:24-cv-00735-JRG-RSP, D.I. 16 (Docket Control Order)
2008	<i>Brook + Whittle LTD v. Nestle USA, Inc. et al.</i> , 2:24-cv-00735-JRG-RSP, D.I. 50 (Defendants' Unopposed Motion for Leave to Supplement Invalidity Contentions Under P.R. 3-6(b))
2009	<i>Brook + Whittle LTD v. Nestle USA, Inc. et al.</i> , 2:24-cv-00735-JRG-RSP, D.I. 51 (Order granting D.I. 50)

I. INTRODUCTION AND RELIEF REQUESTED

Under the bifurcated procedure established by the Interim Processes for PTAB Workload Management (“USPTO Guidance”), the Director should exercise her discretion to deny institution because of the following deficiencies:

First, the Petition should be denied under 35 U.S.C. § 324(a) because the validity of the challenged claims will be resolved by the Eastern District of Texas in *Brook + Whittle LTD v. Nestle USA, Inc. et al.*, 2:24-cv-00735-JRG-RSP (E.D. Tex.). Trial in the Eastern District of Texas is set for May 18, 2026, which is approximately four months before the anticipated final written decision (September 20, 2026) in this proceeding. Since the Eastern District of Texas is scheduled to resolve validity before the PTAB can issue a final written decision, proceeding with a parallel PTAB trial is inefficient and unnecessary.

Second, the Petition should be denied under 35 U.S.C. § 325(d) because grounds 1-3 are all based on the same or substantially the same art and arguments that were previously presented to, and rejected by, the Office without error. In particular, the prior art grounds presented in the Petition suffer from the same deficiencies as the prior art applied by the Examiner during prosecution—“removing the label before or during the recycling process is not evidence of the recyclability of the label” with a PET container.

Third, Petitioner's proposed ground 4 should be denied under 35 U.S.C. § 325(d) because its indefiniteness argument that the '422 specification fails to identify the manner of determining the conditions specifying "wherein the recyclable shrink label is recyclable" with a PET container is the same or substantially the same as arguments previously considered, and rejected, by the Office without error.

Fourth, Petitioner relies extensively (and nearly exclusively) on expert testimony to provide complex and highly technical experimentation and analysis that is more properly addressed by an Article III court. Moreover, the expert testimony is unfocused; neither of Petitioner's two experts provide a separate or specific indefiniteness analysis of the claim language "shrink label is recyclable with a PET container." Instead, Petitioner's expert testimony is directed toward the broader and more general phrase "recyclable."

Fifth, the Petition presents extraordinarily weak merits related to its unpatentability challenge as it entirely fails to provide evidence with respect to one of the claim limitations, *i.e.*, "wherein the recyclable shrink label is recyclable with a PET container," in its attempt to show how its sole allegedly anticipatory reference teaches or discloses every limitation of the independent claims.

Sixth, the PTAB's workload and pendency remain extraordinarily high and denial of this Petition, especially in light of the above reasons, would facilitate the

Office's directive to continue to meet its statutory obligations as to *ex parte* appeals, while continuing to maintain its capacity to conduct AIA proceedings.

Given these overwhelming deficiencies, Patent Owner requests that the Director exercise her discretion to deny institution. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential); *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 (PTAB Feb. 13, 2020).

II. STATEMENT OF MATERIAL FACTS ("MF") PURSUANT TO 37 CFR § 42.22

1. Petitioner is in a business relationship with Nestle USA ("Nestle"). EX2001 and EX2002.
2. Petitioner manufactures a recyclable shrink sleeve label for commercialization by third parties ("RecycLABEL"). EX2003 and EX2004.
3. Petitioner currently supplies, or supplied for testing, a recyclable shrink sleeve label for Nestle. EX2005 at 2 ("The company said it explored multiple suppliers, materials, aesthetics and other factors").

III. BACKGROUND

A. Technology Overview and the '422 Patent¹

The '422 Patent is directed to a recyclable shrink label with a light blocking layer to block at least 80% of incident light with wavelengths between 200 nm and 900 nm in which the label is recyclable along with a container. EX1001 at Abstract. The '422 Patent recognizes that “[t]he dairy, food, nutraceutical, and other markets also require light protective packaging to block ingredient harmful light waves from impacting the shelf life and performance of those products.” EX1001 at 1:16-20. Moreover, according to the '422 Patent, “[t]he consumer packaged-goods markets globally aspire to utilize recyclable packaging for most products.” EX1001 at 1:14-15. While “[c]lear PET packaging provides a cost effective recyclable option,” “[t]raditionally, color impregnated bottles or containers, and/or white shrink films printed with or sometimes without functional light blocking layers are used to block the harmful light waves.” EX1001 at 1:14-25. Color impregnated bottles or containers are not readily recyclable, however. EX1001 at 1:23-25. Therefore, the

¹ Patent Owner provides an overview of technology of the '422 Patent that is

limited to facts relevant to its present Request for Discretionary Denial. A more fulsome technical background will be provided in Patent Owner's forthcoming preliminary response.

'422 Patent recognizes "there remains a need for recyclable, light protective packaging options for many markets, including the food and nutraceutical markets."

EX1001 at 1:26-28.

The '422 Patent accordingly discloses a variety of exemplary embodiments aimed at providing a recyclable, light blocking, heat shrink label that can be embellished with various layers, such as an indicia layer to convey a message (*e.g.*, characteristics of a product in a package, the quantity of a product in a package, or other messages) and a high opacity layer to block light from interacting with the contents of the container. EX1001 at 1:36-3:3, 5:4-43, Figs. 1A-1E, 2. The labels claimed by the '422 Patent "may cover at least some clear or transparent parts of a package" and "serve to block light from reaching a product inside the package." EX1001 at 6:23-29, Fig. 2.

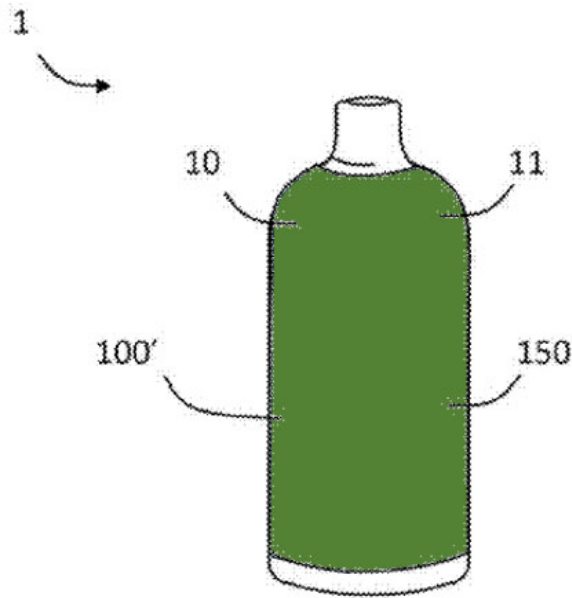


Fig. 2

'422 Fig. 2 (annotated)

An important aspect of the '422 Patent is that the claimed labels are recyclable along with the containers to which the label is fixed. For example, in some embodiments, the article or container may be made of the same or similar polymer as the label (*e.g.*, PET) such that both the container and label can be recycled together. EX1001 at 18:25-30.

The '422 Patent explains what is meant by the claimed “shrink label is recyclable with a PET container.” For example, the '422 Patent states that inks must cleanly separate from the film “allowing pure resin to be recovered and processed into reusable resin.” EX1001 at 20:16-20. In order to be recyclable with a PET container, the label should meet the industry standard for recyclability as outlined in

the “Association for Plastic Recyclers (APR) Critical Guidance Protocol for Clear PET Articles with Labels and Closures (PET-CG-02),” including compliance with “Evaluation of the Near Infrared (NIR) Sorting Potential of a Whole Plastic Article” (SORT-S-01), and “Evaluation of Sorting Potential for Plastic Articles Utilizing Metal, Metalized or Metallic Printed Components” (SORT-S-03), or both.

B. Prosecution History of the '422 Patent

The '422 Patent issued from U.S. Patent Application No. 18/103,234 (the “'234 Application”), filed on January 30, 2023. EX1001 at Cover. The '234 Application is a continuation of Application No. PCT/US2022/029280, which was filed on May 13, 2022 and claims priority to Provisional Application No. 63/188,794, filed on May 14, 2021. EX1001 at Cover.

The '234 Application was originally filed with 4 independent claims—claim 1 reciting a “recyclable shrink label,” claim 16 reciting “[a]n article” comprising a container and shrink label, claim 20 reciting “[a] method of making a label for a container,” and claim 21 reciting “[a] method of recycling an article.” EX1002 at 11-12. Concurrently with the initial application, Applicant submitted an Information Disclosure Statement (“IDS”) listing Shrink Sleeve Labels on PET Containers APR Resource Document, The Association of Plastic Recyclers, 1/4/2021 (the “APR Guidance Document”). On June 8, 2023, the Examiner issued a Requirement for Restriction/Election, requiring Applicant to restrict the application to one of the

following inventions: (1) claims 1-19, drawn to a recyclable shrink label, or (2) claims 20-21, drawn to a method of making a label for a container. EX1002 at 207. Applicant elected Group 1 (claims 1-19), drawn to a recyclable shrink label (and article comprising the recyclable shrink label). EX1002 at 213. On August 9, 2023, the Examiner rejected the claims under 35 U.S.C. § 112(b), as well as under § 103 over various prior art references, including U.S. Patent Application Publication 2017/0223879 (“Mitchell”). EX1002 at 224-228. Among other reasons, the Examiner noted that Mitchell teaches an electromagnetic radiation blocking label arrangement and a container comprising the radiation blocking label arrangement thereon. EX1002 at 228. The Examiner also signed the January 30, 2023 IDS listing the APR Guidance Document and noted that “ALL REFERENCES CONSIDERED EXCEPT WHERE LINED THROUGH.” EX1002 at 218. The APR Guidance Document was not lined through. *Id.*

On October 16, 2023, Applicant amended both pending independent claims to add the limitations requiring “a heat shrink film comprising polyethylene terephthalate (PET)” and “wherein the recyclable shrink label is recyclable with a PET container.” EX1002 at 316. Applicant also amended several claims to remove certain limitations in order to traverse Examiner’s § 112 rejections.

In making its amendments to overcome the Examiner’s prior art rejections, Applicant explained that it disagreed with Examiner’s assertion that “[t]he term

recyclable is considered functional language related to the intended use of the product and is accorded limited weight as **the language does not further limit the structure** or the process.” EX1002 at 335 (internal quotes omitted) (emphasis in original). As Applicant explained, “[t]he term ‘recyclable’ does further limit the claim in that the claimed label **must be capable of being recycled**” and cautioning that “[n]ot all combinations of shrink films and light blocking materials are capable of being recycled.” EX1002 at 335 (emphasis in original). Thus, Applicant distinguished the invention over the Mitchell reference, which teaches that “it would be desirable that the labels are **removable** from the surface of the container but also **separable** in the normal sink-float washing process thus *promoting recycling of the container*.” EX1002 at 335 (emphasis in original). In contrast to Mitchell, Applicant states that “removing the label before or during the recycling process is not evidence of the recyclability of the label” and “[i]f anything, the desire to provide a removable label implies that the label may not be recyclable and must be removed before the container itself can be recycled.” EX1002 at 335. According to the Applicant, “[r]emoving the label during the recycling process is not equivalent to actually recycling the label.” EX1002 at 335.

On November 13, 2023, the Examiner issued a final rejection of the pending independent claims under §§ 102 and 103 over Japanese Patent No. 2009-214535A (“Sasaki”). Critically, the Examiner noted in her response to Applicant’s

amendments that “Applicant’s arguments with respect to claims 1-4, 6-16 and 23-26 have been considered but are moot because the new ground of rejection does not rely on any reference applied in the prior rejection of record for any teaching or matter specifically challenged in the argument.” EX1002 at 357.

On January 10, 2024, Applicant further amended the claims to include the limitation “wherein the light blocking component comprises a particulate having a particle size of 0.1 μm to 100 μm , wherein the particulate comprises metal, metal oxide, a reflective pigment, carbon black, mica, or a combination thereof.” EX1002 at 409. According to Applicant, the claim amendment included the subject matter of claim 12, which is not rejected under § 102 over Sasaki and is therefore patentable. EX1002 at 417.

On February 6, 2024, the Examiner issued a Notice of Allowance for all claims, noting that Applicant’s arguments have been fully considered and are persuasive. EX1002 at 435. The ’422 Patent accordingly issued on April 16, 2024. EX1001 at Cover.

IV. DISCRETIONARY FACTORS WARRANT DENIAL OF INSTITUTION

A. The Eastern District of Texas is scheduled to resolve ’422 Patent validity issues before the Patent Office will enter a final written decision

The Board should decline to institute the Petition under 35 U.S.C. § 324(a) in

light of the advanced proceeding in the parallel district court litigation filed in the Eastern District of Texas, *Brook + Whittle LTD v. Nestle USA, Inc. et al.*, 2:24-cv-00735-JRG-RSP (E.D. Tex.). The Board exercises its discretion under § 324(a) with “a balanced assessment of all the relevant circumstances in the case” and events in other proceedings related to the same patent, either at the Office, in district courts, or the ITC. *Fintiv*, Paper 11 at 14.

A primary concern addressed by *Fintiv* is the potential for duplicative efforts and wasted resources when the same patent validity issues are being litigated simultaneously in both the PTAB and a district court. If the district court is likely to resolve the validity question[s] before the PTAB can issue a final written decision, proceeding with a parallel PTAB trial may be inefficient and unnecessary. In deciding whether a discretionary denial is appropriate in light of a parallel proceeding, the Board considers the six factors set forth in *Fintiv*. *See id.* at 6–7. Evaluating those factors confirms that the Board should deny institution.

1. Factor 1: Whether the District Court Granted a Stay or Evidence Exists That One May Be Granted if a Proceeding Is Instituted

No stay has been granted in the parallel proceeding. Although Defendants filed a motion to stay pending resolution of related declaratory judgment action by all defendants on April 17, 2025, no decision has been made by the district court. EX2006 at 1.

Even if this PGR was instituted (which would not occur until on or around September 21, 2025) it is unlikely that the court (Judge Gilstrap) would grant a stay, particularly given the advanced stage of the parallel proceeding at that point (*e.g.*, claim construction discovery closes on September 23, 2025, EX2007 at 4). *See, e.g., Intell. Ventures I LLC v. T Mobile USA, Inc.*, No. 2:17-CV-00577-JRG, 2018 WL 11363370, at *4 (E.D. Tex. Dec. 13, 2018) (Judge Gilstrap denying motion to stay pending completion of the various instituted IPRs before the PTAB); *Gesture Tech. Partners, LLC v. Huawei Device Co.*, No. 2:21-CV-00040-JRG, 2022 WL 22883301, at *2 (E.D. Tex. Jan. 19, 2022) (similar).

Thus, the first factor weighs in favor of discretionary denial.

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

According to the scheduling order in the parallel proceeding, EX2007, jury selection for trial is set for May 18, 2026, which is approximately four months before the anticipated PGR final written decision (September 21, 2026).

Thus, the district court trial will likely conclude before the final written decision, weighing in favor of discretionary denial.

3. Factor 3: Investment in the Parallel Proceeding by the Court and the Parties

In the parallel proceeding, Patent Owner (Plaintiff) has served infringement contentions (November 7, 2024), the parties have complied with the standing order

on eligibility contentions (January 2, 2025), and Defendants have served invalidity contentions (January 2, 2025). Prior to the anticipated institution decision in the PGR, the parties will have exchanged proposed claim terms for construction (July 15, 2025), exchanged preliminary claim constructions and extrinsic evidence (August 5, 2025), and filed a joint claim construction and prehearing statement (August 26, 2025). EX2007. By the expected date of the institution decision, the parties will be less than two months from the claim construction hearing in the parallel proceeding. *Id.*

Thus, the third factor weighs against institution.

4. Factor 4: Overlap Between Issues Raised in the Petition and in the Parallel Proceeding

Fintiv advises that, “concerns of inefficiency and the possibility of conflicting decisions [are] particularly strong” where the “Board was presented with substantially identical prior art arguments that were at issue in the district court.” *Fintiv*, Paper 11 at 12. In the parallel district court litigation, defendants specifically sought a motion for leave to supplement their invalidity contentions with the “Prior Art Labels after Multi-Color Corporation publicly filed expert declarations and other documents describing the Prior Art Labels with the Patent Trial and Appeal Board on January 16, 2025 in support of its petition for post-grant review (‘PGR’) of the ’422 Patent,” specifically requesting supplementation with the Gatorade and Febreze Labels. EX2008 at 1–2. The district court granted defendant’s motion for leave.

EX2009. The prior art arguments are not merely “substantially” identical but *wholly* identical.

Thus, the fourth factor weighs against institution.

5. Factor 5: Whether the Petitioner and the Defendant in the Parallel Proceeding Are the Same Party

Fintiv advises that, “[e]ven when a petitioner is unrelated to a defendant, . . . if the issues are the same as, or substantially similar to, those already or about to be litigated, or other circumstances weigh against redoing the work of another tribunal, the Board may, nonetheless, exercise the authority to deny institution.” *Eunsung Glob. Corp. v. Hydrafacial LLC*, IPR2024-01491, Paper 17 at 15-16 (PTAB Apr. 11, 2025) (quoting *Fintiv*, Paper 11 at 14). Here, Petitioner is in a business relationship with Nestle. MF 1. And, based information and belief, Petitioner supplies, or supplied for testing, a recyclable shrink sleeve label for Nestle. *See* MFs 2 and 3.

Thus, this factor neither weighs in favor of or against discretionary denial. *See Eunsung* at 16.

6. Other Circumstances That Impact the Board's Exercise of Discretion, Including the Merits

Since *Fintiv* factors 1–5 favor denial, following the USPTO Guidance, the Board should reach the “compelling merits” analysis. However, as briefly discussed below and detailed in Patent Owner's Preliminary Report, the Grounds presented in

the Petition fall woefully short of constituting compelling merits. *See* Section IV.D.2, below.

Thus, this final factor weighs in favor of discretionary denial. Because the analysis is fact-driven, no single factor is determinative of whether we exercise our discretion and deny institution under 35 U.S.C. § 314(a). Given that the trial date in the Eastern District of Texas predates the final written decision by four months and the substantial overlap of issues, after weighing all of the factors and taking a holistic view of the relevant circumstances of this proceeding, the Board should exercise its discretion and deny institution under 35 U.S.C. § 324(a).

B. Grounds 1-3 rely on the same or substantially the same art and arguments that were considered by the Patent Office Without Error

Under *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, the Petition should be “reject[ed] ... because[] the same or substantially the same prior art or arguments previously were presented to the Office.” Paper 6 at 7 (“*Advanced Bionics*”) (precedential) (citing 35 U.S.C. § 325(d)). The Board applies a two-part framework to analyze discretionary denial under § 325(d): “(1) 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; and (2) if either condition of [the] first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material

to the patentability of challenged claims.” *Advanced Bionics*, Paper 6 at 8 (precedential as to § III.C.5, first paragraph). “Previously presented art includes art made of record by the Examiner, and art provided to the Office by an applicant, such as on an Information Disclosure Statement (IDS), in the prosecution history of the challenged patent.” *Advanced Bionics*, Paper 6 at 7–8. The Board in *Becton, Dickinson* set forth the following non-exhaustive list of factors in considering the § 325(d) framework:

- 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 the prior art or arguments.

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

Factors (a), (b), and (d) relate to the first part of the *Advanced Bionics* framework (*i.e.*, whether the art or arguments presented in the Petition are the same or substantially the same as those previously presented to the Office), and factors (c), (e), and (f) relate to the second part (*i.e.*, “whether the petitioner has demonstrated a material error by the Office” in its prior consideration of the prior art or arguments). *Advanced Bionics*, Paper 6 at 10. “If a condition in the first part of the framework is satisfied and the petitioner fails to make a showing of material error, the Director generally will exercise discretion not to institute *inter partes* review.” *Id.* at 8–9. “[T]his framework reflects a commitment to defer to previous Office evaluations of the evidence of record unless material error is shown.” *Id.* at 9.

Discretionary denial is appropriate here because Petitioner's asserted art and arguments have already been considered and overcome during examination. *NHK Spring Co., Ltd. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8, slip op. at 11–12 (PTAB Sept. 12, 2018) (“*NHK*”). All grounds in the Petition are based on the Gatorade label as the primary or sole reference, which is identical or substantially the same as, and cumulative of, references that were considered during prosecution of the '422 Patent. Petitioner's art and arguments are also cumulative of the Examiner's arguments made during prosecution. Despite this overlap, Petitioner makes no attempt to establish that the Examiner “erred in evaluating the art or

arguments” previously presented to the Office, as has “generally [been] required” for such cumulative petitions to be instituted under § 325(d). *Advanced Bionics*, Paper 6 at 8. Therefore, the Board should deny institution.

In Ground 1, which includes all independent claims (*i.e.*, claims 1 and 19) Petitioner relies on the Gatorade label alone as allegedly anticipatory. Grounds 2 and 3 rely on obviousness grounds specifically for claim 4, while still relying solely on the Gatorade Label as allegedly disclosing the limitations of claim 1.

Ground	Claims	Basis
1	1-3, 5-19	§102 – Gatorade Label
2	4	§103 – Gatorade Label and Knowledge of a POSITA, including Mitchell et al. (US 2017/0223879)
3	4	§103 – Gatorade Label in view of the Febreze Label

Petitioner alleges that the Gatorade label, marketed by Petitioner Multi-Color Corporation, is a recyclable shrink label with a light blocking layer that was purportedly offered for sale and sold before the priority date of the '422 Patent. Petition at 11. The art that the Examiner considered during prosecution, such as Mitchell, similarly focused on recyclable shrink labels with a light blocking layer. The Board should deny institution because: (i) Multi-Color Corporation labels, such as the Gatorade Label, were already considered by the Patent Office during prosecution, and (ii) the Gatorade Label is substantially the same and cumulative of

the art and arguments previously considered by the Office, such as the disclosures in Mitchell.

1. **The Examiner considered substantially the same art and/or arguments during prosecution (*Becton Dickinson* Factors (a), (b), and (d))**
 - a. **Petitioner's anticipation and obviousness arguments based on the Gatorade Label are cumulative of arguments considered during prosecution**

Discretionary denial is appropriate because Petitioner's arguments based on the Gatorade Label are cumulative of, and overlap with, the Examiner's reliance on certain references discussed during prosecution of the '422 Patent. The Board has found that where a petitioner's prior art challenges, even if based on art not previously presented to the Office, "are similar" to the arguments "raised by the Examiner" during prosecution, discretionary denial is appropriate under § 325(d). *Xilinx, Inc. v. Analog Devices, Inc.*, IPR2021-00294, Paper 9 at 27 (PTAB June 10, 2021) ("Xilinx") ("[I]n the context of the first part of the *Advanced Bionics* framework, we find that Petitioner's prior art challenges based on Dabbagh-Sadeghipour and Fetterman in this proceeding are the same or substantially the same art or arguments previously presented to the Office.").

Here, Petitioner's anticipation and obviousness arguments based on the Gatorade Label are cumulative of the Examiner's arguments regarding Mitchell. For example, during prosecution of the '422 Patent, Examiner rejected the Applicant's

claims as obvious over Mitchell because Mitchell “teaches an electromagnetic radiation blocking label arrangement and a container comprising the radiation blocking label arrangement thereon.” EX1002 at 228.

According to the Examiner, Mitchell's radiation blocking label arrangement is comprised of a first skin layer (2; heat shrink film) comprised of a shrinkable film, a core layer (4; high opacity layer), a second skin layer (6) and a metallization layer (7; light blocking layer), wherein the metallization layer (7; light blocking layer) is disposed adjacent to a first surface of the first skin layer (2; heat shrink film). EX1002 at 228 (citing Mitchell Figure 3-7; [0004-0014, 0091-0109, 0112, 0138, 0149, 0176-0177, 0179, 0185-0187]). Similarly, Petitioner cited the Gatorade Label as a label that contains a shrink layer (Petition at 15), a high opacity layer (Petition at 32), and a light blocking layer (Petition at 21).

The Examiner further cited Mitchell, arguing that Mitchell's “metallization layer (7; light blocking layer) is comprised of aluminum (light blocking component) and has a UV light and visible light transmittance below 5% (i.e., block at least 80% of incident light having wavelengths in a range of 200nm to 900nm).” EX1002 at 228 (citing Mitchell [0101-0106]). Similarly, Petitioner alleges the Gatorade Label contains a light blocking component consistent with aluminum (Petition at 21), which block at least 80% of light in the 220 to 900 nm range (Petition at 30).

With respect to the claimed “recyclable” limitation, the Examiner stated that Mitchell “teaches all the structural features of claim 1 and therefore would be capable of performing in the manner claimed.” EX1002 at 229. Furthermore, according to the Examiner, “Mitchell et al. teaches that the shrinkable labels provide easy separate [*sic*] during recycling processes.” EX1002 at 229 (citing Mitchell [0235-0252]). As the Applicant noted, however, “[n]ot all combinations of shrink films and light blocking materials are capable of being recycled.” EX1002 at 335. The Applicant further noted that “removing the label before or during the recycling process is not evidence of the recyclability of the label.” EX1002 at 335. Despite Examiner’s argument that “Mitchell ’879 teaches all the structural features of claim 1,” Mitchell nonetheless “fails to teach a recyclable label and for at least this reason fails to teach all of the features of claim 1.” EX1002 at 335.

Applicant thus successfully distinguished the ’422 invention over Mitchell because Mitchell “would not be recyclable with a PET container,” EX1002 at 336, and noted that APR guidance 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.***”

Applicant then further amended the '422 claims to require "wherein the recyclable shrink label is recyclable with a PET container." EX1002 at 316. The Examiner acquiesced to Applicant's argument that the '422 invention is distinct from the disclosures in Mitchell because Mitchell does not teach a shrink label recyclable with the container. See EX1002 at 357 (in Final Rejection after Applicant amended claims to distinguish over Mitchell, the Examiner noted that the Applicant's arguments are "moot because the new ground of rejection does not rely on any reference applied in the prior rejection of record for any teaching or matter specifically challenged in the argument."). As such, the Examiner previously considered art and argument regarding a light blocking shrink sleeve label that did not teach that the label and container may be recycled together.

Petitioner's cited art suffers from the same deficiencies as Mitchell and is therefore cumulative of art and argument considered by the Examiner. Despite that all of Petitioner's arguments in Grounds 1-3 rely on the Gatorade Label as the sole reference for independent claims 1 and 19, Petitioner fails to allege or provide any evidence that the **Gatorade** Label is recyclable with the container. Petitioner instead relies on Figures depicting a **Febreze** Label before and after a caustic wash and states that these figures depict that "the ink is being removed during the caustic wash

cycle.”² Compare EX1014 Figure 9 (Representative image of the shrink label mixed with PET flakes for the recyclability testing), with Figure 4 (showing Febreze Label). Yet, Petitioner makes no obviousness arguments to combine the Gatorade Label with the Febreze Label for the purposes of independent claims 1 and 19.



EX1014 Figure 9 with blowup of label flake used in Petitioner's recyclability testing

² With respect to the independent claims 1 and 19, Petitioner relies solely on the Gatorade Label under § 102. While Grounds 2 and 3 rely on the Gatorade Label combined with the Febreze Label, none of Petitioner's grounds rely on the Febreze label as teaching or disclosing the requirement that “the recyclable shrink label is recyclable with a PET container” as required by claims 1 and 19.



EX1014 Ex. 4 (showing Febreze Label used in testing)

Moreover, even the images Petitioner shows for the Febreze Label would not meet the APR guidance for recyclability of a film label as Applicant described to the Examiner. *Compare* EX1014 Figures 10, 11a (showing ink retained on film after caustic wash), *with* EX1002 at 336 (Applicant stating that APR Guidance related to recyclability of PET films includes “Films that float in water and that can be **separated from PET** that sinks in water”).



EX1014 Figures 10 and 11a.

Petitioner does not even attempt to address why it chose to depict a Febreze Label as part of its analysis related to recyclability of the label with the container or why it would meet the limitation given the amount of ink retained on the flakes.

Nor do Petitioner's other statements cure this deficiency. For example, Petitioner further states that "[i]n connection with this analysis, Petitioner notes that the Gatorade Label is an SKC Ecolabel™ sleeve label," which Petitioner alleges meets or exceeds the APR's Critical Guidance Protocol for Clear PET Articles with Labels and Closures Document requirements. Petition at 31 (citing EX1018). Petitioner fails to acknowledge, however, that EX1018 explicitly states that the APR "recognition applies only to the Fort Dearborn Recycle Friendly washable inking system and not necessarily to labeled bottles as those packages would need to be tested themselves to demonstrate the system of resin, adjuvants, labels, and closures conformed to the APR Critical Guidance Document and APR Design Guide."

EX1018. Thus, the APR's recognition of the SKC Ecolabel says nothing about the recyclability of the Gatorade Label (or the Febreze Label) once printed with ink layers. Petitioner also states that "the silver ink used in connection with the Gatorade Label is supplied by Watson Standard," which "confirms that the silver ink passes recyclability/bleed testing set forth in the protocol established by the Association of Postconsumer of Plastic Recyclers." Petition at 31 (citing EX1019). Neither Petitioner nor EX1019 explain what the standard for passing "recyclability/bleed testing" entails but regardless, recyclability of the ink, taken alone, also says nothing about whether the Gatorade Label is recyclable with the bottle for the same reasons explained above with respect to the APR's recognition of the SKC Ecolabel.

Given these significant deficiencies, it cannot be said that Petitioner raises new arguments regarding the recyclability of the *Gatorade* Label. Accordingly, the art and arguments raised in the Petition are cumulative of that considered by the Examiner. *Intel Corp. v. InterDigital, Inc.*, IPR2024-01441, Paper 13 at 16 (PTAB Apr. 1, 2025) (finding arguments cumulative where Petitioner relies upon art to teach the same limitations but "does not add anything new to the discussion.").

2. Petitioner has not established that the Office Materially Erred (*Becton Dickinson* Factors (c), (e), (f))

For each of Grounds 1-3 addressed above, Petitioner has not met their burden of showing the Office erred in a manner material to patentability of the claims. *See Advanced Bionics*, Paper 6 at 8. Petitioner contends that the Gatorade Label was not

applied during prosecution, Petition at 10, but fail to address the cumulativeness of the Gatorade Label over Mitchell. Petitioner fails to adequately identify any substantive differences between the prior art supporting Grounds 1-3 and the art and arguments considered by the Examiner. Indeed, Petitioner does not even cite any evidence to show how the Gatorade label meets each and every limitation of the independent claims as it must do in its anticipation grounds.

This petition is precisely the type that § 325(d) was designed to weed out—*i.e.*, one that relies on wholly cumulative art and arguments that asks the Board to second-guess the Examiner's decision on patentability without showing any error. Where, as here, the first part of the *Advanced Bionics* framework has been satisfied, “the Board's decisions generally have required a showing that the Office erred in evaluating the art”—and that showing has not been made here. *Advanced Bionics*, Paper 6 at 8. The Board should therefore exercise its discretion under § 325(d) to deny institution of Grounds 1-3.

C. Ground 4 Relies on the Same or Substantially the Same Arguments that were Considered by the Office Without Error

Petitioner's Ground 4 further challenges the '422 claims as indefinite under § 112. Yet here too, Petitioner's arguments were already considered and rejected by the Examiner and discretionary denial is warranted with respect to Ground 4 as well.

Ground 4 alleges that claims 1-19 of the '422 Patent are indefinite under § 112 with respect to the claim limitation “wherein the recyclable shrink label is recyclable.” Petition at 53.

Ground	Claims	Basis
4	1-19	§112 – Indefiniteness

Petitioner alleges that “[t]he claim language has multiple possible meanings, making it impossible for a POSITA to determine a definitive meaning and thus scope of the claim.” Petition at 53-54. Petitioner acknowledges, however, that “the '422 Patent *defines* what makes a shrink label recyclable” and quotes ten passages from the '422 Patent that explain what is meant by recyclable. Petition at 53-56 (emphasis added). Despite this acknowledgement, Petitioner nonetheless asserts that the '422 Patent claims are indefinite because, according to Petitioner, the '422 Patent defines the term “wherein the recyclable shrink label is recyclable” “in several disparate ways.” Petition at 54. As a preliminary point, Petitioner omits part of the claim language in its recitation of the claim limitation. The full limitation is “wherein the recyclable shrink label is recyclable *with a PET container*.” '422 Patent cls. 1, 19. That distinction matters in the context of whether a person of ordinary skill would understand the claim language. Moreover, as will be discussed in further detail in Patent Owner's forthcoming preliminary response, Petitioner fails to identify even a

single inconsistency among the passages it cites, especially in light of the full claim limitation.

Regardless, Petitioner entirely fails to acknowledge that during prosecution of the '422 Patent, the Examiner considered and ultimately rejected indefiniteness arguments and did not err in doing so.

1. **The Examiner considered substantially the same arguments during prosecution (Becton Dickinson Factors (a), (b), and (d))**

During prosecution of the '422 Patent, the Examiner evaluated the pending patent claims for conformance with § 112, as is required in all examinations, and ultimately concluded the claims as written, including the limitation “wherein the recyclable shrink label is recyclable with a PET container” met the requirements for patentability. EX1002 at 430 (Notice of Allowance). Accordingly, the Examiner considered, yet ultimately rejected, the same or substantially the same arguments that Petitioner now advances.

As the MPEP dictates, “[t]he first step to examining a claim to determine if the language is definite is to fully understand the subject matter of the invention disclosed in the application and to ascertain the boundaries of that subject matter encompassed by the claim.” MPEP § 2173.01. “In reviewing a claim for compliance with 35 U.S.C. 112(b) or pre-AIA 35 U.S.C. 112, second paragraph, the examiner *must* consider the claim as a whole to determine whether the claim apprises one of

ordinary skill in the art of its scope and, therefore, serves the notice function required by 35 U.S.C. 112(b) or pre-AIA 35 U.S.C. 112, second paragraph, by providing clear warning to others as to what constitutes infringement of the patent.” MPEP § 2713.02. Thus, Examiners are instructed that a requirement of the prosecution process is to evaluate and make determinations as to whether a claim is sufficiently definite to apprise a skilled artisan of the metes and bounds of the claim, and if not, issue a rejection under § 112.

The Examiner during the '422 prosecution did just that. Indeed, in the first Non-Final Rejection submitted on August 9, 2023, the Examiner rejected claims 2, 3, 7, 8, 9, 10, 12, 14, 16, 18, and 19 under 35 U.S.C. § 112(b) “as being indefinite for failing to particularly point out and distinctly claim the subject matter.” EX1002 at 224. None of the rejected claims at that time included the particular limitation raised in the Petition, however, the Examiner argued that the term “recyclable” in the preamble is “considered functional language related to the intended use of the product.” EX1002 at 229. The Examiner’s determination that “recyclable” is functional language demonstrates that the examiner considered the term “recyclable” under § 112 to determine whether a skilled artisan would understand the scope of the claims. *See* MPEP § 2173.05(g) (“A functional limitation must be evaluated and considered, just like any other limitation of the claim, for what it fairly

conveys to a person of ordinary skill in the pertinent art in the context in which it is used.”).

Following the same Non-Final Rejection on August 9, 2023, Applicant amended the claims on October 16, 2023, including to add the limitation at issue here—“wherein the recyclable shrink label is recyclable with a PET container”—to overcome a prior art rejection. EX1002 at 316. Applicant explained how a person of ordinary skill would understand the claim limitation, stating that “not all combinations of shrink films and light blocking materials are capable of being recycled” and “removing the label before or during the recycling process is not evidence of the recyclability of the label.” EX1002 at 335. The Applicant further noted that “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.” EX1002 at 336. In support of this understanding, Applicant cited the Association of Plastic Recyclers (APR) guidance, which provides that:

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

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

Applicant's reply to Examiner's August 9, 2023 Non-Final Action required the Examiner to reconsider the application and examine the claims again. 37 C.F.R. 1.112. The Regulations require that the Examiner must then notify the Applicant if the claims are rejected, objections or requirements are made, or if decisions favorable to patentability are made, in the same manner as after the first examination. 37 C.F.R. § 1.104. Pursuant to 37 C.F.R. §§ 1.112, 1.104, the Examiner issued a Final Rejection on November 13, 2023, finding that the Examiner's prior § 112 rejections were overcome by Applicant's amendments, but rejecting the claims under §§ 102 and 103. EX1002 at 348-57. The Examiner did not lodge any § 112 rejections for any of the newly amended claims—which included the limitation at issue here—but noted that “[t]he limitation reciting ‘wherein the recyclable shrink label is recyclable with a PET container’ is considered functional language.” EX1002 at 350. Accordingly, the examiner considered the argument of whether the claim limitation at issue here is sufficiently definite and concluded that no § 112 rejection was warranted. *See* MPEP § 2173.05(g) (“A functional limitation must be evaluated and considered, just like any other limitation of the claim, for what it fairly conveys to a person of ordinary skill in the pertinent art in the context in which it is used.”).

Moreover, in Examiner's Notice of Allowance on February 6, 2024, the "Reasons for Allowance" noted that Independent Claim 1 is directed to a recyclable shrink label comprising a PET heat shrink film" where "[t]he recyclable shrink label is recyclable with a PET container." EX1002 at 435-36. The Examiner's allowance of the '422 Patent claims, as written, demonstrates that the Examiner considered and rejected indefiniteness arguments related to the claim limitation "wherein the recyclable shrink label is recyclable with a PET container." EX1002 at 430 (Notice of allowance); *see Shure v. Clearone*, PGR2020-00079, Paper 14 at 23-25. Petitioner's arguments therefore are cumulative of arguments already considered and rejected by the Examiner during prosecution of the '422 Patent.

2. Petitioner has not established that the Office Materially Erred (Becton Dickinson Factors (c), (e), and (f))

For Ground 4 addressed above, Petitioner has not met their burden of showing the Office erred in a manner material to patentability of the claims. *See Advanced Bionics*, Paper 6 at 8. Where, as here, the same or substantially overlapping arguments were before the Patent Office, it is incumbent on the petitioner to offer a particularized explanation of how the Office erred, and Petitioner failed to carry this burden. *See Google LLC v. Uniloc 2017 LLC*, IPR2019-01584, Paper 7 at 15 (PTAB Mar. 24, 2020). Despite that Petitioner's indefiniteness argument is cumulative of indefiniteness arguments previously considered and rejected by the Office, Petitioner does not even attempt to address whether the Examiner materially erred

in making the determination that the claims meet the definiteness standard for patentability and allowing the claims. Petitioner's failure to address whether the examiner materially erred is fatal to its Petition.

Regarding Factor (f), the Petition does not present new evidence that warrants reconsideration of the same arguments. Petitioner's expert declarations are not enough; the declarations parrot arguments in the Petition and the experts fail to support their testimony with objective evidence. See *NHK Spring Co. v. Intrix-Plex Techs., Inc.*, IPR2018-00752, Paper 8, slip op., at 16-17 (PTAB Sept. 12, 2018) ("Although Dr. Bogy's declaration was not before the Examiner, the declaration does not persuade us that we should reconsider Braunheim, the AAPA, or Petitioner's arguments because the declaration is substantially similar to the Petition (i.e., contains the same arguments that we find substantially overlap the Examiner's findings) and Dr. Bogy fails to support his testimony with objective evidence." (footnote omitted)).

Petitioner could not assert any material error because there was none. The Examiner evaluated, as required, whether the claims particularly point out and distinctly claim the subject matter which the inventor regards as the invention. MPEP § 2173. Claim terms are typically given their ordinary and customary meaning as understood by one of ordinary skill in the pertinent art, and the generally understood meaning of particular terms may vary from art to art. A claim is

sufficiently definite if those skilled in the art would understand what is claimed when the claim is read in light of the specification. *See Power-One, Inc. v. Artesyn Techs., Inc.*, 599 F.3d 1343, 1350, (Fed. Cir. 2010). Read in light of the specification and the prosecution history, a person of ordinary skill would easily be able to understand the meaning of the '422 claims and ascertain the scope of the invention. In particular, Applicant explained what is meant by the claim term when the limitation was initially added by amendment. Specifically, Applicant stated:

The term “recyclable” does further limit the claim in that the claimed label must be capable of being recycled. Not all combinations of shrink films and light blocking materials are capable of being recycled, as further discussed below. It should also be noted that removing the label before or during the recycling process is not evidence of the recyclability of the label. If anything, the desire to provide a removable label implies that the label may not be recyclable and must be removed before the container itself can be recycled. Removing the label during the recycling process is not equivalent to actually recycling the label.

EX1002 at 335.

Petitioner also acknowledges that the '422 Patent defines the term “wherein the recyclable shrink label is recyclable with a PET container.” Petition at 54 (“the '422 Patent defines what makes a shrink label recyclable”). In particular, Petitioner identifies ten disclosures within the '422 specification that define what makes a shrink label recyclable. Petition at 53-56. Despite Petitioner's assertions, each of

these disclosures consistently informs a person of ordinary skill of the metes and bounds of the invention. The '422 Patent states that, "Generally clear crystallizable heat shrink films (e.g., PET shrink films) are considered recyclable if no inks are retained on the film after a caustic wash cycle typically used in PET reclaiming processes. EX1001 at 6:62-65.

Every other disclosure within the '422 Patent is consistent with this understanding and Petitioner cannot specifically identify how any of the disclosures provide "disparate" definitions. For example, the '422 Patent also specifies that "the inks utilized in the labels of the present disclosure, including the light blocking inks, are designed to wash off the film during a reclaiming process allowing the labels and containers they cover to be recycled." EX1001 at 7:9-13. This entirely consistent disclosure is merely describing the qualities and characteristics of the *ink* used to make a label that is recyclable with a PET container. Petitioner is unable to identify any rationale for why a person of ordinary skill would find these disclosures disparate or in any way inconsistent.

Similarly, the '422 Patent also discloses that the invention is consistent with nationally recognized recycling standards. Specifically, the '422 Patent states that "the labels of the present disclosure can meet certain industry standards, including for example the Association for Plastic Recyclers (APR) Critical Guidance Protocol for Clear PET Articles with Labels and Closures (PET-CG-02), which can be

considered as certifying that the film is fully recyclable with the container or bottle.”

EX1001 at 11:29-53. Again, this disclosure is entirely consistent with each of the other disclosures Petitioner cites. In particular, this disclosure merely provides a way for a person of ordinary skill to confirm that a label designed according to the '422 Patent would be recyclable with a PET container by citing industry standards that certify such labels. The APR Guidance document notes that, “Innovation articles are created according to the ‘Preparation of PET Articles for Evaluation’ Practice which explains how to create articles for evaluation that include labels, closures or attachments.” EX1005 at 4. According to the Guidance document, “Inks and adhesives can impact the costs of managing a wash system and waste disposal. Therefore, for innovations involving printing inks or labels with adhesives, it is recommended that the Wash Water Evaluation be conducted.” EX1005 at 4. Thus, the Guidance document provides a process by which label featuring inks (*i.e.*, innovations) can be evaluated to determine their recyclability with a container. Additional APR Guidance notes that:

Selection of printing inks

APR offers tests that can be used to identify inks that have negligible, if any, impact on PET recycling. An important consideration for inks on shrink sleeve labels is that the ink not contaminate or discolor PET flake when mixed in hot caustic wash water used in the recycling process. If the ink separates from the label film in the wash step, it is desirable that the ink be readily filtered from the PET flake as well as

the wash water. If the sleeve label floats, it is desirable that the ink remain adhered to the floating label, and that the ink density not cause a floating label to sink.

EX1009 at 2.

As will be further discussed in Patent Owner's forthcoming preliminary response, every disclosure cited by Petitioner is similarly consistent and Petitioner has not (indeed, cannot³) identify a single disparate definition or credibly identify how a person of ordinary skill in the art would not be able to determine the metes and bounds of the invention. Regardless, "[i]f reasonable minds can disagree regarding the purported treatment of the art or arguments, it cannot be said that the Office erred in a manner material to patentability." *Advanced Bionics*, Paper 6 at 9.

As a result, each of the *Advanced Bionics* factors weigh in favor of denying institution of Ground 4 under § 325(d) because the arguments supporting the proposed ground are wholly cumulative of the arguments that were considered

³ Petitioner failed to meet their burden of showing material error and are foreclosed from raising new arguments concerning error in a reply. *Koa Corp. v. Vishay Dale Elecs. LLC*, IPR2019-00201, Paper 30 at 77 (PTAB May 7, 2020) ("A reply that raises a new issue or belatedly presents evidence may not be considered.")

during examination of the '442 patent, and Petitioner does not show that the Office materially erred in concluding the definiteness of the claims.

D. Additional Factors Supporting Discretionary Denial

In addition to Petitioner's failure to identify any material error in the Examiner's previous consideration and rejection of substantially the same art and arguments presented by Petitioner, as discussed above, other factors also counsel the Director to exercise discretion to deny institution because: (1) Petitioner relies almost exclusively on experts to bootstrap the lack of disclosure in its Petition; (2) Petitioner's arguments here are exceptionally weak as they fail to provide any evidence for one of the claim limitations allegedly anticipated by its cited prior art; and (3) the PTAB workload and pendency remains exceptionally high.

1. Petitioner Relies Extensively on Experts to Cure Deficiencies in its Petition

In the March 26, 2025 Interim Processes for PTAB Workload Management memorandum, the Office directed that "consistent with the discretionary considerations enumerated in existing Board precedent (including *Fintiv*, *General Plastic*, and *Advanced Bionics*) and the Consolidated Trial Practice Guide (Nov. 2019), the parties are permitted to address all relevant considerations." Stewart, Morgan, Interim Process for PTAB Workload Management Memo., p. 2 (Mar. 26, 2025) ("Memo"). Included in the list of additional discretionary considerations is "[t]he extent of the petition's reliance on expert testimony." *Id.* As explained in

FAQ 21, “[w]hile the Board may consider expert testimony, as a matter of efficiency, extensive reliance on expert testimony and/or reasonable disputes between experts on dispositive issues may suggest that the questions are better resolved in an Article III court.” Response to FAQ 21, FAQs for Interim Processes for PTAB Workload Management, available at, <https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management> (“FAQ 21”). Moreover, as noted in the FAQs, “failure to provide focused expert testimony may weigh against institution.” *Id.*

This is precisely the scenario envisioned by this discretionary consideration: Petitioner almost exclusively on expert testimony show how its alleged product prior art meets the claims of the ’422 Patent with little or no analysis in the Petition itself. Determination of whether physical products, here the Gatorade and Febreze Labels, anticipate or render obvious the claims of the ’422 Patent requires complex physical examination of the labels requiring expert performance and analysis, including:

- Fourier Transform Infrared Spectroscopy (FTIR) to determine the PET composition of the label (*see, e.g.*, Petition at 15, EX1014 (Deible Decl.) ¶ 60).
- Scanning electron microscopy (SEM) to determine the thickness of the label (*see, e.g.*, Petition at 18-19, EX1014 (Deible Decl.) ¶ 63).
- Light transmittance analysis using a Shimadzu 2600i with an integrating sphere to determine the extent of light blocking (*see, e.g.*, Petition at 29, EX1004 (Deible Decl.) ¶ 67).

- Caustic wash bath to determine recyclability of Febreze Labels (*see, e.g.*, Petition at 30-31, EX1014 (Deible Decl.) ¶¶ 72-74).
- Flake mixture sieving analysis to determine recyclability of Febreze samples (*see, e.g.*, Petition at 30-31, EX1014 (Deible Decl.) ¶¶ 75-77).
- Raman spectroscopy to determine composition of high opacity layer (*see, e.g.*, Petition at 32, EX1014 (Deible Decl.) ¶ 81).
- Heat shrink testing to determine amount of label shrinkage (*see e.g.*, Petition at 35, EX1014 (Deible Decl.) ¶¶ 85-88).
- Inductively Coupled Plasma (ICP) to quantify the amount of aluminum (*see, e.g.*, Petition at 37, EX1014 (Deible Decl.) ¶ 93).

As described above, Petitioner relies extensively (almost exclusively) on its expert, Dr. Deible, to perform complicated testing, analyze the results of the testing, and identify whether particular structures or characteristics allegedly meet the claim limitations. All of this analysis, as recognized by the Director, is more appropriate for resolution by an Article III court. FAQ 21. In addition, Patent Owner anticipates providing its own expert analysis to rebut Petitioner's expert testimony, further demonstrating that Director should exercise discretion to deny institution. FAQ 21 ("as a matter of efficiency, extensive reliance on expert testimony and/or reasonable disputes between experts on dispositive issues may suggest that the questions are better resolved in an Article III court.").

Not only is Petitioner relying extensively on experts to fill in the gaps of their analysis, their "failure to provide focused expert testimony" weighs against

institution. Specifically, the expert testimony relied upon by Petitioner is unfocused since it only discusses what constitutes a *recyclable label* and not what constitutes a *label recyclable with a PET container*. Neither of Petitioner's two experts provide a separate or specific indefiniteness analysis of the claim language "shrink label is recyclable with a PET container." Instead, Petitioner's expert testimony is directed toward the broader and more general phrase "recyclable." *See generally* EX1013; EX1014.

2. Petitioner's Challenge is Exceptionally Weak on the Merits

Yet another compelling reason for the Director to exercise discretion to deny institution here is that the merits of the present petition are exceptionally weak. *See* Memo at 2 ("parties are permitted to address all relevant considerations, which may include... [t]he strength of the unpatentability challenge"). As detailed above and further detailed in Patent Owner's forthcoming preliminary response, despite that the Petition's Grounds 1-3 all rely solely on the Gatorade Label as allegedly disclosing each and every limitation of the independent claims 1 and 19, Petitioner cites *no evidence* that the *Gatorade* Label is recyclable with the bottle as required by the claims. Instead, Petitioner shows only evidence of recyclability of a *Febreze* Label, but does not assert (or offer any expert testimony showing) that it would be obvious to combine the Gatorade and Febreze Labels for the purposes of independent claims 1 and 19. And, as explained above, even Petitioner's evidence

of the Febreze Label is insufficient to meet the claims. Petitioner's utter failure of proof for Grounds 1-3 demonstrate that this is exactly the type of petition that the Office should deny.

3. Workload and Pendency at the PTAB Remains High

A third and independent reason the Director should exercise discretion to deny institution here, is to reduce PTAB workload and pendency. Recent PTAB statistics show that AIA filings remain above the twelve-month rolling average. PTAB Trial Statistics February 2025 IPR, PGR (Feb. 2025), available at, https://www.uspto.gov/sites/default/files/documents/ptab_aia_20250228_.pdf.

According to the Director's memorandum describing the Interim Processes for PTAB Workload Management, the Office's bifurcated approach was established explicitly "to improve PTAB efficiency, maintain PTAB capacity to conduct AIA proceedings, reduce pendency in *ex parte* appeals, and promote consistent application of discretionary considerations in the institution of AIA proceedings." Memo at 3. Including for the reasons set forth above, exercising discretion to deny institution of the instant Petition is warranted and would help the Office achieve its stated desire to "ensure that the PTAB continues to meet its statutory obligations as to *ex parte* appeals, while continuing to maintain its capacity to conduct AIA proceedings." Memo at 1.

V. CONCLUSION

The Director should exercise her discretion to deny institution of the instant Petition because: (1) the Eastern District of Texas will resolve validity issues raised by the Petition four months before the estimated date of the final written decision in this proceeding; (2) the Petition advances only cumulative art and argument already considered and rejected by the Office with no material error; and (3) additional considerations, including the Petitioner's extensive reliance on expert testimony for which Patent Owner intends to rebut with its own expert testimony, the extraordinary weakness of the merits, and consideration of the PTAB's workload and pendency warrant discretionary denial.

Dated: May 21, 2025

Respectfully submitted,

/s/ W. Todd Baker

W. Todd Baker

Reg. No. 45,265

todd.baker@kirkland.com

Tera Stone

(*pro hac vice* to be submitted)

tera.stone@kirkland.com

Steven Dirks

(*pro hac vice* to be submitted)

steven.dirks@kirkland.com

Kelly Tripathi

(*pro hac vice* to be submitted)

kelly.tripathi@kirkland.com

KIRKLAND & ELLIS LLP

1301 Pennsylvania Ave., N.W.

Washington, D.C. 20004

Telephone: (202) 389-5000

Facsimile: (202) 389-5200

Attorneys For Patent Owner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Patent Owner's Request for Discretionary Denial was served on May 21, 2025, via electronic mail directed to counsel of record for the Petitioner:

Brett A. Schatz
Louis Sitler

bschatz@whe-law.com
lsitler@whe-law.com

/s/ W. Todd Baker

W. Todd Baker

CERTIFICATE OF COMPLIANCE

This Patent Owner's Request for Discretionary Denial complies with the type-volume limitations as mandated in 37 C.F.R. § 42.24. According to the word processing system used to prepare this document, the brief contains 9,361 words.

/s/ W. Todd Baker

W. Todd Baker