

Case No. 2015-00766  
U.S. Patent 7,990,567

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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Esselte Corporation et al.  
Petitioners,

v.

DYMO  
Patent Owner.

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Case IPR2015-00766  
Patent 7,990,567

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**PATENT OWNER DYMO'S  
PRELIMINARY RESPONSE**

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**EXHIBITS**

<b>Exhibit No.</b>	<b>Description</b>
2001	Declaration of Christine E. Hermann, No. 1:14-cv-07616-VSB (S.D.N.Y. Dec. 22, 2014), Dkt. No. 29.
2002	Stock Purchase Agreement by & Between Esselte AB and Newell Rubbermaid Inc., No. 1:14-cv-07616-VSB (S.D.N.Y. Dec. 22, 2014), Dkt. No. 29 at Ex. 30.
2003	Disclosure Schedule to Stock Purchase Agreement by and Between Esselte AB and Newell Rubbermaid Inc. (July 28, 2005) (on file with Newell Rubbermaid, Inc.).
2004	Plaintiffs' Motion for Preliminary Injunction, No. 1:14-cv-07616-VSB (S.D.N.Y. Apr. 16, 2015), Dkt. Nos. 109-12.
2005	Esselte's Opposition to Plaintiffs' Second Motion for a Preliminary Injunction, No. 1:14-cv-07616-VSB (S.D.N.Y. May 13, 2015), Dkt. Nos. 101, 120-21.
2006	Reply in Support of Plaintiffs' Motion to Enjoin Defendants' Participation in <i>Inter Partes</i> Review Actions, No. 1:14-cv-07616-VSB (S.D.N.Y. May 27, 2015), Dkt. Nos. 122-23.
2007	Answer & Affirmative Defenses of Defendant Esselte Corporation to Plaintiffs' First Amended Complaint, No. 1:14-cv-07616-VSB (S.D.N.Y. Mar. 26, 2015), Dkt. No. 103.

## I. INTRODUCTION

Patent Owner DYMO (“DYMO” or “Patent Owner”) hereby files this preliminary response (“Preliminary Response”) to the Petition for *Inter Partes* Review of U.S. Patent No. 7,990,567 (the “Petition”) in IPR2015-00766 filed by Esselte Corporation, Esselte AB, and Esselte Leitz GMBH & Co. KG (collectively “Esselte” or “Petitioners”). The Board should deny the Petitioners’ request to institute an *inter partes* review (“IPR”) of U.S. Patent No. 7,990,567 (the “’567 Patent”) because the Petitioners’ grounds do not demonstrate a reasonable likelihood that challenged claims 8-10 of the ’567 Patent (the “Challenged Claims”) are invalid.

The Petition fails to satisfy the basic requirements one must show for obviousness, including identifying the differences between the claimed invention and the prior art references, specifying which elements are being combined or modified as between prior art references, and why and how a person of ordinary skill in the art would so combine or modify the references. Instead, the Petition repeats boilerplate obviousness statements and widely block quotes references without explanation. This is procedurally and legally insufficient. Nor does the declaration of Petitioners’ expert, Dr. Stephen Gray, cure these defects, as Dr. Gray largely parrots Petitioners’ flawed approach and reasoning. Even were this not the

case, the proposed combinations neither disclose nor render obvious the Challenged Claims, for the reasons discussed below.

This Preliminary Response is timely under 35 U.S.C. § 313 and 37 C.F.R. § 42.107(b), as it is filed within three months of the March 16, 2015 date of the Notice of Filing Date. (Paper 3.) Patent Owner has limited its identification of deficiencies in Petitioners' arguments in this Preliminary Response but does not intend to waive any arguments by not addressing them in this Preliminary Response.

## **II. STANDARDS FOR GRANTING *INTER PARTES* REVIEW**

A petition for *inter partes* review may be granted when “the information presented in the petition . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a); *see* 37 C.F.R. § 42.108(c). A petitioner bears the burden of showing that this statutory threshold has been met. *See* 37 C.F.R. § 42.104(b); Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,756 (Aug. 14, 2012) (hereinafter “Practice Guide”) (“The Board . . . may institute a trial where the petitioner establishes that the standards for instituting the requested trial are met . . .”). In determining whether to institute an *inter partes* review, the Board may “deny some or all grounds for unpatentability for some or all of the challenged claims.” 37 C.F.R. § 42.108(b); *see also* 35.U.S.C. § 314(a).



As a threshold, a petitioner challenging a claim as obvious must identify the differences between the claimed invention and the cited references, and any specific proposed modifications to the references. *Naughty Dog, Inc. v. McRO, Inc.*, IPR2014-00197, Paper 11 at 22 (P.T.A.B. May 28, 2014); *see Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966). To do this, a petitioner must identify where each claim element is taught in the cited prior art references and explain the significance of the cited evidence. *See Naughty Dog, Inc.*, IPR2014-00197, Paper 11 at 20-21; 37 C.F.R. § 42.104(b)(4); *id.* at 42.104(b)(5) (“The Board may exclude or give no weight to the evidence where a party has failed to state its relevance or to identify specific portions of the evidence that support the challenge.”). Failure to clearly identify and explain how each claim limitation is taught by the prior art warrants dismissal of the petition. *See Google Inc. v. EveryMd.com LLC*, IPR2014-00347, Paper 9 at 34, 36 (P.T.A.B. May 22, 2014) (in denying institution, criticizing petitioners for using rote quotations from the prior art references without any explanation of how the quoted passages disclose each specific claim limitation); *Naughty Dog, Inc.*, IPR2014-00197, Paper 11 at 20-22 (finding no reasonable likelihood of invalidating challenged claim in part because unexplained citations from each combined reference “failed to resolve any differences between the claimed inventions and the cited references [and] identify any specific proposed modifications to the references”).

Neither the Board nor the patent owner should be “unduly burden[ed] . . . with the task of sifting through the information presented . . . to determine where each [claim] element is found [in the references], and to identify any differences between the claimed subject matter and the [references’] teachings . . . .” *Google Inc.*, IPR2014-00347, Paper 9 at 34; *see also Gracernote, Inc. v. Iceberg Indus. LLC*, IPR2013-00552, Paper 6 at 20 (P.T.A.B. Mar. 7, 2014) (“[Petitioners] should avoid submitting a repository of all the information that a judge could possibly consider, and instead focus on concise, well organized, easy-to-follow arguments supported by readily identifiable evidence of record.”); Standing Order ¶ 121.5.2 (B.P.A.I. Mar. 8, 2011) (stating that “[t]he Board will not take on the role of advocate for a party, trying to make out a case the party has not adequately stated”).

Where the petition asserts that features of the prior art references may be modified or combined to reach the claimed invention, the petition must provide “sufficient articulated reasoning with rational underpinning to support its proposed obviousness ground.” *SAS Inst., Inc. v. Complementsoft, LLC*, IPR2013-00581, Paper 15 at 12 (P.T.A.B. Dec. 30, 2013) (citing *KSR Int’l Co. v. Teleflex, Inc.*, 550 U.S. 398, 418 (2007)); *accord ActiveVideo Networks, Inc. v. Verizon Commc’ns, Inc.*, 694 F.3d 1312, 1328 (Fed. Cir. 2012); *Naughty Dog, Inc.*, IPR2014-00197, Paper 11 at 21-22. The petition must articulate a concrete reason why one of

ordinary skill of art at the time of the invention “would have thought to combine particular available elements of knowledge, as evidenced by the prior art, to reach the claimed invention.” *Heart Failure Techs., LLC v. Cardiokinetix, Inc.*, IPR2013-00183, Paper 12 at 9 (P.T.A.B. July 31, 2013) (citing *KSR Int’l Co.*, 550 U.S. at 418). That is, even when the petition explains which features of the prior art references may be combined or modified to teach the claimed invention, the petition must still explain why one of ordinary skill in the art would have made such modifications or combinations. *See Wright Med. Tech., Inc. v. Orthophoenix, LLC*, IPR2014-00912, Paper 9 at 11, 17 (P.T.A.B. Dec. 16, 2014) (denying a ground based on obviousness at least because the cited evidence only explained that the prior art’s teaching **could** be obvious but not why it **would** have been obvious); *Lake Cable, LLC v. Windy City Wire Cable and Tech. Prod., LLC*, IPR2013-00528, Paper 11 at 18-19 (P.T.A.B. Feb. 19, 2014) (same holding); *see also Naughty Dog, Inc.*, IPR2014-00197, Paper 11 at 21-22 (finding no reasonable likelihood of succeeding on obviousness grounds where the Petition and supporting expert declaration only provided a general motivation to combine, supplemented by unexplained block quotations in claim charts). To this end, the petition must contain more than conclusory and boilerplate assertions of obviousness. *Toshiba Corp. v. Intellectual Ventures II LLC*, IPR2014-00201, Paper 11 at 17 (P.T.A.B. May 21, 2014) (finding no reasonable likelihood that

challenged claims were obvious where the petitioner’s “obviousness argument [was] entirely conclusory”).

Although the petition may also rely on expert testimony to support an assertion of obviousness, conclusory expert opinions in support of an IPR petition are entitled to little or no weight. *See* 37 C.F.R. § 42.65(a); Practice Guide at 48,763 (“Opinions expressed without disclosing the underlying facts or data may be given little or no weight. *Rohm & Haas Co. v. Brotech Corp.*, 127 F.3d 1089, 1092 (Fed. Cir. 1997) (nothing in the Federal Rules of Evidence or Federal Circuit jurisprudence requires the fact finder to credit unsupported assertions of an expert witness).”); *ActiveVideo Networks, Inc.*, 694 F.3d at 1327; *SAS Inst., Inc.*, IPR2013-00581, Paper 17 at 3-4. Accordingly, an expert declaration should be accorded little or no weight when it largely parrots the language in the petition without providing any objective analysis of its own. *See Spansion, Inc. v. Macronix Int’l Co., Ltd.*, IPR2014-01116, Paper 12 at 10 (P.T.A.B. Dec. 22, 2014) (accorded little weight to expert declaration where it included “a claim chart and footnotes that [were] identical substantially to the claim chart and footnotes presented in the Petition” because this type of disclosure “consisted of bare opinion, without objective support”); *Toshiba Corp.*, IPR2014-00201, Paper 11 at 17.

### **III. BACKGROUND ON THE '567 PATENT**

The application leading to the '567 Patent, titled "Label Printer," was filed on October 7, 2009 as a continuation from U.S. Patent App. 10/436,363 (the "'363 Application"), which was filed on May 13, 2003. The '567 Patent is one of the patents that Patent Owner has asserted against Petitioners for infringement in the United States District Court for the Southern District of New York. Esselte, in addition to litigating this allegation in the district court, filed the Petition seeking invalidation of claim 16 of the '113 Patent.

Claims 8-10 of the '567 Patent are directed to a method for printing an image on an image receiving medium. (Ex. 1001 at claim 8.) These Challenged Claims read as follows:

8. A method for printing an image on an image receiving medium comprising the steps of:

[a] inputting the image to be printed;

[b] printing the image on the image receiving medium;

[c] storing a plurality of images, such that each time an image is printed said image is stored; and

[d] recalling one of said stored images, wherein the method further comprises one of editing and reprinting said recalled stored image.

9. A method as claimed in claim 8, comprising storing a maximum of N previously printed labels.

10. A method as claimed in claim 9, wherein when the number of labels stored is greater than N, the oldest label is deleted.

(*Id.*)

Independent claim 8 requires, among other steps, “storing a plurality of images, *such that each time an image is printed said image is stored.*”<sup>1</sup> (*Id.*) During prosecution, the applicant distinguished this aspect of the invention from the prior art, which disclosed storing printed images only if the user specifically indicated they should be saved for later reprinting. (Ex. 1007 at 35) In particular, the Patent Office rejected the pending claims on the ground that a prior art reference, U.S. Patent 6,351,275 (the “’275 Patent”), disclosed storing a label if the user specifically indicated to save this label for later reprinting. (*Id.* at 34-35.) The applicant distinguished the ’275 Patent from the claimed invention by explaining that the ’275 Patent did not “store an image . . . each time an image is printed.” (*Id.* at 35.) The applicant explained that storing the image “each time” it is printed, without user involvement, is important for convenience and efficiency:

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<sup>1</sup> Unless otherwise noted, emphasis added here and throughout.

[W]hen preparing a label a user may forget to save it. If the user wishes to reprint that label then the unsaved label data will have to be re-entered by the user. This is time consuming and inconveniences the user. This is particularly disadvantageous if the user frequently forgets to save his or her labels.

Another advantage of Applicants' claimed label printer and method obviates the need for a user to carry out a separate "save" operation. This saves time for the user. Furthermore, in practice, consecutive labels that are printed by a user may differ only slightly in contents or appearance. In embodiments of the Applicants' claimed label printer and methods, the user can recall previously printed labels (such as the last printed label) and then make any edits necessary to that label before it is printed again. Again this saves time for the user and is thus convenient.

*(Id.)* In response, the Patent Office allowed the claims without any modification.

*(Id. at 8.)*

#### **IV. CLAIM CONSTRUCTION**

Petitioners only propose the construction of one claim term ("one of editing and reprinting"), the merits of which are discussed more fully below. Implicitly, Petitioners suggest that the remainder of the claim terms require no construction. Patent Owner agrees that no construction is required for any other claim terms for

purpose of this IPR, and that “the claim terms are presumed to take on their ordinary and customary meaning.” *See* Practice Guide at 48700.

A. **“wherein the method further comprises one of editing and reprinting said recalled stored image”**

Petitioners’ Construction	Patent Owner’s Construction
<p>“one of editing and reprinting said recalled stored image” means “either editing the recalled stored image or reprinting the recalled stored image, or both editing and reprinting the recalled stored image”</p>	<p>“wherein the method further comprises one of editing and reprinting said recalled stored image” means “wherein the method further comprises one of editing and one of reprinting said recalled stored image”</p>

Patent Owner’s proposed construction aligns with that phrase’s plain and ordinary meaning and grammatical structure, as recognized by the Federal Circuit’s construction of a similar phrase (“at least one of . . . and . . .”). In *SuperGuide Corp. v. DirecTV Enterprises, Inc.*, the Federal Circuit affirmed the construction of “**at least one of** desired program start time, a desired program end time, a desired program service, **and** a desired program type” as “**at least one of each desired criterion**; that is at least one of a desired program start time, a desired program end time, a desired program service, and a desired program type.” 358



F.3d 870, 885 (Fed. Cir. 2004) (citing William Strunk, Jr. & E.B. White, *The Elements of Style* 27 (4th ed. 2000)). The court explained that grammatically, the phrase “at least one of,” when followed by a list, modifies each criteria in the list. *Id.* at 885-86. Accordingly, the Court held that when the phrase “at least one of” is followed by a conjunctive list—i.e., a list separated by the word “and”—it modifies each item of that conjunctive list. *Id.* at 886. The court expressly rejected a proposed construction seeking rewrite the claimed list as disjunctive—i.e., a list separated by the word “or.” *Id.* at 886-87.

Yet, this type of claim rewriting is exactly what Petitioners seek by proposing to construe “one of editing and reprinting” as “either editing . . . or reprinting . . . or both editing and reprinting . . . .” Petitioners’ proposed construction treats the words “and” in the claim term as if it were an “or,” thus effectively rewriting the claim term as “one of editing *or* reprinting.” Petitioners only cite to one district court case construing “one of . . . and . . .” as a disjunctive list. *See Joao Bock Transaction Sys., LLC v. First Nat. Bank*, 11 C 6472, 2013 WL 3199981, at \*7 (N.D. Ill. June 24, 2013) (construing “one of . . . and . . .” as “one or more of the items in the list” or “either or both of the items in the list”). However, even the *Joao Bock* court agreed with the Federal Circuit’s analysis in *SuperGuide* that the plain and ordinary meaning of “one of . . . and . . .” requires each listed criteria. *Id.* at \*6. The court did not adopt this plain and ordinary

meaning because doing so rendered the claim meaningless. *See id.* at \*7 (declining to adopt the plain and ordinary meaning of “one of approving and disapproving” because it achieved the illogical result of having one signal simultaneously approve and disapprove the same transaction). Here, in contrast, construing “one of editing and reprinting” according to its plain and ordinary meaning—i.e., requiring both editing and reprinting—does not render the overall claim meaningless as it did in *Joao Bock*. Accordingly, the motivation that led the *Joao Bock* court to adopt a construction different from the plain and ordinary meaning, is inapplicable here.

Therefore, the Board should adopt Patent Owner’s construction of the “wherein the method further comprises one of editing and reprinting said recalled stored image” claim term, because this construction aligns with the plain and ordinary meaning of that term.

## **V. DEFECTS IN THE PROPOSED GROUNDS OF UNPATENTABILITY**

The Petition asserts that claims 8-10 of the ’567 Patent are rendered obvious under 35 U.S.C. § 103(a) by three separate grounds:

**Ground 1:** U.S. Patent No. 6,089,765 to Mori in view of U.S. Patent No. 5,025,397 to Suzuki;

**Ground 2:** U.S. Patent No. 5,816,717 to Beadman in view of Mori; and

**Ground 3:** Suzuki in view of U.S. Patent No. 5,483,623 to Nagashima.

The Board should decline to institute an IPR on any of the proposed grounds, because as discussed more fully below, none of the grounds demonstrates a reasonable likelihood that the Challenged Claims are unpatentable. *See* 37 C.F.R. § 42.108(b) and (c).

**A. Ground 1 (Mori in view of Suzuki) Fails to Demonstrate a Reasonable Likelihood that Any Challenged Claim is Invalid**

Ground 1 of the Petition alleges that Mori in view of Suzuki renders the Challenged Claims obvious. As discussed more fully below, Ground 1 fails to demonstrate a reasonable likelihood that the Challenged Claims are invalid for at least two reasons. *First*, the Petition fails to clearly identify which features of the references need to be combined or modified. *Second*, even if Petitioners had made such a showing, the combination of Mori and Suzuki fails to disclose at the least the “recalling” limitation. *Third*, the Petition still fails to demonstrate *prima facie* obviousness, because the Petition only includes boilerplate obviousness language instead of articulating why one of ordinary skill would have combined the references to reach the claimed invention. Ground 1 of the Petition should therefore be denied.

1. Petitioners Fail to Identify Which Features of Mori and Suzuki They Propose Combining

First, Ground 1 of the Petition fails to identify which features of the Mori and Suzuki need to be combined or modified. The Petition simply provides a brief

summary of Mori and Suzuki, followed by a claim chart that includes block quotations from both Mori and Suzuki for each element of the claims. (See Pet.<sup>2</sup> at 8-23.) But the Petition does not state the specific combination of Mori and Suzuki that Petitioners propose making or how that combination would render the Challenged Claims obvious. Rather than alert the Board and the Patent Owner as to Petitioners' *prima facie* obviousness case, this type of disclosure only raises additional questions, highlighting Petitioners' failure to meet the requirements for a petition for *inter partes* review. See 37 C.F.R. § 42.104(b). For example, the Petition never addresses:

- Whether Petitioners are relying on one or both references to demonstrate each claim element of at least claim 8;
- Which reference is the primary reference;
- Which claim elements are not disclosed in this unidentified primary reference; or
- Which features of the secondary reference can be combined with the primary reference to teach the claimed invention.

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<sup>2</sup> As used herein, "Pet." refers to the Petition for *Inter Partes* Review of U.S. Patent No. 7,990,567 in IPR2015-00766.

The Petition suggests, in passing, that Mori lacks the “storing” limitation of claim 8, citing to the declaration of Petitioners’ expert Dr. Gray to argue that one of ordinary skill in the art would know to modify Mori to store an image each time it is printed. (*Id.* at 10 (citing Ex. 1002 at ¶¶ 40, 72).) Thus, the Petition appears to suggest that other than the “storing” limitation, Mori teaches all other claim limitations, and that the lack of “storing” in Mori can be filled by the knowledge of a person of ordinary skill in the art. But this argument only adds to the Petition’s ambiguity because it fails to explain the relevance of Suzuki to Ground 1. On one hand, if Mori’s teachings alone can be modified to teach the “storing” limitation, as the Petition implies, then the Petition fails to explain what the inclusion of Suzuki adds to the proposed ground of invalidity. On the other hand, if Mori fails to disclose another limitation of the Challenged Claims, warranting Mori’s combination with Suzuki, then Petitioners have failed to explain what that limitation is or how and why Suzuki can be combined with Mori to fill that gap.

In short, the Petition fails to disclose Petitioners’ specific theories of obviousness and should thus be denied. The burden to show that an IPR should institute falls squarely on Petitioners, and neither the Patent Owner nor the Board should be left guessing as to the specific obviousness combinations the Petition proposes. As the Board explained in IPR2014-00347 (Paper 9), allegations like those in Petitioners’ Ground 1:

do not address meaningfully the scope and content of the prior art, and any differences between the claimed subject matter and the prior art. Rather, Petitioners' summaries, quotations, and citations from both references . . . place the burden on us to sift through the information presented by Petitioners, determine where each element of claim 1 is found in Shah and Belanger, and identify any differences between the claimed subject matter and the teachings of Shah and Belanger.

*Google Inc.*, IPR2014-00347, Paper 9 at 24-25, 36 (in denying institution, criticizing petitioners for using rote quotations from the prior art references without any explanation of how the quoted passages disclose each specific claim limitation); *see also Naughty Dog, Inc.*, IPR2014-00197, Paper 11 at 20-22 (finding no reasonable likelihood of invalidating challenged claim in part because unexplained citations from each combined reference “failed to resolve any differences between the claimed inventions and the cited references [and] identify any specific proposed modifications to the references”).

The declaration of Petitioners' expert Dr. Gray does not remedy the defects in Ground 1. Instead, Dr. Gray does little more than repeat the Petition's arguments and cited evidence in his declaration. (*Compare* Pet. at 8-23, *with* Ex. 1002 at 23-33.) As Dr. Gray largely mimics the Petition without adding any objective analysis of his own, his declaration should be accorded little or no

weight. *See Spansion Inc.*, IPR2014-01116, Paper 12 at 10; *Toshiba Corp.*, IPR2014-00201, Paper 11 at 17.

Accordingly, Petitioners have failed to demonstrate a reasonable likelihood that any Challenged Claim is unpatentable based on Ground 1.

2. The Combination of Mori and Suzuki Fails to Disclose at the Least the “Recalling” Limitation of Claim 8

Notwithstanding the Petition’s failure to identify a specific combination of Mori and Suzuki, any proposed combination of those two references would not render the Challenged Claims obvious because both Mori and Suzuki also fail to teach all the limitations of claim 8 (and by extension, dependent claims 9 and 10). In particular, both Mori and Suzuki fail to teach the “recalling” limitation of claim 8, which requires “recalling one of said stored images, wherein the method further comprises one of editing and reprinting said recalled stored image.” As a result, any proposed combination of Mori and Suzuki necessarily fails to disclose the “recalling” limitation and does not render the Challenged Claims obvious.

**a) Mori fails to disclose at least the “recalling” limitation of claim 8**

Mori fails to disclose the “recalling” limitation of claim 8 because it fails to teach “wherein the method further comprises one of editing and reprinting said recalled stored image” said recalled stored image. As explained in Section IV.A, *supra*, the proper construction for “wherein the method further comprises one of

editing and reprinting said recalled stored image” is “wherein the method further comprises one of editing and one of reprinting said recalled stored image.” Mori, however, fails to teach editing of the recalled, stored image. While Mori discloses the ability of a user to reprint previously-stored data directly from the printer, (Ex. 1003 at 1:51-56), it never discloses the printer’s ability to allow editing of the previously-stored data. In fact, Petitioners’ implicitly acknowledge this deficiency in Mori by only attempting to cite evidence in support of reprinting the retrieved image, not editing the retrieved image. (*See* Pet. at 10-11, 19-22.)

Because Mori fails to disclose both editing and reprinting the retrieved stored image, Mori fails to disclose the “recalling” limitation of claim 8.

**b) Suzuki fails to disclose at least the “recalling” limitation of claim 8**

Suzuki fails to disclose at least the “recalling” limitation for two reasons: (1) Suzuki fails to teach recalling the “stored image data” required by claim 8, and (2) Suzuki does not disclose both editing and reprinting. These reasons are explained more fully below.

*First*, the Petition’s reliance on Suzuki’s image data fails to teach recalling the “stored image data,” required by claim 8. Suzuki teaches a system where a label to be printed (“print data”) is converted to a format understood by the printer, such as dot matrix format (“image data”), and the printer stores this converted



“image data” to speed up subsequent print operations. (See Ex. 1004 at 1:17-21, 1:51-59, 1:65-2:13.) To demonstrate the “recalling” limitation of claim 8, Petitioners point to Suzuki’s disclosure of retrieving stored *image data* (e.g., dot matrix data) when the printer recognizes that it already has stored image data corresponding to the print data currently being printed. (Pet. at 12 (citing Ex. 1004 at 5:7-14 and Ex. 1002 at ¶¶ 81-82).) Specifically, the Petition states:

The label printer disclosed in Suzuki detected that the printing data is already stored therein, [and] determined that the label printing operation was previously effected *based on the same printing data as the input printing data*. Then, image data corresponding to the input printing data [was] read out from the frame memory 9 and [was] used for the label printing operation.

(*Id.* (emphasis added).) But Suzuki’s teaching that *image data* may be reused in subsequent print operations does not satisfy the “recalling” limitation, because *image data* is not the “stored images” that claim 8 requires recalling. In particular, the limitation at issue requires “recalling one of said stored images, wherein the method further comprises one of editing and reprinting said recalled stored image.” (Ex. 1001 at claim 8.) Based on the structure of claim 8, the “stored images” are images that are capable of being recalled and edited. (See *supra* Section IV.A.) This is consistent with the specification, which describes embodiments where

labels are stored and recalled in a format that can then be edited and reprinted. (See Ex. 1001 at 11:51-12:1.) In contrast, the image data in Suzuki is in a converted format understood by the printer (e.g., dot matrix format), one that cannot be edited or modified by the user.

Likewise, an earlier limitation in claim 8 provides that the “images” that are subsequently stored are those that are “input[] . . . to be printed.” (See Ex. 1001 at 18:24.) The specification consistently describes that “inputting” images refers to a user inputting the images—e.g., by typing certain text using a keyboard. (See Ex. 1001 at claim 8, 2:29-42, 7:60-65, 9:51-55, 10:15-19, 10:25-28, 14:60-66, 15:58-65, 16:23-45, and 17:25-28.).<sup>3</sup> This confirms that the *image data* in Suzuki cannot be the recalled “stored images” of claim 8, because the user does not input the image data in Suzuki. Instead, the user inputs print data (e.g., a label) in Suzuki, and then that print data is converted to image data (e.g., in dot matrix format) during the printing process.

**Second**, even if Suzuki disclosed “stored images” (which it does not), it still fails to disclose “one of editing and reprinting,” as required by the “recalling”

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<sup>3</sup> Indeed, each time the specification refers to “inputting” images, it consistently does so in the context of a *user* inputting images. (*Id.*)

limitation. The proper construction for “wherein the method further comprises one of editing and reprinting said recalled stored image” is “wherein the method further comprises one of editing and one of reprinting said recalled stored image.” (*See supra* Section IV.A.) Suzuki, however, fails to teach the editing of the retrieved stored image. Suzuki discusses “overlapping” two sets of image data (e.g., for the images shown at Figs. 8 and 9), but Suzuki describes that this “overlapping” results in the creation of new image data (e.g., for the image shown in Fig. 10), not any editing of the original image data. (*See* Ex. 1004 at 7:23-27 (“At this time, the pattern corresponding to the image of FIG. 9 is overlapped with the pattern corresponding to the image of FIG. 8 in the frame memory 9 *to create complete image data* for one label.”).) Even Petitioners implicitly concede that Suzuki does not teach editing of the retrieved stored image by failing to identify any supporting evidence on this issue in the Petition. (*See* Pet. at 12, 22.)

For the above reasons, Suzuki’s disclosure of retrieving stored image data that the user may only print but not edit, fails to satisfy the “recalling” limitation of claim 8.

**c) The combination of Mori and Suzuki fails to disclose at least the “recalling” limitation**

Because neither Mori nor Suzuki discloses at least the “recalling” limitation, it follows that a combination of those references does not disclose the “recalling”

limitation either. Petitioners do not provide any explanation suggesting otherwise—i.e., how the combination of these two references nevertheless teaches the “recalling” limitation. (*See* Pet. at 8-23.) Therefore, the combination of Mori and Suzuki fails to disclose a limitation required by all Challenged Claims, warranting a denial of Ground 1.

For the above reasons, Petitioners fail to explain how the combination of Mori and Suzuki discloses all the limitations of claim 8, as well as claims 9 and 10 that depend from claim 8.

3. Petitioners Fail to Articulate a Rational Underpinning for Modifying or Combining Mori and Suzuki to Render the Challenged Claims Obvious

In addition, the Petition fails to show a reasonable likelihood of patentability even if the Ground 1 is generously construed as proposing a theory of obviousness based on Mori as a primary reference, combined with either the knowledge of a person of ordinary skill or Suzuki. As discussed more fully below, Petitioners’ obviousness assertions are merely conclusory and fail to articulate a rational underpinning for combining or modifying the references. *See KSR Int’l Co.*, 550 U.S. at 418 (citing *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)).

a) **Petitioners fail to articulate a rational underpinning for modifying Mori in view of the knowledge of a person of ordinary skill**

Petitioners appear to concede that Mori does not disclose the “storing” limitation requiring that “each time an image is printed said image is stored” because, they explain, Mori only stores images that the user specifically indicates as intended for reprinting. (*See* Pet. at 10, 17.) Petitioners nevertheless argue that the “storing” limitation would be obvious from the teachings of Mori. (*Id.* at 10.) To support this conclusion, Petitioners rely on their expert Dr. Gray’s declaration, which argues that Mori discloses an “opt out” system that would be obvious to modify:

[I]t would have been obvious to remove the functionality to allow the user to opt out of reprinting print data. ***The ability to opt out is an improvement that does not need to be included in a printing apparatus.*** For example, if the printer was intended to be used in an environment where it would not be printing sensitive data, then this feature could be removed.

(Ex. 1002 at ¶ 72 (emphasis added); *see id.* at ¶ 40.) This argument fails for several reasons.

***First***, Dr. Gray fundamentally misunderstands, and mischaracterizes, the teaching of Mori. Dr. Gray characterizes the system in Mori as one in which all

printed images are saved, unless the user indicates the image should not be saved—what Petitioners and Dr. Gray deem an “opt out” system. (*See* Pet. at 10 (citing Ex. 1002 at ¶¶ 40, 72.)) This is incorrect. In fact, Mori suggests the opposite—that upon printing, the user is faced with an affirmative choice of whether to save the printed image for later use:

In this step, therefore, the *user can manipulate the input portion 26 either to indicate that the data is prohibited from being reprinted or to specify that the data is intended for reprinting*. If the CPU 21 determines *based on the user’s indication that the print data might be reprinted (‘yes’ in S30)*, the CPU 21 stores the print data in the print data storage device 44 in S40.

(Ex. 1003 at 6:29-36.) Thus, Mori does not disclose a system where printed images are saved unless the user “opts out,” so the fundamental premise of the Petition’s and Dr. Gray’s obviousness analysis is incorrect.

*Second*, Mori actually suggests that one of ordinary skill in the art would *not* be motivated to modify Mori in the way that the expert suggests, because Mori seeks to solve a different problem and teaches away from the claimed invention. *See In re ICON Health & Fitness, Inc.*, 496 F.3d 1374, 1380-81 (Fed. Cir. 2007) (citing *KSR Int’l Co.*, 550 U.S. at 416, 420). Mori teaches a page printing system that is intended for an environment where

sensitive data may be at issue. (Ex. 1003 at 6:25-29.) Thus, the ability for a user to manually control whether data is stored for later reprinting is important for the system of Mori, because the user may want to ensure that sensitive data is not stored.

Contrary to Mori's teaching that sensitive images should not be saved, the invention of the '567 Patent is fundamentally one where "each time an image is printed said image is stored." Indeed, during prosecution the applicants emphasized that storing the image "each time" it is printed, without user involvement, is important for user convenience and efficiency. (*See supra* Section III (discussing the distinction applicants made over the '275 Patent during prosecution).) Mori teaches away from the claimed invention by requiring the user to affirmatively save a page for later printing, introducing the same type of inefficiency and inconvenience that the '567 Patent was intended to overcome. Thus, Petitioners' proposed modification of Mori to perform the "storing" requirement of claim 8 lacks rational underpinning.

**b) Petitioners fail to articulate a rational underpinning for combining Mori and Suzuki to reach the claimed invention**

Petitioners also fail to articulate a rational underpinning for how and why a person of ordinary skill would combine Mori with Suzuki to reach the claimed

invention. As an initial matter, Petitioners never explain the relevance of Suzuki in the proposed combination. The Petition appears to concede that Mori does not disclose at least one limitation of the Challenged Claims—the “storing” limitation of claim 8. (Pet. at 10.) But the Petition never explains how one of ordinary skill would purportedly modify the system of Mori to “store” printed images in the particular way Suzuki allegedly “stores” printed images, nor does the Petition explain specifically why one of ordinary skill would be motivated to do so.<sup>4</sup> Instead, the Petition merely discusses what Mori and Suzuki disclose generally, and asserts generally that one of ordinary skill would be motivated to combine them because they address the same problem (reducing preparation time for printing).<sup>5</sup> Nor does the Petition explain how the combination of Mori and Suzuki

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<sup>4</sup> As explained in Section V.A.3.a, *supra*, the Petition suggests that the modification of Mori alone, rather than the combination of Mori and Suzuki, renders the “storing” limitation obvious. (*Id.* (citing Ex. 1002 at ¶¶ 40, 72).)

<sup>5</sup> Petitioners further state that the claim chart supporting this ground explains why the suggested combination renders the claim obvious. (*See id.*) The chart, however, provides no explanation regarding the combination of the two references. Indeed, as explained above, the chart only provides rote quotations from both



teaches the recalling limitation, (*see supra* Section V.A.2), let alone why one of ordinary skill in the art would be motivated to do so. But Petitioners are incorrect, because Mori and Suzuki fundamentally address different problems.

Mori attempts to reduce the inconvenience associated with a network printing environment, in which the user computers are often placed at great distances from a shared network printer. (Ex. 1003 at 1:10-20.) The invention disclosed in Mori allows the user to reprint previously printed data from the printer itself, without having to return to the user's computer to execute the print command again. (*Id.* at 1:51-56.) Specifically, Mori teaches that the printer and the users' computers maintain an identical "job management table," intended to track the previously printed data. (*Id.* at 4:30-6:3.) Accordingly, when the user is at the printer, he/she may select the previously printed data from the printer's job management table and execute a print operation from the printer itself. (*Id.* at 5:39-50.) Thus, the system of Mori is one that provides a more convenient way for the *user* to reprint previously printed data, by avoiding the need to walk back to his/her computer.

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references in support of each claim element without explaining the significance of these citations.

On the other hand, the system of Suzuki has nothing to do with the *user* reprinting previously printed data. Instead, Suzuki aims to make the printing operation itself faster, by reducing the amount of time it takes for a printer to perform certain internal processing steps associated with each printing operation. In particular, Suzuki discloses a printer used to print product labels, e.g., containing barcode, price, and supplier information. (Ex. 1004 at 1:9-16, 1:61-2:13.) Each time a label is printed, a printer must convert it to a format understood by the printer, such as a dot matrix format. (*Id.* at 1:16-21, 1:51-53.) Suzuki calls this converted format “image data.” Suzuki describes that where a large number of labels need to be printed, the process of converting the print data to image data is the “main cause of delay[.]” in the speed at which the printer can continuously print the labels. (*See id.* at 1:53-59.) The invention in Suzuki is designed to speed up the printing process by storing the image data corresponding to a print operation. (*See id.* at 1:61-2:13.) If a user subsequently inputs a previously printed print data, the label printer will not need to perform another conversion to image data; instead, the printer can simply reuse the previously-stored image data for that label. (*See id.* at 2:14-29.)

Petitioners never explain how or why one of ordinary skill in the art would be motivated to combine these different teachings of Mori and Suzuki, intended to solve different problems. Petitioners’ generalized characterizations of Mori and

Suzuki fail to explain the significance of their differing teachings and their impact on the obviousness of combining Mori and Suzuki. Therefore, Petitioners have failed to persuasively explain why a person of ordinary skill in the art would combine or modify references—teaching different solutions for different problems—to render the claimed invention obvious. *See Heart Failure Techs., LLC*, IPR2013-00183, Paper 12 at 9 (requiring Petitioner to provide more than just a bare assertion that the cited references were from the same field; instead, Petitioner must “show some reason why a person of ordinary skill in the art would have thought to combine particular available elements of knowledge, as evidenced by the prior art, to reach the claimed invention.” (citing *KSR Int’l Co.*, 550 U.S. at 418)); *Wright Med. Tech., Inc.*, IPR2014-00912, Paper 9 at 11, 17 (denying grounds based on obviousness at least because the cited evidence only explained that the prior art’s teaching *could* be obvious but not why it *would* have been obvious); *Lake Cable, LLC*, IPR2013-00528, Paper 11 at 18-19 (same).

**B. Ground 2 (Beadman in view of Mori) Fails to Demonstrate a Reasonable Likelihood that Any Challenged Claim is Invalid**

Ground 2 of the Petition alleges that Beadman in view of Mori renders claims 8-10 obvious. As discussed more fully below, Ground 2 fails to demonstrate a reasonable likelihood that the Challenged Claims are invalid because neither Beadman nor Mori discloses the “storing” limitation of the claim 8

(and by extension, dependent claims 9 and 10). Thus, it follows that the combination of Beadman and Mori cannot render the “storing” limitation obvious.

As discussed above in Section V.A.3.a, *supra*, Mori does not disclose the “storing” limitation of claim 8, because Mori only stores images that the user specifically selects for reprinting. In particular, Mori describes that upon printing, the user is faced with an affirmative choice of whether to save the printed image for later use. (*See, e.g.*, Ex. 1003 at 6:29-36 (“In this step, therefore, the user can manipulate the input portion 26 either to indicate that the data is prohibited from being reprinted or to specify that the data is intended for reprinting.”).) Indeed, Petitioners appear to concede in Ground 1 that Mori does not disclose the “storing” limitation, because they purport to explain why that limitation is an obvious modification in view of Mori. (*See* Pet. at 10 (“It would have been obvious to a person of ordinary skill in the art to modify the printing process of Mori to store the print data every time a page is printed, not only when the print data is intended for reprinting.”).)

Likewise, Petitioners concede that Beadman does not disclose the “storing” limitation, because Beadman requires a user to press save to store a printed label. (Pet. at 24 (citing Ex. 1005, 5:22-27, 5:30-34, and arguing that “[i]t would have been obvious to a person of ordinary skill in the art to modify the label printing apparatus in Beadman to store each label when it is printed without requiring the

user to press a save button.”.) Because a user may not always save the label, Beadman fails to teach, “storing a plurality of images, such that *each time* an image is printed said image is stored.” (Ex. 1001 at claim 8.)

In sum, both Beadman and Mori fail to disclose the “storing” limitation of claim 8, in the same way as the prior art that was expressly distinguished during prosecution—i.e., by requiring manual input from the user to save a printed image. (*See supra* Section III (discussing the distinction applicants made over the ’275 Patent during prosecution).) Indeed, that both Beadman<sup>6</sup> and Mori present substantially the same arguments that were previously considered by the Office during the ’567 Patent’s prosecution warrants denial of Ground 1 under 35 U.S.C. § 325(d). *See* 35 U.S.C. §325(d) (stating in relevant part that “the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office”); *Prism Pharma Co., Ltd. v. Choongwae Pharma Corp.*, IPR2014-00315, Paper 14 at 2, 12-13 (P.T.A.B. July 8, 2014) (denying institution under Section 325(d) where the examiner previously considered “the same prior art and substantially the same arguments” during prosecution); *see also Excelsior Med.*

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<sup>6</sup> Notably, Beadman was one of the references cited by the Patent Office during the prosecution of the ’567 Patent. (*See* Ex. 1001 at pg. 2.)

*Corp. v. Robert F. Lake*, IPR2013-00494, Paper 10 at 19-20 (P.T.A.B. Feb. 6, 2014).

Further still, because neither Beadman nor Mori disclose the “storing” limitation, it follows that a combination of those references does not disclose the “storing” limitation either. Petitioners do not provide any explanation suggesting otherwise—i.e., how the combination of these two references nevertheless teaches the “storing” limitation. (*See* Pet. at 24-36.)

For the above reasons, Petitioners fail to explain how the combination of Mori and Beadman discloses all the limitations of claim 8, as well as claims 9 and 10 that depend from claim 8.

**C. Ground 3 (Suzuki in view of Nagashima) Fails to Demonstrate a Reasonable Likelihood that Any Challenged Claims is Invalid**

Ground 3 of the Petition alleges that Suzuki in view of Nagashima renders the Challenged Claims obvious. (Pet. at 36.) Petitioners’ arguments in Ground 3 of the Petition generally mirror those of Ground 1, as both grounds rely on the combination of Suzuki and a second reference (Mori in Ground 1, and Nagashima in Ground 3) purporting to disclose a similar save functionality—i.e., saving when a user manually elects to make a document available for reprinting. (*See id.* at 37.) Thus, in general, Ground 3 of the Petition suffers from the same defects as Ground 1 and should be denied for the same reasons.

In particular, as discussed more fully below, Ground 3 fails to demonstrate a reasonable likelihood that the Challenged Claims are invalid for at least three reasons. *First*, the Petition fails to clearly identify where each claim element is present in the prior art references and which features of the references need to be combined or modified. *Second*, even if Petitioners had made such a showing, the combination of Suzuki and Nagashima fails to disclose all at least the “recalling” limitation of independent claim 8. *Third*, the Petition still fails to demonstrate *prima facie* obviousness, because the Petition only includes boilerplate obviousness language instead of articulating why one of ordinary skill would have combined the references to reach the claimed invention. Ground 3 of the Petition should therefore be denied.

1. Petitioners Fail to Identify Which Features of Suzuki and Nagashima They Propose Combining

Similar to Ground 1, the Petition fails to identify which features of Suzuki and Nagashima need to be combined or modified. The Petition simply provides a brief summary of Suzuki and Nagashima, followed by a claim chart that includes block quotations from both Suzuki and Nagashima for each element of the claims. (*Id.* at 36-45.) But the Petition does not state the specific combination of Suzuki and Nagashima that Petitioners propose making or how that combination would render the Challenged Claims obvious. Rather than alert the Board and the Patent

Owner as to Petitioners' *prima facie* obviousness case, this type of disclosure only raises additional questions, highlighting Petitioners' failure to meet the requirements for a petition for *inter partes* review. See 37 C.F.R. § 42.104(b).

For example, the Petition never addresses:

- Whether Petitioners are relying on one or both references to demonstrate each claim element of at least claim 8;
- Which reference is the primary reference;
- Which claim elements are not disclosed in this unidentified primary reference; or
- Which features of the secondary reference can be combined with the primary reference to teach the claimed invention.

The Petition suggests, in passing, that that Nagashima lacks the “storing” limitation of claim 8, citing to the declaration of Petitioners’ expert Dr. Gray to argue that one of ordinary skill in the art would know to modify Nagashima to store an image each time it is printed. (*Id.* at 37 (citing Ex. 1002 at ¶¶ 54, 130).) Thus, the Petition appears to suggest that other than the “storing” limitation, Nagashima teaches all other claim limitations, and that the lack of “storing” in Nagashima can be filled by the knowledge of a person of ordinary skill in the art. But this argument only adds to the Petition’s ambiguity because it fails to explain the relevance of Suzuki to Ground 3. On one hand, if Nagashima’s teachings alone



can be modified to teach the “storing” limitation, as the Petition implies, then the Petition fails to explain what the inclusion of Suzuki adds to the proposed ground of invalidity. On the other hand, if Nagashima fails to disclose another limitation of the Challenged Claims, warranting Nagashima’s combination with Suzuki, then Petitioners have failed to explain what that limitation is or how and why Suzuki can be combined with Nagashima to fill that gap.

In short, the Petition fails to disclose Petitioners’ specific theories of obviousness and should thus be denied. The burden to show that an IPR should institute falls squarely on Petitioners, and neither the Patent Owner nor the Board should be left guessing as to the specific obviousness combinations the Petition proposes, as discussed above in connection with Ground 1. *See, e.g., Google, Inc., IPR2014-00347, Paper 9 at 24-25, 36* (denying IPR institution where “Petitioners’ summaries, quotations, and citations from both references . . . place the burden on us to sift through the information presented by Petitioners, determine where each element of claim 1 is found in Shah and Belanger, and identify any differences between the claimed subject matter and the teachings of Shah and Belanger.”).

The declaration of Petitioners’ expert Dr. Gray does not remedy the defects in Ground 3. Instead, Dr. Gray does little more than repeat the Petition’s arguments and cited evidence in his declaration. (*Compare* Pet. at 8-23, *with* Ex. 1002 at 23-33.) As Dr. Gray largely mimics the Petition without adding any

objective analysis of his own, his declaration should be accorded little or no weight. *See Spansion Inc.*, IPR2014-01116, Paper 12 at 10; *Toshiba Corp.*, IPR2014-00201, Paper 11 at 17.

Accordingly, Petitioners have failed to demonstrate a reasonable likelihood that any Challenged Claim is unpatentable based on Ground 3.

2. The Combination of Suzuki and Nagashima Fails to Disclose at Least the “Recalling” Limitation of Claim 8

Notwithstanding the Petition’s failure to identify a specific combination of Suzuki and Nagashima, any proposed combination of those two reference would not render the Challenged Claims obvious because both Suzuki and Nagashima also fails to teach all the limitations of claim 8 (and by extension, dependent claims 9 and 10). In particular, both Suzuki and Nagashima fail to teach the “recalling” limitation of claim 8, which requires “recalling one of said stored images, wherein the method further comprises one of editing and reprinting said recalled stored image.” As a result, any proposed combination of Suzuki and Nagashima necessarily fails to disclose the “recalling” limitation and does not render the Challenged Claims obvious.

**a) Suzuki fails to disclose at least the “recalling” limitation of claim 8**

As explained in Section V.A.2.b, *supra*, Suzuki fails to disclose the “recalling limitation of claim 8.

**b) Nagashima fails to disclose at least the “recalling” limitation of claim 8**

For similar reasons as those described in Section V.A.2.b, *supra*, Nagashima also fails to disclose the “recalling” limitation of claim 8. Specifically, Nagashima fails to disclose the “recalling” limitation for the two reasons: (1) Nagashima fails to teach recalling the “stored image data” required by claim 8; and (2) Nagashima does not disclose both editing and reprinting. These reasons are explained more fully below.

*First*, the Petition’s reliance on Nagashima’s image data fails to teach recalling the “stored image data” requirement of claim 8. Petitioners appear to argue that Nagashima stores the image data derived from printing data. (Pet. at 41-42 (citing Ex. 1006 at 2:28-30, 4:34-37).) Nagashima discloses inputting printing information, which are then converted to image data, represented in a dot matrix format. (*Id.* at 42 (citing Ex. 1006 at 1:42-43, 2:14-17.)) This image data, and not the printing information, is stored in memory upon the user’s indication that the data is not classified as secret. (*See* Ex. 1006 at 4:6-24.) Again, the structure and language of claim 8 requires that the stored and recalled image be the same as the image that the user inputs and one that can be edited by the user. (*See supra* Section V.A.2.b.) Thus, Claim 8 is not satisfied by the purported disclosure of storing and retrieving of image data in Nagashima.

*Second*, Nagashima fails to teach “one of editing and reprinting said recalled stored image,” as required by the “recalling” limitation. As discussed above, the proper construction for “wherein the method further comprises one of editing and reprinting said recalled stored image” is “wherein the method further comprises one of editing and one of reprinting said recalled stored image.” (*See supra* Section IV.A.) The Petition purports to show this limitation by identifying Nagashima’s teaching of “overlaying an image represented by new dot data on an image represented by previously stored dot data in the image memory.” (*See* Ex. 1006 at 4:25-33; 5:6-15.) However, as explained in Section V.A.2.b, *supra*, overlaying two sets of image data results in the creation a new image data, rather than the editing of the original image data. (*See* Ex. 1006 at 4:29-33 (“[A]n image represented by new dot data can be overlaid on an image represented by previously stored dot data in the image memory 16. Thereafter the CPU 11 initiates the [printer] 18 to print the *overlayed image*, on the basis of the overlaid dot data in the image memory 16 (S7).”).)

For the above reasons, Nagashima’s disclosure of retrieving stored image data that the user may only print but not edit, fails to satisfy the “recalling” limitation of claim 8.

**c) The combination of Suzuki and Nagashima fails to disclose at least the “recalling” limitation**

Because neither Suzuki nor Nagashima disclose at least the “recalling” limitation, it follows that a combination of those references does not disclose the “recalling” limitation either. Petitioners do not provide any explanation suggesting otherwise—i.e., how the combination of these two references nevertheless teaches the “recalling” limitation. (*See* Pet. at 36-45.) Therefore, the combination of the Suzuki and Nagashima fails to disclose a limitation required by all Challenged Claims, warranting a denial of Ground 3.

3. Petitioners Fail to Articulate a Rational Underpinning for Modifying Nagashima in view of the Knowledge of a Person of Ordinary Skill

To the extent the Petition is (generously) construed as arguing that Nagashima renders the Challenged Claims obvious in view of the knowledge of a person of ordinary skill, that argument also fails. Petitioners appear to concede that Nagashima does not disclose the “storing” limitation requiring that “each time an image is printed said image is stored,” because Nagashima discloses storing only if the user has not designated the document as “secret.” (*See* Pet. at 37 (citing Ex. 1002 at ¶¶ 54, 130.) Petitioners attempt to overcome this deficiency by arguing that this limitation would have been obvious from Nagashima’s disclosure. (*Id.*) Specifically, Petitioners argue as follows:

[I]t would have been obvious to remove the functionality to allow the user to designate a document as “secret.” The ability to designate a document as “secret” is an improvement that does not need to be included in a printing apparatus. For example, if the printer was intended to be used in an environment where it would not be printing sensitive data, then this feature could be removed.

(*Id.*) Petitioners’ obviousness argument mirrors its earlier argument regarding Mori. This similarity stems from the similarity of the teachings in Mori and Nagashima: both disclose saving a document for later reprinting if the user indicates that the document is not classified/secret. Accordingly, both arguments also suffer from the same defects, as explained in Section V.A.3.a, *supra*. In particular, Nagashima teaches a system that is intended for an environment where sensitive data may be at issue. (Ex. 1006 at 2:40-45, 4:14-24.) Thus, the ability for a user to manually control whether data is stored for later reprinting is important for the system of Nagashima, because the user may want to ensure that sensitive data is not stored.

Contrary to Nagashima’s teaching that sensitive images should not be saved, the invention of the ’567 Patent is fundamentally one where “each time an image is printed said image is stored.” Indeed, during prosecution the applicants emphasized that storing the image “each time” it is printed,

without user involvement, is important for user convenience and efficiency.

(*See supra* Section III (discussing the distinction applicants made over the '275 Patent during prosecution).) Thus, Petitioners' proposed modification of Nagashima to perform the "storing" requirement of claim 8 lacks rational underpinning.

## **VI. REDUNDANT GROUNDS OF UNPATENTABILITY**

The Petition presents multiple grounds of unpatentability, yet makes no effort to distinguish between them or otherwise establish why each is necessary.

The Petition, therefore, violates 37 C.F.R. § 42.1(b). As the Board stated in *Liberty Mutual Ins. Co. v. Progressive Casualty Ins. Co.*, CBM2012-00003, Paper 7 at 2:

[M]ultiple grounds, which are presented in a redundant manner by a petitioner who makes no meaningful distinction between them, are contrary to the regulatory and statutory mandates, and therefore are not all entitled to consideration.

As presented by Petitioners, all three grounds are redundant. All three grounds relate to the same claims. The grounds rely on different "combinations" of the same four references, without specifying which references are primary versus secondary, without specifying which features from each reference are being combined, and without explaining why such combinations would have been made

by one of ordinary skill in the art. Petitioners fail to distinguish between the asserted grounds, meaningful or otherwise. Petitioners offer no justification for including all four grounds, which unnecessarily burdens both the Patent Owner and the Board. Accordingly, if the Board decides to institute an IPR, it should only do so on one ground and deny the other two as redundant.

## **VII. DEFECTS UNDER 37 CFR 42.104(A)**

Petitioner certified that it is “not barred or estopped from requesting this IPR” under 37 CFR 42.104(a). That certification is incorrect in two ways, each of which compels denial of the Petition. Petitioner is barred by both a Stock Purchase Agreement with Newell Rubbermaid, Inc. (Patent Owner’s parent company) and the doctrine of assignor estoppel from requesting this IPR.

By way of background, prior to 2005, Petitioner Esselte AB owned three companies—DYMO AB, a corporation organized under the Laws of the Kingdom of Sweden, Esselte Holdings, Inc., a Delaware corporation, and Esselte BVBA,<sup>7</sup> a corporation organized under the laws of the Kingdom of Belgium (the “Companies”). (Ex. 2002 (Stock Purchase Agreement dated July 28, 2005) at 1.) The Companies were in the business of designing, developing, manufacturing,

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<sup>7</sup> Esselte BVBA was later renamed DYMO BVBA.



distributing, servicing, selling, marketing and supplying labeling printers, label makers, label embossers and related consumables. On July 28, 2005, Newell Rubbermaid Inc. (“Newell”)<sup>8</sup> entered into a Stock Purchase Agreement (“SPA”) with Petitioner Esselte AB and purchased the Companies for approximately \$730 million. (*See Ex. 2002.*) The Companies owned various intellectual property that was assigned and transferred to Newell pursuant to the SPA, including the patent at issue in the Petition.<sup>9</sup> (*Id.* § 3.23(a).)

First, Petitioner is barred from requesting this IPR based on the SPA. In the SPA, the parties unequivocally agreed that “in the event any dispute arises out of this Agreement or any of the Transactions,” each party “consents to submit itself to

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<sup>8</sup> Patent Owner is a wholly-owned subsidiary of Newell Rubbermaid, Inc.

<sup>9</sup> [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

the personal jurisdiction of any federal court located in the State of New York” and “agrees that it shall not bring any action relating to the Agreement or any of the Transactions in any court other than a federal or state court sitting in the State of New York.” (*Id.* § 10.8). The Petition “arises out of” the SPA because Petitioners seek to challenge the validity of a patent that was transferred by the SPA.

Petitioners could not have filed the Petition if they still owned the patent at issue, and thus, the SPA gave rise to Petitioners’ purported ability to file the Petition. *See* 37 C.F.R. § 42.101 (“A person who is not the owner of a patent may file with the Office a petition to institute an inter partes review of the patent...”). Thus, Petitioners are contractually barred from requesting this IPR, because the dispute “arises out of” the SPA. Patent Owner has a motion pending concerning these issues in a parallel district court suit, in which it has asked the Court to enjoin Petitioners’ participation in furtherance of the instant petition or any future IPR proceedings relating thereto. *See Sanford L.P. (d/b/a DYMO), and DYMO B.V.B.A. v. Esselte AB, Esselte Leitz GMBH & Co. KG, and Esselte Corporation*, No. 1:14-cv-07616-VSB (S.D.N.Y.), Dkt. Nos. 109-12 (DYMO Motion for Preliminary Injunction, attached hereto as Ex. 2003); Dkt. Nos. 120-21 (Esselte Opposition, attached hereto as Ex. 2004); Dkt. Nos. 122-23 (Reply in support of Motion, attached hereto as Ex. 2005).

Second, the doctrine of assignor estoppel likewise bars the Petition, based on Petitioner Esselte AB's transfer of rights to the patent at issue for value.<sup>10</sup> *See Pandrol USA, LP v. Airboss Ry. Prods., Inc.*, 424 F.3d 1161, 1167 (Fed. Cir. 2005) (“Assignor estoppel prevents an assignor from asserting that its own patent, for which it may have received value upon assignment, is invalid and worthless.”). To date, the Board has held that assignor estoppel does not apply to IPR

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<sup>10</sup> Petitioners Esselte Corp. and Esselte Leitz GMBH & Co. KG are subsidiaries of Petitioner Esselte AB, (*see* Ex. 2006 at ¶ 8), and are barred by assignor estoppel to the same extent. “Assignor estoppel also prevents parties in privity with an estopped assignor from challenging the validity of the patent.” *Mentor Graphics Corp. v. Quickturn Design Sys.*, 150 F.3d 1374, 1379 (Fed. Cir. 1998). This “prevents an assignor from perpetrating in a corporate guise the very injustice the doctrine precludes him or her from accomplishing in a personal capacity.” *Acushnet Co. v. Dunlop Maxfli Sports Corp.*, No. CIV. A. 98-717-SLR, 2000 WL 987979, at \*2 (D. Del. June 29, 2000); *see also, e.g., Shamrock Techs., Inc. v. Med. Sterilization, Inc.*, 903 F.2d 789, 793 (Fed. Cir. 1990) (affirming motion to strike based on assignor estoppel holding that “those in privity with the assignor partake of that balance; hence, extension of the estoppel to those in privity is justified.”).

proceedings. *See, e.g., Redline Detection, LLC v. Star Envirotech, Inc.*, IPR2013-00106, Paper No. 31 at 3-5 (June 30, 2014). But, prior Board decisions declining to apply assignor estoppel have been based on 35 U.S.C. § 311(a). The Board noted that under Section 311(a), “a person *who is not the owner of a patent* may file with the Office a petition to institute an inter partes review of the patent.” *Id.* at 4 (emphasis in original). The Board reasoned that “under the statute, an assignor of a patent, who is no longer an owner of the patent at the time of filing a petition, may file a petition requesting *inter partes* review.” *Redline Detection*, 2013 WL 5970197, at \*2. Patent Owner disagrees with the Board’s ruling on the effect of assignor estoppel on a petitioner’s ability to bring file an IPR petition under Section 311(a), and reserves the right to seek appropriate relief, including by way of petition to the Director or action, petition, or appeal in federal court.

But setting aside Section 311(a), there are other grounds by which the Board can recognize contractual bars or estoppel. For example, 35 U.S.C § 314(a) states that “the Director may not authorize an *inter partes* review to be instituted unless the Director determines that . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C § 314(a). Petitioners that are barred by assignor estoppel from challenging the patent’s validity do not have a reasonable likelihood to prevail: “Assignor estoppel prevents an assignor from asserting that its own patent, for

which it may have received value upon assignment, is invalid and worthless.”

*Pandrol*, 424 F.3d at 1167.

35 U.S.C. § 316 authorizes the Director to regulate the “Conduct of *inter partes* review,” including “the standards for the showing of sufficient grounds to institute a review under section 314(a).” 35 U.S.C. §316(a)(2). Congress mandated that, in prescribing such regulations, “the Director shall consider the effect of any such regulation on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings instituted under this chapter.” 35 U.S.C. §316(b). Each of these Congressionally-mandated considerations counsel the Director and the Board to interpret and apply the regulations to recognize and apply contractual bars and assignor estoppel to IPR proceedings.

**The Economy:** Assignor estoppel ensures that persons or companies can purchase patents without fear that the assignor can later argue that what he assigned was invalid and worthless. *See Pandrol*, 424 F.3d at 1167. This assurance encourages the buying and selling of patents, as well as the investment necessary to bring patented inventions to market without fear that the assignee—the person most familiar with the patented subject matter—will unfairly challenge patent validity in later seeking to enter that market. *See Diamond Scientific Co. v. Ambico, Inc.*, 848 F.2d 1220, 1222 (Fed. Cir. 1988) (“The principle of fair dealing

as between assignor and assignee of a patent whereby the assignor will not be allowed to say that what he has sold as a patent was not a patent has been part of the fabric of our law throughout the life of this nation.”). Declining to apply assignor estoppel in IPR proceedings undermines innovation and chills investment necessary to bring patented inventions to the market, especially where, as here, Patent Owner practices the patent that is subject to the Petition.

**Integrity of the Patent System:** The Supreme Court has held that “an assignor of a patent right is estopped to attack the . . . validity of a patented invention which he has assigned or granted as against any one claiming the right under his assignment or grant. As to the rest of the world, the patent may have no efficacy and create no right of monopoly; but the assignor cannot be heard to question the right of his assignee to exclude him from its use.” *Westinghouse Elec. & Mfg. Co. v. Formica Insulation Co.*, 266 U.S. 342, 349 (1924). The Court tied this holding to the creation of the patent system noting that “it was manifestly intended by Congress to surround the conveyance of patent property with safeguards resembling those usually attaching to that of land. This Court has recognized the analogy between estates in land by estoppel and the right to enjoy a patent right in the use of an article conveyed by one without authority but who acquires it by subsequent conveyance.” *Id.* Permitting an assignor to sell something and later assert that what was sold is worthless, all to the detriment of

the assignee, undermines the integrity of the patent system. *See Diamond*, 848 F.2d at 1224.

**Efficient and Timely Administration:** The efficient administration of the Office and timely completion of IPRs would be improved if the Board recognizes that IPRs must be denied where the Petitioner is barred or otherwise estopped from challenging validity. Roughly thirteen IPRs have raised assignor estoppel as a defense.<sup>11</sup> The Office, accordingly, will not be swamped with challenges to petitions on such grounds. Moreover, as to those challenges that are applicable, the issues are readily ascertainable based on the Office's assignment records and other readily-producible evidence, and meritorious challenges will result in a decreased workload on the Office and Board.

Accordingly, the Board should recognize that petitioners who are contractually barred or estopped may not meet their burden of showing a

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<sup>11</sup> To Patent Owner's knowledge, assignor estoppel has been raised in IPR2013-00106, IPR2012-00042, IPR2013-00169, IPR2013-00167, IPR2013-00290, IPR2014-01093, IPR2014-01513, IPR2014-01511, IPR2014-01510, IPR2013-00466, IPR2013-00269, IPR2013-00458, and IPR2013-00234.

reasonable likelihood of success under 35 U.S.C § 314(a).<sup>12</sup> Such an outcome will benefit the economy, maintain the integrity of the patent system, and continue the efficient administration of the Patent Office. Here, the Board should deny the Petition because Petitioners are contractually barred and precluded by assignor estoppel from proceeding with the Petition.

### **VIII. CONCLUSION**

For the foregoing reasons, Patent Owner requests that the Board:

1. Deny Grounds 1, 2, and 3 because the proposed combinations and modifications of the references fail to establish a reasonable likelihood that the Challenged Claim are unpatentable; or at a minimum,
2. Deny two of the three grounds because the grounds are redundant of each other.

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<sup>12</sup> To the extent the Board finds that more information is needed with respect to the Petitioners' relationships to one another and privity, Patent Owner requests limited discovery on the same. *See Mentor Graphics*, 150 F.3d at 1379.



Case No. 2015-00766  
U.S. Patent 7,990,567

Respectfully submitted,

Date: June 16, 2015

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**CERTIFICATE OF SERVICE**

Pursuant to 37 CFR § 42.6(e)(4), the undersigned certifies that on June 16, 2015, a complete and entire copy of this Patent Owner's Preliminary Response, its Exhibits, and Patent Owner's Motion to Seal were provided via email, to the Petitioner by serving the correspondence email addresses of record as follows:

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