

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NESPRESSO USA, INC.,

Petitioner,

v.

K-FEE SYSTEM GMBH,

Patent Owner.

IPR2021-01223
Patent 10,870,531 B2

Before GRACE KARAFFA OBERMANN, JAMES J. MAYBERRY,
and ERIC C. JESCHKE, *Administrative Patent Judges*.

OBERMANN, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 325(d)

I. INTRODUCTION

Nespresso USA, Inc. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) for institution of an *inter partes* review of claims 1–16 of U.S. Patent No. 10,870,531 B2 (Ex. 1001, “the ’531 patent”). K-Fee System GmbH (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). With Board pre-authorization (Ex. 3003), Petitioner filed a Reply (Paper 7) and Patent Owner filed a Sur-reply (Paper 8) limited to addressing whether the Board should exercise its discretion and deny review under 35 U.S.C. § 325(d) (“Section 325(d)”) or 35 U.S.C. § 314(a).

We have authority to institute an *inter partes* review only where the information presented 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) (2018). Under Section 325(d), however, the Director, and by delegation the Board, has discretion to deny review, even where a petitioner meets the threshold showing necessary to support institution, if “the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. § 325(d).

For reasons that follow, we exercise our discretion and decline to institute an *inter partes* review of the ’531 patent. The information presented in the Petition, Preliminary Response, Reply, and Sur-reply forms the basis for our findings and conclusions, which we provide for the sole purpose of explaining our reasons for exercising our discretion under Section 325(d).

A. Real Parties-in-Interest and Related Matters

The Petition indicates that Nestle USA, Inc., Nestle Nespresso SA, and Societe Des Produits Nestle SA are real parties-in-interest with Petitioner. Pet. 85. Patent Owner’s Mandatory Notice indicates that only

Patent Owner is “[t]he real party-in-interest,” however, “K-FEE SYSTEM GMBH is a wholly owned subsidiary of Kruger GmbH & Co. KG, along with Kruger North America, Inc.” Paper 4, 2.

Both parties identify as a related matter co-pending district court litigation in *K-Fee System GmbH v. Nespresso USA, Inc.*, No. 2:21-cv-3402-GW (C.D. Cal.). Pet. 85; Paper 4, 2. The parties also identify as related matters two co-pending administrative proceedings before the Board: IPR2021-01221 (“IPR1221”) and IPR2021-01222 (“IPR1222”). Pet. 86; Paper, 5, 2. Concurrently with this Decision, we issue decisions on institution in IPR1221 and IPR1222.

II. BACKGROUND

A. The ’531 Patent (Ex. 1001)

The ’531 patent is titled “Portion Capsule Having an Identifier.” Ex. 1001, code (54). The “invention relates to a portion capsule for producing a beverage” in which “a base element having a cavity” is available to receive “a beverage raw material” provided in the capsule. *Id.* at 1:11–13. The written description discusses using a portion capsule for producing a beverage such as coffee, tea, or a chocolate drink. *Id.* at 11:51–54 (written description of the invention). In some, but not all, embodiments of the claimed invention, “a powdered coffee material” is “located” within a portion capsule inserted into an “apparatus.” *Id.* at 14:4–7 (independent claim 10); *but see id.* at 12:54–13:10 (independent claim 1, specifying that “beverage raw material is provided” without further defining the beverage).

The written description discusses, as an object of the invention, providing “a portion capsule which only is suitable for a specific” beverage machine. *Id.* at 1:22–24. Among other steps, the claimed method involves

inserting a portion capsule into an “apparatus” that has “a barcode reader” as well as “a pump adapted to supply heated water.” *Id.* at 12:54–59, 14:1–4. The portion capsule includes “a foil lid” that is “sealed to a base element having a cavity within which a beverage raw material is provided” or “located.” *Id.* at 12:60–62, 14:5–7. The claimed method also includes a step of “piercing the foil lid.” *Id.* at 13:4, 14:16.

Some, but not all, claimed embodiments provide that “the base element has a wall region with an electrically conductive section and radially spaced and vertically spaced grooves” and, further, “the cavity has radially spaced and vertically oriented ribs.” *Id.* at 12:65–13:1. In other embodiments, the portion capsule includes “a plurality of ribs that are radially spaced, vertically oriented and extend toward a central portion of the cavity” and, further, “an outer surface of the base element comprises radially spaced and vertically oriented grooves.” *Id.* at 14:9–14.

The written description explains that grooves provide stability “towards mechanical forces” encountered during the brewing process and “prevent the portion capsule from deformation and buckling, in particular.” *Id.* at 4:29–32, 12:6–9. We reproduce below Figure 19, which illustrates an example of grooves 32.

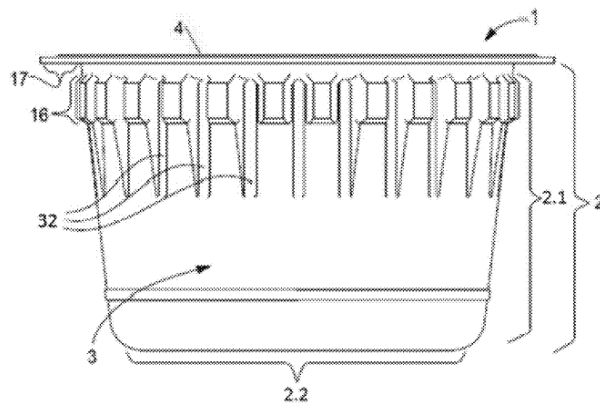


Fig. 19

Ex. 1001, Fig. 19. Figure 19 is a schematic view of a portion capsule according to an embodiment of the invention disclosed in the '531 patent. *Id.* at 7:62–64. In Figure 19, grooves 32 “are formed according to the invention in such a way that the wall region is reinforced or stiffened.” *Id.* at 12:6–8.

The written description does not refer to “ribs,” but explains, “The portion capsule’s material or the base element’s material is so thin that the implementation of grooves 32 at the exterior,” as shown in Figure 19 (reproduced above), may lead “to corresponding convexities 34 and impressions at the interior.” *Id.* at 12:45–48. We reproduce below Figure 21, which illustrates those convexities 34.

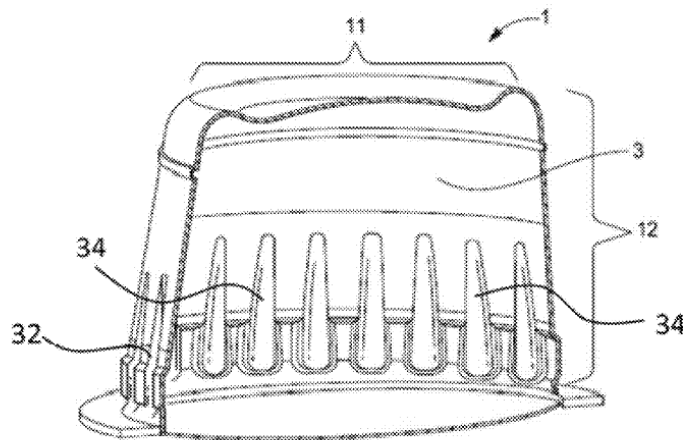


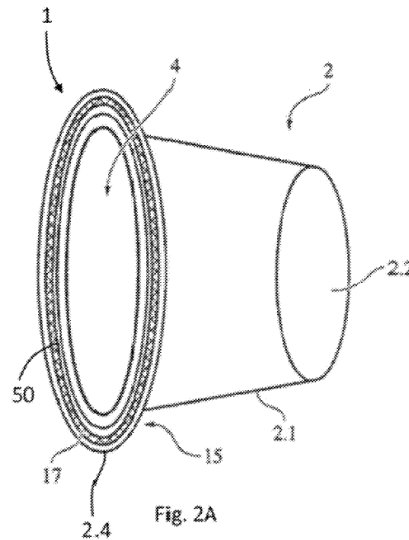
Fig.21

Ex. 1001, Fig. 21. Figure 21 is a sectional view of a portion capsule according to an embodiment of the invention disclosed in the '531 patent. *Id.* at 7:65–67. Figure 21 illustrates an “implementation of grooves 32” that “leads to corresponding convexities 34.” *Id.* at 12:46–48.

The written description of the invention discusses an “identifier” that “is a machine-readable imprint” such as “a barcode.” *Id.* at 3:1–6. The written description makes plain, “The barcode represents the identifier according to” the claimed invention. *Id.* at 8:54–55.

The barcode is “located on the bottom side” of “a flange . . . having a top side” to which, in some embodiments, “the foil lid is sealed.” *Id.* at 12:62–65 (claim 1), 14:7–10 (claim 13). The flange may be “a circumferential flange.” *Id.* at 14:7–8.

We reproduce below Figure 2A, which illustrates an embodiment of portion capsule 1 including barcode 50.



Ex. 1001, Fig. 2A. Figure 2A shows portion capsule 1 and barcode 50. *Id.* at 7:31–32. Portion capsule 1 includes base element 2 having wall region 2.1 and bottom area 2.2. *Id.* at 8:40–55. Barcode 50 may be placed in the area of membrane 4. *Id.* As shown by “arrow 15” in Figure 2A, barcode 50 optionally may “be attached to the base element’s edge region being averted from” membrane 4. *Id.*

In Petitioner’s view, the written description discusses “using sensors or detectors” to “recognize certain ‘identifiers’” such as “barcodes” that “impact whether and how the brewing system operates.” Pet. 12–13 (citing Ex. 1001, 2:26–34, 2:46–49, 3:1–11; Ex. 1003 ¶¶ 118–119). “This includes adjusting brewing parameters such as temperature, pressure and volume

based on the detected code.” *Id.* at 13 (citing Ex. 1001, 3:23–27). One independent challenged claim includes a step of “determining whether” a “read barcode agrees with a stored reference” and “activating the pump to push water into the portion capsule only upon a determination that the read barcode agrees with the stored reference.” Ex. 1001, 13:6–10 (claim 1). The other independent challenged claim allows, as an alternative to activating the pump only upon such a determination, that the pump will not activate when “the read barcode does not agree with the stored reference.” *Id.* at 14:16–22 (claim 10).

B. Challenged Claims

Petitioner challenges claims 1–16 of the ’531 patent. Pet. 20 (grounds chart). For purposes of deciding whether to institute an *inter partes* review, claim 1, reproduced below, is representative of the claimed subject matter.

1. A method of using a portion capsule for producing a coffee beverage, the method comprising:

- providing an apparatus including a barcode reader, the apparatus including a pump adapted to supply heated water;
- inserting the portion capsule into the apparatus, the portion capsule including a foil lid sealed to a base element having a cavity within which a beverage raw material is provided, the base element comprising a flange, the flange having a top side to which the foil lid is sealed and an opposing bottom side with a barcode located on the bottom side, the base element has a wall region with an electrically conductive section and radially spaced and vertically oriented grooves, the cavity has radially spaced and vertically oriented ribs, the portion capsule being free of a filter, the base element and/or the lid are made of metal;
- piercing the foil lid;
- reading the barcode with the barcode reader;

determining whether the read barcode agrees with a stored reference; and

activating the pump to push heated water into the portion capsule only upon a determination that the read barcode agrees with the stored reference.

Ex. 1001, 12:54–13:10.

C. Asserted Grounds of Unpatentability

Petitioner asserts four grounds under 35 U.S.C. § 103¹, as follows:

Ground	Claims Challenged	References
1	1, 2, 5–10, 15, 16	Yoakim ² , Jarisch ³ , Rapparini ⁴ ,
2	3, 4, 11–14	Yoakim, Jarisch, Rapparini, Castellani ⁵
3	1, 2	Panesar ⁶ , Mock ⁷
4	3, 4, 11–14	Panesar, Mock, Castellani

Pet. 20. The Petition is supported by the Declaration of Mr. Michael Jobin.

Ex. 1003. The Preliminary Response is supported by the Declaration of Mr. Marc Krüger, the sole named inventor of the '531 patent. Ex. 2001.

¹ The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284 (September 16, 2011), includes revisions to Section 103 that became effective on March 16, 2013. Petitioner argues, and Patent Owner does not contest, that the pre-AIA statutory provisions apply in this case. Pet. 15, 22–26. Neither party indicates the result would change, however, based on which version of the statute the Board applies for purposes of deciding whether to institute review.

² US Pub. 2010/0239734 A1, published Sept. 23, 2010 (Ex. 1004).

³ US Pub. 2013/0064937 A1, published Mar. 14, 2013 (Ex. 1005).

⁴ US Pub. 2012/0269933 A1, published Oct. 25, 2012 (Ex. 1008).

⁵ US Pub. 2008/0105131 A1, published May 8, 2008 (Ex. 1009).

⁶ WO 2005/079638 A1, published Sept. 1, 2005 (Ex. 1010).

⁷ US Pub. 2006/0233921 A1, published Oct. 19, 2006 (Ex. 1011).

III. DENIAL UNDER SECTION 325(d)

We have discretion to deny review when “the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. § 325(d). Patent Owner requests that we exercise our discretion and deny institution of review under Section 325(d) based on the prosecution history. Prelim. Resp. 8–23.

We resolve Patent Owner’s request under a two-part framework: First, we assess whether the Examiner considered the same or substantially the same prior art or arguments asserted in the Petition and, if so, we resolve whether Petitioner shows sufficiently that the Examiner erred in a manner material to the patentability of the challenged claims. *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 8 (PTAB Feb. 13, 2020) (precedential) (“*Advanced Bionics*”).

In applying the two-part framework articulated in *Advanced Bionics*, we consider several non-exclusive factors, including:

- (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) (precedential as to Section III.C.5, first paragraph) (“*Becton, Dickinson*”).

Becton, Dickinson factors (a), (b), and (d) relate to whether the art or arguments presented in the Petition are the same or substantially the same as those previously presented to the Office. *Advanced Bionics*, Paper 6 at 10. Factors (c), (e), and (f) “relate to whether the petitioner has demonstrated a material error by the Office” in its prior consideration of the prior art or arguments. *Id.* In general, only if the same or substantially the same art or arguments previously were presented to the Office, do we turn to whether Petitioner has established a material error. *Id.* “At bottom, this framework reflects a commitment to defer to previous Office evaluations of the evidence of record unless material error is shown.” *Id.* at 9.

We organize our analysis into three main sections. First, we discuss whether the challenges advanced in the Petition raise the same or substantially the same prior art references previously presented to the Office. In that section, we address two preliminary matters, namely, the scope of the prosecution history, and Petitioner’s disregard of the conjunctive “or” that appears in Section 325(d). We then address whether the challenges set forth in the Petition raise the same or substantially the same arguments previously presented to the Office. Finally, we address whether Petitioner establishes that the Office erred in its previous assessment of the prior art or arguments in a manner material to the patentability of the challenged claims.

A. Same or Substantially the Same Prior Art

The grounds set forth in the Petition rely on Yoakim, Jarisch, Rapparini, Castellani, Panesar, and Mock. Pet. 20 (grounds chart). We first

address two preliminary matters, namely, the scope of the prosecution history and Petitioner's disregard of the conjunctive "or" that appears in Section 325(d). We then assess each reference applied in the grounds to determine whether the same, or a cumulative, reference previously was presented to the Office during patent examination. Finally, we summarize our conclusions about whether Petitioner raises the same or substantially the same prior art references previously presented to the Examiner.

(1) Scope of the Prosecution History

The prosecution histories of the '531 patent and its grandparent application are intertwined. Ex. 1001, code (60) (explaining that the '531 patent application is continuation of an application that is a continuation of U.S. Application No. 15/646,980 ("the grandparent application")). As Patent Owner observes, in that regard, Jarisch⁸ was a focus of examination during both the '531 patent prosecution and the examination of the grandparent application. Prelim. Resp. 7 (citing Ex. 1002, 123–141) (the '531 patent prosecution history), 15 (citing Ex. 1002–176, Part 1, 98, 145, 273–274, 397, 403–404)⁹ (prosecution history of the grandparent application)).

We find significant, moreover, that Petitioner and Patent Owner both repeatedly direct our attention to the file history of the grandparent application. In particular, both parties present arguments, concerning that

⁸ Patent Owner argues, and Petitioner does not dispute, that "WO 2011/141532," which is cited on the face of the '531 patent, contains the same relevant disclosure as Jarisch. Prelim. Resp. 7 n.1.

⁹ We adopt the parties' convention and provide citations to "Exhibit 1002–176," which refers to Exhibit 1002, Parts 1 and 2, filed in IPR1221. *See* Prelim. Resp. 10–11, 15; Reply 6 (both parties, citing Exhibit 1002 from IPR1221). We refer to page numbers added by Petitioner.

history, in the context of the Board’s authority to exercise its discretion to deny review under Section 325(d). Pet. 7; Prelim. Resp. 10–11, 15; Reply 6; Sur-reply 7 (both parties, repeatedly citing Exhibits 1002–176 and 1049, which are documents from the file history of the grandparent application).

In other words, far from raising any objection about the propriety of relying on the record of prosecution associated with the grandparent application, both parties cite and discuss that history in their briefs. Accordingly, we likewise direct our analysis not only to the ’531 patent prosecution, but also to the prosecution of the grandparent application.

(2) Petitioner’s Disregard of the Conjunctive “Or” in Section 325(d)

Section 325(d) states, in relevant part, that “[i]n determining whether to institute [an *inter partes* review], the Director may take into account whether, and reject the petition . . . because, the same or substantially the same prior art *or* arguments previously were presented to the Office.” 35 U.S.C. § 325(d) (emphasis added). Petitioner effectively disregards whether the same or substantially the same prior art previously was presented to the Office, focusing instead almost exclusively on whether the Examiner applied in any rejection the same prior art combinations asserted in the Petition. Pet. 82–83; Reply 5–7 (analysis pertaining to whether the same or substantially the same prior art previously was presented to the Office, focusing on whether the same prior art combinations were applied in any Office action).

Petitioner, in other words, focuses only on whether the same arguments about the prior art previously were addressed expressly by the Examiner. That focus, in practical effect, disregards the conjunctive “or” that appears in the statute. 35 U.S.C. § 325(d). Where *either* the prior art

references advanced *or* the arguments raised in a petition previously were presented to the Office, the inquiry shifts to whether the petitioner establishes a material error. *Advanced Bionics*, Paper 6 at 8.

Petitioner relies on non-precedential Board decisions, which predate *Advanced Bionics*, to argue that “the ‘mere submission of a reference in an IDS is insufficient for purposes of exercising discretion’” to deny review under Section 325(d). Pet. 82 (citing *Amgen Inc. v. Alexion Pharma., Inc.*, IPR2019-00740, Paper 15 at 65–66 (PTAB Aug. 30, 2019)). The precedential decision in *Advanced Bionics* unambiguously instructs, however, “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. Petitioner does not address that instruction.

We next explore the question, which Petitioner does not address adequately, concerning whether the same or substantially the same prior art previously was presented to the Office.

(3) Yoakim, Jarisch, Rapparini, and Panesar

Yoakim, Jarisch,¹⁰ Rapparini,¹¹ and Panesar are cited on the face of the ’531 patent. Ex. 1001, code (56) (references cited). Of those references, however, the Examiner discussed, and applied in rejections, only Jarisch. Prelim. Resp. 7 (citing Ex. 1002, 123–141, the ’531 patent prosecution

¹⁰ See *supra* 11 n.8.

¹¹ Patent Owner argues, and Petitioner does not dispute, that “WO 2011/047836” shares a “substantively identical” disclosure with Rapparini “as relied upon by Petitioner.” Prelim. Resp. 8 n.2.

history), 11–12 (citing Ex. 1002–176, Part 1, 98, 145, 273–274, 403–404, from the prosecution history of the grandparent application).

There is no genuine dispute that Jarisch was a focus of examination. Petitioner argues, however, and we agree, that Yoakim, Rapparini, and Panesar appear on a relatively long list of documents presented to the Examiner in an IDS. *See* Reply 5. Nevertheless, Petitioner’s further argument, that “the Examiner did not consider” those references, is not supported adequately by record evidence. Pet. 83–84 (Petitioner, arguing that, where the Examiner allowed the claims “without comment” over these references, the Board should find “the Examiner did not consider” them).

Clear intrinsic evidence informs, “All references” submitted in the IDSs were “considered except where lined through,” as certified by “/C.A.S./” or “/D.E.B./.” Ex. 1002–176, Part 1, 107–130; Ex. 1002–176, Part 2, 8–16, 22–25. Although neither party directs the Board to this aspect of the prosecution history, we take notice that two Examiners apparently considered the references, given that none was “lined through.” *Id.*

Given that Yoakim was presented to the Examiner in an IDS and marked “considered” as not “lined through,” we find unpersuasive Petitioner’s argument that “Yoakim includes content not considered during prosecution.” Pet. 82; Ex. 3004, Part 1, 114 (Cite No. 60). Where Panesar likewise was presented to the Examiner in an IDS and marked “considered” as not “lined through,” we similarly find unpersuasive Petitioner’s argument that Panesar is “unlike any prior art the Examiner ever considered.” Pet. 83; Ex. 1002–176, Part 1, 124 (Cite No. 131). Furthermore, a publication sharing substantively the same disclosure as Rapparini was presented and marked “considered” as “not lined through.” Ex. 1002–176, Part 2, 23 (Cite

No. 25). Under these circumstances, we find unpersuasive Petitioner's argument that the Board may dismiss as "not considered" the three references, Yoakim, Panesar, and Rapparini, which undeniably were presented to the Examiner, although not discussed in any Office action. Pet. 82.

Based on the information presented, we determine that Yoakim, Jarisch, Panesar, and Rapparini previously were presented to the Examiner during patent examination. We next turn to Mock, which Petitioner advances in two of the four grounds of unpatentability set forth in the Petition. Pet. 20 (grounds chart).

(4) Mock is Cumulative of Rapparini

Neither party directs us to information that Mock previously was presented to the Office. In this subsection, we assess Patent Owner's argument that Mock, although "not cited during prosecution," is cumulative of Rapparini, which was "before the Examiner." Prelim. Resp. 10.

Petitioner advances Mock for disclosure of "ribs stamped into the capsule body," which both "provide greater structural stability" and "avoid rotation of the capsule during brewing." Pet. 57. Petitioner asserts that an ordinarily skilled artisan would have been led to modify Panesar in view of Mock to "allow for more stable and strengthened capsules with reduced unwanted rotations." *Id.* Petitioner assesses the cumulative nature of Mock not at all in the Petition. *Id.* at 82–84. In the Reply, however, Petitioner advances one sentence on point: "Mock is not cumulative to other references as it shows an aluminum capsule with grooves configured in a manner relevant to Patent Owner's claims." Reply 6.

Petitioner also asserts, without analysis, the following quotation from *Becton, Dickinson*: “[M]aterial differences between the asserted art and the prior art involved during examination” weigh against discretionary denial. Pet. 83 (quoting *Becton, Dickinson*, Paper 8 at 17–18). There, the Board assessed material differences between prior art previously presented to the Examiner and different, but cumulative, prior art raised in a petition. *Becton, Dickinson*, Paper 8 at 17–18. In the instant case, however, Petitioner does not identify adequately any material difference between the disclosures of Mock and Rapparini. See Reply 6 (“Mock is not cumulative to other references as it shows an aluminum capsule with grooves configured in a manner relevant to” the challenged claims.). On the contrary, Petitioner asserts Mock and Rapparini for substantially similar disclosures.

Specifically, in that regard, Petitioner asserts Mock for the use of “metal material and grooves and ribs,” which confer benefits that include “increasing the strength and stability of the” beverage capsule. Pet. 56. Petitioner similarly asserts that Rapparini discloses “grooves and ribs” in a portion capsule made, for example, of “metal,” which provides benefits that include “increasing stability of the capsule.” *Id.* at 30.

Given that Rapparini discloses a metal capsule, having grooves configured to increase stability, Petitioner does not explain adequately, if at all, how Mock differs in any material respect from Rapparini. See Reply 6 (“Mock is not cumulative to other references as it shows an aluminum capsule with grooves configured in a manner relevant to Patent Owner’s claims.”). On this record, therefore, for purposes of deciding whether to institute review, we find that Mock is cumulative of Rapparini. We next turn to the remaining reference asserted in the Petition, namely, Castellani.

(5) Castellani is a New Reference

Neither party asserts that Castellani was presented to the Examiner during the examination of the '531 patent application or the grandparent application. *See* Pet. 82–85; Prelim. Resp. 10, 14. Nor does either party address whether Castellani is cumulative of any reference previously presented to the Office. *See* Pet. 82–85; Prelim. Resp. 10, 14.

Based on the information provided by the parties, therefore, we determine on this record that Castellani is a new reference, in the sense that it was not previously presented to the Office, for example, during prosecution of the application that matured to issue as the '531 patent or the grandparent application.

(6) Conclusions on the Similarity of the Prior Art

To summarize, four of the six references asserted in Petitioner's challenges (Yoakim, Jarisch, Rapparini, and Panesar) previously were presented to the Office. One of those references (Jarisch) was a focus of patent examination. A fifth reference, Mock, is cumulative of Rapparini, which is a reference previously presented to the Examiner during prosecution.

However, a sixth and final reference asserted in the Petition (Castellani) is new, in the sense that it was not previously presented to the Examiner in connection with the examination of the '531 patent application or the grandparent application. In this section, we assess whether the addition of Castellani to the grounds asserted in the Petition supports a finding that Petitioner's challenges do not raise the same or substantially the same prior art that previously was presented to the Office.

For two reasons, we find that Castellani’s addition does not change the calculus regarding whether the same or substantially the same prior art previously was presented to the Office. First, Petitioner advances Castellani only in connection with a subset of dependent challenged claims, namely, claims 3, 4 and 11–14. Pet. 20 (grounds chart). A trial in this case necessarily would involve all claims based on all challenges raised in the Petition. *See SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1354, 1359–60 (2018); 37 C.F.R. §42.108(a) (“When instituting *inter partes* review, the Board will authorize the review to proceed on all of the challenged claims and on all grounds of unpatentability asserted for each claim.”). In other words, significant Board and party resources necessarily would be devoted to assessing whether all of the independent claims (claims 1 and 10) and a majority of the dependent claims (claims 2, 5–9, 15, and 16) are unpatentable in view of prior art references that are the same as, or cumulative of, references previously presented to the Office. Pet. 20 (grounds chart). Castellani’s disclosure, by contrast, would come into play only in connection with a minority of the dependent challenged claims. *See id.* at 49–52, 76–79 (showing how Castellani is applied in the Petition, and only with respect to six dependent claims, namely, claims 3, 4, and 11–14); *see also id.* at 20 (grounds chart, showing that Petitioner challenges independent claims 1 and 10, as well as the remaining eight dependent claims, based solely on references that are the same or substantially the same as references presented to the Examiner).

Second, Petitioner advances Castellani in combination with multiple references that are the same as, or cumulative to, references previously presented to the Examiner. *See* Pet. 20, 49–52, 76–79 (showing that

Petitioner asserts Castellani only in combination with (1) Yoakim, Jarisch, and Rapparini, or (2) Panesar and Mock). Significantly, even in the grounds that assert Castellani, Petitioner relies extensively on references, which previously were presented to the Examiner, for disclosure of “all elements of claims 3–4 and 11–14 except for” the “holding arms to engage the portion capsule” and the “dropping box.” Pet. 49, 77; *see id.* at 20 (grounds chart, showing that Petitioner asserts Castellani only in combination with (1) Yoakim, Jarisch, and Rapparini, and (2) Panesar and Mock).

Stated somewhat differently, Petitioner asserts Castellani only for disclosure of two limitations of a minority of dependent challenged claims. Regarding those two limitations, Petitioner directs us to Castellani’s Figure 7, which we reproduce below.

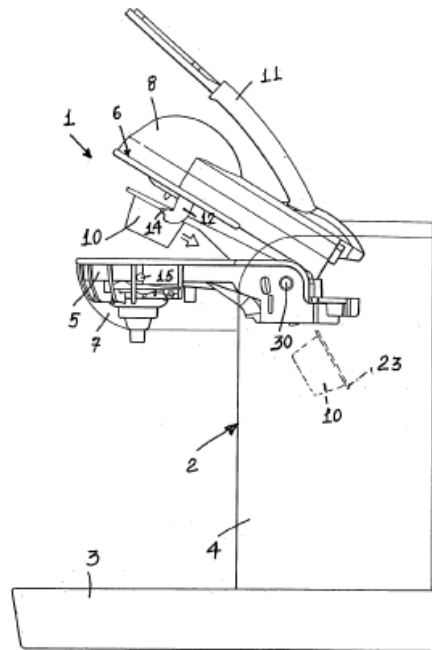


FIG. 7

Ex. 1009, Fig. 7 (reproduced at Pet. 51, 78). Figure 7 from Castellani is a partially broken away side elevation view illustrating a coffee machine during a capsule ejecting operating step. *Id.* ¶¶ 19, 20. Petitioner relies on

Castellani only for disclosure related to two claim limitations – an “ejection mechanism and drop box” – in a subset of the dependent claims. Pet. 49; *see id.* at 77 (referring to Castellani’s alleged “ejection forks and dropping box”).

To summarize, Petitioner asserts Castellani only in connection with two limitations of a subset of the dependent challenged claims. A trial in this case necessarily would require the Board to assess whether both independent claims, as well as the majority of the dependent challenged claims, are unpatentable in view of the same or substantially the same references previously presented to the Office. Pet. 20 (grounds chart).

Accordingly, on this record, we find that Petitioner’s challenges raise substantially the same prior art previously presented to the Office. That determination, standing alone, warrants our assessment of the second part of the two-part framework articulated in *Advanced Bionics*, namely, whether Petitioner directs us to evidence sufficient to demonstrate a material Examiner error. *See Advanced Bionics*, Paper 6 at 8.

Before turning to that question, however, we also address in the next section whether, and to what extent, Petitioner raises arguments that are the same or substantially the same as those previously presented to the Examiner. Our assessment, on that point, provides an alternative rationale that independently warrants our consideration of the adequacy of Petitioner’s information pertaining to material Examiner error.

B. Same or Substantially the Same Arguments

As Patent Owner points out, the inquiry under Section 325(d) “focuses on ‘the extent of the overlap between the arguments made during examination and the manner in which’” Petitioner “relies on the prior art.”

Sur-reply 6 (quoting *Advanced Bionics*, Paper 6 at 9 n.10). In the next three subparts of our analysis, we assess the extent of the overlap between the arguments raised in the Petition and those considered by the Examiner.

(1) Jarisch's Figure 4 and the Specified Barcode Location

Patent Owner directs us to information tending to show that Petitioner raises substantially the same arguments previously presented to the Office concerning Jarisch's Figure 4 and, in particular, the barcode location as specified in the challenged claims. Prelim. Resp. 14. In a rejection that applied Jarisch, the Examiner considered whether that reference teaches "a method for making coffee by reading a code location of the flange bottom" wherein "the capsule" is "sealed by a foil lid." Ex. 1002–176, Part 1, 98 (cited by Patent Owner at Prelim. Resp. 14).

In connection with that argument, the Examiner cited Jarisch's Figure 4, reproduced below, to find that this figure shows sensor 62 directing a beam toward bottom side 72 of flange 73. *Id.*

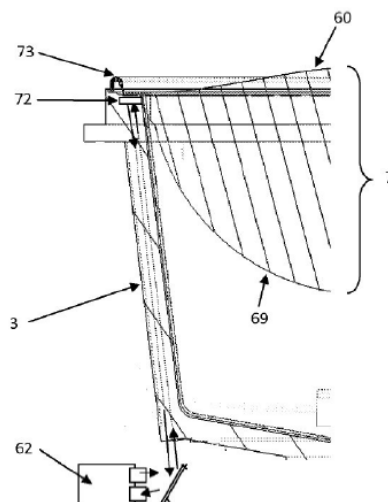


Fig. 4

Ex. 1005, Fig. 4; *see* Pet. 29 (reproducing this figure). Figure 4 illustrates a position of a code on a capsule "when placed on the underside of the rim of

the capsule,” where the capsule is “fitted into a capsule holder.” Ex. 1005 ¶ 31. Capsule 7 includes code 70 on bottom side 72 of rim 73. *Id.* ¶ 64. Light source 63 at the bottom of centrifugal cell 3 conducts a beam to bottom side 72 of rim 73 and reflected light is conducted back to sensor 52. *Id.* ¶¶ 63, 82.

Petitioner asserts arguments about Jarisch that are substantially the same as those considered by the Examiner. *Compare* Pet. 26–29, with Ex. 1002–176, Part 1, 98. In particular, Petitioner asserts that Figure 4 from Jarisch, in combination with other references, renders obvious the limitation that requires a “barcode” on the “bottom side” of a “circumferential flange.” Ex. 1001, 12:60–65 (claim 1), 14:4–9 (claim 10); *see* Pet. 29 (reproducing Jarisch’s Figure 4).

Petitioner focuses on Jarisch’s Figure 4, arguing that Jarisch, in combination with Yoakim, would have suggested a “code placement of Jarisch on the bottom flange of the capsule.” Pet. 28–29. The Examiner, likewise, focused on Jarisch’s Figure 4 to conclude that the reference would have suggested to an ordinarily skilled artisan “a method for making coffee by reading a code located on the flange bottom” of a beverage portion capsule. Ex. 1002–176, Part 1, 98; *see id.* at 273–274 (Examiner’s continued focus on Jarisch’s Figure 4 as suggesting the specified code location); *see also id.* at 403–404 (applicant’s argument that the combination of references, including Jarisch, does not render obvious a “barcode being located on a bottom side of a circumferential flange, the bottom side opposing a top side to which the foil lid is attached”).

Patent Owner, for its part, directs us to evidence that “the Examiner and Patent Owner discussed Jarisch and its disclosure of a code located on

the bottom side of the flange in every substantive communication between the parties.” Prelim. Resp. 15 (citing Ex. 1002–176, Part 1, 98, 145, 273–274, 397, 403–404). Against that backdrop, we find, Petitioner does not explain adequately, if at all, “how the arguments it now advances for Jarisch are different from what was previously presented” to the Office. Sur-reply 5. Specifically, Patent Owner in the Preliminary Response emphasizes the similarities between Petitioner’s and the Examiner’s arguments in connection with Jarisch. Prelim. Resp. 10–12. Notwithstanding that emphasis, Petitioner, in the Reply, makes no meaningful attempt “to show that these arguments do not overlap.” Sur-reply 6; *see* Reply 5–7 (inadequate analysis pertaining to the relevant question of overlap).

On this record, therefore, we find that Petitioner advances the same disclosure (Figure 4) in the same reference (Jarisch) to make out the same claim limitation (the specified barcode location) as previously considered by the Office. *See* Pet. 26–29; Ex. 1002–176, Part 1, 98, 145, 273–274, 397, 403–404.

(2) The Prior Art Status of Jarisch
In View of the German Priority Documents

The Petition raises a second issue previously considered by the Office, namely, whether the claimed invention “is entitled to a priority date of 22 July 2010,” based on certain German priority documents, thereby disqualifying Jarisch as prior art under 35 U.S.C. § 102(e). Ex. 1002–176, Part 1, 278; *see* Pet. 22 (asserting Jarisch as prior art under that statutory provision). The same issue was discussed by the Examiner not only during examination of the grandparent application (*id.*), but also during the ’531 patent prosecution (Ex. 1002, 125–126).

Much of the briefing in this proceeding centers on that very same issue. *See* Pet. 15–19 (Petitioner, arguing that the challenged claims are not entitled to priority based on the German priority documents), 84 (Petitioner, arguing the Examiner applied an incorrect priority date, based on the German priority documents, to antedate Jarisch); *see also* Prelim. Resp. 4–6, 15–22; Reply 7–10; Sur-reply 7–10 (additional briefing by both parties pertaining to that same argument, including Patent Owner’s additional declaration evidence, which was not presented to the Examiner, supporting a priority date that disqualifies Jarisch as prior art).

Petitioner focuses only on whether the Examiner erred in assessing that argument. Pet. 83–84. Petitioner does not, and cannot, submit that the Examiner never considered the issue during patent prosecution. *See generally* Pet. The Examiner, in fact, expressly considered whether “Jarisch is not prior art” because the challenged claims are “entitled to a priority date of 22 July 2010” based on the German priority documents. Ex. 1002–176, Part 1, 278 (prosecution history for the grandparent application); *see also* Ex. 1002, 125–126 (prosecution history for the ’531 patent). The Examiner also expressly responded to Patent Owner’s argument on that point as follows: “This urging is not deemed persuasive.” Ex. 1002–176, Part 1, 278; *see* Ex. 1002, 136 (the ’531 patent prosecution, during which the Examiner reasoned, “the current application is not entitled to the benefit of the claimed priority dates, foreign or domestic”). This represents a second, significant argument previously presented to the Office.

(3) Conclusions on the Extent of Overlap of Arguments

We agree with Petitioner that the Examiner did not apply, in any Office action, the same combination of prior art references asserted in the

Petition. Pet. 82–83. That does not end the inquiry, however, where the Petition includes other significant arguments that, at minimum, “overlap” with those previously presented to the Office. *Advanced Bionics*, Paper 6 at 9 n.10. For example, the Petition raises the same disclosure in Jarisch (Figure 4) to make out the same claimed feature (barcode location) as previously addressed by the Examiner. *Compare* Pet. 26–29, with Ex. 1002–176, Part 1, 98, 145, 273–274, 397, 403–404 (prosecution history of the grandparent application); *see* Ex. 1002, 137 (prosecution history of the ’531 patent, during which the Examiner reasoned, “Jarisch discloses a method for a beverage by reading a code (70) located on the flange bottom,” referring to Jarisch’s Figure 4).

Petitioner also raises arguments concerning whether the German priority documents are sufficient to establish a priority date for the claimed invention that predates Jarisch, thereby disqualifying Jarisch as prior art. Pet. 15–19, 84. The Examiner squarely addressed the same German priority documents in connection with Patent Owner’s position that it “had possession of the claimed subject matter” prior to the publication of Jarisch. Ex. 1002–176, Part 1, 278, 397; *see* Ex. 1002, 125–126, 136 (Examiner, addressing that same argument during prosecution of the application that matured to issue as the ’531 patent). Arguments pertaining to that issue consume a significant portion of the briefs in this proceeding. Pet. 15–19, 84; Prelim. Resp. 4–6, 15–22; Reply 7–10; Sur-reply 7–10.

On this record, we determine that the degree of overlap is significant between arguments raised in the Petition and those previously presented to the Office. Based on the preliminary briefing, we find that the overlapping issues, especially those surrounding the priority dispute, likely would

consume significant resources during a trial. Pet. 15–19, 84; Prelim. Resp. 4–6, 15–22; Reply 7–10; Sur-reply 7–10 (preliminary briefing by both parties on those issues).

Our determination, that the Office previously considered substantially the same arguments presented in the Petition, represents an alternative rationale that independently warrants our consideration of the adequacy of Petitioner’s information pertaining to Examiner error, which we turn to next.

C. Petitioner’s Showing as to Examiner Error

Petitioner directs us to two allegedly material Examiner errors. Pet. 83–84. First, Petitioner argues, the Examiner materially erred by applying “an incorrect priority date” to find that Jarisch does not qualify as prior art. *Id.* at 84. Second, Petitioner submits, the Examiner materially erred by allowing the challenged claims to issue “without comment and without considering the art” asserted in the Petition. *Id.* at 83–84. We address each asserted error in turn below.

(1) Alleged Error Relating to Priority Date

During the examination of the grandparent application, the Examiner expressly considered and rejected the argument “that the German priority applications” contain “support for the applied for claims.” Prelim. Resp. 11–12 (citing Ex. 1002–176, Part 1, 258–259). As Patent Owner correctly points out, “The Examiner stood on the rejection that relied upon Jarisch.” *Id.* at 12 (citing Ex. 1002–176, Part 1, 273–274). The Examiner thereafter allowed “the applied-for claims” in the grandparent application based on arguments presented by Patent Owner, but did not indicate which arguments, in particular, the Examiner deemed persuasive. *See* Ex. 1002–176, Part 1, 403–404, 435–439 (citing by Patent Owner at Prelim. Resp. 12).

Furthermore, at the time of allowance of the claims of the '531 patent, Patent Owner was pressing two alternative arguments before the Examiner. Patent Owner maintained *both* that (1) Jarisch is not prior art because the German priority applications support the challenged claims *and* (2) that the claimed invention, including the feature relating to the location of the barcode, would not have been obvious over the combination of prior art references applied by the Examiner, including Jarisch. Ex. 1002, 300–303, 307–309. Where both alternatives were before the Examiner, it is not at all clear that “the Examiner applied an incorrect priority date” or otherwise accepted that Jarisch does not qualify as prior art. Pet. 84.

We take note that, *after* the Examiner issued the notice of allowance of claims in connection with the grandparent application, an interview was conducted “to ensure that Patent Owner’s claim of priority was properly submitted and would appear on the face of the issuing patent.” Sur-reply 6–7 (citing Ex. 1049, 70). Petitioner does not show sufficiently that this notice of interview, which appears in the file history of the grandparent application, demonstrates, “The Examiner’s mistake affording Patent Owner . . . priority over the Jarisch reference is clear.” *Id.*; *see* Ex. 1002, 307–309 (Examiner’s continued argument, during the subsequent examination of the '531 patent claims, that Patent Owner failed to establish priority over Jarisch based on the German priority documents).

Petitioner directs us to *no* record evidence tending to show that the Examiner accepted Patent Owner’s view that it had possession of the claimed invention prior to the publication date of Jarisch. *See* Pet. 84 (arguing, without citation to evidence, that “Jarisch appears not to have been properly considered by the Examiner”). On the contrary, the Examiner

expressly considered and rejected Patent Owner's view that the German priority documents demonstrate possession of the claimed invention, during both the examination of the '531 patent and the grandparent application. Ex. 1002, 307–309; Ex. 1002–176, Part 1, 278.

Even if we accept Petitioner's view that the claims of the '531 patent were allowed "without comment" by the Examiner (Pet. 84), it is not at all clear that the Examiner accepted Patent Owner's priority arguments, as opposed to alternative arguments centered on the asserted obviousness of the claimed invention over various combinations of applied references, including Jarisch. *See* Ex. 1002, 300–304, 307–309 (showing that both alternative arguments were before the Examiner during examination of the application that matured to issue at the '531 patent). It is no less reasonable to assume that the Examiner accepted Patent Owner's arguments, responding to obviousness rejections that applied Jarisch, than it is to assume, as Petitioner does, that the Examiner accepted Patent Owner's alternative argument that Jarisch does not qualify as prior art. *See id.*

Accordingly, on this record, we find Petitioner fails to establish a material error by the Examiner in connection with the priority issue.

(2) Failure to Consider Petition Evidence

Alternatively, Petitioner submits, the Examiner erred by allowing the challenged claims to issue "without comment and without considering the art in this petition." Pet. 83–84. For reasons stated above, we reject Petitioner's unsupported argument that the Examiner allowed the claims to issue "without considering the art" presented in the Petition. Pet. 83–84.

Petitioner advances dicta from a non-precedential Board decision, which issued before the precedential *Advanced Bionics* decision, in support

of its view that “a reference that was neither applied against the claims nor discussed by the Examiner does not weigh in favor of” a discretionary denial. *Id.* at 84 (quoting *Amazon, Inc. v. M2M Sols. LLC*, IPR2019-01204, Paper 14 at 17 (PTAB Jan. 23, 2020) (“*Amazon*”)). The *Amazon* decision concerned an Examiner’s failure to consider prior art identified in a Board decision, supplied to the Examiner, which granted *inter partes* review of claims closely related to the claims at issue. *Amazon*, Paper 14 at 12, 16. By the time the Board issued the *Amazon* decision, a final written decision invalidating those related patent claims was the subject of “a looming Federal Circuit decision” likely to “control the outcome.” *Amazon*, Paper 14 at 15. In other words, the Examiner in *Amazon* allowed the claims to issue “without mentioning the related decision to institute,” even though the Board in that related decision applied the same prior art against claims having “materially similar limitations to the challenged claims.” *Id.* at 12. Petitioner directs us to the *Amazon* decision without providing any analysis tending to show how or why the facts of the instant case are remotely comparable to those at play in *Amazon*. Pet. 84.

To the extent Petitioner argues that the relative strength of the grounds stated in the Petition, standing alone, supports a finding of material Examiner error, that argument is not developed adequately and, therefore, is unpersuasive on this record. *Id.* at 82–84. Petitioner bears the burden of showing that the Office erred, for example, by “misapprehending or overlooking specific teachings of the relevant prior art whose teachings impact patentability of the challenged claims.” *Advanced Bionics*, Paper 6 at 8. Where “the record of the Office’s previous consideration of the art is not well developed or silent, then a petitioner may show the Office erred by

overlooking something persuasive under” *Becton, Dickinson* factors (e) and (f). *Advanced Bionics*, Paper 6 at 10. As explained above, when assessing factor (e), we consider whether Petitioner “point[s] out sufficiently how the examiner erred in its evaluation of the asserted prior art.” *Supra* 9. When assessing factor (f), in turn, we look for some explanation of how or why “the extent to which additional evidence and facts presented in the petition warrant reconsideration of the prior art or arguments.” *Id.* Petitioner addresses neither of those issues adequately, if at all. Pet. 83–84; Reply 7–8.

The closest Petitioner comes to addressing those issues is by observing, “[T]he obviousness analysis” in the Petition “is supported by expert testimony, which the Examiner did not have.” Pet. 84. That observation is undeveloped by further analysis and, therefore, is ineffective to show that the Examiner materially erred by failing to discuss the same prior art combinations advanced in the Petition, or that “additional evidence and facts presented in the Petition warrant reconsideration of the prior art” previously presented to the Office. *Becton, Dickinson*, Paper 8 at 18.

Further, “although *Becton, Dickinson* factor (c) evaluates ‘the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection,’ the focus should be on the record” of examination. *Advanced Bionics*, Paper 6 at 11; Ex. 1002, 307–309 (discussion of obviousness rejections applied by the Examiner during examination of the application that matured to issue as the ’531 patent); Ex. 1002–176, Part 1, 267–277, 403–404 (discussion of obviousness rejections applied by the Examiner during examination of the grandparent application). Petitioner does not meaningfully assess the record of examination or explain sufficiently how or why *Becton, Dickinson* factor (c),

(e), or (f) supports its positions. Instead, Petitioner directs us to a bare quotation from the *Amazon* decision and advances unsupported arguments about the German priority documents. Pet. 83–84 (quoting the *Amazon* decision and asserting without record support that “the Examiner applied an incorrect priority date” based on the German priority documents); Reply 7 (arguing without record support that the Examiner “improperly dismissed” Jarisch in view of the German priority documents).¹²

(3) Inadequacy of Petitioner’s Information on Material Error

For the above reasons, Petitioner does not show sufficiently that the Examiner erred in a manner material to the patentability of the challenged claims. Pet. 82–84; Reply 6–10. In reaching that decision, we apply the principle that, “[i]f reasonable minds can disagree regarding the purported treatment of the art or arguments” by the Examiner, then “it cannot be said that the Office erred in a manner material to patentability.” Prelim. Resp. 15 (quoting *Advanced Bionics*, Paper 6 at 9). This is a case where reasonable minds can differ, and the paucity of analysis provided by Petitioner in the Petition tips the scales in favor of a discretionary denial. *See* Pet. 83–84 (Petitioner’s insufficient arguments pertaining to material Examiner error).

IV. CONCLUSION

Taking a holistic view of the totality of the information presented, we determine that the challenges set forth in the Petition are based on the same

¹² The parties extensively brief issues directed to Patent Owner’s efforts to antedate Jarisch. *See* Pet. 15–19; Prelim. Resp. 16–22; Reply 8–10; Sur-reply 7–10. In assessing whether to deny review under Section 325(d), however, we focus on the record that was before the Office in prior proceedings, not evidence first raised in the instant proceeding.

or substantially the same prior art or arguments previously presented to the Examiner. Moreover, Petitioner does not direct us to information sufficient to establish a material Examiner error. Accordingly, we exercise our discretion under Section 325(d) and do not institute an *inter partes* review.

V. ORDER

It is

ORDERED that the Petition is *denied* and no *inter partes* review is instituted.

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