UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ZAK DESIGNS, INC.,

Petitioner,

v.

CAMELBAK PRODUCTS, LLC,

Patent Owner

IPR2022-00803
U.S. Patent 9,782,028

PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE

LIST OF EXHIBITS

Exhibit	Description
EX1001	U.S. Patent No. 9,782,028 ("the '028 patent")
EX1002	File history of U.S. Patent No. 9,782,028
EX1003	Declaration of Ottmar Brandau
EX1004	*Curriculum Vitae* of Ottmar Brandau
EX1005	International Patent Application Publication No. WO 2007/148441 to Yamashita *et al*. ("Yamashita")
EX1006	English Translation of Yamashita and Certification of Accurate Translation
EX1007	U.S. Patent 5,791,510 to Paczonay ("Paczonay")
EX1008	European Patent Application No. EP 1 095 599 to Dall'Agnese, *et al*. ("Dall'Agnese")
EX1009	U.S. Patent 5,897,013 to Manganiello, *et al*. ("Manganiello")
EX1010	U.S. Patent 3,307,752 ("Anderson")
EX1011	U.S. Patent Application Publication No. 2007/0039959 to Choi, *et al*. ("Choi")
EX1012	Excerpts of Merriam-Webster's Collegiate Dictionary, Tenth Edition
EX1013	Docket Navigator Report on Western District of Arkansas (April, 2022)
EX1014	Petitioner's Stipulation
EX1015	Docket Navigator Reports on Western District of Arkansas and Western District of Arkansas – Fayetteville (August, 2022)

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Cases

I. Introduction

Per the Board's August 18, 2022 e-mail, Petitioner submits this Reply to Patent Owner's Preliminary Response to address the application of the Office's Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation ("Procedure" or "Proc.") to the *Fintiv* factors.

II. *Fintiv* Factor Six: Compelling Merits Alone Bar Discretionary Denial

The Petition presents compelling, unrebutted evidence of unpatentability. On this basis alone, the Board should not discretionarily deny institution. *See* Proc., 4-5. Patent Owner has made ***no*** arguments on the merits of patentability. Patent Owner only summarily calls the Petition weak for the number of technical Grounds in the Petition. But the Grounds essentially boil down to six challenges. The decision Patent Owner cites takes no issue with multiple grounds alone---it criticized the petition's "lack of particularity," including 10 references yielding "hundreds of possible combinations," which is not the case here. *See, Adaptics Ltd. v. Perfect Co.*, No. IPR2018-01596, Paper 20, 18-19 (PTAB Mar. 6, 2019) (informative).

Since the Procedure issued, the Board has repeatedly declined to deny institution based on compelling merits alone, without considering the other *Fintiv* factors, and the Board may do so here. *See, Samsung Elecs. Co. v. MemoryWeb, LLC*, No. IPR2022-00221, Paper 10 (PTAB Aug. 1, 2022); *Avail Medsystems, Inc. v. Teladoc Health, Inc.*, No. IPR2022-00445, Paper 9 (PTAB July 22, 2022); *Cisco*

Sys., Inc. v. BillJCo LLC, No. IPR2022-00427, Paper 16 (PTAB July 21, 2022); *Hewlett Packard Enter. Co. v. BillJCo LLC*, No. IPR2022-00420, Paper 17 (PTAB July 12, 2022); *Cisco Sys., Inc. v. BillJCo LLC*, No. IPR2022-00426, Paper 16 (PTAB July 12, 2022). But should the Board consider the other *Fintiv* factors under the Proc., they also weigh against discretionary denial.

III. *Fintiv* Factor Four: Lack of Overlap Weighs Against Denial

Petitioner has stipulated that, if the Board institutes IPR on the Grounds in the Petition, it will not pursue those same Grounds against the challenged claims in the district court litigation. EX1014. This eliminates any direct overlap between the IPR and the district court case. Since the Procedure, the Board has declined to exercise its discretion where the petitioner provided a *Sand Revolution*-type stipulation like Petitioner's here. *See*, *Samsung Elecs. Co. v. Staton Techiya, LLC*, No. IPR2022-00281, Paper 13 (PTAB July 15, 2022); *Apple Inc. v. XR Commc'ns LLC*, No. IPR2022-00367, Paper 10 (PTAB July 14, 2022); *Samsung Elecs. Co. v. Staton Techiya, LLC*, Nos. IPR2022-00324, IPR2022-00302, Paper 13 (PTAB July 11, 2022); *Zynga Inc. v. IGT*, No. IPR2022-00368, Paper 7 (PTAB July 8, 2022).

Patent Owner relies on inapposite authority, *Global Tel*Link Corp. v. HLFIP Holding, Inc.*, to encourage the Board to disregard Petitioner's stipulation as "gamesmanship." No. IPR2021-00444, Paper 24, 3-8 (PTAB Jan. 14, 2022). There, the purported stipulation was not made by the petitioner, was subject to dispute, and

was made ***after*** the Board's denying to institute *inter partes* review. *Id.* at 7. Here, Petitioner made a timely stipulation well before any decision, and the Board has accepted such stipulations at similar junctures. *See, e.g.*, *LinkedIn Corp. v. eBuddy Techs. BV*, No. IPR2022-00164, Paper 18 (PTAB July 13, 2022). Additionally, the challenged claims here and those asserted in the district court case materially differ,[1] weighing against discretionary denial. *See Zynga*, Paper 7, 12-14; Proc., 7.

IV. *Fintiv* Factor Two: Trial Date in District Court Action May Move and Does Not Outweigh Other *Fintiv* Factors

Patent Owner argues denial is warranted given the tentative trial date in the district court litigation. But when, as here, "other relevant factors weigh against exercising discretion to deny institution . . . ***the proximity to trial should not alone outweigh all of those other factors***." Proc., 8 (emphasis added). The Procedure clarifies that trial dates should not be taken at "face value." Proc., 8-9. Instead, factors like the median time-to-trial and the speed and availability of other case dispositions should be considered. *Id.* Here, the parallel action is a complex six-patent dispute in a district that has only had two patent cases reach jury trial with an average time to trial of over four years. EX1015. This suggests that the parties will need more time to fully litigate issues, requiring moving the tentative trial date.

[1] Patent Owner asserts claims 3 and 13 in district court but does not assert challenged claims 7 and 14.

Date: August 31, 2022

Respectfully Submitted,

/*James D. Stein*/
James D. Stein (Reg. No. 63,872)

CERTIFICATE OF SERVICE

The undersigned certifies that on August 31, 2022, the foregoing Petitioner's Reply to Patent Owner's Preliminary Response and exhibits were filed electronically through the Patent Trial and Appeal Board's PTAB e2e System. The below listed counsel of record for the Patent Owner have been served by email:

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