

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ZAK DESIGNS, INC.,

Petitioner

v.

CAMELBAK PRODUCTS, LLC.

Patent Owner.

Case: IPR2022-00803

Patent 9,782,028

PATENT OWNER'S PRELIMINARY SUR-REPLY

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EXHIBIT LIST

Exhibit	Description
Ex. 2001	<i>CamelBak Products, LLC v. Zak Designs, Inc.</i> , No. 5:21-cv-05109, Dkt. 2 (W.D. Ark. June 11, 2021) (“Parallel Litigation Complaint”)
Ex. 2002	<i>CamelBak Products, LLC v. Zak Designs, Inc.</i> , No. 5:21-cv-05109, Dkt. 51 (W.D. Ark. June 29, 2022) (“Parallel Litigation Scheduling Order”)
Ex. 2003	<i>CamelBak Products, LLC v. Zak Designs, Inc.</i> , No. 5:21-cv-05109, Dkt. 50 (W.D. Ark. June 29, 2022) (“Parallel Litigation Order Denying Motion To Stay”)
Ex. 2004	<i>CamelBak Products, LLC v. Zak Designs, Inc.</i> , No. 5:21-cv-05109, Dkt. 40 (W.D. Ark. Mar. 7, 2022) (“Parallel Litigation Order Denying Motion To Transfer”)
Ex. 2005	November 7, 2018 Letter from CamelBak to Zak providing notice of infringement of the ’028 patent
Ex. 2006	<i>CamelBak Products, LLC v. Zak Designs, Inc.</i> , No. 5:21-cv-05109, Dkt. 14 (W.D. Ark. June 28, 2021) (proof of service of summons)
Ex. 2007	Zak’s Invalidity Contentions Served On August 12, 2022 in <i>CamelBak Products, LLC v. Zak Designs, Inc.</i> , No. 5:21-cv-05109

Pursuant to the Board’s email authorization, Patent Owner submits this preliminary sur-reply addressing issues raised in the Director’s June 21, 2022 Memorandum on “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (“Interim Procedure”).

I. The Guidance In The Interim Procedure Regarding The Impact Of A *Sotera* Stipulation Is Inapplicable Because Petitioner Has Not Submitted A *Sotera* Stipulation

As Patent Owner explained in its Preliminary Response (Paper 6 at 12-13), Petitioner considered, yet refused, to include a *Sotera*-style stipulation in its Petition, instead seeking to delay any decision on whether to submit such a stipulation until after a decision on institution. Pet. at 97 (“If IPR is instituted and overlap somehow becomes an issue, Petitioner is amenable to stipulating not to pursue in district court grounds raised or that reasonably could have been raised here.”) (emphasis added). The language in that hypothetical stipulation tracks the language of the stipulation at issue in the Board’s precedential *Sotera*-decision. *See Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 18-19 (PTAB Dec. 1, 2020) (precedential, designated Dec. 17, 2020). With its Preliminary Reply, despite purportedly having been “amenable” to submitting a *Sotera* stipulation, Petitioner still refuses, instead using its Preliminary Reply as a purported opportunity to submit a *Sands*-style stipulation that is limited not to

pursuing in the parallel district court litigation only the “same Grounds” presented in the Petition. *See* Paper 7 at 2; Ex. 1014.

But the Interim Procedure does not address the impact of a *Sands*-style stipulation. *See, e.g.*, Interim Procedure at 3, 7 (discussing impact of submission of a *Sotera* stipulation, but not addressing a *Sands* stipulation). Accordingly, despite Petitioner’s purported submission of a *Sands* stipulation, the Interim Guidance has no impact on whether the Board should exercise its discretion to deny institution.

Moreover, Petitioner submitted invalidity contentions in the litigation asserting numerous combinations of the same Yamashita, Paczonay, Dall’Agnese, Manganiello, and Anderson prior art references at issue in the Petition. *See* Ex. 2007, 5-10. Accordingly, Petitioner’s submission of a *Sands*-style stipulation does little to mitigate the substantial overlap in issues between this proceeding and the district court litigation that would occur if instituted. Thus, even if Petitioner’s stipulation is considered, *Fintiv* factor 4 weighs against institution. Moreover, when the other factors weigh in favor of exercising discretion to deny institution, as they do here, the Board has denied institution despite a petitioner’s submission of an even “broader” stipulation than the *Sands*-style stipulation that Petitioner submitted here. *See F5 Networks, Inc. v. WSOU Investments LLC*, IPR2022-00238, Paper 11 at 11-14 (PTAB May 19, 2022).

II. The Board Should Not Consider Petitioner’s Unauthorized And Untimely Submission Of A *Sands*-Style Stipulation

The Board’s authorized Petitioner to submit a preliminary reply limited to “addressing issues raised in the [Interim Procedure].” Notably, Petitioner did not seek, nor did the Board provide, authorization to address issues outside of the Interim Procedure. Nor did Petitioner seek, nor did the Board provide, authorization to submit any new evidence, including a stipulation.

As explained above, Petitioner’s discussion regarding its *Sands*-style stipulation was outside the scope of authorization and irrelevant. Likewise, Petitioner’s submission of new evidence, in the form of an email *Sands*-stipulation, was outside the scope of authorization. Accordingly, the Board should not consider Petitioner’s unauthorized new argument and evidence. *Laboratory Corp. of America Holdings v. Ravgen, Inc.*, IPR2021-00902, Paper 13 at 25, n. 19 (PTAB Nov. 5, 2021) (“Patent Owner contends that Petitioner also ‘makes unauthorized arguments’ in the additional [preliminary reply] briefing Thus, Patent Owner asks us to not consider Petitioner's new and unauthorized arguments We agree with Patent Owner on this point. Petitioner's argument[s] ... do not appear to be responsive and we do not consider them.”) (emphasis added).

III. *Fintiv* Factors 2 and 6 Also Support Exercising Discretion To Deny

As Patent Owner explained in its Preliminary Response (Paper 6 at 6-9, 15-17), *Fintiv* factors 2 and 6 also support denial. There is no basis to speculate that the trial date will be moved, and the merits here are not particularly strong.

Dated: September 9, 2022

Respectfully submitted,

/s/ David T. Pollock

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§ 42.6(e)(4) and 42.25(b), the undersigned certifies that on September 9, 2022, a complete copy of Patent Owner's Preliminary Sur-Reply was filed electronically through the Patent Trial and Appeal Board's PTABE2E System and provided, via electronic service, to the Petitioner.

Dated: September 9, 2022

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