

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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NEW NGC, INC. dba NATIONAL GYPSUM COMPANY,

Petitioner

v.

UNITED STATES GYPSUM COMPANY,

Patent Owner

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Case No. IPR2017-1011

Patent No. 7,964,034

**PETITIONER'S REPLY TO PATENT OWNER'S  
PRELIMINARY RESPONSE**

Mail Stop PATENT BOARD  
Patent Trial and Appeal Board  
US Patent and Trademark Office  
PO Box 1450  
Alexandria, Virginia 22313-1450

Pursuant to the Order issued August 2, 2017 (Paper No. 9), Petitioner submits this Reply to Patent Owner’s Preliminary Response (Paper No. 8, “POPR”) to address a single issue: whether U.S. 5,980,628 (“Hjelmeland”) is prior art to the ’034 patent. Hjelmeland qualifies as a § 102(a) reference to the ’034 patent as of its publication date of December 5, 1996. It also qualifies as a § 102(e) reference to the ’034 patent as of its May 14, 1996 filing date. Both dates are prior to the earliest *possible*—but not established—priority date of the ’034 patent of August 21, 1997, and Patent Owner appears unable to dispute this. Moreover, even if the Board were to accept Patent Owner’s argument that Hjelmeland’s § 102(e) date is actually March 6, 1998, Patent Owner failed to satisfy its burden to establish that the ’034 patent is entitled to an August 21, 1997 priority date. Thus, even under Patent Owner’s view of § 102(e), Hjelemeland still qualifies as prior art to the ’034 patent.

**I. HJELMELAND IS PRIOR ART UNDER 35 U.S.C. § 102(a)**

In contrast to Patent Owner’s assertions, Hjelmeland qualifies as prior art under 35 U.S.C. § 102(a) based on its PCT publication date well before the alleged earliest priority date of the ’034 Patent. 35 U.S.C. § 102(a) states in part that something qualifies as prior art if it was “described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent....” 35 U.S.C. § 102(a). Hjelmeland was published as a PCT publication on December 5,

1996—over eight months before the earliest priority application for the '034 Patent was filed. *See* Petition, 19. Because Hjelmeland resulted from a national stage domestication of the PCT application under 35 U.S.C. § 371, Hjelmeland is necessarily the same as the PCT publication. *See* Ex. 2003, 2. For example, as shown in Hjelmeland's transaction history appended to the POPR, the first event in the domestic prosecution of Hjelmeland was the November 25, 1997 receipt of a "371 Request." Ex. 2003, 2. According to § 371(c)(2), a § 371 request shall consist of "a copy of the international application," and the transaction history reveals that this is precisely what occurred in this instance. Thus, the record before the Board demonstrates that Hjelmeland is merely a copy of the PCT publication and, as such, was publicly available as of December 5, 1996.

In its POPR, Patent Owner addressed the PCT publication date of December 5, 1996, as an operative date under § 102(a) but asserts that "the December 1996 date is too late for the publication to qualify as prior art under §§ 102(a) or 102(b)." POPR, 16-17, FN3. This statement is incorrect with regard to § 102(a), as the PCT application published prior to the alleged earliest possible priority date of the '034 Patent, and Patent Owner made no effort to demonstrate that it is able to swear behind Hjelmeland's 102(a) publication date of December 5, 1996. If Patent Owner desired to establish that Hjelmeland's publication date post-dates the invention date of the challenged patents, it could have done so in its POPR. The fact that it elected

not to do so suggests strongly that it is not able to do so.

## **II. HJELMELAND IS PRIOR ART UNDER 35 U.S.C. § 102(e)**

### **III. § 102(e) Was Amended To Resolve This Precise Scenario**

There can be no reasonable dispute that the teachings of Hjelmeland were known to a PHOSITA well prior to the earliest possible priority date of the '034 patent; Hjelmeland was published months before the earliest possible priority date and was filed in the USPTO prior to this date as well. To sidestep this fact, however, Patent Owner relies on technicalities under laws that were superseded nearly two decades ago. These technicalities ran counter to the purpose of the American patent system, as recognized by Congress in amending § 102(e) in the AIPA.

Before the AIPA was enacted, the effective U.S. filing date of an international application was the date when the application satisfied all requirements of paragraphs (1), (2), and (4) of 35 U.S.C. § 371. These technicalities had the unfortunate effect of denying U.S. patents the benefit of a “search of the best prior art.” H.R. REP. NO. 106-287, pt. 1, at 31 (1999). Congress recognized this problem and enacted the AIPA to, in part, “make[] technology which is accessible to citizens of other countries available to Americans as well.” *Id.* at 30. In this regard, the AIPA “ensure[d] that American inventors will be able to see the technology that our foreign competition is seeking to patent much earlier.” *Id.* at 53. In other words, Congress recognized the flaws inherent in the pre-AIPA § 102(e) and amended the

statute to avoid the precise outcome that Patent Owner advocates for here. Now, nearly 20 years after the relevant prosecution events in this case, the Board should decline to apply an overly restrictive version of § 102(e) that Congress recognized in 1999 to be flawed. Instead, the Board should determine whether the teachings of Hjelmeland were known prior to the earliest possible priority date of the '034 patent—which they were—and then determine whether that knowledge supports the arguments set forth in the Petition.

#### **IV. The Board Can Consider Hjelmeland To Be Prior Art Even Under Patent Owner's Interpretation Of § 102(e)**

Even if Patent Owner was correct that Hjelmeland is only entitled to a March 6, 1998 date under § 102(e), Hjelmeland still qualifies as prior art based on the record before the Board. Patent Owner asserted that the '034 Patent is entitled to a priority date of August 21, 1997, but it failed to perfect its priority claim in the POPR. Instead, Patent Owner summarily concluded that this date is the priority date, notwithstanding the fact that the patent is the result of a continuation-in-part. *See, e.g.,* POPR, 2, 17, 20. At no point did Petitioner demonstrate or even argue that the challenged claims are entitled to the priority date of the earliest application, which merely represents the earliest *possible* priority date. “[E]ntitlement to a priority date for any claim is a matter for which [Patent Owner] bears the burden of proof.” Institution Decision, *Liberty Mut. Ins. Co. v. Progressive Casualty Ins. Co.*,

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