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PATENT
Docket No. 3309-2-4

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant:	Earl Sevy)
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Serial No.:	13/854,545)
)
Filed:	April 1, 2013)
)
Patent No.:	9,415,130)
)
Issued:	August 16, 2016)
)
For:	INDUSTRIAL, GERMICIDAL, DIFFUSER)
	APPARATUS AND METHOD)
)
)
<i>Inter Partes</i> Reexamination:	Case IPR2017-02197)

PETITION TO DIRECTOR
FOR REVIEW OF *INTER PARTES* REEXAMINATION

Mail Stop Petition
Commissioner for Patents
P.O. Box 1450
Alexandria, VA, 22313-1450

Attention: Office of Petitions

Dear Commissioner:

Pursuant to the recent U.S. Supreme Court decision in *U.S. v. Arthrex, Inc. et al.*, 594 U.S. ____ (2021) (No. 19-1434, decided June 21, 2021), and MPEP 2681 IV, Patent Owner petitions the Director for review of Board decisions in *Inter Partes* Reexamination proceeding *Puzhen Life, USA, LLC v. ESIP Series 2, LLC*, Case IPR2017-02197.

BACKGROUND

IPR Petitioner, Puzhen Life USA, LLC (“Puzhen”), filed the Petition in IPR2017-02197 (“IPR”), asserting four separate grounds for invalidity of claims 1, 3 and 17 of U.S. Patent No. 9,415,130 (“130 Patent”). Patent Owner, ESIP Series 2, LLC (“ESIP”) filed a Patent Owner’s Preliminary Response (IPR Paper 5). The Board instituted the IPR despite failing to find that all real parties-in-interest were identified in the Petition (IPR Paper 10). ESIP filed a Patent Owner’s Response (IPR Paper 15). Puzhen filed a Petitioner’s Reply (IRP Paper 17). The Board held an oral hearing and issued a Final Written Decision (IPR Paper 24; Exhibit A) holding that the Petition had identified all real parties in interest and that two of the four asserted grounds for invalidity demonstrated that claims 1, 3 and 17 were obvious.

ESIP appealed the Board’s Final Written Decision to the Federal Circuit. *See, ESIP Series 2, LLC v. Puzhen Life USA, LLC*, 958 F.3d 1378 (Fed. Cir. 2020). The Federal Circuit affirmed the Board’s obviousness determination and, citing *Thryv, Inc. v. Click-to-Call Techs., LP*, 140 S.Ct. 1367 (2020), ruled that the Board’s decision with respect to whether the Petition complied with 35 U.S.C. §312(a)(2) was “an institution-related ... [decision] and is barred from appellate review.” *See, ESIP Series 2*, 958 F.3d at 1386.

On August 28, 2020, ESIP filed a Petition for a Writ of Certiorari in the U.S. Supreme Court with respect to the Federal Circuit’s ruling that the Board’s decision under 35 U.S.C. §312(a)(2) was not reviewable. *See, ESIP Series 2, LLC v. Puzhen Life USA, LLC*, No. 20-228. On October 13, 2020, the Supreme Court denied ESIP’s Petition for *cert.*

As of the filing of this Petition, the Director has not issued a certificate of cancellation under 35 U.S.C. §318(b) in the subject IPR.

REVIEW STATEMENT

“We hold that the unreviewable authority wielded by APJs during inter partes review is incompatible with their appointment by the Secretary to an inferior office.” *U.S. v. Arthrex, Inc. et al.*, 594 U.S. ____ (2021) (slip op., pp. 18-19). “In all the ways that matter to the parties who appear before the PTAB, the buck stops with the APJs, not with the Secretary or Director.” *Id.*, at p. 12. “In sum, we hold that 35 U.S.C. §6(c) is unenforceable as applied to the Director insofar as it prevents the Director from reviewing the decisions of the PTAB on his own.” *Id.*, at p. 22. “The Constitution therefore forbids the enforcement of statutory restrictions on the Director that insulate the decisions of APJs from his discretion and supervision.” *Id.*, at 23.

According to the Supreme Court in *Arthrex*, any decision made by APJs that can bind the Executive Branch must be reviewable by the Director. The Director does have discretion with respect to such a review. However, for institution-related decisions that are not reviewable by a court, such as those ruled upon in *Thryv, Inc. v. Click-to-Call Techs., LP*, 140 S.Ct. 1367 (2020) and *ESIP Series 2, LLC v. Puzhen Life USA, LLC*, 958 F.3d 1378 (Fed. Cir. 2020), the Director should be more liberal in granting review of Board decisions because such decisions are not reviewable by any other means.

As shown, ESIP has made multiple attempts to obtain meaningful review of the Board’s decision to institute the subject IPR, but no such review has been obtained. That lack of review is a violation of the due process rights afforded ESIP by the Constitution. That lack of review also makes the Board’s decisions effectively final, and therefore unconstitutional under *Arthrex*.

“The Director accordingly may review final PTAB decisions and, upon review, may issue decisions himself on behalf of the Board.” *See, Arthrex*, slip op., p. 21. ESIP herein petitions the Director for a meaningful review of the Board’s decision to institute the subject IPR.

MPEP 2681 IV states that “the Board’s decisions are properly reviewable on petition only for procedural matters and **only to the extent of** determining whether they involve a convincing showing of error, abuse of discretion, or policy issue appropriate for higher level determination.” (emphasis in original). Such is precisely the case here. The Board’s decision to institute the IPR involves clear errors and an abuse of discretion.

Moreover, ESIP has not waived its ability to pursue *Arthrex*-related issues because both the Federal Circuit’s *Arthrex* decision and the Supreme Court’s *Arthrex* decision were made after the Board’s Final Written Decision. *See, New Vision Gaming & Development, Inc. v. SG Gaming, Inc.*, Nos. 2020-1399, 2020-1400 (Fed. Cir., May 13, 2021) (precedential decision).

The Constitution requires and the MPEP supports the conclusion that the Director review the Board’s decision to institute the subject IPR.

As explained in *Arthrex*, the Constitution also requires that the Director exercise discretion regarding substantive, binding decisions related to patentability made by the Board. Such discretion should be liberally granted when clear error by the Board is shown.

SUMMARY OF THE ARGUMENT

The Board violated 35 U.S.C. § 312(a)(2) when the Board instituted the subject IPR without making the required finding that Puzhen’s Petition identified all real parties in interest. Puzhen’s Petition failed to identify a real party in interest, doTERRA International, LLC, a co-defendant with Puzhen in the underlying infringement action and the only party against whom the `130 Patent was asserted at the time the Petition was filed.

Puzhen’s Petition relied entirely upon prior art that is merely cumulative of prior art already considered by the USPTO during prosecution of the `130 Patent. The Board improperly instituted the subject IPR and that institution decision should be reversed.

The Board misapprehended the prior art that was the basis for the Board’s obviousness decision. The evidence relied upon by the Board does not support, and in fact contradicts, the Board’s factual finding. The Board improperly found obviousness of claims 1, 3 and 17 of the ‘130 Patent.

ARGUMENT

The Board made multiple, significant, legal and factual errors in its decision to institute the subject IPR, and in its obviousness decision. The Director should reverse.

A. THE BOARD SHOULD NOT HAVE INSTITUTED THE PETITION BECAUSE THE PETITION DID NOT IDENTIFY ALL REAL PARTIES IN INTEREST

35 U.S.C. §312(a) states in relevant part: “A petition filed under section 311 may be considered only if-... (2) the petition identifies all real parties in interest.” (emphasis added).

The language of the statute is plain and unambiguous. A petition for *inter partes* review must identify all real parties in interest before it can even be considered. A determination by the Board that all real parties in interest have been identified is a threshold matter that barred institution of the subject IPR.

Puzhen’s Petition did not comply with the statutory requirements under 35 U.S.C. §312(a)(2). Puzhen’s Petition did not identify all real parties in interest. ESIP provided such evidence and so argued. The Board refused to address the issue before institution. Therefore, it was improper for the Board to “consider” the Petition and institute the subject IPR.

1. The Board Failed to Address this Threshold Issue

The Board has accurately described the determination of whether all real parties in interest have been properly identified as a “threshold issue” that must be determined prior to institution of an IPR. *See, Zerto, Inc. v. EMC Corp.*, IPR2014-01329, Paper No. 33 at 6 (PTAB

March 3, 2015) (citing *ZOLL Lifecor Corp. v. Philips Elects. N. Am. Corp.*, Case IPR2013-
Petition to Director

Page 5 of 18

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