

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

L'ORÉAL USA, INC.,
Petitioner,

v.

LIQWD, INC.,
Patent Owner.

Case PGR2018-00025
Patent 9,668,954 B2

Before TONI R. SCHEINER, CHRISTOPHER M. KAISER, and
TIMOTHY G. MAJORS, *Administrative Patent Judges*.

MAJORS, *Administrative Patent Judge*.

FINAL WRITTEN DECISION

Claims 1–13, 19–23, 29, and 30 Shown to Be Unpatentable;
Claims 14–16, 18, and 24–28 Not Shown to Be Unpatentable
35 U.S.C. §§ 314, 318(a) and 37 C.F.R. §§ 42.4(a), 42.73

ORDERS

Denying-In-Part Petitioner's Motion to Exclude (Paper 58) and
Denying-In-Part Patent Owner's Motion to Exclude (Paper 55)
37 C.F.R. § 42.64(c)

Granting Patent Owner's Motions to Seal (Papers 24, 59, 69) and
Granting Petitioner's Motions to Seal (Papers 45, 62)
37 C.F.R. §§ 42.14, 42.54

I. INTRODUCTION

A. Background

L’Oréal USA, Inc. (“Petitioner”) filed a Petition requesting post-grant review of claims 1–30 of U.S. Patent No. 9,668,954 B2 (Ex. 1001, “the ’954 patent”). Paper 3 (“Pet.”). Liqwd, Inc. (“Patent Owner”) filed a Preliminary Response. Paper 9 (“Prelim. Resp.”). On August 9, 2018, we instituted post-grant review of the challenged claims (except claim 17¹) based on the grounds advanced in the Petition. Paper 12 (“Inst. Dec.”).

During the trial, Patent Owner filed a Response. Paper 23 (“Resp.”). Petitioner filed a Reply to Patent Owner’s Response. Paper 46 (“Reply”). Patent Owner sought authorization to file a motion to strike the Reply for including allegedly new argument and evidence related to certain claims and, thus, for non-compliance with 37 C.F.R. § 42.23(b). We did not grant such authorization, but permitted the parties (Paper 51) to submit supplemental briefing (Papers 52, 53) on the issue of whether Petitioner had complied with Rule 42.23(b). We further allowed Patent Owner to file a Sur-Reply to address the allegedly untimely argument and evidence in the Reply. Paper 60 (“Sur-Reply”). Patent Owner filed Observations on Cross-Examination. Paper 56. Petitioner responded to those observations. Paper 65. Petitioner also filed Observations on Exhibit 2056 from a related post-

¹ Based on a disclaimer of claim 17 under 35 U.S.C. § 253, the Board did not institute post-grant review of that claim. Inst. Dec. 3 n.1; 37 C.F.R. § 42.207(e); *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1357 (2018) (noting that “some [claims] may drop out thanks to the patent owner’s actions [e.g., claims canceled by amendment.]”); *cf. In re Yamazaki*, 702 F.3d 1327, 1332 (“[W]e have interpreted § 253 to mean that after such disclaimer the patent is treated as though the disclaimed subject matter never existed.”) (citation and internal quotation marks omitted).

grant review (an exhibit submitted as Exhibit 2084 in this proceeding).
Paper 67; Paper 66, 4. Both parties also filed Motions to Exclude Evidence.
Paper 58 (“Pet. Mot.”); Paper 55 (“PO Mot.”). The Board held an oral
hearing on May 20, 2019. A transcript of that hearing is in the record.
Paper 77.

We have jurisdiction under 35 U.S.C. § 6, and we issue this Final
Written Decision pursuant to 35 U.S.C. § 328(a) and 37 C.F.R. § 42.73.
After considering the parties’ arguments and evidence on this record, we
conclude that Petitioner has established by a preponderance of the evidence
that each of claims 1–13, 19–23, 29, and 30 is unpatentable for obviousness.
Petitioner has not, however, met its burden to establish by a preponderance
of the evidence that claims 14–16, 18, and 24–28 are unpatentable.

B. Related Matters

The parties identify several related petitions for post-grant review
including PGR2018-00023 and PGR2018-00024, which were filed at the
same time as the present Petition and also challenged the patentability of
claims 1–30 of the ’954 patent, but on different grounds. Pet. 9–11; Prelim.
Resp. 1. We denied institution of review in those proceedings. *L’Oréal
USA, Inc. v. Liqwd, Inc.*, Case PGR2017-00023, slip op. at 2–4, 37 (PTAB
Aug. 10, 2018) (Paper 9); *L’Oréal USA, Inc. v. Liqwd, Inc.*, Case PGR2017-
00024, slip op. at 2–4, 25 (PTAB Aug. 10, 2018) (Paper 12).²

² In PGR2018-00023 and PGR2018-00024, Petitioner challenged the claims
based on anticipation and obviousness (relying on different prior art and/or
combinations than presented here) and further challenged the claims for lack
of written description and for indefiniteness.

Petitioner also identifies PGR2017-00011 and PGR2017-00012 relating to prior challenges to the claims of U.S. Patent No. 9,498,419 (“the ’419 patent”), which patent issued from the grand-parent application to the ’954 patent. Pet. 10. The Board declined to institute review in PGR2017-00011 (Paper 24), but instituted review in PGR2017-00012 and entered a Final Written Decision on June 27, 2018, concluding that the challenged claims of the ’419 patent were unpatentable. *L’Oreal USA, Inc. v. Liqwd, Inc.*, 2017 WL 3085428 (PTAB July 19, 2017); PGR2017-00012, Paper 102. That Final Decision is on appeal at the Federal Circuit. *Liqwd, Inc. v. L’Oreal USA, Inc.*, No. 2018-2152 (Fed. Cir.).³

Petitioner also identifies *Liqwd, Inc. v. L’Oreal USA, Inc.*, No. 1:17-cv-00014 (D. Del.), as a pending infringement suit related to the ’419 and ’954 patents. Pet. 10–11.

C. The Asserted Grounds of Unpatentability

Petitioner contends that claims 1–30 of the ’954 patent are unpatentable based on the grounds set forth in the table below (Pet. 14–15). As noted above (*supra* n.1), claim 17 was disclaimed and, therefore, Petitioner’s challenge to that claim is not substantively addressed in this Final Written Decision.

³ The ’419 patent was also the subject of an even earlier appeal related to a denial of a preliminary injunction sought by Patent Owner and its exclusive licensee (Olaplex LLC). *Liqwd, Inc. v. L’Oreal USA, Inc.*, No. 2017-2295, 2018 WL 480759, at *1 (Fed. Cir. Jan. 16, 2018).

Statutory Ground ⁴	Basis	Challenged Claims
§ 103	Pratt ⁵ and Tanabe ⁶	1–19, 21, and 23–30
§ 103	Pratt, Tanabe, and Stone ⁷	20 and 22
§ 103	Pratt, Tanabe, Berkemer, ⁸ and KR '564 ⁹	1–19, 21, and 23–30
§ 103	Pratt, Tanabe, Berkemer, KR '564, and Stone	20 and 22

Petitioner relies on declarations from R. Randall Wickett, Ph.D., among other evidence. Ex. 1012 (“Wickett Decl.”); Ex. 1062 (“Wickett Reply Decl.”). Patent Owner responds with a declaration from Edward T. Borish, Ph.D. (Ex. 2072 (“Borish Decl.”)) and a declaration from Liqwd’s founder, Dean Christal (Ex. 2046 (“Christal Decl.”)), among other evidence.

⁴ The relevant post-grant review provisions of the America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284 (2011), took effect on March 16, 2013. 125 Stat. at 293, 311. Because the application from which the ’954 patent issued was filed after that date, our citations to Title 35 are to its post-AIA version.

⁵ Pratt et al., US 2012/0024309 A1, published Feb. 2, 2012 (Ex. 1009, “Pratt”).

⁶ Tanabe et al., US 6,358,502 B1, issued Mar. 19, 2002 (Ex. 1007, “Tanabe”).

⁷ Stone et al., US 2013/0034515 A1, published Feb. 7, 2013 (Ex. 1008, “Stone”).

⁸ Berkemer, German Patent Application Publication No. 1,220,969, published July 14, 1966 (Ex. 1003) (certified translation provided as Ex. 1004, “Berkemer”).

⁹ Korean Patent Application Publication No. 10-2006-0059564, published 2006 (Ex. 1005) (certified translation provided as Ex. 1006, “KR ’564”).

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