

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SWM INTERNATIONAL, LLC and
NEXTIER COMPLETION SOLUTIONS INC.,
Petitioner,

v.

DYNAENERGETICS EUROPE GMBH,
Patent Owner.

PGR2021-00097
Patent 10,844,697 B2

Before ERIC C. JESCHKE, RICHARD H. MARSCHALL, and,
JASON W. MELVIN, *Administrative Patent Judges*.

JESCHKE, *Administrative Patent Judge*.

ORDER

Granting Petitioner's Motion to Submit Supplemental Information

37 C.F.R. § 42.223(a)

Granting Petitioner's Motion to Seal

37 C.F.R. §§ 42.5, 42.14, 42.54

BACKGROUND

On July 21, 2021, SWM International, LLC and NextTier Completion Solutions Inc. (collectively, “Petitioner”) filed a Petition seeking post-grant review of claims 1, 2, and 8–10 of U.S. Patent No. 10,844,697 B2. Paper 3. DynaEnergetics Europe GmbH (“Patent Owner”) filed a Preliminary Response. Paper 9. On January 6, 2022, we instituted post-grant review on all claims and on all grounds. Paper 20 (“Dec. Inst.”).

With prior Board authorization (Ex. 3008), Petitioner filed under seal a Motion to Submit Supplemental Information Under 37 C.F.R. § 42.223(a). Paper 25 (“Mot.”).¹ As the proposed supplemental information, Petitioner filed under seal a Declaration of Erik Hawes (Ex. 1040) and a one-page document (Ex. 1041). Patent Owner timely filed an Opposition to Petitioner’s Motion. Paper 28 (“Opp.”). Petitioner also filed a Motion to Seal. Paper 27 (“MTS”). For the reasons below, we *grant* the Motion to Submit Supplemental Information and we *grant* Petitioner’s Motion to Seal.

DISCUSSION

A. Motion to Submit Supplemental Information

A party may file a motion to submit supplemental information in a post-grant review in accordance with two requirements: (1) a “request for the authorization to file a motion to submit supplemental information is made within one month of the date the trial is instituted” and (2) the “supplemental information [is] relevant to a claim for which the trial has been instituted.” 37 C.F.R. § 42.223(a). Satisfying these requirements,

¹ Petitioner filed a redacted version of the Motion to Submit Supplemental Information as Paper 26.

however, does not necessarily mean the Board will grant the motion. *Redline Detection, LLC v. Star Envirotech, Inc.*, 811 F.3d 435, 445 (Fed. Cir. 2015). Instead, the “guiding principle” in such a determination is to “ensure efficient administration of the Office and the ability of the Office to complete IPR proceedings in a timely manner.” *Id.*, quoted at Opp. 1. Under this “guiding principle,” the Board has broad discretion in granting or denying motions to submit supplemental information. *Id.* Petitioner must show it is entitled to the relief requested. *See* 37 C.F.R. § 42.20(b).

We first address the two requirements in the relevant regulation. As to the first, Petitioner requested authorization to file the Motion to Submit Supplemental Information in an email sent February 4, 2022, which is within one month of the date of institution: January 6, 2022. *See* Ex. 3008 at 2–3 (email dated February 4, 2022); Paper 20 (Decision on Institution dated January 6, 2022); *see also* Mot. 2 (addressing this issue).

We turn now to the second requirement: whether the “supplemental information [is] relevant to a claim for which the trial has been instituted.” 37 C.F.R. § 42.223(a)(2). Petitioner argues that the proposed supplemental information is “directly relevant to Petitioner’s challenges to claims 1, 2, and 8–10 (all claims for which trial was instituted), as the unpatentability challenges in Grounds 1, 4, and 6 rely on the SafeJet System as the primary reference.” Mot. 2. Specifically, Petitioner asserts that the proposed supplemental information addresses “at least two disputed points”: (1) whether the SafeJet System discloses the “connected to” limitation in claim 1, and (2) whether the SafeJet System discloses the requirement in claim 9 for “a second outer gun carrier connected to the second end of the

tandem seal adapter.” Mot. 2–3; *see* Dec. Inst. 49–54, 57–59 (addressing these two issues).

Patent Owner responds that the proposed supplemental information is not relevant. *See* Opp. 1–4. As part of that argument, Patent Owner first contends that Exhibit 1041 does *not* in fact show that the SafeJet System satisfies the requirement in claim 9 for “a second outer gun carrier connected to the second end of the tandem seal adapter” and that, instead, “Petitioner’s selective cropping of the original figure in [Exhibit] 1041 actually shows a gun carrier on the left directly secured to a *crossover* on the right, not a second gun carrier.” Opp. 1–2 (citing Ex. 1008 ¶ 31). With this argument, Patent Owner does not address the *relevance* of the proposed supplemental information, but rather its *weight*—i.e., its sufficiency to prove a particular assertion. Moreover, this argument is, at this stage, mere attorney argument as to how one of ordinary skill in the art would view the proposed supplemental information. *See Elbit Sys. of Am., LLC v. Thales Visionix, Inc.*, 881 F.3d 1354, 1359 (Fed. Cir. 2018) (rejecting attorney argument as to the alleged understanding of one of skill in the art on an issue when no evidence was presented).

Next, Patent Owner argues that the proposed supplemental information should not be entered into the record because “it is improper to submit supplemental information to cure deficiencies in evidence—for example, the SafeJet Presentation (Ex. 1005)—identified by the Board.” Opp. 2–3 (citing Dec. Inst. 51, 58). According to Patent Owner, “that is precisely what Petitioner[is] intending to do” with the proposed supplemental information. *Id.* at 3.

In several non-precedential Board decisions, panels have stated that the regulations allowing for supplemental information should not be seen as presenting a “‘wait-and-see’ opportunity” to supplement the petition based on issues raised in a preliminary response or a decision on institution. *See, e.g., Laboratoire Francais du Fractionnement et des Biotechnologies S.A. v. Novo Nordisk Healthcare AG*, IPR2017-00028, Paper 22 at 4 (PTAB June 13, 2017) & *Artesian Home Prods. v. Gutterglove, Inc.*, IPR2018-00031, Paper 24 at 3–4 (PTAB May 31, 2018), *both cited at* Opp. 1, 3. We do not see Petitioner as taking a “wait-and-see” approach as in the cited decisions.

For example, in *Laboratoire Francais*, the panel denied a motion to submit supplemental information consisting of five *public* documents addressing arguments raised in the preliminary response as to three factual issues as well as the motivation to combine the prior art. *See* IPR2017-00028, Paper 22 at 3. And in *Artesian Home Products*, the panel denied a motion to submit supplemental information consisting of three documents relevant to showing an earlier prior art date for a reference patent deemed *not* prior art in the decision on institution—(1) a *public* U.S. Patent publication, (2) a redline comparison of the publication to the alleged prior art patent, and (3) a related supplemental declaration. *See* IPR2018-00031, Paper 24 at 2. In contrast, here, the proposed supplemental information is *entirely non-public* information provided by a third party based on a subpoena in the related district court litigation, and the proposed supplemental information addresses a narrow band of issues for which Petitioner already provided at least some evidence. Mot. 1; *see* Dec. Inst. 49–54, 57–59.

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