

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

THE SCOTTS COMPANY LLC

Petitioner

v.

ENCAP, LLC

Patent Owner

Case IPR2013-00110

Patent 6,209,259

Before MICHAEL P. TIERNEY, LORA M. GREEN, and RAMA G. ELLURU,
*Administrative Patent Judges.*¹

PER CURIAM.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73

¹ Floyd, Administrative Patent Judge, who participated in the oral hearing held on January 30, 2014, has left the Board; accordingly, Tierney, Administrative Patent Judge, has been added to the panel.

I. BACKGROUND

Petitioner, The Scotts Company LLC (“Scotts Company”), filed a Petition on January 10, 2013, for an *inter partes* review of claims 1-5, 7-11, 13, and 14 (“the challenged claims”) of U.S. Patent No. 6,209,259 (“the ’259 patent”) pursuant to 35 U.S.C. §§ 311-319. Paper 2. On April 15, 2013, Patent Owner, Encap, LLC (“Encap”), filed a Preliminary Response. Paper 9. On July 3, 2013, the Board granted an *inter partes* review for all challenged claims on less than all of the grounds of unpatentability alleged in the Petition. Paper 12, (“Dec.”). The Board also stayed concurrent reexamination of the ’259 patent. Paper 10.

After institution of trial, Encap filed a Corrected Patent Owner’s Response. Paper 48. Encap also filed a Corrected Contingent Motion to Amend Claims that requests substituting proposed new claims 15-24 for claims 2-5, 8-11, 13, and 14, respectively—contingent upon a determination of unpatentability. Paper 47. Scotts Company filed a Reply to Patent Owner’s Response (Paper 30), and an Opposition to Encap’s Motion to Amend Claims (Paper 33). Encap then filed a Corrected Reply to Scotts Company’s Opposition to Encap’s Motion to Amend Claims. Paper 49.

Additionally, Scotts Company filed a Motion to Exclude Evidence (Paper 52), to which Encap responded (Paper 64) and submitted supplemental evidence (Paper 58). Scotts Company filed a Reply in further support of its Motion to Exclude. Paper 68.

Encap also filed a Motion to Exclude Evidence (Paper 54) to which Scotts Company responded (Paper 60). Encap, with authorization (Paper 70), filed a Supplement to its Motion to Exclude (Paper 66), as well as a Reply (Paper 67).

Oral hearing was held on January 30, 2014.²

The Board has jurisdiction under 35 U.S.C. § 6(c). This Final Written Decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73.

Scotts Company has shown by a preponderance of the evidence that claims 1-5, 7-11, 13, and 14 of the '259 patent are unpatentable. Encap's Motion to Amend Claims is denied.

A. The '259 Patent

The '259 patent is directed to a combination seed capsule, comprising at least one viable seed, a coating of a composition comprising a soil conditioning material mounted proximate and disposed outwardly of the outer surface of the seed, and optionally including one or more of inorganic chemical fertilizers, growth enhancer, binder, and/or an anti-fungal agent. Ex. 1001, Abstract, 4:5-11. According to the '259 patent Specification, the primary object of the invention is to "provide solid plant seed capsule products that supply both soil conditioning properties and the seed, which can benefit from such conditioned soil, in a given seed capsule particle." *Id.* at 3:28-31.

B. Illustrative Claim

Claims 1 and 7 are the only independent claims in the '259 patent, and are directed to a "[a] combination seed capsule." The only difference between these claims is that claim 7 additionally states that the seed coating is applied by an agglomeration process. The remaining challenged claims depend from either claim 1 or 7. Claim 1 is illustrative of the claimed subject matter, and is reproduced below.

² A transcript of the oral hearing is included in the record as Paper 78.

1. A combination seed capsule comprising:
 - one viable seed;
 - said seed acting as a core or pseudo core of said combination seed capsule;
 - a coating of a composition comprising soil conditioning materials;
 - said soil conditioning materials being in a solid state at time of coating.

C. Prior Art Supporting the Instituted Challenges

Name	Reference	Issue or Publication	Exhibit
Schreiber	U.S. Patent No. 3,698,133	Oct. 17, 1972	Ex. 1002
Roth	U.S. Patent No. 4,065,287	Dec. 27, 1977	Ex. 1003
Lowe	U.S. Patent No. 5,019,564	May 28, 1991	Ex. 1004
Matthews	GB670,461	Apr. 16, 1952	Ex. 1007

D. The Instituted Challenges of Unpatentability

References	Grounds	Claims
Schreiber	§ 102(b)	Claims 1, 7, and 13
Schreiber and Roth	§ 103(a)	Claims 2, 5, 8, 11, and 14
Schreiber and Lowe	§ 103(a)	Claims 3, 4, 9, and 10
Matthews	§ 102(b)	Claims 1, 2, 7, 8, 13, and 14
Roth	§ 102(b)	Claims 1, 2, 5, 7, 8, 11, 13, and 14
Roth and Lowe	§ 103(a)	Claims 1-5, 7-11, 13, and 14

II. DISCUSSION

A. Evidentiary Matters

1. *Scotts Company's Reply (Paper 30)*

In a conference call held on December 3, 2013, Encap asserted that Scotts Company had raised new arguments and evidence in its Reply to Patent Owner's Response to Decision to Institute. Order (Paper 37), 2. The Board denied Encap's request to file a surreply, or to enlarge the page limit of Encap's Reply in support of its Motion to Amend. *Id.* We indicated, however, that we would determine whether Scotts Company's Reply and supporting evidence contain material exceeding the proper scope of a reply. *Id.*

We find that Scotts Company's Reply, and in particular, the supporting Declarations of Mr. Fredrick Sundstrom (Ex. 1039) and Mr. Krishna Pagilla (Ex. 1040) contain material outside the proper scope of a reply. 37 C.F.R. § 42.23(b) (reply is limited to arguments raised in Patent Owner's Response). Specifically, both Declarations contain materials in support of Scotts Company's Petition, and therefore, untimely filed. For example, Mr. Sundstrom includes analyses of claim construction (e.g., Ex. 1039 ¶¶ 7-9), as well as analyses of the Schreiber (e.g., *id.* at ¶¶ 10-13), Matthews (e.g., *id.* at ¶¶ 28, 29), Roth (e.g., *id.* at ¶ 34), Simmons (*id.* at ¶¶ 36, 38), and Evans (*id.* at ¶¶ 43, 44, 46, 48) references. Likewise, Mr. Pagilla addresses claim construction, as well as the references upon which Scotts Company sought institution. *See, e.g.*, Ex. 1040 ¶¶ 9-13, 23-27, 32, 33, 36-38. Specifically, we hold that the new evidence could have been included with the motion. By waiting to serve this evidence on Encap in Scotts Company's Reply, Encap was denied the opportunity to file responsive evidence. Thus, we

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