

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APEX TOOL GROUP, LLC,
Petitioner,

v.

MILWAUKEE ELECTRIC TOOL CORPORATION,
Patent Owner.

Case No. PGR2020-00056
Patent 10,422,617

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

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There is no dispute that the '617 patent labels Patent Owner's CAWB 55 deg design as "Prior Art 2." The disputed issue is whether that label converts Patent Owner's internal prototype—which was never public—into invalidating prior art. For the three reasons discussed below, the answer is no, and as a result, Petitioner has failed to prove that the CAWB 55 deg design actually qualifies as prior art.

I. THE FEDERAL CIRCUIT'S *RIVERWOOD AND READING & BATES* CASES CONTROL

Petitioner argues that these two controlling Federal Circuit cases should be ignored because Petitioner asserts that they only apply to alleged admissions in Jepson claims and IDS submissions and not to alleged admissions in a patent specification. Paper 12 ("Reply"), 3. Petitioner is wrong. The Federal Circuit confirmed in *Riverwood* that "the patentee's discussion of his own patent *in the specification* section entitled 'Summary of the Prior Art' ***did not constitute an admission that the patent was prior art.***" *Riverwood*, 324 F.3d 1346, 1355 (Fed Cir. 2003) (discussing specification at issue in *Reading & Bates*); *see also Reading & Bates*, 748 F.2d 645, 648, 650-651 (Fed. Cir. 1984) (noting that the "'903 patent is cross-referenced in the [patent specification] to illustrate and teach an available directional drill device," yet still holding that the '903 patent **did not qualify as admitted prior art**).¹ The Federal Circuit did not stop there. *Reading & Bates* also found that the prosecuting attorney's admissions did not convert the

allegedly admitted prior art into invalidating art. *See Reading & Bates*, 748 F.2d at 651 (“prosecuting attorney’s erroneous admission that the ’903 patent [referenced in specification’s ‘Summary of the Prior Art’ section] is § 103 prior art is not binding on the patentee.”).

Petitioner’s contention that *Riverwood* and *Reading & Bates* are “narrow decisions” (Reply, 2) is incorrect. Those decisions are binding and—like the “available directional drill device” description of the ’903 patent from *Reading & Bates*—a “prior art” label does not convert the CAWB 55 deg design into prior art.

II. THE ROUTINE DECISION IN *INTRI-PLEX* MISINTERPRETED THE *READING & BATES* CASE AND IS DISTINGUISHABLE

Petitioner’s reliance on the PTAB’s routine decision in *Intri-Plex* is insufficient to overcome binding Federal Circuit precedent. Beyond lacking precedential effect,² *Intri-Plex* incorrectly read *Reading & Bates* too narrowly. *See Ironridge v. Rillito River Solar*, IPR2017-01681, Paper 11, 17 (concluding that “**neither the Federal Circuit**, as evidenced by its discussion in *Riverwood*, **nor we read *Reading & Bates* as narrowly as the panel in *Intri-Plex*.”).**

In addition to this legal deficiency, *Intri-Plex* is also factually distinguishable. The patent owner in *Intri-Plex* ***affirmatively agreed*** with an

² *See* PTAB SOP 2 (Revision 10), 3 (noting that a “routine decision is binding in the case in which it is made . . . but it is not otherwise binding authority.”).

examiner's suggestion, during prosecution, that a number of figures were prior art. IPR2014-00390, Paper 83, 22 fn9 (explaining that “‘Prior Art’ labels on Figures 1-3 and 5 were added during prosecution in response to an objection from the Examiner.”); *see also* IPR2014-00390, Ex. 2002 (Examiner's objection to “Figures 1-3 and 5” because they “should be designated by a legend such as – Prior Art – because only that which is old is illustrated.”).³ No such affirmative statements were made during prosecution here. Rather than agree with assertions that CAWB 55 deg design is invalidating art, Patent Owner promptly submitted a declaration (Ex. 2002) to clarify it was an internal prototype only and never public.

The panel in *Intri-Plex* also noted that whether or not alleged admitted prior art actually qualified as prior art did not “**affect our determination** as to what limitations in the claims are satisfied by Admitted Prior Art.” IPR2019-00390, Paper 83, 26-29. Thus, the discussion of when admissions qualify as prior art had no effect on the panel's decision and is dicta.⁴

³ This fact also distinguishes *In re Nomiya*, where “appellants, in an amendment to the application and in their briefs on appeal to the board, *repeatedly acknowledged* that Figs. 1 and 2 illustrate the prior art.” *In re Nomiya*, 509 F.2d 566, 571 n.6 (CCPA 1975). Here, Patent Owner made no such repeated acknowledgements.

⁴ *Ironridge* also explained that “the panel in *Intri-Plex* relied on the admitted prior art as ‘probative evidence . . . directed to the level of skill in the art rather than . . .

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