

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

THE CHEMOURS COMPANY FC, LLC,
Petitioner,

v.

MEXICHEM AMANCO HOLDINGS SA. DE C.V.,
Patent Owner.

IPR2020-01667
Patent 8,633,340 B2

Before JAMES T. MOORE, SUSAN L. C. MITCHELL, and
MICHAEL A. VALEK, *Administrative Patent Judges*.

VALEK, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

The Chemours Company FC, LLC, (“Petitioner”) filed a Petition (Paper 1, “Pet.”), seeking *inter partes* review of claims 1–14 and 28–56 of U.S. Patent No. 8,633,340 B2 (Ex. 1001, “the ’340 patent”). Mexichem Amanco Holdings SA de CV (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”).

In its Preliminary Response, Patent Owner argues that pursuant to 37 C.F.R. § 41.127(a) “Petitioner is estopped from pursuing this IPR because the Patent Office has already decided that the ’340 patent claims are patentable, after a lengthy interference between Petitioner (as the real party-in-interest of Rao and Sievert) and Mexichem (as the real party in interest of Smith, McGuinness, and Sharrat).” Prelim Resp. 13.

Petitioner subsequently requested leave to file a reply to Patent Owner’s interference estoppel argument as well as other issues presented in the Preliminary Response. Ex. 3001. We granted Petitioner leave to file a reply, instructing Petitioner to “focus on the estoppel issue.” Paper 7, 2. Petitioner filed its reply. Paper 8 (“Reply”). Patent Owner filed an authorized sur-reply. Paper 9 (“Sur-Reply”).

Upon consideration of the parties’ briefing, and for the reasons explained below, we determine that, as the result of the judgment in the prior interference proceeding, Petitioner is estopped from asserting the grounds in the Petition in this proceeding. For this reason, we deny institution of *inter partes* review.

II. BACKGROUND

A. Real Parties in Interest

Petitioner identifies itself, “The Chemours Company FC, LLC,” as the real party-in-interest. Pet. 1. Petitioner further identifies its parent company “The Chemours Company,” which it describes as “a holding company that was recently sued by Patent Owner” for infringement of the ’340 patent. *Id.* Patent Owner identifies Mexichem Amanco Holding S.A. de C.V. and various related entities as real parties-in-interest. Paper 3, 2.

B. Related Matters

Petitioner and Patent Owner identify the following related matter involving the ’340 patent: *Mexichem Amanco Holding, S.A. de C.V. v. The Chemours Company*, Case No. 4:20-cv-01960 (S.D. Tex. 2020). Pet. 1; Paper 3, 2.

In addition to the pending district court litigation, the parties and the ’340 patent were previously involved in Interference 106,099 (“the Interference”). The Interference was declared on June 20, 2018, involving Patent Owner’s ’340 patent and Petitioner’s reissue application 14/552,613. Ex. 2003, 1. The same claims challenged in the Petition, i.e., claims 1–14 and 28–56 of the ’340 patent, corresponded to the count declared in the Interference. *Id.* at 4. We understand the senior party in the Interference, Rao, to be the Petitioner here. *See id.* at 3. The junior party in the Interference, Smith, is Patent Owner. *Id.*

Pursuant to the Board’s declaration of interference (Ex. 2003, 2) and standing order (Ex. 2004 ¶¶ 104.2.1, 204), both parties filed a list of proposed motions. Ex. 2005; Ex. 2006. Rao sought permission to file “a

single motion, a motion for judgment on the basis of priority” in its motion list. Ex. 2007, 2; *see also* Ex. 2006, 2. Smith’s list included a similar priority motion, but also proposed substantive motions relating to patentability and specifically whether Rao’s application “provides support” for the Rao involved claims. *Id.*; *see also* Ex. 2005 (Smith Substantive Motions 1–3). The Board authorized Smith to file motions 1–3 on its list, noting that at least motions 1 and 2 “present threshold issues in the interference” that, if granted, could result in judgment against Rao without reaching the priority phase of the proceeding. Ex. 2007, 3 n 2.

The Board further noted that, “Rao did not propose any specific responsive motion on its List. If, after Smith has filed the authorized motions, Rao wishes to file a responsive motion Rao should contact the Board . . . to seek authorization” do so. Ex. 2007, 3. Ultimately, Rao did not seek authorization to file any responsive motion.

Amongst the motions that Smith was authorized to file was Smith Substantive Motion 2, which sought “judgment against Rao on the basis that all of the Rao involved claims are unpatentable for failure to comply with the written description requirement.” Ex. 1007, 2. Smith Substantive Motion 2 was filed (Ex. 2008), Rao filed an opposition (Ex. 2009), and Smith replied (Ex. 2010). After considering the parties’ papers, the Board granted Smith Motion 2 (Ex. 1007, 16) and entered judgment against Rao (Ex. 2011, 2). Rao did not seek rehearing. The Board’s judgment was appealed and subsequently affirmed by the Federal Circuit (Ex. 2012) with the mandate issuing on February 18, 2021.

C. The '340 Patent

The '340 patent relates to processes for preparing certain chlorinated and fluorinated alkanes and alkenes in the presence of a catalyst. Ex. 1001, 1:1–4. One such process is “a process for preparing 1, 1, 1-trifluoro-2,3-dichloropropane (243db)” by “contacting 3,3,3-trifluoropropene (1243zf) with chlorine in the presence of a catalyst” comprising “activated carbon, alumina and/or an oxide of a transition metal.” *Id.*, Abstr. Additional steps for generating certain upstream (e.g., 1,1,1,3-tetrachloropropane (250fb)) and downstream (e.g., 3,3,3,-trifluoro-2-chloroprop-1-ene (1233xf)) products are also discussed. *See, e.g., id.* at 2:65–3:8, 5:32–6:2.

D. Challenged Claims

The Petition challenges claims 1–14 and 28–56 of the '340 patent. Claims 1, 4, 5, 28, 31, and 45 are independent. Claim 1 reads as follows:

1. A process for preparing 1,1,1-trifluoro-2,3-dichloropropane (243 db), which process comprises (i) contacting 3,3,3-trifluoropropene (1243zf) with chlorine in the presence of a catalyst, wherein the catalyst comprises activated carbon, alumina and/or an oxide of a transition metal.

Ex. 1001, 25:35–40. In addition to the above step for preparing 243 db, claims 4 and 5 recite steps to generate precursors that are subsequently converted to 243db. *Id.* at 25:46–59. Claims 28, 31, and 45 likewise recite this step for preparing 243db and include additional steps to generate downstream products, such as 1233xf and 1234yf. *Id.* at 27:18–25, 27:34–44, 28:20–33.

E. Asserted Grounds of Unpatentability

Petitioner asserts the following grounds of unpatentability:

Claims Challenged	35 U.S.C. § ¹	References
1–4, 13, 28–30, 42, 43	102	'559 patent ²
1–4, 13, 28–30, 42, 43	103	'559 patent
5–10	103	'559 patent, '802 patent ³
11, 12, 14	103	'559 patent, '151 patent ⁴
28–51	103	'882 patent ⁵ , '559 patent
52–55	103	'882 patent, '559 patent, '510 patent, ⁶ Haszeldine V ⁷
56	103	'882 patent, '559 patent, '510 patent, Haszeldine V, '508 publication ⁸

In support of these grounds, Petitioner relies on the declaration of Professor Joseph S. Thrasher (Ex. 1004).

III. ANALYSIS

As a threshold issue to deciding whether to institute *inter partes* review in this case, we consider whether Petitioner's grounds are subject to estoppel, i.e., interference estoppel, under 37 C.F.R. § 41.127(a). Section

¹ The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 287–88 (2011), amended 35 U.S.C. §§ 102, 103, effective March 16, 2013. Because the application from which the '340 patent issued was filed before this date, the pre-AIA versions of §§ 102 and 103 apply.

² US 6,329,559 B1, issued Dec. 11, 2001 (Ex. 1002) (“'559 patent”).

³ U.S. 4,605,802, issued Aug. 12, 1986 (Ex. 1003) (“'802 patent”).

⁴ U.S. 5,986,151, issued Nov. 16, 1999 (Ex. 1008) (“'151 patent”).

⁵ U.S. 8,398,882 B2, issued Mar. 19, 2013 (Ex. 1011) (“'882 patent”).

⁶ U.S. 6,124,510, issued Sep. 26, 2000 (Ex. 1009) (“'510 patent”).

⁷ R.N. Haszeldine, *Reactions of Fluorocarbon Radicals. Part V. * Alternative Syntheses for Trifluoromethyl-acetylene (3:3:3-Trifluoropropyne), and the Influence of Polyfluor-groups on Adjacent Hydrogen and Halogen Atoms*, J. Chem. Soc., 2495–2504 (1951) (Ex. 1013) (“Haszeldine V”).

⁸ WO 2008/024508 A1, published Feb. 28, 2008 (Ex. 1034) (“'508 publication”).

41.127(a) provides that a judgment in an interference “disposes of all issues that were, or by motion could have properly been, raised and decided. A losing party who could have properly moved for relief on an issue, but did not so move, may not take action in the Office after the judgment that is inconsistent with that party’s failure to move.” 37 C.F.R. § 41.127(a) (2019).

The Board in *Adama* applied this regulation in an IPR proceeding, explaining that § 41.127(a) dictates:

if a losing party in an interference filed a motion that was denied during the interference, that party is estopped from seeking the relief it sought in the denied motion in another proceeding before the [O]ffice. *Furthermore, if a losing party failed to raise an issue that it properly could have raised during the interference, it may not later raise that issue in another proceeding before the Office.* If a party timely raises an issue but that issue is not decided during the interference, then estoppel does not apply. For example, if a party proposes to file a motion for relief on an issue but it is not authorized to file the motion, then the party could not have moved properly and estoppel does not apply for this issue.

Adama Makhteshim Ltd. v. Finchimica S.P.A., IPR2016-00577, Paper 7 (PTAB May 24, 2016) (“*Adama*”) (emphasis added), *aff’d*, 733 F. App’x 1025 (Fed. Cir. 2018). We agree with this interpretation of the unambiguous language of the regulation and apply the same reasoning to assess the facts of this case.

Patent Owner argues that Petitioner is estopped from asserting its present grounds for unpatentability because Petitioner could have, but did not, raise those grounds in the Interference. Prelim. Resp. 15. We agree with Patent Owner.

First, there is no question the Board in the Interference had authority to determine the same prior art challenges now presented in the Petition. As Petitioner observes, 35 U.S.C. § 135 was expanded in 1984 “to allow the Board to ‘determine questions of patentability’” in interferences. Reply 1 (quoting 35 U.S.C. § 135(a) (pre-AIA)). Accordingly, for more than 35 years, the Board has been able to decide patentability challenges pertaining to the interfering subject matter in the count, including those based on anticipation by and obviousness over the prior art. Moreover, there is complete identity between the ’340 patent claims corresponding to the Interference’s count and the claims challenged in the Petition. It is therefore beyond dispute that questions concerning the patentability of the presently challenged claims could have been raised in the Interference.

Petitioner, however, did not raise such questions in the Interference despite having repeated opportunity to do so. The Board’s declaration of interference required each party to seek authorization to file any motions they wished to raise by serving a “list of motions” pursuant to the Board’s regulations and standing order. Ex. 2003, 2. The standing order made clear that “[a]ll substantive and anticipated responsive motions must be listed on the motions list.” Ex. 2004 ¶ 204; *see also id.* ¶ 121.1 (providing instructions for titling a substantive motion “for judgment based on prior art” on a party’s motions list). Notwithstanding this instruction, Petitioner elected not to include any motion challenging the patentability of the ’340 patent claims on its motion list. Ex. 2006. When Patent Owner received authorization to file its own patentability motions against Petitioner’s claims in the count, Petitioner was again invited “to arrange for a conference call to seek authorization to file” a responsive motion, e.g., a substantive motion

that if its own claims were unpatentable, the '340 patent claims were as well. Ex. 2007, 3. But again, Petitioner declined to do so.

Petitioner has not identified any reason why it could not have raised the grounds in the Petition in the Interference. Indeed, we agree with Patent Owner that Petitioner was well-acquainted with the presently-asserted prior art at the time of the Interference because “[t]he main prior art reference that forms the basis of all . . . grounds in the Petition, the '559 patent, was discussed in the Interference, Petitioner relied on it before the Board . . . to argue its own alleged possession of the claimed inventions, and it was considered during prosecution of the '340 patent.” Prelim. Resp. 16. Patent Owner provides similar explanations and evidence to show that Petitioner was aware of the other prior art references in the Petition at the time of the Interference and therefore could have raised the same patentability challenges in the Interference. *See id.* at 16–17. None of this is disputed in Petitioner’s Reply.

In sum, the record shows that Petitioner was familiar with all of the presently asserted prior art at the time of the Interference and could have, but did not, raise the same patentability issues it seeks *inter partes* review of now. Accordingly, as the losing party against whom judgment was entered (and subsequently affirmed by the Federal Circuit), a straightforward application of 37 C.F.R. § 41.127(a) dictates that Petitioner is estopped from raising those patentability issues in a new proceeding before the Board.

The primary argument that Petitioner raises against the straightforward application of estoppel in this case is that we should adopt a different interpretation of § 41.127(a). Specifically, Petitioner seeks to interpret the regulation such that “if a party chooses to exercise its

permissive right to seek resolution of patentability, it is incumbent upon the party to raise **all** known patentability arguments. But where, as [in the Interference] here, the party chose only to have priority decided, its patentability challenges are not prohibited.” Reply 1–2. Petitioner’s argument is unpersuasive for several reasons.

First, Petitioner’s interpretation has no basis in the text of the regulation. Section 41.127(a) states that an interference judgment disposes of “*all issues* that were, or by motion could have properly been, raised and decided.” The regulation does not distinguish between issues pertaining to priority and those pertaining to patentability. Indeed, Petitioner’s proposed interpretation runs contrary to the text of the regulation because allowing a losing party to raise issues it could have raised in a subsequent PTO proceeding would mean that the prior interference judgment did not dispose of “all issues” that could have been raised in the interference. 37 C.F.R. § 41.127(a).

Second, Petitioner’s argument conflates the Board’s discretion to decide patentability issues raised in an interference with a party’s obligation to preserve those issues by properly raising them when given the opportunity and instruction to do so. The Board has discretion to decide whether or not it will reach patentability issues raised in an interference. *See Karim v. Jobson*, Interference No. 105,376, Paper 99, 6 (BPAI Feb. 28, 2007) (informative) (explaining that the Board has discretion to reach patentability issues in an interference and “[w]hat issues are decided, and in what order, manifestly depends on a case-by-case analysis”). It is also true, as Petitioner posits, that “there is nothing in the statute or regulations” that requires a party to an interference to raise questions of patentability. Reply 3. But,

contrary to Petitioner's argument, it does not follow that a party electing not to raise such issues can make such an election without also accepting the risk it will be estopped from raising those issues in subsequent PTO proceedings if it loses the interference.

For this reason, Petitioner's reliance on *Clarus* is unavailing. *See* Reply 2 (citing *Clarus Therapeutics, Inc. v. Lipocine, Inc.*, Interference No. 106,045 Paper 36 (PTAB Jan 15, 2016) ("*Clarus*"). In *Clarus*, the senior party, Lipocine, timely served a motions list that sought authorization to file a motion for judgment that certain of its opponent's involved claims were anticipated by or obvious over the prior art. *Id.* at 7–8. Based on the specific facts of that case, the panel decided that “discretion w[ould] be exercised not to authorize” Lipocine's motion, noting that Lipocine was not prejudiced by this exercise of the Board's discretion because *inter partes* review provided “an available and adequate alternative remedy . . . to challenge the patentability” of those claims. *Id.* at 8. However, the Board's decision to exercise its discretion not to reach a properly-raised patentability issue in *Clarus* has no bearing on the estoppel stemming from Petitioner's decision not to raise issues it could have raised, but did not raise, in the Interference.

This is precisely the distinction drawn in *Adama*. The panel in *Adama* determined that the petitioner, i.e., the losing party in a prior interference proceeding, was estopped from raising the same prior art ground decided in the interference (Ground 4) as well as another ground involving a different prior art reference that could have been raised, but was not raised, in the interference (Ground 2). *Adama*, Paper 7, 10. However, the same petitioner was not estopped from raising those grounds for which it had previously

sought authorization to raise by motion, but which the Board in the interference had not authorized for filing. *Id.* at 9–10. In other words, the application of estoppel arising under 37 C.F.R. § 41.127(a) depends on whether the losing party sought to raise the issue when it had the opportunity to do so and not whether the Board exercised its discretion to reach it.

Finally, Petitioner asserts, without citing applicable authority,⁹ that the purpose of 37 C.F.R. § 41.127(a) “is to ensure once a party raises a particular issue, that party raises every argument that ‘could have properly been, raised and decided’ **on that issue.**” Reply 4. According to Petitioner, this means that estoppel does not apply to any patentability issue unless the party in question raises at least one patentability issue. *See id.* We disagree.

Once an interference is declared, the statute gives the Board authority to decide both “questions of priority” and “questions of patentability” of the interfering subject matter. 35 U.S.C. § 135(a); *Perkins v. Kwon*, 886 F.2d 325, 328 (Fed. Cir. 1989) (“[D]ecision by the Board of all issues that are fully and fairly raised during the interference proceeding, whether related to patentability or priority, is in full accord with Congressional intent.”). Thus,

⁹ Petitioner cites the examples in MPEP 2308. Reply 4. Those examples describe actions an examiner should take when evaluating claims “during post-interference examination.” MPEP 2308.03. None of those examples pertain to the present proceeding. Petitioner’s citation to *Novo Nordisk A/S v. Bio-Tech. Gen. Corp.*, 2003 WL 21383717 (D. Del. June 9, 2003) is also off point. The question there was whether judicial estoppel barred defendants from advancing certain arguments that the plaintiff argued were inconsistent with the positions the defendants had taken in a prior interference proceeding. *Id.* at *2–4. Estoppel under 37 C.F.R. § 41.127(a) applies only to PTO proceedings. Thus, the court in *Novo Nordisk* did not consider its application, nor otherwise address § 41.127(a).

while interferences are often viewed as priority contests, it is well-settled that interferences may be patentability contests as well.¹⁰

In prescribing the estoppel effect of the judgment resulting from an interference proceeding, § 41.127(a) does not distinguish between priority and patentability issues. Rather, § 41.127(a) makes certain that the judgment disposes of “all issues” that were or could have been raised. 37 C.F.R. § 41.127(a). Accordingly, we believe it more accurate to say that a purpose of the statutory and regulatory framework is to encourage the parties to raise issues pertaining to the interfering subject matter, whether they be questions of priority or patentability, so that the Board can assess how best to resolve those questions within the full context of all the issues raised. Section 41.127(a) promotes this purpose. A party that decides not to raise issues it could have raised in the interference, as Petitioner chose to do here, does so at its own peril running the risk it will be estopped from raising those issues in future PTO proceedings in the event it loses the interference.

For all these reasons, we do not find Petitioner’s interpretation of 37 C.F.R. § 41.127(a) to be reasonable. *See* Reply 1–5. Instead, we determine that a plain reading of the regulation dictates that Petitioner is

¹⁰ Indeed, our reviewing court has held that the Board’s authority to decide patentability questions in an interference remains even where all questions of priority have been resolved. *See Schulze v. Green*, 136 F.3d 786, 792 (Fed. Cir. 1998) (“[A]lthough Green lost the right to his patent based on lack of priority, Green still had an interest in seeing that Appellants likewise were not entitled to a patent on the subject matter of the Count in the interference, even if based on patentability rather than priority grounds.”); *Wu v. Wang*, 129 F.3d 1237, 1241–42 (Fed. Cir. 1997) (holding the Board did not exceed its discretion by continuing the interference to reach the patentability of Wu’s claims over the prior art even after Wang no longer contested priority or otherwise argued that his own claim was patentable).

IPR2020-01667
Patent 8,633,340 B2

estopped here because the same patentability challenges could have been raised in the Interference. We deny institution of *inter partes* review for this reason. We do not reach Patent Owner's claim and issue preclusion arguments, nor any of the other bases for denying institution raised in the Preliminary Response. *See* Prelim. Resp. 18–63.

IV. ORDER

In consideration of the foregoing, it is:

ORDERED that the Petition is denied, and no *inter partes* review is instituted.

IPR2020-01667
Patent 8,633,340 B2

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