

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

RESMED CORP.
Petitioner

v.

CLEVELAND MEDICAL DEVICES, INC.
Patent Owner

Case IPR2023-00565

U.S. Patent No. 10,076,269

Issue Date: September 18, 2018

Title: Devices and Methods for Sleep Disorder Diagnosis and Treatment

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

Petitioner submits this Reply pursuant to the authorization in the Board's Order on Conduct of the Proceeding dated July 20, 2023.

I. 37 C.F.R. § 42.104(B)(3) ANALYSIS

PO asserts that the Petition should be denied for the sole reason that it asserts a plain meaning construction for certain claim terms that do not recite “means” without providing an alternative means-plus-function (“MPF”) construction here while asserting that such a construction is applicable in the district court. POPR at 7-8. In making this argument, the POPR mischaracterizes the cases it cites as creating a duty to offer an MPF construction regardless of whether any tribunal finds such a construction applies, and that failure to do so requires denial of the petition for that reason alone. Characterizing these cases in such a misleading manner is improper. *See OpenSky Indus., LLC v. Intel Corp.*, IPR2021-01064, Paper 138, at 9-10 (Director of the USPTO, June 27, 2023).

The Consolidated Trial Practice Guide (“CTPG”) provides that a Petitioner “may include a statement that the claim terms require no express construction.” CPTG at 44. The Petition does exactly that. Pet. at 24-25. The CTPG does not require that a Petition propose an MPF construction for any term that might be subject to MPF construction, and nothing in the CTPG indicates a petition should be denied solely because it does not provide an MPF construction. The cases cited in the POPR – which are not precedential – do not do so either in the circumstances

present here, where (1) the claim limitations do **not** recite “means” and thus are presumptively **not** subject to MPF construction (POPR at 8-9); (2) the PO asserts the limitations are **not** subject to MPF construction (POPR at 8 n.3); and (3) **no** tribunal has yet determined the limitations are subject to MPF construction.

The first case relied on by the POPR is *Samsung Elecs. Co. v. Power2B Inc.*, IPR2022-01378, Paper 12 at 11 (P.T.A.B. Mar. 15, 2023). The POPR fails to mention the Board denied the petition only after finding the claims there were subject to MPF construction and distinguished other cases that instituted IPRs specifically because those cases involved limitations that did *not* recite “means.” *Id.* at 12-13. In contrast, no such presumption applies here because the limitations do not recite “means,” the Board has made no such finding, and PO here neither requests such a finding nor offers any reasoning to support one. The POPR also relies on *Orthopediatrics Corp. v. K2M, Inc.*, IPR2018-01548, Paper 9 (P.T.A.B. Mar. 1, 2019). That case was decided prior to the July 2019 Trial Practice Guide Update in which the express guidance authorizing a petition to state that the claims require no express construction first appeared, and specifically faulted Petitioner for not proposing any express construction as authorized in the current CTPG (IPR2018-01548, Paper 9 at 9-10). Further, the district court in that case had already construed the claims as being subject to MPF construction (*Orthopediatrics*, Paper 9 at 11) and the patent owner there asserted that MPF construction applied. *Id.* at 8. In contrast,

the district court here has not issued any claim construction order and the PO here has not requested an MPF construction.

In *Abbott Diabetes Care Inc. v. Dexcom, Inc.*, IPR2022-00913, Paper 14 (P.T.A.B. November 3, 2022), the Board refused to deny institution where a petitioner took opposing positions in a petition and district court in similar circumstances (claims did not recite “means,” no district court MPF construction), holding that Rule 42.104(b)(3) includes no requirement to advance the same claim construction argument in an IPR and district court. *Id.* at 14. The *Abbott* decision wisely recognized the “fundamental principle of party presentation which rests upon ‘the premise that [parties represented by competent counsel] know what is best for them, and are responsible for advancing facts and argument entitling them to relief.’” *Id.* at 15. The *Abbot* decision further recognized that forcing a petitioner to offer an MPF construction “would appear to completely undermine the party presentation principle by imposing a duty on Petitioner to make an argument against its interest in our proceedings that is not required by our Rules.” *Id.* at 16.

As noted above, the Patent Owner asserts that the claims here are **not** subject to MPF construction. *Id.* at 15-16.¹ Indeed, while PO accuses Petitioner of

¹ As recognized by the majority in *Abbott*, Petitioner’s position here likewise does not unilaterally deprive the Board of considering whether the claims are subject to

gamesmanship, PO tries to have it both ways: PO asserts that the claim terms are to be construed under their plain meaning rather than MPF, but at the same time seeks to avoid having their patentability determined here under precisely that construction. Such behavior should not be rewarded by denying institution of this Petition.

II. 35 U.S.C § 314(A) / *FINTIV* ANALYSIS

Factor 1: Neither party has requested a stay and the Board will generally not speculate as to what a district court will do. This factor is therefore neutral. See *Sand Revolution II, LLC v. Cont'l Intermodal Grp. - Trucking LLC*, No. IPR2019-01393, Paper 24 at 7 (P.T.A.B. June 16, 2020) (informative); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (PTAB May 13, 2020) (informative) (explaining that factor 1 generally “does not weigh for or against discretionary denial” when neither party has requested a stay). Finding this factor is neutral in the absence of a request for a stay is appropriate even if the Board were to credit PO’s argument that a stay in the district court is unlikely. *CrowdStrike, Inc. v. Open Text Inc.*, IPR2023-00289, Paper 7, at 13 (P.T.A.B. July 21, 2023).

Factor 2: Despite citing the Director’s Interim Guidelines elsewhere (e.g., POPR at 1 and 19), PO inexplicably ignores the directive therein to determine the

MPF construction because PO was free to, but did not, contend the terms are MPF. *Id.* (discussing dissent at 9).

expected trial date using the median time to trial statistics published at <https://www.uscourts.gov/statistics-reports/analysis-reports/federal-court-management-statistics> (Interim Guidelines at 3). According to the most current statistics on that website, the median time to trial is 33.7 months in the District of Delaware where the parallel district court case was filed on June 16, 2022. Pet. at 1. Thus, in evaluating this factor, the expected trial date is approximately March 2025. The expected FWD date here is approximately September 2024, which is about 6 months **before** the properly-determined expected district court trial date. Thus, Factor 2 weighs **strongly** against exercising discretion here.

Factor 3: Neither the district court nor the parties have invested substantially in the merits of the invalidity positions at issue in this IPR. In the district court action, the district court has not issued any claim construction order and has not indicated when it will issue such an order, and has not taken any substantive action on any invalidity position. Moreover, fact discovery is not set to close until September 26, 2023 – about the same time the institution decision is expected in this IPR, and opening expert reports are not due until November 2, 2023, long **after** (contrary to the assertion in the POPR at 14) the deadline for the institution decision in this IPR. In *Sand Revolution*, where the parties’ discovery efforts were similar but the district court *had* issued a claim construction order, the Board found that “this factor weighs *only marginally, if at all*, in favor of exercising discretion to deny institution.” *Sand*

Revolution, Paper 24 at 11 (emphasis added). That the district court here has not yet issued a construction tips this factor against exercising discretion, or at worst results in this factor being neutral.

Also, contrary to the assertion in the POPR at 14-15, Petitioner's diligence in filing this Petition weighs against exercising discretion to deny it. PO's initial infringement contentions and election of asserted claims were not served in the district court action until January 9, 2023. Ex. 2001 at 2. This Petition was filed on March 22, 2023, just two and a half months later. The Board has regularly found that such timing indicates diligence and that this factor weighs against exercising discretion to deny. *E.g., Intel Corp. v. Health Discovery Corp.*, No. IPR2021-00552, Paper 21, at 7 (P.T.A.B. September 14, 2021) ("Petition was diligent in filing its petition within three months of receiving Patent Owner's preliminary infringement contentions."). This Petition was also filed three months prior to the one-year statutory deadline. *See* Pet. at 1 (identifying lawsuit filed June 16, 2022). This diligence further indicates that this factor weighs against exercising discretion to deny this petition.

Factor 4: The Petition challenges ten claims that are not asserted in the district court litigation. Ex. 2003 at 2 (asserting claims 1, 4, 5, 8, 9, 13, 15, 16, 17 and 18); Pet. at 3-4 (challenging all 20 claims). The challenged claims include, for example, dependent claims 2, 3, 11, and 12 reciting subject matter that is not recited in the

asserted claims of the district court litigation. *See, e.g.*, Ex. 1001. Thus, this factor also weighs against exercising discretion to deny the Petition.

Factor 5: Because the statutory deadline for a final written decision here precedes the district court's expected trial date based on the most recent time-to-trial statistics as discussed above, and because the defendant in the district court proceeding is named as an RPI here and is therefore subject to the estoppel provisions of 35 U.S.C. 315(e)(2), this factor weighs against discretionary denial. *Samsung Elecs. Co., Ltd. v. Staton Techiya, LLC*, IPR20222-00302, Paper 13, at 18-19 (P.T.A.B. July 11, 2022); *see also CrowdStrike*, Paper 7 at 16.

Factor 6: The petition presents a compelling meritorious challenge to the claims as established in the Petition at 5. PO's arguments to the contrary are faulty for the reasons addressed below in the 325(d)/*Advanced Bionics* analysis. Moreover, the assertion in the POPR that the Petition engages in "abuse of process" and "gamesmanship" is unwarranted. The POPR at 20 faults Petitioner for asserting that claim terms are subject to MPF construction in the district court action while analyzing the claims under a plain meaning construction in the Petition. Those assertions are meritless for the reasons discussed in the 37 C.F.R. § 42.104(b)(3) analysis above. Similarly, the assertion in the POPR at 19 that the other *Fintiv* factors favor denial is seriously flawed as demonstrated above, particularly because of PO's unexplained decision to ignore the directive in the Interim Guidance

regarding the proper determination of an expected trial date.

Finally, PO's repeated insinuations - in the POPR at 1 and 9-10, and on the July 19th conference call - that Petitioner has acted improperly in naming ResMed Corp. as the Petitioner because ResMed Inc. is the defendant in the parallel litigation are nonsense. Both ResMed entities have consistently maintained in district court proceedings that ResMed Inc. was improperly named as a defendant because it is only a holding company. Accordingly, ResMed Corp., not ResMed Inc., is named here as Petitioner. Because PO has refused to acknowledge this simple truth, ResMed Inc. is named here as an RPI to avoid any RPI-based challenge, thereby subjecting it to the same estoppel provisions as it would be had it been named as a petitioner. PO's baseless characterization of these actions as "chicanery" and "gamesmanship" are no reason to deny the Petition.

Considered in view of the correctly determined expected trial date, all the *Fintiv* factors are either neutral or weigh against a discretionary denial. The Board should therefore not deny the Petition pursuant to *Fintiv*.

III. 35 U.S.C. § 325(D) / *ADVANCED BIONICS* ANALYSIS

Under Advanced Bionics step 1 (factors (a), (b) and (d)), the art at issue here is different. As discussed in the Petition at 6, the petition asserts obviousness based in part on references (Genger, Schmidt or Kocinski) that were not before the examiner during prosecution. Pet. at 6. For example, Grounds 1 and 2 rely on a

combination of Genger, Schmidt, Westbrook and Farrell. Pet. at 4. That a related version of Farrell was considered by the examiner during prosecution does not negate that fact that the other three references were not. The other grounds also include references not considered during prosecution (Edgar in grounds 3-5, and Kocinski in grounds 6-8). Thus, “the combination of references and unique arguments asserted in the Petition were not previously presented to the Office” and “denying the Petition under § 325(d) is unwarranted.” *DK Crown Holdings Inc. v. Diogenes Limited*, IPR2023-00266, Paper 9, at 11 (P.T.A.B. June 22, 2003).

Moreover, the arguments in the POPR at 23 regarding Farrell are without merit. Grounds 1 and 2 of the Petition rely on Genger, not Farrell, for limitation [1.b.3]’s “airflow sensor internal to the PAP device.” Pet. at 34. The POPR’s assertion that the Petition relies on Farrell for motivation to modify Genger to achieve an internal air sensor ignores that the Petition also includes an independent, alternative motivation that relies on Genger, not Farrell. Pet. at 36 (discussing motivation for an internal sensor based on Genger’s disclosure at 11:7-9 and avoiding the need to transmit data from an external sensor and to change external sensor batteries). This additional rationale and evidence not considered by the examiner weighs against a denial under 35 U.S.C. § 325(d). *CrowdStrike*, Paper 7 at 20-21. PO also misrepresents the file history in asserting that *the examiner* concluded the sensors in Farrell are used just for determination of delivered air to

the patient and determined Farrell's sensors do not detect physiological information such as a patient's respiratory airflow. The support cited in the POPR is to *PO's* argument in its 5/27/2016 Amendment, not any statement by the examiner. POPR at 23, citing Ex. 1002, Part 2, at 327. Instead, the examiner only stated that arguments based on Farrell were moot in view of a new ground of rejection. Ex. 1002, Part 2, at 337. Any assertion the examiner agreed with this argument is speculation. PO's arguments on *Advanced Bionics* Step 1 fail for all these reasons.

For *Advanced Bionics* Step 2 (factors (d), (e) and (f)), the POPR incorrectly asserts the Petition did not show a material examiner error. POPR at 24. To the contrary, the Petition expressly states the examiner made a material error by focusing on Stahmann's Figures 1A-5A and 79 rather than the more relevant embodiment in Stahmann's Figures 51 (EX1019) and 53 (EX1010) relied on in Grounds 3 and 4, and "not fully appreciating the entirety of Stahmann's disclosures and the obvious combination (expressed herein) of Stahmann-EX1010 and secondary art." Pet. at 7. This assertion together with the detailed showing in Grounds 3-5 of the Petition are more than sufficient to satisfy *Advanced Bionics* Step 2.

Respectfully submitted,

Dated: July 27, 2023

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CERTIFICATE OF SERVICE

The undersigned certifies service pursuant to 37 C.F.R. §§ 42.6(e) and 42.105(b) on the Patent Owner by **Electronic Mail** of this Petitioner's Response to Patent Owner's Preliminary Response.

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