

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 B1

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

PETITIONER'S EXHIBIT LIST

Exhibit No.	Description
EX1001	U.S. Patent No. 10,076,269 (Kayyali et al.)
EX1002	U.S. Patent No. 10,076,269 Prosecution History
EX1003	U.S. SN 11/266,899 ('269 parent) Prosecution History
EX1004	Declaration of Jacob Sharony, Ph.D.
EX1005	WO 02/078775A2 (Genger et al.) including certified English translation
EX1006	U.S. Patent No. 6,167,258 (Schmidt et al.)
EX1007	U.S. Patent Application Publication 2002/0165462A1 (Westbrook et al.)
EX1008	WO 2005/096737A2 (Farrell et al.)
EX1009	Paradiso, et al., <i>Wearable Health Care System for Vital Signs Monitoring</i> , 4 th Annual IEEE Conf. on Information Technology Applications in Biomedicine, 2003, at 283 ("Paradiso")
EX1010	WO 2005/028029A2 (Stahmann et al.)
EX1011	U.S. Patent Application Publication 2005/0171160A1 (Edgar et al.)
EX1012	U.S. Patent Application Publication 2003/0236450A1 (Kocinski)
EX1013	Guilleminault, et al., <i>Obstructive sleep apnea syndromes</i> , Med. Clin. N.Am. Vol. 88, No. 3 (May 1, 2004), pp.611-630. ("Guilleminault-2004").
EX1014	Guilleminault, et al., <i>Clinical Overview of the Sleep Apnea Syndromes</i> , Sleep Apnea Syndromes (1978), pp.1-12. ("Guilleminault-1978").

EX1015	“Sleep-Related Breathing Disorders in Adults: Recommendations for Syndrome Definition and Measurement Techniques in Clinical Research: The Report of an American Academy of Sleep Medicine Task Force,” SLEEP Vol. 22, No. 5 (1999), pp.667-689 (“Chicago Criteria”)
EX1016	Morón, et al., <i>A wireless monitoring system for pulse-oximetry sensors</i> , 2005 Systems Communications (ICW'05, ICHSN'05, ICMCS'05, SENET'05), Montreal, Quebec, August 14-17, 2005, pp.79-84.
EX1017	Bluetooth Ver.1.0B (Parts A and B) (November 1999)
EX1018	Roux et al., <i>Continuous positive airway pressure: new generations</i> , Clinics in Chest Medicine, Vol. 24 (2003), pp.315-342.
EX1019	U.S. Patent Application Publication 2005/0115561A1 (Stahmann et al.) (“Stahmann-EX1019”)
EX1020	U.S. Patent No. 7,757,690 (Stahmann et al.) (“Stahmann-EX1020”)
EX1021	USPTO's June 2022 Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation.
EX1022	Nieto et al., <i>Association of Sleep-Disordered Breathing, Sleep Apnea, and Hypertension in a Large Community-Based Study</i> , JAMA Vol. 284, No. 14 (April 12, 2000), pp.1829-1985.
EX1023	Transcript of Conference Call with Board on November 28, 2023.
EX1024	Defendant ResMed Inc.'s Final Invalidity Contentions and Exhibit G05 thereto, <i>Cleveland Medical Devices, Inc., v. ResMed Inc.</i> , case no. 1:22-cv-00794-GBW (served 11/20/2023) (redacted)
EX1025	Expert Report of Dr. Morten O. Jensen Regarding Invalidity Issues, <i>Cleveland Medical Devices, Inc., v. ResMed Inc.</i> , case no. 1:22-cv-00794-GBW (served December 4, 2023) (redacted)

I. INTRODUCTION

Petitioner’s *Sotera*-style stipulation in its Supplemental Brief (Paper 18) is timely and is the result of changed circumstances. The Director’s general remand did not preclude Petitioner’s stipulation, which is relevant to the Board’s reevaluation of institution.

II. ARGUMENT

A. Petitioner’s Stipulation Is Timely

Patent Owner (“PO”) wrongly blames Petitioner for the alleged “gamesmanship” that necessitated this briefing, but it was PO’s submission of new arguments and evidence in its Sur-Reply that set the relevant series of events in motion. See Paper 15, 2. The denial of Petitioner’s request to respond to that new argument and evidence formed the basis for Petitioner’s request for Director Review on 10/20/2023 and the Director’s decision on 11/16/2023. *Id.* Meanwhile, the litigation proceeded, including issuance of a Markman Order on 10/30/2023 (Ex. 2013), and service of final infringement contentions (11/13/2023) and final invalidity contentions (11/20/2023).¹ Ex. 1024. By the time of Petitioner’s

¹ PO expressly agreed to file the invalidity contentions and expert report with its brief, which the Board authorized while instructing that Petitioner was *not* authorized to file additional evidence. Ex. 2014 at 20; Paper 20. But PO’s gamesmanship continued when it tried to justify its decision not to file those

supplemental brief (11/30/2023), the final invalidity contentions in the co-pending litigation, which were limited to six references by the district court's scheduling order (Ex. 2001 at 3), no longer relied on any prior art grounds that could have reasonably been raised before the PTAB. Ex. 1024. The expert report in the district court litigation relies on these same prior art grounds that could not have been reasonably raised before the PTAB. Ex. 1025. Consistent with this change in circumstances, Petitioner offered a *Sotera*-style stipulation. Paper 18, 1. Thus, "the grounds the PTAB may resolve in this proceeding will differ from those present in the parallel district court litigation." Interim Guidelines, at 6.

The Board's Order on Conduct of the Proceedings following Director remand indicated that an institution decision would issue no later than May 16, 2024, which would place a final written decision in approximately May 2025, and not the September 2024 date originally expected. Paper 20, 2. Thus, by the time of

exhibits because they were purportedly not relevant to any issue raised in their response (paper 21, 1 n. 1). That justification is belied by (a) PO's filing of the claim construction order (which addresses additional unrelated patents) in its entirety (Ex. 2013) despite not mentioning that order in its response, and (b) PO's allegation that Petitioner has refused to explain the timing of its *Sotera* stipulation (Supp. Resp. (Paper 21) at 6).

Petitioner's supplemental brief, the pre-institution facts relevant to *Fintiv* factors 2 (proximity of the court's trial date to projected FWD)² and 4 (overlap of issues) had significantly changed. This change in circumstances was not due to "gamesmanship" by Petitioner, but instead was the result of the delay caused by PO's submission of new argument and evidence in its Sur-Reply that necessitated Director Review.

The Board has been clear in its intention to consider changes in circumstances since the Reply and Sur-Reply were filed. The Board authorized the submission of the district court's claim construction order that issued after that briefing, which resolves the Board's concern over the potential for inconsistent constructions for the "processor" terms. Likewise, PO's Supplemental Response urges the Board to consider the change in the estimated district court trial date in light of the relevant median time-to-trial statistics (although PO failed to alert the Board that those statistics have now changed).³ Paper 21, 4. Petitioner agrees with both the Board

² PO wrongly claims that the estimated trial date is March 2025 using median time-to-trial statistics. Paper 21, 4. The current statistics (37.8 months) put the trial in July 2025. Interim Guidelines, 3 (<https://www.uscourts.gov/statistics-reports/analysis-reports/federal-court-management-statistics>).

³ *Id.*

and PO that these changed circumstances, including the changed circumstances that led Petitioner to provide its *Sotera* stipulation and the *Sotera* stipulation itself, should be considered by the Board now. That *Sotera* stipulation streamlines these proceedings on remand and avoids the need for the Board to conduct a full analysis of the changed facts under *Fintiv*. Stipulations prior to the issuance of the institution decision are entirely proper. *BMW of No. Am., LLC. V. Northstar Systems LLC*, IPR2023-01017, Paper 12 at 10 (P.T.A.B. December 8, 2023).

The facts here are unlike those in *NXP USA v. Impinj, Inc.*, IPR2021-01556, Paper 13 at 4 (P.T.A.B. Sept. 7, 2022) (precedential). This is not a case where Petitioner waited to see if the Board denied institution under *Fintiv* and only then offered a stipulation for the first time in a request for rehearing. *Id.* The fact that Petitioner did not wait until after the institution decision to offer a stipulation is by itself enough to distinguish *NXP*. *Id.* However, there are additional compellingly different facts here. It was PO who delayed these proceedings by offering new argument and evidence in its pre-institution papers that necessitated Director Review. During that process, developments in the district court litigation changed the relevant facts for the *Fintiv* analysis. Now, on remand and before institution, Petitioner has offered a stipulation to streamline the Board's pre-institution analysis. PO's mischaracterizations of the district court proceedings do not change the conclusion that Petitioner's stipulation is timely. Paper 21, 4-6.

B. The Director's Remand Did Not Preclude Petitioner's Stipulation

The Director's remand instructed that "[t]he Board shall ... issue a decision that reevaluates institution in light of *all of the pre-institution papers*, including the supplemental briefings from Petitioner and Patent Owner." Paper 15, 6 (emphasis added); *see also* Paper 16, Conduct of the Proceedings (acknowledging the Director's instruction). That remand did not preclude a *Sotera* stipulation. This is not a scenario where there has been a complete trial where remand would typically be narrowed to a specific issue. Instead, the Director vacated the Board's institution decision and, rather than limiting the scope of the remand, expressly instructed that "all of the pre-institution papers, including the supplemental briefings" that included Petitioner's stipulation, should be considered.

III. CONCLUSION

In view of the foregoing, institution of this IPR is respectfully requested.

Respectfully submitted,

Dated: January 12, 2024

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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 Reply to Patent Owner Supplemental Response.

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Petitioner's Reply on Supplemental Briefing

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