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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

COLLEGE PRODUCTS, INC.,
Petitioner,

v.

INTIRION CORPORATION,
Patent Owner.

IPR2023-01041 (Patent 9,791,206 B1)
IPR2023-01042 (Patent 11,274,876 B2)
IPR2023-01043 (Patent 10,495,374 B1)[1]

Before ROBERT L. KINDER, MATTHEW S. MEYERS, and BRENT M. DOUGAL, *Administrative Patent Judges.*

MEYERS, *Administrative Patent Judge*.

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

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[1] This Decision addresses the same issue for the above-identified cases. Therefore, we exercise our discretion to issue one Decision to be filed in each case. The parties, however, are not authorized to use this style heading in any subsequent papers.

I. INTRODUCTION

A. Background and Summary

College Products, Inc. ("Petitioner") filed a Petition to institute an *inter partes* review of claims 9–12 (the "challenged claims") of U.S. Patent 9,791,206 B1 (Ex. 1001, the "'206 patent"). Paper 1 ("Petition" or "Pet."). Intirion Corporation ("Patent Owner") filed a Preliminary Response. Paper 8 ("Preliminary Response" or "Prelim. Resp."). Petitioner filed a Reply (Paper 9, "Prelim. Reply") and Patent Owner filed a Preliminary Sur-reply (Paper 10, "Prelim. Sur-reply").

Petitioner also filed Petitions to institute an *inter partes* review of claims 1, 21, 26, and 28 of U.S. Patent 11,274,876 B2 (the "'876 patent") and claims 9–11, 15, and 17–20 of U.S. Patent 10,495,374 B1 (the "'374 patent"). IPR2023-01042, Paper 1; IPR2023-01043, Paper 1. Because these proceedings involve the same dispositive issue that is also presented in the proceeding for the '206 patent, we address all these proceedings in a single Decision.[2]

After considering the evidence and arguments presented in the parties' papers, we determine that 35 U.S.C. § 315(a)(1) bars institution of *inter partes* reviews of the '206,'876, and'374 patents.

B. Real Parties-in-Interest

The parties identify themselves as the real parties-in-interest. Pet. 1; Paper 5, 2. Patent Owner states that Intirion Corporation is a wholly owned subsidiary of Danby Products Inc. Paper 5, 2.

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[2] For expediency, we refer to Papers and Exhibits filed in IPR2023-01041. Similar Papers and Exhibits were filed in IPR2023-01042 and IPR2023-01043.

C. Related Proceedings

The parties identify the following as related matters: *College Products, Inc. v. Intirion Corporation*, 5:23-cv-04002-KEM (N.D. Iowa) ("the Iowa DJ action") and *Intirion Corporation v. College Products, Inc.*, 5:23-cv-04023 (N.D. Iowa) ("the Transferred action"). Pet. 1; Paper 5, 2.

II. DISCUSSION

A. Legal Standards

Section 315(a)(1) of 35 U.S.C. states that "[a]n *inter partes* review may not be instituted if, before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent."

Section 315(a)(3) states that "[a] counterclaim challenging the validity of a claim of a patent does not constitute a civil action challenging the validity of a claim of a patent for purposes of this subsection [section 315(a)]."

B. Procedural History

Patent Owner filed a complaint against Petitioner in the Western District of Texas ("the Texas action") for infringement of the '206, '876, and '374 patents. Pet. 4; Ex. 2001. Petitioner was served with the complaint on June 8, 2022. Pet. 4; Ex. 2002.

Petitioner subsequently filed a declaratory judgment action against Patent Owner in the Iowa DJ action. Pet. 5; Ex. 1017. The Iowa DJ action was filed on January 5, 2023. Ex. 1017. The Petitions requesting *inter partes* review were filed June 8, 2023. Paper 1.

The Iowa DJ action sought a judgment of invalidity for the ’206, ’876, and ’374 patents. Ex. 1017, 15–17, 19–24. The Iowa DJ action also sought a judgment of non-infringement of the noted patents. Ex. 1017, 1.

Petitioner filed a Motion to Dismiss the Texas action for Improper Venue. Ex. 1005. The Motion was granted and the case was transferred to the Northern District of Iowa (“the Transferred action”). Ex. 1006. The court in the Northern District of Iowa subsequently consolidated the Iowa DJ action into the Transferred action. Ex. 1018.

C. Analysis

Petitioner asserts that their Petitions comply with the requirements for *inter partes* review because Petitioner is not barred or estopped from requesting such a proceeding. Pet. 3–8. Specifically, Petitioner argues that § 315(a)(1) does not apply “because the invalidity counts in [the Iowa DJ action] are counterclaims of invalidity under 35 U.S.C. § 315(a)(3).” *Id.* at 3–4. Petitioner contends that they did not file counterclaims in the Texas action because venue was improper and Petitioner wanted to file the Iowa DJ action “to preserve its right in a proper venue to adjudicate its counterclaims responsive to Patent Owner’s patent infringement claims.” *Id.* at 4–5. According to Petitioner, they “only filed counterclaims of invalidity against patents [Patent Owner] already asserted against it” in the Texas action. *Id.* at 5.

According to Petitioner, Patent Owner asserted that Petitioner’s declaratory judgment claims were “properly characterized as defenses and counterclaims” to argue for consolidation of the Transferred action and the Iowa DJ action in the Northern District of Iowa. *Id.* at 5–7 (citing Ex. 1007). Petitioner contends that Patent Owner “should be precluded from taking an

inconsistent position before the Patent Office." *Id.* at 7. Petitioner contends that it is proper to view Petitioner's claims in the Iowa DJ action as counterclaims because, once consolidation was complete, "the parties are aligned as they were" in the Texas action. *Id.*

Patent Owner asserts that if the Petitions are analyzed in view of § 315(a)(1) and associated case law, the Board must decline to institute the Petitions. *See* Prelim. Resp. Patent Owner contends that "[s]ection 315(a)(1) is straightforward and clear: a petitioner may not institute IPR if 'before the date on which the petition for review is filed, the petitioner. . . filed a civil action challenging the validity of a claim of the patent.'" *Id.* at 6. Patent Owner contends that before filing the Petitions, Petitioner filed the Iowa DJ action requesting a judgment of invalidity for the '206, '876, and '374 patents. *Id.* at 1–5 (citing Ex. 2001; Ex. 2002; Ex. 2005; Ex. 2006; Ex. 2014; Ex. 2015; Ex. 2016). According to Patent Owner, because § 315(a)(1)'s language of "filed a civil action" is plain and unambiguous, the filing of the Iowa DJ action is a civil action that triggers § 315(a)(1). *Id.* Thus, Patent Owner contends that the Board must decline to institute the Petitions because the Iowa DJ action is a civil action that was filed before the Petitions. *Id.* at 6.

Patent Owner argues that the Board has found that prior declaratory judgment actions are a bar to institution under § 315(a)(1). Prelim. Resp. 6 (citing *Avigilon Corp. v. Canon Inc.*, IPR2018-01626, Paper 11 (PTAB Mar. 18, 2019)). Patent Owner contends that the patent owner in *Avigilon* initially filed an infringement suit and then subsequently refiled in another venue. *Id.* at 6–7. The petitioner filed a declaratory judgment action with invalidity claims on the same day in a different venue, then dismissed the

declaratory judgment action, and finally filed IPRs. *Id.* at 7. Patent Owner asserts that the Board in *Avigilon* determined that the filing of the declaratory judgment action before the IPRs barred institution of the IPRs under § 315(a)(1), regardless of whether the declaratory judgment action was voluntarily dismissed and eventually re-pled as compulsory counterclaims. *Id.* at 7–8 (citing *Click-to-Call Tech., LP v. Ingenio, Inc.*, 899 F.3d 1321 (Fed. Cir. 2018)).

Patent Owner contends that the Board has barred institution under § 315(a)(1) when, before the filing of an IPR, a petitioner has filed a declaratory judgment action after being named as a defendant in an action brought by a patent owner. Prelim. Resp. 8 (citing *ZTE (USA), Inc. v. Agis Software Dev., LLC*, IPR2019-00487, Paper 8 (PTAB May 6, 2019)). In addition, Patent Owner contends that the Board has denied institution under § 315(a)(1) when a petitioner's real party-in-interest filed a declaratory judgment action because the Board disagreed that the declaratory judgment was a counterclaim. *Id.* at 8–9 (citing *Ruiz Food Prods., Inc. v. MacroPoint LLC*, IPR2017-02016, Paper 25 (PTAB Feb. 14, 2019)).

With regard to Petitioner's argument that the Iowa DJ action was a counterclaim, Patent Owner also argues that there was no need to preserve Petitioner's counterclaims and there was no deadline for Petitioner to file the Iowa DJ action. Prelim. Resp. 9–10. In addition, Patent Owner asserts that, when addressing consolidation of the Transferred action and the Iowa DJ action, Petitioner argued that the Iowa DJ action was the "first properly filed case," the Iowa DJ action was "the affirmative cause of action," and Petitioner was the true plaintiff. *Id.* at 3–4, 10 (citing Ex. 2008, 2; Ex. 2009, 10:10–10; Ex. 2008, 2–3). Furthermore, Patent Owner contends that a

complaint filed by a plaintiff is not a counterclaim under the Federal Rules of Civil Procedure. *Id.*

Petitioner replies to Patent Owner's arguments by arguing distinctions between the facts of this proceeding and those of *Avigilon*, *ZTE*, and *Ruiz*. Prelim. Reply 1–5. For instance, Petitioner argues this proceeding differs from *Avigilon* because Petitioner never filed counterclaims in the Texas action, due to its improper venue. *Id.* at 2–3. Petitioner asserts that the Iowa DJ action was filed while the Texas action was pending in the Western District of Texas and the Iowa DJ action was in response to the Texas action. *Id.* at 3. Petitioner contends that they requested to remain plaintiff during consolidation because they were the first to file in the Iowa court and they were asserting affirmative claims. *Id.* at 3–4. Petitioner argues this proceeding differs from *ZTE* because the Board did not consider whether a declaratory judgment action can qualify as a counterclaim under § 315(a)(3). *Id.* at 4. Petitioner argues this proceeding differs from *Ruiz* because the Board found that a declaratory judgment action filed by a petitioner's real party in interest was not a counterclaim under § 315(a)(3). *Id.* at 4–5. Petitioner also contends that *Click-to-Call Tech., LP v. Ingenio, Inc.*, 899 F.3d 1321 (Fed. Cir. 2018) is inapposite because that proceeding regarded a bar under § 315(b). *Id.* at 5.

Patent Owner responds by arguing that Petitioner's arguments ask the Board to ignore § 315(a)(1)'s clear language, the definition of "counterclaim," and caselaw cited by Patent Owner. Prelim. Sur-reply 1. Patent Owner disagrees with Petitioner's asserted distinctions with the caselaw cited by Patent Owner. *Id.* at 1–5. Specifically, in regard to *Avigilon*, Patent Owner contends that Petitioner filed a separate declaratory

judgment action and that "*Avigilon* stands for the proposition that filing a DJ action is not 'counterclaims' for the purposes of § 315(a)(1) even where the claims could also have been filed as counterclaims in a separately pending action." *Id.* at 1–2 (citing *Avigilon*, Paper 11, 10–11). Patent Owner contends that *ZTE* and *Ruiz* similarly held that declaratory judgment actions are not counterclaims. Moreover, Patent Owner asserts that Petitioner "did not find any legal support for its position that § 315(a)(1) does not bar institution of this Petition." *Id.*

We disagree with Petitioner's arguments that § 315(a)(3) applies here. As an initial matter, the Iowa DJ action challenged the validity of the '206, '876, and '374 patents. Ex. 1017, 15–17, 19–24; Ex. 2006, 1, 18–20, 22–24, 26–28. Petitioner also does not dispute this, or that their Petitions were filed after the Iowa DJ action. *See generally* Pet.

Petitioner's primary argument is that the Iowa DJ action is a counterclaim under § 315(a)(3). Section 315(a)(3) states that "[a] counterclaim challenging the validity of a claim of a patent does not constitute a civil action challenging the validity of a claim of a patent for purposes of this subsection." However, Petitioner does not cite any persuasive legal authority to support their position that that the Iowa DJ action serves as a counterclaim under § 315(a)(3).

We agree with Patent Owner that the Iowa DJ action bars institution of the Petitions pursuant to § 315(a)(1). In *Avigilon*, the Board analyzed the ordinary, common meaning of "complaint," noting the definition of "'complaint' as '[t]he initial pleading that starts a civil action and states the basis for the court's jurisdiction, the basis for the plaintiff's claim, and the demand for relief.'" *Id.* at 7 (citing Black's Law Dictionary 323, 1491 (9th

ed. 2009)). Petitioner's Iowa DJ action meets this definition because it was an initial pleading that started a civil action and stated bases for their claims. *See* Ex. 1017; Ex. 2006. Specifically, the plain language of § 315(a)(1) does not include an exception for Petitioner's action (filing a declaratory judgment action challenging validity before filing the petitions) and the terms of § 315(a)(1) have ordinary, common meanings, as discussed above. *Id.* at 8.

The Board in *Avigilon* also disagreed with Avigilon's assertion that their declaratory judgment action included counterclaims to infringement allegations under § 315(a)(3) because the declaratory judgment complaint was filed after and in response to infringement allegations. *Avigilon*, Paper 11, 10. The Board determined that "a counterclaim typically is asserted in an existing civil action, in contrast to a complaint, the filing of which begins a civil action." *Id.* (citing Fed. R. Civ. P. 13 (defining counterclaims as distinct from pleadings, including a complaint, set forth in Fed. R. Civ. P. 7); Fed. R. Civ. P. 3 ("A civil action is commenced by filing a complaint with the court.")). The Board also noted the definition of "counterclaim" as "a *defendant's* claim in opposition to or as a setoff against the *plaintiff's* claim." *Id.* at 11 (citing Black's Law Dictionary (10th ed. 2014)).

Here, there is no evidence that Patent Owner filed a claim as a plaintiff against Petitioner in the Northern District of Iowa and that the Iowa DJ action was a counterclaim in opposition to or against such a claim. Petitioner's argument that Patent Owner should be precluded from arguing that the Iowa DJ action is not a counterclaim is also not persuasive. Pet. 7. Regardless of whether Patent Owner subsequently argued that the Iowa DJ action was a counterclaim (an argument made in the context of a motion of

consolidation), subsequent arguments by Patent Owner would not retroactively transform the Iowa DJ action, which was filed before any claim was filed by Patent Owner against Petitioner in that jurisdiction, into a counterclaim. Thus, we find that Petitioner's Iowa DJ action was a civil action challenging the validity of a claim of a patent.

The plain language of § 315(a)(1) bars institution of the Petitions because Petitioner's Iowa DJ action was filed before the Petitions. For the reasons discussed above, the Iowa DJ action is not a counterclaim under § 315(a)(3). Specifically, the Iowa DJ action is a civil action that was filed before the petitions and challenged the validity of the '206, '876, and '374 patents. Therefore, the filing of the Iowa DJ action created a bar to institution of the Petitions under the language of § 315(a)(1).

For these reasons, after considering the parties' evidence and arguments, we determine that § 315(a)(1) bars institution of *inter partes* review for these proceedings.

III. ORDER

In consideration of the foregoing, it is hereby ordered that the Petitions are *denied*, and no trials are instituted.

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