

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

RESMED CORP.,
Petitioner,

v.

CLEVELAND MEDICAL DEVICES, INC.,
Patent Owner.

Case IPR2025-00160
U.S. Patent No. 11,786,680

PATENT OWNER'S SUR-REPLY

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I. INTRODUCTION

Throughout its Reply, Petitioner largely refused to engage with the substance of Patent Owner's arguments. Instead, it focused on isolated facts in an attempt to obscure its gamesmanship in multiplying and delaying proceedings, which have already, and continue to, prejudice Patent Owner. The AIA was meant to streamline proceedings, not bog patents down in interminable administrative proceedings that frustrate that goal. Yet Petitioner's duplicative EPR and IPR challenges to the '680 Patent have already derailed the litigation that Petitioner initiated, which is at an advanced stage. And its suggestion that Patent Owner seek a stay of the reexamination (where there is already an Office Action pending), will only delay resolution of this case further. Patent Owner respectfully submits that the Office should deny this parallel administrative challenge under the authority granted under 35 U.S.C. § 314(a) and in view of the *Fintiv* factors.

II. EQUITABLE CONSIDERATIONS AND DUE PROCESS SUPPORT DENIAL OF THE PETITION

Efficiency, fairness and equitable considerations support the denial of this Petition because the Central Reexamination Unit ("CRU") already ordered reexamination of the '680 Patent at Petitioner's request before Petitioner submitted this Petition. See Ex. 1053 (Order Granting Reexam. No. 90/019,705, Dec. 3, 2024). Petitioner's overlapping challenges unnecessarily duplicate the Office's efforts and resources of adjudicating the validity of the '680 Patent. If permitted, such

challenges would invite petitioners to file multiple challenges for the improper purpose of nullifying the term of the patent by tying it up in duplicative proceedings. *See* Prelim. Resp. (“POPR”) at 6-12. Parallel IPR and EPR challenges add further complexity as the difference in claim construction standards give rise to an elevated chance for inconsistent decisions.

Though Petitioner notes that the Board can stay the EPR, this “solution” will only further delay Patent Owner’s attempt to enter the market against the much larger ResMed, which has already had years to benefit from CleveMed’s technology royalty free. Paper 8 (“Reply”) at 2-3. A stay would mean an extension in time to address the EPR, which Patent Owner does not need or want. Nor would a stay minimize duplication of efforts or the chance for inconsistent decisions between the PTAB, CRU, and District Court, especially since estoppel stemming from the IPR will have no effect on the EPR. POPR at 9. Accordingly, while Petitioner notes the Congressional comments regarding “providing quick and cost effective alternatives to litigation,” Petitioner’s multiplication of the proceedings and solicitation of multiple branches of the Office are contrary to the “quick and cost effective alternatives to litigation” that Congress intended. Reply at 3.

Petitioner’s explanation that it “immediately filed an IPR” following mediation “as it would ensure a quicker resolution than either EPR or litigation” is a *post-hoc* rationalization for its gamesmanship and delay. *Id.* at 4. This

rationalization fails to consider that the EPR was already ordered by the time Petitioner filed the IPR (Ex. 1053), that proceedings will be handled with “special dispatch” (37 C.F.R. § 1.550(a)), and its suggestion that the Office handle these two challenges *serially* essentially precludes a “quicker resolution” to the dispute because it adds to the length of time to resolve the dispute. Petitioner’s argument that Patent Owner can be “compensated through monetary relief” does not account for the prejudice of the stay, which chips away at the ’680 Patent’s term and irreparably harms Patent Owner’s ability to compete in the market against Petitioner’s ongoing infringement. And as discussed below, Petitioner had no reason to delay filing this Petition until after the mediation in the first place. Reply at 3-4.

Indeed, Patent Owner noted that “it would be inefficient for the Board to institute trial in this case because the pending reexamination proceeding involves three of the four references raised in this Petition.” POPR at 11 (citing Ex. 1053 at 6-7). That remains true regardless of whether Patent Owner performed an *Advanced Bionics* analysis. *Advanced Bionics* is typically most persuasive when a petitioner raises arguments that patent owner already successfully traversed before the Office, not when a petitioner raises overlapping administrative challenges that have yet to be adjudicated. Nevertheless, the fact that Petitioner raised substantially the same prior art to two different branches of the Office supports discretionary denial.

Petitioner’s statement that the “2019 CTPG guidance on multiple petitions

does not apply here” again fails to respond to the substance of Patent Owner’s arguments and misunderstands the nature of the Board’s discretion. Reply at 3. The fact that the CTPG did not anticipate all of the ways that petitioners could engage in gamesmanship does not strip the Office of its discretion to handle IPR proceedings in a way that promotes innovation and prevents harassment. POPR at 11-12 (establishing that filing multiple challenges against a patent allows petitioners to avoid justification for why it needed to file more than one challenge); CTPG at 62.

Finally, Petitioner’s assertion that the “district court did not rely on the fact that both an IPR and EPR had been filed” is a strawman argument. Reply at 3. Petitioner leveraged the CRU’s exceedingly high institution rate as a way to strengthen its basis for a stay. POPR at 12; Ex. 2013 at 1 (granted EPR requests rate above 90%); *ResMed v. Cleveland Med.*, No. 23-cv-02221, Dkt. 99-1 (N.D. Ohio Jan. 10, 2025) (Petitioner stating “*the ex parte reexamination of the ‘921 and ‘680 patents are already underway.*”) (emphasis added). If the Board blesses the practice of filing parallel EPRs and IPRs, it can expect a proliferation of such challenges and a concomitant increase in administrative challenges, duplication of work, and the strong possibility of inconsistent decisions between forums. The Office need not encourage these tactics, which are at odds with Congress’s intent in passing the AIA.

III. THE BOARD SHOULD EXERCISE ITS DISCRETION TO DENY THE PETITION UNDER 35 U.S.C. § 314(a)

In its cursory Reply, Petitioner failed entirely to address the fact that

institution is inappropriate under *Fintiv* because (1) Petitioner brought this Petition, which is redundant of Petitioner's validity challenges before the District Court, (2) Petitioner engaged in gamesmanship because it waited to submit this Petition, even though it had long-known about the references and arguments, and (3) Petitioner abused the patent system because it has made the same invalidity arguments about the '680 Patent in multiple forums. Petitioner's actions were staggered to maximize the amount of investment required of Patent Owner.

Factor 3 weighs in favor of denial because the parties have already expended significant resources in the Ohio case, and Petitioner's delays and gamesmanship have multiplied the parties' disputes rather than streamlined them. Petitioner takes an overly narrow view of the facts in its analysis of Factor 3, ignoring the full context of the dispute between the parties, where Petitioner has been pursuing validity challenges against Patent Owner's patents for years.

While Petitioner focuses its Factor 3 analysis on the Ohio Court not yet holding a claim construction hearing, the Board recently found Factor 3 is neutral when claim construction briefing is complete in the co-pending litigation **and** the petitioner filed the petition expeditiously. *Samsung Elecs. v. Headwater Rsch.*, IPR2024-01407, Paper 9 at 7-8 (P.T.A.B. Mar. 20, 2025). Here, Petitioner did not file expeditiously, and it waited as long as possible to file this Petition, which "favor[s] denial." *Fintiv*, Paper 11 at 11-12 (if "the evidence shows that the

petitioner did not file the petition expeditiously . . . or even if the petitioner cannot explain the delay in filing its petition, these facts have favored denial”).

Petitioner points to irrelevant facts to distract the Board from Petitioner's egregious delay tactics (Reply at 6), but a holistic view of Petitioner's actions reveals that Petitioner has had no good reason to wait to file this Petition. At the time of filing, the Ohio Court had not issued any order requiring Patent Owner to drop any infringement claims in the Ohio case, and thus Petitioner's argument that it waited until after the mediation to determine whether Patent Owner would drop its claims is without merit. *Id.* Petitioner has no excuse for waiting to file this Petition until after the mediation, let alone over six weeks after the mediation, particularly when Petitioner knew of certain references it asserted in its Petition up to ***nearly two years*** before filing. POPR at 19. If anything, had Petitioner filed its challenge(s) ***before*** mediation, that would have been part of the discussion at the mediation and could have helped the parties work toward a resolution rather than lying in wait with an IPR petition after mediation was unsuccessful.

Factor 4 favors denial because Petitioner does not dispute that there is a significant overlap in the issues raised, and it has not offered any case-narrowing stipulation. Its argument that there is no overlap in validity issues because the Ohio case is stayed ignores the fact that the Court very well may lift its stay in other circumstances, including if the Board denies institution in this case or for any other

related patents that Petitioner has challenged. Reply at 7.

Factor 5. Petitioner is the counterclaim-defendant in the pending Ohio case, and thus, is not only the same party in the litigation, but also the plaintiff that chose the District Court as the venue for this dispute. Petitioner's reliance on the nonprecedential *Huawei Techs. Co. v. WSOU Invs., LLC*, IPR2021-00225, Paper 11 (P.T.A.B. June 14, 2021) fails to account for this fact or that the stay may be lifted before a Final Written Decision issues in this case if the case is instituted.

Factor 6 favors denial because Petitioner's merits are weak and do not rise to the "reasonable likelihood" institution level, let alone the level of "particularly strong" for purposes of the *Fintiv* analysis. *Fintiv*, Paper 11 at 14-15. Petitioner could not dispute any of Patent Owner's patentability arguments in its Reply, which undermines its conclusory assertion that the Petition presented "strong arguments for unpatentability." Reply at 8. Indeed, it ***did not dispute*** Patent Owner's arguments demonstrating how the alleged Toge-Kumar combinations fail to disclose the claimed invention. POPR at 28-41. Thus, Petitioner has no basis to argue for institution to levy against "leaving bad patents enforceable." Reply at 8.

Equitable considerations also tip this factor in favor of discretionary denial. Petitioner derailed litigation with its motion to stay the Ohio case because of its IPR challenges and *ex parte* reexamination requests, which should be rejected as harassing and a misuse of the patent system. POPR at 26-27. Petitioner's citation

to *Oticon Med. AB v. Cochlear Limited*, IPR2019-00975, Paper 15 (P.T.A.B. Oct. 16, 2019), where the Board declined to speculate on the petitioner's intention, is misplaced because there was no evidence regarding the "[p]etitioner's intentions or the effect of a Board proceeding." *Oticon* at 23. Here, Petitioner's procedural history shows its exact intentions to delay the litigation it initiated. POPR at 26-27.

Petitioner levied IPR challenges and *ex parte* reexamination requests to support its motion for a stay, which the District Court granted. Thus, the stay was gained via gamesmanship. Additionally, Petitioner initiated the parties' current dispute in the District Court and fails to explain why it is no longer a suitable venue to resolve that dispute (although its slights against the District Court are suggestive (*e.g.*, Reply at 8)). Ultimately, it is not efficient for a party to begin a case in one forum and then, after running the clock as long as possible and driving up costs as much as possible, decamping for another forum and seek a stay.

Factors 1 and 2. The stay in the Ohio case is based on Petitioner's improper strategy. Thus, Factors 3 through 6, which strongly support denial, outweigh Factors 1 and 2, which are non-dispositive factors. *Fintiv* at 5. The Board must weigh all factors "as part of a balanced assessment of all relevant circumstances of the case, including the merits," which all weigh heavily in favor of denial. *Id.* (cleaned up).

IV. CONCLUSION

Patent Owner requests that the Board deny institution of *inter partes* review.

Dated: April 16, 2025

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CERTIFICATE OF SERVICE

The undersigned certifies, in accordance with 37 C.F.R. § 42.6(e), and pursuant to agreement by the parties that filing with the Board through the P-TACTS constitutes electronic service if Patent Owner provides the foregoing document (excluding exhibits), service was made on the Petitioner as detailed below.

<i>Date of service</i>	April 16, 2025
<i>Manner of service</i>	Electronic Filing and Electronic Mail (PH-ResMed-CleveMed@paulhastings.com)
<i>Documents served</i>	PATENT OWNER'S SUR-REPLY
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