

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE

RESMED CORP.,
Petitioner,

v.

CLEVELAND MEDICAL DEVICES INC.,
Patent Owner.

IPR2023-00565
Patent 10,076,269 B1

Before KATHERINE K. VIDAL, *Under Secretary of Commerce for
Intellectual Property and Director of the United States Patent and
Trademark Office.*

DECISION

Vacating the Decision on Institution and Remanding to the
Patent Trial and Appeal Board for Further Proceedings

I. INTRODUCTION

On March 22, 2023, ResMed Corp. (“Petitioner”) filed a Petition requesting *inter partes* review of claims 1–20 of U.S. Patent No. 10,076,269 B1 (“the ’269 patent”). Paper 1 (“Pet.”). Cleveland Medical Devices Inc. (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). Petitioner also filed an authorized Reply to the Preliminary Response (Paper 11, “Reply”), and Patent Owner filed a corresponding Sur-Reply (Paper 12, “Sur-Reply”).

On September 25, 2023, the Board issued a Decision denying institution of *inter partes* review. Paper 13 (“Dec.”). The Board exercised its discretion under 35 U.S.C. § 314(a) to deny the Petition based on the advanced state of a related litigation pending in the United States District Court for the District of Delaware. *See id.* at 8–18. For additional information on that court, the Board cited to a previous Board decision on institution that discussed the District Court time-to-trial statistics. *See id.* at 11–12 (citing *Vector Flow, Inc. v. HID Global Corp.*, IPR2023-00353 (“*Vector Flow*”), Paper 8, 20 (PTAB July 17, 2023)). In *Vector Flow*, however, I issued a decision on Director Review that vacated the Board’s decision on institution to allow Petitioner there to file a reply to address, *inter alia*, Patent Owner’s evidence and arguments on median time-to-trial statistics relating to Judge Williams. *See Vector Flow*, IPR2023-00353, Paper 11, 7–8.

On October 20, 2023, Petitioner filed a request for rehearing by the Director, seeking Director Review of the Board’s decision denying institution. Paper 14; Ex. 3100. Petitioner raises two issues for Director Review in order of priority: (1) whether the Board abused its discretion in denying Petitioner’s request to address new arguments and evidence raised

in Patent Owner’s Preliminary Response, and (2) an “important policy issue” relating to Petitioner’s differing claim constructions between the Board and the District Court. *See* Ex. 3100; *see also* Ex. 3101.

I have reviewed Petitioner’s request, the Board’s Decision, the relevant papers, and the relevant exhibits of record in this proceeding. I determine that Director Review of the Board’s Decision is appropriate. *See Revised Interim process for Director Review*¹ §§ 4.B, 5.A. Upon review, I determine that the Board should not have relied on a vacated decision, and there was good cause to authorize supplemental briefing to address arguments raised in Patent Owner’s Sur-Reply and restated in Petitioner’s Request on those statistics. Ex. 3003; Paper 14, 6–10. Accordingly, I vacate the Board’s Decision, grant Petitioner’s request for supplemental briefing only on Issue (1) above, authorize Patent Owner to file a supplemental response, and remand to the Board for additional proceedings consistent with this decision.

II. DISCUSSION

In its Preliminary Response, Patent Owner argued that each of the *Fintiv* factors weighs in favor of denying institution. *See* Prelim. Resp. 9–20. In doing so, Patent Owner argued that the trial date in the related litigation is scheduled for August 26, 2024, before the expected date for the final written decision in this proceeding. *Id.* at 11.

Petitioner filed its authorized Reply on July 27, 2023. Paper 11. In its Reply, Petitioner argued that the median time-to-trial in the District of Delaware is 33.7 months. *Id.* at 4–5. Applying the median time-to-trial date

¹ Available at www.uspto.gov/patents/ptab/decisions/revised-interim-director-review-process.

to the related litigation, Petitioner argued that “the expected trial date is approximately March 2025,” about six months after the expected final written decision date in September 2024. *Id.* at 5.

Patent Owner filed its authorized Sur-Reply on August 7, 2023. Paper 12. In its Sur-Reply, Patent Owner argued that the median time-to-trial “data does not, however, accurately reflect Judge Williams’ median-time to trial.” *Id.* at 5. According to Patent Owner, Judge Williams’ median time-to-trial is only 25.6 months, such that the expected trial date is August 2024, similar to the scheduled trial date and prior to the expected final written decision date. *Id.* at 5–6 (citing *Vector Flow*, IPR2023-00353, Paper 8, 20; Ex. 2001, 15).

Separately, on August 10, 2023, I vacated the Board’s decision on institution in *Vector Flow* to allow Petitioner to file a reply to address, *inter alia*, Patent Owner’s evidence and arguments on median time-to-trial statistics relating to Judge Williams. *See* IPR2023-00353, Paper 11. In the current case, Petitioner then sought authorization to file a two-page supplemental brief (Ex. 3003) in response to Patent Owner’s Sur-Reply to:

- (1) address the *Vector Flow, Inc. v. HID Global Corp.*, IPR2023-00353, Paper 8 decision relied on in Patent Owner’s Sur-Reply that I had since vacated, and
- (2) respond to Patent Owner’s new argument in its Sur-Reply about Judge Williams’ purported time to trial statistics, along with submission of additional evidence of case assignment information.

See Ex. 3003. Patent Owner responded that “the Director’s resolution of the *Vector Flow* decision will be sufficient to address Patent Owner’s argument about Judge Williams’ projected time to trial.” *Id.* The Board denied Petitioner’s request. *Id.*

Subsequently, the Board issued a Decision exercising discretion to deny the Petition by evaluating the *Fintiv* factors and determining that “the specific facts of this case weigh in favor of exercising discretion to deny institution.” Dec. 18. When evaluating *Fintiv* Factor 2 (proximity of the court’s trial date), the Board found “that in the circumstances here, the scheduled trial date is a better measure of the expected trial date than the median-time-to-trial statistic.” *Id.* at 11–12. In doing so, the Board credited and relied on the finding in the vacated *Vector Flow* decision that “Judge Williams ‘was recently confirmed to the bench, and he currently presides over approximately 24% fewer patent cases than the average number of patent cases for the other judges in the district.’” *Id.* (citing IPR2023-00353, Paper 8). However, as acknowledged by the parties, I previously vacated the Board’s decision in *Vector Flow*. *See* Ex. 3003; *see also* IPR2023-00353, Paper 11. Accordingly, the Board should not have relied on that decision as support for its analysis.

I find that there is good cause to authorize Petitioner to file a reply on the § 314(a) issues raised by Patent Owner’s Sur-Reply, as specified below. Petitioner did not have the opportunity to address Patent Owner’s new argument on time-to-trial statistics for Judge Williams. *See Vector Flow*, IPR2023-00353, Paper 11, 7–8. The Board relied on the vacated *Vector Flow* decision to resolve the time-to-trial statistics to weigh in favor of discretionarily denying institution. The Board would benefit from additional briefing by the parties on these issues.

Consequently, I vacate the Board’s Decision and remand to the Board for further proceedings. I authorize Petitioner upon remand to file supplemental briefing addressing the vacated *Vector Flow* decision, responding to Patent Owner’s argument regarding Judge Williams’ projected

time-to-trial, and addressing any arguments based on case assignment. *See* Ex. 3003; Paper 14, 6–10. Petitioner shall file its supplemental brief within 14 days of this Order and be limited to two pages, as originally requested by Petitioner. I also authorize Patent Owner to file a supplemental response, limited to two pages, within 14 days of Petitioner’s reply. The parties are permitted to discuss publicly available statistics, but no new evidence is otherwise permitted. The Board shall then issue a decision that reevaluates institution in light of all of the pre-institution papers, including the supplemental briefings from Petitioner and Patent Owner.

III. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Decision Denying Institution (Paper 13) is *vacated*;

FURTHER ORDERED that the case is remanded to the Board for proceedings consistent with the instructions above.

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