

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Cyanotech Corporation
Petitioner

v.

The Board of Trustees of the University of Illinois
Patent Owner

Case: IPR2013-00401
Patent No.: 5,527,533

Before SCOTT E. KAMHOLZ, SHERIDAN K. SNEDDEN, and
GEORGIANNA W. BRADEN, *Administrative Patent Judges*.

**PATENT OWNER'S
REQUEST FOR REHEARING UNDER 37 C.F.R. § 42.71**

Patent owner The Board of Trustees of the University of Illinois (“Patent Owner”) respectfully submits this Request for Rehearing of the Board’s grant of petitions IPR2013-00401 and IPR2013-00402 filed by Cyanotech Corporation (“Petitioner”).

Patent Owner’s Preliminary Response focused on a singular procedural issue—the statutory prohibition barring a party from filing a petition for *inter*

partes review after that party has “filed” a civil action challenging the validity of that patent in federal court. 35 U.S.C. § 315(a)(1). The December 19, 2013 Decision concluded that Petitioner’s previously filed civil action in the United States District Court, District of Hawaii, did not bar the petitions at issue. The Decision based this ruling on federal court decisions addressing different principles and statutes, and certain excerpts of legislative history. Patent Owner respectfully requests reconsideration of this ruling.

First, the language of the statute is clear on its face, and the Decision did not identify any reason for ignoring the clear requirements of the governing statute. *Bd. of Governors of Fed. Res. Sys. v. Dimension Fin. Corp.*, 474 U.S. 361, 368 (1986) (“If the statute is clear and unambiguous that is the end of the matter, for the court, as well as the agency, must give effect to the unambiguously expressed intent of Congress.”) (quoting *Chevron U.S.A. Inc. v. Natural Res. Def. Council, Inc.*, 467 U.S. 837, 842–43 (1984)). Further, it is error to consider the legislative history of a statute before determining whether the wording of that statute is ambiguous. *United States v. Gonzalez*, 520 U.S. 1, 6 (1997) (“Because the language of § 315(a)(1) is clear, “there is no reason to resort to legislative history.”). While the Board may believe the statute should have been written differently, that is an issue for Congress. And as discussed in Patent Owner’s

Preliminary Response, Congress has demonstrated the ability to clearly articulate when more than the mere filing of an action is required. (Prelim. Resp. at 6–8.)

Second, while the Decision correctly quotes the cited cases, none of those cases concerned the statute at issue (or any equivalent statute). Instead, those cases concerned whether plaintiffs had satisfied the statute of limitation (or other administrative time limits for filing) when they had voluntarily dismissed previously-filed action that was within the statute of limitations (or would have affected the time limits for filing the subsequent action). Those cases are not relevant to the § 315(a)(1). While §315(b) serves as a statute of limitations for the availability of the IPR process (one year after the patent owner has filed an infringement action), § 315(a)(1) does not. (See Prelim. Resp. at 14–15.) Section 315(a) simply sets forth a clear and specific prerequisite for the availability of an administrative tribunal as an alternative to the federal court system, and there is nothing in § 315(a)(1) the statute that requires either adjudication on the merits, or co-pendency, of the previously-filed action. In addition, Patent Owner respectfully submits that the correct inquiry is one of statutory interpretation, and the cases cited in the Decision do not address the established process for interpreting statutes or the words of the statute at issue.¹

¹ The last case cited in the Decision, *Univ. of Pittsburgh v. Varian Med. Sys., Inc.*, 569 F.3d 1328, 1333 (Fed. Cir. 2009), addresses the issue of res judicata and is also inapposite. That decision concerns Article III jurisdiction. It does not

Third, Patent Owner’s interpretation of the statute is wholly consistent with the legislative history of the statute. (*See* Prelim. Resp. at 9–10 (citing legislative history specific to § 315(a)).) Patent Owner’s interpretation does not preclude parties from seeking adjudicative at the administrative tribunal as a general matter. (*See* Decision at 11 (“That interpretation would frustrate the Congressional intent of creating an adjudicative process as an alternative to civil litigation, and would lead to the unjustified scenario where a party could challenge a patent in civil litigation but not in *inter partes* review.”)) But the statute is specifically designed to close the door to the IPR process in the situation where a party has filed an action in federal court. By filing in federal court, the party has made its choice of forum. (*See id.* (“That interpretation would frustrate the Congressional intent of creating an adjudicative process as an alternative to civil litigation, and would lead to the unjustified scenario where a party could challenge a patent in civil litigation but not in *inter partes* review. Under § 315(a), parties have a choice of forum to challenge the invalidity of a patent.”).) Patent Owner’s interpretation leaves that

address § 315(a)(1), and is irrelevant to that statute, which limits the availability of an administrative tribunal as an alternative to the federal court system.

Further, the same decisions notes that whether or not the jurisdictional defect is “curable” is an important consideration—here the sovereign immunity defect is *not* curable. *See id.* (“[A] dismissal for lack of standing should generally be without prejudice, particularly when the defect is curable”). It is presumably for this reason that federal courts have found dismissals due to sovereign immunity to be *with* prejudice. (*See* Prelim. Resp. at 12–13.)

choice of forum entirely intact, and is in harmony with the spirit and legislative history of § 315(a)(1).

Fourth, the Hawaii Action was not simply dismissed without prejudice—it was dismissed “without prejudice to Cyanotech bringing its claims in the pending parallel action in the U.S. District Court for the Middle District of Florida.” (*See* Prelim. Resp. at 8 n.4.) It is not correct that the District of Hawaii ruling was “a nullity and [left] the parties [] in the same legal position as if the civil action had never been filed.”

For these reasons, which are more thoroughly advanced in Patent Owner’s Preliminary Response, Patent Owner respectfully requests rehearing of the Decision, and a ruling that the petitions at issue are barred by 35 U.S.C. § 315(a)(1).

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