UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

COVIDIEN LP,
Petitioner,

v.

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION INCORPORATED,
Patent Owner.

Cases
IPR2016-01274 (Patent 7,062,251 B2)
IPR2016-01275 (Patent 7,062,251 B2)
IPR2016-01276 (Patent 7,062,251 B2)

Before KRISTEN L. DROESCH, BRYAN F. MOORE, and FRANCES L. IPPOLITO, *Administrative Patent Judges.*

IPPOLITO, *Administrative Patent Judge*.

ORDER

Dismissing Petitions for *Inter Partes* Review Based on Sovereign Immunity
37 C.F.R. §§ 42.5, 42.72

I. INTRODUCTION[1]

On June 28, 2016, Covidien LP (Petitioner) filed three petitions seeking *inter partes* review of claims 1–18 of U.S. Patent No. 7,062,251 B2 (Exhibit 1001, "the '251 patent") pursuant to 35 U.S.C. §§ 311–19. IPR2016-01274, Paper 2 ("Pet."); IPR2016–01275, Paper 3; IPR2016-01276, Paper 3. Prior to the deadline for Patent Owner University of Florida Research Foundation Incorporated ("UFRF") to file its Preliminary Response, Patent Owner requested a conference call with the Board for authorization to file (1) a motion to dismiss Petitioner's Petition on the basis of UFRF's sovereign immunity and (2) a motion to suspend the deadline for the filing of the Preliminary Response pending the Board's decision on Patent Owner's motion to dismiss based on sovereign immunity. IPR2016-01274, Paper 9 ("Order"). Our September 7, 2016 Order summarizes the August 31, 2016 conference call that took place between counsel for the parties and Judges Ippolito, Moore, and Droesch. Paper 9.

As indicated in our Order, we authorized the filing of Patent Owner's Motion to Dismiss Based on UFRF's Sovereign Immunity (Paper 12, "Mot."), Petitioner's Opposition to Patent Owner's Motion (Paper 15, "Opp."), and Patent Owner's Reply to Petitioner's Opposition (Paper 16, "Reply")[2]. We, however, denied Patent Owner's request to suspend the

[1] This Decision addresses an issue that is identical in all three cases. Therefore, we exercise our discretion to issue one Decision to be filed in each of the three cases. The parties, however, are not authorized to use this style heading in subsequent papers.

[2] Unless indicated otherwise, citations refer to documents filed in IPR2016-01274.

deadline for Patent Owner to file its Preliminary Response. Nonetheless, in consideration of the briefing schedule, we have extended the deadline for the filing of Patent Owner's Preliminary Response to March 3, 2017. *See* Papers 11, 17, 20.[3]

This Decision addresses the issue of whether Patent Owner UFRF is entitled to Eleventh Amendment immunity defense to the institution of an *inter partes* review of the '251 patent.

For the reasons discussed below, we determine that Patent Owner UFRF, as an arm of the State of Florida, is entitled to a sovereign immunity defense to the institution of an *inter partes* review of the challenged patent. Further, we dismiss Petitioner's Petitions in IPR2016-01274, -01275, and -01276 because UFRF has successfully raised this defense in these proceedings.

II. BACKGROUND

By way of background, Patent Owner filed an action in the Circuit Court of the Eighth Judicial District in Florida, Case No. 01 2016 CA 001366, against Petitioner alleging breach of a license contract between the parties involving the '251 patent. Mot. 1; Pet. 2. In that suit, Petitioner responded with a counterclaim seeking a declaratory judgment that it does not infringe the '251 patent. Mot. 1. On this basis, Petitioner successfully removed the state court suit to the United States District Court for the Northern District of Florida. Mot. 1; *Univ. of Fla. Res. Found., Inc. v.*

[3] After filing its Reply, Patent Owner renewed its request to file a motion to suspend the filing deadline for its Preliminary Response. We denied that request, but extended the preliminary response filing date to March 3, 2017. Papers 17, 19, 20.

Medtronic PLC, Case No. 1:16CV183-MW/GRJ, 2016 WL 3869877 (N.D. Fla. July 15, 2016) ("*UFRF v. Medtronic*"). Separately, Petitioner also filed three petitions requesting *inter partes* review of the '251 patent. *See* Pet. 2–3.

Following removal of its dispute to district court, Patent Owner argued there that it is an arm of the State of Florida through the University of Florida. On this basis, UFRF argued that it is entitled to Eleventh Amendment immunity from Petitioner's declaratory judgment counterclaim in the federal court. *UFRF v. Medtronic*, 2016 WL 3869877, at *1. The District Court agreed with Patent Owner and remanded the action back to state court. *Id*. at *1–16. Petitioner has since appealed the District Court's decision, which is currently pending at the Federal Circuit (Appeal No. 16-2422).

III. ANALYSIS

a. Sovereign Immunity in Administrative Proceedings

The Eleventh Amendment of the United States Constitution provides that the "Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State." U.S. CONST. amend. XI. The Supreme Court has interpreted this amendment to encompass a broad principle of sovereign immunity, whereby the Eleventh Amendment limits not only the judicial authority of the federal courts to subject a state to an unconsented suit, but also precludes certain adjudicative administrative proceedings, depending on the nature of those proceedings, from adjudicating complaints filed by a private party

against a nonconsenting State. *Fed. Mar. Comm'n v South Carolina State Ports Auth.*, 535 U.S. 743, 753–761 (2002) ("*FMC*"); *see also Vas-Cath, Inc. v. Curators of Univ. of Missouri*, 473 F.3d 1376, 1383 (Fed. Cir. 2007) (applying *FMC* to interference proceedings and observing that "contested interference proceedings in the PTO bear 'strong similarities' to civil litigation, . . . and the administrative proceeding can indeed be characterized as a lawsuit" (citation omitted)).

Of particular relevance to our inquiry is the Supreme Court's decision in *FMC*. In *FMC*, South Carolina Maritime Services, Inc., a cruise ship company, filed a complaint against the South Carolina State Ports Authority (SCSPA) with the Federal Maritime Commission (Commission) seeking damages and injunctive relief from the SCSPA's repeated denials of Maritime Services' requests for permission to berth a cruise ship in the port facilities in Charleston, South Carolina. *FMC*, 535 U.S. at 747–749. Maritime Services' Complaint was referred to an administrative law judge (ALJ) at the Commission for review. SCPSA moved to dismiss Maritime Services' Complaint because the "Constitution prohibits Congress from passing a statute authorizing Maritime Services to file this Complaint before the Commission and, thereby sue the State of South Carolina for damages and injunctive relief." *Id.* at 749. The ALJ handling the matter agreed with SCPSA and dismissed Maritime Services' Complaint. *Id.*

The Commission then performed its own review of the ALJ's dismissal and found that the doctrine of state sovereign immunity "is meant to cover proceedings before judicial tribunals, whether Federal or State, not executive branch administrative agencies like the Commission." *Id.* at 750.

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