

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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MYLAN PHARMACEUTICALS INC.,  
Petitioner,

v.

POZEN INC. and HORIZON PHARMA USA, INC.,  
Patent Owners.

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Case IPR2017-01995  
Patent 9,220,698 B2

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Before TONI R. SCHEINER, MICHELLE N. ANKENBRAND, and  
DEBRA L. DENNETT, *Administrative Patent Judges*.

DENNETT, *Administrative Patent Judge*.

DECISION  
Denying Patent Owners' Request for Rehearing  
*37 C.F.R. § 42.71*

## I. INTRODUCTION

On March 22, 2018, Pozen Inc. and Horizon Pharma USA, Inc. (“Patent Owners”) filed a Request for Rehearing (Paper 24, “Rehearing Request” or “Reh’g Req.”) of our Decision instituting an *inter partes* review (Paper 18, “Decision” or “Dec.”) of claims 1–7 of U.S. Patent No. 9, 220,698 (Ex. 1001, “the ’698 patent”). In the Decision, we found that Patent Owners failed to show that Petitioner was barred from filing its petition by 35 U.S.C. §§ 315(a) or (b). Dec. 12–15.

We deny the Rehearing Request for the reasons set forth below.

## II. STANDARD OF REVIEW

When considering a request for rehearing, we review the Decision for an abuse of discretion. 37 C.F.R. § 42.71(c). The party requesting rehearing bears the burden of showing that the Decision should be modified, and “[t]he request must specifically identify all matters the party believes [we] misapprehended or overlooked.” 37 C.F.R. § 42.71(d).

## III. ANALYSIS

Patent Owners argue that we misapprehended the facts surrounding Petitioner’s alleged continued assertion of counterclaims of invalidity and non-infringement of the ’698 patent from February 19, 2016 to present, and based our decision on an erroneous interpretation of the law regarding 35 U.S.C. §§ 315(a) and (b). Req. Reh’g 2. In particular, Patent Owners argue that Petitioner’s counterclaims of noninfringement and invalidity of the ’698 patent in Civil Action No. 2:15-cv-03327 (“Case II”) were consolidated into Civil Action 2:16-cv-04921 (“Case III”), thus “there was never a period of time in which the ’698 patent was not at issue” after Petitioner filed counterclaims on the ’698 patent. Reh’g Req. 4. Patent Owners further argue that we failed to consider the decision in *Apple Inc. v.*

*Rensselaer Polytechnic Institute*, Case IPR2014-00319 (PTAB June 12, 2014) (Paper 12) (“*Apple*”), in which the Board determined that Apple’s petition for *inter partes* review was time-barred under 35 U.S.C. § 315(b) based on facts allegedly similar to those of the instant case. Reh’g Req. 2, 5.

The facts of record in this proceeding regarding the district court litigation between the parties involving the ’698 patent prior to the Petition’s filing date are as follows. In response to Patent Owners’ second amended complaint alleging infringement of patents not including the ’698 patent (Case II), Petitioner filed an answer on February 19, 2016 that included counterclaims of invalidity and noninfringement of the ’698 patent. Ex. 2005. Patent Owners’ March 7, 2016 answer to Petitioner’s counterclaim did not assert that Petitioner infringed the ’698 patent. *See generally* Ex. 2006. Patent Owners also did not file an amended complaint asserting infringement of the ’698 patent in Case II. On August 25, 2016, Patent Owners served a complaint on Petitioner alleging infringement of the ’698 patent and related patents (Case III). Paper 16, 1. On September 19, 2016, Petitioner answered the complaint in Case III, and asserted counterclaims of invalidity and noninfringement of the ’698 patent. On February 23, 2017, the district court in Case II issued an order dismissing without prejudice Petitioner’s sixth and twelfth counterclaims (declaratory judgment of noninfringement and invalidity of the ’698 patent). Ex. 1047. The order states, “[t]he parties stipulate to dismiss [Petitioner’s] sixth and twelfth counterclaims [the counterclaims involving the ’698 patent] in . . . Case II, without prejudice. This stipulation of dismissal does not apply to the claims or counterclaims related to the ’698 . . . patent[] in Case III.” *Id.* at 3.

Contrary to Patent Owners’ assertion, the evidence before us does not support that Petitioner’s ’698 patent-related counterclaims in Case II were

consolidated with Case III. Rather, the evidence confirms that the counterclaims were dismissed without prejudice. As we explained in our Decision, “[d]ismissal without prejudice places the parties in a position as if the action was never filed.” Dec. 13. In so finding, we followed *Oracle Corp. v. Click-to-Call Technologies, LP*, in which the Board determined that a dismissal without prejudice does not bar a petitioner from pursuing an *inter partes* review. *Oracle Corp. v. Click-to-Call Techs. LP*, Case IPR2013-00312, slip op. at 17 (PTAB Oct. 24, 2014) (Paper 26) (Precedential) (“*Oracle*”).

Patent Owners request that we reverse our decision based on the (non-precedential) *Apple* decision, urging that our facts and those in *Apple* “are very similar,” and the Board’s reasoning in *Apple* should apply here. Reh’g Req. 5. In *Apple*, patent owner Dynamic Advances, LLC filed a complaint against Apple for infringement of the ’798 patent (*Dynamic I*), and Apple counterclaimed. *Apple*, IPR2014-00319, Paper 12, 3. Subsequently, Rensselaer Polytechnic Institute and Dynamic Advances, LLC jointly filed another complaint against Apple for infringement of the same patent (*Dynamic II*). *Id.* The district court consolidated *Dynamic I* with *Dynamic II*, and dismissed *Dynamic I* without prejudice, ordering that the “parties will proceed to litigate their claims and defenses in [*Dynamic II*], the discovery from *Dynamic I* will be treated as if it was filed in *Dynamic II*, and the parties are bound to positions taken in *Dynamic I*.” *Id.* at 6–7. The Board concluded, based on those facts, “that the *Dynamic I* case did not cease in the same sense as a complaint dismissed without prejudice and without consolidation—it was consolidated with another case, and its complaint cannot be treated as if it never existed.” *Id.* at 7.

The facts before us are distinguishable from those in *Apple*. As explained above, Patent Owners in this case did not file a complaint against Petitioner

alleging infringement of the '698 patent in the earlier case (Case II), but rather, only in the latter case (Case III). *See, e.g.*, Paper 16 at 1; Ex. 2006 ([Patent Owners'] Answer to [Petitioner's] Counterclaims to Second Amended Complaint); Ex. 1047 (Stipulation and Order to Dismiss Certain Counterclaims in Case II). The district court's order in Case II dismissing Petitioner's counterclaims of noninfringement and invalidity of the '698 patent does not mention any claim for infringement of the '698 patent, but only Petitioner's counterclaims related to the '698 patent. *See* Ex. 1047. The order does not indicate that Case II is consolidated with Case III, or that any claims or counterclaims asserted in Case II are consolidated with claims asserted in Case III. *See id.* Instead, the order merely states that the stipulation of dismissal does not apply to claims or counterclaims related to the '698 patent in Case III. The order does not require the parties to litigate any claims from Case II in Case III, does not require discovery from Case II to be treated as if filed in Case III, and does not bind the parties in Case III to positions taken in Case II. *See id.*

Unlike in *Apple*, Petitioner's counterclaims of noninfringement and invalidity in Case II ceased to exist when those claims were dismissed without prejudice. *See Oracle*, Paper 26, 17. Patent Owners fail to demonstrate that we abused our discretion in reaching our conclusion that Petitioner is not time barred under 35 U.S.C. §§ 315(a) or (b).

#### IV. ORDER

It is

ORDERED that Patent Owners' Request for Rehearing is denied.

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