

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LIQUIDIA TECHNOLOGIES, INC.

Petitioner

v.

UNITED THERAPEUTICS CORPORATION

Patent Owner

Patent No. 10,716,793 B2

Issue Date: July 21, 2020

Title: TREPROSTINIL ADMINISTRATION BY INHALATION

Inter Partes Review No. IPR2021-00406

**PATENT OWNER'S NOTICE
OF SUPPLEMENTAL AUTHORITY & STIPULATION**

Patent Owner United Therapeutics Corporation (“UT”) submits this paper to alert the Board to authority that recently became available and that is relevant to its institution decision, *Minerva Surgical, Inc. v. Hologic, Inc.*, __ U.S. __, 141 S.Ct. 2298, 2021 WL 2653265 (June 29, 2021), and to make a stipulation simplifying the issues.

Petitioner argued that “Board should not discretionarily deny” institution because UT is asserting an assignor estoppel defense in parallel district court proceedings based on an inventor’s ties to Liquidia. Pet. at 4. UT rejoined, in part, that its assignor estoppel defense is far from a *fait accompli* and may not survive the Supreme Court’s decision in the then-pending *Minerva* case. POPR at 21-22.

On June 29, 2021, the Supreme Court issued its opinion in *Minerva* and limited assignor estoppel such that it applies only when assertion of invalidity breaches an express or implied promise by the assignor. *Minerva*, slip op. at 14-15. Examples of where assignor estoppel would not apply include “a common employment arrangement” where the employee assigns rights in any future inventions developed in the course of employment to the employer without an express or implied promise of validity. *Id.* at 15.

In view of *Minerva* and in order to simplify the issues in this proceeding, UT makes the following stipulation:

Patent Owner stipulates that, if an IPR is not instituted based upon any of the grounds presented in IPR2021-00406, then Patent Owner will not assert the doctrine of assignor estoppel in the parallel Delaware district court litigation against the grounds presented in IPR2021-00406.

Thus, if the Board exercises its discretion under § 314(a) to not institute trial, assignor estoppel will not prevent Petitioner from pressing the invalidity arguments identified in its Petition in the parallel district court proceeding.

This proffered stipulation is probative because Petitioner's invalidity arguments and prior art in the Petition substantially overlap with Petitioner's prior art contentions in the district court litigation. Thus, should the Board institute in this proceeding, the same arguments will be litigated in both tribunals, with the attendant inefficiency and potential for conflicting outcomes. This is precisely the scenario *Fintiv's* fourth factor seeks to avoid. *See Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 18-19 (PTAB Dec. 1, 2020) (precedential) (finding a stipulation that avoids duplicative PTAB and district court arguments to weigh "strongly in favor of [not] exercising discretion to deny institution under 35 U.S.C. § 314(a)").

Petitioner has argued that this stipulation is ineffective because assignor estoppel cannot be raised (or dropped) on an issue-by-issue basis, but this argument is without merit. Petitioner has provided no authority for its claim that a

court cannot enforce such an agreement and for good reason. Factual stipulations are “binding and conclusive” and “have the effect of withdrawing a fact from issue and dispensing wholly with the need for proof of fact.” *Christian Legal Society Chapter of the Univ. of Hastings of California v. Martinez*, 561 U.S. 661, 677-78 (2010) (quoting 83 C.J.S., Stipulations § 93 (2000)). Furthermore, as *Minerva* makes clear, assignor estoppel is available only where an inventor/assignor later attempts to contradict earlier-made representations. This illustrates that the doctrine depends on the content of the representations, and could apply as to certain arguments (*e.g.*, § 112) but not others (§§ 102/103), depending on the facts.

In the context of a *Fintiv* analysis, the Board has repeatedly found that factual stipulations to not assert particular claims or defenses in district court are effective to mitigate “any concerns of duplicative efforts between the district court and the Board, as well as concerns of potentially conflicting decisions.” *See, e.g., Microchip Technology Inc. v. Bell Semiconductor, LLC*, 2021 WL 1973563 at *6 (2021)(quoting *Sotera Wireless*, Paper 12 at 19) (relying on stipulation waiving limited defenses in parallel district court proceeding); *SK Innovation Co. Ltd. v. LG Chem, Ltd.*, 2021 WL 127133 *9 (PTAB Jan. 12, 2021) (“Patent Owner’s stipulation ensures that it will not assert any claim in the district court action that is not addressed in the ITC’s Final Determination”; finding the stipulation weighed in favor of exercising the Board’s discretion to deny the Petition under § 314(a)).

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By /Stephen B. Maebius/

FOLEY & LARDNER LLP
3000 K St NW
Washington Harbour
Washington, DC 20007
Telephone: (202) 672-5569
Facsimile: (650) 856-3710

Stephen B. Maebius
Registration No. 35,264

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