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Paper 12
Entered: March 13, 2017

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

RESMED LIMITED, RESMED INC., AND RESMED CORP,
Petitioner,
v.
FISHER & PAYKEL HEALTHCARE LIMITED,
Patent Owner.

Case IPR2016-01718
Patent 8,479,741 B2

Before RICHARD E. RICE, BARRY L. GROSSMAN, and JAMES J. MAYBERRY, *Administrative Patent Judges*.

GROSSMAN, *Administrative Patent Judge*.

DECISION
Denying Institution of Inter Partes Review
37 C.F.R. § 42.108

I. INTRODUCTION

A. Background

ResMed Limited, ResMed Inc., and ResMed Corp (collectively, "Petitioner") filed a Petition (Paper 4, "Pet.") requesting an *inter partes* review of claims 2–4, 6–10, 12–17, 19, 20, and 35 of U.S. Patent No. 8,479,741 B2 (Ex. 1001, "the '741 patent"). Petitioner supported the Petition with a 142 page declaration from John Izuchukwu, Ph.D., P.E. (Ex. 1008). Fisher & Paykel Healthcare Limited ("Patent Owner") filed a Preliminary Response (Paper 10, "Prelim. Resp.").

Under 35 U.S.C. § 314, an *inter partes* review may not be instituted "unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." 35 U.S.C. § 314(a). The Board acts on behalf of the Director. 37 C.F.R. § 42.4(a). Upon considering the Petition and the Preliminary Response, we determine that Petitioner has not shown a reasonable likelihood that it would prevail with respect to at least one of the challenged claims. Accordingly, we do not institute an *inter partes* review.

B. Related Proceedings

The parties identify a related federal district court case involving the '741 Patent: *Fisher & Paykel Healthcare Ltd. v. ResMed Corp.*, Case No. 3:16-cv-02068-GPC-WVG (S.D. Cal.). Pet. 1; Paper 7, 1–2.

The parties also inform us that Petitioner filed and then voluntarily dismissed, without prejudice, a declaratory judgment action challenging the validity of the '741 Patent (*ResMed Inc. v. Fisher & Paykel Healthcare Corporation Limited*, Case No. 3:16-cv-02072-JAH-MDD (S.D. Cal.).

Pet. 1–2; Paper 7, 1; *see* Ex. 1046 (Petitioner's Notice of Voluntary Dismissal Without Prejudice).

There are several pending *inter partes* reviews between the parties related to the '741 patent. Petitioner is seeking *inter partes* review of claims 1, 21–25, 27–31, 33, and 34 of the '741 patent in a separate petition (IPR2016-01714). The '741 patent is a continuation of the application that matured into Patent No. 8,443,807 ("the '807 patent"). Petitioner also is seeking *inter partes* review of the claims in the '807 patent (IPR2016-01726; 01734).

Petitioner also seeks *inter partes* review of several patents related to the general subject matter of the '741 patent, including IPR2016-01716; 01717; 01719; 01723; 01724; 01725; 01727; 01729; 01730; 01731; and 01735.

C. Statutory Bar Under 35 U.S.C. § 315(a)(1)

Patent Owner argues that the Petition is barred under 35 U.S.C. § 315(a)(1) because Petitioner filed a declaratory judgment action for invalidity of the '741 Patent on August 16, 2016, and before filing the instant Petition. Prelim. Resp. 10–17. That action, however, was voluntarily dismissed without prejudice on August 18, 2016, well before the instant Petition was filed. Pet. 1–2 (citing Ex. 1046). As such, Patent Owner's argument fails because prior Board decisions have consistently interpreted 35 U.S.C. § 315(a)(1) as not barring *inter partes* review if the previously filed civil action was dismissed without prejudice, which is the case here. *See, e.g.*, *Microsoft Corp. v. Parallel Networks Licensing, LLC*, Case IPR2015-00486, slip op. at 6–7 (PTAB Jul. 15, 2015) (Paper 10); *Oracle*

Corp. v. Click-to-Call Techs. LP, Case IPR2013-00312, slip op. at 12–13 (PTAB Oct. 28, 2014) (Paper 52).

Patent Owner now challenges the Board's consistent interpretation of 35 U.S.C. § 315(a)(1). Prelim. Resp. 10–17. But Patent's Owner's arguments are in direct contrast to a decision in the related district court action, which relied upon the Board's consistent interpretation of 35 U.S.C. § 315(a)(1) in deciding whether to impose a stay pending our resolution of this proceeding. Ex. 3001. There, Patent Owner argued the statutory bar as a reason the court should not impose a stay. *Id.* at 3. Noting that Petitioner's declaratory judgment action was voluntarily dismissed "without prejudice" prior to the instant Petition being filed, the district court held that "the effect of a voluntary dismissal w/out prejudice is to render the prior action a nullity" such that it is "treated as if it was not 'filed' at all" and thus "cannot give rise to a statutory bar under 35 U.S.C. § 315(a)(1)." *Id.* at 4. In doing so, the district court relied upon, and expressly adopted, the reasoning of prior Board decisions that came to a similar conclusion.[1] *Id.* Moreover, the district court in the related action noted that "at least eight Circuits had likewise determined that a dismissal without prejudice makes the situation as if the action never had been filed."[2] *Id.*

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[1] The district court may have recognized that "an agency's interpretation of the statute under which it operates is entitled to some deference." *Southeastern Community College v. Davis*, 442 U.S. 397, 411 (1979).

[2] *See, e.g., Holloway v. U.S.*, 60 Fed. Cl. 254, 261 (2004), *aff'd* 143 F. App'x 313 (Fed. Cir. 2005) (treating civil action dismissed without prejudice "as if it never existed."); *Bonneville Assoc., Ltd. P'ship v. Barram,* 165 F.3d 1360, 1364 (Fed. Cir. 1999) ("The rule in the federal courts is that '[t]he effect of a

We see no reason to deviate from our prior decisions interpreting 35 U.S.C. § 315(a)(1) or the district court's concurring analysis of this issue, and Patent Owner's arguments to the contrary do not persuade us otherwise. As such, we hold that the Petition is not barred by 35 U.S.C. § 315(a)(1).

D. Prior Consideration of Arguments under § 325(d)

Under 35 U.S.C. § 325(d), the Board, acting on behalf of the Director, may take into account whether, and reject a petition because, the same or substantially the same prior art or arguments previously were presented to the Office. Patent Owner argues that the Board should exercise its discretion under § 325(d) and deny institution of a trial because Gunaratnam was expressly considered by the PTO during prosecution of the '741 patent. Prelim. Resp. 38–39. We recognize that Gunaratnam was considered and applied by the Examiner during the PTO proceedings leading to issuance of the '741 patent. The specific combination of references asserted in the Petition, the evidence provided by the Declaration testimony of Dr. Izuchukwu, and the specific factual issues raised by the Petition and newly cited references, however, were not previously considered. Accordingly, we do not reject or deny the Petition under § 325(d).

E. The '741 Patent

In an effort to treat obstructive sleep apnea, a technique known as Continuous Positive Airway Pressure (CPAP) was devised to supply

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voluntary dismissal without prejudice pursuant to Rule 41(a) is to render the proceedings a nullity and leave the parties as if the action had never been brought.'") (citations and some internal quotations omitted).

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