

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MEDTRONIC, INC.,
Petitioner,

v.

ROBERT BOSCH HEALTHCARE SYSTEMS, INC.,
Patent Owner.

Case IPR2014-00488 (Patent 7,769,605 B2)
Case IPR2014-00607 (Patent 7,870,249 B2)¹

Before MIRIAM L. QUINN, STEPHEN C. SIU, and JUSTIN T. ARBES,
Administrative Patent Judges.

ARBES, *Administrative Patent Judge.*

DECISION
Petitioner's Requests for Rehearing
37 C.F.R. § 42.71

¹ Case IPR2014-00691 has been consolidated with Case IPR2014-00607. This Decision addresses issues pertaining to both cases. Therefore, we exercise our discretion to issue a single Decision to be filed in each case. The parties are not authorized to use this style heading for any subsequent papers.

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On March 16, 2015, we granted Patent Owner Robert Bosch Healthcare Systems, Inc.’s (“Bosch”) Motion to Terminate the instant proceedings on the basis that Petitioner Medtronic, Inc. (“Medtronic”) failed to identify Cardiocom, LLC (“Cardiocom”) as a real party-in-interest under 35 U.S.C. § 312(a)(2), and vacated the Decision on Institution in each proceeding. *See* IPR2014-00488, Paper 52 (“Dec.”); IPR2014-00607, Paper 56. Medtronic filed a Request for Rehearing in each proceeding and, pursuant to our authorization provided to the parties by email on April 9, 2015, Bosch filed Oppositions to the Requests.² For the reasons stated below, Medtronic’s Requests for Rehearing are *denied*.

The burden of showing that the Decision granting Bosch’s Motion to Terminate should be modified lies with Medtronic, the party challenging the Decision. 37 C.F.R. § 42.71(d). A request for rehearing “must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed.” *Id.* Medtronic makes six arguments in its Requests, which we address in turn.

First, Medtronic argues that the Decision is inconsistent with *In re Cuozzo Speed Techs., LLC*, 778 F.3d 1271 (Fed. Cir. 2015), which was issued after briefing was completed on Bosch’s Motion to Terminate, but prior to our Decision. Req. Reh’g 1, 3–4. Medtronic contends that in *Cuozzo*, the original petition seeking *inter partes* review was incomplete under § 312(a) because it “did not cite the prior art/claim combination upon

² The parties filed similar papers in both of the instant proceedings. *See* IPR2014-00488, Papers 54 (“Req. Reh’g”), 57 (“Opp.”); IPR2014-00607, Papers 58 (“-607 Req. Reh’g”), 61 (“-607 Opp.”). Unless otherwise specified, we refer to the papers and exhibits filed in Case IPR2014-00488 for convenience.

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which trial was instituted and the final written decision was based,” but the Federal Circuit “rejected [the patent owner’s] challenge to the petition as defective, holding that the decision to institute is final and review of that decision is prohibited.” *Id.* Thus, according to Medtronic, any defect under § 312(a), including the failure to name a real party-in-interest under § 312(a)(2), is “washed clean” by a decision instituting an *inter partes* review, which is final and cannot be vacated after institution. *Id.*

We are not persuaded that *Cuozzo* is relevant to the issue in these proceedings. In *Cuozzo*, the Board instituted an *inter partes* review based on prior art grounds that were raised in the petition for some, but not all, of the challenged claims. 778 F.3d at 1275. Following a final written decision determining all of the claims to be unpatentable, the patent owner argued on appeal that the Board’s original institution decision was improper. *Id.* at 1276. The issue was whether 35 U.S.C. § 314(d), which provides that “[t]he determination by the Director whether to institute an *inter partes* review . . . shall be final and nonappealable,” prohibits appellate review of a Board decision instituting an *inter partes* review, even after a final written decision. *Id.* at 1274, 1276. The Federal Circuit held that it does. *Id.* at 1276. Thus, *Cuozzo* dealt only with the scope of *appellate* review of institution decisions under § 314(d), not whether an institution decision may be vacated *by the Board* during the course of an *inter partes* review (e.g., based on facts that come to light after institution).

Further, contrary to Medtronic’s suggestion, our Decisions on Institution in these proceedings did not “wash clean” any failure to name all real parties-in-interest. We made no finding in the Decisions on Institution that Medtronic had correctly named all real parties-in-interest, instead

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stating only that Bosch “has not pointed to sufficient facts to show, *at this stage of the proceeding*, that [Medtronic] failed to name all real parties-in-interest, and we do not deny the Petition[s] on that basis.” Paper 17, 9–11 (emphasis added). Thus, even if Medtronic is correct that the Board’s determination in *Cuozzo* that certain grounds warranted institution “washed clean” a § 312(a)(3) defect in the petition, we made no analogous determination in these proceedings. *See Cuozzo*, 778 F.3d at 1277 (citing *In re Hiniker Co.*, 150 F.3d 1362, 1367 (Fed. Cir. 1998), which held that a “flawed decision to institute reexamination” was not a basis for reversing a final decision because any error in instituting reexamination was “washed clean” by an *Office* decision to rely on new prior art during the proceeding).

Second, Medtronic argues that even if Cardiocom should have been named as a real party-in-interest, Medtronic should be permitted to revise its Petitions to name Cardiocom now, without the Petitions being accorded a new filing date, because “no statute or rule requires or even allows” a petition to be accorded a new filing date when the real parties-in-interest are changed. Req. Reh’g 4–5. We rejected this argument in the Decision, determining that Medtronic’s Petitions would be accorded a new filing date under 35 U.S.C. § 312(a)(2) and 37 C.F.R. § 42.106(b), and see no reason to alter that determination now. *See* Dec. 18–20. A request for rehearing is not an opportunity to reiterate arguments that were addressed in a decision and merely express disagreement.

Medtronic also cites the advisory committee notes to Federal Rule of Civil Procedure 17 and *Mitchell Food Prods., Inc. v. United States*, 43 F. App’x 369, 369–70 (Fed. Cir. 2002), in support of its position that a petitioner may change its designated real parties-in-interest at any time

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without the petition being accorded a new filing date. Req. Reh'g 5–7. Again, we considered and addressed these arguments in the Decision. *See* Dec. 18–20. The Federal Rules of Civil Procedure do not apply to *inter partes* review proceedings, and even if they did, Medtronic has not explained how the procedures of Rule 17 can be reconciled with the statutory requirement of § 312(a)(2) that a petition may not be “considered” unless it identifies “all real parties in interest.” *See id.*; *Reflectix, Inc. v. Promethean Insulation Tech. LLC*, Case IPR2015-00039, slip op. at 17–18 (PTAB Apr. 24, 2015) (Paper 18) (rejecting a similar argument based on Rule 17). *Mitchell* is inapposite for similar reasons, as it dealt with Rule 17's requirement that a district court action be prosecuted in the name of the real party-in-interest, not whether a petitioner has met its statutory obligation to identify all real parties-in-interest under § 312(a)(2).

Third, Medtronic argues that we erred in determining that it was acting as a “proxy” for Cardiocom because we ignored Medtronic's evidence that it exercises exclusive control over these proceedings. Req. Reh'g 7–8. To the contrary, we reviewed and evaluated all of the evidence submitted by the parties, including the declarations and documents again cited by Medtronic in its Requests for Rehearing. *See* Dec. 9–17. As explained in the Decision, whether a non-party is a real party-in-interest is a “highly fact-dependent question,” taking into account, among other things, the non-party's “relationship with the petitioner,” the non-party's “relationship to the petition itself, including the nature and/or degree of involvement in the filing,” and “the nature of the entity filing the petition.” *Id.* at 7–8 (citing the Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,759–60 (Aug. 14, 2012)). No one fact was dispositive here; it

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was the totality of the evidence that showed Cardiocom to be a real party-in-interest, i.e., “the party that desires review of the patent[s].” *Id.* at 7, 16; Opp. 7–9. We did not ignore any evidence submitted by Medtronic. We drew inferences from the facts supported by the evidence and disagreed with Medtronic’s assessment of that evidence.

Fourth, Medtronic argues that we misapplied legal precedent in determining that a non-party “proxy” can be a real party-in-interest, without a showing that the non-party exercised control over the named party. Req. Reh’g 8–11. Specifically, Medtronic contends that we erred in relying on *California Physicians’ Serv. v. Aoki Diabetes Research Inst.*, 163 Cal. App. 4th 1506 (Cal. App. 2008), and *Taylor v. Sturgell*, 553 U.S. 880 (2008). *Id.* Medtronic’s arguments are not persuasive. The Supreme Court in *Taylor* described one category of situations where non-party preclusion may occur as a non-party “assum[ing] control” over a proceeding, and a separate category where a party relitigates through a “proxy.” *See* 553 U.S. at 895; Dec. 8–9, 17–18; *RPX Corp. v. VirnetX, Inc.*, Case IPR2014-00171, slip op. at 6–7 (PTAB July 14, 2014) (Paper 57). Moreover, as explained in the Decision, control is but one factor in the assessment of the totality of the circumstances. *See* Dec. 7–8, 17. Medtronic’s position improperly would make control a strict requirement in every non-party preclusion situation, including that of a party relitigating through a “proxy.”

Fifth, Medtronic argues that we misapprehended the significance of an email dated April 15, 2014, from Bosch to Medtronic, stating that Bosch would like to “re-ignite the communication” between the two companies. Req. Reh’g 11–12 (citing Ex. 2086). We concluded that because the email was dated after the filing of the Petitions in Cases IPR2014-00488 and

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IPR2014-00607, it could not have factored into Medtronic's decisions to file the Petitions. Dec. 10. Medtronic asserts that the email corroborates a declaration from a Medtronic employee stating that Medtronic had an independent interest in challenging the patents at issue. Req. Reh'g 11–12 (citing Ex. 1033). The email, however, only references communications from 2007, which was years before the challenged patents issued in 2010 and 2011. Ex. 2086. As Bosch correctly points out, there could not have been any discussions regarding the patents in 2007 to subsequently “re-ignite” in 2014. Opp. 7 n.1. Medtronic also does not provide any other evidence showing communications between the two companies about the challenged patents after 2007 that could have been “re-ignited.” Thus, we are not persuaded that we misapprehended anything in our analysis of the email.

Sixth, Medtronic argues that we misapprehended certain facts pertaining to Case IPR2014-00691, which was consolidated with Case IPR2014-00607. -607 Req. Reh'g 11–15. Contrary to Medtronic's arguments, we did not misapprehend the differences between Case IPR2014-00691 and the other two proceedings, and described them at length in the Decision. For instance, Medtronic argues that we incorrectly found that the April 15, 2014 email from Bosch to Medtronic could not have factored into Medtronic's decision to file the Petitions because Medtronic's Petition in Case IPR2014-00691 was filed ten days after the email, but we expressly acknowledged the time difference in the Decision, stating that the email “was sent on April 15, 2014—after the Petitions *in Cases IPR2014-00488 and IPR2014-00607* were filed.” See Dec. 10 (emphasis added); -607 Req. Reh'g 12. Likewise, Medtronic contends that we

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misapprehended that its counsel in Case IPR2014-00691 had no relation to Cardiocom and that Cardiocom was not billed for any fees incurred for preparing the Petition in Case IPR2014-00691. -607 Req. Reh’g 13–15. Again, we considered these facts and noted them in the Decision. *See* Dec. 4–5, 14–15. To the extent Medtronic takes issue with our use of the phrasing “the Petitions” in the Decision, such language is properly understood by reference to the sentences that precede it, which discuss Cases IPR2014-00488 and IPR2014-00607. *See id.* at 10, 14–15 (noting that the email was sent “after the Petitions in Cases IPR2014-00488 and IPR2014-00607 were filed,” and “the evidence of record shows that Cardiocom paid a portion of the fees incurred for preparing the Petitions in Cases IPR2014-00488 and IPR2014-00607”); -607 Req. Reh’g 12–15.

We considered all of the evidence of record, including differences between Case IPR2014-00691 and the other two proceedings, in our Decision. Given the numerous similarities to the facts of the other proceedings, however, we did not view those differences to be substantial enough that Cardiocom would be a real party-in-interest in Cases IPR2014-00488 and IPR2014-00607, but not in Case IPR2014-00691. Indeed, as explained in the Decision, the vast majority of the analysis applies to all three proceedings. *See* Dec. 9–13, 16; -607 Opp. 7–8. For example, Cardiocom is the party accused of infringing the challenged patents in the district court case, not Medtronic. Dec. 9–11. Cardiocom filed its own petitions seeking *inter partes* review of the challenged patents, naming itself as the real party-in-interest. *Id.* at 11. Cardiocom made statements in the district court case suggesting that it is a real party-in-interest for purposes of the instant proceedings, or, at the very least, that it has a collective interest

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with Medtronic. *Id.* at 11–13. The Petitions rely on similar prior art references and arguments as Cardiocom’s petitions in the earlier proceedings, and portions of Dr. Stone’s testimony in the instant proceedings are identical to his testimony in the earlier proceedings, such that Medtronic’s Petitions enjoyed the benefit of work done previously, and paid for, by Cardiocom.³ *Id.* at 3–5, 16. The totality of the evidence, not any one fact alone, demonstrates that Cardiocom should have been named as a real party-in-interest in all three Petitions. *Id.* at 16. Accordingly, we are not persuaded that we misapprehended or overlooked any facts regarding Case IPR2014-00691.

Medtronic has not carried its burden of demonstrating that we misapprehended or overlooked anything in the Decision granting Bosch’s Motion to Terminate.

In consideration of the foregoing, it is hereby:

ORDERED that Medtronic’s Requests for Rehearing in the instant proceedings are *denied*.

³ In the Decision, we provided citations to arguments and declarant testimony from Cases IPR2013-00439 and IPR2014-00488 to show the similarities between the earlier proceedings and the instant proceedings. Dec. 16 n.7. Those citations were exemplary only. A similar comparison may be made between Cases IPR2013-00460 and IPR2014-00691. *Compare* IPR2013-00460, Paper 5, 10–59 (relying on Goodman, Wahlquist, Bittorf, Fu, and Cohen), *with* IPR2014-00691, Paper 2, 8–60 (relying on Goodman, Wahlquist, Bittorf, Wright Jr., Kaufman, Jeacock, and Lyons, and discussing Case IPR2013-00460); *compare* IPR2013-00460, Ex. 1009 ¶¶ 1–6, 17–21, *with* IPR2014-00691, Ex. 1009 ¶¶ 8–12, 23, 64–67.

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