

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FISHER & PAYKEL HEALTHCARE LIMITED,
Petitioner,

v.

RESMED LIMITED,
Patent Owner.

Case IPR2017-01659
Patent 9,119,931 B2

Before BARRY L. GROSSMAN, BEVERLY M. BUNTING and
JAMES J. MAYBERRY, *Administrative Patent Judges*.

BUNTING, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314 and 37 C.F.R. § 42.108

I. INTRODUCTION

A. Background

Fisher & Paykel Healthcare Limited (“Petitioner”) filed a petition (Paper 1, “present Petition” or “Pet.”) requesting an *inter partes* review of claims 1, 4–8, 10–22, 25, 26, 28–32, 46, 51, 53–56, and 65 (“the challenged claims”) of U.S. Patent No. 9,119,931 B2 (Ex. 1501, “the ’931 patent”). ResMed Limited (“Patent Owner”) filed a preliminary response to the Petition. (Paper 7, “Prelim. Resp.”).

We have authority to determine whether to institute an *inter partes* review. 35 U.S.C. § 314; 37 C.F.R. § 42.4(a). Under the circumstances of this case, for the reasons explained below, we exercise our discretion under 35 U.S.C. § 314(a) and 37 C.F.R. § 42.108(a) to not institute *inter partes* review of the challenged claims.

B. Related Proceedings

The parties state that the ’931 patent has been asserted in: *Fisher & Paykel Healthcare Ltd. v. ResMed Corp.*, Case No. 3:16-cv-02068-DMS-WVG (S.D. Cal.). Pet. 11–12; Paper 3, 2. The parties also indicate that the ’931 patent was involved in U.S. International Trade Commission Investigation No. 337–TA–1022. Pet. 11; Paper 3, 2–3.

Petitioner concurrently filed another petition requesting *inter partes* review of the ’931 patent, IPR2017-01658. Pet. 12; Paper 3, 3. Petitioner previously filed four additional petitions for *inter partes* review of the ’931 patent. See IPR2017-00061 (“’61 IPR”), IPR2017-00062, IPR2017-00064, and IPR2017-00065 (“’65 IPR”); Pet. 12; Paper 4, 3.

C. The '931 Patent

The '931 patent, titled "Mask System," issued on September 1, 2015, and claims priority based on a series of applications dating back to February 27, 2009, as well as several provisional applications dating back to September 19, 2008. Ex. 1501, 1:6–17. The '931 patent relates generally to a mask system for treatment of "Sleep Disordered Breathing" ('SDB') using "Continuous Positive Airway Pressure ('CPAP') or "Non-Invasive Positive Pressure Ventilation ('NIPPV')." *Id.* at 1:21–24.

Figure 3 of the '931 patent is reproduced below.

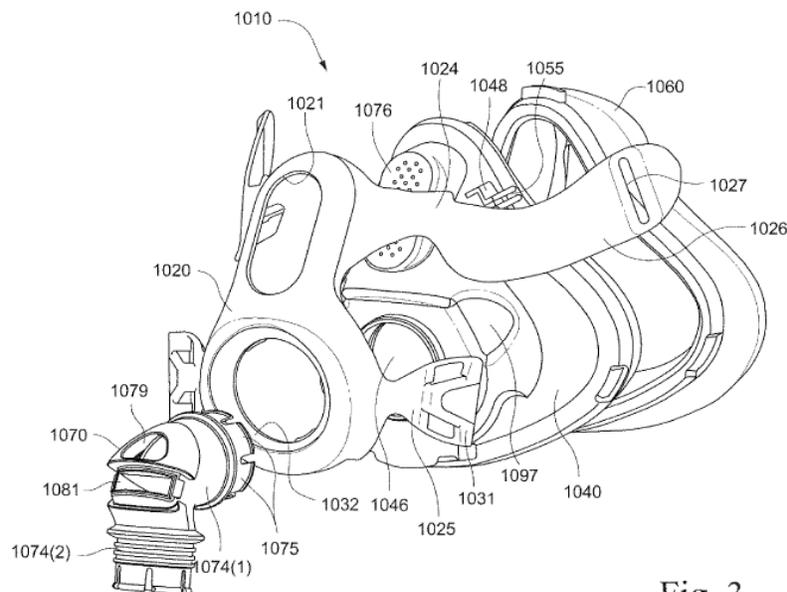


Fig. 3

Figure 3 depicts mask system 1010 comprising frame 1040, mask cushion 1060, shroud 1020, and elbow 1070. *Id.* at 6:51–53. The frame defines a breathing chamber adapted to receive the patient's nose and mouth and includes an opening 1046 that communicates with elbow 1070. *Id.* at 6:60–64. The frame 1040 also includes vent arrangement 1076, shown in Figure 3, protruding from frame 1040. *Id.* at 7:22–23. Opening or vent

receiving hole 1021 in shroud 1020 accommodates the protruding vent arrangement. *Id.* at 7:21–23.

Of the challenged claims, claims 1, 43, 51, 56, and 57 are independent. Claims 4–8, 10–22, 25, 26, and 28–32 depend, directly or indirectly, from claim 1. Claim 46 depends directly from claim 43. Claims 53–55 depend, directly or indirectly, from claim 51. Claim 65 depends directly from claim 57. Claim 1 is representative and is reproduced below:

1. A mask system, comprising:
 - (i) a shroud module; wherein the shroud module includes headgear connectors adapted to removably attach to respective headgear straps of headgear; and
 - (ii) a cushion module, comprising:
 - a rigid or semi-rigid frame defining a breathing chamber; and
 - a cushion to form a seal with the patient's face in a nasal bridge region, a cheek region and a lower lip/chin region of the patient's face,
 - wherein the cushion is constructed of a first, relatively soft, elastomeric material and the frame is constructed of a second material that is more rigid than the cushion,
 - wherein the shroud module and the cushion module are configured to be removably and non-rotatably coupleable to one another; and
 - wherein the frame includes a protruding vent arrangement having a plurality of holes, wherein the shroud module includes a first opening to accommodate said protruding vent arrangement, and further wherein the shroud module includes a second opening positioned to align with a frame opening of the frame leading to the breathing chamber.

Ex. 1501, 24:6–29.

D. Procedural History

1. 61 IPR

On October 12, 2016, Petitioner filed the 61 IPR requesting *inter partes* review of claims 1, 4–8, 10–22, 25, 26, 28–37 and 40–42 of the '931 patent based on the following grounds of unpatentability (Ex. 2002, 15–16):

Reference(s)	Basis	Claims Challenged
D'Souza ¹ and Ultra Mirage ²	§ 103(a)	1, 6, 10, 11, 18, 31, and 32
D'Souza, Ultra Mirage, and Matula-II ³	§ 103(a)	4, 5, 26, 33, 37, and 40–42
D'Souza, Ultra Mirage, and FlexiFit ⁴	§ 103(a)	7 and 8
D'Souza, Ultra Mirage, and Barnett ⁵	§ 103(a)	12, 14, 16, and 17
D'Souza, Ultra Mirage, and Lovell ⁶	§ 103(a)	13
D'Souza, Ultra Mirage, and Jaffre ⁷	§ 103(a)	15
D'Souza, Ultra Mirage, FlexiFit, and Gunaratnam-II ⁸	§ 103(a)	19–21 and 25
D'Souza, Ultra Mirage, FlexiFit, Gunaratnam-II, and Matula-II	§ 103(a)	22

¹ WO 2007/041751 A1, pub. Apr. 19, 2007 (Ex. 1510, “D’Souza”).

² ResMed product brochure describing the “Ultra Mirage™ Full Face Mask” (Ex. 1516, “Ultra Mirage”).

³ US 2007/0044804 A1, pub. Mar. 1, 2007 (Ex. 1512, “Matula-II”).

⁴ Fisher & Paykel Healthcare Corporation Limited product brochure describing the “FlexiFit™431 Full Face Mask” (Ex. 1517, “FlexiFit”).

⁵ US 6,412,488 B1, iss. July 2, 2002 (Ex. 1513, “Barnett”).

⁶ US 6,631,718 B1, iss. Oct. 14, 2003 (Ex. 1514, “Lovell”).

⁷ US 6,851,425 B2, iss. Feb. 8, 2005 (Ex. 1515, “Jaffre”).

⁸ US 2004/0226566 A1, pub. Nov. 18, 2004 (Ex. 1519, “Gunaratnam-II”).

Reference(s)	Basis	Claims Challenged
D'Souza, Ultra Mirage, Matula-II, FlexiFit, and Barnett	§ 103(a)	28–30
D'Souza, Ultra Mirage, Matula-II, and Barnett	§ 103(a)	34 and 36
D'Souza, Ultra Mirage, Matula-II, and FlexiFit	§ 103(a)	35

On March 23, 2017, we instituted an *inter partes* review as to claims 33–37 and 40–42. Ex. 2003, 24–25. Because we were not persuaded by Petitioner “that the combination of D’Souza and Ultra Mirage teaches or suggests ‘a protruding vent arrangement having a plurality of holes,’” we determined that Petitioner had not established a reasonable likelihood of prevailing on its challenge to claims 1, 4–8, 10–22, 25, 26, and 28–32 as obvious over D’Souza and Ultra Mirage and did not institute review as to those claims. *Id.* at 15–16.

2. 65 IPR

On October 12, 2016, Petitioner filed the 65 IPR requesting *inter partes* review of claims 1, 4–8, 10–22, 25, 26, 28–32, 46, 51, 53–56, and 65 of the ’931 patent based on the following grounds of unpatentability (Ex. 2008, 11–12):

Reference(s)	Basis	Claims Challenged
Matula-I, ⁹ Ogden, ¹⁰ and Gunaratnam-I ¹¹	§ 103(a)	1, 6–8, 11, 12, 26, and 31–32
Matula-I, Ogden, Gunaratnam-I, and Matula-II	§ 103(a)	4, 5, 10, and 65
Matula-I, Ogden, Gunaratnam-I, and Lovell	§ 103(a)	13, 14, and 18
Matula-I, Ogden, Gunaratnam-I, Matula-II, and Lovell	§ 103(a)	28–30
Matula-I, Ogden, Gunaratnam-I, and Worboys ¹²	§ 103(a)	15
Matula-I, Ogden, Gunaratnam-I, and Barnett	§ 103(a)	16 and 17
Matula-I, Ogden, Gunaratnam-I, and Gunaratnam-II	§ 103(a)	19–22 and 25
Matula-I, Ogden, Gunaratnam-I, Matula-II, Gunaratnam-II, and Worboys	§ 103(a)	46, 51, and 53–56

On April 11, 2017, we denied *inter partes* review of claims 1, 4–8, 10–22, 25, 26, 28–32, 46, 51, 53–56, and 65 based on all asserted grounds. Ex. 2009, 14. Specifically, we were not persuaded by Petitioner “that the combination of Matula-I and Gunaratnam-I teaches or suggests the protruding vent arrangement limitation.” *Id.*

⁹ WO 2007/147088 A2, pub. Dec. 21, 2007 (Ex. 1523, “Matula-I”).

¹⁰ US 5,662,101, iss. Sept. 2, 1977 (Ex. 1529, “Ogden”).

¹¹ US 6,796,308 B2, iss. Sept. 28, 2004 (Ex. 1524, “Gunaratnam-I”).

¹² WO 2007/045008 A1, pub. Apr. 26, 2007 (Ex. 1522, “Worboys”).

E. Asserted Grounds of Unpatentability in the Present Petition

On June 22, 2017, Petitioner filed the present Petition challenging claims 1, 4–8, 10–22, 25, 26, 28–32, 46, 51, 53–56, and 65 of the ’931 patent based on the following grounds of unpatentability (Pet. 18–19):

Reference(s)	Basis	Claims Challenged
D’Souza and Hitchcock ¹³	§ 103(a)	1, 6–8, 10, 11, 18, 31, and 32
D’Souza and Hitchcock and Matula-II	§ 103(a)	4, 5, and 26
D’Souza and Hitchcock, and Barnett	§ 103(a)	12, 14, and 16
D’Souza, Hitchcock, and Lovell	§ 103(a)	13
D’Souza, Hitchcock, and Jaffre	§ 103(a)	15
D’Souza, Hitchcock, Barnett, and Ultra Mirage	§ 103(a)	17
D’Souza, Hitchcock, FlexiFit, and Gunaratnam-II	§ 103(a)	19, 21 and 25
D’Souza, Hitchcock Flexifit, Gunaratnam-II, and Sprinkle	§ 103(a)	20
D’Souza, Hitchcock, FlexiFit, Gunaratnam-II, and Matula-II	§ 103(a)	22
D’Souza, Hitchcock, Matula-II, and Barnett	§ 103(a)	28–30, and 65
D’Souza, Hitchcock FlexiFit, Barnett, Jaffre, Matula-II, Gunaratnam-II, Ultra Mirage, and Sprinkle ¹⁴	§ 103(a)	46, 51, 53–56

¹³ WO 2006/000046 A1, pub. Jan. 5, 2006 (Ex. 1511, “Hitchcock”).

¹⁴ US 2004/0182398 A1, pub. Sep. 23, 2004 (Ex. 1520 “Sprinkle”).

II. ANALYSIS

A. *Application of our Discretion Under 35 U.S.C. § 314*

The Board has discretion not to institute an *inter partes* review. *See* 35 U.S.C. § 314(a) (authorizing institution of an *inter partes* review under particular circumstances, but not requiring institution under any circumstances); 37 C.F.R. § 42.108(a) (stating “the Board *may* authorize the review to proceed”) (emphasis added); *Harmonic Inc. v. Avid Tech, Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (explaining that under § 314(a), “the PTO is permitted, but never compelled, to institute an IPR proceeding”).

Recognizing that institution of *inter partes* review is discretionary, as well as its previous challenges to the ’931 patent, Petitioner argues that we should not exercise our discretion for the reasons discussed *infra*. Pet. 5–11. Patent Owner counters that we should exercise our discretion under 35 U.S.C. § 314(a) to deny the present Petition. Prelim. Resp. 2–3 (citing *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357 (PTAB Sept. 6, 2017) (Paper 19) (precedential)¹⁵ (hereinafter “*General Plastic*”). Specifically, Patent Owner argues:

1. In addition to the present Petition challenging the ’931 patent, Petitioner concurrently filed the 1658 IPR, and the four original petitions (i.e., 61 IPR, 62 IPR, 64 IPR, and 65 IPR), for a total of six petitions. Prelim. Resp. 1.

¹⁵ Section II.B.4.i of *General Plastic* was designated precedential on October 18, 2017.

2. Petitioner admittedly uses the Board's prior institution decisions as a roadmap in the present Petition to correct defects in the four original petitions challenging the '931 patent. *Id.* at 1–2.

In determining whether to exercise our discretion under § 314(a), we consider the following non-exhaustive factors:

1. Whether the same petitioner previously filed a petition directed to the same claims of the same patent;
2. Whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it;
3. Whether at the time of filing of the second petition the petitioner already received the patent owner's preliminary response to the first petition or received the Board's decision on whether to institute review in the first petition;
4. The length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition;
5. Whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;
6. The finite resources of the Board; and
7. The requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.

General Plastic, slip. op. at 15–16 (citing *NVIDIA Corp. v. Samsung Elec. Co.*, IPR2016-00134, slip op. 6–7 (PTAB May 4, 2016) (Paper 9)).

In applying these factors, we consider not only the congressional intent that *inter partes* review proceedings provide an effective and efficient

alternative to district court litigation, but also the potential for abuse of the review process through repeated attacks by the same petitioner with respect to the same patent. *See Gen. Plastic*, slip. op. at 16–17 (citing H.R. Rep. No. 112-98, pt.1, at 40 (2011)). We address each of these factors in turn, but note that not all the factors need to weigh against institution for us to exercise our discretion under § 314(a).

Factor 1: Whether the same petitioner previously filed a petition directed to the same claims of the same patent

Here, there is no dispute that the same Petitioner in the present Petition previously filed the 61 IPR, and 65 IPR directed to the same claims of the same patent, i.e., the '931 patent. Petitioner's argument that Patent Owner is not prejudiced by this Petition because it "did not file any preliminary responses and did not propose any claim constructions" is not convincing. Pet. 8. Our rules do not require Patent Owner to file a preliminary response. *See* 37 C.F.R. §42.107(a) ("The patent owner *may* file a preliminary response to the petition.") (emphasis added).

Factor 2: Whether at the time of filing of the first petition the Petitioner knew of the prior art asserted in the second petition or should have known of it

As discussed in Section I. E, the present Petition utilizes, in its grounds, nine references: Ng, Thomlinson, Matula-II, Gunaratnam-I, Barnett, Worboys, Ultra Mirage, Flexifit, and Sprinkle. Pet. 18–19. Patent Owner argues that Petitioner was aware of these references at the time of filing the original four petitions against the '931 patent. Prelim. Resp. 15–17. According to Patent Owner (1) D'Souza was asserted in the 61 IPR and another of the original petitions (*id.* at 15 (citing Ex. 2002, 2005)); (2) Hitchcock was cited on the face of the '931 patent (*id.* (citing Ex. 1502,

p.8)); (3) Matula-II, Barnett, Lovell, Jaffre, Ultra Mirage, FlexiFit, Gunaratnam-II, and Sprinkle were asserted in the original four petitions filed against the '931 patent (*id.* at 15–16 (citing Ex. 2002, Ex. 2005, Ex. 2007, Ex. 2008)).

As to this factor, Petitioner argues that it did not think the new prior art references (*e.g.*, Hitchcock) were necessary when it filed the earlier petitions, relying on a reasonable “ordinary meaning”-type claim construction. Upon receiving the Board’s decisions with the *unexpected* construction of the “protruding vent arrangement,” Petitioner gathered numerous references that specifically addressed this new construction. Since receiving the earlier decisions, Petitioner has been diligent in preparing and filing this petition with the new prior art.

Pet. 9 (emphasis added).

Petitioner does not dispute that it was aware of the newly cited references (*e.g.* Ng and Thomlinson), and seemingly justifies filing of the present Petition based on the Board’s construction of the term “protruding vent arrangement” in the 61 IPR and 65 IPR. (Ex. 2003, 9–11; Ex. 2009, 7–9). There is no question that Petitioner bears the burden of demonstrating a reasonable likelihood that Petitioner would prevail with respect to at least one challenged claim for a petition to be granted. 35 U.S.C. § 314(a). If at the time Petitioner believed we misapprehended or overlooked anything in our decision, it could have requested rehearing. *See* 37 C.F.R. 42.71(c) (“A party may request rehearing on a decision by the Board on whether to institute a trial pursuant to paragraph (d) of this section.”). Instead, Petitioner elected to “gather[] numerous references that specifically addressed this new construction” and filed the present IPR using prior art of which it was previously aware. Pet. 9. Petitioner now adopts the Board’s

claim construction in the present Petition that it found “unexpected.” See Pet. 20 (“Although neither party proposed this construction [of protruding vent arrangement], the analysis provided in this petition adopts this construction from the Board.”). Although Petitioner filed the present Petition prior to *General Plastic’s* designation as precedential, the enumerated non-exhaustive list of factors were considered in previous decisions by the Board. See e.g., *Blue Coat Sys., Inc., v. Finjan, Inc.*, IPR2016-01441, Paper 14 at 8-9 (PTAB Jan. 23, 2017). As such, Petitioner should have been cognizant that we would weigh its knowledge of the prior art in the earlier proceedings against its assertion in the present proceeding.

Factor 3: Whether at the time of filing of the second petition the petitioner already received the patent owner’s preliminary response to the first petition or received the Board’s decision on whether to institute review in the first petition

There is no dispute that at the time of the filing of the present Petition, Petitioner had received already our decisions in the 61 IPR and 65 IPR. Pet. 8; Prelim. Resp. 17–18. Thus, Petitioner possessed the advantage of knowing the position of the Board with respect to the 61 IPR and 65 IPR in preparing the present Petition.

Factor 4: The length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition

With regards to the time period in Factor 4,¹⁶ (6), Petitioner argues that it “did not think the new prior art references (e.g., Hitchcock) were necessary when it filed the earlier petitions, relying on a reasonable

¹⁶ Petitioner refers to this factor as factor (6). Pet. 7, 9.

“ordinary meaning”-type claim construction.” Pet. 9. Petitioner maintains that it has been diligent in preparing and filing the present Petition. *Id.* We agree with Patent Owner that it is evident that “Petitioner knew or should have known about all of the references asserted in the follow-on petition at the time the original four petitions were being prepared—making the length of time pertinent to this factor at least 9-12 months.” Prelim. Resp. 19.

Factor 5: Whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent

Petitioner asserts that the “construction of ‘protruding vent arrangement’ in earlier decisions [] was unexpected and not proposed by either party.”¹⁷ Pet. 9. According to Petitioner, “its implied ‘ordinary meaning’ construction of this limitation was reasonable, but now requests that the Board allow Petitioner to challenge the claims based on the Board’s own construction that it crafted and adopted *sua sponte* in rendering its recent institution decisions.” *Id.* at 9–10.

We appreciate that Petitioner had options after receipt of the Board’s determination in the 61 IPR and 65 IPR. For example, Petitioner could have filed a request for rehearing contending that we misapprehended the construction of “protruding vent arrangement,” but didn’t—weighing against Petitioner. On the other hand, Petitioner filed this additional petition within

¹⁷ Petitioner refers to this factor as factor (7). Pet. 7, 9–11.

the one-year statutory period following service of a complaint filed in Federal court – weighing in favor of Petitioner.¹⁸

Nonetheless, Petitioner’s arguments suggest that the timing of the present Petition was such that it allowed Petitioner to benefit from our earlier decisions pointing out the flaws in the earlier petitions challenging the ’931 patent. Petitioner’s explanation that the Board’s claim construction in the 61 IPR and 65 IPR excuses the delay in asserting the prior art in the present Petition weighs heavily towards Patent Owner. As Patent Owner points out, “the proper inquiry is whether ‘from an objective perspective in the context of the applicable law and facts, Petitioner’s alleged surprise is reasonable.’” Prelim. Resp. 19–20 (citing *General Plastic*, IPR2016-01357 at 20-21) (emphasis omitted). Here, other than suggesting that the Board’s construction of “protruding vent arrangement” is unreasonable, Petitioner does not explain *why* this construction is unreasonable. Nor did Petitioner notify the Board of anything it misapprehended regarding its construction of this term in a request for rehearing. On balance, this factor weighs strongly in favor of non-institution.

*Factor 6: The finite resources of the Board, and
Factor 7: The requirement under 35 U.S.C.
§ 316(a)(11) to issue a final determination not later
than 1 year after the date on which the Director
notices institution of review*

¹⁸ Patent Owner asserted infringement of the ’931 patent on September 7, 2016. Pet. 12 (citing Ex. 1505); *See* 35 U.S.C. § 315(b) (“An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.”).

We conclude that these factors do not weigh significantly for or against exercising our discretion.

B. Summary

Upon weighing the above-discussed factors in view of the arguments and evidence of record, we determine that non-institution is appropriate in the circumstances of this case. In particular, Petitioner's strategic use of our decisions as a roadmap to remedy deficiencies in Petitioner's case weighs heavily against institution. Petitioner does not explain why it could not have articulated its present challenges earlier, and does not persuade us that institution of a trial based on this follow-on petition is appropriate in light of the accompanying burden to the Board and Patent Owner.

III. CONCLUSION

For the reasons given, we exercise our discretion to deny institution under 35 U.S.C. § 314(a) and 37 C.F.R. § 42.108(a).

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is *denied* as to the challenged claims, and FURTHER ORDERED that no *inter partes* review is instituted.

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PETITIONER:

Brenton R. Babcock
Benjamin J. Everton
KNOBBE, MARTENS, OLSON & BEAR, LLP
2brb@knobbe.com
2bje@knobbe.com

PATENT OWNER:

Michael T. Hawkins
Michael J. Kane
Christopher C. Hoff
Stephen R. Schaefer
FISH & RICHARDSON P.C.
hawkins@fr.com
kane@fr.com
hoff@fr.com
schaefer@fr.com