

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BOEHRINGER INGELHEIM PHARMACEUTICALS, INC.

Petitioner,

v.

GENENTECH, INC.

Patent Owner.

U.S. Patent No. 6,407,213

Inter Partes Review No. IPR2017-02031

**PETITIONER'S REQUEST FOR PARTIAL REHEARING OF THE BOARD'S
DECISION "INSTITUTION OF *INTER PARTES* REVIEW"**

I. Introduction

The Board denied institution of *inter partes* review of U.S. Patent 6,407,213 (“the ’213 patent”) based on Grounds 1-3 and 5—grounds that the Board (and even Patent Owner) admits are meritorious in that they are already at issue in other instituted IPRs. The Board found persuasive Patent Owner’s argument that, among other issues, denying these grounds would preserve the Board’s and Patent Owner’s resources. The Board also explained that Petitioner could have sought joinder with the previously instituted IPRs, but since it instead chose to file its own challenges to the ’213 patent, Petitioner lost its chance to argue the patentability of the ’213 patent claims on these grounds.

It is respectfully submitted that the Board’s decision is contrary to the purpose of IPR proceedings. The Board’s decision is also in tension with a recently issued decision from the Federal Circuit in which the Court acknowledged that parties may challenge the validity of a single patent on the same basis.

While the Board did institute IPR on two other grounds (Grounds 4 and 6), the Board’s decision leaves claims 67 and 72 of the ’213 patent unchallenged on any ground in this proceeding.¹ Petitioner therefore requests a rehearing of the Board’s decision not to institute Grounds 1-3 and 5.

¹ Claim 67 was challenged in IPR2017-02032 on an instituted ground that was not raised in the instant proceeding.

II. The Board’s Discretion Should Not Be Used to Deny Institution of Meritorious Grounds

The Board has recently designated several cases regarding its discretion not to institute a post grant review, including IPR and CBM, under 35 U.S.C. § 325(d) as “informative.” *Unified Patents, Inc. v. Berman*, IPR2016-01517, Paper 10 (PTAB 2016), denying institution based on art that had been overcome during prosecution; *Hospira, Inc. v. Genentech, Inc.*, IPR2017-00739, Paper 16 (PTAB 2017) (same); *Cultec, Inc. v. Stormtech LLC*, IPR2017-00777, Paper 7 (PTAB 2017) (same); *Becton, Dickinson and Co. v. B. Braun Melsungen AG*, IPR2017-01586 (PTAB 2017) (same); *Kayak Software Corp. v. International Business Machines, Corp.*, CBM2016-00075 (PTAB 2016) (same).²

In all of these cases, the grounds that were denied institution had been previously considered by the Office and been found wanting on the merits. This case

² The Board has designated other cases on this topic “Informative.” Those other cases are not relevant here because they concern a petitioner filing a second petition with similar grounds to a first petition filed by that same petitioner. In *Unified Patents, Inc. v. PersonalWeb Techs., LLC*, IPR2014-00702, Paper 13 (PTAB July 24, 2014), the Board denied IPR based on a meritorious ground, but, unlike this case, that ground had already been seen to completion in the PTAB and was on appeal to the Federal Circuit at the time that the Board denied institution.

is entirely different. The grounds that the Board denied institution have already been found by the Board to be meritorious, and as noted by the Board, form the basis for institution in IPR2017-01374 and IPR2017-01488. This denial therefore raises issues and implicates policies not present when the Board exercises its discretion to deny grounds that were already adjudged not to be meritorious. Specifically, the denial of institution in this case on the specified grounds has the potential to leave claims in force when those claims have already been found likely to be unpatentable.

The IPR process is designed to strengthen the patent system by weeding out weak patents and reaffirming the validity of strong patents. Having previously found that at least one claim of the '213 patent is likely to be found unpatentable under Grounds 1-3 and 5, the Board should make sure that it sees these grounds to completion with a fully developed record. Denying institution on Grounds 1-3 and 5 in Petitioner's petition gives rise to the possibility that if the parties to the other IPRs settle, these grounds will not get fully developed; indeed, the Board may never rule on the patentability of the '213 patent on these grounds. This is particularly problematic with respect to claim 72, which is not challenged on any ground currently instituted in this proceeding and, in the event of settlement of the other IPRs, may be left in force despite having been found likely to be unpatentable based on grounds raised by Petitioner.

For Petitioner, and the entire interested public, this presents real world consequences. Any later litigation between Patent Owner and Petitioner that involves a product that is accused of infringing the '213 patent will have to analyze both infringement and validity of the '213 patent. Because of the realities of patent litigation concerning biologic products, which is governed by the Biologic Price Competition and Innovation Act, any litigation that may include the '213 patent could also include many other patents. *See, e.g., Genentech Inc. v. Pfizer, Inc.*, No. 17-165-GMS (D. Del) (BPCIA litigation concerning forty patents). This type of litigation, with multiple patents at issue, is costly to the parties and to the public. The Board here has a chance to simplify future litigation, and can do so consistent with its mandate by instituting Grounds 1-3 and 5. (“What the bill does...is very simple. It says the Patent Office will make an administrative determination before the years of litigation as to whether this patent is a legitimate patent so as not to allow the kind of abuse we have seen.” 157 Cong. Rec. S5437 (statement of Sen. Schumer during Senate consideration of H.R. 1249).)

The Federal Circuit has recently acknowledged that one party should not be precluded from arguing a meritorious ground simply because another party had previously raised that ground. In *Dell v Accelaron*, 884 F.3d 1364 (Fed. Cir. March 19, 2018), the court considered an appeal from a PTAB decision that was made on remand from an earlier Federal Circuit appeal. In the original final written decision,

the Board had considered evidence that the petitioner raised for the first time during the oral hearing, and found the claims unpatentable. The patent owner appealed, arguing that the Board's consideration of this evidence violated due process because it did not have an opportunity to respond to the evidence. The Federal Circuit agreed, and remanded the case to the Board. The Board, on remand, refused to consider the evidence at all, and found the claims not unpatentable. In the second appeal, this one by the petitioner, the petitioner argued that "ignoring evidence of unpatentability is against public policy because it will not improve patent quality." *Id.* at 1370. In response, the Federal Circuit explained that public policy would be protected because "our decision does not preclude another party from challenging the validity of claim 3 on the same basis." *Id.*³

³ Specifically, the Federal Circuit concluded in *Dell* that under the circumstances presented there, due process and preserving the Board's discretion outweighed any negative effect of not invalidating a patent claim "especially since our decision does not preclude another party from challenging the validity of claim 3 on the same basis." *Dell*, 884 F.3d at 1370.

III. The Board Should Reconsider Its Reasoning for Denying Institution Of Grounds 1-3 and 5

A. Institution of IPR on Grounds 1-3 and 5 Will Not Tax the Board's or Patent Owner's Resources

The Board's basis for denying institution of Grounds 1-3 and 5 should be reconsidered. Precisely because Grounds 1-3 and 5 have already been instituted, institution in this proceeding will not tax the resources of the Board and Patent Owner. Both the Board and Patent Owner must carefully scrutinize these grounds regardless of Petitioner's IPR. Patent Owner, if it chooses, can simply base any filings here on the Patent Owner Response that it filed in the other IPRs.

Patent Owner also argued that Petitioner would have an advantage in seeing others' arguments in the other instituted IPRs on the '213 patent before addressing the same issues in this IPR. This logic is backward. If IPR is instituted on Grounds 1-3 and 5, Petitioner will have no advantage—even without the other IPRs, Petitioner will have three months to review Patent Owner's Response and develop positions for its Petitioner Reply. It is unlikely that any additional time would significantly affect the contents of the Reply. In contrast, Patent Owner would have the benefit of seeing the replies of the petitioners in the other IPRs before it would

have to draft its Patent Owner Response in this IPR.⁴ Patent Owner could use those replies as an aid in drafting its Patent Owner Response for this IPR. Therefore, if the scheduling provides a benefit to any party, it is Patent Owner who benefits, not Petitioner.

In any event, it is respectfully submitted that the primary concern in deciding institution should be to ensure that patents that are truly unpatentable do not remain in force to stifle competition. To do this, the Board should allow all meritorious challenges to proceed to completion.

B. The Board’s Decision Improperly Uses the Joinder Rule as Limiting Access to IPR

Citing 37 C.F.R. § 42.122, the Board commented that “Petitioner could have sought to join the pending IPRs. It did not do so and the time for requesting joinder has expired.” (Decision at 13.) With this statement, it is respectfully submitted that the Board used § 42.122 in an entirely novel way—to limit the availability of IPR.

37 C.F.R. § 42.122 reads, in its entirety, as follows:

§ 42.122 Multiple proceedings and Joinder.

(a)**Multiple proceedings.** Where another matter involving the patent is before the Office, the Board may during the pendency of the inter partes review enter any appropriate order regarding the additional matter

⁴The Patent Owner Response in this proceeding is due on June 26, 2018. The petitioner replies in IPR2017-01373, IPR2017-01374, IPR2017-01488, and IPR2017-01489 are due on May 21, 2018.

including providing for the stay, transfer, consolidation, or termination of any such matter.

(b)Request for joinder. Joinder may be requested by a patent owner or petitioner. Any request for joinder must be filed, as a motion under § 42.22, no later than one month after the institution date of any inter partes review for which joinder is requested. The time period set forth in § 42.101(b) shall not apply when the petition is accompanied by a request for joinder.

Based on its terms and its usage history, this rule is intended to help the Board *manage* multiple proceedings on the same patent, not to *prevent* multiple proceedings on the same patent. The rule provides a few options for managing the Board’s docket when multiple proceedings before the Board concern the same patent, and allows both petitioners and patent owners to request joinder.

In the past, the Board has interpreted this rule as broadening the right of a party to seek IPR, by allowing parties who would otherwise be barred from petitioning for IPR under 37 C.F.R. § 42.101(b) to join an existing IPR with a different petitioner. *See, e.g., AT&T Services, Inc. v. Convergent Media Solutions, LLC*, IPR2017-01237, Paper 10 at 23 (PTAB 2017) (joining a petitioner over patent owner’s objections that the petition and motion for joinder were not properly filed because they were beyond the one-year bar date of section 101(b), explaining that “we find the Petition was properly filed under section 315(c), as that section has been

interpreted by the Patent Office.”⁵; *see also Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1020 (Fed. Cir. 2017) (“Section 315(b) ordinarily bars a petitioner from proceeding on a petition if it is filed more than one year after the petitioner is sued for patent infringement. Without the exception to that rule described in the second sentence of 315(b), an untimely petition would still be barred even if it raised the same issues as those involved in an existing proceeding that had been timely initiated by a different petitioner.” (internal citations omitted) (Judges Dyk and Wallach, concurring)).⁶

The reliance on § 42.122 to allow multiple parties to challenge a single patent is in line with the stated and obvious intent of this rule that joins the sentence regarding the 30 day limit for joinder to the sentence regarding the rule in 37 C.F.R. § 42.101(b), and mirrors 35 U.S.C. § 315(b) (see note 4), which also relates the time-bar to the thirty day limit on joinder. In other words, the joinder provision was

⁵ 35 U.S.C. § 315(b) reads: “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. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).”

⁶ *Nidec* concerned a single petitioner who sought joinder of its second, time-barred petition with its first instituted petition.

clearly designed to make IPR available for additional parties, not to limit challenges to a patent. Here, however, the Board has used the 30 day deadline for joinder as a reason to deny BI's petition.

The Board's comment on joinder is also confusing as it suggests that the Board would have considered and instituted the petition had it been fashioned as a me-too petition to one of the other instituted IPRs and been filed with a motion for joinder. The Board here has instituted Grounds 4 and 6, which were not raised in the instituted IPRs and are not at issue in those IPRs. Because of these additional grounds included in Petitioner's petition, and based on the Board's jurisprudence regarding motions for joinder, it is unlikely that the Board would have granted a motion by Petitioner to join one of the other instituted IPRs: the Board normally only joins IPR proceedings that are based on the same grounds. *See, e.g., Sony Corp. v. Network-1 Security Solutions, Inc.*, IPR2013-00386 (PTAB 2013) (denying joinder because the petitioner "raises numerous substantive issues that are not before the Board" in the first case.); *see also, Nidec*, 868 F.3d at 1020 ("Thus, the exception to the time bar for requests for joinder was plainly designed to apply where time-barred Party A seeks to join an existing IPR timely commenced by Party B when this would not introduce any new patentability issues."). Therefore, had Petitioner sought to join another pending IPR, it would have had to file two petitions to replace this single petition, one that included only Grounds 1-3 and 5, and another that included

Grounds 4 and 6. The Board's decision therefore suggests that Petitioner should have filed additional petitions to have meritorious grounds instituted.

This result is unnecessary. The Board has many tools with which it can manage its docket, and the Board can therefore institute all of Petitioner's grounds without requiring Petitioner to file additional petitions. For example, the Board may join two IPRs even if the 30 day deadline that applies to a party's motion for joinder has passed. *See* 37 C.F.R. § 42.122(a), permitting the Board to consolidate pending proceedings. Therefore, if the Board finds that joinder is appropriate, the Board may institute and join Petitioner as a petitioner in one of the existing IPRs based on grounds 1-3 and 5, and allow the instant proceeding to continue with grounds 4 and 6. This would satisfy all relevant interests. To the extent that the Board's and Patent Owner's resources would be taxed by instituting grounds 1-3 and 5 in this proceeding and managing this proceeding separate from the others, joining on these grounds would prevent that. This solution would also ensure that, in the event that the other petitioners settle, the claims that the Board has already found to be likely unpatentable on these grounds will be fully analyzed by an interested party. And, this solution would allow Petitioner's Grounds 4 and 6, which are meritorious on their own right, to be fully developed.

Of course, this remedy is not exclusive, and the Board is free to fashion its own remedy. Petitioner here simply asks the Board to consider all relevant interests

and not to dismiss meritorious Grounds 1-3 and 5 on a perceived scheduling difficulty.

IV. Conclusion

For all of the reasons discussed above, Petitioner Boehringer Ingelheim respectfully requests that the Board reconsider its decision denying institution of Grounds 1-3 and 5, and institute those Grounds in this proceeding.

Dated: April 12, 2018

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), the undersigned hereby certifies that on this 12th day of April, 2018, a copy of this PETITIONER’S REQUEST FOR PARTIAL REHEARING OF THE BOARD’S DECISION “INSTITUTION OF *INTER PARTES* REVIEW” was served by email on the lead and back up counsel for Patent Owners at:

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