

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ST. JUDE MEDICAL, LLC,
Petitioner,

v.

SNYDERS HEART VALVE LLC,
Patent Owner.

IPR2018-00105 (Patent 6,540,782 B1)
IPR2018-00106 (Patent 6,540,782 B1)
IPR2018-00107 (Patent 6,821,297 B1)
IPR2018-00109 (Patent 6,821,297 B2)¹

Before PATRICK R. SCANLON, MITCHELL G. WEATHERLY, and
JAMES A. WORTH, *Administrative Patent Judges*.²

SCANLON, *Administrative Patent Judge*.

DECISION
Denying Motion to Dismiss
37 C.F.R. §§ 42.5, 42.71

¹ This Decision addresses issues pertaining to multiple cases. The parties are not authorized to use this style heading for any subsequent papers.

² Director Andrei Iancu has taken no part in this Decision due to recusal.

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I. INTRODUCTION

Patent Owner filed a Motion to Dismiss the Petition in each of these proceedings. Paper 13 (“Mot.”)³. Patent Owner asserts that, prior to his appointment as Director of the U.S. Patent and Trademark Office, Mr. Andrei Iancu “represented the Petitioner (St. Jude Medical) as lead trial counsel in district court litigation related to the patents that are the subject of the IPR petitions,” and “[a]pplicable ethical regulations bar Director Iancu from any participation in this IPR.” Mot. 1. In view of this assertion, Patent Owner contends the Petition in each of these proceedings should be dismissed. *Id.* Petitioner filed an Opposition to each Motion. Paper 14 (“Opp.”).

II. BACKGROUND

Patent Owner sets forth the following sequence of relevant events in its Motion:

Patent Owner filed a complaint for patent infringement against St. Jude Medical S.C., Inc. and St. Jude Medical, Cardiology Division, Inc. (wholly owned subsidiaries of Petitioner), asserting infringement of U.S. Patent Nos. 6,540,782 and 6,821,297 (the two patents challenged in these four proceedings) on October 25, 2016. Mot. 1 (citing Ex. 2017, Dkt. 1). On January 18 2017, Patent Owner filed an amended complaint adding Petitioner as a defendant. *Id.* at 1–2 (citing Ex. 2017, Dkt. 22).

³ As the pertinent papers in all four proceedings are substantially similar, we refer herein to the papers filed in IPR2018-00105 for convenience.

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On February 13, 2017, St. Jude⁴ filed its first Notice of Appearance in the litigation, entering the appearance of Andrei Iancu, then managing partner of the law firm Irell & Manella, as its counsel of record. *Id.* at 2 (citing Ex. 2017, Dkt. 34). Additional attorneys from Irell & Manella also entered notices of appearance. *Id.* (citing Ex. 2017, Dkt. 35, 39, 179, 182, 208). On January 31, 2018, St. Jude filed a Motion of Withdrawal of Attorney, seeking to withdraw Mr. Iancu (but not other attorneys from Irell & Manella) as attorney in the litigation. *Id.* (citing Ex. 2017, Dkt. 293). The district court granted the motion on February 2, 2018. *Id.* (citing Ex. 2017, Dkt. 294).

The Petitions in these four proceedings were all filed on October 23, 2017. *Id.*

Mr. Iancu was confirmed as Director by the Senate on February 5, 2018 and sworn in on February 8, 2018. *Id.* at 3.

Petitioner does not dispute this sequence of events in its Oppositions. Opp. 1. Petitioner contends, however, that it is represented in these proceedings by the law firm Lerner David, and Irell & Manella has never entered an appearance in these proceedings. *Id.*

III. ANALYSIS

A. *Participation by Director Iancu*

Patent Owner argues that “[t]he inter partes review statute requires the Director to determine whether to institute an inter partes review,” and “[t]he

⁴ Patent Owner appears to use “St. Jude” to collectively refer to Petitioner and co-defendants St. Jude Medical S.C., Inc. and St. Jude Medical, Cardiology Division, Inc.

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Board institutes the trial *on behalf of* the Director.” Mot. 4 (citing 35 U.S.C. § 314; quoting 37 C.F.R. § 42.4(a) (emphasis added by Patent Owner)). According to Patent Owner, however, Director Iancu should be disqualified with respect to these proceedings pursuant to 5 C.F.R. § 2635.502. *Id.*

Director Iancu has recused himself from these proceedings. Accordingly, the Director’s past representation of Petitioner in the related litigation is not a basis to dismiss the Petitions in these proceedings.

B. Participation by the Board

Patent Owner also argues that

Even if another Patent Office employee were allowed to perform the role expressly assigned to the Director by 35 U.S.C. § 314, that employee would also have a conflict of interest. Those subordinate employees are subject to a significant risk that their representation of the U.S. Patent and Trademark Office in this particular matter will be limited by their loyalty to their boss, Director Iancu.

Mot. 6. Patent Owner asserts that because “of Director Iancu’s direct involvement in the litigation and the authority that Director Iancu holds over subordinate employees, any employee who might perform the Director’s duty would therefore also have a conflict of interest.” *Id.* at 7; *see also id.* n.7 (citing the American Bar Association’s Model Rules of Professional Conduct concept that disqualification of an attorney may extend to that attorney’s subordinate employees).

In response, Petitioner argues that Patent Owner “fails to ground its allegation to any applicable legal standard, citing only a ‘concept’ under the ABA’s Model Rules of Professional Conduct applicable to law firms,” and [t]here is nothing to suggest that this Model Rule applies or was ever

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intended to apply to an entire government agency.” Opp. 5. Petitioner also argues that Patent Owner has not “pointed to any specific evidence that the minds of the members of the Board in the proceeding are ‘irrevocably closed on a disputed issue.’” *Id.* (citing *NEC Corp. v. United States*, 151 F.3d 1361, 1373 (Fed. Cir. 1998)). According to Petitioner, “[i]n the absence of any showing that the APJs of this Panel are ‘not capable of judging a particular controversy fairly on the basis of its own circumstances,’ the APJs should not be disqualified.” *Id.* (citing *Hortonville Joint School Dist. v. Hortonville Educ. Assoc.*, 426 U.S. 482, 493 (1976)).

Petitioner also argues that Patent Owner effectively is “requesting that Petitioner be completely denied access to a statutorily prescribed decision on the merits in [these proceedings] as ‘punishment’ for hiring a particular private attorney in a separate, albeit related, matter.” *Id.* at 6. Furthermore, Petitioner argues that “[a]ccepting [Patent Owner’s] position would effectively require that Petitioner be denied access to *all* proceedings at the USPTO,” noting that Patent Owner’s position the Patent Office employees should be disqualified because of loyalty to the Director would apply to Patent Examiners as well as Administrative Patent Judges. *Id.* at 7.

Upon consideration of the parties’ positions, we find Petitioner’s arguments more persuasive. Patent Owner has not established sufficiently that Administrative Patent Judges are unable to carry out their pre-designated duties impartially. Accordingly, we disagree that Administrative Patent Judges should be disqualified with respect to these proceedings.

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IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Patent Owner's Motion to Dismiss in each of these proceedings is *denied*.

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