

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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ST. JUDE MEDICAL, CARDIOLOGY DIVISION, INC.  
Petitioner

v.

VOLCANO CORPORATION  
Patent Owner

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Case IPR2013-00258  
Patent 7,134,994

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Before JAMESON LEE, LORA M. GREEN, JONI Y. CHANG,  
JOSIAH C. COCKS, and SCOTT E. KAMHOLZ, *Administrative Patent Judges*.

KAMHOLZ, *Administrative Patent Judge*.

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

## I. INTRODUCTION

St. Jude Medical, Cardiology Division, Inc. (“St. Jude”) filed a petition (Paper 1) on April 30, 2013, to institute an *inter partes* review of claims 1-20 of U.S. Patent 7,134,994 (“’994 patent”). St. Jude later filed a corrected petition (Paper 9, “Pet.”). Patent Owner Volcano Corporation (“Volcano”) filed mandatory notices (Paper 18) and a preliminary response (Paper 27, “Prelim. Resp.”). The Board, acting on behalf of the Director, has jurisdiction under 35 U.S.C. § 314.

The ’994 patent was involved in patent litigation captioned *St. Jude Medical, Cardiology Division, Inc., et al. v. Volcano Corp.*, 1:10-cv-00631 (D. Del.). Paper 18, 2. In that litigation, St. Jude asserted claims of infringement of its patents against Volcano. Ex. 1006 ¶¶ 19-38. Volcano filed and served an answer and counterclaim on September 20, 2010, in which it asserted a claim of infringement of the ’994 patent against St. Jude. Ex. 1007 ¶¶ 76-80. St. Jude answered and counter-counterclaimed. Ex. 1008, 29-34, 41-46. The parties stipulated to a dismissal with prejudice of all claims relating to the ’994 patent on October 21, 2012. Ex. 1009, 1.

We deny the petition because it was not filed within the one-year period set forth in 35 U.S.C. § 315(b).

## II. ANALYSIS

Section 315(b) of Title 35 of the United States Code provides:

(b) PATENT OWNER’S ACTION.—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).

We must decide whether a counterclaim alleging infringement of a patent is “a complaint alleging infringement of the patent” within the meaning of 35 U.S.C. § 315(b). We determine that it is.

The legislative history of 35 U.S.C. § 315(b) indicates that Congress intended *inter partes* reviews to “provid[e] quick and cost effective alternatives to litigation.” H.R.Rep. No. 112-98 at 48 (2011). The legislative history indicates also that 35 U.S.C. § 315(b) was intended to set a “deadline for allowing an accused infringer to seek *inter partes* review after he has been sued for infringement.” 157 CONG. REC. S5429 (daily ed. Sep. 8, 2011) (statement of Sen. Kyl). The deadline helps to ensure that *inter partes* review is not used as a “tool[] for harassment” by “repeated litigation and administrative attacks.” H.R. Rep. No. 112-98 at 48 (2011). Allowing such attacks “would frustrate the purpose of the section as providing quick and cost effective alternatives to litigation.” *Id.*

Nothing in the legislative history indicates that Congress intended to apply the § 315(b) time limit to some, rather than all, accused infringers. Construing “complaint” in § 315(b) restrictively, to exclude counterclaims that present allegations of infringement, would have just that effect. It would leave a patent open to serial attack, even after years of patent infringement litigation, in the event that the accused infringer is accused of infringement only via a counterclaim. That interpretation would frustrate Congressional intent, and would lead to unjustified discrimination among otherwise similarly-situated accused infringers. *See Graham Cnty. Soil & Water Conservation Dist. v. U.S. ex rel. Wilson*, 559 U.S. 280, 298

(2010) (acknowledging the “conventional judicial duty to give faithful meaning to the language Congress adopted in the light of the evident legislative purpose”) (internal quotation omitted).

St. Jude makes several arguments as to why § 315(b) does not bar its petition, but none of them is persuasive.

First, St. Jude argues that the Board should look to the Federal Rules of Civil Procedure for guidance as to the plain meaning of the statute. Pet. 3 (citing *Ariosa Diagnostics v. Isis Innovation, Ltd.*, IPR2012-00022, Paper 20, 4). According to St. Jude, Rule 3 of the Federal Rules defines “complaint” as the filing that commences a civil action, and Rule 7 distinguishes a “complaint” from a “counterclaim” or an “answer.” *Id.* at 2-3.

The Federal Rules of Civil Procedure neither define the term “complaint” in Rule 3 nor use it to refer only to the filing that commences a civil action. Rule 3 states, as amended in 2007: “A civil action is commenced by filing a complaint with the court.” The rule specifies merely which filing commences a civil action—a complaint—but does not limit a “complaint” to be that filing and nothing else. Moreover, the term is used elsewhere in the Rules to refer to a pleading that does not commence a civil action. For example, Rule 14(a)(1) states, in pertinent part: “A defending party may, as third-party plaintiff, serve a summons and complaint on a nonparty who is or may be liable to it for all or part of the claim against it.” A complaint against a third party does not commence a civil action; rather, it joins the third party to an existing civil action. The Rules, therefore, do not define or use the term “complaint” in the exclusive manner St. Jude argues.

We disagree also with St. Jude’s contention that Rule 7 distinguishes a counterclaim from a complaint in a way that is meaningful for our determination.

Rule 7 lists pleadings allowed in a civil action. The mere listing of items separately, however, does not, by itself, draw distinctions among the items in the list insofar as their legal equivalence. We discern in Rule 7 no such comparison or distinction between a complaint and a counterclaim.

A complaint and a counterclaim instead bear marked similarities. A counterclaim imposes the same burdens on the parties as does a complaint. A counterclaim alleges a cause of action, just like a complaint; confirming that equivalence, Wright and Miller explains that a counterclaim “basically is a defendant’s complaint.” 5 FED. PRAC. & PROC. CIV. § 1184 (3d ed.). The same rules of pleading apply to a counterclaim of infringement as to a complaint. FED. R. CIV. P. 8(a); *Vivid Technologies, Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999) (remanding for entry of infringement counterclaim that “violated no rule of pleading”). By filing a counterclaim, the defendant, in effect, sues the plaintiff within the same civil action. When the counterclaim alleges patent infringement, the original plaintiff becomes an accused infringer who has been sued for patent infringement. The accused infringer must answer the counterclaim or face default. *See Info. Sys. & Networks Corp. v. United States*, 994 F.2d 792, 797 (Fed. Cir. 1993) (“[D]efault judgment is an important sanction which deters parties from ignoring the requirement to file an answer to a counterclaim.”). The similarities between a complaint and a counterclaim underscore their equivalence for purposes of § 315(b).

St. Jude argues next that a counterclaim should be distinguished from a complaint in § 315(b) because that distinction is made in § 315(a). Pet. 3. St. Jude observes that 35 U.S.C. § 315(a)(3) excludes a counterclaim challenging validity from constituting a complaint challenging validity in § 315(a)(1). This argument is

unpersuasive. Section 315(a)(3) states specifically that the exclusion applies to, and is made for purposes of, subsection § 315(a) only. The inapplicability of such an exclusion to § 315(b) indicates, to the contrary of St. Jude's position, that no similar exclusion exists, or was intended, with regard to a complaint and a counterclaim for infringement in respect of § 315(b).

St. Jude argues further that "complaint" in § 315(b) should be construed narrowly because Congress used broad language, such as "charged with infringement," when it intended to include allegations of infringement beyond those made in a complaint by which a civil action is commenced. *See Leahy-Smith America Invents Act, Sec. 18(a)(1)(B); Pet. 3.* This argument is unpersuasive. The referenced phrase in AIA Section 18 addresses *pre-litigation* allegations of infringement, not allegations filed at the beginning of, or during, litigation.

When Congress selected the broad phrase "charged with infringement," in legislating the transitional program for covered business method patents, it did so to confer petitioning eligibility on parties who had *not yet been sued*. *See 157 CONG. REC. S7413 (daily ed. Nov. 14, 2011) (statement of Sen. Kyl)* (explaining that the transitional program extends to parties charged with infringement to prevent them from being "dragged into frivolous litigation"). Moreover, the definition of "charged with infringement" in 37 C.F.R. § 42.302(a)—that "a real and substantial controversy regarding infringement of a covered business method patent exists such that the petitioner would have standing to bring a declaratory judgment action in Federal court"—addresses the situation in which litigation has not yet commenced. The use of the phrase "charged with infringement" in the context of AIA Section 18, therefore, has no bearing on whether § 315(b) should

be read to exclude a claim of infringement, made in litigation, from triggering the one-year time bar.

St. Jude argues, finally, that Volcano's dismissal with prejudice of the '994 patent infringement claims "purged" the cause of action, and thereby made § 315(b) inapplicable. Pet. 3 (citing *Macauto USA v. Bos GmbH*, IPR2012-00004, Paper 18, 14-15) (PTAB 2013). We disagree. Service of a complaint alleging infringement triggers applicability of § 315(b), even if that complaint is later dismissed with prejudice. *Universal Remote Control, Inc. v. Universal Electronics, Inc.*, IPR2013-00168, Paper 9, 6-7) (PTAB 2013).

For the foregoing reasons, we determine that the phrase "complaint alleging infringement of the patent," as used in 35 U.S.C. § 315(b), is sufficiently broad to include a counterclaim that alleges infringement of the patent. St. Jude was served with Volcano's counterclaim for infringement of the '994 patent on September 20, 2010. St. Jude did not file its petition within one year of that date. The petition is, therefore, barred.

### III. CONCLUSION

The Board denies the petition because it was not filed within the time limit imposed by 35 U.S.C. § 315(b).

### IV. ORDER

Accordingly, it is

ORDERED that the petition challenging the patentability of claims 1-20 of U.S. Patent 7,134,994 is *denied*.

Case IPR2013-00258  
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