

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

RESMED LIMITED, RESMED INC., and RESMED CORP.,
Petitioner,

v.

FISHER & PAYKEL HEALTHCARE LIMITED,
Patent Owner.

Case IPR2016-01719
Patent No. 6,398,197

**PETITIONER'S REPLY TO PATENT OWNER'S
MOTION FOR OBSERVATIONS ON THE
CROSS EXAMINATION OF ALEXANDER VIRR**

The purpose of observations is to “draw the Board’s attention to relevant cross-examination testimony of a reply witness because no further substantive paper is permitted after the reply.” *See* Scheduling Order, Paper 10 at 5. By contrast, Patent Owner (“FPH”) improperly uses its observations as a vehicle to supplement its Patent Owner Response. Petitioner objects to this misuse. *See* PTAB Trial Practice Guide, 77 Fed. Reg. 48756, 48768. FPH’s observations also include unsupported attorney argument, mischaracterize Mr. Virr’s testimony, and omit relevant portions of Mr. Virr’s testimony.

Response to Observation #A.1: The Observation ignores the full context of Mr. Virr’s testimony. Mr. Virr initially explained that he “reviewed the various documents” to start his obviousness analysis. Ex. 2004, 11:15-12:9. Contrary to FPH’s out-of-context argument in Observation A.1, it is clear that Mr. Virr responded “Yes” to the particular question focused on his opinions “as to the specific claims” of the patents at issue: “Q: ... Well, in forming opinions as to specific claims of the Fisher & Paykel patents, did you start by looking at the claim language? A: Yes.” *Id* (emphasis added). There is nothing inconsistent with Mr. Virr’s testimony because opinions “as to specific claims” could not begin until one looked at the claim language.

Response to Observation #B.1: Contrary to Petitioner’s flawed assumption in Observation B.1, Mr. Virr’s Second Declaration plainly articulates his rationale for considering Gouget a relevant reference:

I disagree with statements which suggest that a POSITA would not have considered Gouget’s teachings [A] POSITA would have already considered adding a tube to the HC200 based on the teachings of Hebblewhite, and at that point would have been looking to identify a length of that tube because Hebblewhite only states that the tube should be “at least 2 cm” long. Patent Owner and Dr. Schneider emphasize that Gouget is a urinal, but it is clear that a POSITA would have understood from the disclosure and figures of Gouget that a primary focus of Gouget is not what type of liquid is within the container but is rather a design to keep that liquid from spilling out of an opening in the container, which is the same problem that was of concern to the inventors of the ’197 patent and to a POSITA seeking to improve the HC200.

Ex. 1026, ¶¶ 15-17. This is fully consistent with his other testimony and Petitioner’s positions in the record. *See* Ex. 1003, ¶¶ 84-88; Petitioner Reply, 11-15, 23-24.

Response to Observation #B.2: FPH improperly uses this observation to supplement its Patent Owner Response with new substantive arguments about the “field of endeavor.” Mr. Virr’s declarations did not characterize the field of

endeavor of the these documents, and rather focused on the “problem that was of concern to the inventors of the ’197 patent and to a POSITA seeking to improve the HC200,” which was “a design to keep . . . liquid from spilling out of an opening in the container.” Ex. 1026, ¶ 17; *see* Ex. 1003, ¶¶ 84-88; Petitioner Reply, 13-15. Yet again, this Observation fails to identify any inconsistency in Mr. Virr’s testimony.

Response to Observation #B.3: The Observation attempts to narrowly articulate the “problem” by emphasizing that the ’197 patent discusses “CPAP” water chambers. Mr. Virr was clear in his Second Declaration that “Patent Owner’s articulation of the problem is narrower than [Patent Owner’s] purported ‘field of endeavor,’ which supports my conclusion that the problem articulated by the Patent Owner is overly narrow.” Ex. 1026, ¶ 16; *see* Ex. 1003, ¶¶ 84-88; Patent Owner Response, pp. 37-38. Mr. Virr’s testimony is consistent with Petitioner’s previous explanation and the law because, even if the “problem” was limited to “CPAP” chambers, a reference need not be in that field and need only be “reasonably pertinent” to problem at issue. Petitioner Reply, 13-14.

Response to Observation #B.4: The Observation is another improper attempt to supplement FPH’s Response with new substantive arguments regarding the field of endeavor, even though Mr. Virr’s direct testimony focused on the

problem an inventor would have been addressing. Ex. 1026, ¶ 17; *see* Ex. 1003, ¶¶ 84-88; Petitioner Reply, 13-15. Here again, this Observation fails to identify any inconsistency in Mr. Virr's testimony.

Response to Observation #B.5: The Observation ignores the full context of Mr. Virr's deposition testimony, in which he explained why Gouget would be reasonably pertinent to the relevant problem:

So we're not talking about a person who's just wandering around and one day decides to go looking for urinal patents. So the particular individual we're describing here has been tasked with redesigning HC200 to try and overcome spill-back issues. And what we're suggesting is that that person has looked at Hebblewhite and has said, here is a tube which appears to be useful for preventing water leaving from a side opening of a container. And under those circumstances, that person would be looking for guidance on the optimum length of that tube. And when -- and that process . . . would include a patent search, and the search would not necessarily be limited -- in fact, it really shouldn't at all be limited to respiratory devices. It's a search about how long to make tubes that are intended to prevent water leaving a side opening of a water chamber or a chamber. So under those circumstances, I don't find it at all hard to believe that that person would have come across Gouget.

Ex. 2004, 83:6-84-22; *see* Ex. 1026, ¶ 17; Petitioner Reply, 13-14. This is fully consistent with Mr. Virr's earlier testimony and Petitioner's positions in the record.

Response to Observation #B.6: The Observation ignores the full context of Mr. Virr's deposition testimony in which he specifically referenced and read from paragraph 18 of his Second Declaration. That paragraph explains how Mr. Virr applied Gouget's teachings to arrive at the modified design:

I disagree with statements which suggest that the modification to the HC200 that I discuss in my initial declaration does not account for Gouget's teachings because the tube configuration that I discuss in my initial declaration does not end at the volumetric center of the HC200 chamber. In particular, I explained in my initial declaration that angling the tube so that it ends at the volumetric center would promote waves. . . . As such, a POSITA would have extended the tube as close to the volumetric center as possible while remaining above the water level. In doing so they would have arrived at a point near the horizontal mid-point of the chamber. Doing so would maximize the container's resistance to spill as Gouget suggests, while still taking into account the requirement to accommodate a certain volume of water and not route the air through that body of water.

Ex. 1026, ¶ 18 (internal citations omitted); *see* Ex. 1003, ¶¶ 84-88. Yet again, this Observation fails to identify any inconsistency in Mr. Virr's testimony.

Response to Observation #B.7: The Observation is another attempt to supplement FPH's Response with new substantive argument regarding the field of endeavor, even though Mr. Virr's direct testimony focused on the problem an

inventor would have been addressing. Ex. 1026, ¶ 17; *see* Ex. 1003, ¶¶ 84-88; Petitioner Reply, 13-15. This Observation ignores the full context of Mr. Virr's testimony, and also fails to identify any inconsistency in Mr. Virr's testimony.

Response to Observation #C.1: The Observation ignores that Mr. Virr's First Declaration explained why a POSITA would have added an inlet tube to the HC200 despite Hebblewhite having an outlet tube. Ex. 1003, ¶76. The Observation also ignores that Mr. Virr testified that "a tube was not necessary at Hebblewhite's inlet due to Hebblewhite disclosing [an] extend line humidifier with the blower being above . . . the humidifier." Ex. 2004, 36:21-36:11. Mr. Virr's testimony here is fully consistent with his earlier testimony and Petitioner's positions in the record.

Response to Observation #C2: The Observation ignores the full context of Mr. Virr's testimony and improperly assumes that Mr. Virr believes that water would not flow through Hebblewhite's inlet. Mr. Virr was clear, however, that water could enter the inlet, just that the risk of damage was low because "water would . . . have had to flow uphill to get into the flow generator," and therefore the low risk of damage "probably doesn't justify the cost" of an inlet tube. Ex. 2004, 35:3-6; 36:1-5; *see* 32:10-15, 36:21-37:11.

Response to Observation #D1: The Observation erroneously assumes that Mr. Virr contradicted his previous declaration statement that “[t]he idea that the small drain opening in Netzer’s water chamber would significantly dissipate a wave on its way towards the sidewall openings is unreasonable.” Ex. 1026, ¶ 25. Rather, Mr. Virr simply noted that “[i]t’s difficult to know the actual size of the drain.” Ex. 2004, 100:1-101:16. Nothing in his deposition testimony contradicted his earlier testimony or otherwise stated that a larger drain could somehow dissipate an entire wave moving towards Netzer’s sidewall openings.

Response to Observation #D2: The Observation erroneously assumes that Mr. Virr contradicted his earlier testimony, but Mr. Virr plainly stated that Netzer’s chamber would not drain through discharge line 21 when installed:

So the thing here is that, it’s not good to just look at the figure and assume that it will do what one would hope it would do. What’s important is to apply normal engineering knowledge to it. So there are two possibilities here in respect to 21 If 21 is open at both ends, [w]e’ve got air flowing out the side. It’s not a device we can market for CPAP treatment. The other possibility is that 21 is blocked somewhere.

Ex. 2004, 108:9-109:21; *see* 104:2-110:21. This Observation ignores the full context of Mr. Virr’s testimony, and also fails to identify any inconsistency in Mr. Virr’s testimony.

Case IPR2016-01719
U.S. Patent No. 6,398,197
Our Ref. 36784-0046IP1

Respectfully submitted,

Dated: November 10, 2017

/Michael T. Hawkins/
Michael T. Hawkins, Reg. No. 57,867

Attorney for Petitioners

Case IPR2016-01719
U.S. Patent No. 6,398,197
Our Ref. 36784-0046IP1

CERTIFICATE OF SERVICE

Pursuant to 37 CFR §§ 42.6(e)(4) and 42.205(b), the undersigned certifies that on November 10, 2017, a complete and entire copy of this Petitioner's Reply to Patent Owner's Motion for Observations on the Cross Examination of Alexander Virr was provided via email to the Patent Owner by serving the correspondence email address of record as follows:

Brenton R. Babcock
Joseph F. Jennings
Matthew S. Bellinger
Knobbe, Martens, Olson & Bear, LLP
2040 Main Street, 14th Floor
Irvine, CA 92614

Email: BoxFPH767@knobbe.com

/Diana Bradley/
Diana Bradley
Fish & Richardson P.C.
60 South Sixth Street, Suite 3200
Minneapolis, MN 55402
(858) 678-5667