Filed on behalf of Cytonome/ST, LLC.
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Paper No. ___
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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NANOCELLECT BIOMEDICAL, INC.,
Petitioner

v.

CYTONOME/ST, LLC,
Patent Owner

Case IPR2020-00550
Patent 9,011,797

CYTONOME/ST, LLC'S RESPONSE TO PETITIONER'S PRE-INSTITUTION SUPPLEMENTAL BRIEFING [1]

[1] Authorization to file this briefing was given on July 14, 2020, via teleconference.

Pursuant to the directive given in the July 14, 2020 teleconference (EX1062), Patent Owner Cytonome/ST, LLC ("Cytonome") submits this Response to NanoCellect Biomedical, Inc.'s ("Petitioner") Pre-Institution Supplemental Briefing (Paper 11).

While Petitioner's Supplemental Brief states, for the first time, that it does not intend to maintain its declaratory judgment invalidity counterclaims against no-longer-asserted claims, it has never made that representation to the district court. In fact, Petitioner's Amended Stipulation filed in the district court is, at best, ambiguous regarding the state of its invalidity counterclaims. Accordingly, as with its decision to withhold its own district court claim constructions from the Board and wait until after Patent Owner's Preliminary Response to enter its narrow stipulation, Petitioner continues to be selective about the information provided in each venue, and to wait until its hand is forced to try to take any steps to avoid an overlap of issues.

Contrary to Petitioner's suggestion, none of the filings or orders in the district court demonstrate that Petitioner's counterclaims against no-longer-asserted claims are necessarily out of the case. Petitioner's Amended Stipulation, which *could* have included a stipulation that it was no longer pursuing its invalidity counterclaims as to non-asserted claims, stipulates only that it "will not pursue in this case the specific grounds identified above in connection with the referenced

patent(s) and claim(s) as originally issued of [sic] the instituted *inter partes* review petition or on any other ground for a given patent that could reasonably have been raised in an instituted *inter partes* review for that patent using the same grounds references or *substantially similar* references." EX1063 at 3-4 (emphasis added). This narrow and vague stipulation, which fails to adequately inform Patent Owner of precisely which "substantially similar" references fall under the stipulation, says nothing about withdrawing Petitioner's invalidity counterclaims. In fact, the stipulation includes a reservation of right to "assert invalidity of the asserted claims" of U.S. Patent No. 10,029,283 patent, which Patent Owner was no longer asserting in the district court when the stipulation was filed. The lack of an affirmative representation to the district court, combined with an ambiguous reservation of rights that expressly covers claims from an non-asserted patent is far from a clear representation to the district court that Petitioner is no longer pursuing the full scope of its invalidity counterclaims.

Similarly, none of the cases cited in Petitioner's supplemental brief suggest that its invalidity counterclaims against dropped claims are necessarily out of the case. In fact, the law is to the contrary. When a patent owner institutes an infringement action and the defendant "counterclaims that the patent is invalid . . . the action may proceed on the counterclaim, even if the patentee voluntarily dismisses the charge of infringement." *Honeywell Int'l, Inc. v.*

Universal Avionics Sys. Corp., 288 F. Supp.2d 638, 644 (D. Del. 2003). Therefore, dismissal of counterclaims is not automatic. *See id*.

Although Petitioner could have taken steps to formally withdraw its counterclaims in the district court, it has not done so. While Patent Owner acknowledges that Petitioner will have a difficult time convincing the district court to allow it to pursue its invalidity counterclaims against non-asserted claims in light of the representation made to the Board, the fact remains that Petitioner has not made a similar representation or stipulation in the district court. The status of the counterclaims, therefore, is unclear. In any event, the counterclaims relate only to one *Fintiv* factor, the overlap in issues. Every other *Fintiv* factor weighs in favor of discretionary denial, including the fact that the district court trial date remains unchanged.

Dated: July 22, 2020

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Cytonome/ST, LLC's Response to Petitioner's Pre-Institution Supplemental Briefing was served on counsel of record on July 22, 2020 by filing this document through the End-to-End System, as well as delivering a copy via electronic mail to counsel of record for the Petitioner at the following addresses:

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