

where IPRs instituted on two of three patents). In these circumstances, courts find the likelihood of simplification especially strong when the instituted and non-instituted patents are “closely related.” *See Golden Rule*, 2019 WL 2330474, at *2 (staying case even though the only asserted claims “are not under USPTO reexamination,” because those asserted claims were “closely linked with the claims undergoing reexamination”); *Conopco, Inc.*, 2014 WL 12656915, at *7 (“Because the three patents-in-suit are so similar, and the claims subject to IPR overlap so heavily with those not subject to IPR, the PTO’s analysis of the claims subject to IPR is certain to inform the Court as to the scope and meaning of the dependent claims ... not subject to IPR”).

Here, all five PAP patents asserted in this action are related to one another and to the ’269 patent asserted in Delaware, which is subject to an instituted IPR. Moreover, as CleveMed acknowledges, ResMed’s validity challenges before the Patent Office and in this action “involve overlapping ... arguments” and “overlapping art.” *Opp.* at 3-4. The overlapping nature of CleveMed’s patents and ResMed’s invalidity challenges to those patents demonstrate a high likelihood that Patent Office review—including in the ongoing IPR proceeding on the ’269 patent and the ongoing EPR proceedings on the ’921 and ’680 patents—will simplify the disputes in this litigation.

Third, CleveMed’s argument that simplification hinges on whether the IPR petitions are actually instituted (*Opp.* at 12) ignores the many courts in this District that have granted stays before institution, thereby recognizing that issues can be simplified even if the PTAB does not institute an IPR. *See* *Doc.* 99-1 at 6 (collecting pre-institution stay decisions). CleveMed cites the out-of-district *Freeny* decision (*Opp.* at 12 (citing *Freeny v. Apple Inc.*, No. 2:13-cv-00361-WCB, 2014 WL 3611948, at *1 (E.D. Tex. July 22, 2014)) to argue that courts disfavor pre-institution stays, but the *Freeny* decision carries little persuasive value. In denying a pre-

institution stay, the *Freeny* court relied on Federal Circuit precedent recognizing that district courts may stay proceedings before or after the PTAB rules on an IPR petition and “express[ed] no opinion on which is the better practice.” *Freeny*, 2014 WL 3611948, at *1 (quoting *VirtualAgility Inc. v. Salesforce.com, Inc.*, 759 F.3d 1307, 1316 (Fed. Cir. 2014)). Thus, the question of whether to stay proceedings before or after an institution decision remains “a matter committed to the district court’s discretion.” *Freeny*, 2014 WL 3611948, at *1.

Furthermore, another court in this District rejected *Freeny* in granting a pre-institution stay. *See Automated Packaging*, 2016 WL 9782345, at *3. As that court explained, the *Freeny* court “was speaking subjectively in that case, rather than asserting that whether the PTAB is going to institute review is always the dispositive factor.” *Id.* And, “[i]n any event, *Freeny* is not binding on this Court, as it is a case from the Eastern District of Texas.” *Id.*

Fourth, CleveMed’s contention that any narrowing through estoppel is not “real” unless ResMed agrees to drop all of its anticipation and obviousness defenses under 35 U.S.C. §§ 102 and 103 (Opp. at 15) has no support in the law. As CleveMed recognizes (Opp. at 15), Section 315(e)(2) “does not estop an IPR petitioner’s use in litigation of an invalidity theory that relies upon a product as a prior art reference because a prior art product cannot be used as a reference to challenge the validity of a patent claim in an IPR.” *Medline Indus., Inc. v. C.R. Bard, Inc.*, No. 17-cv-7216, 2020 WL 5512132, at *4 (N.D. Ill. Sept. 14, 2020). Further, EPRs have no preclusive effect. M.P.E.P. § 2259. Despite this established law, courts have continued to find that a stay in favor of IPRs and EPRs will simplify the issues before the court. *See A. Schulman, Inc.*, 2015 WL 12763625, at *2.

Finally, CleveMed’s cited decisions denying pre-institution stays (Opp. at 12) do not apply here. In *Lincoln Elec. Co. v. Soluciones*, the court denied a stay based on undue prejudice

3. ResMed Is Entitled To Seek A Stay Of This Declaratory Judgment Action.

Contrary to CleveMed's suggestion (Opp. at 14), the fact that ResMed initiated this action for declaratory relief does not weigh against a stay, as other courts in this District have recognized. *See Automated Packaging*, 2016 WL 9782345, at *1 (granting plaintiff's motion to stay pending IPRs); *Allied Mach.*, 2013 WL 5566158, at *1 (granting plaintiff's motion to stay pending EPRs); *see also Nespresso USA*, 2024 WL 650431, at *5 (granting declaratory judgment plaintiff's motion to stay). That is especially true here, where ResMed initiated this action on one patent in a different district court, and CleveMed added five additional patents over a period of several months, greatly expanding the scope and burden of this litigation. ResMed is entitled by statute to seek review of CleveMed's patents at the Patent Office, and nothing about ResMed's status as the declaratory judgment plaintiff counsels against a stay pending the resolution of the Patent Office's review.

IV. CONCLUSION

For the foregoing reasons, ResMed respectfully requests the Court stay this action pending the conclusion of all Patent Office proceedings related to the asserted patents.

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CERTIFICATE OF SERVICE

I, Angela C. Whitesell, hereby certify that on January 31, 2025, a copy of **RESMED CORP.'S REPLY IN SUPPORT OF ITS MOTION TO STAY** was served upon the following counsel of record via electronic mail:

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