

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MEDACTA USA, INC., PRECISION SPINE, INC.,
and LIFE SPINE, INC.,
Petitioner,

v.

RSB SPINE, LLC,
Patent Owner.

IPR2020-00275
Patent 9,713,537 B2

Before PATRICK R. SCANLON, MICHAEL L. WOODS, and
ERIC C. JESCHKE, *Administrative Patent Judges*.

WOODS, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. BACKGROUND

Medacta USA, Inc., Precision Spine, Inc., and Life Spine, Inc. (collectively, “Petitioner”) filed a Petition to institute an *inter partes* review of claims 1, 3–6, 10, 13–15, 18, 19, 21, 22, 24, 29, and 30 (the “challenged claims”) of U.S. Patent No. 9,713,537 B2 (Ex. 1002, “the ’537 patent”). Paper 4 (“Pet.”). RSB Spine, LLC (“Patent Owner”) filed a Patent Owner’s Preliminary Response. Paper 13 (“Prelim. Resp.”).

We have authority to determine whether to institute an *inter partes* review. *See* 35 U.S.C. § 314 (2018); 37 C.F.R. § 42.4(a) (2019). Section 314(a) of Title 35 of the United States Code provides that an *inter partes* review may not be instituted “unless . . . the information presented in the petition . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” Upon consideration of the evidence and arguments in the Petition (including its supporting testimonial evidence) as well as the evidence and arguments in the Preliminary Response, for the reasons below, we do not institute an *inter partes* review of any challenged claim.

A. Related Proceedings

The parties identify five pending proceedings in the U.S. District Court for the District of Delaware involving the ’234 patent: (1) *RSB Spine, LLC v. Life Spine, Inc.*, No. 18-cv-1972 (D. Del.); (2) *RSB Spine, LLC v. Medacta USA, Inc.*, No. 18-cv-1973 (D. Del.); (3) *RSB Spine, LLC v. Precision Spine, Inc.*, No. 18-cv-1974 (D. Del.); (4) *RSB Spine, LLC v. Xtant Medical Holdings, Inc.*, No. 18-cv-1976 (D. Del.); and (5) *RSB Spine, LLC v. DePuy Synthes, Inc.*, No. 19-cv-1515 (D. Del.) (collectively, the

“Delaware Litigations”). Pet. 1–2; Paper 5, 2. The Delaware Litigations also involve a related patent, U.S. Patent No. 6,713,234 B2 (“the ’234 patent”). Pet. 1.

On the same day as the filing of the Petition in this Proceeding (December 13, 2019), Petitioner filed an additional petition for *inter partes* review of the *same* challenged claims (1, 3–6, 10, 13–15, 18, 19, 21, 22, 24, 29, and 30) in IPR2020-00264. We granted institution in that proceeding.

Also that same day, Petitioner filed petitions for *inter partes* review of (1) claims 1–10, 13, 14, 16, 18–20, 22, 24, 25, 28, 29, 31 and 32 of the ’234 patent in IPR2020-00274, and (2) claims 35, 37, and 39 of the ’234 patent in IPR2020-00265. We granted institution in those proceedings, as well.¹

Finally, the parties identify “related” U.S. Patent Application No. 15/723,522 as currently pending before the U.S. Patent and Trademark Office. Pet. 2; Paper 7, 2.

B. Real Parties in Interest

The Petition lists the following entities as real parties in interest: Medacta USA, Inc., Precision Spine, Inc., Life Spine, Inc., and Xtant Medical Holdings, Inc. Pet. 1. Patent Owner identifies itself as the sole real party in interest. Paper 7, 2.

C. The ’537 Patent (Ex. 1002)

The ’537 patent is titled, “Bone Plate Stabilization System and Method for its Use.” Ex. 1002, code (54). The patent describes a system

¹ Decisions to institute in IPR2020-00264, IPR2020-00265, and IPR2020-00274 were entered concurrently with this decision to deny institution.

with a base plate configured to fit primarily between anterior portions of two adjacent vertebral bodies' (or bones') lip osteophytes for treating disorders of the spine. *See id.* at code (57), 4:6–12. The patent further describes surgical treatment of the spine accomplished by removing the intervertebral disc material from the space between two adjacent vertebral bodies, and replacing it with a surgical implant and bone graft to promote fusion of the two vertebral bodies. *See id.* at 4:7–15. To illustrate an embodiment of the described system, we reproduce Figures 1 and 2, below:

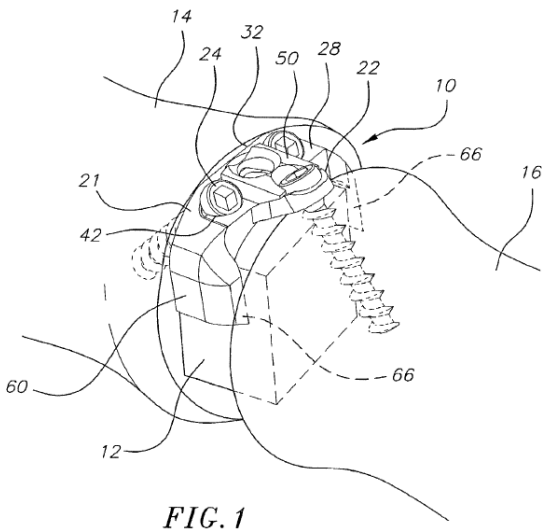


FIG. 1

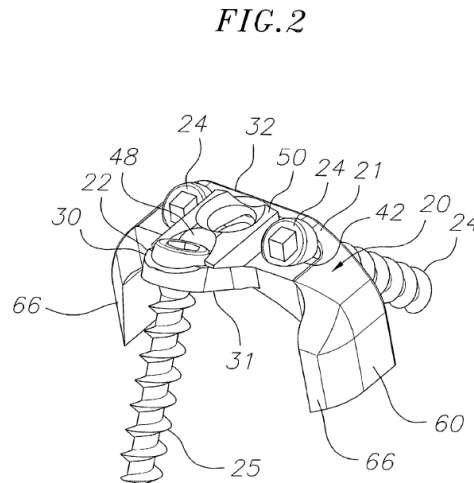


FIG. 2

According to the '537 patent,

Figures 1 and 2 are perspective views of a bone stabilization plate system according to the invention, with Figure 1 (left) depicting the system assembled between adjacent vertebrae. *Id.* at 5:63–67. In particular, these figures depict bone stabilization plate system 10 comprising base plate 20 having a first end and a second end, with primary member 21 and secondary member 22 at the second end of the base plate. *Id.* at 8:33–36. In this embodiment, secondary member 22 is angled relative to primary member 21. *Id.* at 8:37–38. As shown in Figure 1, base plate 20 may be mounted to

adjacent vertebral bodies (14, 16) with bone graft 12 interposed between the bodies. *See id.* at 8:46–49. Bone graft, or bone tissue, promotes fusion between the vertebral bodies. *See id.* at 13:16–18.

We also reproduce Figure 3 of the '537 patent, below:

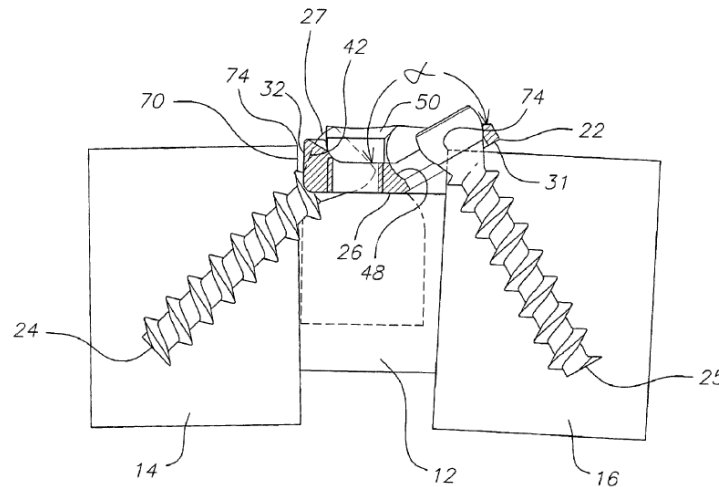


FIG. 3

Figure 3 is a cross-sectional view of the bone plate stabilization system assembled between adjacent vertebrae. *Id.* at 6:1–3. As shown in this figure, bottom surface 26 of base plate 20 (not referenced in Figure 3 above) contacts bone graft 12, and primary member 21 (not referenced in Figure 3 above) also has a top surface, denoted as 28. *See id.* at 8:48–56, Figs. 1, 2. Primary member 21 also has side wall 32 at the first end of base plate 20 that contacts first vertebral body 14. *Id.* at 8:56–58. The top surface of base plate 20 may also have apertures for receiving one or more bone screws. *See id.* at 8:58–60. In this embodiment, primary member 21 includes two first bone screw holes 42 for receiving first bone screws 24. *See id.* at 9:8–11, Fig. 2. Bone screw holes 42 are angled relative to the bottom surface of the base plate so that a first bone screw extending through the hole extends through the base plate at an angle. *Id.* at 9:11–18, Fig. 4.

Secondary member 22 also includes a bone screw hole or slot 48 for receiving second bone screw 25. *Id.* at 9:26–28. Second bone screw is received through bone screw slot 48 and into second vertebral body 16. *Id.* at 9:28–30.

D. Illustrative Claim

Petitioner challenges claims 1, 3–6, 10, 13–15, 18, 19, 21, 22, 24, 29, and 30. Pet. 1. Of these claims, claims 1, 15, and 21 are independent. Ex. 1002, 37:65–40:57. We reproduce claim 1, below.

1. A bone stabilization plate system comprising:

a base plate having a top surface, first and second ends, a bottom surface, and a plurality of bone screw holes, wherein the base plate is configured to fit primarily between anterior portions of adjacent vertebral bones' lip osteophytes to bear weight to hold the vertebral bones while sharing weight with bone graft material for fusion; and

a plurality of bone screws configured to fit in the plurality of bone screw holes, respectively;

wherein the vertebral bones have top surfaces and have side surfaces generally facing each other;

wherein a first of the bone screw holes, being configured to receive a first of the bone screws, extends at least partially from the top surface of the base plate and opens at least partially toward the side surface of a first of the vertebral bones;

wherein a second of the bone screw holes, being configured to receive a second of the bone screws, extends at least partially from the top surface of the base plate and opens at least partially toward the lip osteophyte of a second of the vertebral bones; and

wherein each and every one of the plurality of bone screw holes is configured to receive one of the bone screws angled relative to the base plate and oriented generally in an

anterior-posterior direction through at least partially the top surface of the base plate.

Ex. 1002, 37:65–38:24; Pet. 26–42.

E. Asserted Grounds of Unpatentability

Petitioner contends that the challenged claims are unpatentable based on the following asserted grounds (Pet. 4–5):

Claim(s) Challenged	35 U.S.C. §²	Reference(s)/Basis
1, 4–6, 10, 13, 14, 21, 22, 24, 29, 30	103	Michelson ³
3, 15, 18, 19	103	Michelson, Byrd ⁴
1, 14	103	Michelson, Fraser '106 ⁵
15	103	Michelson, Fraser '106, Byrd

Petitioner supports its challenge with a declaration from Mr. Michael C. Sherman (Ex. 1005).

² The Leahy-Smith America Invents Act (“AIA”) included revisions to 35 U.S.C. § 103 that became effective on March 16, 2013. Pub. L. No. 112-29, §§ 3(c), 3(n)(1), 125 Stat. 284, 287, 293 (2011). Because the application from which the '537 patent issued was filed before March 16, 2013, we apply the pre-AIA version of this statute. *See also* Pet. 4 (confirming same).

³ WO 00/66045, published Nov. 9, 2000 (Ex. 1006).

⁴ US 7,077,864 B2, issued July 18, 2006 (Ex. 1008).

⁵ US 6,432,106 B1, issued Aug. 13, 2002 (Ex. 1007).

II. DISCRETION UNDER 35 U.S.C. § 314(a)

Petitioner filed two petitions requesting *inter partes* review of the *same* challenged claims based on a combination of the *same* three references, namely, Michelson, Fraser '106, and Byrd. *See supra* Parts I.A, I.E; *see also* IPR2020-00264, Paper 2, 5 (the “’264 Petition” or “’264 Pet.”).

Patent Owner argues that the Board should exercise its discretion under 35 U.S.C. § 314(a) and deny institution because the underlying “Petition is unnecessary and cumulative of the petition filed by Petitioners in IPR2020-00264.” Prelim. Resp. 2. In support of this position, Patent Owner cites to the Board’s July 2019 Trial Practice Guide Update. *Id.*

Under § 314(a), we have discretion to deny institution of an *inter partes* review. *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1356 (2018) (“[Section] 314(a) invests the Director with discretion on the question whether to institute review” (emphasis omitted)); *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (explaining that under § 314(a), “the PTO is permitted, but never compelled, to institute an IPR proceeding”). In deciding whether to institute *inter partes* review, we consider the guidance in the Consolidated Trial Practice Guide, which states:

Based on the Board’s experience, one petition should be sufficient to challenge the claims of a patent in most situations. Two or more petitions filed against the same patent at or about the same time (e.g., before the first preliminary response by the patent owner) may place a substantial and unnecessary burden on the Board and the patent owner and could raise fairness, timing, and efficiency concerns. In addition, multiple petitions by a petitioner are not necessary in the vast majority of cases. To date, a substantial majority of patents have been challenged with a single petition.

Nonetheless, the Board recognizes that there may be circumstances in which more than one petition may be

necessary, including, for example, when the patent owner has asserted a large number of claims in litigation or when there is a dispute about priority date requiring arguments under multiple prior art references. In such cases two petitions by a petitioner may be needed, although this should be rare. Further, based on prior experience, the Board finds it unlikely that circumstances will arise where three or more petitions by a petitioner with respect to a particular patent will be appropriate.

To aid the Board in determining whether more than one petition is necessary, if a petitioner files two or more petitions challenging the same patent, then the petitioner should, in its petitions or in a separate paper filed with the petitions, identify: (1) a ranking of the petitions in the order in which it wishes the Board to consider the merits, if the Board uses its discretion to institute any of the petitions, and (2) a succinct explanation of the differences between the petitions, why the issues addressed by the differences are material, and why the Board should exercise its discretion to institute additional petitions if it identifies one petition that satisfies petitioner's burden under 35 U.S.C. § 314(a). The Board encourages the petitioner to use a table to aid in identifying the similarities and differences between petitions.

Consolidated Trial Practice Guide Update, 59–60 (Nov. 2019), *available at* <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf> (citations and footnotes omitted) (“Consolidated Trial Practice Guide” or “CTPG”).

Pursuant to the Consolidated Trial Practice Guide, Petitioner filed a “Petitioners’ Ranking and Explanation for Two Petitions Challenging U.S. Patent No. 9,713,537.” Paper 5 (“Ranking”). In the Ranking, Petitioner ranks the Petition filed in this proceeding as *second* to the petition filed in IPR2020-00264. Ranking 2. Also in the Ranking, Petitioner justifies filing two petitions contending that:

- A) There are sixteen lengthy claims with multiple invalidating references and uncertainty exists regarding the construction of the claims (*see id.* at 2–3);
- B) It is incumbent for Petitioner to submit all well-grounded bases of unpatentability in light of 35 U.S.C. § 315(e)(2), which estops a petitioner from asserting any invalidity defense in district court if that petitioner “reasonably could have raised” the challenge during the *inter partes* review (*id.* at 3–5); and
- C) Although the same art is relied on in challenging the same claims, the art is applied differently (*see id.* at 5).

As discussed below, Petitioner’s arguments fall short of establishing that the second-ranked petition is necessary under our most recent operating guidance, as set forth in the Consolidated Trial Practice Guide.

Addressing first Petitioner’s argument (A), we are not persuaded that the sixteen claims at issue are too lengthy or that the three references relied upon are too multiple to justify two petitions. Indeed, Petitioner was able to challenge the *same* sixteen claims based on the *same* three references in the ’264 Petition. ’264 Pet. 5. Inescapable from our analysis is the fact that the two petitions challenge the same sixteen claims based on the same three references. *Compare* Pet. 4, *with* ’264 Pet. 5.

As to Petitioner’s contention that Patent Owner’s uncertain claim construction position further warrants multiple petitions, we disagree. *See* Ranking 3 (“It is unclear from Patent Owner’s proposed construction, however, whether the claims also require a separate spacer/cage . . .”). In the ’264 Petition, Petitioner presents an alternative, secondary challenge to address the same uncertain claim language. *See* ’264 Pet. 66 (“[T]o the

extent that Patent Owner argues and the Board agrees that the claims require both a base plate and a separate spacer . . . this ground explains how Fraser ’106 discloses a two-piece implant.”). Because Petitioner was able to present an alternative challenge contingent upon Patent Owner’s alternative claim construction in the ’264 Petition, we fail to see how uncertainty regarding claim construction justifies two petitions.

Turning to Petitioner’s argument (B), raising the issue of estoppel, we see some merit in Petitioner’s position. Indeed, Petitioner cites to a prior nonprecedential Board decision that considered estoppel in determining whether to exercise discretion under § 314(a). *See* Ranking 4 (citing *Intex Recreation Corp. v. Team Worldwide Corp.*, IPR2018-00874, Paper 14, 11–12 (PTAB Oct. 29, 2018) (Decision on Institution)). The cited Board decision, however, was entered before both the July 2019 update to the Trial Practice Guide and the Consolidated Trial Practice Guide. Under our most recent guidance, we are not persuaded that estoppel justifies the filing of multiple petitions in this situation, as estoppel is a concern for many, if not most, petitioners challenging patents before the Board. Taken to its logical conclusion, Petitioner’s argument as to estoppel would prevent the Board from ever exercising discretion to deny institution regardless of how many petitions were filed challenging the same patent. *Cf.* CTPG 59–61.

Finally, and as to Petitioner’s argument (C), the explanation falls short of the required “succinct explanation of the differences between the petitions, why the issues addressed by the differences are material, and why the Board should exercise its discretion to institute additional petitions if it identifies one petition that satisfies petitioner’s burden under 35 U.S.C. § 314(a).” CTPG 60. Although Fraser ’106 is relied on primarily in the

'264 Petition, whereas Michelson is relied on primarily in this proceeding (*see* Ranking 5), we agree with Patent Owner that “[t]he ‘one-piece implant’ from Michelson relied on in this Petition is similar in nearly all material respects to the ‘one piece implant’ embodiment of Fraser ’106 relied upon in IPR2020-00264.” Prelim. Resp. 3.

For the foregoing reasons, we are not persuaded by Petitioner’s arguments that two petitions are necessary, and we exercise our discretion under 35 U.S.C. § 314(a) to deny institution of review in this second-ranked proceeding. As mentioned above (*supra* Part I.A & n.1), however, we institute *inter partes* review of the same challenged claims in IPR2020-00264.

III. CONCLUSION

For the foregoing reasons, based on a balanced assessment of the circumstances of this case, we exercise our discretion under 35 U.S.C. § 314 and decline to institute this *inter partes* review of the ’537 patent.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that, no *inter partes* review is instituted.

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