

## **Johnson Health Tech Co. Ltd. and Johnson Health Tech North America, Inc. v. Icon Health Fitness, Inc.: Denying Institution IPR2014-01242**

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*Takeaway: A grant of summary judgment in a related district court litigation does not function as a dismissal without prejudice for purposes of calculating the one year time bar under 35 USC 315(b); instead, the time period will continue to run.*

In its [Decision](#), the Board found that Petitioner Johnson Health Tech North America, Inc. (“JHTNA”) lacked standing because it was time-barred under 35 USC 315(b). In addition, because Petitioner Johnston Health Tech Co. Ltd. (“JHT”) is a privy of JHTNA, JHT was also found to lack standing. Therefore, the Petition was denied.

In the related Utah district court litigation, Patent Owner served JHTNA with a complaint on December 27, 2010. JHT was not named as a party in the litigation, although JHTNA identified JHT as its parent company. JHTNA requested ex parte reexamination of the '631 patent (identifying JHT as the real party in interest) and was granted a stay of the Utah litigation pending the outcome of the reexamination. The '631 patent emerged from the reexamination with claims 1-5 and 11-13 canceled, claims 6-10 amended, and claims 14-22 added. The stay of the Utah litigation was then lifted on May 22, 2013. The instant Petition was then filed on August 4, 2014.

As its basis for standing, Petitioners argued that the time period to file the Petition did not begin until the claims challenged in the Petition were added to the Utah litigation with the filing of Patent Owner's amended complaint on August 5, 2013 alleging infringement of those claims. Petitioners also asserted that the district court's grant of partial summary judgment based on Patent Owner being barred to bring suit under a settlement agreement effectively nullified the complaint, similar to a dismissal without prejudice. Patent Owner argued that the operative date was the filing of the original complaint alleging infringement of the '631 patent on December 27, 2010.

The Board first rejected Petitioners' argument regarding the grant of partial summary judgment in the Utah litigation. As the Board noted, the procedural posture based on summary judgment under Fed. R. Civ. P. 56 “does not leave the parties as though the action had never been brought.” Instead, the summary judgment “operated as an adjudication on the merits of Icon's cause of action for infringement as averred in the original complaint.” In particular, the Board noted that the court's summary judgment ruled that certain JHTNA accused products fell outside the scope of the '631

patent.

The Board also found that although the complaint for infringement had been amended several times, there was no evidence that the district court ever dismissed the complaint. In addition, there was no evidence in the record that the case had been re-filed. Thus, as the Board noted, “contrary to Petitioners’ assertion, Icon’s infringement claim was still alive, albeit somewhat deflated, after the court’s ruling on summary judgment.” Thus, JHTNA did not have standing based on the one year bar.

Turning to JHT’s standing issue, the Board found that Patent Owner identified “myriad facts supporting its contention that ‘JHT is a privy of JHTNA,’” as opposed to Petitioners, who only acknowledged that JHTNA is a subsidiary of JHT. In finding JHT to be a privy of JHTNA, the Board noted that, in addition to the parent-subsidiary relationship, JHT oversees manufacturing of the accused products in the litigation with JHTNA simply being an intermediary. The two acted in concert during the litigation, and JHT, who had not been named as a defendant in the litigation, filed the request for reexamination. This conduct, the Board found, showed that Petitioners were acting together to coordinate the reexamination and the Utah litigation. The Board also pointed out that the same counsel was representing both Petitioners. Therefore, JHT was a privy of JHTNA, and the Petition was barred as untimely under 35 USC 315(b).

*Johnson Health Tech Co. Ltd. and Johnson Health Tech North America, Inc. v. Icon Health & Fitness, Inc.*, IPR2014-01242

Paper 16: Decision Denying Institution of Inter Partes Review

Dated: February 11, 2015

Patent: 6,193,631 B1

Before: Josiah C. Cocks, Brian J. McNamara, and Carl M. DeFranco

Written by: DeFranco

Related Proceeding: *Icon Health & Fitness, Inc. v. Johnson Health Tech North America, Inc.*, Civil Action No. 1:10-cv-00209 (D. Utah)

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