

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

RUIZ FOOD PRODUCTS, INC.,

Petitioner,

v.

MACROPOINT LLC,

Patent Owner.

Case IPR2017-02016

Patent 8,275,358

**PETITIONER RUIZ FOOD PRODUCTS, INC.'S
NOTICE OF APPEAL**

Pursuant to 35 U.S.C. §§141 and 142, and in accordance with 37 C.F.R. §§ 90.2(a) and 90.3, Petitioner Ruiz Food Products, Inc. (“Petitioner”) appeals to the United States Court of Appeals for the Federal Circuit from the Patent Trial and Appeal Board’s Decision Granting Patent Owner’s Motion to Dismiss and Terminating the Proceedings entered on February 14, 2019 (Paper 25, a copy of which is attached as Exhibit A); Decision Denying Petitioner’s Request for Rehearing entered May 6, 2019 (Paper 29, a copy of which is attached as Exhibit B); and from all underlying findings, determinations, orders, decisions, rulings, and opinions regarding the *inter partes* review of U.S. Patent No. 8,275,358 (the “’358 patent”).

In accordance with 37 C.F.R. § 90.2(a)(3)(ii), Petitioner further indicates that the issues on appeal may include, but are not limited to, the following:

(i) the Board’s determination that this *inter partes* review is barred by 35 U.S.C. § 315(a)(1), and any other finding or determination (legal or factual) supporting or related to this determination; and

(ii) the Board’s termination of this *inter partes* review under 35 U.S.C. § 315(a)(1) after institution, and any other finding or determination (legal or factual) supporting or related to this determination.

Petitioner further reserves the right to challenge any finding or determinations supporting or relating to the issue above, and to challenge other

issues decided adversely to Petitioner in any orders, decisions, rulings, and opinions.

Pursuant to 37 C.F.R. § 90.3(b)(1), this Notice of Appeal is timely, having been filed within 63 days after the denial of Petitioner's Request for Rehearing.

Simultaneous with this submission, a copy of the Notice of Appeal is being filed electronically with the Patent Trial and Appeal Board. In addition, a copy of this Notice of Appeal, along with the required docketing fees, are being electronically filed with the Clerk's Office for the United States Court of Appeals for the Federal Circuit.

Date: July 2, 2019

Respectfully submitted,

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e)(4), the undersigned certifies that on July 2, 2019, a complete and entire copy of the foregoing Petitioner's Notice of Appeal was served on Patent Owner via electronic mail directed at the following email addresses of record:

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Pursuant to 37 C.F.R. §§ 90.2(a)(1) and 104.2(a), I hereby certify that, in addition to being filed electronically through the Patent Trial and Appeal Board's End to End (PTAB E2E), a true and correct original version of the foregoing PETITIONER'S NOTICE OF APPEAL is being filed by Express Mail (Express Mail Label # EK912077179US) on this 2nd day of July, 2019, with the Director of the United States Patent and Trademark Office, at the following address:

Director of the United States Patent and Trademark Office
c/o Office of the General Counsel
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I hereby certify that on July 2, 2019, a true and correct copy of the foregoing Notice of Appeal, along with a copy of the Decision Granting Patent Owner's Motion to Dismiss and Terminating the Proceedings and the Decision Denying Petitioner's Request for Rehearing, was filed electronically with the Clerk's Office of the United States Court of Appeals for the Federal Circuit, at the following address:

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Exhibit A

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

RUIZ FOOD PRODUCTS, INC.,
Petitioner,

v.

MACROPOINT LLC,
Patent Owner.

IPR2017-02016 (Patent 8,275,358 B1)
IPR2017-02018 (Patent 9,429,659 B1)

Before MEREDITH C. PETRAVICK, TREVOR M. JEFFERSON, and
NATHAN A. ENGELS, *Administrative Patent Judges*.

ENGELS, *Administrative Patent Judge*.

DECISION

*Granting Patent Owner's Motion to Dismiss and
Terminating the Proceedings*
37 C.F.R. § 42.72

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In the Petitions for *Inter Partes* Review (Paper¹ 2 or “Pet.”), Petitioner identified FourKites, Inc. as a real party in interest and acknowledged that FourKites had filed a complaint for declaratory judgment of invalidity against the patents challenged in these proceedings. Pet. 5–6. Petitioner argued, though, that FourKites’s declaratory-judgment complaint did not bar institution under 35 U.S.C. § 315(a)(1) because FourKites’s complaint had been dismissed without prejudice. *Id.* Among other authority, Petitioner cited the Federal Circuit’s decision in *Graves v. Principi*, 294 F.3d 1350, 1356 (Fed. Cir. 2002), for the proposition that “dismissal of an action without prejudice leaves the parties as though the action had never been brought” (*id.* (quoting *Graves*, 294 F.3d at 1356)), and cited a precedential Board decision to argue “dismissal without prejudice of the declaratory judgment ‘nullifies the effect of the service of the complaint and, as a consequence, does not bar’ Petitioner from pursuing this IPR under 35 U.S.C. § 315(a)(1).” *Id.* at 6 (quoting *Oracle Corp. et al. v. Click-to-Call Tech. LP*, Case IPR2013-00312, slip op. at 17 (PTAB Oct. 30, 2013) (Paper 26) (precedential)).

Patent Owner did not address § 315(a)(1) in its Preliminary Response, and the Board instituted *inter partes* review in these proceedings with Decisions mailed in March 2018. Paper 7. Subsequent to the institution of these proceedings, the Federal Circuit held that service of a complaint for patent infringement can trigger the time-bar provision of 35 U.S.C. § 315(b) even if the complaint was later dismissed without prejudice, distinguishing *Graves* and vacating the final written decision in *Oracle Corp. v. Click-to-*

¹ We refer to the papers in IPR2017-02016 as representative, unless otherwise noted.

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Call Techs. LP, Case IPR2013-00312, 2014 WL 5490583 (PTAB Oct. 28, 2014) (Paper No. 52). *Click-to-Call Techs., LP v. Ingenio, Inc.*, 899 F.3d 1321, 1325, 1334–35 (Fed. Cir. Aug. 16, 2018) (en banc in relevant part).

Patent Owner subsequently filed Motions to Dismiss, arguing that *Click-to-Call* reversed the precedent cited by Petitioner and that these proceedings are barred under § 315(a)(1) in light of *Click-to-Call*. Paper 18. For the reasons explained below, we determine the time-bar provision of § 315(a)(1) applies to the facts at issue and the Board lacks jurisdiction over these proceedings. Accordingly, we terminate these proceedings. See 37 C.F.R. § 42.72.

I. INTRODUCTION

Section 315(a)(1) is titled “Inter Partes Review Barred by Civil Action” and reads as follows: “An inter partes review may not be instituted if, before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent.” As noted in the Petition, it is undisputed that (i) FourKites, Inc. is a real party in interest to the Petitions filed in these proceedings, (ii) FourKites, Inc. filed a complaint seeking a declaratory judgment of invalidity of the challenged patents before the date on which the Petitions were filed, and (iii) FourKites, Inc.’s declaratory-judgment complaint was dismissed without prejudice. Pet. at 3, 5–6 (citing *FourKites, Inc. v. MacroPoint, LLC*, No. 1:16-cv-02703-CAB (N.D. Ohio)).

Arguing that the *en banc* holding of *Click-to-Call* applies to both time-bar provisions of § 315,² Patent Owner argues that the undisputed facts

² In addition to the time bar in § 315(a)(1), § 315(b) is titled “Patent Owner’s Action” and states that “[*inter partes*] review may not be instituted if the

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give rise to a time bar under § 315(a)(1). Paper 18, 1–3. According to Patent Owner, the Federal Circuit’s decision in *Click-to-Call* rejects the principle of a dismissal-without-prejudice exception to both time-bar provisions of § 315. *Id.*; Reply Br. 1–5.

Petitioner argues that *Click-to-Call* is not applicable to § 315(a)(1) and that controlling authority provides that the dismissal without prejudice of FourKites’s complaint does not create a bar under § 315(a)(1). Paper 20 at 1, 5–8; *accord* Pet. at 5–7. Specifically, Petitioner contends that for purposes of § 315(a)(1), controlling authority provides that dismissal without prejudice renders an action as if it had never been filed, and Petitioner argues that the Federal Circuit’s decision in *Click-to-Call* is strictly and purposely limited to § 315(b). Paper 20 at 1, 7–9 (citing *Click-to-Call*, 899 F.3d at 1334–36, 1345–46, 1348; *Jet, Inc. v. Sewage Aeration Sys.*, 223 F.3d 1360, 1364 (Fed. Cir. 2000); *Clio USA, Inc. v. The Procter and Gamble Co.*, Case IPR2013-00438, slip op. at 8 (PTAB. Jan. 9, 2014) (Paper 9)).

As alternative arguments, Petitioner asserts that FourKites’s complaint should not trigger the time bar of § 315(a)(1) because, according to Petitioner, (i) FourKites’s complaint was ostensibly a counterclaim within the meaning of § 315(a)(3) (*id.* at 13–14), (ii) Patent Owner waived its objections to institution by failing to raise § 315(a)(1) prior to institution of these proceedings (*id.* at 14–15), and (iii) Patent Owner had argued that the

petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).”

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district court lacked subject matter jurisdiction over FourKites's complaint (*id.* at 12–13).

II. ANALYSIS

A. Section 315(a)(1) and Voluntary Dismissal Without Prejudice

1. Legal Standards

With the relevant facts undisputed, Patent Owner's Motion turns on interpretation and application of § 315(a)(1). *See* Paper 20 at 9 (“The question at this time is the statutory construction of § 315(a) . . .”). “As in any case of statutory construction, our analysis begins with the language of the statute.” *Click-to-Call*, 899 F.3d at 1329 (quoting *Hughes Aircraft Co. v. Jacobson*, 525 U.S. 432, 438 (1999)). “The first step ‘is to determine whether the language at issue has a plain and unambiguous meaning with regard to the particular dispute in the case.’” *Barnhart v. Sigmon Coal Co.*, 534 U.S. 438, 450 (2002) (quoting *Robinson v. Shell Oil Co.*, 519 U.S. 337, 340 (1997)). “In so doing, we ‘must read the words in their context and with a view to their place in the overall statutory scheme.’” *Click-to-Call*, 899 F.3d at 1329 (quoting *King v. Burwell*, 135 S. Ct. 2480, 2489 (2015) (internal quotation omitted)). “Where a statute's language carries a plain meaning, the duty of an administrative agency is to follow its commands as written” *SAS Inst., Inc. v. Iancu*, 128 S. Ct. 1348, 1355 (2018).

2. The Time Bars of § 315

“Section 315 governs the relationship between IPRs and other proceedings conducted outside the IPR proceeding.” *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1346 (Fed. Cir. 2018);

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accord 157 Cong. Rec. S1375 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl) (“Subsections (a) and (b) of sections 315 and 325 impose time limits and other restrictions when inter partes and post-grant review are sought in relation to litigation.”). Among other subsections, § 315(a)(1) and § 315(b) condition the Director’s authority to institute *inter partes* review on the timely filing of a petition as measured against civil actions filed in district court. *Click-to-Call*, 899 F.3d at 1330 (citing *Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364, 1374 (Fed. Cir. 2018) (en banc)).

For § 315(b), timeliness is measured from actions taken by a patent owner. Section 315(b) establishes a one-year period triggered from the date a patent owner effectively serves a complaint alleging infringement against the petitioner, real party in interest, or privy of the petitioner, and after the one-year period, the Director lacks authority to institute *inter partes* review from a petition filed by the petitioner, real party in interest, or privy challenging the asserted patent. *Click-to-Call*, 899 F.3d at 1341; *Wi-Fi One*, 878 F.3d at 1374.

For § 315(a)(1), on the other hand, timeliness is measured from actions of a petitioner or real party in interest—the act of filing a civil action challenging the validity of a claim of the patent triggers the bar of § 315(a)(1). Under the plain language of § 315(a)(1), the Director may not institute *inter partes* review if the petitioner or real party in interest filed a civil action challenging the validity of a patent claim before the petition’s filing date.

Section 315(a) additionally addresses civil actions for patent invalidity in § 315(a)(2) and § 315(a)(3). In contrast to § 315(a)(1)’s bar against institution arising from civil actions filed *before* a petition’s filing date,

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§ 315(a)(2) contemplates that a petitioner or real party in interest may file a civil action challenging the validity of the patent “on or after the date on which the petitioner files a petition for inter partes review of the patent.” The legislative history of the Leahy-Smith America Invents Act explains that § 315(a)(2) was added to afford an accused infringer the opportunity to file a declaratory-judgment action in its choice of venue while also pursuing *inter partes* review, although § 315(a)(2) provides that the civil action will be automatically stayed. 157 Cong. Rec. S5429 (daily ed. Sept. 8, 2011) (statement of Sen. Kyl) (“The purpose of allowing the declaratory-judgment action to be filed is to allow the accused infringer to file the first action and thus be presumptively entitled to his choice of venue.”).

In addition, § 315(a)(3) provides an exception to the bar against institution in § 315(a)(1). Section 315(a)(3) provides that a counterclaim challenging the validity of a claim of a patent does not constitute a civil action challenging the validity of a claim of a patent for purposes of § 315(a)(1). Such counterclaims are subject to the one-year period provided in § 315(b). *See* 157 Cong. Rec. S1375 (daily ed. Mar. 8, 2011 (statement of Sen. Kyl) (explaining that § 315(a) and § 325(a) “do not restrict the rights of an accused infringer who has been sued and is asserting invalidity in a counterclaim. That situation is governed by section 315(b) . . .”).

3. The Plain and Unambiguous Language of § 315

The Federal Circuit analyzed the language of § 315(b) in *Click-to-Call*, finding the statutory language plain and unambiguous. 899 F.3d at 1330–32. Although much of the analysis in *Click-to-Call* centered on the language “served with a complaint” in § 315(b), language which is not

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included in § 315(a)(1), the Federal Circuit's decision is instructive in our analysis of § 315(a)(1).

First, the Federal Circuit noted that the statute does not contain any exceptions or exemptions for complaints served in civil actions that are subsequently dismissed, with or without prejudice. *Click-to-Call*, 899 F.3d at 1330. The statutory language of § 315(a)(1) also does not contain any exceptions or exemptions for complaints that are filed before a petition and later dismissed.

Next, the Federal Circuit explained that § 315(b) does not contain any indication that application of its time bar is subject to any subsequent act or ruling. *Id.* The same is true for § 315(a)(1). Unlike § 315(a)(2) which expressly references dismissal of a petitioner's civil action as one reason to lift the subsection's automatic stay, nothing in § 315(a)(1) contains any indication that application of its time bar is subject to any subsequent act or ruling.

As the Federal Circuit observed regarding § 315(b), Congress could have included an exception for actions that were filed but later dismissed without prejudice, but it did not. *Id.* at 1331. In contrast, Congress did address dismissal of a civil action in § 315(a)(2), but that subsection expressly applies to civil actions filed on or after the filing date of a petition. *Id.* Congress could have similarly addressed dismissal of a civil action filed before a petition's filing date, but Congress did not include any similar language in § 315(a)(1).

In sum, just as the Federal Circuit held that the language of § 315(b) is plain and unambiguous, we find no ambiguity in the statutory language of § 315(a)(1). *See Click-to-Call*, 899 F.3d at 1330–32. As written,

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§ 315(a)(1) only considers whether a petitioner or a real party in interest filed a civil action challenging the validity of a patent claim before filing a petition for *inter partes* review of that patent. Because the language of § 315(a)(1) carries a plain and unambiguous meaning when read in the context of the overall scheme of the America Invents Act, the Board is bound to apply § 315(a)(1) as written. *SAS Inst*, 128 S. Ct. at 1355; *King*, 135 S. Ct. at 2489.

4. The “Background Legal Principle” of Dismissal Nullifying Filing

Without arguing that the statutory language is ambiguous, Petitioner contends that § 315(a)(1) does not apply here because of “a ‘background legal principle’ that dismissal of an action without prejudice leaves the action as if it had never been filed.” Paper 20 at 7; *cf. id.* at 1–2 (arguing that alternative to its position that dismissal without prejudice avoids the bar of § 315(a)(1), “the Board should find that the FourKites countersuit was not a ‘civil action’ for purposes of the statute” because it was a counterclaim under § 315(a)(3)). According to Petitioner, *Click-to-Call* rejected that background legal principle for § 315(b) but not for § 315(a)(1). *Id.* at 7.

We disagree. Although *Click-to-Call* did not address § 315(a)(1), *Click-to-Call* rejected application of the purported background legal principle in the absence of ambiguity in statutory language. As explained in *Click-to-Call*, “where the statutory scheme is clear, we are not to ‘invent an atextual explanation for Congress’s drafting choices.’” 899 F.3d at 1335 (quoting *SAS*, 128 S. Ct. at 1357). “Where, moreover, the proposed atextual explanation is the alleged existence of a ‘background legal principle,’ that

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principle must be both firmly established and unequivocal before it can justify ignoring the plain text of the statute.” *Id.*

The background legal principle on which Petitioner relies is the same background legal principle addressed in *Click-to-Call*—that a dismissal without prejudice leaves the parties in the same legal position as if the underlying complaint had never been filed. *See id.*; Paper 20 at 7.

Addressing whether the background legal principle is “firmly established and unequivocal,” *Click-to-Call* explains that the background legal principle is “anything but unequivocal.” 899 F.3d at 1335. As such, even though *Click-to-Call* acknowledged that the background legal principle applies for certain other purposes, contrary to Petitioner’s arguments, the background legal principle cannot justify applying an exception to the plain, unambiguous statutory language of § 315(a)(1). *See id.*

Moreover, each of the prior Board decisions cited by Petitioner (Paper 20 at 8, 10–12) as supporting application of a dismissal-without-prejudice exception to § 315(a)(1) predates the *en banc* decision in *Click-to-Call* and relies on essentially the same reasoning rejected by the Federal Circuit. *Click-to-Call*, 899 F.3d at 1333–35 (distinguishing *Graves v. Principi*, 294 F.3d 1350 (Fed. Cir. 2002) and *Bonneville Assocs. Ltd. v. Barram*, 165 F.3d 1360 (Fed. Cir. 1999), among other authority). In *Click-to-Call*, the Federal Circuit explained that the Board erred by relying on *Graves*, *Bonneville*, and similar authority to conclude that voluntary dismissal without prejudice of a civil action tolls § 315(b). 899 F.3d at 1335. The Federal Circuit explained that *Graves* and *Bonneville* stand for the legal principle that voluntary dismissal *does not toll* a statute of limitations such that a subsequently filed action or appeal must still be

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brought within the original limitations period; as stated by the Federal Circuit, the Board turned those decisions on their head by extending that principle to hold that it *does toll* the time bar of § 315(b) indefinitely. *Id.*

Even though *Click-to-Call* did not directly address § 315(a)(1), contrary to Petitioner’s arguments, the *Click-to-Call* reasoning applies equally to prior Board decisions that extended *Graves* and *Bonneville* to toll the application of § 315(a)(1)’s time bar.

B. Petitioner’s Alternative Arguments

1. FourKites’s Complaint as a “Counterclaim” Under § 315(a)(3)

As noted above, § 315(a)(3) provides that “[a] counterclaim challenging the validity of a claim of a patent does not constitute a civil action challenging the validity of a claim of a patent for purposes of this subsection.” In other words, § 315(a)(3) provides that a counterclaim of invalidity does not constitute a civil action challenging the validity of a patent for the purposes of § 315(a)(1) and does not trigger the bar against institution in § 315(a)(1).

According to Petitioner, “FourKites’[s] countersuit was a direct response to [Patent Owner’s] suit against [Petitioner]” and therefore FourKites’s complaint “would be considered a ‘counterclaim’ under the common legal definition of the word.” Paper 20 at 14. Petitioner cites no case law to support that argument, offering only a dictionary definition defining “counterclaim” as “[a] claim for relief asserted against an opposing party after an original claim has been made.” *Id.* (citing Ex. 1028 (excerpts of Black’s Law Dictionary 353 (7th ed. 1999))).

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Beginning again with the statutory language, we find no ambiguity in the term “counterclaim” as used in § 315(a)(3). Even though it can be appropriate to look to dictionaries to discern the ordinary meaning of a term used in a statute (*see Return Mail, Inc. v. United States Postal Service*, 868 F.3d 1350, 1363 (Fed. Cir. 2017)), the ordinary meaning of “counterclaim” does not support Petitioner’s argument—the cited definition, like the Federal Rules of Civil Procedure, refers to counterclaims as claims “against an opposing party.” *See* Fed. R. Civ. P. 13.

FourKites was not a party to the lawsuit between Patent Owner and Petitioner in the Eastern District of Texas. To the contrary, FourKites filed its declaratory-judgment complaint (i) as the plaintiff, (ii) in as a separate action, (iii) in a different jurisdiction, the Northern District of Ohio, (iv) naming Patent Owner as the defendant. Ex. 1024 at 1 (“Plaintiff FourKites, Inc. (‘FourKites’), for its Complaint against Defendant MacroPoint LLC . . .”).

Regardless of the timing and the subjective motivation for filing the declaratory-judgment complaint, FourKites’s complaint was not a counterclaim under the ordinary meaning of the term, and we find no ambiguity in the statutory language that could justify interpreting “counterclaim” in § 315(a)(3) to include FourKites’s complaint. *See* 157 Cong. Rec. S1375 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl) (explaining that § 315(a) and § 325(a) “do not restrict the rights of an accused infringer who has been sued and is asserting invalidity in a counterclaim”).

Petitioner also incorrectly asserts that “requir[ing] that a ‘counterclaim’ be asserted in the same proceeding as an allegation of

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infringement . . . would render § 315 internally inconsistent” because § 315(a)(1) refers to a civil action filed by either a petitioner or its real party in interest, “[y]et, a real party in interest could not readily avail themselves to the protections of § 315(a)(3) under such an interpretation.” Paper 20 at 14. Contrary to Petitioner’s argument, § 315(a)(1) uses the terms “petitioner” and “real party in interest” without regard to whether one or the other (or both) is a defendant in a civil action for patent infringement. *See* 35 U.S.C. § 311(a) (providing that any person who is not the owner of the patent may file a petition seeking *inter partes* review). Similarly, § 315(a)(3) applies only to “counterclaims,” regardless of whether those counterclaims were filed by a petitioner or a petitioner’s real party in interest. Moreover, Petitioner’s arguments are inconsistent with the provision of § 315(a)(2), which provides that a petitioner or real party in interest may file a civil action challenging the validity of a claim without triggering the bar of § 315(a)(1), as long as the petitioner or real party in interest files its civil action *on or after* the filing date of the petition.

Indeed, the provisions of § 315 are consistent and unambiguous. In sum, a petitioner or real party in interest is free to file claims of patent invalidity in a civil action; to avoid the bar of § 315(a)(1), however, those claims must be either filed as a counterclaim or filed on or after the filing date of the petition.

2. Patent Owner’s Failure to Raise § 315(a)(1) Prior to Institution

Petitioner argues that Patent Owner waived any objection to institution under § 315(a)(1) by failing to object prior to the Board’s Decision to Institute. Paper 20 at 14–15. As explained by the Federal

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Circuit, however, the time bar of § 315(a)(1) is a jurisdictional issue. *Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364, 1374 (Fed. Cir. 2018) (en banc) (“the timely filing of a petition . . . is a condition precedent to the Director’s authority to act” and “sets limits on the Director’s statutory authority to institute”); *accord Click-to-Call*, 899 F.3d at 1325 (“Because the subject petition was time-barred, the Board lacked jurisdiction to institute [*inter partes* review] proceedings.”). Statutory jurisdiction cannot be waived. *United States v. Cotton*, 535 U.S. 625, 630 (2002) (“[S]ubject matter jurisdiction . . . can never be forfeited or waived.”); *see GTNX, Inc. v. INTTRA, Inc.*, 789 F.3d 1309, 1311–12 (Fed. Cir. 2015) (rejecting an argument that the bar against institution of a post-grant review under § 325(a)(1) had been waived).

3. Arguments Raised in District Court

Petitioner argues that because Patent Owner filed a motion to dismiss FourKites’s declaratory judgment complaint for lack of subject matter jurisdiction, that complaint should not constitute a “civil action” under § 315(a)(1). Paper 20 at 12–13 (citing *InVue Security Prods., Inc. v. Merchandising Techs., Inc.*, Case IPR2013-00122, slip op. at 9 (PTAB June 27, 2013) (Paper 17)). As cited by Petitioner, the Board’s decision in *InVue Security Products* held that a district court’s dismissal for lack of subject matter jurisdiction indicated that “the district court never had authority to hear the case” and that the time bar of § 315(a) did not apply “under the particular circumstances” of that case. IPR2013-00122, Paper 17 at 9 (citing *Gould, Inc. v. U.S.*, 67 F.3d 925, 929 (Fed. Cir. 1995) and *Graves*, among other decision).

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As an initial matter, we note that *InVue Security Products* was decided before the Federal Circuit's decision in *Click-to-Call*. Without addressing how *InVue Security Products* might be decided under the authority established by *Click-to-Call*, it suffices to say that the particular circumstances of a complaint dismissed for lack of subject matter jurisdiction are not before us here—the district court did not dismiss FourKites's declaratory-judgment complaint for lack of subject matter jurisdiction.

III. CONCLUSION

Having considered each of the parties' arguments in light of the facts at issue and applicable law, we determine that institution of the Petitions was barred by 35 U.S.C. § 315(a)(1) and the Board therefore lacks jurisdiction over these proceedings.

IV. ORDER

It is:

ORDERED that these proceedings are terminated.

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Exhibit B

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IPR2017-02016 (Patent 8,275,358 B1)
IPR2017-02018 (Patent 9,429,659 B1)

Before MEREDITH C. PETRAVICK, TREVOR M. JEFFERSON, and
NATHAN A. ENGELS, *Administrative Patent Judges*.

ENGELS, *Administrative Patent Judge*.

DECISION ON REQUEST FOR REHEARING
Denying Petitioner's Request for Rehearing
37 C.F.R. § 42.71(d)

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In a Decision (Paper 25¹) granting Patent Owner’s Motion to Dismiss (Paper 18) and terminating the proceedings, the Board determined that the Petitions were untimely under 35 U.S.C. § 315(a)(1) and that the Board therefore lacked jurisdiction over the proceedings. More specifically, the Board determined that a complaint for declaratory judgment filed before the Petitions triggered the time bar of § 315(a)(1) even though the complaint was dismissed without prejudice after its filing. Decision at 2–3.

Petitioner filed a Request for Rehearing of our Decision. Paper 26. In the Request, Petitioner argues the Board (i) “ignored the background legal principle at issue—the effect of a dismissal without prejudice” (*id.* at 1; *see id.* at 2–7) and (ii) “failed to determine whether the district court declaratory judgment action was a ‘civil action’ under [§ 315(a)(1)]” (*id.* at 1; *id.* at 7–12).

Contrary to Petitioner’s arguments regarding the purported background legal principle (*id.* at 2–7), the Decision considers the principle but follows the Federal Circuit’s guidance that the principle is not “firmly established and unequivocal” and therefore cannot justify applying an exception to the unambiguous language of § 315(a)(1). Decision 9–10 (citing *Click-to-Call Techs., LP v. Ingenio, Inc.*, 899 F.3d 1321, 1335 (Fed. Cir. 2018) (explaining that a “background legal principle” must be both “firmly established and unequivocal before it can justify ignoring the plain text of the statute”; holding that the principle that “a dismissal without prejudice leaves the parties as if the underlying complaint had never been filed” is “anything but unequivocal”)).

¹ We refer to the papers in IPR2017-02016 as representative, unless otherwise noted.

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Regarding whether the declaratory-judgment action qualifies as a “civil action” under § 315(a)(1), Petitioner argues for the first time in its Request for Rehearing that “its certification that the declaratory judgment action was not a bar was entitled to a presumption of being correct.” Request at 7–8 (citing *Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237, 1241–44 (Fed. Cir. 2018)). Even if that argument were timely, which it is not, the Petition itself reflects why that argument fails; Petitioner’s “certification” was premised on “the dismissal without prejudice . . . of the declaratory judgment action” and case law that no longer applies under *Click-to-Call*. See Pet. 6–7 (citing, e.g., *Graves v. Principi*, 294 F.3d 1350, 1356 (Fed. Cir. 2002) and *Oracle Corp. v. Click-to-Call Tech. LP*, Case IPR2013-00312, Paper 26 at 17 (PTAB Oct. 30, 2013)). Further, Petitioner stopped short of arguing that subject-matter jurisdiction did not exist; Petitioner instead argued that “had [Patent Owner’s district-court motion to dismiss] been granted, § 315(a)(1) would not apply” and “the Board should take [Patent Owner] at its word when it filed its motion to dismiss, and hold that the countersuit was never a ‘civil action’ under § 315(a)(1).” Paper 20 at 13–14. As explained in the Decision, nothing on the record before us indicates that the declaratory-judgment action was defective for lack of subject-matter jurisdiction.

Accordingly, because Petitioner has not persuasively identified any matters that the Board misapprehended or overlooked (37 CFR § 42.71(d)), Petitioner’s Request for Rehearing is denied.

ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Petitioner’s Request for Rehearing is *denied*.

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