Trials@uspto.gov
571-272-7822

Paper 12
Entered: June 12, 2014

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.
Petitioner

v.

RENSSELAER POLYTECHNIC INSTITUTE and
DYNAMIC ADVANCES, LLC
Patent Owner

Case IPR2014-00319
Patent 7,177,798 B2

Before JOSIAH C. COCKS, BRYAN F. MOORE, and MIRIAM L. QUINN, *Administrative Patent Judges*.

MOORE, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
37 C.F.R. § 42.108

INTRODUCTION

Apple Inc. ("Petitioner") filed a petition requesting an *inter partes* review of claims 1-21 of U.S. Patent No. 7,177,798 B2 (Ex. 1001, "the '798 patent") on January 3, 2014. Paper 1 ("Pet."). In response, Rensselaer Polytechnic Institute and Dynamic Advances, LLC ("Patent Owner") filed a patent owner preliminary response on April 16, 2014. Paper 11 ("Prelim. Resp."). We have jurisdiction under 35 U.S.C. § 314.

The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a), which provides as follows:

> THRESHOLD.—The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 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.

Additionally, Section 315 of Title 35 of the United States Code provides in pertinent part:

> (b) PATENT OWNER'S ACTION.—An *inter partes* review may not be instituted if 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).

For the reasons that follow, we determine that the petition to institute an *inter partes* review was not filed within the statutory period of 35 U.S.C. § 315(b), and therefore is denied.

A. Related Proceedings

Petitioner indicates that the '798 patent is involved in a co-pending case captioned *Rensselaer Polytechnic Inst. & Dynamic Advances, LLC v. Apple Inc.*, No. 1:13-cv-00633-DNH-DEP (N.D.N.Y). Pet. 2 (Attachment B). Petitioner has filed additional petitions for *inter partes* review against the '798 patent: IPR2014-00077 (institution was denied); and IPR2014-00320 (filed concurrently with this *inter partes* review).

B. Earlier District Court Proceeding

The '798 patent was included in a complaint for patent infringement filed October 19, 2012, in *Dynamic Advances, LLC v. Apple Inc.*, No. 1:12-cv-01579-DNH-CFH (N.D.N.Y) (*Dynamic I*). Pet. 1. In that case Patent Owner (Dynamic Advances) served Petitioner (Apple) with the complaint on October 23, 2012. Prelim. Resp. 4; Ex. 2014. Apple answered and counterclaimed on December 13, 2012. Ex. 2015, 1, 7. Subsequently, Rensselaer Polytechnic Institute and Dynamic Advances filed jointly a complaint for patent infringement in *Rensselaer Polytechnic Inst. & Dynamic Advances, LLC v. Apple Inc.*, No. 1:13-cv-00633-DNH-DEP (N.D.N.Y) (*Dynamic II*) on June 3, 2013. Ex. 1021.

On July 22, 2013, the court ordered the two cases consolidated under Fed. R. Civ. P. 42 and that Dynamic I "is dismissed *without prejudice* and the parties will proceed to litigate their claims and defenses in Civil Action No. 1:13-cv-633-DNH-DEP," pursuant to a joint stipulation of the parties. Ex. 1022 (Dkt. No. 68, Case No. 1:12-cv-1579); Ex. 2018 (Dkt. No. 20, Case No. 1:13-cv-633) (emphasis added).

That consolidated case remains pending.

ANALYSIS

Petitioner was served with a complaint alleging infringement of the '798 patent on two occasions. The first complaint, in connection with a first case, *Dynamic I*, was served on Petitioner on October 23, 2012. The second complaint, in connection with a second case, *Dynamic II*, was served on Petitioner on June 6, 2013, less than 12 months prior to the filing date of the Petition. Pet. 1.

Petitioner raises the following issue with respect to 35 U.S.C. § 315(b): whether service of the second complaint (*Dynamic II*), but not of the first complaint (*Dynamic I*), controls for purposes of 35 U.S.C. § 315(b) because of the consolidation order dismissing the first case "without prejudice."

Petitioner argues that it is not barred from requesting *inter partes* review because the service of the *Dynamic I* complaint was not effective. Pet. 1. In support of its argument, Petitioner relies on a decision instituting *inter partes* review in IPR2012-0004, *Macauto U.S.A. v. BOS GmbH & KG (Macauto)* (holding that a voluntary dismissal without prejudice nullified service of the complaint for purposes of 35 U.S.C. § 315(b)). As pointed out by Patent Owner, in *Macauto* the infringement suit against the petitioner was dismissed voluntarily without prejudice, under Fed. R. Civ. P. 41(a), pursuant to a joint stipulation. *Macauto*, slip op. at 14-15 (PTAB 2013) (Paper 18). The *Macauto* decision noted that the United States Court of Appeals for the Federal Circuit has interpreted consistently the effect of voluntary dismissals without prejudice under Fed. R. Civ. P. 41(a) as leaving the parties as though the action had never been brought. *Id.* at 15-16 (quoting *Graves v. Principi*, 294 F.3d 1350, 1356 (Fed. Cir. 2002);

Bonneville Associates, Ltd. Partnership v. Baram, 165 F.3d 1360, 1364 (Fed. Cir. 1999) (*Bonneville*)). With respect to the co-pending litigation here, however, although the United States District Court for the Northern District of New York ordered that the voluntary dismissal of *Dynamic I* was without prejudice, the Court did so as part of a consolidation of *Dynamic I* and *Dynamic II* pursuant to Fed. R. Civ. P. 42. Prelim. Resp. 6; Ex. 1022, 2. *Macauto*, we note, relied on cases interpreting Fed. R. Civ. P. 41(a), not Fed. R. Civ. P. 42.

Therefore, the issue before us is whether service of the complaint in *Dynamic I* should be treated as nullified under the reasoning of *Macauto*. Based on the facts presented in this proceeding, we conclude that it should not be so treated, because *Dynamic I* cannot be treated as if that case had never been filed under the rationale of *Macauto*.

As noted above, the Board in *Macauto* relied on *Bonneville*. *Bonneville* involved an issue of whether the statute of limitations would be tolled when a case is brought, and subsequently dismissed, without prejudice. *Bonneville*, 165 F.3d at 1364-65. The Court in *Bonneville* found that a complaint that was dismissed by joint stipulation without prejudice under Fed. R. Civ. P. 41(a) did not toll the statute of limitations, and therefore, an appeal of that case was barred.

We find informative a case from the Third Circuit that recognized, similar to *Bonneville*, that a "statute of limitations is not tolled by the filing of a complaint subsequently dismissed without prejudice," as "the original complaint is treated as if it never existed." *Cardio–Medical Assocs. v. Crozer–Chester Med. Ctr.*, 721 F.2d 68, 77 (3d Cir.1983) (*Cardio-Medical*). Nonetheless, *Cardio-Medical* recognized an exception where the limitations

period *is* tolled by the filing of a complaint, which is later dismissed without prejudice, if the order of dismissal grants leave to amend within a time certain. *See id*. The rationale for this exception is that "[a]n order merely dismissing a complaint without prejudice could result in a significant period of delay prior to the bringing of a new action." *Brennan v. Kulick*, 407 F.3d 603, 607 (3d Cir.2005). But with a conditional dismissal, "[t]he conditions specified in the order prevent a plaintiff from indefinitely extending the limitations period." *Id.*

Therefore, the Third Circuit has analyzed the rule regarding treatment of dismissals without prejudice based on the particular circumstances of each case. We are persuaded that the circumstances of the instant case weigh in favor of close scrutiny of the effect of the dismissal of *Dynamic I*, because that cause of action, although dismissed, was continued immediately in *Dynamic II*.

We also find informative another panel's decision holding that the filing of an amended complaint does not render the original complaint a nullity. *Loral Space & Communications, Inc. v. ViaSat*, Inc., IPR2014-00236 (PTAB 2014) (Paper 7) ("An amended complaint is just that-a complaint that has been amended. The original complaint has been amended, and has not gone away in the same sense as a complaint dismissed without prejudice."). Again, here, *Dynamic I* immediately continued as a consolidated case, similar, in effect, to an amended case.

We find the above cases well-reasoned and applicable to the facts presented here. Although the Court's order consolidating *Dynamic I* and *Dynamic II* dismissed *Dynamic I* "without prejudice," the Court's order specifically stated that the "parties will proceed to litigate their claims and

defenses in [*Dynamic II*],” stated that discovery from *Dynamic I* would be treated as if it was filed in *Dynamic II*, and specifically bound the parties to positions taken in *Dynamic I*. Ex. 1022. Given these facts, we conclude that the *Dynamic I* case did not cease in the same sense as a complaint dismissed without prejudice and without consolidation—it was consolidated with another case, and its complaint cannot be treated as if it never existed.

In sum, Petitioner has failed to show that we should treat a dismissal without prejudice pursuant to a consolidation under Fed. R. Civ. P. 42 in the same way as a dismissal without prejudice, without consolidation, under Fed. R. Civ. P. 41(a). Therefore, the date of service of the *Dynamic I* complaint, October 23, 2012, controls for determining whether the petition is barred under 35 U.S.C. § 315(b). Because the petition has a filing date of January 3, 2014, the petition was not filed timely within the one-year-statutory period of 35 U.S.C. § 315(b).

CONCLUSION

We have considered Petitioner’s arguments. We are not persuaded that the petition was filed timely within the one-year-statutory period of 35 U.S.C. § 315(b), and therefore, the Board denies institution of an *inter partes* review of U.S. Patent 7,177,798.

ORDER

Accordingly, it is

ORDERED that that the petition is *denied* as to all challenged claims, and no trial is instituted.

For PETITIONER:

Jeffrey Kushan
jkushan@sidley.com

For PATENT OWNER:

Tarek Fahmi
FAHMI, SELLERS, EMBERT & DAVITZ
tarek.fahmi@fseip.com

Donald E. Tiller
SKIERMONT PUCKETT LLP
dynamic_team@skiermontpuckett.com
don.tiller@skiermontpuckett.com