

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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GOPRO, INC.  
Petitioner,

v.

360HEROS, INC.,  
Patent Owner.

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Case IPR2018-01754  
U.S. Patent 9,152,019

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**PATENT OWNER'S REQUEST FOR REHEARING  
TO APPLY THE ONE-YEAR TIME BAR OF 35 U.S.C. § 315(b)**

## I. INTRODUCTION

Patent Owner respectfully seeks rehearing of institution under 37 C.F.R. § 42.71(d). Patent Owner is simultaneously requesting a Precedential Opinion Panel by contacting the appropriate e-mail address, as instructed in the relevant Standard Operating Procedure. The proper application of the one-year time bar is of such extraordinary and recurring importance to the PTAB and its participants that a precedential panel is necessary to correct multiple erroneous PTAB holdings, and supply uniform guidance for future cases.

The plain language of 35 U.S.C. § 315(b) states that the one-year time bar begins to run when a petitioner “is served” with a complaint for patent infringement under the petitioned patent. The language does not specify (and indeed avoids specifying) who does the “serving,” or how proper is the “complaint.” The language of the statute is plain and unambiguous. The Federal Circuit specifically held it to be plain and unambiguous. *Click-to-Call Techs., LP v. Ingenio, Inc.*, 899 F.3d 1321, 1330 (Fed. Cir. 2018) (*en banc*). Consequently, where a petitioner was served with a complaint more than one year before the filing of its petition, no statutory language precludes applying the time bar, even if a judicial decision holds that the plaintiff lacked standing to bring that patent infringement action at the time of the complaint.

In declining to find a time bar, the Board Panel made a clear mistake of law. The Panel held that the Federal Circuit’s decision in *Click-to-Call* does not control

the outcome here. (Paper 15, at 8-9). In so holding, the Panel cited *Sling TV, L.L.C. v. Realtime Adaptive Streaming LLC*, IPR2018-01331, at 5-7 (PTAB Jan. 31, 2019 (Paper 9)). The *Sling* decision likewise held that *Click-to-Call* does not control the outcome for this situation. Both this Panel and the *Sling* panel erred in this regard. *Click-to-Call* holds that the language of Section 315(b) is “plain and unambiguous.”<sup>1</sup> Such holding renders incorrect any resort to statutory interpretive tools beyond the statutory language. This includes statutory subheadings or legislative history. With those interpretive tools no longer applicable, nothing about Section 315(b) supplies even a hint of an exception to the time bar for complaints filed without standing.

## **II. THE PANEL’S DECISION PLACES IT IN CONFLICT WITH FEDERAL CIRCUIT AUTHORITY**

Patent Owner raised the overlooked matter described in this section at pages 18-24 of the Preliminary Response (Paper 9). For example, Patent Owner noted that *Click-to-Call* effectively overruled prior PTAB decisions on the question presented. (Paper 9, at 21-22, noting “that decision was effectively overturned by *Click-to-Call*,” referring to *Hamilton Beach Brands, Inc. v. F’real Foods, LLC*, IPR2016-1107 (PTAB Nov. 30, 2016) (Paper 10)).

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<sup>1</sup> The *Sling* decision published after the filing of Patent Owner’s Preliminary Response, precluding Patent Owner from being able to address it within its Preliminary Response.

As discussed originally in the Preliminary Response, Petitioner’s time to file an IPR expired on August 22, 2017, a year after it was served by ECF with 360Heros’ Counterclaim for patent infringement. The time to file did not revive with the November 27, 2017 grant of summary judgment of lack of standing in Northern District of California litigation. Section 315(b) bars an IPR “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.” This plain language captures the situation here, and admits of no exceptions or qualifications (such as “complaints with standing” or “proper complaints”). Congress sensibly made it a bright line test, to avoid exactly the uncertainty over time bars that Petitioner seeks to create here.

The statute plainly and unambiguously precludes institution of an IPR more than one year after “a party receives notice through official delivery of a complaint in a civil action, irrespective of subsequent events.” *Click-to-Call*, 899 F.3d at 1330 (Fed. Cir. 2018). It is difficult to imagine the Federal Circuit being more clear, when it held that the bar arises “irrespective” of later happenings. A “complaint,” as observed by the Federal Circuit, is “the initial pleading that starts a civil action and states the basis for the court’s jurisdiction, the basis for the plaintiff’s claim, and the

demand for relief.” *Id.* (citation and internal quotation omitted).<sup>2</sup> While *Click-to-Call*’s facts involved a complaint later voluntarily dismissed without prejudice, it held that the plain and unambiguous language of Section 315(b) provides no exceptions for events occurring after the service of the complaint. *Id.* at 1330, 1336. This “no exceptions” holding applies here.

Nonetheless, this Panel erroneously rejected Patent Owner’s statutory and case law analysis showing that the time bar applies. This Panel apparently felt itself bound by three earlier panel decisions. Of those three earlier decisions, only one post-dates *Click-to-Call*: the *Sling* decision (issuing January 31, 2019). But the rationale adopted in *Sling* to avoid applying *Click-to-Call* was clearly wrong.

In *Sling*, the panel looked to two sources of statutory construction to hold that a complaint filed and served without standing did not trigger the Section 315(b) time bar.

The first source was a statutory subheading. The *Sling* panel relied on the terminology “Patent Owner” in the subheading above the text of Section 315(b). This terminology suggested to the *Sling* panel that only true owners of a patent might

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<sup>2</sup> GoPro’s Petition challenged whether a counterclaim meets the definition of a complaint. The Panel correctly did not address this argument, since established Board precedent holds that a counterclaims is a complaint for this purpose. *See St. Jude Medical, Cardiology Division, Inc. v. Volcano Corp.*, IPR2013-00258 (Oct. 16, 2013).

invoke Section 315(b). However, a respected commentator has already rejected this reasoning, as it goes too far and would exclude exclusive licensees. *See, e.g.,* Michael McKeon, “PTAB Identifies New Exception to One-Year Time Bar,” *Patents Post-Grant Blog* (Feb. 26, 2019) (available at <https://www.patentspostgrant.com/ptab-identifies-new-exception-one-year-time-bar/>). This reasoning also places the *Sling* panel (and by extension, this Panel) into direct conflict with the Federal Circuit. In *Click-to-Call* itself, the Federal Circuit applied the time bar to a complaint filed not by a “patent owner,” but by an exclusive licensee. 899 F.3d at 1325.

A more fundamental error lurks in the *Sling* panel’s reasoning. Section headings cannot be used for statutory construction under the circumstances here. Section headings only become usable when the statutory text contains an ambiguous word or phrase, creating a “doubt” about interpretation that needs resolution. “[T]he title of a statute . . . cannot limit the plain meaning of the text. For interpretive purposes, [it is] of use only when [it] shed[s] light on some ambiguous word or phrase.” *Pennsylvania Dept. of Corrections v. Yeskey*, 524 U.S. 206, 212 (1998). Statutory titles and section headings “are tools available for the resolution of a doubt about the meaning of a statute.” *Porter v. Nussle*, 534 U.S. 516, 528 (2002). Here, it is already settled Federal Circuit law that the text itself of Section 315(b) is “plain and unambiguous,” and there is no “doubt.” *Click-to-Call*, 899 F.3d at 1330-31. No

one has ever identified any word or phrase within Section 315(b) that is ambiguous. The Petitioner itself argued (and agrees) that *Click-to-Call* calls the language of Section 315(b) “unambiguous.” (Paper 1, at 3). This fact made it wrong, at the outset, for the *Sling* panel to invoke the “statutory subheading” interpretive tool in the first place.

The second source of statutory construction invoked by the *Sling* panel to avoid applying the time bar statute (despite its plain meaning) was legislative history. IPR2018-01331, at 6-7 (referring to one Member of Congress using the term “patent owner” when discussing a related provision). But this interpretive tool suffers from the same problem as the first. A tribunal may use legislative history as an interpretive tool only to resolve an ambiguity, of which there is none in Section 315(b) (as already announced by the Federal Circuit). *Exxon Mobil Corp. v. Allapattah Services, Inc.*, 545 U.S. 546, 568 (2005) (“As we have repeatedly held, the authoritative statement is the statutory text, not the legislative history or any other extrinsic material. Extrinsic materials have a role in statutory interpretation only to the extent they shed a reliable light on the enacting Legislature’s understanding of otherwise ambiguous terms.”).

This Panel correctly observed that the Federal Circuit, in *Hamilton Beach Brands, Inc. v. F’real Foods, LLC*, 908 F.3d 1328, 1337 (Fed. Cir. 2018), stated that *Click-to-Call* did not decide the 315(b) question in the context here: pleadings held

to have been filed without standing. (Paper 15, at 9, quoting *Hamilton* that the question was “not present, or considered” in the *Click-to-Call* case). While correct, this observation cuts both ways. *Hamilton* did not decide the question, one way or another, since it declined to address the issue on procedural grounds. And stating that the *Click-to-Call* decision did not reach these exact facts is *not* tantamount to stating that *Click-to-Call* and its persuasive force must be ignored entirely when addressing the legal question at hand. Most importantly, *Hamilton* certainly does not call into question the central *en banc* holding of *Click-to-Call* that Section 315(b) is “plain and unambiguous.”

The only remaining basis for this Panel’s decision not to apply the time bar is its adherence to two pre-*Click-to-Call* decisions. (Paper 15, at 10). The Panel carried forward the conclusions of those decisions, each of which reasoning that complaints filed without standing were not “viable” or “proper,” and thus could not count under Section 315(b) (despite its plain text). (*Id.*). But it is well established that a civil action commences whether or not the first pleading was “viable” or “proper.” A complaint filed without standing still triggers federal process just like any other case. For example, such a filing invests federal courts with jurisdiction to decide their own jurisdiction. *United States v. Ruiz*, 536 U.S. 622, 628 (2002). In patent law, even pleadings filed without jurisdiction provide authority for a district court to determine under 35 U.S.C. § 285 whether a case was exceptional, and whether a money



judgment for fees should be awarded to a prevailing party. *Highway Equip. Co. v. FEEO, Ltd.*, 469 F.3d 1027 (Fed. Cir. 2006). Such lawsuits are not a nullity, in any sense. In fact, the lawsuit in dispute here went on for over a year, involving substantial discovery and depositions, before Petitioner sought its dismissal.

In short, the language “viable complaint” or “proper complaint” does not appear anywhere in Section 315(b) to narrow its application to pleadings that can avoid a “lack of standing” attack. *Click-to-Call* holds that the Section 315(b) language is “plain and unambiguous,” making it clearly wrong to impute qualifications into the language naming “complaints,” such as requiring them to be categorically “viable” or “proper.” And such statutory language covers what Petitioner did here, coming to the PTAB well over 1 year after being served with a complaint asserting infringement under the petitioned patent. The institution decision should be reheard, insofar as it found the absence of a time bar. This will have the beneficial effect of clarifying the time bar standard for innumerable future PTAB proceedings.

### **III. THE PANEL’S DECISION OVERLOOKED PATENT OWNER’S REQUEST FOR DISCRETIONARY DENIAL**

As a second ground for rehearing, Patent Owner raised a separate overlooked matter at pages 24-25 of the Preliminary Response. (Paper 9). Patent Owner requested discretionary denial of the Petition in the event any of Petitioner’s

arguments could “thread the needle” to avoid application of the time bar. The Panel did not acknowledge the argument, or refute its soundness.

The case for discretionary denial is particularly strong here. To permit institution on these facts would do a grave injustice. It would encourage forum shopping. Petitioner initiated litigation over the '019 patent and chose the district court as its preferred forum. That was on April 13, 2016, two and half years prior to filing this IPR, and the dispute has been vigorously litigated in the district courts for that entire period. In the recitation of the history in its Preliminary Response, Patent Owner demonstrated that Petitioner is asking the USPTO to jump in to assist them in the advanced commercial dispute between the parties. This dispute is being competently handled by the District of Delaware, which has not stayed the case and is not seeking the aid of the agency. There is no further public interest in the USPTO taking a “second look” at a patent that is already being adjudicated by the district court. In fact it is against the public interest as inventors like Michael Kintner will not start businesses like 360Hero and build products like the 360Abyss if the USPTO is going to preside over repetitive challenges to their patent rights that keep a cloud over their validity.

Furthermore, institution will not achieve the legislative purpose of faster and lower cost dispute resolution. It is only duplicative of the Delaware case where a

claim construction ruling is imminent and where claims 4, 8, 18, 20, 31, 32, 33 are asserted and not challenged here.

The purpose of *Inter Partes* Review is for the agency to exercise political responsibility to reconsider administrative grants, not necessarily to adjudicate disputes between private parties. *St. Regis Mohawk Tribe v. Mylan Pharma.*, 896 F.3d 1322, 1329 (Fed. Cir. 2018). Institution of review here cuts against the intent of the *Inter Partes* Review statute. Indeed the 2018 Revised Trial Practice Guide describes the present situation as a consideration:

The Director’s discretion is informed by 35 U.S.C. §§ 316(b) and 326(b), which require the Director to “consider the effect of any such regulation [under this section] on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings instituted under this chapter.” The AIA was “designed to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.” H.R. Rep. No. 112–98, pt. 1, at 40 (2011), 2011 U.S.C.C.A.N. 67, 69 (Post grant reviews were meant to be “quick and cost effective alternatives to litigation”); see also S. Rep. No. 110–259, at 20 (2008).

Patent owner respectively requests that the Panel (whether or not a Precedential Opinion Panel) take into account these policy concerns when it factors in the Director’s discretion in the institution decision.

Petitioner did not file its motion for summary judgment in the original litigation on lack of standing grounds until after the time bar seemingly already

kicked in—more than a year after the complaint was served. By all appearances, Petitioner affirmatively waived the availability of these proceedings. In filing now, Petitioner is using the PTAB as a delayed backup to its preferred, but no longer available, jurisdiction of the Northern District of California (where it tried to get the Delaware matter transferred).

Under the current institution decision, the involuntary dismissal of an earlier suit for lack of standing eliminates the time bar, thus creating the very odd situation where Petitioner was barred from filing an IPR from August 2017 until November 2017, and then regained the right to do so through its own summary judgment motion. An accused infringer should not be able to sidestep a prohibition against filing an IPR by finding a procedural defect in its own DJ-commenced civil action.

#### **IV. CONCLUSION**

For the foregoing reasons, the Board should grant the Request for Rehearing, to deny institution under 35 U.S.C. § 315(b), and/or discretionarily.

Dated: April 17, 2019

Respectfully submitted,

By: /s/ Robert Greenspoon  
Robert Greenspoon  
Reg. No. 40,004

## CERTIFICATE OF SERVICE

The undersigned certifies that on April 17, 2019, **PATENT OWNER'S REQUEST FOR REHEARING TO APPLY THE ONE-YEAR TIME BAR OF 35 U.S.C. § 315(b)** was provided via electronic services to the Petitioner by serving the correspondence address of record as follows:

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