

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AGILYSYS, INC., ET AL.
Petitioner,

v.

AMERANTH, INC.
Patent Owner.

Case CBM2014-00015
Patent 6,384,850

Before JAMESON LEE, MEREDITH C. PETRAVICK, RICHARD E. RICE, and
STACEY G. WHITE, *Administrative Patent Judges*.

LEE, *Administrative Patent Judge*.

DECISION
On Motion to Reconstitute Petitioner
37 C.F.R. § 42.5

Introduction

Petitioner¹ filed a motion, on March 12, 2014, to reconstitute itself by excluding one of its 35 constituent members, Apple Inc. (“Apple”), from this proceeding. Paper 16. Specifically, Petitioner requests (1) elimination of Apple from this proceeding “without imposition of any estoppel against Apple,” and (2) authorization for Apple, by itself, to file a separate petition, identical to the one filed in this proceeding, against the Patent Owner, on the same patent, and a request to join that new proceeding with this proceeding. *Id.* at 1. The Patent Owner filed an opposition (Paper 17); and Petitioner filed a reply (Paper 18).

The motion is *dismissed-in-part* and otherwise *denied*.

Background

On October 15, 2014, 35 companies including Apple filed a single petition for covered business method patent review of claims 1-16 of U.S. Patent No. 6,384,850 (“the ’850 patent”), collectively naming themselves “Petitioners.” Paper 1. In the petition, the 35 companies were split into 15 groups, with each group appointing its own lead and backup counsel. In the Board’s electronic

¹ Expedia, Inc., Fandango, LLC, Hotel Tonight, Inc., Hotwire, Inc., Hotels.com, L.P., Kayak Software Crop., Live Nation Entertainment, Inc., Micros Systems, Inc., Orbitz, LLC, Opentable, Inc., Papa John’s USA, Inc., Stubhub, Inc., Ticketmaster, LLC., Travelocity.com LP, Wanderspot LLC, Pizza Hut, Inc., Pizza Hut of America, Inc., Domino’s Pizza, Inc., Domino’s Pizza, LLC, Grubhub, Inc., Seamless North America, LLC, Order.in, Inc., Mobo Systems, Inc., Starbucks Corporaton, Eventbrite, Inc., Best Western International, Inc., Hilton Resorts Corp., Hilton Worldwide, Inc., Hilton International Co., Hyatt Corporation, Marriott International, Inc., Starwood Hotels & Resorts Worldwide, Inc., Usablenet, Inc., and Apple, Inc.

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Patent Review Processing System (“PRPS”), however, which provides space for only a single entry as lead attorney for a party, Mr. Richard S. Zembek was designated as lead attorney for “Petitioner.”

On January 13, 2014, the Patent Owner filed a preliminary response. Paper 11. To clarify the situation with regard to 15 pairs of lead and backup counsel, the Board initiated a conference call, on February 7, 2014, to inquire and discuss what Petitioner had in mind with regard to the conduct of this proceeding.

In that conference call, Mr. Zembek explained that the 35 constituent members of Petitioner would submit a common paper in each instance a paper from Petitioner will be filed, in which the 35 members would speak with one voice, so long as all of them agreed to do so, but that any member may decide to go its own way and argue or present something different. Paper 12. In case of the latter, according to Mr. Zembek, the page length of any submission of the Petitioner will be shared to allow the separate views of Petitioner’s constituent members to be expressed. *Id.* With regard to conference calls, Mr. Zembek indicated that anytime one of the constituent members disagrees with the position being expressed on behalf of all constituent members, it may, immediately during the conference call, voice a different position. *Id.*

The Board determined that the process envisioned and desired by Petitioner was unacceptable. Specifically, in an Order summarizing the conference call of February 7, 2014 (Paper 12), the Board stated:

The manner of conducting this proceeding, as proposed by Mr. Zembek, is not in accordance with the rules governing trial practice and procedure before the Board. The thirty-five companies collectively filed a single petition, and thus, are recognized as a single

party, as Petitioner, before the Board. According to 37 C.F.R. § 42.2, “Petitioner” means “the party filing a petition requesting that a trial be instituted.” In circumstances not involving a motion for joinder or consolidation of separate proceedings, for each “petition” there is but a single party filing the petition, no matter how many companies are listed as petitioner or petitioners and how many entities are identified as real parties-in-interest. Even though the separate companies regard and identify themselves as “Petitioners,” before the Board they constitute and stand in the shoes of a single “Petitioner.”

Because the thirty-five companies constitute, collectively, a single party, they must speak with a single voice, both in writing and oral representation. Mr. Zembek’s proposal transforms the “Petitioner” under 37 C.F.R. § 42.2 from a single party into thirty-five different parties. That is not only contrary to 37 C.F.R. § 42.2, which defines “Petitioner” as a single party by referring to “the party filing a petition,” but also prejudicial to Patent Owner, who potentially would have to respond to thirty-five different, possibly inconsistent, positions on every issue. Nor would the Board’s interests in the speedy and efficient resolution of post-grant proceedings be served by permitting the presentation of inconsistent positions based on the filing of a single petition.

On February 11, 2014, the Board ordered Petitioner to file, by February 18, 2014, a paper to re-designate lead and backup counsel in accordance with 37 C.F.R. § 42.10(a) by regarding itself as a single party, and to provide updated service information in light of the re-designation of lead and backup counsel. Paper 12. On February 18, 2014, Petitioner filed a paper re-designating lead and backup counsel, but the re-designation did not include Apple. Paper 13.

Instead, the paper stated: “For the purposes of this Notice and future actions in this case, Petitioner consists of the following companies listed in the Amended

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Petition (Paper No. 9): [the names of 34 of the original 35 companies named in the Amended Petition, not including Apple Inc.].” Paper 13, 1 n.1. Thus, Petitioner did not comply with the Order of February 11, 2014. Instead, it attempted to reconstitute itself, with a different set of constituent members, without authorization. Also, Petitioner did not alert the Board that its list of companies included only 34 of the 35 original names. The non-compliance with the Board’s Order was not self-evident.

The Board did, however, notice Petitioner’s non-compliance, and initiated another conference call with the parties, on March 7, 2014, to discuss Petitioner’s unauthorized reconstitution of its constituent memberships and non-compliance with the Board’s Order of February 11, 2014. During the conference call, the Board explained the impropriety of Petitioner’s actions in responding to the Board’s Order of February 11, 2014, as follows:

Had the Board not noticed the non-compliance, this proceeding would have continued indefinitely without a clear picture of the constitution of Petitioner or a clear designation of lead and backup counsel. More importantly, Petitioner chose to file a paper purporting to re-designate counsel for less than all of the companies that jointly filed the petition and that the Board ruled collectively constitute Petitioner, without seeking an opportunity to explain its difficulties to the Board and to ask for an alternative resolution. Such conduct is inappropriate. We give notice to Petitioner that such action should not be repeated. It should have contacted the Board, prior to filing a noncompliant paper, to discuss an alternative resolution.

Paper 15, 2-3.

In an order dated March 10, 2014, the Board stated that notwithstanding Petitioner’s contrary indication in Paper 13, Apple Inc. remains a member of the

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