IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

JP MORGAN CHASE & CO. and JP MORGAN CHASE BANK, N.A.,
Petitioner,

v.

MAXIM INTEGRATED PRODUCTS, INC.,
Patent Owner.

Case No. CBM2014-00180
Patent No. 5,949,880

PETITIONER'S BRIEF ON STANDING

In accordance with the Board's Order dated January 29, 2015 (Paper 9), JP Morgan Chase & Co. and JP Morgan Chase Bank, N.A. (collectively "Petitioner" or "JPMC") submits the following brief with regard to developments in the related District Court Case and Petitioner's standing under Section 18(a)(1)(B) of the Leahy-Smith America Invents Act ("AIA") and 37 C.F.R. § 42.302(a).

I. DISTRICT COURT LITIGATION STATUS

At the time of filing the Petition, U.S. Patent No. 5,949,880 ("the '880 Patent") was the subject of litigation against multiple defendants, including Petitioner, in the action captioned *In re: Maxim Integrated Prods., Inc., MDL No. 2354*, Misc. No. 12-244-JFC (W.D. Pa.) ("MDL Litigation"). Paper 1 at 4. On September 26, 2014, counsel for Petitioner and Patent Owner filed a Stipulation and Motion to Dismiss All Claims Regarding U.S. Patent No. 5,949,880. Ex. 1017. On October 20, 2014, the court issued an Order Granting Stipulation and Motion to Dismiss All Claims Regarding U.S. Patent No. 5,949,880 ("Order"). Ex. 1018. The Order dismissed "[a]ll claims brought by Maxim against Chase" with prejudice. *Id.* at 1. "Maxim and Chase have agreed, in principle, to settle their respective claims in this case, and expect to execute a definitive agreement in the near future." Ex. 1019 at 1.

II. STANDING

Petitioner had standing when the Petition was filed on August 21, 2014 because it had "been sued for infringement" on the '880 Patent and was not barred or estopped from filing the petition challenging the claims. AIA § 18(a)(1)(B); Paper 1 at 8-11. Petitioner's standing at the time of filing vested the Board with jurisdiction over the present proceeding. That the infringement claim in the underlying litigation involving the '880 Patent was ***thereafter*** resolved, does not divest petitioner's standing or the Board of its jurisdiction.

A. AIA § 18(a)(1)(B) Requires Standing at the Time of Filing

Any statutory construction analysis begins with the language of the statute. *See, e.g.*, *In re Swanson*, 540 F.3d 1368, 1374-75 (Fed. Cir. 2008); *Duncan v. Walker*, 533 U.S. 167, 172 (2001); *Crandon v. United States*, 494 U.S. 152, 158 (1990). "In the absence of a clearly expressed legislative intention to the contrary, the language of the statute itself must ordinarily be regarded as conclusive." *United States v. James*, 478 U.S. 597, 606 (1986) (internal quotation marks and citations omitted). "It is well settled law that the plain and unambiguous meaning of the words used by Congress prevails in the absence of a clearly expressed legislative intent to the contrary." *Hoechst Aktiengesellschaft v. Quigg*, 917 F.2d 522, 526 (Fed. Cir. 1990).

Section 18(a)(1)(B) of the AIA states (emphasis added):

> A person may not *file* a petition for a transitional proceeding with respect to a covered business method patent unless the person or the person's real party in interest or privy has been *sued for* infringement of the patent or has been charged with infringement.

If Congress intended to limit the availability of the covered business method patent review as being contingent on ongoing litigation, it could have used the terms "file or maintain" and "sued for and continues to be sued for" in place of the italicized terms *file* and *sued for* above. It did not.

Section 18(a)(1)(B) of the AIA sets forth a single time at which the standing requirements are determined, which is at the time a party may "file a petition." Therefore, if a petitioner has standing at the time a covered business method proceeding is filed, subsequent developments in the underlying litigation do not thereafter divest that petitioner of its "filing standing."

Petitioner finds nothing in the legislative history, or other parts of the AIA, that would require the Board to deviate from the plain meaning of the criteria set forth in § 18(a)(1)(B) with regard to filing a covered business method petition. In fact, the legislative history confirms that AIA § 18(a)(1)(B) pertains to standing at

the time of filing the petition.[1] From the outset, the PTAB has also affirmed the literal meaning of § 18(a)(1)(B).[2] Moreover, Petitioner does not find any statutory provision or legislative history that even suggests divesting a petitioner's standing, subsequent to standing being established at the time of filing.

Importantly, the present administrative agency proceeding is distinct from civil actions in federal district courts where Article III's "case or controversy" requirement limits the court's jurisdiction and where certain events that occur after commencement of the proceeding may divest the court of jurisdiction. *Susan*

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[1] "A petition to initiate a review will not be granted unless the petitioner is first sued for infringement or is accused of infringement. The program otherwise generally functions on the same terms as other post-grant proceedings initiated pursuant to the bill." H.R. Rep. No. 112-98, at 54 (2011); *see also id.* at 80–81.

[2] "We give § 18(a)(1)(B) its literal meaning and conclude that a party sued for infringement of a patent, and not otherwise estopped from challenging validity, may file a petition for a transitional proceeding with respect to a covered business method patent." CBM2012-00001, Paper 36 at 18; *see also* CBM2014-00119, Paper 17 at 4-5 ("Our jurisdiction stems from the fact that Patent Owner ACN is the record owner of the '211 Patent and has sued Petitioner for infringement. AIA §18 (a)(1)(B). Having been sued for infringement by the record owner of the '211 Patent, Petitioner has the right to challenge the patentability of the claims.").

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