

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ocean Tomo, LLC,
Petitioner

v.

PatentRatings, LLC,
Patent Owner

Case: CBM2015-00157

Patent No. 9,075,849 B2

Mail Stop *PATENT BOARD*
Patent Trial and Appeal Board
U.S.P.T.O.
P.O. Box 1450
Alexandria, VA 22313-1450

**PETITIONER'S REPLY TO
PATENT OWNER'S PRELIMINARY RESPONSE**

In its Preliminary Response, PatentRatings, LLC (“PR”) made the following bold and explicit statement regarding the business relationship between Petitioner Ocean Tomo, LLC (“OT”) and PR:

Thus, the License Agreement sets forth *no payment obligations* arising from Petitioner’s use or exploitation of *any patents* owned by PatentRatings, including the ‘849 patent.

(Paper No. 10 at 7) (emphasis in original).

This statement is both false and contrary to statements made by PR in briefing during prior actions between the parties regarding the agreement between the parties (the “License Agreement”). More importantly, this false statement forms the basis for PR’s assertion that OT does not have standing based on its alleged failure to demonstrate the requirement under 37 C.F.R. § 42.302(a) that OT has been “charged with infringement.” If, in fact, the License Agreement actually requires “*payment obligations* arising from OT’s use or exploitation of *any patents* owned by PatentRatings,” then PR’s ability to challenge the “charged with infringement” requirement vanishes.

I. The License Agreement Requires OT to Pay PR for the Use and Exploitation of the PatentRatings Patents

Section 4.3 of the License Agreement states that:

Revenue Transfer. In consideration for the licenses granted herein and other terms and conditions hereof, LICENSEE agrees to pay

LICENSOR any revenues received by LICENSEE in accordance with Section 4.2,¹ for access and use of PatentRatings Analysis....

(Exhibit 1002 at 5). Section 1.7 of the License Agreement states:

“PatentRatings Analysis” means any information or report including or using the data output of one or more PatentRatings Tools, including patent ratings reports (e.g. IPQ scores and related analysis), portfolio mapping analysis, strategic analysis and recommendations, and patent valuation (collectively, “PatentRatings Analysis”).

Id. at 2. Thus, Section 1.7 defines PatentRatings Analysis as “using the data output of one or more PatentRatings Tools.” Further, Section 1.11 of the License Agreement defines PatentRatings Tools as:

LICENSOR’S technology, know-how, software (, [sic] computer algorithms, techniques, [sic] for statistically analyzing, rating, mapping and valuing patents and/or other intellectual property assets, and including any documentation and research relating to such software) *and other LICENSOR intellectual property relating to the foregoing (including the PatentRatings Patents, PatentRatings Copyrights and PatentRatings Marks).*

Id. at 3 (emphasis added). Hence, “PatentRatings Analysis” includes “any

¹ Section 3.1(b) of the License Agreement limits Licensee (OT) to “distribute, sell, license or other transfer for use ... and display PatentRatings Analysis to third parties *for a fee.*” (Exhibit 1002 at 4.) (emphasis added).

information or report including or using the data output of” the PatentRatings Patents. “PatentRatings Patents,” in turn, is defined in Section 1.10 as “all patent applications and patents, and all continuations, continuations-in-part, divisionals, and foreign counterparts of such patents and patent applications that are owned by LICENSOR.” *Id.* at 3.

The amendment to the License Agreement entered into on July 19, 2007 does not alter the relationship between the PatentRatings Analysis and the PatentRatings Patents, nor the requirement for OT to pay PR for such use. (Exhibit 1002 at 20–21)² Throughout the various agreements, the use of the PatentRatings Analysis has always included the use of the PatentRatings Patents and payment for that use.

II. PR’s Pleadings and Briefs in Related Litigation Confirm This Business Relationship between the Parties

PR has made clear in related litigation that the business relationship between the parties requires OT to pay for the use and exploitation of PR’s intellectual property, including PR’s patents. (*See* Exhibit 1026 at 5) (“The legal and contractual relationship between PR and OT is properly stated as ‘Licensor’ and ‘Licensee’—that is PR owns certain rights and OT pays royalties to use those

² The Supplemental License Agreement dated also does not change the License Agreement’s relevant terms. (Exhibit 1027.)

rights.”) PR further admitted that “PR has no employees and no business operations whatsoever other than licensing its Intellectual Property³ and collecting royalties.” *Id.*

In addition, and contrary to the attempt in PR’s Preliminary Response to distinguish software and algorithms from the patented technology, PR merged the two in its previous submissions. For example, PR notes in its arbitration brief that “PR developed and patented the intellectual property rights to various software, algorithms and techniques for statistically analyzing and valuing patents (the ‘Intellectual Property’).” *Id.* at 7. PR further confirmed that the technology it uses is covered by its patents. *Id.* (“PR soon established itself as a leading authority on rating and valuing patents using its patented statistical techniques”).

PR’s Amended Counterclaim in the Illinois District Court action confirmed that the algorithm was covered by the PatentRatings Patents. (Exhibit 1005 at 2.) (“The statistical rating algorithm underlying the PatentRatings System has been awarded multiple patents by the United States Patent and Trademark Office....”)

III. PR’s Arguments Challenging OT’s Assertion Based On *MedImmune* That It Has Been “Charged With Infringement” Relies Solely on PR’s Assertion That No Royalty Is Owed for the Use of Patented Technology

³ In this brief, PR defines “Intellectual Property” as “innovative patents and other intellectual property.” *Id.*

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