

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MOTOROLA MOBILITY LLC
Petitioner,

v.

MICHAEL ARNOUSE
Patent Owner.

Case IPR2013-00010
Patent 7,516,484

Before MICHAEL P. TIERNEY, JONI Y. CHANG, THOMAS L. GIANNETTI,
and JENNIFER S. BISK, *Administrative Patent Judges*.

GIANNETTI, *Administrative Patent Judge*.

DECISION
RENEWED MOTION TO WITHDRAW
37 C.F.R. § 42.10(e)

Attorneys Thomas D. Kohler and Lawrence H. Meier, of the law firm
Downs Rachlin Martin PLLC (“Downs Rachlin”), have renewed their motion to
withdraw from this proceeding. Paper 29 (“Mot.”). For the following reasons the
motion is granted.

FINDINGS OF FACT

Based upon the evidence of record in this proceeding the Board makes the following findings of fact:

1. The Petition in this proceeding was filed by Motorola Mobility LLC on October 3, 2012. Paper 2 (“Pet.”). The patent for which *inter partes* review is sought is U.S. Patent 7,516,484 (the “’484 Patent”). Pet. 1.

2. The Petition identifies a Vermont district court action in which the ’484 patent is being asserted against the Petitioner: *Arnouse Digital Devices Corp. v. Motorola Mobility, Inc.*, No. 5:11-cv-00155-cr (D.Vt.). Pet. 2.

3. A copy of an Amended Complaint in that Vermont action was filed by Petitioner as Exhibit 1007 in this proceeding. According to the Amended Complaint, the plaintiff in that proceeding is Arnouse Digital Devices Corp. (“ADD”), a Delaware corporation. Ex. 1007, ¶2.

4. The Amended Complaint further avers that Michael Arnouse, the “sole owner” of the ’484 patent, has “exclusively licensed ADD under the ’484 Patent.” *Id.* ¶ 10. Further according to the Amended Complaint, “ADD’s exclusive license runs for the full term of the ’484 patent and includes all substantial rights in such patent, including the explicit right to sue and recover damages for infringement of the ’484 patent and to otherwise seek enforcement of the rights it owns under the ’484 patent.” *Id.* ¶ 11.

5. The Amended Complaint is signed by the law firm Downs Rachlin, specifically, by R. Bradford Fawley and Lawrence H. Meier, as attorneys for plaintiff ADD. The complaint is dated October 3, 2011 and was filed two days later, on October 5th.

6. On October 26, 2012, a document titled Arnouse Power of Attorney was filed in this proceeding Paper 9. The paper, signed by Michael Arnouse, grants

power of attorney in this proceeding to attorneys Lawrence H. Meier and Thomas D. Kohler, and directs that all correspondence and communications be sent to Mr. Meier at Downs Rachlin.

7. In the Power of Attorney, Mr. Arnouse states: “As an individual, I hereby certify that to the best of my knowledge and belief I am owner of the entire right, title and interest in and to U.S. Patent 7,516,484, and represent that I am authorized and empowered to sign as patent owner.” The Power of Attorney makes no mention of ADD or the exclusive license to ADD referred to in the Amended Complaint.

8. Also on October 26, 2012, a document titled Patent Owner Mandatory Notice Information was filed in this proceeding. Paper 10. The document, signed by attorney Lawrence H. Meier, of Downs Rachlin, identifies Mr. Meier as lead counsel and Mr. Kohler as back-up counsel. The document identifies Mr. Arnouse as the real party-in-interest as “sole owner” of the ’484 patent. The document also identifies the district court proceeding in Vermont involving ADD as a related proceeding. There is no other mention of ADD or any mention of the exclusive license to ADD.

9. On March 19, 2013, the Board held a telephone conference call. The call was initiated by Mr. Kohler to seek authorization to file a motion to withdraw as counsel. Paper 24. At the hearing the Board raised the question of ADD’s role. The parties were advised that if ADD were effectively the patent owner, ADD’s interests would have to be considered. Furthermore, as ADD is a corporation, ADD would have to be represented by counsel. After discussing the matter further, the Board authorized the motion to withdraw, instructing counsel to address the questions of identity of the patent owner, the basis for the withdrawal, and the steps taken to avoid prejudice to the patent owner’s rights.

10. On March 26, 2013, a document entitled Motion to Withdraw as Counsel to Patent Owner was filed. Paper 25. Along with the motion, a supporting Declaration of Michael Arouse was filed. Paper 26.

11. On April 5, 2013, the Board denied the motion, without prejudice, and granted leave to file additional evidence and information in support of a renewed motion. Paper 27 (“Decision”). The Board concluded that based upon the uncontested facts of record, including the complaint in the Vermont district court proceeding, that ADD is the effective patentee and therefore the real party-in-interest in this proceeding. Thus the Board was not persuaded that Mr. Arouse was empowered to discharge counsel.

12. The Board gave Downs Rachlin ten days to submit additional evidence and renew the motion.

13. On April 15, 2013, Downs Rachlin filed a document entitled Renewed Motion for Authorization to Withdraw as Counsel (Paper 29) accompanied by exhibits: two notarized letters to the Board from Mr. Arouse (Ex. 2014, 2015).

14. The first letter (Ex. 2014) is signed by Mr. Arouse in his stated capacity as CEO of ADD, and after stating that Downs Rachlin was retained by him personally, and confirming the existence of the exclusive license, purports on behalf of ADD to discharge Downs Rachlin as counsel “to the extent it has authority to do so.” The second letter signed by Mr. Arouse (Ex. 2015) simply states: “In my own right and as CEO/President of Arouse Digital Devices Corp., [Downs Rachlin] is no longer authorized to represent nor speak on behalf of me personally nor Arouse Digital Devices Corp., in the Inter Partes Review of US Patent No. 7,516,484.”

DISCUSSION

Counsel may withdraw from an *inter partes* review proceeding only with authorization from the Board. 37 C.F.R. § 42.10(e). Under the Office’s current disciplinary rules, “a practitioner shall not withdraw from employment until the practitioner has taken reasonable steps to avoid foreseeable prejudice to the rights of the client, including giving due notice to his or her client, [and] allowing time for employment of another practitioner.” 37 C.F.R. § 10.40(a). Furthermore, in deciding a motion to withdraw, the Board will consider the effect of granting such a motion “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.” *See* 35 U.S.C. § 316(b). The Board will interpret its rules “to secure the just, speedy, and inexpensive resolution of every proceeding.” 37 C.F.R. § 42.1(b).

Our concern here is that the Mandatory Disclosures filed by Downs Rachlin did not properly identify ADD as the real party-in-interest. *See* Finding of Fact 8, *supra*. We find this difficult to comprehend, as Downs Rachlin, and specifically Mr. Meier, are counsel of record in the Vermont district court proceeding, where ADD was identified as holder of an exclusive license under the ’484 patent that “includes all substantial rights in such patent.” Thus, Downs Rachlin in October 2011 filed a district court pleading signed by Mr. Meier naming ADD as the sole plaintiff. *See* Finding of Fact 4, *supra*. Presumably, they were aware of Fed.R.Civ.P. 17(a): “An action must be prosecuted in the name of the real party in interest.” Yet before the Board, in their October 2012 mandatory disclosures, they made no mention of the exclusive license or the grant of “all substantial rights” to ADD. Instead, the Board was provided with a carefully worded statement that Mr.

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