

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

BAE SYSTEMS INFORMATION AND ELECTRONIC SYSTEMS  
INTEGRATION, INC.  
Petitioner

v.

CHEETAH OMNI, LLC  
Patent Owner

---

Case IPR2013-00175  
Patent 7,633,673

---

Before STEPHEN C. SIU, JUSTIN T. ARBES, and RAMA G. ELLURU,  
*Administrative Patent Judges.*

ELLURU, *Administrative Patent Judge.*

DECISION  
Institution of *Inter Partes* Review  
37 C.F.R. § 42.108

## I. BACKGROUND

Petitioner BAE Systems Information and Electronic Systems Integration, Inc. (“BAE Systems”) filed a petition on March 4, 2013, requesting *inter partes* review of claims 1, 4, 13-15, 17, and 19 of U.S. Patent 7,633,673 (“the ’673 patent”). (“Pet” Paper No. 1.) The Patent Owner, Cheetah Omni, LLC (“Cheetah”), filed a preliminary response opposing institution of review. (“Prelim Resp.” Paper No. 12). We have jurisdiction under 35 U.S.C. §§ 6(b)(4) and 314. The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a) which provides as follows:

THRESHOLD -- The Director may not authorize an *inter partes* review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

We determine based on the record that there is a reasonable likelihood that BAE Systems would prevail in showing unpatentability of all the challenged claims. Accordingly, we authorize an *inter partes* review to be instituted for the ’673 patent.

The ’673 patent is currently the subject of co-pending litigation styled, *Cheetah Omni, LLC v. United States*, Case No. 1:11-cv-00255-FMA (Fed. Cl.) (“the Federal Claims litigation”), discussed further below. (Pet. 4.)

### A. Statutory Threshold Issues

#### 1. One-year Statutory Bar

Cheetah alleges that BAE Systems’ petition is barred under 35 U.S.C. § 315(b), which mandates that an *inter partes* review may not be instituted if the

petition 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. (Prelim Resp. 7-13.) We determine that BAE Systems’ petition is not barred under § 315(b).

Cheetah notes the following dates in support of its argument. On November 12, 2010, Cheetah filed a patent infringement complaint in the U.S. District Court for the Eastern District of Texas asserting a claim for infringement of the ’673 patent against BAE Systems (“the Texas action”). (Ex. 1007.) Cheetah voluntarily dismissed the Texas action on February 10, 2011. (Ex. 1008.) Cheetah subsequently filed a complaint in the U.S. Court of Federal Claims against the United States on April 22, 2011, asserting infringement of the ’673 patent and identifying BAE Systems’ Boldstroke™ system as an infringing product. (Ex. 1003, ¶¶ 15-17.) On March 19, 2012, BAE Systems was served with a notice by the Federal Claims court requesting BAE Systems to appear and assert any claims or interest it may have in the subject matter of the Federal Claims litigation. (Exs. 1004, 1005.) BAE Systems filed the present petition on March 4, 2013. (Paper 1.)

Cheetah first alleges that BAE Systems’ petition was filed over two years after BAE Systems was served with a complaint in the Texas action. (Prelim. Resp. 3; Ex. 1007.) However, Cheetah voluntarily dismissed that action pursuant to Fed. R. Civ. P. 41(a) before any of the named defendants were required to answer. (Pet. 6; Ex. 1008 (Stipulation of Dismissal).) As BAE Systems correctly states, a voluntary dismissal of an infringement action nullifies the effect of the alleged service of the complaint on the petitioner. *See, e.g., Graves v. Principi*, 294 F.3d 1350, 1356 (Fed. Cir. 2002) (“The dismissal of an action without prejudice leaves the parties as though the action had never been brought”); *see also* IPR2012-00004 (*Macauto U.S.A. v. BOS GMBH & KG* at 15-16 (Paper 18, Ex.

1009)). Thus, the dismissal of the earlier Texas action against BAE Systems nullifies the effect of the alleged service of the complaint and did not trigger the § 315(b) one-year statutory bar.

Cheetah next alleges that BAE Systems' petition is barred under § 315(b) because the United States is a privy of BAE Systems with regard to this matter and the United States was served with the Federal Claims complaint on April 22, 2011, more than 22 months before BAE Systems filed the instant petition. (Prelim. Resp. 8-9.) The Federal Claims complaint alleges that the United States infringed the '673 patent by using and soliciting the manufacture of infringing products, including BAE Systems' product, the Boldstroke™ system. (Ex. 1003, ¶¶ 15-17.) Cheetah contends that the United States was a privy of BAE Systems pursuant to a government contract wherein the United States was a customer of BAE Systems. (Prelim. Resp. 10-13.) For instance, Cheetah contends that BAE Systems admits to being in privity with the United States as early as February 10, 2011, when the Texas action was dismissed. In support, Cheetah refers to BAE Systems' statement in the petition that the allegations of infringement in the Texas action related to actions "performed solely in connection with contracts with the United States government, and therefore the Patent Owner's sole remedy was an action against the United States in the Court of Federal Claims." (Prelim. Resp. 10; Pet 6.) Cheetah also contends that BAE Systems and the United States were privies on or before May 6, 2011, when BAE Systems' attorney sent Cheetah a letter in response to Cheetah's suit against the United States. (Prelim. Resp. 10-11, Ex. 1103.) In that letter, BAE Systems stated that the United States is BAE Systems' customer, Boldstroke™ does not infringe the '673 patent, and BAE Systems intends to seek redress against Cheetah. (Ex. 1103.) In addition, Cheetah contends that BAE Systems and the United States had established privity of

contract on or before January 31, 2012, when the Army awarded a contract to BAE Systems pursuant to a United States solicitation, identified in the Complaint, for the manufacture of allegedly infringing products. (Prelim. Resp. 11.) We are not persuaded that the United States and BAE Systems were privies when Cheetah served the complaint in the Federal Claims litigation or thereafter.

Cheetah's only argument is that BAE Systems and the United States were in "privity of contract" based on the fact that the United States was a customer of BAE Systems. (Prelim. Resp. 10-13.) Apart from a legal dictionary definition of "privity," however, Cheetah does not provide any legal authority for this argument. (*See id.* at 10.) Moreover, the parties' property interests in BAE Systems' allegedly infringing products, such as the Boldstrike™ identified in the Federal Claims complaint, are irrelevant here because any such property interests are not at issue in this proceeding. *See Shamrock Techs., Inc. v. Medical Sterilization, Inc.*, 903 F.2d 789, 793 (Fed. Cir. 1990) ("What constitutes 'privity' varies, depending on the purpose for which privity is asserted."). Patentability, not infringement, is the issue before the Board in an *inter partes* review. *See* 35 U.S.C. § 311(b). Thus, any privity stemming from interests in BAE Systems' allegedly infringing products does not apply to this patentability proceeding. *See Int'l Nutrition Co. v. Horphag Research, Ltd.*, 220 F.3d 1325, 1329 (Fed. Cir. 2000) ("[W]hen one party is a successor in interest to another with respect to a particular property, the parties are in privity only with respect to an adjudication of rights in the property that was transferred; they are not in privity for other purposes, such as an adjudication of rights in other property that was never transferred between the two. Put another way, the transfer of a particular piece of property does not have the effect of limiting rights of the transferee that are unrelated to the transferred property"). Thus, we are not persuaded on the record before us that the seller-customer

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.