

By: Thomas Engellenner  
Pepper Hamilton LLP  
125 High Street  
19<sup>th</sup> Floor, High Street Tower  
Boston, MA 02110  
(617) 204-5100 (telephone)  
(617) 204-5150 (facsimile)

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

WAVEMARKET, INC. D/B/A LOCATION LABS  
Petitioner

v.

LOCATIONNET SYSTEMS, LTD.  
Patent Owner

---

Case No. IPR2014-00920  
U.S. Patent 6,771,970

---

**PATENT OWNER'S REQUEST FOR REHEARING  
PURSUANT TO 37 C.F.R. §§ 42.71(c)-(d) FOR  
RECONSIDERATION OF THE DECISION TO INSTITUTE**

**TABLE OF CONTENTS**

I. Introduction..... 1

II. Standard of Review for Rehearing ..... 2

III. Basis For Relief Requested..... 3

    A. The Board’s Decision Misapprehended or Overlooked the Fact that the Issue of Privity Between Petitioner And Sprint, AT&T, and T-Mobile Need Not Be Assessed At The Time They Were Served With Complaints Alleging Infringement of the ’970 Patent ..... 3

    B. There is Substantial Evidence That Each of the Defendants Was a Privy of the Petitioner At the Time It Was Served With a Complaint Alleging Infringement of the ’970 Patent ..... 7

    C. The Board’s Decision Misapprehended or Overlooked the Evidence Demonstrating that Petitioner Exercised Control Over Sprint, AT&T, and T-Mobile In the Respective District Court Proceedings Prior To June 9, 2014 ..... 10

        1. Petitioner and Sprint, AT&T, and T-Mobile Were All Represented By Counsel From Dentons Prior To June 9, 2014..... 10

        2. Petitioner Entered Into Indemnitor-Indemnatee Relationships With Sprint, AT&T, and T-Mobile And Accepted The Defense of The Respective District Court Proceedings Prior to June 9, 2014 ..... 12

        3. Petitioner and Each of Sprint, AT&T, and T-Mobile Have Been Operating Pursuant To A Joint Defense/Common Interest Agreement Since Prior to June 9, 2014..... 12

    D. The Board’s Decision Misapprehended or Overlooked the Fact that Preclusion Based on Privity Can Apply Even in the Absence of Control..... 13

IV. Conclusion ..... 15

**TABLE OF AUTHORITIES**

	<b>Page(s)</b>
<b>CASES</b>	
<i>Asahi Glass Co., Ltd. v. Toledo Eng'g Co.</i> , 505 F. Supp. 2d 423 (N.D. Ohio 2007) .....	14
<i>Cal. Physicians' Serv. v. Aoki Diabetes Research Inst.</i> , 163 Cal.App.4th 1506 (Cal. App. 2008).....	13, 14
<i>Gose v. United States Postal Service</i> , 451 F.3d 831 (Fed. Cir. 2006) .....	3
<b>STATUTES</b>	
35 U.S.C. § 315(b) .....	passim
<b>OTHER AUTHORITIES</b>	
37 C.F.R. § 42.71(c).....	2
37 C.F.R. § 42.101(b) .....	5
77 Fed. Reg. 48756 .....	13

## I. Introduction

Patent Owner respectfully requests rehearing of the Board’s Decision of December 16, 2014 (Paper No. 11; “Decision”), to institute *inter partes* review of claims 1–17 and 19 of U.S. Pat. No. 6,771,970 (“the ’970 Patent”).

First, the Decision misapprehended or overlooked the law of privity. The issue of privity between Petitioner, Location Labs, and each of Petitioner’s customers—Sprint, AT&T, and T-Mobile (collectively “Defendants”)—need not be assessed “at the time Sprint, AT&T, and T-Mobile were *served respectively with complaints in 2012.*” Decision at 8 (emphasis added). On its face, 35 U.S.C. § 315(b) does not require that privity for the purposes of compliance with § 315(b) exist at the time a complaint asserting patent infringement is served on a privity of a petitioner. Instead, a plain reading of the statute makes clear that preclusion based on privity applies so long as privity exists by the time the petition is filed.

Second, even if preclusion based on privity were to apply only if privity existed at the time of service of the complaint asserting patent infringement, the existence of an indemnitor-indemnitee relationship between the Petitioner and each of the Defendants prior to the filing of the complaint, coupled with subsequent actions of the Petitioner and the Defendants arising from the contractual relationship among them is itself evidence of privity at the time of service of the complaint.

Third, the Board's Decision misapprehended or overlooked the evidence demonstrating that Petitioner exercised control over the Defendants in the respective district court proceedings prior to June 9, 2014, the filing date of the Petition.

Fourth, the Board's Decision misapprehended or overlooked the fact that preclusion based on privity can apply even in the absence of control. In addressing the issue of time bar based on privity, the Board focused only on evidence of control. Decision at 8. The relevant inquiry, however, is whether the relationship between Petitioner and the Defendants is sufficiently close to establish privity that bars institution of *inter partes* review.

Thus, because the Decision overlooks or misapprehends the law of privity and evidence that demonstrates that the Petition was filed by Petitioner more than one year (nearly 1.5 years) after Petitioner's privies were served with a complaint alleging infringement of the '970 Patent, Patent Owner requests reconsideration of the Board's Decision that the Petition is not barred under 35 U.S.C. § 315(b).

## **II. Standard of Review for Rehearing**

Under 37 C.F.R. § 42.71(c), “[w]hen rehearing a decision on petition, a panel will review the decision for an abuse of discretion.” The Federal Circuit has held that “[a]n abuse of discretion occurs when the decision is based on an erroneous interpretation of the law, on factual findings that are not supported by

# 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.