Case No. IPR2015-00198
Patent No. 6,009,469

Paper No. ___________

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LG ELECTRONICS, INC., *et al.*
Petitioners

v.

STRAIGHT PATH IP GROUP, INC.
(FORMERLY KNOWN AS INNOVATIVE COMMUNICATIONS TECHNOLOGIES, INC.)
Patent Owner

Case No. IPR2015-00198
Patent No. 6,009,469

REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE TO PETITION FOR INTER PARTES REVIEW OF U.S. PATENT 6,009,469 UNDER 35 U.S.C. §§ 311–319

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As explained during the March 4, 2015 telephonic hearing, Patent Owner's two statutory-bar arguments lack factual and legal support. As to Hulu, Patent Owner ignores the determinative fact: Hulu's complaint in intervention ***only*** alleged noninfringement and does ***not*** allege invalidity. Plucking quotes out of context from Hulu's intervention brief does not transmute Hulu's complaint for noninfringement into one for invalidity. As to the remaining Petitioners, Patent Owner fails to explain why *Amkor* does not control. Even if *Amkor* did not control, Patent Owner's voluntary withdrawal of its ITC complaint renders service of that complaint a nullity that does not and cannot trigger a statutory bar.

I. Hulu's Complaint in Intervention solely sought a declaration of non-infringement.

Patent Owner's argument turns on one premise: that Petitioner Hulu pled a cause of action for invalidity in its intervention complaint. Prelim. Resp. at 4. That premise is demonstrably false. Hulu's Complaint in Intervention ***only*** alleges a cause of action for noninfringement. *See, e.g.*, Ex. 2003 at 2 ("Hulu seeks a declaratory judgment of non-infringement"), 3–4 (describing Hulu's three causes of action). Indeed, the words "invalid" and "invalidity" do not appear anywhere in Hulu's Complaint in Intervention. *See generally* Ex. 2003. As the Board has explained, "[a] civil action for a declaratory judgment of non-infringement is ***not*** a civil action challenging the validity of a patent." *Ariosa Diagnostics v. Isis Innovation Ltd.*, IPR2012-00022, Paper 166 at 14 (P.T.A.B. Sept. 2, 2014)

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(emphasis added). That is because the statutory bar applies only to a petitioner that "filed a civil action challenging the ***validity*** of a claim of the patent" before filing its petition for *inter partes* review. 35 U.S.C. § 315(a)(1) (emphasis added).

Patent Owner attempts to avoid the unambiguous language of Hulu's Complaint in Intervention by selectively quoting Hulu's Motion to Intervene. Patent Owner cites no decision holding that language in a motion to intervene can transform the allegations in a complaint, and with good reason. Hulu bore the burden of demonstrating the propriety of its intervention in the district court case against its partners LG, Toshiba, and VIZIO; it logically followed that Hulu would describe ***all*** of the interests it shared with those partners, including those partners' affirmative defenses and counterclaims of invalidity. *See, e.g.*, Ex. 2001 at 10–11 (describing commonalities between Hulu and its partners). But Hulu's arguments in favor of intervention cannot alter the plain language of Hulu's Complaint in Intervention, which explicitly and solely requested declaratory judgment of non-infringement. *See* Ex. 2003 at 2–5.[1] Hulu's complaint therefore complies with Section 315(a)(1).

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[1]Similarly, the use of the word "valid" in Hulu's request for declaratory judgment of non-infringement is not a request for a declaration of invalidity and cannot possibly transform the plain language of Hulu's Complaint in Intervention.

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II. The Petition is timely both under *Amkor* and because Patent Owner voluntarily withdrew its ITC complaint.

Petitioners filed the petitions at issue before November 6, 2014, one year after Patent Owner first served complaints against LG, Toshiba, and VIZIO in its civil action in the Eastern District of Virginia. Patent Owner's contention that the statutory bar period began one year after ITC complaints were served on LG, Toshiba, and VIZIO fails for two independent reasons.

First, the ITC investigation involving LG, Toshiba, and VIZIO did not start the Section 315(b) clock. The one-year limitations period relates to "Patent Owner's Action" and starts to run on "the date on which the petitioner . . . is served with a complaint alleging infringement[.]" 35 U.S.C. § 315(b). Well before Petitioners filed the petitions at issue, the Board twice concluded that Section 315(b) applies only to service of a complaint in a civil action and not to administrative proceedings such as an ITC investigation. *See Alcon Research, Ltd. v. Dr. Joseph Neev*, IPR2014-00217, Paper 21 at 9 (P.T.A.B. May 9, 2014); *Amkor Tech., Inc. v. Tessera, Inc.*, IPR2013-00242, Paper 98 at 10–12 (P.T.A.B. Jan. 31, 2014) (same).

In *Amkor*, the Board rejected the arguments now made by Patent Owner and held that the plain language of Section 315(b) covers ***only*** civil actions brought in federal district court. *See Amkor*, IPR2013-00242, Paper 98 at 7–8 (observing that "Patent Owner's Action" and "served with a complaint" connote a civil suit), 10

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(noting that the statute elsewhere uses the word "proceeding" when referencing non-judicial remedies). "[H]ad Congress intended for arbitration, ***ITC***, or other non-judicial proceedings to trigger the time bar of section 315(b), it would have used more encompassing language than 'Patent Owner's Action' and 'served with a complaint,' which are harmonious with a civil action." *Id.* at 11 (emphasis added).[2] ITC investigations are governed by separate rules and statutes that do not apply in civil actions, are instituted by the ITC (not by patent owners), and result in decisions that are not binding in federal court or the Patent and Trademark Office. Patent Owner's argument that Section 315(b) applies to ITC investigations—which *Amkor* explicitly addressed and included in its reasoning—fails.

Second, even if Patent Owner were correct that the Board should ignore *Amkor* (which it is not), Patent Owner's time-bar argument would still fail. The Section 315(b) bar does not attach where a complaint in a civil action is dismissed without prejudice. *See Ariosa Diagnostics*, IPR2012-00022, Paper 166 at 17. Similarly, the Section 315(b) bar should not attach where an ITC investigation is terminated due to the complainant's voluntary withdrawal of the complaint because such a termination ***necessarily*** is without prejudice. The Commission has explained that it is not permitted "to terminate an investigation 'with prejudice'

[2]The Board also explicitly considered and rejected Patent Owner's legislative-history argument. *Id.* at 12–15 (determining that the legislative history "fully supports" reading Section 315(b) as limited to civil actions).

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