Paper No. 7
Filed: November 19, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

JT INTERNATIONAL S.A.
Petitioner,

v.

FONTEM HOLDINGS 1 B.V.
Patent Owner.

Case No. IPR2015-01587
Patent No. 8,365,742

PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE TO PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT NO. 8,365,742

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Page(s)

Cases

Statutes

Pursuant to the Board's reply email of Nov. 12, 2015 to the parties, Petitioner JT International S.A. ("Petitioner" or "JTI") hereby files this Reply to Patent Owner's Preliminary Response to Petition for *Inter Partes Review*.

I. JTI IS NOT PRECLUDED FROM PETITIONING BASED ON THE BOARD'S DECISION IN *VMWARE*

35 U.S.C. § 315(b) states that '[a]n inter partes review may not be instituted if the petition requesting the proceeding 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." Patent Owner has not shown this one-year bar applies.

Patent Owner alleges that § 315(b) bars JTI from petitioning for *inter partes* review of the '742 patent because (i) Logic Technology Development LLC ("Logic") was served with an infringement complaint more than one year prior to the filing of the Petition, and (ii) JTI acquired Logic after JTI filed the Petition. *See* Paper 6 at 2-8. Patent Owner relies on the Board's decision denying institution in *VMWare, Inc. v. Good Technology Software, Inc.*, IPR2015-00031, Paper 11 (PTAB Mar. 6, 2015). *See, e.g.,* Paper 6 at 4-7. *VMWare* does not support Patent Owner's position.

In *VMWare*, the petition was precluded as untimely under § 315(b) given the petitioner admittedly became a privy with a defendant it acquired more than a year after the defendant was served with the infringement complaint, but **prior** to the

filing of the IPR petition. *VMWare, Inc.*, Paper 11 at 2. Therefore, *VMWare* did not hold that events taking place after the filing of an IPR petition could bar the petition. In fact, it is illogical that later acts could bar an already filed petition; other Board decisions similarly reflect that events subsequent to a petition filing are inapposite to the § 315(b) inquiry. For example, in *Synopsys, Inc. v. Mentor Graphics Corp.*, IPR2012-00042 (PTAB Feb. 22, 2013), the Board held that the petitioner was not in privy with the defendant it acquired after filing the petition. Paper 16 at 15-18 (finding no persuasive evidence that defendant was a subsidiary of petitioner when the petition was filed).

VMWare is easily distinguishable from the facts here because JTI was not in privity with Logic at any time prior to the Petition filing. The time line is clear. Logic, not JTI, was served with the complaint in March 2014. Paper 6 at 5. JTI subsequently filed the Petition on July 14, 2015 and, after filing the Petition, acquired Logic on July 27, 2015. *Id.* at 5-6.[1] Patent Owner has pointed to no evidence that, at the time of the Petition filing (1) JTI agreed to be bound by the determination of issues in the district court litigation alleging Logic infringes the '742 patent; (2) a "substantive legal relationship" existed between JTI and Logic; (3) Logic represented JTI (adequately or otherwise) in the district court litigation; or (4) JTI assumed control over the district court litigation. *See Taylor v. Sturgell*,

[1] Patent Owner incorrectly listed the filing date of the Petition as June 26, 2015. *Compare* Paper 6 at 5 *with* Paper 4 (Notice of Filing Date Accorded Petition).

DOCKET ALARM

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.