UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNITED SERVICES AUTOMOBILE ASSOCIATION,
Petitioner

v.

NADER ASGHARI-KAMRANI and KAMRAN ASGHARI-KAMRANI,
Patent Owners

U.S. PATENT NO. 8,266,432
Case IPR2015-01842

PETITIONER'S OPPOSITION TO PATENT OWNERS MOTION TO WITHDRAW CURRENT COUNSEL AND APPOINT MEI & MARK LLP

I. INTRODUCTION

Patent Owners are principals of a Patent Assertion Entity known as Delphinus Technology and have demanded from USAA tens of millions of dollars for alleged infringement of U.S. Patent No. 8,266,432, the subject of this proceeding.

On December 29, 2015, Patent Owners appointed Mei & Mark as prosecution counsel on a continuation application of the patent at issue in this proceeding. Based on his participation in an Examiner Interview, it appears that Mr. Nienstadt of Mei & Mark is serving as lead prosecution counsel for the Patent Owners.[1] On January 13, 2016, Patent Owners' prior counsel, Novak, Kim & Lee, PLLC, filed a Motion for Withdrawal of Counsel and now Patent Owners seek to appoint Mei & Mark, LLP as new counsel in this proceeding. Petitioner was unconcerned with this change, given the Patent Owners' history of frequently changing counsel. However, Petitioner later came to find that on January 13, 2016, Patent Owners also sought to appoint the same counsel from Mei & Mark LLP as litigation counsel in a related proceeding pending in the Eastern District of Virginia. Petitioner opposes the Motion for Withdrawal of Counsel pending Mei & Mark's representation that it will agree to basic terms of a protective order in this proceeding.

[1] *See* Interview Summary mailed 1/20/16 in Ser. No. 13/606,538.

II. BACKGROUND

1. Novak, Kim & Lee was appointed as counsel for Petitioner on September 23rd, 2015. The Novak firm was also appointed as counsel in the Patent Owners' pending U.S. Application No. 13/606,538, which is a continuation of the challenged patent. The Novak firm never made an appearance in any litigation between Patent Owners and Petitioner and, to Petitioner's knowledge, had no involvement in any such litigation.

2. On October 30th, 2015, Patent Owners filed suit in the Eastern District of Virginia, appointing McClanahan Powers, PLLC as counsel in a case styled *Ashgari-Kamrani et al. v. United Services Automobile Association*, Case No. 2:15-cv-00478-RGD-LRL. To Petitioner's knowledge, the McClanahan firm never made an appearance before the PTAB or the PTO on behalf of the Patent Owners.

3. Until the Mei & Mark firm started making appearances, the Patent Owners separated their PTO/PTAB counsel and litigation counsel.

4. On January 13th, 2016, Patent Owners filed a Motion for Withdrawal Counsel by the Novak firm.

5. On January 14th, 2016, Petitioner signaled its potential opposition to the Motion to Withdraw for the Novak firm, noting that the proposed withdrawal and substitution subjects Petitioner USAA to having its proprietary information abused through the *inter partes* review. The PTAB asked both sides to meet and confer.

6. On January 15, 2016 the parties conferred telephonically. Petitioner identified its concern, but Mr. Nienstadt, on behalf of the Patent Owners, indicated that USAA's concern was likely premature and that the PTAB does not enter protective orders.

7. Though premised by Mr. Nienstadt's threat of sanctions, the parties continued their efforts to resolve the issue via email, with the Patent Owners later agreeing "to discuss[] … any *reasonable* protective order [Petitioner] seek[s] in the IPR." [2] Mr. Nienstadt also noted that "of course [Petitioner] can send me a draft proposed protective order."[3]

8. As Petitioner had no interest in holding up Mei & Mark's or Mr. Nienstadt's appearance in this proceeding subject to negotiating a complete protective order (which is a fairly complex agreement having numerous terms), USAA sought to expedite matters for the parties and the Panel by offering to withdraw its opposition if Patent Owners agreed to accept certain simple, non-controversial terms in an eventual protective order.[4]

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[2] See attached email chain at pp. 2, 4 (highlighted for the Panel's convenience; emphasis original).

[3] *Id.*

[4] *Id.* at 1.

9. Rather than consider Petitioner's request, try to negotiate different terms, or make even the appearance of trying to resolve this dispute, Mr. Nienstadt's entire response to USAA's proposal reads: "We are not opposing [our own] motion for withdrawal and substitution of counsel."[5]

III. ARGUMENT

The appointment of Mei & Mark, LLP as counsel for both district court litigation and in this proceeding erodes previous safeguards that existed with maintenance of separate counsel for IPR and district court litigation.[6] The potential for abuse through the amendment process is well documented with protective orders becoming the common remedy to address such concerns. Notwithstanding these concerns, Patent Owners refuse to even consider safeguards in this proceeding. The terms proposed by Petitioner are hardly unusual and can be found in virtually any protective order where one firm wants to wear as many hats as Mei & Mark does.

The above-noted defects can be remedied with the adoption of a protective

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[5] *Id.* at 1.

[6] Mr. Nienstadt's role as lead prosecution counsel on a pending application for Patent Owners raises another significant issue with respect to his appearance in the parallel E.D. Va. proceeding, but that is outside the purview of the instant paper.

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