

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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AMIT AGARWAL,  
Petitioner,

v.

IMMERSION CORPORATION,  
Patent Owner.

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Case IPR2016-00807  
Patent 8,773,356 B2

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Before MICHAEL R. ZECHER, BEVERLY M. BUNTING, and  
MINN CHUNG, *Administrative Patent Judges*.

CHUNG, *Administrative Patent Judge*.

ORDER  
Conduct of the Proceeding  
*37 C.F.R. § 42.5*

Petitioner, Mr. Amit Agarwal, filed a Petition (“Pet.”) as a *pro se* petitioner, requesting an *inter partes* review of claims 1–3, 5, 7, 9–13, 15, 17, 19–23, 25, and 26 of U.S. Patent No. 8,773,356 B2 (Ex. 1001, “the ’356 patent”). On May 20, 2016, a telephone conference call was held between counsel for Patent Owner Immersion Corporation (“Patent Owner” or “Immersion”), Mr. Agarwal, and Judges Zecher, Bunting, and Chung. Patent Owner was represented by Michael Fleming and Joseph Lipner of Irell & Manella LLP. Patent Owner initiated the conference call to seek authorization to file a motion for termination of this proceeding based on an alleged ethical violation by Mr. Agarwal. A transcript of the telephone conference (Ex. 2004) was arranged and filed by Patent Owner.<sup>1</sup>

As discussed during the conference call, Patent Owner asserts that Mr. Agarwal filed a Petition in this case to depress Immersion’s stock and profit by shorting Immersion stock. Ex. 2004, 5:9–15. In addition, Patent Owner alleges that, while Mr. Agarwal was employed as an attorney at the Irell firm, he received confidential Immersion information relevant to the Petition. *Id.* at 5:16–22. Patent Owner argues that Immersion is Mr. Agarwal’s former client and that, by filing the Petition, Mr. Agarwal violated his ethical obligations to his former client under 37 C.F.R. § 11.109 and California Rule of Professional Conduct § 3-310(e). *Id.* at 7:5–10. Patent Owner asserts that Mr. Agarwal’s filing of the Petition, therefore, constitutes an abuse of process or an improper use of the proceeding under

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<sup>1</sup> We refer to the redacted, public version of the transcript in this Order.

37 C.F.R. § 42.12(a)(6) or (7), which warrants a sanction of termination under § 42.12(b)(8). *Id.* at 6:18–25; 8:6–14; 26:14–23.

Mr. Agarwal admits that he filed the Petition in this case as part of his investment strategy in Immersion stocks. *Id.* at 16:1–3; 20:19–24; 27:17–28:3. He denies, however, he ever represented Immersion (*id.* at 21:8–16) or that he received Immersion’s confidential information during his employment at the Irell firm (*id.* at 16:12–16; 22:10–12).

To clarify at the outset the ultimate remedy sought by Patent Owner, under 37 C.F.R. § 42.12, sanctions imposed against a party for misconduct may include entry of “[j]udgment in the trial or dismissal of the petition.” 37 C.F.R. § 42.12(b)(8). Since no trial has been instituted in this case, a motion for judgment in the trial is premature. Hence, for the remainder of our analysis, we will consider Patent Owner’s request to be a request for authorization to file a motion for dismissal of the Petition.

Considering the Petition itself, Patent Owner does not dispute that the prior art Mr. Agarwal relies upon in the Petition, U.S. Patent Application No. 09/487,737 (“the ’737 application”), is available to the public. *See* Ex. 2004, 9:18–19; 10:21–11:5. We observe that U.S. Patent No. 6,429,846 B2, which issued from the ’737 application, is cited as a relevant piece of prior art in the ’356 patent itself. Ex. 1001, 2. Hence, Mr. Agarwal’s Petition based on the prior art reference listed in the challenged patent cannot be, in and of itself, a paper presented to the Office for an improper purpose. In other words, had the Petition been filed by an unrelated third party, Patent Owner would not be justified to seek dismissal of the Petition based on the content of the Petition itself. Indeed, Patent Owner’s

arguments for dismissal are all directed to *who* filed the Petition, namely, Mr. Agarwal, and his reason for doing so.

To the extent Patent Owner argues that Mr. Agarwal’s filing of the Petition as an investment strategy is by itself an abuse of process or an improper use of the proceeding, we disagree. Another panel of this Board addressed similar arguments in a prior case, and we adopt the reasoning presented in that case in declining to dismiss the Petition in this case. *See Coalition for Affordable Drugs VI, LLC v. Celgene Corp.*, Case IPR2015-01092, Paper 19 (PTAB Sept. 25, 2015) (denying Patent Owner’s motions for sanctions seeking dismissal of petitions); *id.* at 3 (“Profit is at the heart of nearly every patent and nearly every *inter partes* review. As such, an economic motive for challenging a patent claim does not itself raise abuse of process issues. We take no position on the merits of short-selling as an investment strategy other than it is legal, and regulated.”).

Patent Owner’s argument for dismissal of the Petition based on an alleged ethical violation by Mr. Agarwal presents the issue of whether Mr. Agarwal’s filing of the Petition in this case constitutes a violation of ethics rules relating to his duties to a former client—specifically, 37 C.F.R. § 11.109 or California Rule of Professional Conduct § 3-310(e). We decline to consider this issue at this time for the reasons discussed below.

As for 37 C.F.R. § 11.109, we note that § 11.109, titled “Duties to former clients,” specifies the obligations of a “practitioner” arising from his or her former representation of a client. Under § 11, a “practitioner” is defined as “[a]n attorney or agent registered to practice before the Office in patent matters,” an individual authorized to practice before the Office in

trademark matters or other non-patent matters, or an individual authorized to practice before the Office in limited circumstances specified in § 11.9(a) or (b). 37 C.F.R. § 11.1. Mr. Agarwal, however, has not even been registered to practice before the Office. Ex. 2004, 20:1–4. Hence, Mr. Agarwal cannot and could not have represented Immersion or any other client in patent matters before the Office as a “practitioner” under 37 C.F.R. § 11. See 37 C.F.R. § 11.10(a) (“*Only practitioners* who are registered under § 11.6 . . . are permitted to . . . *represent others* in any proceedings before the Office.”) (emphases added). Thus, any alleged representation of Immersion by Mr. Agarwal in the past was not before the Office as a “practitioner.”

As discussed above, Mr. Agarwal filed the Petition as a *pro se* petitioner based on the prior art reference cited in the ’356 patent itself. Based on the record before us, we decline to apply the Office’s Rules of Professional Conduct, of which § 11.109 is a part, to Mr. Agarwal and Mr. Agarwal’s filing of the Petition. By doing so, we do not intend to suggest that a *pro se* petitioner is categorically immune from the rules of practice before the Office, including § 11.109, in all circumstances. In the present record, however, all alleged facts point to the conclusion that the dispute brought to our attention is a matter for another jurisdiction, i.e., the State Bar of California. Indeed, the alleged ethical violation arose because Mr. Agarwal is a California-licensed attorney, was employed at the Irell firm as a California-licensed attorney, and allegedly represented Immersion and allegedly received Immersion’s confidential information while being employed at the Irell firm as a California-licensed attorney. See Ex. 2004, 5:16–22; 20:12–15. Thus, at its core, Patent Owner’s allegations are

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