

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.
Petitioner

v.

VOIP-PAL.COM, INC.
Patent Owner

Case No. IPR2016-01198
Patent 9,179,005

**PETITIONER'S MOTION FOR ENTRY OF JUDGMENT IN FAVOR OF
PETITIONER AS A SANCTION FOR
IMPROPER *EX PARTE* COMMUNICATIONS
BY PATENT OWNER, OR, ALTERNATIVELY, FOR NEW AND
CONSTITUTIONALLY CORRECT PROCEEDINGS**

Extraordinary circumstances call for extraordinary measures. Patent Owner Voip-Pal.com, Inc. has irreparably tainted this proceeding through repeated *ex parte* communications addressed to the panel, Board officials, and agency leadership. Between May 1, 2017 and October 23, 2017, Voip-Pal's former CEO and Chairman and current advisor, Dr. Thomas Sawyer, sent at least six *ex parte* letters to the Board. The letters and surrounding context make clear that Dr. Sawyer acted in concert with Voip-Pal and its counsel. The threatening letters went so far as to accuse the Board of criminal conspiracy. Yet none of these letters was sent to Apple, and none was entered into the record in this proceeding.

After the first such *ex parte* communication demanded that the Board replace the original panel due to alleged bias, the Board granted Voip-Pal the relief it demanded by replacing the panel. Emboldened, Voip-Pal continued a months-long campaign of *ex parte* communications, demanding reversal of the Institution Decision and dismissal of all pending IPR petitions against it. Voip-Pal ultimately got exactly what it requested when the replacement panel reversed the prior decision, sustained the challenged claims of the patents-in-suit, and denied institution of Apple's two pending petitions.

Where, as here, one party tarnishes a proceeding's fundamental fairness with *ex parte* communications, the appropriate sanction is entry of judgment against that party. Alternatively, the Board should vacate its Final Written Decision and

provide a constitutionally correct process going forward after consultation with the parties to ensure fairness.

I. Factual Background

Apple petitioned for *inter partes* review (“IPR”) of several claims of U.S. Patent No. 9,179,005 B2 (EX. 1001, “the ’005 patent”) in June 2016. Paper 2 (“Petition”). Apple’s Petition contended that the ’005 patent was unpatentable under 35 U.S.C. § 103(a) as obvious over (1) Chu ’684 and Chu ’366, and (2) Chu ’684 and Chen. Petition at 5.

In September 2016, Voip-Pal filed a Preliminary Response (Paper 5 (“POPR”)) containing four main arguments: (1) Apple failed to identify its grounds with sufficient particularity (POPR at 9); (2) “[t]he combination ... fails to render obvious meeting different ‘classification criteri[a]’ as claimed” (POPR at 16, 48); (3) “[t]he combination ... fails to render obvious ‘using a caller identifier ... to locate a caller dialing profile’; as recited in [1a] and ‘using a first participant identifier to locate a first participant profile’ as recited in [74a]” (POPR at 25, 52); and (4) Apple failed to articulate a proper reason to combine the references (POPR at 37, 58).

After addressing Voip-Pal’s second, third, and fourth arguments, the Board instituted the IPR on all challenged claims in November 2016. Paper 6 (“ID”). At that point, the Board panel was composed of Administrative Patent Judges Barbara

Benoit, Lynne Pettigrew, and Stacy Margolies (“Original Panel”). *Id.* at 1.

In December 2016, Voip-Pal requested rehearing, arguing that the Board overlooked two arguments: (1) “a proper construction of the claims requires a particular *ordering of steps*” (Paper 9 at 3–7) (emphasis in original); and (2) the Petition’s failure to provide a valid motivation for why a skilled person would combine Chu ‘684 with either Chu ‘366 or Chen (*id.* at 8–13).

The Original Panel denied Voip-Pal’s rehearing request in January 2017 after rejecting Voip-Pal’s “ordering argument” and noting that it “did not overlook or misapprehend” either of Patent Owner’s arguments. Paper 11 at 3–6.

Voip-Pal responded to the Petition in February 2017. Paper 17 (“Response”). Voip-Pal spent over half its Response attempting a swear-behind, *id.* at 4–47, and repeated the same rejected arguments from the POPR and rehearing request, *id.* at 47–69. It devoted only three pages to arguing a lack of a motivation to combine. *Id.* at 69–71.

On May 1, 2017, Dr. Sawyer sent the first of many *ex parte* letters to the Board. EX3003. Dr. Sawyer claimed he “no longer [had] a formal role with Voip-Pal,” but complained that all three judges on the Original Panel allegedly lacked “impartiality.” *Id.* at 1–5. The May 1 letter was addressed to Chief Judge Ruschke and copied the Original Panel. *Id.* at 5–6. Apple was not copied, and the Board never entered Dr. Sawyer’s May 1 *ex parte* letter into the record.

On May 17, Apple filed its reply, which predominately focused on Voip-Pal's swear-behind arguments. Paper 34.¹

On June 7, the parties participated in a conference call with the Board to discuss Voip-Pal's request for a sur-reply. Unbeknownst to Apple, the Original Panel had been removed and new judges—Administrative Patent Judges Josiah Cocks, Jennifer Chagnon, and John Hudalla (“Substitute Panel”)—were appointed. This call was the first time Apple learned of the Substitute Panel. Paper 37. There was no discussion or explanation for why the Substitute Panel was appearing.

On June 21, Dr. Sawyer sent his second letter to Chief Judge Ruschke. EX3004. He noted the removal of the Original Panel and that “replacement of an entire panel of judges is almost unheard of . . . since such a change is likely to have impacts on all concerned.” *Id.* at 1. Dr. Sawyer concluded by seeking sanctions of “a judgment in the patent owner’s favor or a dismissal of the action [to] make the patent owner whole.” *Id.* at 3. Apple was not copied, and the Board never entered Dr. Sawyer’s June 21 *ex parte* letter into the record.

On July 11, Dr. Sawyer sent his third letter to Chief Judge Ruschke and copied the Substitute Panel. EX3005. Dr. Sawyer again noted the replacement of

¹ Prior to filing its Reply, on May 9, Apple filed two more petitions for IPR, one relating to the '005 patent and the other relating to the '815 patent, a related Voip-Pal patent. *See* IPR2017-1398; IPR2017-1399. These petitions requested review of previously unchallenged claims and relied on different references.

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