

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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RUIZ FOOD PRODUCTS, INC.,  
Petitioner,

v.

MACROPOINT LLC,  
Patent Owner.

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IPR2017-02016 (Patent 8,275,358 B1)  
IPR2017-02018 (Patent 9,429,659 B1)

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Before MEREDITH C. PETRAVICK, TREVOR M. JEFFERSON, and  
NATHAN A. ENGELS, *Administrative Patent Judges*.

ENGELS, *Administrative Patent Judge*.

DECISION

*Granting Patent Owner's Motion to Dismiss and  
Terminating the Proceedings  
37 C.F.R. § 42.72*

IPR2017-02016 (Patent 8,275,358 B1)

IPR2017-02018 (Patent 9,429,659 B1)

In the Petitions for *Inter Partes* Review (Paper<sup>1</sup> 2 or “Pet.”), Petitioner identified FourKites, Inc. as a real party in interest and acknowledged that FourKites had filed a complaint for declaratory judgment of invalidity against the patents challenged in these proceedings. Pet. 5–6. Petitioner argued, though, that FourKites’s declaratory-judgment complaint did not bar institution under 35 U.S.C. § 315(a)(1) because FourKites’s complaint had been dismissed without prejudice. *Id.* Among other authority, Petitioner cited the Federal Circuit’s decision in *Graves v. Principi*, 294 F.3d 1350, 1356 (Fed. Cir. 2002), for the proposition that “dismissal of an action without prejudice leaves the parties as though the action had never been brought” (*id.* (quoting *Graves*, 294 F.3d at 1356)), and cited a precedential Board decision to argue “dismissal without prejudice of the declaratory judgment ‘nullifies the effect of the service of the complaint and, as a consequence, does not bar’ Petitioner from pursuing this IPR under 35 U.S.C. § 315(a)(1).” *Id.* at 6 (quoting *Oracle Corp. et al. v. Click-to-Call Tech. LP*, Case IPR2013-00312, slip op. at 17 (PTAB Oct. 30, 2013) (Paper 26) (precedential)).

Patent Owner did not address § 315(a)(1) in its Preliminary Response, and the Board instituted *inter partes* review in these proceedings with Decisions mailed in March 2018. Paper 7. Subsequent to the institution of these proceedings, the Federal Circuit held that service of a complaint for patent infringement can trigger the time-bar provision of 35 U.S.C. § 315(b) even if the complaint was later dismissed without prejudice, distinguishing *Graves* and vacating the final written decision in *Oracle Corp. v. Click-to-*

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<sup>1</sup> We refer to the papers in IPR2017-02016 as representative, unless otherwise noted.

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*Call Techs. LP*, Case IPR2013-00312, 2014 WL 5490583 (PTAB Oct. 28, 2014) (Paper No. 52). *Click-to-Call Techs., LP v. Ingenio, Inc.*, 899 F.3d 1321, 1325, 1334–35 (Fed. Cir. Aug. 16, 2018) (en banc in relevant part).

Patent Owner subsequently filed Motions to Dismiss, arguing that *Click-to-Call* reversed the precedent cited by Petitioner and that these proceedings are barred under § 315(a)(1) in light of *Click-to-Call*. Paper 18. For the reasons explained below, we determine the time-bar provision of § 315(a)(1) applies to the facts at issue and the Board lacks jurisdiction over these proceedings. Accordingly, we terminate these proceedings. See 37 C.F.R. § 42.72.

## I. INTRODUCTION

Section 315(a)(1) is titled “Inter Partes Review Barred by Civil Action” and reads as follows: “An inter partes review may not be instituted if, before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent.” As noted in the Petition, it is undisputed that (i) FourKites, Inc. is a real party in interest to the Petitions filed in these proceedings, (ii) FourKites, Inc. filed a complaint seeking a declaratory judgment of invalidity of the challenged patents before the date on which the Petitions were filed, and (iii) FourKites, Inc.’s declaratory-judgment complaint was dismissed without prejudice. Pet. at 3, 5–6 (citing *FourKites, Inc. v. MacroPoint, LLC*, No. 1:16-cv-02703-CAB (N.D. Ohio)).

Arguing that the *en banc* holding of *Click-to-Call* applies to both time-bar provisions of § 315,<sup>2</sup> Patent Owner argues that the undisputed facts

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<sup>2</sup> In addition to the time bar in § 315(a)(1), § 315(b) is titled “Patent Owner’s Action” and states that “[*inter partes*] review may not be instituted if the

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give rise to a time bar under § 315(a)(1). Paper 18, 1–3. According to Patent Owner, the Federal Circuit’s decision in *Click-to-Call* rejects the principle of a dismissal-without-prejudice exception to both time-bar provisions of § 315. *Id.*; Reply Br. 1–5.

Petitioner argues that *Click-to-Call* is not applicable to § 315(a)(1) and that controlling authority provides that the dismissal without prejudice of FourKites’s complaint does not create a bar under § 315(a)(1). Paper 20 at 1, 5–8; *accord* Pet. at 5–7. Specifically, Petitioner contends that for purposes of § 315(a)(1), controlling authority provides that dismissal without prejudice renders an action as if it had never been filed, and Petitioner argues that the Federal Circuit’s decision in *Click-to-Call* is strictly and purposely limited to § 315(b). Paper 20 at 1, 7–9 (citing *Click-to-Call*, 899 F.3d at 1334–36, 1345–46, 1348; *Jet, Inc. v. Sewage Aeration Sys.*, 223 F.3d 1360, 1364 (Fed. Cir. 2000); *Clio USA, Inc. v. The Procter and Gamble Co.*, Case IPR2013-00438, slip op. at 8 (PTAB. Jan. 9, 2014) (Paper 9)).

As alternative arguments, Petitioner asserts that FourKites’s complaint should not trigger the time bar of § 315(a)(1) because, according to Petitioner, (i) FourKites’s complaint was ostensibly a counterclaim within the meaning of § 315(a)(3) (*id.* at 13–14), (ii) Patent Owner waived its objections to institution by failing to raise § 315(a)(1) prior to institution of these proceedings (*id.* at 14–15), and (iii) Patent Owner had argued that the

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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. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).”

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district court lacked subject matter jurisdiction over FourKites's complaint (*id.* at 12–13).

## II. ANALYSIS

### A. Section 315(a)(1) and Voluntary Dismissal Without Prejudice

#### 1. Legal Standards

With the relevant facts undisputed, Patent Owner's Motion turns on interpretation and application of § 315(a)(1). *See* Paper 20 at 9 (“The question at this time is the statutory construction of § 315(a) . . .”). “As in any case of statutory construction, our analysis begins with the language of the statute.” *Click-to-Call*, 899 F.3d at 1329 (quoting *Hughes Aircraft Co. v. Jacobson*, 525 U.S. 432, 438 (1999)). “The first step ‘is to determine whether the language at issue has a plain and unambiguous meaning with regard to the particular dispute in the case.’” *Barnhart v. Sigmon Coal Co.*, 534 U.S. 438, 450 (2002) (quoting *Robinson v. Shell Oil Co.*, 519 U.S. 337, 340 (1997)). “In so doing, we ‘must read the words in their context and with a view to their place in the overall statutory scheme.’” *Click-to-Call*, 899 F.3d at 1329 (quoting *King v. Burwell*, 135 S. Ct. 2480, 2489 (2015) (internal quotation omitted)). “Where a statute's language carries a plain meaning, the duty of an administrative agency is to follow its commands as written . . . .” *SAS Inst., Inc. v. Iancu*, 128 S. Ct. 1348, 1355 (2018).

#### 2. The Time Bars of § 315

“Section 315 governs the relationship between IPRs and other proceedings conducted outside the IPR proceeding.” *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1346 (Fed. Cir. 2018);

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