

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

RUIZ FOOD PRODUCTS, INC.,
Petitioner,

v.

MACROPOINT LLC,
Patent Owner.

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

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 (Paper¹ 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-*

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

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

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 § 315,² Patent Owner argues that the undisputed facts

² 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

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

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

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

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).”

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

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

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);

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.