UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNIFIED PATENTS INC.

Petitioner

- vs. -

FALL LINE PATENTS, LLC

Patent Owner

IPR2018-00043

U.S. Patent 9,454,748

PETITIONER'S OPPOSITION TO PATENT OWNER'S MOTION TO ADDRESS RPI ARGUMENTS

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I. Introduction

Petitioner Unified Patents Inc. ("Unified") submits this Opposition to: (i) the portion of Patent Owner's Motion Regarding Real Party in Interest ("Motion") requesting that the Board address its real party-in-interest ("RPI") arguments and exhibits presented in its Patent Owner Preliminary Response ("POPR"), and (ii) Patent Owner's RPI arguments made at the oral hearing and in the associated demonstratives. Motion (Paper 21) at 1–2.

For the following reasons, the Board should find that Patent Owner Fall Line Patents, LLC ("Fall Line") waived its arguments regarding real party-in-interest. The Board should not countenance Fall Line's attempt to belatedly present arguments it has waived in the instituted trial.[1]

A. Counsel's Actions Support a Finding of Waiver.

If it were interested in having its RPI arguments considered, Fall Line should have raised those arguments in a paper filed during the trial (e.g., in its Patent Owner Response). Counsel for Fall Line should have been well aware of this requirement based on its experiences in previous PTAB proceedings, including those involving Unified Patents, where it has raised RPI arguments during the trial phase.

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[1] Even if the Board considers Fall Line to have not waived its arguments, the Board should confirm that Unified is the sole real party-in-interest, as set forth in Unified's concurrently-filed RPI Reply.

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In particular, in its final written decision of IPR2016-00174, the Board found that patent owner Nonend Inventions N.V. had waived its RPI arguments because it did not present its RPI contentions in its patent owner response. *Unified Patents Inc. v. Nonend Inventions N.V.*, IPR2016-00174, Paper 26 at 6–7 (PTAB May 8, 2017). As with Fall Line in this proceeding, Nonend's counsel presented RPI arguments in its preliminary response but failed to include those arguments in the patent owner response. *Id.* And just as patent owner Fall Line argues in its Motion, Nonend argued in a request for rehearing that its "argument regarding the real-party in interest cannot fairly be characterized as an 'argument for patentability…'" that could be waived. *Unified Patents Inc. v. Nonend Inventions N.V.*, IPR2016-00174, Paper 28 at 3 (PTAB July 25, 2017). The Board disagreed, finding that Nonend had indeed "waived its arguments relating to real party in interest," and cited the Federal Circuit's *In re Nuvasive* decision as further supporting its determination of waiver. *Id.* at 4 (*citing In re Nuvasive, Inc.*, 842 F.3d 1376, 1380 (Fed. Cir. 2016)). Nonend did not appeal the final written decision's finding of waiver (or any other issue).

Here, Fall Line is represented by the same law firm and two of the same attorneys of that firm as Nonend. The *Nonend* decision on rehearing was entered eleven months before Fall Line filed its Patent Owner Response in this proceeding. Based on the Board's guidance in the *Nonend* final written decision and rehearing decision, counsel for Fall Line should have known to raise any RPI arguments in its

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Patent Owner Response lest they be deemed waived. It deliberately chose not to, and it should be held to that waiver.

Even if, as Fall Line asserted, *Applications in Internet Time v. RPX* ("*AIT*") and *Worlds v. Bungie* ("*Worlds*") represented an "intervening change in the interpretation of" the law (Paper 20 at 20:26–21:5), Fall Line did not seek any briefing in light of the intervening decisions, and did not mention either case until the oral argument, nearly four months after the Federal Circuit issued the *AIT* decision, and three months after *Worlds*, as Judge Kenny noted at oral hearing. Paper 20 at 22:8–10, 21:9–16.

Counsel for Fall Line was undoubtedly aware of both cases. In its November 2018 final written decision in IPR2017-01430 (*Unified Patents Inc. v. Plectrum, LLC*), where the patent owner was represented by the same law firm (and two of the same attorneys of that firm) as here, the Board considered patent owner Plectrum's RPI arguments and supporting evidence in light of both *AIT* and *Worlds*, and found Unified to be the sole real party-in-interest to the proceeding. *Unified Patents Inc. v. Plectrum, LLC*, Case IPR2017-01430, Paper 30 at 9–14 (PTAB Nov. 13, 2018).

Based on the Board's consideration of the facts in light of both *AIT* and *Worlds*, counsel for Fall Line should have been aware of the cases and their pertinence to any belatedly-presented RPI arguments and should have sought additional briefing if it wanted those arguments considered. But it did not do so, even after issuance of the Update to the Trial Practice Guide granting patent owners

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an opportunity to file a sur-reply. Fall Line admittedly did not seek additional briefing and should be held to its waiver on the issue.

B. Precedent Supports a Finding of Waiver.

In an analogous situation, in which the Federal Circuit reviewed a final written decision finding waiver of a claim construction argument that had not been raised during trial, the court quoted *Interactive Gift Exp., Inc. v. Compuserve Inc.* (256 F.3d 1323, 1347 (Fed. Cir. 2001)) as stating:

> The argument at the trial and appellate level should be consistent, thereby ensuring a clear presentation of the issue to be resolved, an adequate opportunity for response and evidentiary development by the opposing party, and a record reviewable by the appellate court that is properly crystallized around and responsive to the asserted argument.

See Google Inc. v. SimpleAir, Inc., 682 Fed. Appx. 900, 905 (Fed. Cir. 2017) (non-precedential).

The Board should find that Fall Line waived its argument for similar reasons. By strategically delaying presentation of its RPI contentions until oral argument, Fall Line attempted to circumvent Unified's opportunity for response and evidentiary development. Indeed, counsel acknowledged during oral argument that, because Fall Line did not raise its RPI arguments in the response, Unified had no opportunity to respond. Paper 20 at 23:1–24:11. Although the Board has provided Unified the ability to respond to Fall Line's belatedly-presented arguments, the Board need not

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