

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CANON INC., CANON U.S.A, INC.; CANON FINANCIAL SERVICES, INC.; NIKON CORPORATION; NIKON, INC.; SAMSUNG ELECTRONICS CO., LTD.; SAMSUNG ELECTRONICS AMERICA, INC.; SANYO ELECTRIC CO., LTD.,
Petitioners,

v.

PAPST LICENSING GMBH & CO., KG,
Patent Owner.

Case IPR2018-00410
Patent 6,895,449

PATENT OWNER PAPST LICENSING GMBH & CO., KG'S
RESPONSE TO PETITIONER'S MOTION TO WAIVE OR SUSPEND
RULE 37 C.F.R. § 42.122

I. INTRODUCTION

Petitioner's Motion to Waive or Suspend ("Petitioner's Motion") fails. IPR 2017-00415 (the "'415 IPR") was terminated on January 18, 2018. *See ZTE (USA) Inc., v. Papst Licensing GmbH & Co. KG*, Case IPR 2017-00415, Paper 32. Under PTAB precedent, a terminated IPR cannot be joined, and there is simply no procedural vehicle (by rule or statute) that would permit joinder of a terminated IPR.

Even if the '415 IPR was still active, Petitioner failed to meet its burden for untimely joinder by showing that that good cause exists or that the interests of justice favor joinder. Petitioner utterly fails to offer any excuse as to why it failed to timely join the '415 IPR under 35 U.S.C. § 315(b)(1) or 37 CFR § 42.122(b). The reason is undoubtedly strategic—by not joining the IPR earlier, Petitioner circumvented the 35 U.S.C. 315(e) estoppel that attaches with a failed IPR. Only after Petitioner became aware that the final petitioner in the '415 IPR had settled, did it seek to join the '415 IPR. That Petitioner now regrets its deliberate choice not to join the '415 IPR is no excuse. Good cause does not exist.

Petitioner also failed to demonstrate that the interests of justice excuse its failure to abide by the PTAB's rules for timely joining an IPR. Rather than ground its Motion in facts, Petitioner instead supports its argument regarding the interests of justice on the baseless allegation that Patent Owner's settlement with Olympus

(and to a lesser extent ZTE and LG) is a “sweetheart deal.” Motion at 10. Despite Petitioner’s admission that it has not seen the Olympus settlement agreement and that it does not know the amount of the settlement, it recklessly condemns of the legitimacy of the Olympus settlement. *See* Motion at 5 (“Although Movants have not seen the settlement agreement between Papst and Olympus, Movants suspect that the settlement involves a small payment by Olympus ...”). Patent Owner invites the Board to review the Olympus settlement to confirm that Petitioner’s assumption that it was a “sweetheart deal” is simply incorrect. *See* ’415 IPR, Paper No. 28, Ex. 2011 at 11 (showing the amount Olympus paid.) Moreover, when further considered in conjunction with the ZTE and LG settlements, Petitioner cannot credibly contend that these settlements were not legitimate. *See* ’415 IPR, Paper No. 24, Ex. 2010 (showing the amount LG paid); ’415 IPR, Paper No. 31, Ex. 2012 (showing the amount ZTE paid). Moreover, a “sweetheart deal” is not sufficient cause for Petitioner to belatedly join the ’415 IPR after its termination. Petitioner’s inaccurate and irrelevant attorney argument must be rejected.

Petitioner’s otherwise bellicose commentary throughout its Motion about Papst (which Papst disputes) is immaterial to the issues before the Board. Petitioner indisputably and deliberately allowed the deadlines under 35 U.S.C. § 315(b)(1) and 37 CFR § 42.122(b) to lapse. Petitioner’s disappointment with Olympus’s decision to settle the ’415 IPR does not establish that the interests of

justice require the Board to authorize Petitioner to revive a proceeding it intentionally chose to avoid (particularly here where Petitioner has not even requested to file a motion to revive), so that it can join the proceeding and pursue the action in Olympus's place. *See Apple Inc. v. Grobler*, Case IPR 2014-00060, Paper 12 (PTAB Oct. 29, 2013).

Petitioner's Motion should be denied.

II. RESPONSE TO STATEMENT OF RELEVANT FACTS

Patent Owner has reviewed the Statement of Relevant Facts contained in Petitioner's Motion to Waive or Suspend Rule 37 C.F.R § 42.122. Patent Owner's response and denial of purported "facts" as set forth in Petitioner's Statement of Relevant Facts is found at Exhibit 2002.

III. LEGAL AUTHORITY AND ARGUMENT

Rather than timely file an IPR on the '449 patent, Petitioner instead let the one year deadline lapse. *See* 35 U.S.C. § 315(b) ("An inter partes review may not be instituted if 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.")

Petitioner admits that it also let the deadline to join the '415 IPR under 37 C.F.R § 42.122 (which expired one month after institution) lapse. *See* IPR2018-00410, Paper 5 at 1 ("Petitioner acknowledges that the Instant Petition and Motion

for Joinder are being filed outside the one-month time period set forth in 37 C.F.R. § 42.122(b).”) *See also* 37 CFR § 42.122(b) (“Any request for joinder must be filed [...] no later than one month after the institution date of any inter partes review for which joinder is requested.”) Now, with both deadlines long since passed, Petitioner seeks to join the already terminated ’415 IPR. Petitioner cites no authority to support its position that it should be permitted to join a terminated (and unrevived) IPR or that the PTAB has ever permitted a procedurally flawed joinder such as this.

A. The ’415 IPR Has Been Terminated And Cannot Be Joined.

Petitioner’s motion is premised on the factually incorrect argument that the ’415 IPR is still pending. It is not. On January 18, 2018, three weeks after the Petitioner filed its Motion, the ’415 IPR was terminated. *See ZTE (USA) Inc., v. Papst Licensing GmbH & Co. KG*, Case IPR 2017-00415, Paper 32. The ’415 IPR cannot be joined—there is nothing to join. The commentary to the rules state:

The AIA, however, does not provide for the “replacement” of a party. A petitioner may settle with the patent owner and upon entering the joint request, the review will terminate with respect to the petitioner. 35 U.S.C. 317, as amended, and 35 U.S.C. 327.

Changes to Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents; Final Rule, 77 Fed. Reg. 48680, 48707 (Aug. 14, 2012).

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.