

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CREE, INC.,
Petitioner,

v.

DOCUMENT SECURITY SYSTEMS, INC.,
Patent Owner.

Case IPR2018-01220
Patent 7,256,486 B2

PATENT OWNER'S PRELIMINARY RESPONSE

PATENT OWNER'S LIST OF EXHIBITS

Exhibit Number	Exhibit Description
2001-2108	Reserved
2109	Complaint for Patent Infringement in <i>Document Security Systems, Inc. v. Cree, Inc.</i> , Case 2:17-cv-00309 (E.D. Tex.)
2110	Notice of Service in <i>Document Security Systems, Inc. v. Cree, Inc.</i> , Case 2:17-cv-00309 (E.D. Tex.)
2111	Complaint for Patent Infringement in <i>Document Security Systems, Inc. v. Cree, Inc.</i> , Case 2:17-cv-04263 (C.D. Cal.)
2112	Notice of Dismissal in <i>Document Security Systems, Inc. v. Cree, Inc.</i> , Case 2:17-cv-00309 (E.D. Tex.)

IPR2018-01220 Patent Owner's Preliminary Response

Pursuant to 37 C.F.R. § 42.107, Patent Owner Document Security Systems, Inc. (“DSS” or “Patent Owner”) files this preliminary response to the Petition, setting forth reasons why the Petition for *inter partes* review (“IPR”) of U.S. Patent No. 7,256,486 (the “’486 patent”), claims 1-4, as requested by Cree, Inc. (“Cree” or “Petitioner”) must be denied.¹

I. EVERLIGHT’S PETITION FOR IPR IS TIME-BARRED

Real party-in-interest to the Petition, Cree, Inc., was first served with a complaint alleging infringement of the ’486 patent on April 14, 2017, more than one year before Cree filed its petition for IPR on June 7, 2018. Therefore, Cree’s Petition is time-barred under 35 U.S.C. § 315(b), and must be denied without institution.

On the first page of the Petition, Cree states that “Petitioners are not barred or estopped from requesting an *inter partes* review on the grounds identified herein.” Pet., 1. This is incorrect, and stems from lack of disclosure of complete facts and Cree’s misapplication of the governing law. Cree’s Petition omits that, on April 14, 2017, Cree, Inc. was served with complaint dated April 13, 2017

¹ By submitting this Preliminary Response, no waiver of any argument is intended by Patent Owner. Patent Owner will have a right to file “a response to the petition addressing any ground for unpatentability not already denied” should the Board institute *inter partes* review. 37 C.F.R. § 42.120(a).

IPR2018-01220 Patent Owner's Preliminary Response

("Texas Complaint"), alleging infringement of '486 patent in the Eastern District of Texas. *See* Ex. 2109, ¶¶20-26; Ex. 2110, 2. Because Cree was served with "a complaint," namely the Texas Complaint, alleging infringement of the patent-at-issue more than one year prior to the filing of Cree's Petition for IPR, Cree's Petition is time-barred. *See* 35 U.S.C. § 315(b).

Cree appears to believe that the service date of April 14, 2017 should not bar the untimely filing of this Petition because DSS dismissed the Texas Complaint without prejudice on June 8, 2017. Ex. 2112, 2. Under the plain language of the 35 U.S.C. 315(b) and governing Federal Circuit law, that subsequent dismissal of the complaint is irrelevant to whether Cree was served with the complaint alleging infringement of the '486 patent, and therefore whether Petitioner was barred from filing a petition for *inter partes* review of the '486 patent after April 14, 2018. *See Click-to-Call Tech., LP v. Ingenio, Inc.*, ___ F.3d ___, slip op. at 10 (Fed. Cir. 2018).²

² "The principal question on appeal is whether the Board erred in interpreting the phrase 'served with a complaint alleging infringement of [a] patent' recited in § 315(b) such that the voluntary dismissal without prejudice of the civil action in which the complaint was served 'does not trigger' the bar. Final Written Decision, slip op. at 12. We hold that it did."

Even if a dismissal without prejudice could operate to reset the time-bar provision under § 315(b) in some circumstances, here DSS dismissed its case against Cree in Texas and concurrently refiled complaint in the Central District of California³, thereby continuously maintaining its infringement action against Cree. The Supreme Court issued its decision in *TC Heartland LLC v. Kraft Foods Group Brands LLC*, 581 U.S. ___, 137 S. Ct. 1514 (2017) on May 22, 2017, after DSS filed its Texas complaint. *TC Heartland* served to restrict the venue in which a particular patent infringement complaint could be brought. In view of that intervening decision, DSS shifted its infringement action against Cree to the Central District of California, by concurrently refiled the counts from the Texas complaint in the California Complaint and dismissing the Texas complaint, both on June 8, 2017. *Cf.*, Ex. 2109, ¶¶20-26 with Ex. 2111, ¶¶20-26; Ex. 2112, 2. Accordingly, as there was no gap in the charge of infringement, and by the statute's plain language, the time-bar of 35 U.S.C. § 315(b) runs from the first service of "a complaint alleging infringement" of the '486 patent by Cree on April 14, 2017. *See Click-to-Call Technologies, LP v. Ingenio, Inc.*, ___ F.3d ___ (Fed. Cir. 2018).

Finally, Cree cannot salvage its time-barred petition by filing a later-filed motion for joinder. The PTO's regulations expressly prohibit the filing of a time-

³ This document will be referred to as the "California Complaint."

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