UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

EVERLIGHT ELECTRONICS CO., LTD.
Petitioner

v.

DOCUMENT SECURITY SYSTEMS, INC.
Patent Owner

Case IPR2018-01225
U.S. Patent No. 7,256,486 B2

PETITIONER'S REPLY BRIEF IN SUPPORT OF ITS MOTION FOR JOINDER UNDER 37 C.F.R. §§ 42.22 AND 42.122(b)

Everlight Electronics Co., Ltd. ("Everlight") respectfully submits this Reply to the Oppositions of Seoul Semiconductor Co. Ltd. et al. in IPR2018-00333 ("SSC") and Document Security Systems, Inc., ("PO"), to Everlight's Motion to join Everlight's IPR2018-01225 ("Everlight's IPR") with pending IPR IPR2018-00333 filed by SSC ("SSC's IPR"). The PTAB has authorized the filing of this Reply in an email dated August 1, 2018.

I. SSC/PO MISTATE EVERLIGHT'S PROPOSED INVOLVEMENT

SSC and PO argue that Everlight wants to be actively involved in SSC's IPR, despite Everlight's representations by email, and in its Motion, that Everlight will be a "complete understudy" and do ***nothing*** unless and until SSC abandons its IPR. Everlight's Motion explained that "Everlight will not file additional briefs outside of the consolidated filings, will not request any additional deposition time, and will not request any additional oral hearing time." Motion at 6-7. In addition, Everlight explained that it will waive its expert declaration if SSC participates in its IPR to the point that SSC's expert is deposed. Motion at ("Assuming SSC does not terminate its IPR before its expert is deposed, Everlight agrees to rely entirely on, and be bound by, the expert declaration(s) and deposition in the SSC IPR."). Everlight's proposal is significantly different than the situation in the *ZTE* case relied upon by SSC. In the *ZTE* case, the expert for the lead petitioner (Sony) had already been deposed, yet

the copy-petitioner (ZTE) had not waived its expert's declaration. *ZTE Corp. v. Adaptix, Inc.*, IPR2015-01184, Paper 10 at 5.

SSC and PO rely heavily on the word "consolidated" in Everlight's Motion, which was intended to refer to the fact that SSC's briefs would also be filed on behalf of Everlight as a complete understudy, not that Everlight would insist on having input. Similarly, SSC cites to prior discussions that address whether an agreement was reached between the two Petitioners as the how "consolidated filings" would be handled. SSC Opp. at 4. SSC then argues that since no prior agreement was reached between SSC and Everlight, joinder would complicate the proceeding and would not allow SSC to be the "master of its Complaint". *Id*. To be clear, Everlight will not demand or even request that it has any input to any motion, brief, exhibit, deposition, teleconference, Hearing, or any other aspect of the joined IPR, unless SSC abandons its IPR. SSC and PO will proceed in the exact same manner as if Everlight had never joined. Only if SSC terminates, will Everlight get involved at all.

SSC's position that joinder would be unfair to SSC because they did the work, would do away with copy-petitions altogether, despite the fact that the PTAB and Federal Circuit have long-acknowledged and permitted these streamlined procedures. Along these lines, the underlying litigation in the Central District of California was stayed on July 27, 2018, pending resolution of the IPRs filed by SSC against the asserted patents, including the '486 patent. Everlight agreed to be estopped by the

results of SSC's IPR in connection with the stay of the litigation.

II. EVERLIGHT'S PETITION IS NOT TIME-BARRED

PO argues that Everlight's Petition is time-barred because of the Complaint it filed in Texas in April 2017, but then voluntarily dismissed without prejudice. At the time of filing the instant Motion, Everlight relied on precedent from the Board and Federal Circuit, which had recognized that a voluntary dismissal without prejudice nullifies a Complaint and does not activate the one-year bar. *See, e.g.*, *Shaw Industries Group v. Automated Creel Systems*, 817 F. 3d 1293, 1301 (Fed. Cir. 2016) (upholding Board's Decision that voluntary dismissal of a suit without prejudice "nullifie[d] the effect of the service of the complaint" such that the IPR petition was not time barred.) Everlight recognizes that the Federal Circuit has just issued a contrary ruling in *Click-To-Call Technologies, LP v. Ingenio, Inc.*, 2015-1242 (Fed. Cir. August 16, 2018).

Nevertheless, even if the Board finds that initial filing of the withdrawn Complaint in Texas activates the statutory bar, 35 U.S.C. 315(b) expressly excludes joinder situations from the time-bar. Since joinder is appropriate as explained above, there is no time-bar issue. To this end, Board panels have consistently allowed otherwise time-barred petitioners to join IPRs under § 315(c), where (1) the time-barred petitioner promised to simply "maintain a secondary role in the proceeding," *Pfizer, Inc. v. Biogen, Inc.*, No. IPR2017-01115, 2017 WL 3081981

(P.T.A.B. July 18, 2017), Paper No. 13; or (2) where the time-barred petitioner wanted to attend depositions and the oral hearing, but not file papers, engage in discovery, or participate in any deposition or oral hearing. *Ion Geophysical Corp. v. WesternGeco LLC*, No. IPR2015-00565, 2015 WL 1906173, at *4 (P.T.A.B. Apr. 23, 2015), Paper No. 14.

Everlight has offered to do far less than what the Board has allowed in many time-barred joinder situations. Everlight will not attend depositions or the Hearing, or contact the other parties at all; Everlight has offered to do nothing, unless the lead Petitioner abandons its IPR.

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