

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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EVERLIGHT ELECTRONICS CO., LTD.,  
Petitioner,

v.

DOCUMENT SECURITY SYSTEMS, INC.,  
Patent Owner.

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Case IPR2018-01225  
Patent 7,256,486 B2

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**PATENT OWNER'S PRELIMINARY RESPONSE**

## PATENT OWNER'S LIST OF EXHIBITS

Exhibit Number	Exhibit Description
2001-2099	Reserved
2100	Complaint for Patent Infringement in <i>Document Security Systems, Inc. v. Everlight Electronics Co., Ltd., and Everlight Americas, Inc.</i> , Case 2:17-cv-00310 (E.D. Tex.)
2101	Notice of Service in <i>Document Security Systems, Inc. v. Everlight Electronics Co., Ltd., and Everlight Americas, Inc.</i> , Case 2:17-cv-00310 (E.D. Tex.)
2102	Complaint for Patent Infringement in <i>Document Security Systems, Inc. v. Everlight Electronics Co., Ltd., and Everlight Americas, Inc.</i> , Case 2:17-cv-04273 (C.D. Cal.)
2103	Notice of Dismissal in <i>Document Security Systems, Inc. v. Everlight Electronics Co., Ltd., and Everlight Americas, Inc.</i> , Case 2:17-cv-00310 (E.D. Tex.)
2104	Reserved
2105	Email Message sent from Seoul Semiconductor's counsel to Trials@uspto.gov, seeking permission to oppose Everlight Electronics Co., Ltd.'s Motion to Join IPR2018-00333

## IPR2018-01225 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 1-3, as requested by Everlight Electronics, Co., Ltd. (“Everlight” or “Petitioner”) must be denied.<sup>1</sup>

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

Real party-in-interest to the Petition, Everlight Americas, Inc., was first served with a complaint alleging infringement of the ’486 patent on April 26, 2017, more than one year before Everlight filed its petition for IPR on June 8, 2018. Therefore, Everlight’s Petition is time-barred under 35 U.S.C. § 315(b), and must be denied without institution.<sup>2</sup>

On the first page of the Petition, Everlight states that “Petitioner and the Real Parties in Interest are not barred or estopped from requesting an *inter partes*

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<sup>1</sup> 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).

<sup>2</sup> Petitioner moved to join IPR2018-00333 (Paper 7), and joinder should be denied for the reasons set forth in the oppositions filed by Patent Owner and the petitioners from IPR2018-00333. (Papers 9-10).

## IPR2018-01225 Patent Owner's Preliminary Response

review challenging claims 1-3 of the '486 patent on the grounds identified herein.”

Pet., 1. This is incorrect, and stems from disclosure of incomplete facts and Everlight's misapplication of the governing law. Everlight's Statement of Material Facts in its Motion for Joinder contends that “Everlight was served” with a June 8, 2017 complaint in the Central District of California<sup>3</sup> “on June 20, 2017.” Motion, p. 3. Everlight's Motion omits that, on April 26, 2017, admitted real party-in-interest Everlight Americas, Inc. (*see* Pet., 2) was served with a complaint dated April 13, 2017 (“Texas Complaint”), alleging infringement of '486 patent in the Eastern District of Texas. *See* Ex. 2100, ¶¶33-39; Ex. 2101, 2. Because this named real party-in-interest to the Petition 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 Everlight's Petition for IPR, Everlight's Petition is time-barred. *See* 35 U.S.C. § 315(b).

Everlight appears to believe that the service date of April 26, 2017 should not bar the untimely filing of this Petition because DSS dismissed the Texas Complaint without prejudice on June 8, 2017. Ex. 2103, 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 Everlight Americas, Inc. was served with the complaint alleging infringement of the '486 patent, and

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<sup>3</sup> This document will be referred to as the “California Complaint.”

therefore whether Petitioner was barred from filing a petition for *inter partes* review of the '486 patent after April 26, 2018. *See Click-to-Call Tech., LP v. Ingenio, Inc.*, \_\_\_ F.3d \_\_\_, slip op. at 10 (Fed. Cir. 2018).<sup>4</sup>

That Petitioner Everlight was not served with the Texas Complaint does not permit Everlight to carry on with this untimely Petition. Everlight identifies both itself and Everlight Americas, Inc. as real parties-in-interest in the Petition. Pet., 2. And the evidence clearly shows that on April 26, 2017, more than a year before the filing of this Petition, real party-in-interest Everlight Americas, Inc. was served with the Texas Complaint, alleging infringement of '486 patent. *See* Ex. 2100, ¶¶33-39; Ex. 2101, 2. As the Federal Circuit acknowledged, the time bar of § 315(b) is triggered by service of a complaint on the petitioner *or* real party-in-interest: “the text of § 315(b) clearly and unmistakably considers only the date on which the petitioner, its privy, or a real party in interest was properly served with a complaint.” *Click-to-Call Tech.*, slip op. at 17. Indeed, Petitioner Everlight does not distinguish between itself and real party-in-interest Everlight Americas, Inc.

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<sup>4</sup> “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.”

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