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 IPR2018-01260
Patent 7,919,787 B2

PATENT OWNER'S PRELIMINARY RESPONSE

PATENT OWNER'S LIST OF EXHIBITS

Exhibit Number	Exhibit Description
2001-2099	Reserved
2100	Complaint for Patent Infringement in *Document Security Systems, Inc. v. Everlight Electronics Co., Ltd., and Everlight Americas, Inc.*, Case 2:17-cv-00310 (E.D. Tex.)
2101	Notice of Service in *Document Security Systems, Inc. v. Everlight Electronics Co., Ltd., and Everlight Americas, Inc.*, Case 2:17-cv-00310 (E.D. Tex.)
2102	Complaint for Patent Infringement in *Document Security Systems, Inc. v. Everlight Electronics Co., Ltd., and Everlight Americas, Inc.*, Case 2:17-cv-04273 (C.D. Cal.)
2103	Notice of Dismissal in *Document Security Systems, Inc. v. Everlight Electronics Co., Ltd., and Everlight Americas, Inc.*, Case 2:17-cv-00310 (E.D. Tex.)
2104-2112	Reserved

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. 7,919,787 (the "'787 patent"), claims 1-14, as requested by Everlight Electronics, Co., Ltd. ("Everlight" or "Petitioner") must be denied.[1]

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 '787 patent on April 26, 2017, more than one year before Everlight filed its petition for IPR on June 15, 2018. Therefore, Everlight's Petition is time-barred under 35 U.S.C. § 315(b), and must be denied without institution.

In the Petition, Everlight states that "Petitioner is not barred or estopped from requesting an IPR challenging the claims on the grounds identified in herein." Pet., 3. This is incorrect, and stems from lack of disclosure of complete facts and Everlight's misapplication of the governing law. Everlight's Petition omits that, on April 26, 2017, admitted real party-in-interest Everlight Americas, Inc. (*see* Pet., 1)

[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).

was served with a complaint dated April 13, 2017 ("Texas Complaint"), alleging infringement of '787 patent in the Eastern District of Texas. *See* Ex. 2100, ¶¶26-32; 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 '787 patent, and therefore whether Petitioner was barred from filing a petition for *inter partes* review of the '787 patent after April 26, 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."

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., 1. 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 '787 patent. *See* Ex. 2100, ¶¶26-32; Ex. 2101, 2. As the Federal Circuit acknowledged, the time bar of § 315(b) is trigged 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.

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 Everlight in Texas and concurrently refiled its complaint in the Central District of California[3], thereby continuously maintaining its infringement action against the Everlight entities. 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

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

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