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 No. IPR2018-01260
U.S. Patent No. 7,919,787

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 Patent Owner's ("PO") Opposition to Everlight's Motion for Joinder, and requests joinder of Everlight's IPR2018-01260 ("Everlight's IPR") with pending IPR2018-00965 filed by Nichia Corp. ("Nichia's IPR").[1] The PTAB has authorized the filing of this Reply in Paper No. 7 in IPR2018-01260.

I. BACKGROUND

PO filed a Complaint against Everlight's subsidiary (a real party-in-interest) in Texas in April 2017, but voluntarily dismissed it without prejudice. At the time of filing the instant Petition, Everlight relied on precedent from the Board and Federal Circuit, which had recognized that a dismissal without prejudice nullifies a Complaint and does not activate the one-year bar. *See, e.g.*, *Shaw Ind. Grp. v. Automated Creel Sys.*, 817 F. 3d 1293, 1301 (Fed. Cir. 2016) (upholding Board's Decision that 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.) Accordingly, at the time Everlight's Petition was filed, it was not time-barred based on the then-current PTAB and Federal Circuit case law.

Everlight recognizes that the Federal Circuit has recently issued a contrary

[1] Lead Petitioner Nichia filed a Response withdrawing its opposition to Everlight's Motion for Joinder. Paper No. 14 in IPR2018-00965.

decision in *Click-To-Call Tech., LP v. Ingenio, Inc*., 2015-1242 (Fed. Cir. August 16, 2018), now holding that a withdrawn complaint does trigger the time-bar. When PO raised the *Click-To-Call* issue in its Preliminary Response (August 31, 2018, Petitioner obtained permission to file the instant Motion for Joinder, since 35 U.S.C. 315(b) expressly excludes joinder situations from the time-bar.

II. EVERLIGHT'S PETITION IS NOW "ACCOMPANIED BY A REQUEST FOR JOINDER," AND THEREFORE IS NOT TIME-BARRED

PO's Opposition is based on an argument that the Board has already told PO is incorrect. In particular, PO contends that the requirement that the petition be "accompanied by a request for joinder," means that the two must be filed simultaneously. *See, e.g.,* PO Opp. at 1. PO cites no authority for its interpretation of "accompanied by," and in fact expressly refuses to follow the Board's recent admonition that this position is incorrect.[2] As the Board explained in a recent Decision granting joinder involving the same PO, PO's argument that "'***accompanied by***' in 37 C.F.R. § 42.122(b) ***means filed with***," was incorrect. IPR2018-01226 (Paper No. 15) dated September 27, 2018 at 8 (emphasis added).

> As can be seen, the rule provides a specific timing requirement of "no later than one month after the institution date of any inter partes review for which joinder is requested." The rule does not set forth a specific

[2] *See*, Opposition at 3-4, fn 3.

time before which a motion for joinder can be filed. In view of this specific timing requirement, we determine that had the Office desired to limit the time of filing more specifically they would have done so. ***At the time of our review*** of the present Petition we determine that the ***Petition was accompanied by a request for joinder***.

Id. at 8-9 (emphasis added). *See also*, *Apple Inc. et al. v. Virnetx, Inc.* IPR2013-00348 et al. Order, Paper No. 6 at 4 ("The rule does ***not*** specify that the ***accompaniment must take place simultaneously***.") (emphasis added). PO's latest twist on this argument, that the Board's discussion in IPR2018-01226 of the meaning of "accompanied by," somehow only applied to *non*-time-barred petitions (Opp. at 3-4, fn.3), belies the very language of the rule itself as well as the Board's prior decisions. *See, e.g.*, 37 C.F.R. 42.122(b) ("The time period set forth in § 42.101(b) shall not apply when the petition is accompanied by a request for joinder.") The entire purpose of the "accompanied by" language is to overcome the time bar; it has no meaning in the context of a non-time-barred petition as PO now contends. And the petition in IPR2018-01226 was also time-barred but-for the joinder motion filed almost 2 months later. IPR2018-01226 (Paper No. 15) at 5, 8.

Accordingly, while Everlight's petition was not initially "accompanied by a request for joinder," it is now. And because the petition is now accompanied by a

request for joinder, 37 CFR 42.122(b) mandates that the "time period set forth in § 42.101(b) shall not apply."

Not only is PO's interpretation of "accompanied by" an unreasonably narrow one, PO's position would lead to an absurd result. Namely, PO would have the Board dismiss Everlight's petition, just so Everlight could refile both the petition and the motion for joinder together on the same day. PO's position is inconsistent with both the language and intent of the relevant statute and regulations, and would simply make busy-work for no reason.

III. CONCLUSION

Everlight has offered to do far less than what the Board has allowed in many time-barred joinder situations, *i.e.*, nothing, unless and until the lead Petitioner abandons its IPR. Accordingly, joinder is appropriate. For the foregoing reasons and those set forth in Everlight's Motion, Everlight respectfully requests that the proceedings be joined.

Dated: October 26, 2018

Respectfully submitted,

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