UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HEWLETT PACKARD ENTERPRISE COMPANY,
Petitioner,

v.

CHRIMAR SYSTEMS, INC.,
Patent Owner.

Case No. IPR2019-00033
Patent No. 8,902,760

PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE

DOCKET ALARM
Find authenticated court documents without watermarks at docketalarm.com.

I. Introduction

Pursuant to the Board's e-mail message dated January 23, 2019, Petitioner Hewlett Packard Enterprise Company ("HPE") submits this reply to Patent Owner ChriMar Systems, Inc. ("ChriMar")'s preliminary response. ChriMar argues that 35 U.S.C. § 315(a)(1) bars HPE's petition because "the Petitioner filed a civil action challenging the validity of a claim of the '760 Patent in 2014."[1] POPR at 1. But that action was voluntarily dismissed without prejudice under Federal Rule of Civil Procedure 41(a) before any substantive activity occurred and before HPE filed its IPR petition in this proceeding. Thus, neither § 315(a)(1) nor the Federal Circuit's decisions addressing § 315(b) bar HPE's petition.

II. Background

On March 5, 2015, Hewlett-Packard Company ("HPCo.") brought a declaratory judgment action against ChriMar in the Eastern District of Michigan. *Hewlett-Packard Co. v. ChriMar Sys.*, Case No. 2:15-cv-10814, Dkt. No. 1 (E.D. Mich.). On July 20, 2015, HPCo. and Aruba Networks, Inc. ("Aruba") brought a declaratory judgment action against ChriMar in the same District. *Hewlett-Packard*

[1] ChriMar's assertion, that "Petitioner filed a civil action challenging the validity of a claim of the '760 patent," is incorrect. HPE has not filed a civil action challenging the validity of any claim of any of ChriMar's patents.

DOCKET ALARM
Find authenticated court documents without watermarks at docketalarm.com.

Co., et al. v. ChriMar Sys., Inc., Case No. 2:15-cv-12569, Dkt. No. 1 (E.D. Mich.). Each declaratory judgment complaint included a count of invalidity of the '760 patent's claims. Before ChriMar filed a response or any substantive action occurred, the district court administratively closed the cases pending resolution of separate patent litigation in the Northern District of California. *See* Case No. 2:15-cv-10814 at Dkt. No. 13; Case No. 2:15-cv-12569 at Dkt. No. 13. The cases never re-opened. On February 17, 2018, both cases were voluntarily dismissed without prejudice under Fed. R. Civ. P. 41(a)(1)(A)(i). *See* Case No. 2:15-cv-10814 at Dkt. No. 15; Case No. 2:15-cv-12569 at Dkt. No. 15. On October 4, 2018, HPE filed its petition.

III. Section 315(a)(1) does not bar HPE's petition.

By its plain language, § 315(a)(1) does not bar HPE's petition because the prior declaratory judgment actions were voluntarily dismissed without prejudice under Rule 41(a). *See* Section III.A, *infra*. The *Click-To-Call* and *Bennett Regulator* decisions do not apply to § 315(a); they apply only to § 315(b). *See* Section III.B, *infra*.

A. Section 315(a)(1) does not apply because the declaratory judgment actions were voluntarily dismissed under Rule 41(a).

Section 315(a) bars *inter partes* review where (1) the petitioner or real party in interest, (2) filed a civil action, (3) challenging the validity of a claim of the patent, (4) before the date on which the petition for review is filed. 35 U.S.C. § 315(a)(1).

Section 315(a)'s requirements are not satisfied where the action is later

DOCKET ALARM
Find authenticated court documents without watermarks at docketalarm.com.

voluntarily dismissed without prejudice because federal courts deem a civil action dismissed without prejudice as "something that *de jure* never existed." *Holloway v. U.S.*, 60 Fed. Cl. 254, 261 (2004), *aff'd* 143 F. App'x 313 (Fed. Cir. 2005); *see Beck v. Caterpillar, Inc.*, 50 F.3d 405, 407 (7th Cir. 1995) ("[Plaintiff's] suit was dismissed voluntarily pursuant to [Rule] 41(a), and is treated as if it had never been filed."). In effect, a dismissal without prejudice nullifies the action and returns the parties to the same legal position as if the civil action was never filed. *See, e.g.*, *Graves v. Principi*, 294 F.3d 1350, 1356 (Fed. Cir. 2002) ("The dismissal of an action without prejudice leaves the parties as though the action had never been brought."); Wright & Miller, Federal Practice and Procedure § 2367, 559 (3d ed. 2008) (collecting cases by all nine Circuit Courts addressing issue). As a result, a dismissal without prejudice preserves a plaintiff's ability to later sue the same defendant on the same claim. *See, e.g.*, *Jet, Inc. v. Sewage Aeration Sys.*, 223 F.3d 1360, 1364 (Fed. Cir. 2000) ("Dismissal without prejudice indicates that judgment is not on the merits and will have no preclusive effect.").

Here, HPCo. and Aruba brought declaratory judgment actions challenging the validity of the '760 patent's claims. But the voluntary dismissals under Rule 41(a)(1)(A)(i), before any substantive activity occurred, nullified the actions' existence and left the parties as if the actions had never been brought. Therefore, as a matter of law, no petitioner or real party in interest files a civil action challenging

DOCKET ALARM
Find authenticated court documents without watermarks at docketalarm.com.

the validity of the '760 patent's claims, and § 315(a)(1) does not apply here.

Indeed, given a Rule 41(a) dismissal's legal effect, the Board has consistently and correctly determined that § 315(a)(1) is not triggered when a declaratory judgment action is voluntarily dismissed without prejudice before the IPR petition is filed. *See, e.g.*, *Resmed Ltd. v. Fisher & Paykel Healthcare Ltd.*, IPR2016-01714, Paper 12 (P.T.A.B. Mar. 10, 2017); *Tristar Prods., Inc. v. Choon's Design, LLC*, IPR2015-01883, Paper 6 (P.T.A.B. Mar. 9, 2016); *Emerson Elec. Co. v. Sipco, LLC*, IPR2015-01579, Paper 7 at 2-3 (P.T.A.B. Jan. 14, 2016) ("Federal courts treat a civil action that is dismissed without prejudice as 'something that de jure never existed,' 'leav[ing] the parties as though the action had never been brought" and concluding a "previously filed DJ action [including a claim of invalidity] does not bar Petitioner from filing the Petition"). The Board should reach the same conclusion here.

B. *Click-To-Call* and *Bennett Regulator* are inapplicable.

The Federal Circuit's decisions in *Click-To-Call Techs., LP v. Ingenio, Inc.*, 899 F.3d 1321 (Fed. Cir. 2018), and *Bennett Regulator Guards, Inc. v. Atlanta Gas Light Co.*, 905 F.3d 1311 (Fed. Cir. 2018), do not alter the analysis or warrant departing from this Board's consistent approach to the issue.

As ChriMar recognizes, the Federal Circuit in *Click-To-Call* addressed the meaning of "served with a complaint" in § 315(b); it did not address any aspect of § 315(a) at issue here. *See* POPR at 2. More specifically, the Federal Circuit

DOCKET ALARM
Find authenticated court documents without watermarks at docketalarm.com.

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.