

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

CLICK-TO-CALL TECHNOLOGIES, LP,

Appellant

v.

ORACLE CORPORATION, ORACLE OTC SUBSIDIARY, LLC,
INGENIO, INC., YELLOWPAGES.COM, LLC,

Appellees

ANDREI IANCU, Director, U.S. Patent and Trademark Office,

Intervenor

Appeal from the United States Patent and Trademark Office,
Patent Trial and Appeal Board in No. IPR2013-00312

**SUPPLEMENTAL BRIEF OF APPELLEES
IN RESPONSE TO COURT'S JANUARY 19, 2018 ORDER**

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CERTIFICATE OF INTEREST

Click-to-Call Technologies, LP v. Oracle Corporation, et al., No. 15-1242

Counsel for Appellees Oracle Corporation and Oracle OTC Subsidiary LLC certifies the following:

1. The full name of every party or amicus represented by me is:

Oracle Corporation
Oracle OTC Subsidiary LLC

2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is:

N/A

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are:

None

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this Court are:

DLA Piper LLP (US): Mark D. Fowler, James M. Heintz, Jonathan Hicks, Stanley J. Panikowski, John Guaragna

5. This appeal may directly affect two cases pending in the United States District Court for the Western District of Texas: (1) *Click to Call Technologies LP v. Oracle Corporation, et al.*, No. 1:12-cv-00468-SS; and (2) *Click to Call Technologies LP v. AT&T, Inc., et al.*, No. 1:12-cv-00465-SS.

Dated: February 21, 2018

By: /s/ Stanley J. Panikowski

Stanley J. Panikowski

CERTIFICATE OF INTEREST

Click-to-Call Technologies, LP v. Oracle Corporation, et al., No. 15-1242

Counsel for Appellees YellowPages.com LLC and YP Interactive LLC certifies the following:

1. The full name of every party or amicus represented by me is:

YellowPages.com LLC
YP Interactive LLC

2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is:

N/A

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are:

“YP Interactive LLC” has merged with “YellowPages.com LLC” under the name “YellowPages.com LLC”. YellowPages.com LLC is a wholly-owned indirect subsidiary of YP Holdings, LLC. AT&T, Inc., a publicly traded corporation, ultimately owns 10% or more of YP Holdings, LLC.

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this Court are:

Kilpatrick Townsend & Stockton LLP: Mitchell G. Stockwell, D. Clay Holloway, Lindsay M. Hopkins, Geoffrey K. Gavin (no longer with firm)

5. This appeal may directly affect two cases pending in the United States District Court for the Western District of Texas: (1) *Click to Call Technologies LP v. Oracle Corporation, et al.*, No. 1:12-cv-00468-SS; and (2) *Click to Call Technologies LP v. AT&T, Inc., et al.*, No. 1:12-cv-00465-SS.

Dated: February 21, 2018

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Appellees submit this supplemental brief in response to the Court's order dated January 19, 2018: "[The parties] may file supplemental briefs, which shall be limited to addressing the merits of the Board's compliance with § 315(b) in this case, and shall further be limited to addressing developments that have occurred after the date on which Appellant filed its opening appeal brief [March 9, 2015]."

I. INTRODUCTION

In the prior merits briefing on appeal, Appellees showed there are multiple independent grounds on which to affirm the Director's decision to institute *inter partes* review. Each of these grounds for affirmance either is equally strong as before or has become even stronger. In summary, these grounds are:

- The ancient complaint against a predecessor-in-interest of one petitioner that allegedly triggered the one-year limitations period was voluntarily dismissed without prejudice, thus rendering service a legal nullity.
- The patent challenged in this IPR is not the same patent asserted in the earlier district court complaint because all the claims underwent material change during an intervening *ex parte* reexamination.
- In any event, YellowPages.com is a proper petitioner because it was not in privity with the defendant in the prior lawsuit within one year of service of that complaint.

- In addition, Oracle is a proper petitioner because it has never been in privity with the earlier-sued entity nor has any other connection to the prior lawsuit.
- Even if the Patent Office erred in deciding that the § 315(b) limitations period had not run, the error was harmless because at least one petitioner was unaffected by any § 315(b) concern.

Overall, little has changed regarding the merits of the issues above. And to the extent the dial has moved, it has been largely in Appellees' favor. For each of the main issues on appeal, Appellees address any new developments and respond briefly to CTC's arguments (many of which simply reargue the issues above without identifying any genuinely new developments). Setting aside the possibility of Supreme Court review of the Court's decision to exercise jurisdiction here, affirmance remains the correct outcome on the merits of this appeal.

II. ARGUMENT

A. The Dismissal Without Prejudice Issue

Section 315(b) provides:

An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privity of the petitioner is served with a complaint alleging infringement of the patent. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).

35 U.S.C. § 315(b). Appellees showed in their appeal response brief that the Board correctly interpreted and applied this statute in light of the background principle that a dismissal without prejudice leaves the parties in the same legal position as if the underlying complaint had never been filed, *see, e.g., Graves v. Principi*, 294 F.3d 1350, 1355-56 (Fed. Cir. 2002); *Bonneville Assocs., Ltd. P’ship v. Baram*, 165 F.3d 1360, 1363-64 (Fed. Cir. 1999).

Graves and *Bonneville* remain good law, and CTC has cited nothing to the contrary. Both the rule and rationale of those cases continue to apply here, and CTC has not shown otherwise. Instead, CTC has cited a handful of recent cases relating to notice for purposes of indirect and willful infringement to advance the broad proposition that “the act of service may have on-going legal consequences irrespective of whether the case is dismissed without prejudice.” (CTC Supp. Brief at 13.) The cases cited by CTC are beside the point; CTC itself concedes “none of these cases involved an earlier dismissal with [sic] prejudice.” (CTC Supp. Brief at 14.) Moreover, neither the Board nor Appellees have taken the position that a dismissal without prejudice wipes out *every* conceivable consequence of the filing and service of the lawsuit. Rather, the issue here is the interpretation of a particular statute pertaining to a matter squarely within this Court’s exclusive jurisdiction. In this context, Congress is presumed to have legislated against the backdrop of this Court’s jurisprudence concerning the legal effect of a prior

dismissal without prejudice in applying a limitations period. *See Cannon v. Univ. of Chi.*, 441 U.S. 677, 696-99 (1979) (explaining that Congress is presumed to know existing law and this knowledge reflects Congress’s intent when it passes new laws); *see also Morgan v. Principi*, 327 F.3d 1357, 1361 (Fed. Cir. 2003) (“Congress is presumed to legislate against the backdrop of existing law.”). None of this has changed since CTC filed its opening brief in this appeal.

CTC also focuses intensively on Appellees’ alternative argument that, at a minimum, the Patent Office’s reasonable interpretation of § 315(b) on this issue is entitled to *Chevron* deference. (CTC Supp. Brief at 4-13.) But contrary to CTC’s suggestion, the Court’s recent decision in *Aqua Products v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017) (*en banc*), does not settle the question whether rules announced through Board adjudications may qualify for *Chevron* deference. Similarly, Justice Alito’s partial dissent in *Cuozzo Speed Technologies, LLC v. Lee*, 579 U. S. ___, 136 S. Ct. 2131, 2153 (2016), states: “And while I have no occasion here to decide the matter, it may be that courts owe some degree of deference to the Patent Office’s application of the statutory prerequisites to *inter partes* review.” To the extent the Court gives *Chevron* deference to rules that have emerged through the Patent Office’s adjudicative processes, the agency’s reasonable interpretation of § 315(b) with respect to the effect of dismissals without prejudice warrants such

deference. In any event, the Court need not reach this issue because other tools of statutory interpretation support the Patent Office's construction of § 315(b) here.

B. The *Ex Parte* Reexamination Issue

CTC identifies no new developments on the *ex parte* reexamination issue. Nor are Appellees aware of any new developments pertinent to this issue. It thus remains the case that, within the meaning of § 315(b), the patent asserted in the 2001 lawsuit is not “the patent” challenged in the IPR where (as here) all the claims have substantively changed between those two events.

C. YellowPages.com's Status as a Proper Petitioner

CTC lumps together its responses to Appellees' arguments that (1) YellowPages.com is a proper petitioner because it was not in privity with the allegedly time-barred entity within one year after service of the earlier complaint and (2) Oracle is a proper petitioner because it never has been in privity with the entity that was involved in the prior lawsuit. Appellees therefore address these points in the next section.

D. Oracle's Status as a Proper Petitioner

Even though Oracle was undeniably a proper petitioner on its own, CTC continues to cling to the wooden assertion that all the petitioners must be treated as a single entity because they used the singular word “Petitioner” as a term of convenience in their IPR petition. As before, no law or logic supports CTC's argument.

In addition to having no precedential effect in this Court, the PTAB decision on which CTC relies for its view that all petitioners must fall together is not on point. *See PNC Bank, N.A. et al. v. Maxim Integrated Products, Inc.*, Case CBM2014-00041 (PTAB June 3, 2014) (Paper 19) (cited in CTC Supp. Brief at 17). *PNC Bank* involved a statute governing CBM review, 35 U.S.C. § 325. Unlike § 315(b) governing IPR, § 325(a)(1) does not prescribe a limitations period. The CBM statute instead bars institution where “before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent.” 35 U.S.C. § 325(a)(1). It is therefore a CBM petitioner’s or real party in interest’s affirmative act that triggers this provision, and not merely the passive condition of having been served with a complaint. Moreover, unlike the more permissive IPR statute, the stricter CBM statute permits joinder of multiple petitions only where *each* petition was properly filed. 35 U.S.C. § 325(c). In contrast, § 315(b) itself permits joinder of multiple IPR petitions even if all but one of those petitions was filed after the limitations period had expired. As a result, whatever the correct result may be in the narrower CBM context, the presence of a proper petitioner in the IPR context is enough to render institution proper.

Nor can CTC's argument that there can be only a single, unitary petitioner be squared with the statutes governing IPR. Most notably, § 317(a) expressly contemplates multiple petitioners and treats each petitioner distinctly:

An inter partes review instituted under this chapter shall be terminated with respect to any petitioner upon the joint request of the petitioner and the patent owner, unless the Office has decided the merits of the proceeding before the request for termination is filed. If the inter partes review is terminated with respect to a petitioner under this section, no estoppel under section 315(e) shall attach to the petitioner, or to the real party in interest or privy of the petitioner, on the basis of that petitioner's institution of that inter partes review.

35 U.S.C. § 317(a) (emphases added). Section 317(b) similarly begins: "Any agreement or understanding between the patent owner and a petitioner, . . ." 35 U.S.C. § 317(b) (emphasis added). And the Patent Office may continue with the IPR even if "no petitioner" remains. *Id.* ("If no petitioner remains in the *inter partes* review, the Office may terminate the review or proceed to a final written decision under section 318(a)."). CTC's insistence that the Patent Office can never treat multiple petitioners separately therefore continues to contradict what Congress has enacted.

CTC also ignores the fact that, consistent with § 317, the Patent Office has routinely treated multiple petitioners separately. For example, in *EMC Corp., et al. v. Selene Communication Technologies, LLC*, the Board granted the joint motion to terminate the proceeding as to one of the two remaining IPR petitioners under

§ 317(a). Case IPR2014-01411, slip op. at 2 (PTAB April 14, 2015) (Paper 30). In doing so, the Board noted that “the grant of this motion will not result in the termination of the instant proceeding, because Thomson Reuters Corporation remains as the Petitioner.” *Id.* Likewise, in *Oracle Corp., et al. v. Crossroads Systems, Inc.*, the Board terminated the proceeding as to one petitioner under § 317(a) and continued with the proceeding as to the other three petitioners. Case IPR2014-01197, slip op. at 2 (PTAB Oct. 8, 2015) (Paper 68). And in *Dell, Inc., et al. v. Realtime Data, LLC*, the Board terminated the pre-institution proceeding as to two petitioners under § 317(a) and continued with the proceeding as to the other seven petitioners. Case IPR2016-01002, slip op. at 2 (PTAB Oct. 27, 2016) (Paper 24). In two of these three orders, the Board referred to both the parties being terminated and the remaining parties as “Petitioner” in the same manner as with the petition at issue here. *Id.* at 1; Case IPR2014-01411, slip op. at 1 (PTAB April 14, 2015) (Paper 30). These examples confirm that there is nothing talismanic about the Patent Office’s frequent use of the singular term “Petitioner” in referring to multiple petitioners. Rather, consistent with the statutory scheme, multiple petitioners are properly treated as distinct entities.

CTC’s “real party in interest” argument also continues to have no merit. The IPR petition listed the petitioners as the only real parties in interest simply to indicate they were filing the petition on their own behalves and not on behalf of

any non-petitioner entity. The PTAB decision that CTC cites is therefore irrelevant; in that case, the Board found that the petitioner had been engaged by a time-barred entity to file the petition on its behalf. *See RPX Corp. v. VirnetX Inc.*, Case IPR2014-00171, slip op. at 6 (PTAB July 14, 2014) (Paper 57) (cited in CTC Supp. Brief at 18).

E. The Court’s Ability to Affirm on Grounds that the Agency Did Not Reach

As Appellees observed in their appeal response brief, the Court may affirm on alternative grounds here because none of the alternative grounds requires additional agency fact-finding or an exercise of agency discretion. Subsequent cases have merely confirmed this general principle in different contexts. *See, e.g., McCarthy v. Merit Sys. Protection Bd.*, 809 F.3d 1365, 1373 (Fed. Cir. 2016); *CS Wind Vietnam Co., Ltd. v. United States*, 832 F.3d 1367, 1376 (Fed. Cir. 2016). In its earlier appeal briefing, CTC argued that a remand would be required to address the alternative grounds even if it won on the dismissal without prejudice issue. (CTC Reply Brief at 24-27.) CTC now has changed its mind and asks the Court to decide the alternative grounds outright. (CTC Supp. Brief at 15.) While the parties of course disagree on whether affirmance or reversal is the proper outcome, they now at least agree that no further fact-finding is required to decide any alternative grounds that the Court might reach in this appeal.

F. Harmless Error

Finally, two points emphasized in *Cuozzo* confirm that, at a minimum, the presence of at least one proper petitioner renders any error in the institution decision harmless in these circumstances.

First, Justice Alito's partial dissent in *Cuozzo* emphasized that "errors that do not cause a patent owner prejudice may not warrant relief." 136 S. Ct. at 2153 (citing 5 U.S.C. § 706 ("[D]ue account shall be taken of the rule of prejudicial error" (alteration in original))); *see also id.* ("[N]ormal limits on judicial review still apply."). As explained in the prior briefing, even if there were any error in the institution decision, it would be harmless because at least one of the petitioners would remain unaffected by the application of § 315(b)'s limitations period. *See* Appellees' Response Brief at 8-9, 22-27. And if each petitioner had filed its own separate petition for review, the Patent Office simply could have joined any petitioner who otherwise may have been affected by § 315(b)'s limitations period to an IPR instituted at the request of any unaffected petitioner. *See* Appellees' Response Brief at 26; 35 U.S.C. § 315(b) ("The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).").

Second, the majority opinion in *Cuozzo* emphasized that Congress did not intend for a "minor statutory technicality related to [the Patent Office's] preliminary decision to institute inter partes review" to unwind a final decision

invalidating a patent. *Cuozzo*, 136 S. Ct. at 2140 (“We doubt that Congress would have granted the Patent Office this authority, including, for example, the ability to continue proceedings even after the original petitioner settles and drops out, §317(a), if it had thought that the agency’s final decision could be unwound under some minor statutory technicality related to its preliminary decision to institute *inter partes* review.”). This principle reinforces the conclusion that the presence of at least one proper petitioner renders any error harmless here. On appeal, CTC has not even contested the Patent Office’s substantive decision to cancel the instituted claims under § 102 and § 103, nor has it alleged any problem with the conduct of the IPR beyond the Patent Office’s decision to institute review. And the only potential practical concern that CTC identifies—preventing serial harassment of patent owners—is not even implicated here. There was only one IPR petition, at least one of the petitioners was proper, and even a time-barred petitioner could have filed a separate petition and been joined to this one. This is the epitome of harmless error, and there is no good reason to resuscitate this patent—especially where its invalidity is not disputed on appeal.

III. CONCLUSION

A predecessor entity of one of the multiple petitioners was served with a complaint in 2001. The complaint was later voluntarily dismissed without prejudice. The challenged claims were also modified substantially in a later *ex parte* reexamination. All of the petitioners were sued by the patent owner on the same day in district court in 2012, and they efficiently filed a single petition instead of filing multiple identical petitions separately. At least some of the petitioners were not in privity with the earlier-served entity within one year of service of the earlier complaint. And at least two petitioners have never had any kind of privity with the entity that was served with the 2001 complaint. Under these circumstances, the Patent Office correctly found that the limitations period of § 315(b) did not bar the petition below.

Finally, even if there were any error, it was harmless. Had the petitioners filed multiple identical petitions on the same day they filed the single petition, the Patent Office could have joined all the petitioners together, and the IPR would have proceeded exactly as it did anyway. There were multiple proper petitioners from the very outset of the proceeding, and the Patent Office also could have continued with the IPR even if all the petitioners had dropped out along the way. CTC thus has failed to meet its burden of showing prejudice from any alleged error.

Nothing that has occurred since CTC filed its opening brief in this appeal has altered the correctness of these conclusions. Accordingly, Appellees respectfully ask this Court to affirm the Director's decision to institute IPR and the Board's final written decision in their entirety.

Respectfully submitted,

Dated: February 21, 2018

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CERTIFICATE OF SERVICE

I hereby certify that on February 21, 2018, I electronically filed the foregoing SUPPLEMENTAL BRIEF OF APPELLEES IN RESPONSE TO COURT'S JANUARY 19, 2018 ORDER with the Court's CM/ECF filing system, which constitutes service, pursuant to Fed. R. App. P. 25(c), Fed. Cir. R. 25(a), and the Court's Administrative Order Regarding Electronic Case Filing 6(A) (May 17, 2012).

In addition, pursuant to the Court's January 19, 2018 order, two paper copies of this brief will be served on counsel for all other parties as identified in the CM/ECF docket.

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CERTIFICATE OF COMPLIANCE

This brief complies with the type-volume limitation of Fed. R. App. P. 32(a)(7)(B) and this Court's January 19, 2018 order limiting the supplemental brief to no more than 7,000 words.

The brief contains 2,882 words, as calculated by the word count of the word processing system used in preparing it, excluding the parts of the brief exempted by Fed. R. App. P. 32(a)(7)(B)(iii) and Fed Cir. R. 32(b).

This brief complies with the typeface requirements of Fed. R. App. P. 32(a)(5) and the type style requirements of Fed. R. App. P. 32(a)(6). The brief has been prepared in Microsoft Word 2010 in Times New Roman 14 point font.

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