2019-1686

United States Court of Appeals for the Federal Circuit

2019-1686

UNILOC 2017 LLC,

Appellant,

v.

HULU, LLC, NETFLIX, INC,

Appellees,

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

Intervenor.

Appeal from United States Patent and Trademark Office, Patent Trial and Appeal Board in No. IPR2017-00948

APPELLANT'S SUPPLEMENTAL BRIEF

Brett A. Mangrum
Ryan Loveless
Jim Etheridge
Brian Koide
ETHERIDGE LAW GROUP
2600 East Southlake Boulevard
Suite 120-324
Southlake, TX 76092
P. 469-401-2659
brett@etheridgelaw.com
ryan@etheridgelaw.com
jim@etheridgeLaw.com
Attorneys for Plaintiff/Appellant

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The Court ordered Uniloc 2017 LLC ("Uniloc") and appellees, and invited the Director of the Patent Office as intervenor, to file supplemental briefs addressing whether this appeal and the underlying IPR are rendered moot by the final judgment of invalidity of all claims of the '960 patent in *Uniloc USA, Inc. v. Amazon.com, Inc.*, 733 F. App'x 1026 (Fed. Cir. 2018) ("*Amazon* Appeal"). Dkt. 75. For the reasons noted below, this appeal and underlying IPR are ***not*** moot, and Uniloc's appeal should be decided.

A decision favorable to Uniloc in this appeal would give Uniloc the amended patent claims it sought, and was improperly denied, in the underlying IPR. A determination by this Court that the appeal is somehow moot would leave Uniloc with no patent. For at least this simple reason, it is impossible to say that the issues presented are no longer live or the parties lack a legally cognizable interest in the outcome.

Uniloc's case is unlike other appeals determined to be moot by this Court. For example, appeals that are moot may involve the same patent claims determined to be invalid in another proceeding, or may involve unrelated issues such as the standing of a patent challenger. Uniloc is unaware of any cases that compel a determination of mootness in this case.

A motion to amend is a statutory right in IPR proceedings. Relevant to mootness, there is no difference between a motion to amend in an IPR and an

amendment to claims in reexamination, reissue, or prosecution. If Uniloc's appeal here were moot, patentees and patent applicants would similarly be precluded from appealing the Patent Office's determinations as to amended claims for similar reasons. Such is plainly not the law.

Facts

Uniloc filed its motion to amend prior to this Court's Rule 36 affirmance of the district court's decision on eligibility.

The petition in the underlying IPR was filed on February 17, 2017 and trial was instituted August 14, 2017. Appx218. Uniloc filed its contingent motion to amend in the IPR on November 14, 2017. Appx310-351.[1] The Board's Final Written Decision issued on August 1, 2018, in which the Board determined the challenged claims were unpatentable, and denied Uniloc's motion to amend claims 1, 22, and 25. Appx1-3.

The district court opinion determining the issued claims of the '960 patent were ineligible for patenting issued March 20, 2017. *Uniloc USA, Inc. v. Amazon.com, Inc.*, 243 F. Supp. 3d 797 (E.D. Tex. 2017). The ineligibility judgment was not affirmed by this Court, however, until the Court's Rule 36 Judgment on August 9, 2018, after the Board's Final Written Decision.

[1] The motion did not appear in PTAB's electronic filing system until it was re-filed with authorization from the Board on January 5, 2018.

Uniloc sought rehearing on the Board's denial of the motion to amend, *see* Appx73, and filed this appeal after its request for rehearing was denied.

Analysis

"Mootness doctrine encompasses the circumstances that destroy the justiciability of a suit previously suitable for determination." 13B Fed. Prac. & Proc. (Wright & Miller) § 3533 (3d ed.). "A case becomes moot—and therefore no longer a 'Case' or 'Controversy' for purposes of Article III—'when the issues presented are no longer live or the parties lack a legally cognizable interest in the outcome.'" *Already, LLC v. Nike, Inc.*, 568 U.S. 85, 133 S.Ct. 721, 726 (2013) (quoting *Murphy v. Hunt*, 455 U.S. 478, 481 (1982) (per curiam)) (some internal quotation marks omitted).

I. Uniloc's case is unlike other appeals determined to be moot by this Court.

As this Court is aware, "[w]hen a party challenging the actions taken by an agency in separate appeals and 'the decision [in one case] resolves the substantive issues appealed' in the other cases, the other cases are moot." *BTG Int'l Ltd. v. Amneal Pharm. LLC*, 923 F.3d 1063, 1066 (Fed. Cir. 2019) (quoting *Dep't of Commerce v. U.S. House of Representatives*, 525 U.S. 316, 344, (1999) (explaining that by "affirm[ing] the judgment of the District Court ... this decision also resolves the substantive issues presented by" the other companion case and, therefore, the "appeal in that case is therefore dismissed")). For example, in *Synopsys, Inc. v.*

Lee, 812 F.3d 1076, 1077 (Fed. Cir. 2016), this court dismissed an appeal of a district court opinion as "moot" because "[o]ur decision in the companion [PTAB appeal] resolves all of the substantive issues presented in this [district court appeal]; nothing remains to be decided" and "this [district court appeal] no longer presents a 'sufficient prospect that the decision will have an impact on the parties'" (citation omitted). *See also Fresenius USA, Inc. v. Baxter Int'l, Inc.*, 721 F.3d 1330 (Fed. Cir. 2013) (determining that the patent owner no longer has a cause of action to maintain an infringement suit, where the same claims asserted in litigation had been determined to be invalid in reexamination, and the decision was affirmed on appeal).

Other non-analogous examples include appeals in which a patent challenger's cessation of any potentially infringing activity mooted its appeal of a PTAB decision on the patent, *e.g.*, *Momenta Pharms., Inc. v. Bristol-Myers Squibb Co.*, 915 F.3d 764 (Fed. Cir. 2019), or where the appeal of a PTAB decision became moot based on a unilateral covenant not to sue, *e.g.*, *PPG Indus., Inc. v. Valspar Sourcing, Inc.*, 679 F. App'x 1002 (Fed. Cir. 2017) (non-precedential).

Uniloc is unaware of a case involving circumstances comparable to the present case. The issues to be decided in this appeal are different from those decided in the *Amazon* Appeal because they involve different claims presented in a motion to amend, in addition to raising an important statutory interpretation

question upon which Uniloc's rights hinge. Uniloc seeks relief in this case that undoubtedly affects its rights and will not result in an advisory opinion.

II. The AIA statute provides a mechanism for amending claims in IPRs, as in other proceedings before the Patent Office.

In this appeal, Uniloc seeks amended patent claims, which it presented in the underlying IPR. In doing so, Uniloc exercised its right under the AIA statutes to "file 1 motion to amend the patent" to "propose a reasonable number of substitute claims." 35 U.S.C. § 316(d). Uniloc was entitled to do so "[d]uring" the IPR. *Id.* Although it may not have been *necessary* to avoid mootness, since the statute provides for filing a motion to amend "[d]uring an inter partes review instituted under this chapter," Uniloc notes that it filed its motion to amend prior to this Court's affirmance in the *Amazon* Appeal.

It would make little sense for Uniloc to be able to avail itself of this statutory mechanism to seek amended claims before the administrative agency, only to preclude appellate review of the agency's decision based on an affirmance in this Court on invalidity of *different claims*. Take, for example, an appeal before this Court challenging a PTAB decision that determined the original claims were invalid and denied a motion to amend. Were the Court to affirm the PTAB decision on invalidity of the original claims, it should not then determine that the motion to amend issue was moot. Under such an approach, there would be no appellate review of the Patent Office's denial of motions to amend. Indeed, by this reasoning,

this Court would never have rendered a decision in *Aqua Products*, where Aqua apparently appealed *only* the Board's denial of its motion to amend. *See In re Aqua Prods.*, 823 F.3d 1369, 1372 (Fed. Cir. 2016), *overruled en banc*, *Aqua Prods., Inc. v. Matal*, 872 F.3d 1290 (2017). There is no reason that a decision not to appeal original claims (or a decision by this Court affirming invalidation of original claims) would *not moot* the issue of a motion to amend in the same case, but *would moot* a motion to amend at issue in a different case.

There is also no cogent explanation for how Uniloc could properly propose substitute claims in the IPR, only for the entire administrative action to be rendered moot because the original claims were determined invalid. This would be analogous to a determination that a reexamination proceeding is rendered moot by amendment of the claims in the reexamination. Although in such circumstances the original claims are no longer at issue, the Patent Office routinely proceeds to make a determination as to the amended claims because doing so will either result in a reexamination certificate listing the new claims in the patent, or the opportunity to challenge the Patent Office's determination that the amended claims are not patentable. If Uniloc's appeal in this case of the Board's denial of its motion to amend were determined to be moot, it is unclear how the same reasoning would not apply to render moot all appeals reviewing reexamination or other decisions on amended claims. Such a position is simply not tenable. Instead, Uniloc should be

able to proceed with its appeal here as any other patentee or patent applicant would that seeks review of a Patent Office decision as to amended claims.

III. Even if it were moot, Uniloc's appeal should be considered because the issue likely would be repeated but avoid review.

"Precedent illustrates exceptions to mootness, for example when the issue has avoided review and is likely to be repeated, or when the defendant voluntarily ceased the challenged activity and the plaintiff seeks to preserve its win." *Momenta*, 915 F.3d at 770. In the event the Court determines that Uniloc's appeal is moot, the Court should consider Uniloc's appeal as an exception to the mootness doctrine to consider this significant decision that the Board has designated precedential. Were the Court to determine that Uniloc's appeal is moot, then other appeals of motions to amend would be moot under similar reasoning, and the issue would be repeated but avoid review.

Respectfully submitted,

/s/ *Jim Etheridge*
Brett A. Mangrum
Ryan Loveless
Jim Etheridge
Brian Koide
ETHERIDGE LAW GROUP
2600 East Southlake Boulevard
Suite 120-324
Southlake, TX 76092
P. 469-401-2659
brett@etheridgelaw.com
ryan@etheridgelaw.com
jim@etheridgeLaw.com
Attorneys for Patent Owner-Appellant

CERTIFICATE OF SERVICE

I certify that on the below date, the foregoing was filed electronically using the CM/ECF system and served via the CM/ECF system on registered counsel.

Date: April 24, 2020

/s/ *Jim Etheridge*
Brett A. Mangrum
Ryan Loveless
Jim Etheridge
Brian Koide
ETHERIDGE LAW GROUP
2600 East Southlake Boulevard
Suite 120-324
Southlake, TX 76092
P. 469-401-2659
brett@etheridgelaw.com
ryan@etheridgelaw.com
jim@etheridgeLaw.com
Attorneys for Patent Owner-Appellant

CERTIFICATE OF COMPLIANCE WITH TYPEFACE REQUIREMENTS AND TYPE STYLE REQUIREMENTS

1. I certify that the foregoing supplemental brief complies with the page limit specified in the Court's order for supplemental briefing.

2. This brief complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) and the type style requirements of Federal Rule of Appellate Procedure 32(a)(6).

The brief has been prepared in proportionally spaced typeface using MS Word – Office 365 in Times New Roman 14 Point Font.

Dated: April 24, 2020

/s/ *Jim Etheridge*
Jim Etheridge

Counsel for Patent Owner-Appellant
Uniloc 2017 LLC