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Paper 8
Entered: September 17, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LG ELECTRONICS, INC.,
Petitioner,

v.

MONDIS TECHNOLOGY LTD.,
Patent Owner.

Case IPR2015-00937
Patent 6,513,088 B2

Before MICHAEL R. ZECHER, PATRICK R. SCANLON, and JASON J. CHUNG, *Administrative Patent Judges.*

ZECHER, *Administrative Patent Judge.*

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314(a) and 37 C.F.R. § 42.108

I. BACKGROUND

A. Introduction

Petitioner, LG Electronics, Inc. ("LG"), filed a Petition requesting an *inter partes* review of claims 3 and 4 of U.S. Patent No. 6,513,088 B2 (Ex. 1001, "the '088 patent"). Paper 2 ("Pet."). Patent Owner, Mondis Technology Ltd. ("Mondis"), timely filed a Preliminary Response. Paper 6 ("Prelim. Resp.").[1] We have jurisdiction under 35 U.S.C. § 314, which provides that an *inter partes* review may not be instituted "unless . . . the information presented in the petition . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition."

For the reasons set forth below, we determine that the Petition is barred under 35 U.S.C. § 315(b). We, therefore, deny the Petition.

B. Related Matters

The '088 patent has been asserted in the following proceedings: (1) *Mondis Tech. Ltd. v. LG Elec., Inc.*, No. 2:14-cv-00702 (E.D. Tex.); (2) *Mondis Tech. Ltd. v. LG Elec., Inc.*, No. 2:07-cv-565 (E.D. Tex.); (3) *Mondis Tech. Ltd. v. Top Victory Elec. (Taiwan) Co. Ltd.*, No. 2:08-cv-478 (E.D. Tex.); (4) *Mondis Tech. Ltd. v. Chimei Innolux Corp.*, No. 2:11-cv-378 (E.D. Tex.); (5) *Mondis Tech. Ltd. v. Hon Hai Precision Indus. Co. Ltd.*, No. 2:12-cv-309 (E.D. Tex.); (6) *Hitachi v. Amtran Tech. Co., Ltd.*, No.

[1] A comparison of the Preliminary Response that is Paper 6 and the Preliminary Response that is Paper 7 reveals that these papers are identical. *Compare* Paper 6, *with* Paper 7. We, therefore, presume that Mondis mistakenly filed two identical Preliminary Responses. For purposes of this decision, we refer to the Preliminary Response that is Paper 6.

3:05-cv-2301 (N.D. Cal.); (7) *Hitachi, Ltd. v. Tatung Co.*, No. 3:05-cv-2302 (N.D. Cal.); (8) *Hitachi, Ltd. v. Proview Int'l Holdings, Inc.*, No. 3:05-cv-2302 (N.D. Cal.). Pet. 1–2; Paper 4, 2.

LG filed a request for *ex parte* reexamination of the '088 patent titled Reexamination Control No. 95/013,391. Pet. 2, 13–14 (citing Ex. 1018); Paper 4, 2. The '088 patent also was the subject of a previous *inter partes* reexamination titled Reexamination Control No. 95/000,459. Pet. 2; Paper 4, 3. In addition to this Petition, LG filed other petitions challenging the patentability of a certain subset of claims in the following patents owned by Mondis: (1) U.S. Patent No. 6,549,970 B2 (Case IPR2015-00938); (2) U.S. Patent No. 6,639,588 B2 (Case IPR2015-00939); (3) U.S. Patent No. 7,089,342 B2 (Case IPR2015-00940); and (4) U.S. Patent No. 7,475,180 B2 (Case IPR2015-00942). Paper 4, 3.

II. ANALYSIS

LG contends that it is not barred or estopped from requesting an *inter partes* review of the '088 patent for the following three reasons: (1) the Petition is filed within one year of service of a complaint alleging infringement of the '088 patent and, therefore, satisfies the requirements of § 315(b); (2) following dismissal of a first infringement lawsuit between the parties, the parties were left in the same legal position with respect to the "Unreleased Products" as though the first complaint had never been served; and (3) equitable and public policy considerations favor a "broad" interpretation of § 315(b). Pet. 3–7. We begin our analysis by providing a brief summary of the relevant complaints alleging infringement of the '088

patent filed in district court, followed by a brief overview of § 315(b), and then we address each of LG's arguments in turn.

It is undisputed that LG was served with a complaint alleging infringement of the '088 patent on two occasions. The first complaint was served on January 11, 2008 (Ex. 1032, "the 2008 Complaint"), and the second complaint was served on October 16, 2014 (Ex. 1003, "the 2014 Complaint"). The 2008 Complaint was served more than one year prior to the date on which LG filed this Petition requesting an *inter partes* review of the '088 patent (March 27, 2015). The 2014 Complaint was served less than one year prior to the date on which LG filed this Petition requesting an *inter partes* review of the '088 patent.

Section 315(b) of Title 35 of the United States Code provides, in relevant part:

> 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 privy of the petitioner is served with a complaint alleging infringement of the patent.

In this case, because the Petition was filed more than one year after the service of the 2008 Complaint, it falls outside the one-year time bar for pursuing an *inter partes* review set forth in § 315(b).

LG contends that § 315(b) explicitly states that an *inter partes* review may not be instituted if the petition is filed more than one year after the date a petitioner is served with "a complaint" alleging infringement of the patent, and that the 2014 Complaint implicates this statute because it was served less than one year prior to the filing date of this Petition. Pet. 4–5 (citing

Ex. 1003). LG also asserts that § 315(b) is ambiguous because it does not require explicitly that the complaint be the "first" complaint, and that, in view of LG's perceived ambiguities, "a complaint," as specified in this statute, should be interpreted as the 2014 Complaint and should not be interpreted as the 2008 Complaint *Id*. at 5.

We decline LG's invitation to amend § 315(b) by inserting either "latest" or "second" into the statute. Rather, we interpret "a complaint," in accordance with the plain language of § 315(b), to include "a complaint" as explicitly stated. This statute prohibits institution of an *inter partes* review if the petition is filed more than one year after the date a petitioner is served with "a" complaint. The current record shows that, in this case, LG was served with "a" complaint alleging infringement of the '088 patent on January 11, 2008 (the 2008 Complaint), and LG filed this Petition requesting an *inter partes* review of the '088 patent on March 27, 2015. *Compare* Ex. 1032, *with* Paper 3 (according the Petition a filing date of March 27, 2015). Put simply, the date a complaint was served (January 11, 2008) predates the date LG filed this Petition (March 27, 2015) by more than one year. Consequently, the express language of § 315(b) bars us from instituting an *inter partes* review of the '088 patent.

Next, LG argues that, following the dismissal of the 2008 Complaint, the parties were left in the same legal position with respect to "Unreleased Products" as though the 2008 Complaint had never been served. Pet. 5–6 (citing *Oracle Corp. v. Click-to-Call Techs., LP*, Case IPR2013-00312, slip op. 4 (PTAB Dec. 18, 2013) (Paper 40)). According to LG, this means that Mondis was permitted to sue LG for infringement of the '088 patent as to all

the "Unreleased Products," as defined in the parties' settlement agreement of the 2008 Complaint. *Id*. at 6. LG asserts that, indeed, this is what transpired, as evidenced by the 2014 Complaint. *Id*.

We note that, in the dismissal of the 2008 Complaint, the district court ordered that all of the claims pertaining to computer monitors asserted against LG in that action were dismissed with prejudice, whereas the remaining "Unreleased Products" were dismissed without prejudice. Ex. 1033. The circumstances of this case are distinguishable from *Oracle* in at least one respect. In *Oracle*, the entire complaint was dismissed without prejudice rather than the hybrid situation we have here where the 2008 Complaint was dismissed both with prejudice and without prejudice. *Compare* Case IPR2013-00312, Ex. 1019, *with* IPR2015-00937, Ex. 1033.

Instead, we view the circumstances of this case as similar to those presented in *Microsoft Corp. v. Virnetx Inc.*, Case IPR2014-00401. In *Microsoft*, a complaint alleging infringement of the patent was dismissed both with prejudice and without prejudice. The Board held that the complaint triggered the one-year time bar set forth in § 315(b) because it did not leave the parties as though the action had never been brought. *Microsoft*, slip op. at 6–7 (PTAB July 23, 2014) (Paper 10).

Likewise in this case, the parties are not left as though the action resulting from the 2008 Complaint had never been brought for a least two reasons. First, the parties are now prohibited from pursuing their prior claims and counterclaims with respect to computer monitors, i.e., the claims dismissed with prejudice for the products accused of infringement in the 2008 Complaint. Second, the parties are now obligated to uphold the terms

of their settlement agreement, and to submit to the jurisdiction of the United States District Court for the Eastern District of Texas to enforce it. *See* Ex. 1033 ¶ 3 ("This Court retains jurisdiction to enforce the parties' Settlement Agreement."). For at least these reasons, we are not persuaded that the parties are in the same legal position as if the action resulting from the 2008 Complaint had never been brought.

Lastly, LG contends that, as a matter of equity, if the prior dismissal of the 2008 Complaint permits Mondis to continue to accuse LG of infringing the patents originally asserted in the 2008 Complaint, LG should retain its recourse under the America Invents Act with respect to challenging these patents. Pet. 6. In other words, LG argues that, because Mondis is allowed to continue to assert the '088 patent against LG, fairness dictates that LG be permitted to file this Petition now that Mondis has re-asserted the '088 patent in the 2014 Complaint. *Id*. LG further contends that, as a matter of public policy, if a dismissal both with prejudice and without prejudice is interpreted as one that was dismissed with prejudice for purposes of § 315(b), such an interpretation would have the practical effect of deterring settlement. *Id*. at 7.

As we explained previously, § 315(b) requires a petitioner to file a petition within one year of service of a complaint alleging infringement of a patent. The purpose of § 315(b) is "to ensure that *inter partes* review is not used as a tool for harassment by repeated litigation and administrative attacks." *See Loral Space & Comms., Inc., v. ViaSat, Inc.*, Case IPR2014-00236, 239, 240, slip op. at 8 (PTAB Apr. 21, 2014) (Paper 7) (alteration and quotations from the legislative history omitted). In this case, LG chose

to negotiate a settlement agreement with Mondis that specifically excluded "Unreleased Products." In addition, LG has the option of filing an *ex parte* reexamination, which, as we explained above in the related matters section, they already did twice. *See supra* Section I(B). Accordingly, we are not persuaded that equitable and public policy considerations favor a "broad" interpretation of § 315(b).

III. CONCLUSION

In summary, the Petition is barred because it falls outside the one-year time bar for pursuing an *inter partes* review set forth in § 315(b).

IV. ORDER

In consideration of the foregoing, it is ORDERED that the Petition is DENIED and no trial is instituted.

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