Trials@uspto.gov
571-272-7822

Paper No. 9
Date Entered: August 26, 2013

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNIVERSAL REMOTE CONTROL, INC.
Petitioner

v.

UNIVERSAL ELECTRONICS, INC.
Patent Owner

Case IPR2013-00168
Patent 5,414,426

Before HOWARD B. BLANKENSHIP, SALLY C. MEDLEY, and SCOTT R. BOALICK, *Administrative Patent Judges.*

BLANKENSHIP, *Administrative Patent Judge.*

DECISION
Denying *Inter Partes* Review
37 C.F.R. § 42.108

I. BACKGROUND

Universal Remote Control, Inc. (Petitioner) has filed (Feb. 26, 2013) a petition requesting *inter partes* review of claims 1-5, 10, and 13 of US Patent 5,414,426 ("the '426 patent") under 35 U.S.C. §§ 311 *et seq*. Paper No. 2 ("Pet."). Universal Electronics, Inc. (Patent Owner) submitted a preliminary response under 37 C.F.R. § 42.107(b) on May 28, 2013. Paper No. 7 ("Prelim. Resp."). The Board, acting on behalf of the Director, has jurisdiction under 35 U.S.C. § 314.

Section 315 of Title 35 of the United States Code provides in pertinent part:

> (b) PATENT OWNER'S ACTION.—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. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).

For the reasons that follow, the Board determines that the petition was not filed timely within the statutory period of 35 U.S.C. § 315(b) and, therefore, the Board declines to institute an *inter partes* review.

A. Related Proceedings

The '426 patent is involved in litigation styled *Universal Electronics Inc., v. Universal Remote Control, Inc*., Case No. SACV 12-00329 AG (JPRx) (C.D. Cal.), filed on March 2, 2012. Pet. 1 ("the related litigation"). Petitioner has filed petitions for *inter partes* review against two other patents involved in the litigation: US 6,587,067 C1 (IPR2013-00127); and US 5,614,906 (IPR2013-00152). *Id.*

B. Earlier Proceeding

The '426 patent was included in a complaint for patent infringement filed November 15, 2000, styled *Universal Electronics, Inc. v. Universal Remote Control, Inc*., Case No. SAVC 00-1125 AHS (EEx)(C.D. Cal.). Pet. 3.

Patent Owner served Petitioner with the complaint on March 21, 2001. Prelim. Resp. 2; Ex. 2001 at 2 (docket # 10).

Patent Owner filed a first amended complaint (Ex. 1019) on September 27, 2002, which removed all references to the '426 patent. Pet. 4.

In an order dated October 18, 2002, the court ordered that "Plaintiff's causes of action for patent infringement, based on U.S. Patent No. 5,414,426 against Defendant Universal Remote Control, Inc., are hereby dismissed with prejudice." Pet 4; Ex. 1020 at 2.

The '426 patent was included in the complaint for patent infringement filed on March 2, 2012, in the related litigation.

That case is ongoing.

II. ANALYSIS

Petitioner was served with a complaint alleging infringement of the '426 patent on two occasions. The first complaint, in connection with a first case styled *Universal Electronics, Inc. v. Universal Remote Control, Inc*., Case No. SAVC 00-1125 AHS (EEx)(C.D. Cal.), was served on Petitioner on March 21, 2001. The second complaint, in connection with a second case styled *Universal Electronics Inc., v. Universal Remote Control, Inc*., Case No. SACV 12-00329 AG (JPRx) (C.D. Cal.), was served on Petitioner less than 12 months prior to the filing date of the Petition. Pet. 3.

Petitioner raises two issues with respect to 35 U.S.C. § 315(b). The first issue is whether the later served complaint nullifies the effect of the first served complaint for purposes of 35 U.S.C. § 315(b). If the answer to the first inquiry is no, the second issue raised by the Petitioner is whether the service of the first complaint bars it from *inter partes* review.

Service of a second complaint does not nullify the effect of a first served complaint for purposes of 35 U.S.C. 315(b)

Petitioner submits "[t]here is nothing in the text of section 315(b) that addresses the subject of multiple lawsuits involving the same patent or that requires that the one-year grace period be applied to the filing of the first of such multiple lawsuits." Pet. 7. We agree that the plain language of the statute does not address the subject of multiple lawsuits involving the same patent. We disagree, however, that the one-year grace period applies only to the last of a chain of multiple lawsuits or that the filing of a later lawsuit renders the service of a complaint in an earlier lawsuit to be a nullity as Petitioner argues. The plain language of the statute does not include such a restriction.

Further, Petitioner cites the Board's Decision on Service under 35 U.S.C. § 315(b) in *Motorola Mobility LLC v. Michael Arnouse*, IPR2013-00010, Paper 20 (Ex. 1024) as support for their position that "a primary reason for the one-year grace period was to provide defendants sufficient time to fully analyze the patent claims, but not to create an open-ended process." Pet. 5. This decision is inapposite. First, the discussion in that case about an "open-ended process" concerned a hypothetical petitioner who chose to waive service of a summons (Ex. 1024 at 6). Waiver of service is not at issue here.

But, more importantly, *Motorola Mobility* concerned a dispute about the meaning of the word "service" in § 315(b). *See* Ex. 1024 at 2-5. *Motorola Mobility* thus addressed an ambiguity in the text of § 315(b). Petitioner in this case does not allege, let alone show, there is any ambiguity in the text of § 315(b) as it applies to Petitioner.

The Supreme Court has "repeatedly recognized" that:

> "[w]hen . . . the terms of a statute [are] unambiguous, judicial inquiry is complete, except 'in "rare and exceptional circumstances." ' " *Rubin v. United States*, 449 U.S. 424, 430, 101 S.Ct. 698, 701, 66 L.Ed.2d 633 (1981) (citations omitted). In the absence of a "clearly expressed legislative intention to the contrary," the language of the statute itself "must ordinarily be regarded as conclusive." *Consumer Product Safety Comm'n v. GTE Sylvania, Inc*., 447 U.S. 102, 108, 100 S.Ct. 2051, 2056, 64 L.Ed.2d 766 (1980).

United States v. James, 478 U.S. 597, 606 (1986). "It is well settled law that the plain and unambiguous meaning of the words used by Congress prevails in the absence of a clearly expressed legislative intent to the contrary." *Hoechst Aktiengesellschaft v. Quigg*, 917 F.2d 522, 526 (Fed. Cir. 1990). When there is no ambiguity in the words of the statute, "we turn to the legislative history to see if Congress meant something other than what it said statutorily." *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1426 (Fed. Cir. 1988).

Petitioner has not pointed to any particular legislative history associated with 35 U.S.C. § 315(b) which clearly expresses that the filing of a later lawsuit renders the service of a complaint in an earlier lawsuit to be a nullity. We conclude that § 315(b) means that an *inter partes* review may not be instituted if the petition requesting the proceeding is filed more than one year after the date on which the petitioner is served with a complaint alleging infringement of the patent. Because

Petitioner was served with a complaint alleging infringement of the patent on March 21, 2001, *inter partes* review cannot be instituted.

Service of the first complaint has not been shown to be exceptional under 35 U.S.C. § 315(b)

Petitioner argues that it is not barred from *inter partes* review because the earlier litigation was never effectively brought as to the '426 patent. Pet. 6. Petitioner cites the Board's decision instituting *inter partes* review in IPR2012-0004, *Macauto U.S.A. v. BOS GmbH & KG* (Ex. 1022). However, as pointed out by Patent Owner, in *Macauto* the infringement suit against the petitioner voluntarily was dismissed *without prejudice*, under Fed. R. Civ. P. 41(a), pursuant to a joint stipulation. The Board noted that the Federal Circuit consistently has interpreted the effect of such dismissals as leaving the parties as though the action had never been brought. Ex. 1022 at 15-16, quoting from *Graves v. Principi*, 294 F.3d 1350, 1356 (Fed. Cir. 2002) and *Bonneville Associates, Ltd. Partnership v. Baram*, 165 F.3d 1360, 1364 (Fed. Cir. 1999).

In contrast, and in an order dated October 18, 2002 regarding the earlier litigation, the United States District Court for the Central District of California ordered that "Plaintiff's causes of action for patent infringement, based on U.S. Patent No. 5,414,426 against Defendant Universal Remote Control, Inc., are hereby dismissed *with prejudice*." Pet 4; Ex. 1020 at 2 (emphasis added). Petitioner does not provide an explanation as to why the dismissal with prejudice should be treated as though the action had never been brought, e.g., why the dismissal with prejudice should be treated as a dismissal without prejudice. *Cf. Ford-Clifton v. Dept. of Veterans Affairs*, 661 F.3d 655, 660 (Fed. Cir. 2011) (a

dismissal with prejudice is an adjudication on the merits for purposes of *res judicata*).

In sum, Petitioner has failed to show that we should treat the dismissal with prejudice the same as a dismissal without prejudice.

III. CONCLUSION

We have considered Petitioner's arguments, but Petitioner has not identified any authority which requires that the Board deviate from the plain language of 35 U.S.C. § 315(b). Nor has Petitioner identified any authority which establishes that the Board has the discretion to forgive the time limitation set forth in the statute. We are not persuaded that the petition was filed timely within the statutory period of 35 U.S.C. § 315(b) and, therefore, the Board declines to institute an *inter partes* review of U.S. Patent 5,414,426.

IV. ORDER

In consideration of the foregoing, it is hereby

ORDERED that the petition is denied as to all challenged claims and no trial is instituted.

For Petitioner:

Timothy Bianchi
tbianchi@slwip.com

Thomas Reynolds
treynolds@slwip.com

For Patent Owner:

Michael A. Nicodema
nicodemam@gtlaw.com

Gary R. Jarosik
jarosikg@gtlaw.com

Eric J. Maiers
maiersj@gtlaw.com