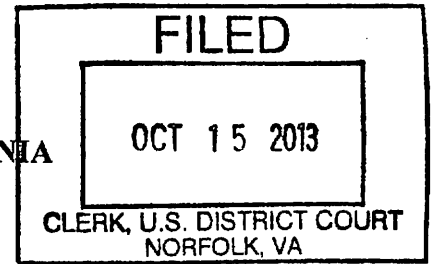


UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
(NORFOLK DIVISION)



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DOMINION DEALER SOLUTIONS, LLC,	)	
	)	Civil Action No. <u>3:13cv699</u>
Plaintiff,	)	
	)	
v.	)	COMPLAINT
	)	(APPEAL FROM THE USPTO)
TERESA STANEK REA, ACTING	)	
DIRECTOR OF THE UNITED STATES	)	
PATENT AND TRADEMARK OFFICE,	)	
	)	
Defendant.	)	
-----	X	

Plaintiff Dominion Dealer Solutions, LLC ("Dominion"), by its undersigned counsel, hereby files its Complaint against Defendant Teresa Stanek Rea, Acting Director of the United States Patent and Trademark Office ("Acting Director") appealing the United States Patent and Trademark Office's ("PTO") Decisions not to grant a series of *inter partes* review Petitions, and alleges as follows:

**NATURE OF THE ACTION**

1. This is an action to vacate Defendant's/the PTO's five Decisions not to institute *inter partes* review trial proceedings as to each of U.S. Patent No. 7,827,099 ("099 patent"), U.S. Patent No. 8,005,752 ("752 patent"), U.S. Patent No. 8,086,529 ("529 patent"), U.S. Patent No. 8,095,461 ("461 patent"), and U.S. Patent No. 8,396,791 ("791 patent") (collectively "the AutoAlert patents") under 35 U.S.C. §§ 311-319. In each of the five Decisions, the PTO

improperly substituted its own assumed expertise and views for undisputed evidence that more than met the applicable “reasonable likelihood” of unpatentability standard for instituting trial proceedings. As such, Defendant’s failure to institute trial proceedings was contrary to law and exceeds Defendant’s authority.

## **THE PARTIES**

2. Plaintiff Dominion Dealer Solutions, LLC (“Dominion”) is a limited liability company formed and existing under the laws of the Commonwealth of Virginia with offices at 150 Granby Street, Norfolk, Virginia 23510. Among other things, Dominion is in the business of providing software technology to automobile dealers, marketing and selling a lead generation subscription service under the name DealActivator.

3. Defendant Teresa Stanek Rea is the Acting Director of the PTO. The PTO is headquartered in Alexandria, Virginia. The Acting Director is the head of the PTO and is responsible for superintending or performing all duties required by law with respect to the administration of *inter partes* reviews under 35 U.S.C. §§ 311-319, including the activities of the Patent Trial and Appeal Board (“PTAB”). The Acting Director is being sued in her official capacity.

## **JURISDICTION AND VENUE**

4. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1338(a), 1361, 2201, 2202, and 5 U.S.C. §§ 701-706.

5. On August 12, 2013, the PTAB denied all aspects of five Petitions filed in the PTO by Dominion that had requested *inter partes* review of each of the five AutoAlert patents.

6. The PTAB’s decisions as to each of the five Petitions are final agency actions within the meaning of 5 U.S.C. § 704. *See* 37 C.F.R. § 42.71(c); 35 U.S.C. § 314(d).

7. Venue is proper in this Court and this Division under 28 U.S.C. § 1391(e)(1)(C) and E.D.Va. Local Rule 3(C) as the PTO is headquartered, and the Acting Director has committed acts, in the Eastern District of Virginia, Plaintiff Dominion resides in Norfolk, Virginia, and this action does not involve real property.

8. This Complaint is timely filed pursuant to 28 U.S.C. § 2401(a).

### **FACTUAL BACKGROUND**

9. The PTO issued the 099 patent on November 2, 2010.

10. The PTO issued the 752 patent on August 23, 2011.

11. The PTO issued the 529 patent on December 27, 2011.

12. The PTO issued the 461 patent on January 10, 2012.

13. All four of these patents are in the same patent family and relate to systems and methods for assessing and managing financial transactions, particularly in the auto dealership market.

14. On October 1, 2012, AutoAlert, Inc. (“AutoAlert”) sued Dominion, Autobase, Inc., and 110 Reynolds, LLC for infringement of each of the 099 patent, the 752 patent, the 529 patent, and the 461 patent in the Central District of California (Civil Action No. 8:12-cv-01661) (“the California Action”).

15. AutoAlert and Dominion (and its predecessors in interest) have competed, head to head, for many of the same prospective auto dealership customers since at least 2007.

16. The PTO issued the 791 patent, another patent from the same patent family as the other four asserted patents, on March 12, 2013.

17. On April 23, 2013, AutoAlert was allowed to amend its Complaint in the California Action to add an assertion of infringement of the 791 patent.

18. Section 311(b) of Title 35 states that a petitioner to the PTO seeking *inter partes* review “may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under [35 U.S.C.] section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.”

19. As reported by the PTO when publishing a notice of proposed rulemaking on February 12, 2012, dealing with the new *inter partes* review proceedings (Fed. Reg. Vol. 77, No. 28 at 7041 (Feb. 10, 2012)):

The purpose of the Leahy-Smith America Invents Act and these proposed regulations is to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs. . . . The USPTO is engaged in a transparent process to create a timely, cost-effective alternative to litigation.

20. Further (*id.* at 7055):

it is anticipated that the proposed rules will minimize duplication of efforts. In particular, the Leahy-Smith America Invents Act provides more coordination between district court infringement litigation and *inter partes* review to reduce duplication of efforts and costs. . . . There may be a significant reduction in overall burden if, as intended, the Leahy-Smith America Invents Act and the proposed rules reduce the overlap between review at the USPTO of issued patents and validity determination during patent infringement actions.

21. On March 28, 2013, in order to take advantage of this “cost-effective alternative to litigation,” Dominion filed five separate Petitions requesting *inter partes* review of the five AutoAlert patents (“the Petitions”) in light of three references – U.S. Patent Application No. 2002/0035520 (“Weiss”), U.S. Patent Application No. 2001/0049653 (“Sheets”), and U.S. Patent No. 7,249,322 (“Jones”).

22. In furtherance of the goal of seeking the “cost-effective alternative to litigation,” Dominion moved to stay the California action while the proceedings were ongoing at the PTO. On May 22, 2013, that motion was granted and the California Action was stayed “pending final exhaustion of all pending IPR proceedings, including any appeals.”

23. The Petitions respectively sought to invalidate: (a) all claims of the 099 patent (Case No. IPR2013-00222);<sup>1</sup> (b) all claims of the 752 patent (Case No. IPR2013-00220); (c) all claims of the 529 patent (Case No. IPR2013-00223); (d) all claims of the 461 patent (Case No. IPR2013-00224); and (e) all claims of the 791 patent (Case No. IPR2013-00225).

24. Submitted as an exhibit to each Petition was an identical Expert Declaration of Ward A. Hanson, Ph.D., which *inter alia* laid out detailed factual testimony concerning what the Weiss, Sheets, and Jones references would have taught to one of ordinary skill in the art of the patents at issue in the 2003-2004 time frame and how those references taught all of the elements of the claims of the AutoAlert patents or, at a minimum, rendered the claimed inventions obvious.

25. Defendant has the authority to establish procedures for instituting and conducting *inter partes* reviews, and the standards for determining whether or not sufficient grounds exist to institute such proceedings. 35 U.S.C. § 316(a). However, Defendant does not have any substantive rulemaking authority. Under 35 U.S.C. § 2(b)(2), Defendant may not establish regulations that are inconsistent with law. *See, e.g., Tafas v. Doll*, 559 F.3d 1345, 1352 (Fed. Cir.), *vacated and reh'g en banc granted*, 328 F. App'x 658 (Fed. Cir.), *stayed*, 331 F. App'x 748 (Fed. Cir. 2009).

26. In keeping with the intent behind the Leahy-Smith America Invents Act to establish a cost-effective alternative to litigation,” the applicable standard for determining whether or not an *inter partes* review trial should be instituted is low – whether or not “the

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<sup>1</sup> The various papers for a given IPR proceeding in the PTO, including the petitions, decisions, and requests for rehearing, can be found by inserting the relevant case number in this link: [https://ptabtrials.uspto.gov/prweb/PRWebLDAP2/HcI5xOSeX\\_yQRYZAnTXXCg%5B%5B\\*!/STANDARD?UserIdentifier=searchuser](https://ptabtrials.uspto.gov/prweb/PRWebLDAP2/HcI5xOSeX_yQRYZAnTXXCg%5B%5B*!/STANDARD?UserIdentifier=searchuser). (Note that the exhibits to the PTO submissions, including the submitted Expert Declaration of Hanson mentioned in the next paragraph, may be on the second or third page of results.)

information presented in the petition filed under section 311 and any response filed under section 313 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.” 35 U.S.C. § 314(a).

27. The un rebutted factual evidence as set forth in the Hanson Declaration demonstrated that each claim of each of the AutoAlert patents was unpatentable.

28. Unless the PTAB finds an expert whose declaration has been submitted in support of a petition seeking *inter partes* review not credible, the PTAB is required to accept the un rebutted evidence contained in that expert’s declaration. *See, e.g., Brand v. Miller*, 487 F.3d 862, 869 (Fed. Cir.), *cert. denied*, 552 U.S. 1038 (2007); *Rambus Inc. v. Rea*, Case No. 2012-1634, 2013 U.S. App. LEXIS 19500 (Fed. Cir. 2013).

29. Nevertheless, on August 12, 2013, the PTAB issued a Decision in IPR2013-00222 denying the Petition in that proceeding in its entirety.

30. On August 15, 2013, the PTAB issued Decisions in each of IPR2013-00220, IPR2013-00223, IPR2013-00224, and IPR2013-00225 as well, in each case denying the Petitions in those proceedings in their entirety.

31. In each of the five Decisions, without finding that Dr. Hanson lacked credibility as an expert, the PTAB failed to accept his un rebutted, detailed factual testimony concerning what the Weiss, Sheets, and Jones patents would have taught to one of ordinary skill in the art of the patents at issue in the 2003-2004 time frame and how those references taught all of the elements of the claims of the AutoAlert patents or, at a minimum, rendered the claimed inventions obvious.

32. Instead, in each Decision, the PTAB substituted its own views and assumed expertise as to what one of ordinary skill in the relevant art would have been taught by the references in 2003-2004.

33. On September 11, 2013, Dominion filed a Request For Rehearing On The Decision Not To Institute Trial For *Inter Partes* Review in IPR2013-00222 pointing out the PTAB's failure to accept the un rebutted factual evidence.

34. On September 16, 2013, Dominion filed Requests For Rehearing On The Decision Not To Institute Trial For *Inter Partes* Review in each of IPR2013-00220, IPR2013-00223, IPR2013-00224, and IPR2013-00225, in each instance pointing out the PTAB's failure to accept the un rebutted factual evidence.

35. On October 10, 2013, the PTAB denied each of the five Requests For Rehearing.

36. The PTAB's Decisions not to initiate trial proceedings in each of the cases are final and non-appealable. 35 U.S.C. § 314(d); 37 C.F.R. § 42.71.

**FIRST CAUSE OF ACTION**  
**(Violation of 5 U.S.C. § 706(2)(A) by**  
**Denying *Inter Partes* Review In View Of Un rebutted Evidence)**

37. The allegations contained in paragraphs 1 through 36 above are repeated and re-alleged as if fully set forth herein.

38. Defendant's and the PTAB's Decision denying the Petition in IPR2013-00222 failed to properly credit un rebutted factual evidence that those of ordinary skill in the relevant art in the 2003-2004 time frame would have been taught all of the elements of the claims of the AutoAlert patents by the Weiss, Sheets, and Jones references and, at a minimum, would have found the claimed inventions obvious.

39. As the PTAB was required by law to credit that evidence, the PTAB's denial of that Petition is arbitrary, capricious, an abuse of discretion, and contrary to law under 5 U.S.C. § 706(2)(A) and should be set aside.

**SECOND CAUSE OF ACTION**  
**(Violation of 5 U.S.C. § 706(2)(A) by**  
**Denying *Inter Partes* Review In View Of Unrebutted Evidence)**

40. The allegations contained in paragraphs 1 through 36 above are repeated and re-alleged as if fully set forth herein.

41. Defendant's and the PTAB's Decision denying the Petition in IPR2013-00220 failed to properly credit unrebutted factual evidence that those of ordinary skill in the relevant art in the 2003-2004 time frame would have been taught all of the elements of the claims of the AutoAlert patents by the Weiss, Sheets, and Jones references and, at a minimum, would have found the claimed inventions obvious.

42. As the PTAB was required by law to credit that evidence, the PTAB's denial of that Petition is arbitrary, capricious, an abuse of discretion, and contrary to law under 5 U.S.C. § 706(2)(A) and should be set aside.

**THIRD CAUSE OF ACTION**  
**(Violation of 5 U.S.C. § 706(2)(A) by**  
**Denying *Inter Partes* Review In View Of Unrebutted Evidence)**

43. The allegations contained in paragraphs 1 through 36 above are repeated and re-alleged as if fully set forth herein.

44. Defendant's and the PTAB's Decision denying the Petition in IPR2013-00223 failed to properly credit unrebutted factual evidence that those of ordinary skill in the relevant art in the 2003-2004 time frame would have been taught all of the elements of the claims of the



AutoAlert patents by the Weiss, Sheets, and Jones references and, at a minimum, would have found the claimed inventions obvious.

45. As the PTAB was required by law to credit that evidence, the PTAB's denial of that Petition is arbitrary, capricious, an abuse of discretion, and contrary to law under 5 U.S.C. § 706(2)(A) and should be set aside.

**FOURTH CAUSE OF ACTION  
(Violation of 5 U.S.C. § 706(2)(A) by  
Denying *Inter Partes* Review In View Of Unrebutted Evidence)**

46. The allegations contained in paragraphs 1 through 36 above are repeated and re-alleged as if fully set forth herein.

47. Defendant's and the PTAB's Decision denying the Petition in IPR2013-00224 failed to properly credit unrebutted factual evidence that those of ordinary skill in the relevant art in the 2003-2004 time frame would have been taught all of the elements of the claims of the AutoAlert patents by the Weiss, Sheets, and Jones references and, at a minimum, would have found the claimed inventions obvious.

48. As the PTAB was required by law to credit that evidence, the PTAB's denial of that Petition is arbitrary, capricious, an abuse of discretion, and contrary to law under 5 U.S.C. § 706(2)(A) and should be set aside.

**FIFTH CAUSE OF ACTION  
(Violation of 5 U.S.C. § 706(2)(A) by  
Denying *Inter Partes* Review In View Of Unrebutted Evidence)**

49. The allegations contained in paragraphs 1 through 36 above are repeated and re-alleged as if fully set forth herein.

50. Defendant's and the PTAB's Decision denying the Petition in IPR2013-00225 failed to properly credit unrebutted factual evidence that those of ordinary skill in the relevant art

in the 2003-2004 time frame would have been taught all of the elements of the claims of the AutoAlert patents by the Weiss, Sheets, and Jones references and, at a minimum, would have found the claimed inventions obvious.

51. As the PTAB was required by law to credit that evidence, the PTAB's denial of that Petition is arbitrary, capricious, an abuse of discretion, and contrary to law under 5 U.S.C. § 706(2)(A) and should be set aside.

**SIXTH CAUSE OF ACTION  
(Violation of 5 U.S.C. § 706(2)(C) by  
Denying *Inter Partes* Review In View Of Unrebutted Evidence)**

52. The allegations contained in paragraphs 1 through 51 above are repeated and re-alleged as if fully set forth herein.

53. The PTAB was required by law to credit the undisputed factual evidence submitted by Dominion through the Expert Declaration of Hanson in IPR2013-00222.

54. As such, the Decision denying the Petition in IPR2013-00222 should be set aside under 5 U.S.C. § 706(2)(C) because the PTAB exceeded its authority in denying that Petition while failing to credit the unrebutted factual evidence that those of ordinary skill in the relevant art in the 2003-2004 time frame would have been taught all of the elements of the claims of the AutoAlert patents by the Weiss, Sheets, and Jones references and, at a minimum, would have found the claimed inventions obvious.

**SEVENTH CAUSE OF ACTION  
(Violation of 5 U.S.C. § 706(2)(C) by  
Denying *Inter Partes* Review In View Of Unrebutted Evidence)**

55. The allegations contained in paragraphs 1 through 51 above are repeated and re-alleged as if fully set forth herein.

56. The PTAB was required by law to credit the undisputed factual evidence submitted by Dominion through the Expert Declaration of Hanson in IPR2013-00220.

57. As such, the Decision denying the Petition in IPR2013-00220 should be set aside under 5 U.S.C. § 706(2)(C) because the PTAB exceeded its authority in denying that Petition while failing to credit the unrebutted factual evidence that those of ordinary skill in the relevant art in the 2003-2004 time frame would have been taught all of the elements of the claims of the AutoAlert patents by the Weiss, Sheets, and Jones references and, at a minimum, would have found the claimed inventions obvious.

**EIGHTH CAUSE OF ACTION  
(Violation of 5 U.S.C. § 706(2)(C) by  
Denying *Inter Partes* Review In View Of Unrebutted Evidence)**

58. The allegations contained in paragraphs 1 through 51 above are repeated and re-alleged as if fully set forth herein.

59. The PTAB was required by law to credit the undisputed factual evidence submitted by Dominion through the Expert Declaration of Hanson in IPR2013-00223.

60. As such, the Decision denying the Petition in IPR2013-00223 should be set aside under 5 U.S.C. § 706(2)(C) because the PTAB exceeded its authority in denying that Petition while failing to credit the unrebutted factual evidence that those of ordinary skill in the relevant art in the 2003-2004 time frame would have been taught all of the elements of the claims of the AutoAlert patents by the Weiss, Sheets, and Jones references and, at a minimum, would have found the claimed inventions obvious.

**NINTH CAUSE OF ACTION**  
**(Violation of 5 U.S.C. § 706(2)(C) by**  
**Denying *Inter Partes* Review In View Of Unrebutted Evidence)**

61. The allegations contained in paragraphs 1 through 51 above are repeated and re-alleged as if fully set forth herein.

62. The PTAB was required by law to credit the undisputed factual evidence submitted by Dominion through the Expert Declaration of Hanson in IPR2013-00224.

63. As such, the Decision denying the Petition in IPR2013-00224 should be set aside under 5 U.S.C. § 706(2)(C) because the PTAB exceeded its authority in denying that Petition while failing to credit the unrebutted factual evidence that those of ordinary skill in the relevant art in the 2003-2004 time frame would have been taught all of the elements of the claims of the AutoAlert patents by the Weiss, Sheets, and Jones references and, at a minimum, would have found the claimed inventions obvious.

**TENTH CAUSE OF ACTION**  
**(Violation of 5 U.S.C. § 706(2)(C) by**  
**Denying *Inter Partes* Review In View Of Unrebutted Evidence)**

64. The allegations contained in paragraphs 1 through 51 above are repeated and re-alleged as if fully set forth herein.

65. The PTAB was required by law to credit the undisputed factual evidence submitted by Dominion through the Expert Declaration of Hanson in IPR2013-00225.

66. As such, the Decision denying the Petition in IPR2013-00225 should be set aside under 5 U.S.C. § 706(2)(C) because the PTAB exceeded its authority in denying that Petition while failing to credit the unrebutted factual evidence that those of ordinary skill in the relevant art in the 2003-2004 time frame would have been taught all of the elements of the claims of the

AutoAlert patents by the Weiss, Sheets, and Jones references and, at a minimum, would have found the claimed inventions obvious.

### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff Dominion Dealer Solutions, LLC requests that this Court enter the following relief:

A. Declare, adjudge and decree on an expedited basis that the Acting Director's denials of the Petitions seeking *inter partes* review of each of U.S. Patent No. 7,827,099, U.S. Patent No. 8,005,752, U.S. Patent No. 8,086,529, U.S. Patent No. 8,095,461, and U.S. Patent No. 8,396,791 were arbitrary, capricious, an abuse of discretion and contrary to law, and are set aside;

B. Declare, adjudge and decree on an expedited basis that the Acting Director's denials of the Petitions seeking *inter partes* review of each of U.S. Patent No. 7,827,099, U.S. Patent No. 8,005,752, U.S. Patent No. 8,086,529, U.S. Patent No. 8,095,461, and U.S. Patent No. 8,396,791 exceeded her statutory authority, and are set aside;

C. Order the Acting Director to institute trial proceedings in each of Case No. IPR2013-00220, Case No. IPR2013-00222, Case No. IPR2013-00223, Case No. IPR2013-00224, and Case No. IPR2013-00225 on the bases set forth in the Petitions; and

D. Such additional relief as this Court deems equitable and just.

October 15, 2013

Respectfully submitted,



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