

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INFILTRATOR WATER TECHNOLOGIES, LLC,
Petitioner,

v.

PRESBY PATENT TRUST,
Patent Owner.

Case IPR2018-00224
Patent 8,815,094 B2

Before KRISTINA M. KALAN, MICHAEL L. WOODS, and
CHRISTOPHER C. KENNEDY, *Administrative Patent Judges*.

KENNEDY, *Administrative Patent Judge*.

TERMINATION
35 U.S.C. § 315(b); 37 C.F.R. § 42.72

I. INTRODUCTION

Patent Owner moves to dismiss this proceeding in view of the time bar of 35 U.S.C. § 315(b) and the Federal Circuit’s decision in *Click-to-Call Techs., LP v. Ingenio, Inc.*, 899 F.3d 1321 (Fed. Cir. 2018) (en banc in relevant part). Paper 14. Petitioner opposes the motion. Paper 16. For reasons stated below, we vacate our Institution Decision (Paper 6) and terminate the proceeding.¹

II. BACKGROUND

On November 21, 2017, Petitioner Infiltrator Water Technologies, LLC, filed a Petition for *inter partes* review of claims 8–12 of U.S. Patent No. 8,815,094 B2 (Ex. 1001). Paper 1 (“Pet.”). On March 7, 2018, Patent Owner Presby Patent Trust filed a Preliminary Response. Paper 5 (“Prelim. Resp.”).

In its Preliminary Response, Patent Owner argued that the Petition should be denied as untimely under 35 U.S.C. § 315(b) because it was filed more than one year after Petitioner was served with a complaint asserting infringement of the ’094 patent. *See* Prelim. Resp. 10. The complaint that provided the basis for Patent Owner’s § 315(b) argument was dismissed without prejudice, and, in our Institution Decision, we explained that the Board has held that the § 315(b) time bar is not triggered by an action that was dismissed without prejudice. *See* Paper 6 at 5–6 (citing *Oracle Corp. v.*

¹ *See, e.g., GTNX, Inc. v. INTTRA, Inc.*, CBM2014-00072, 2014 WL 7723800 (PTAB Dec. 10, 2014) (Paper 20) (vacating institution decision and terminating review where proceeding was, post-institution, determined to be barred by 35 U.S.C. § 325(a)(1)).

Click-to-Call Techs. LP, IPR2013-00312, Paper 26 at 15–18 (PTAB Oct. 30, 2013) (precedential)). We instituted trial on May 25, 2018. Paper 6.

On August 16, 2018, the Federal Circuit issued a decision in *Click-to-Call*, 899 F.3d at 1321. The Federal Circuit held that 35 U.S.C. § 315(b) “unambiguously precludes the Director from instituting an IPR if the petition seeking institution is filed more than one year after the petitioner, real party in interest, or privy of the petitioner ‘is served with a complaint’ alleging patent infringement,” and that § 315(b) “does not contain any exceptions or exemptions for complaints . . . that are subsequently dismissed, with or without prejudice.” *Click-to-Call*, 899 F.3d at 1330.

On August 30, 2018, we held a conference call with counsel for the parties to discuss the impact of *Click-to-Call* on this proceeding. *See* Ex. 2008 (transcript of conference call). Subsequently, Patent Owner filed a motion to dismiss. *See* Paper 14. Petitioner opposed the motion. *See* Paper 16.

In the motion, Patent Owner asserts that there is no dispute that Petitioner was served with a complaint asserting infringement of U.S. Patent No. 8,815,094 more than one year prior to the filing of the Petition and, consequently, that *Click-to-Call* requires dismissal of the proceeding. *See generally* Paper 14.

Petitioner disagrees and argues that *Click-to-Call*’s “holding is limited to whether a voluntary dismissal under Federal Rule of Civil Procedure 41(a) subsequently nullifies service,” whereas “[t]he complaint at issue in this matter was dismissed for lack of personal jurisdiction.” Paper 16 at 1. More specifically, Petitioner cites Federal Rule of Civil Procedure 4(k) and argues that “service on a defendant is not effective when the district court

that issued the summons lacks personal jurisdiction,” and that “Petitioner was, therefore, never effectively served” with the complaint that provides the basis for Patent Owner’s § 315(b) argument. *Id.* at 1–2 (“[T]he complaint at issue was not delivered in a manner prescribed by law since the filed waiver of service was not legally effective under Rule 4(k).”).

Petitioner further argues that, “[t]o the extent the Board believes this IPR is untimely in light of the *Click-to-Call* holding,” the Board should stay the proceeding “pending the resolution of any petitions for writ of certiorari or until the certiorari petition deadline passes on November 14, 2018.” *Id.* at 2–3.

III. DISCUSSION

We determine, in view of *Click-to-Call* and the Federal Circuit’s more recent decision in *Bennett Regulator Guards, Inc. v. Atlanta Gas Light Co.*, Nos. 2017-1555, 2017-1626 (Fed. Cir. Sept. 28, 2018), that we “lacked jurisdiction to institute the IPR proceeding[],” *see Click-to-Call*, 899 F.3d at 1325, and that we must vacate our institution decision and terminate the proceeding.

Petitioner was served with a complaint asserting infringement of the ’094 patent more than one year prior to the filing of the Petition in this proceeding. *See Presby Patent Trust v. Infiltrator Systems, Inc.*, No. 1:14-cv-00542 (D.N.H.), Dkt. No. 1 (complaint dated Dec. 4, 2014), Dkt. No. 3 (summons dated Dec. 8, 2014), Dkt. No. 5 (waiver of service signed Dec. 22, 2014 and filed Dec. 30, 2014); *see also* Ex. 2001. In the Petition, Petitioner conceded that Petitioner “was served with a complaint asserting infringement of the ’094 patent” more than one year prior to the filing of the Petition in this proceeding. *See* Pet. 2 n.1. As Petitioner observes, Paper 16

at 1, the complaint was ultimately dismissed without prejudice for lack of personal jurisdiction, *see Presby Patent Trust*, No. 1:14-cv-00542, Dkt. No. 17; Ex. 2002. The question before us is whether the complaint at issue here, i.e., a complaint for which service was waived and that was subsequently involuntarily dismissed for lack of personal jurisdiction, triggers the time bar of § 315(b). Section 315(b) states that an IPR may not be instituted “if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner . . . is served with a complaint alleging infringement of the patent.”

We agree with Petitioner that *Click-to-Call* specifically addressed the question of whether a “voluntary dismissal without prejudice of the civil action in which the complaint was served ‘does not trigger’ the [§ 315(b)] bar.” *See Click-to-Call*, 899 F.3d at 1328 (emphasis added). However, in *Bennett Regulator Guards*, the Federal Circuit addressed the issue that is before us and stated: “We identify no reason to distinguish *Click-to-Call*” on the basis that *Click-to-Call* involved a voluntary, rather than involuntary, dismissal.² *See Bennett Regulator Guards*, slip op. at 5–6 (“Just as the statute includes no exception for a voluntarily dismissed complaint, it includes no exception for an involuntarily dismissed complaint.”).

Because Petitioner in this case may have raised arguments concerning service that were not addressed in *Bennett Regulator Guards*, we provide the following discussion of those arguments.

² The dismissal at issue in *Bennett Regulator Guards* was an involuntarily dismissal without prejudice for lack of personal jurisdiction. *See Bennett Regulator Guards, Inc. v. MRC Glob. Inc.*, No. 4:12-cv-1040, 2013 WL 3365193, at *5 (N.D. Ohio July 3, 2013); *see also Bennett Regulator Guards*, slip op. at 2 (citing the district court’s dismissal order).

In the Petition, Petitioner conceded that it “was served with a complaint asserting infringement of the ’094 patent” more than one year prior to the filing of the Petition in this proceeding. *See* Pet. 2 n.1. Even in its opposition to Patent Owner’s motion to dismiss, Petitioner does not specifically assert that it was not “served.” *See generally* Paper 16. There is no meaningful dispute that Petitioner received “notice of the pendency of a legal action, in a manner and at a time that affords the defendant a fair opportunity to answer the complaint and present defenses and objections.” *Click-to-Call*, 899 F.3d at 1332 (quoting *Henderson*, 517 U.S. at 672). Indeed, having received that notice, Petitioner presented defenses and the case was dismissed without prejudice for lack of personal jurisdiction.

In support of its position that § 315(b) does not apply, Petitioner cites Federal Rule of Civil Procedure 4(k) and argues that Petitioner was not “effectively served,” or that it was not served “in a manner prescribed by law since the filed waiver of service was not legally effective under Rule 4(k).” Paper 16 at 1–2.

Rule 4(k) is titled “Territorial Limits of Effective Service.” However, the text of Rule 4(k) does not purport to establish legal means for accomplishing service; rather, the text of Rule 4(k) concerns when “[s]erving a summons or filing a waiver of service *establishes personal jurisdiction over a defendant.*” *See* Fed. R. Civ. P. 4(k) (emphasis added). By contrast, Rule 4(c) is titled “Service” and establishes certain rules for service, including, e.g., that “[a]ny person who is at least 18 years old and not a party may serve a summons and complaint.” Rule 4(d) discusses waiver of service, which occurred here, *see Presby Patent Trust*, No. 1:14-cv-00542, Dkt. No. 5; Ex. 2001 at 7, and specifically explains that, “[w]hen

the plaintiff files a waiver, proof of service is not required and these rules apply as if a summons and complaint had been served at the time of the filing the waiver,” Rule 4(d)(4). Rules 4(e) through (j) specifically describe acceptable methods of service under a variety of circumstances.

Petitioner’s focus on Rule 4(k) does not persuasively establish that service did not occur, or that service was not carried out “in a manner prescribed by law.” *See* Paper 16 at 2. Petitioner’s argument is relevant to whether that service established personal jurisdiction over the defendant. *Id.*; *see also* Fed. R. Civ. P. 4(k). Petitioner has not meaningfully or persuasively argued that the service itself—which, in this case, was waived and is conceded, *see* Pet. 2 n.1; Ex. 2001 at 7—was nullified by a subsequent determination that the district court lacked personal jurisdiction over the defendant. *See generally* Paper 16; *see also Click-to-Call*, 899 F.3d at 1332 (“[T]he text of § 315(b) is agnostic as to the ‘effect’ of the service—i.e., what events transpired after the defendant was served.”); *Bennett Regulator Guards*, slip op. at 5–6.

Petitioner in this case received notice through official delivery of a complaint more than one year prior to the filing of the Petition. Accordingly, we are constrained to conclude that the Petition was untimely, and that “the Board lacked jurisdiction to institute the IPR proceeding[.],” *Click-to-Call*, 899 F.3d at 1325; *Bennett Regulator Guards*, slip op. at 5–6, notwithstanding the fact that the complaint was ultimately dismissed without prejudice for lack of personal jurisdiction.

Having concluded that we lacked jurisdiction to institute the proceeding, we are not persuaded by Petitioner’s argument that we should stay the proceeding rather than terminate it. *See* Paper 16 at 2–3. Citing

Shaw Industries Group, Inc. v. Automated Creel Systems, Inc., IPR2013-00132 (Paper 60), Petitioner argues that the Board has authority under 37 C.F.R. § 42.5(a) to stay a proceeding. Paper 16 at 2. However, in *Shaw*, the Board’s decision ordering “no further action . . . pending [a Supreme Court decision]” was entered after a remand from the Federal Circuit. *See Shaw*, IPR2013-00132, Paper 60 at 2–3. As expressly noted by the Board in *Shaw*, staying that case did not have the potential to “violate the statutory period for *inter partes* reviews under 35 U.S.C. § 316(a)(11) because our Final Written Decision was issued within one year of institution.” *Id.* at 3. Here, indefinitely staying the case would have the potential to violate statutory deadlines. Moreover, Petitioner does not allege that the Board’s jurisdiction over the case was at issue in *Shaw*, and Petitioner has cited no authority for the apparent assertion that the Board may stay a case over which it lacks jurisdiction. Although Petitioner cites a district court case for the proposition that “[s]tays pending resolution of a petition for writ of certiorari ‘are entered quite routinely,’” Petitioner again fails to allege that jurisdiction was at issue in the cited case. Paper 16 at 2–3; *cf. Evedon v. USAA Cas. Ins. Co.*, No. 15-22139-CIV, 2016 WL 4083013, at *2 (S.D. Fla. Jan. 19, 2016) (“It is widely-accepted that courts lack authority to stay matters over which they lack subject matter jurisdiction.”) (collecting cases).

Because “the Board lacked jurisdiction to institute the IPR proceeding[],” *see Click-to-Call*, 899 F.3d at 1325, and because we are not persuaded that a stay is appropriate under these circumstances, we vacate our Institution Decision (Paper 6) and terminate the proceeding.

IPR2018-00224
Patent 8,815,094 B2

III. CONCLUSION

In consideration of the foregoing, it is hereby:

ORDERED that the Institution Decision (Paper 6) in IPR2018-00224
is vacated;

FURTHER ORDERED that IPR2018-00224 is terminated.

IPR2018-00224
Patent 8,815,094 B2

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