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Paper 22
Date Entered: February 26, 2014

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO. LTD.
Petitioner

v.

FRACTUS, S.A.
Patent Owner

Case IPR2014-00008 (Patent 7,123,208)
Case IPR2014-00011 (Patent 7,397,431)
Case IPR2014-00012 (Patent 7,394,432)
Case IPR2014-00013 (Patent 7,015,868)[1]

Before GLENN J. PERRY, JENNIFER S. BISK, and
PATRICK M. BOUCHER, *Administrative Patent Judges.*

PERRY, *Administrative Patent Judge.*

DECISION
Request for Rehearing
37 C.F.R. § 42.71(d)

[1] The parties should refrain from using a multiple case caption.

I. INTRODUCTION

This decision applies to, and is made of record in, each of the *inter partes* reviews listed on the cover page of this Decision.

Petitioner Samsung Electronics Co. Ltd. requests rehearing[2] ("Req.") of the Decision dated January 2, 2014 denying Petitioner's requests for *inter partes* review[3] ("Decision Denying Institution") of the claims and patents set forth in the following table.

Case No.	Patent	Claims
IPR2014-00008	7,123,208	1, 7, 10, and 12
IPR2014-00011	7,397,431	1, 12-14, and 40
IPR2014-00012	7,394,432	1 and 6
IPR2014-00013	7,015,868	1, 26, 32-33, and 35

The applicable standard for granting a request for rehearing is abuse of discretion. The requirements are set forth in 37 C.F.R. § 42.71(d), which provides in relevant part:

> A party dissatisfied with a decision may file a request for rehearing, without prior authorization from the Board. The burden of showing a decision should be modified lies with the party challenging the decision. The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.

Each of the four patents is involved in patent litigation captioned *Fractus, S.A. v. Samsung Elecs. Co., Ltd.*, No. 6:13-cv-00210 (E.D. Tex). Samsung was served with a complaint alleging infringement in that proceeding on or about

[2] IPR2014-00008 (Paper 21); IPR2014-00011 (Paper 18); IPR2014-00012 (Paper 16); IPR2014-00013 (Paper 21).
[3] IPR2014-00008 (Paper 4); IPR2014-00011 (Paper 3); IPR2014-00012 (Paper 2); IPR2014-00013 (Paper 2).

February 28, 2013. Each of the four patents was also involved in patent litigation captioned *Fractus, S.A. v. Samsung Elecs. Co., Ltd.*, No. 6:09-cv-203 (E.D. Tex) ('203 litigation). Petitioner was served with a complaint in that proceeding on or about May 5, 2009. In the '203 litigation, Patent Owner asserted claims of infringement of its patents by Petitioner, including the four patents at issue in these Petitions.[4] A judgment against Samsung in that case is on appeal to the Court of Appeals for the Federal Circuit. *Fractus, S.A. v. Samsung Elecs.*, No. 12-1633 (Fed. Cir.).

We denied Petitioner's *inter partes* review petitions based on 35 U.S.C. § 315(b) and 37 C.F.R. § 42.101(b), which are reproduced below.

Section 315(b) of Title 35 of the United States Code provides:

> (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). (Emphasis added).

The USPTO rule implementing section 315(b) is set forth in 37 C.F.R. § 42.101 (b), which provides:

> § 42.101 Who may petition for inter partes review.
>
> A person who is not the owner of a patent may file with the Office a petition to institute an *inter partes* review of the patent unless:

[4] IPR2014-00008 (Ex. 1010); IPR2014-00011 (Ex. 1010); IPR2014-00012 (Ex. 1010); IPR2014-00013 (Ex. 1010).

> . . .
>
> (b) The petition requesting the proceeding is filed more than one year after the date on which the petitioner, the petitioner's real party-in-interest, or a privy of the petitioner *is served* with a complaint alleging infringement of the patent;
>
> . . . .

Petitioner argues that the use of the present tense "is served" in § 315(b) does not include service of a complaint occurring prior to enactment of the America Invents Act. Req. 1. For reasons set forth below, we disagree.

II. DISCUSSION

Petitioner argues that the Board ignores Supreme Court and Federal Case Law. Petitioner points to language in *Carr v. United States* indicating that use of present tense in a statute "reinforces the conclusion that pre[-]enactment travel falls outside the statute's compass" (emphasis added). *See Carr v. U. S.*, 560 U.S. 438, 447-48 (2010). Req. 2.

In *Carr*, a criminal case, the Supreme Court held that an Indiana sex offender statute could not place in jeopardy an accused whose interstate travel occurred *before* the effective date of the statute. The majority reasoned that the *plain language* and *legislative history* of the statute suggest that the statute does not apply to travel of the accused that predates its enactment.

Petitioner cites *Carr* as requiring a construction in which "a statute's temporal reach is limited to post-enactment activity when the statute is written in the present tense." Req. 2. Petitioner over-applies *Carr's* reasoning. *Carr* considered a statute that imposes a penalty on an individual who meets certain, separately defined (present tense), conditions: is required to register under

SORNA; travels; and knowingly fails to register. The Court held that use of the present tense thus sets forth the conditions only prospectively, i.e. that an individual who traveled before enactment does not meet the travel condition.

The dissent in *Carr* explains that unlike § 315(b), the statute confronting the Court in *Carr* had no explicit temporal requirement. Thus, the Court had to identify the event relative to which the present tense must be evaluated—it chose that event to be the enactment of the statute. *Carr* at 458. The dissent identifies the implicit premise in the majority's reasoning: "The unspoken premise of petitioner's argument is that 2250(a) speaks of the time when it became law." *Id.* at 463.

Petitioner argues (Req. 4-5) that it would be inconsistent for § 315(b) to apply different temporal meanings to "is served" and "is filed" appearing in the same section. We are, however, not presented with the ambiguity that confronted the *Carr* Court. Petitioner's argument that "is filed" and "is served" must both be evaluated relative to the enactment date of the America Invents Act is flawed because the two verb phrases are not given parallel grammatical treatment in the statute. Consistent with *Carr*, "is filed" should be construed relative to the enactment date because it defines the condition for barring institution. But "is served" is part of a prepositional phrase that defines "the date," and should therefore be construed relative to the date of service, not relative to the statute's enactment date. Thus, contrary to Petitioner's assertion (Req. 3), there is no inconsistency with the Dictionary Act because both the present and future of "is served" are evaluated relative to the act of service, not to enactment of the statute. We note that the *Carr* dissent expressed a preference for use of the present tense in drafting statutes.

Petitioner also cites *Frederick v. Shinseki*, 684 F.3d 1263 (Fed. Cir. 2012) (Req. 3), a Federal Circuit case in which the condition for receiving Veterans surviving-spouse benefits was set forth explicitly in the statute in the present tense: ". . . only if the individual submits an application for such benefits . . . ." The Court held that "the statutory language 'submits an application for such benefits' in the present tense connotes that a post-enactment application is necessary to secure DIC benefits." *Frederick* at 1270. Although § 315(b) similarly requires that a post-enactment *filing* is necessary for there to be a bar, as explained above, § 315(b) does not require a post-enactment *service* of the complaint because "is served" is used only as part of a prepositional phrase that defines "the date."

We agree with Petitioner that there are no legislative comments that speak directly to Petitioner's argument. Req. 5-9. However, we are not persuaded that the legislative history supports Petitioner's theory that the one year § 315(b) time period may only be based on a complaint served prior to the availability of *inter partes* review.

As explained in our Decision denying institution of the petitions in these cases, the plain meaning of § 315(b) is that an *inter partes* review may not be instituted if the petition is filed more than one year after the date on which a party serves Petitioner (or real party-in-interest or privy) with a complaint. The only exception created by the statute is in the case of joinder.

III. DECISION ON REHEARING

Having fully considered Petitioner's arguments regarding construction of § 315(b), Petitioner's sought-after relief is *denied*.

IPR2014-00008
IPR2014-00011
IPR2014-00012
IPR2014-00013

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