

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

COLLEGE PRODUCTS, INC.
Petitioner,

v.

INTIRION CORPORATION
Patent Owner

Case IPR2023-01043
Patent No. 10,495,374

PETITIONER'S REPLY TO PATENT OWNER'S
PRELIMINARY RESPONSE

EXHIBIT LIST

Exhibit No.	Description
1001	U.S. Patent No. 10,495,374
1002	Expert Declaration
1003	Prosecution File History, U.S. Patent No. 10,495,374
1004	Original Intirion Complaint Filed on June 8, 2022.
1005	College Products Motion to Dismiss for Improper Venue filed on September 27, 2022.
1006	Order Transferring case to Iowa filed on April 10, 2023.
1007	Email Admitting that Petitioner possess Compulsory Counter claims dated May 3, 2022.
1008	U.S. Application No. 14/262,290 (“the ’290 Application”), published as U.S. Publication 2014/0251982.
1009	Exemplary embodiment Claim chart 9 sent by Intirion
1010	Email where Patent Owner construes certain terms
1011	U.S. Application No. 12/317,632 (“the ’632 Application”) published as U.S. Publication U.S. Pub. 2009/0188911 (“Emma”)
1012	“ISDU: Integrated Smoke detector Unit for Commercial Microwave Ovens”, Cory Lloyd <i>et. al</i> , Northeastern University (2007). (“ISDU”)
1013	U.S. Patent No. 4,587,393 to Ueda (“Ueda”)
1014	U.S. Patent No. 4,496,817 to Smith (“Smith”)

Exhibit No.	Description
1015	U.S. Patent No. 8,446,048 to Butt (“Butt”)
1016	Redline Comparison between 290 and Emma
1017	Iowa DJ Complaint
1018	Order Consolidating Intirion Cases into 23-CV-4023-KEM
1019	Summons return of service, dated June 8, 2022
1020	Redacted Memorandum Opinion & Order on Defendant’s Motion for Attorneys’ Fees, Intirion Corp. v. College Products, Inc., No. 6:22-cv-00459-ADA (W.D. Tex. Aug. 31, 2023), ECF NO. 49.
1021	Declaration of Domingo M. LLagostera

Petitioner hereby files this Reply to Patent Owner’s Preliminary Response to Petition. The Board authorized this Reply in an email, dated October 17, 2023.

Patent Owner asks the Board to deny institution of Petitioner’s IPRs 2023-01041, -01042, and -01043, arguing each Petition is statutorily barred under 35 U.S.C. §315(a)(1) as a matter of law because a declaratory judgment (“DJ”) action of invalidity can never qualify as a counterclaim exception under 35 U.S.C. §315(a)(3). Patent Owner is asking this Board to ignore the facts of this case and set new precedent. In its cases considering §315(a)(1)/(a)(3), the Board’s holdings are not automatic, but instead based on the specific facts and circumstances of each case. *See, e.g., Avigilon Corp. v. Canon Inc.*, IPR2018-01626, Paper 11 at 11 (P.T.A.B. Mar. 18, 2019) (“Avigilon’s filing of a [DJ] action challenging the validity of a claim...bars institution of an *inter partes* review **in this case**”) (emphasis added); *ZTE (USA), Inc. v. AGIS Software Dev., LLC*, IPR2019-00487, Paper 9 at 5 (P.T.A.B. July 30, 2019) (“**under the circumstances presented here**, institution of *inter partes* review is barred under 35 U.S.C. § 315(a)(1).”) (emphasis added); *Ruiz Food Prods., Inc. v. Macropoint LLC*, IPR2017-02016, Paper 25 at 15 (P.T.A.B. Feb. 14, 2019) (“**in light of the facts at issue** and applicable law, we determine that institution of the Petitions was barred by 35 U.S.C. § 315(a)(1)”) (emphasis added).

As explained below, the facts and circumstances surrounding Petitioner’s DJ action are substantially different than those found in Patent Owner’s cited cases.

I. *Avigilon v. Canon*

In *Avigilon*, Avigilon filed a DJ suit of invalidity against Canon before filing its IPR petition. *Avigilon*, Paper 11 at 5. The Board considered Black’s Law definition of a counterclaim: “[a] claim for relief asserted against an opposing party after an original claim has been made... . [A] counterclaim ordinarily is a *defendant’s* claim in opposition to or as a setoff against the *plaintiff’s* claim.” *Id.* at 10-11 (emphasis in original) (internal quotation marks omitted). The Board found Avigilon’s DJ action did not fit that definition because (i) Avigilon had already filed counterclaims in Canon’s patent infringement suit, (ii) Avigilon filed the DJ action **after** Canon had terminated its original patent case, and (iii) Avigilon’s DJ complaint did not refer to Canon’s second existing infringement action. *Id.* at 11.

The facts and circumstances here are remarkably different than those in *Avigilon*. Patent Owner sued Petitioner in the Western District of Texas (“Waco Action”). Ex. 1004. Unlike in *Avigilon*, Petitioner never filed counterclaims in the Waco Action, because it was a clearly improper venue. *See* Ex. 1006; Ex. 1021, ¶3. On January 5, 2023, Petitioner’s CEO was deposed and unequivocally confirmed that the WDTX was not a proper venue. Ex. 1020 at 6-8; Ex. 1021, ¶4. Anticipating Patent Owner would thereafter re-file its action in another improper venue, that same day Petitioner filed its DJ action in the Northern District of Iowa (“Iowa Action”) (Ex. 1007), which was the *only* proper venue for Patent Owner’s infringement suit

against Petitioner and therefore the *only* proper venue for Petitioner's counterclaims of no infringement and invalidity. Ex. 1021, ¶4. Indeed, Patent Owner was sanctioned for maintaining its case in the WDTX. Ex. 1020. Unlike in *Avigilon*, Petitioner's DJ complaint was filed while the Waco Action was pending, the complaint expressly referenced the Waco Action, and the DJ claims were in response to that action. *See, e.g.*, Ex. 1017, ¶2. Patent Owner ultimately requested the Honorable Alan Albright move its case to Iowa. Ex. 1020 at 5; Ex. 1021, ¶5.

Contrary to Patent Owner's suggestions, at all times Petitioner maintained that the Iowa Action asserted counterclaims responsive to the Waco Action. The dispute about which case should be the lead case only arose after Petitioner amended its complaint in the Iowa Action, to include numerous affirmative claims against Patent Owner. Ex. 2006, ¶¶150-160, 169-174, 181-190. Indeed, Petitioner filed its amended complaint the same day the parties first met to discuss consolidation. Ex. 1021, ¶6. As Petitioner made clear to the court, its request to remain plaintiff was because it was the first to file in that court and it was asserting affirmative claims in the case:

College Products contends its case ... should be the controlling case, and it should remain Plaintiff. College Products' case in this District was the first properly filed case. ***College Products also has its own affirmative claims against Intirion, including unfair competition.***

Ex. 2008 (Joint Email to the N.D. Iowa court) at 2.

During a conference with the Court on consolidation, Petitioner again argued it should remain plaintiff because of its affirmative causes of action:

THE COURT: I guess why does it matter to you who's the plaintiff?

* * *

MR. LLAGOSTERA: *Because we think we have the affirmative cause of action here.* I mean, I understand that they brought a patent infringement claim. But in our view, this really is not something that they're interested or have been interested in really adjudicating (interrupted connection) a DJ action *in our other affirmative claims.* *And we are facing substantial harm in the industry because of the filing in Waco and having drug that out over a year. And so we believe that we should be a plaintiff and recover for all the harm that's been caused to our university relationships.*

Ex. 2009 at 10:4-20. Petitioner's counterclaims were not its basis for being plaintiff.

Thus, unlike in *Avigilon*, the facts and circumstances here show Petitioner's DJ claims are counterclaims that fall within the §315(a)(3) exception. Patent Owner cannot seriously argue otherwise, when it previously told the court in no uncertain terms that Petitioner's DJ claims are "properly characterized as ... counterclaims."

Ex. 2008 at 3. Patent Owner should be precluded from taking a counter position here.

II. *ZTE (USA) v. AGIS Software Dev.*

This case is irrelevant to application of the statutory bar. In *ZTE (USA)*, *ZTE (USA)* did not address the §315(a)(1) statutory bar in its Petition, nor did the Board consider whether *ZTE*'s DJ action qualified as a counterclaim under §315(a)(3). *ZTE (USA)*, Paper 9 at 2-6.

III. *Ruiz v. Macropoint*

In *Ruiz*, third party FourKites filed a DJ action of invalidity while Ruiz

(petitioner) and Macropoint (patent owner) were in the middle of a patent suit. Thereafter, Ruiz filed an IPR petition and named FourKites as a real party in interest. Ruiz asserted that FourKites' DJ action amounted to a counterclaim to Macropoint's claim. *Ruiz*, Paper 25 at 11. The Board found that FourKites' DJ action did not fit the ordinary definition of a counterclaim—"against an opposing party"—because FourKites was not a party to the lawsuit between Ruiz and Macropoint. *Id.* at 12. The situation in *Ruiz* is completely different than here. Petitioner filed its DJ action "against an opposing party," i.e., Patent Owner. When that action was filed, Patent Owner and Petitioner were in the middle of an existing patent suit, the Waco Action, albeit an improper venue. The DJ action was in response to that suit.

IV. *Click-to-Call Tech., LP v. Ingenio, Inc.*, 899 F.3d 1321 (Fed. Cir. 2018)

Finally, Patent Owner cites the Federal Circuit's decision in *Click-to-Call*. That case is inapposite. There, the issue was whether a voluntary dismissal of a claim avoids the 1-year statutory bar under §315(b). 899 F.3d 1321, 1328. That statute is not at issue here. Petitioner argues its DJ action is a counterclaim under §315(a)(3). The Federal Circuit did not address this statute, much less the meaning of "counterclaim" under this statute in *Click-to-Call*.

V. Conclusion

For the foregoing reasons, and the reasons in the Petition, the Board should institute IPR review and cancel the challenged claims of U.S. Patent No. 10,495,374.

Dated: October 20, 2023

Respectfully submitted,

BLANK ROME LLP

/Domingo M. LLagostera/

Domingo M. LLagostera

Reg. No. 70,684

Counsel for Petitioner

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing PETITIONER'S
REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE was served on
counsel of record on October 20, 2023, by electronic mail at the following address:

R. Scott Johnson
rsjohnson@fredlaw.com

Thomas M. Patton
tpatton@fredlaw.com

Cara S. Donels
cdonels@fredlaw.com

/Domingo M. LLagostera/

Domingo M. LLagostera
Reg. No. 70,684
Counsel for Petitioner