IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Shenzhen Waydoo Intelligence Technology Co., Ltd.
Petitioner,

v.

MHL Custom, Inc.
Patent Owner

Case IPR2024-00999
U.S. Patent No. 9,586,659

PATENT OWNER'S PRELIMINARY RESPONSE TO PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT NO. 9,586,659

TABLE OF CONTENTS

I. INTRODUCTION ……... 1

II. FACTUAL AND PROCEDURAL BACKGROUND …… 2

III. ARGUMENT …….. 4

A. Applicable Legal Principles ……... 4

B. The Board Should Deny the Petition as Time Barred …… 4

C. Petitioner's *Fintiv* Argument is Irrelevant …….. 5

IV. CONCLUSION ……... 6

TABLE OF AUTHORITIES

Cases

Apple Inc. v. Virnetx, Inc. & Sci. Application Int'l Corp., IPR2013-00348, Paper 18 at (P.T.A.B. Feb. 12, 2014) …… 5, 6

Proppant Express Invs. v. Oren Techs., IPR2018-00914, Paper 38, (Mar. 13, 2019) (precedential) …….. 4, 5

Statutes

35 U.S.C. § 313 ……. 1

35 U.S.C. §315(b) …….. passism

Other Authorities

37 C.F.R. § 42.107 ……. 1

EXHIBIT LIST

Exhibit No.	Description
2001	*MHL Custom, Inc. v Waydoo USA, Inc. and Shenzhen Waydoo Intelligence Technology Co., Ltd.*, No. 21-091-RGA-MPT, Final Pretrial Order, D.I. 212
2002	*MHL Custom, Inc. v Waydoo USA, Inc. and Shenzhen Waydoo Intelligence Technology Co., Ltd.*, No. 21-091-RGA-MPT, Trial Verdict, D.I. 222
2003	*MHL Custom, Inc. v Waydoo USA, Inc. and Shenzhen Waydoo Intelligence Technology Co., Ltd.*, Federal Circuit Case No. 24-1036, Motion to Dismiss Appeal, D.I. 27
2004	*MHL Custom, Inc. v Waydoo USA, Inc. and Shenzhen Waydoo Intelligence Technology Co., Ltd.*, No. 21-091-RGA-MPT, Memorandum and Opinion on Ongoing Royalties, D.I. 296
2005	U.S. Reexamination Control No. 90/015,269, Notice of Intent to Issue Ex Parte Reexamination Certificate
2006	*MHL Custom, Inc. v Waydoo USA, Inc. and Shenzhen Waydoo Intelligence Technology Co., Ltd.*, No. 21-091-RGA-MPT, Answer and Counterclaims, D.I. 13
2007	Waydoo Invalidity Contentions
2008	*MHL Custom, Inc. v Waydoo USA, Inc. and Shenzhen Waydoo Intelligence Technology Co., Ltd.*, No. 21-091-RGA-MPT, Complaint, D.I. 1
2009	*MHL Custom, Inc. v Waydoo USA, Inc. and Shenzhen Waydoo Intelligence Technology Co., Ltd.*, No. 21-091-RGA-MPT, Proof of Service, D.I. 6
2010	*MHL Custom, Inc. v Waydoo USA, Inc. and Shenzhen Waydoo Intelligence Technology Co., Ltd.*, Federal Circuit Case No. 24-2116, Notice of Docketing, D.I. 1.

I. INTRODUCTION

Pursuant to 35 U.S.C. § 313 and 37 C.F.R. § 42.107, Patent Owner, MHL Custom, Inc. ("Patent Owner") submits the following Preliminary Response to the Petition for *Inter Partes* Review of claims 1, 2, 4-5, 7-11, 13, and 15 of U.S. Patent No. 9,586,659 ("the '659 Patent") ("the Challenged Claims") filed by Petitioner, Foil Boarding Company, Inc. ("Petitioner").

The Petition is time barred under 35 U.S.C. § 315(b), as it was filed after the statutory bar date. Petitioner seeks to invalidate the '659 Patent on grounds it was fully aware of soon after it was first sued by Patent Owner in the U.S. District Court for the District of Delaware for infringement of the '659 Patent back in January of 2021. Although aware of the art being asserted, Petitioner inexplicably failed to challenge the patent through IPR proceedings until now – three and a half years later and two and a half years too late. Instead, Petitioner consciously chose to pursue its invalidity claims in infringement litigation with Patent Owner in federal court. Petitioner's invalidity claims were rejected following a jury trial. Petitioner now seeks to undermine 35 U.S.C. § 315(b) and the judicial process, as well as further harass Patent Owner, by filing this time barred Petition. The Board should deny institution of the Petition.

II. FACTUAL AND PROCEDURAL BACKGROUND

On January 27, 2021, Patent Owner sued Petitioner in the U.S. District Court for the District of Delaware, for infringement of two patents – the '659 Patent and U.S. Patent No. 9,359,044 ("the '044 Patent"). *See MHL Custom, Inc. v Waydoo USA, Inc. and Shenzhen Waydoo Intelligence Technology Co., Ltd.*, No. 21-091-RGA-MPT ("the District Court Litigation"). Petitioner was served two days later on January 29, 2021 with the complaint. EX2008; EX2009. In the District Court Litigation, Petitioner asserted a number of invalidity defenses (and counterclaims), including claims that the asserted patents were (1) invalid as anticipated by the Evolo Report; (2) invalid as obvious based on the Evolo Report alone (including the related Evolo videos) or the Evolo Report in combination with the *Namanny* patent; and (3) invalid as obvious based on the combination of the *Woolley* and *Namanny* patents. *See* EX2001.

On March 31, 2023, following a six (6) day trial, the jury rendered a verdict finding that Petitioner willfully infringed both the '044 Patent and the '659 Patent. *See* EX2002. The jury further found against Petitioner on all of its non-infringement and invalidity defenses and counterclaims, including its invalidity claims based on the Evolo Report as well as based on the *Woolley* and *Namanny* patents. *Id*. Specifically, the jury found that the Evolo Report was not publicly accessible prior

to October 10, 2013, that the Evolo Report was not enabled, and that the asserted claims of the '044 Patent and the '659 Patent were not obvious in light of the combination of the *Woolley* and *Namanny* patents. *Id*.

Petitioner filed an initial appeal to the U.S. Court of Appeals for the Federal Circuit on October 5, 2023. *See* Case No. 24-1036 ("the Federal Circuit Appeal"). Petitioner later realized that it had prematurely filed its notice of appeal so it moved to dismiss and remand to the district court for a final determination on the issue of whether Patent Owner was entitled to ongoing royalties. *See* EX2003. That issue has been resolved (*see* EX2004) and Petitioner has filed another appeal with the U.S. Court of Appeals for the Federal Circuit. *See* EX2010. This appeal is currently pending.

Petitioner filed its Petition (and Motion for Joinder[1]) on June 6, 2024 – nearly *three and a half years* after it was first served by Patent Owner and fifteen months after a jury rejected every single argument Petitioner made at trial.

III. ARGUMENT

[1] The Board has not yet issued an order on Petitioner's Motion for Joinder with IPR2024-00085.

A. Applicable Legal Principles

Section 315(b) of the America Invents Act, states that "[a]n 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 … is served with a complaint alleging infringement of the patent."

B. The Board Should Deny the Petition as Time Barred

Petitioner was served with a complaint alleging infringement of the '659 Patent over *three years ago* – on January 29, 2021. EX2008; EX2009. Therefore, according to 35 U.S.C. § 315(b), Petitioner should have petitioned for an *Inter Partes* Review of the '659 Patent prior to January 29, 2022 (or one-year after it was served the complaint alleging infringement). Instead, Petitioner filed its Petition on June 6, 2024, well after the statutory bar date and well after it lost on the merits of all of its invalidity defenses at trial. Therefore, Petitioner's request to institute *Inter Partes* review must be denied. As the Board has recognized, one of the primary purposes of the one-year time bar of § 315(b) is to ensure "quiet title to patent owners" and to prevent inter partes review from being 'used as [a] tool[] for harassment.'" *See Proppant Express Invs. v. Oren Techs.*, IPR2018-00914, Paper 38, p. 18 (March 13, 2019) (quoting H.R. Rep. No. 112-98, pt. 1, at 48 (June 1, 2011)). Allowing Petitioner to seek to invalidate the '659 Patent in district court, in the Federal Circuit,

and now through IPR proceedings, does not serve that purpose, and is precisely why the one-year time bar of § 315(b) prevents Petitioner from doing so.

C. Petitioner's *Fintiv* Argument is Irrelevant

Petitioner argues that "[t]here is no overlap between this proceeding and the issues that were tried in the Waydoo case because the jury in the Waydoo case only deliberated on validity of a small subset (*i.e.*, claims 1-2) of the Challenged Claims […]." Pet., 9. This is a red herring. Which specific claims were evaluated by the jury, as well as the prior art combinations, are *wholly irrelevant* to the Petition and it being time barred. As § 315(b) states, it is the date a petitioner is served with a complaint alleging infringement that is relevant. Petitioner was served with a complaint alleging infringement of the '659 Patent significantly more than a year prior to the filing date of the Petition.

In an analogous case, a petitioner was served with complaints alleging infringement of the patent-at-issue on two occasions – in 2010 and in 2012. *Apple Inc. v. Virnetx, Inc. & Sci. Application Int'l Corp.*, IPR2013-00348, Paper 18 at 2 (P.T.A.B. Feb. 12, 2014). A jury upheld the validity of the asserted claims in the 2010 litigation. *Id.* at 2-3. In 2013, the petitioner filed a petition for *inter partes* review of the patent-at-issue and argued that § 315(b) applied only to asserted claims. *Id.* at 7. The Board held that the petitioner was time barred based on the

2010 complaint, which was served more than a year prior to the filing date of the petition. *Id.* at 7-8 ("Congress did not limit the reach of the time bar in § 315(b) to asserted claims in a patent"). In its decision, the Board stated that "Congress did not intend to allow a defendant to lose a patent infringement suit in district court, and then file an IPR petition challenging the same patent after the one year time bar expires." *Id.* at 7. Allowing such "would thwart Congress's intent to ensure 'quiet title': Congress 'recognizes the importance of quiet title to patent owners to ensure continued investment resources.' Report on HR 1249, 48 (June 1, 2011)." *Id.*

Contrary to Petitioner's irrelevant arguments, it is time barred. Petitioner was served a complaint alleging infringement of the '659 Patent over two and a half years ago, well in excess of § 315(b) one-year bar.

IV. CONCLUSION

For the reasons discussed herein, institution of the Petition should be denied under 35 U.S.C. § 315(b) as being time barred.

Dated: September 20, 2024

Respectfully submitted,

/Megan E. Gibson/

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CERTIFICATE OF WORD COUNT

Pursuant to 37 C.F.R. § 42.24(d), Patent Owner hereby certifies that the present paper contains 1,305 words (as counted by the "Word Count" feature of Microsoft Word™). This word count excludes the table of contents, table of authorities, table of exhibits, certificate of word count, and certificate of service.

Dated: September 20, 2024

Respectfully submitted,

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), the undersigned certifies that on September 20, 2024, a copy of this Patent Owner's Preliminary Response and EX2008 to EX2010 was served on the Petitioner's counsel at the email addresses provided in the Petition for service.

Dated: September 20, 2024

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