

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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GOPRO, INC.,  
Petitioner,

v.

360HEROS, INC.,  
Patent Owner.

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Case IPR2018-01754  
Patent 9,152,019 B2

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Before ANDREI IANCU, *Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office*, ANDREW HIRSHFELD, *Commissioner for Patents*, and SCOTT R. BOALICK, *Chief Administrative Patent Judge*.

BOALICK, *Chief Administrative Patent Judge*.

DECISION

Granting Patent Owner's Request for Rehearing  
*37 C.F.R. § 42.71(d)*

Denying Institution of *Inter Partes* Review  
*35 U.S.C. § 315(b)*

## I. INTRODUCTION

GoPro, Inc. (“Petitioner” or “GoPro”) filed a Petition, requesting institution of an *inter partes* review of claims 1–6, 15, 16, 19, 22–25, 30, 34, and 37 of U.S. Patent No. 9,152,019 B2 (Ex. 1001, “the ’019 patent”). Paper 1 (“Pet.”). 360Heros, Inc. (“Patent Owner” or “360Heros”) filed a Preliminary Response. Paper 9 (“Prelim. Resp.”). The Board instituted trial on April 3, 2019. Paper 15 (“Institution Decision” or “Inst. Dec.”). In so doing, the Board rejected Patent Owner’s argument that Petitioner was time-barred from filing its Petition under 35 U.S.C. § 315(b). *Id.* at 6–11.

Patent Owner requested rehearing and Precedential Opinion Panel (“POP”) review of the Board’s decision. Paper 19; Ex. 3002. The POP ordered a review on rehearing to address the following issue (“the POP issue”):

Whether the service of a pleading asserting a claim alleging infringement, where the serving party lacks standing to sue or the pleading is otherwise deficient, triggers the 1 year time period for a petitioner to file a petition under 35 U.S.C. § 315(b).

Paper 23, 2 (citing Standard Operating Procedure 2 (“SOP 2”<sup>1</sup>), 2–3).

Petitioner and Patent Owner each filed a brief addressing the POP issue. Paper 26 (“PO Br.”); Paper 27 (“Pet. Br.”). Each party also filed a response. Paper 33 (“PO Resp.”); Paper 34 (“Pet. Resp.”). Several *amici curiae*—MindGeek USA Inc., SpencePC, Joshua J. Malone, and The Naples Roundtable—filed briefs addressing the POP issue. Paper 28 (“MindGeek Br.”); Paper 29 (“SpencePC Br.”); Paper 30 (“Malone Br.”); Paper 31

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<sup>1</sup> Available at <https://go.usa.gov/xPMqx>.

(“Naples Br.”). An oral hearing was held on June 25, 2019. A transcript of the hearing is included in the record. Paper 37 (“Tr.”).

## II. BACKGROUND

### A. *Relevant Facts*

The facts relevant to the issue at hand are undisputed. *See generally* PO Br.; Pet. Br. On April 13, 2016, GoPro filed a complaint against 360Heros in the Northern District of California, designated Case No. 3:16-cv-1944 (“the California case”). Inst. Dec. 7. The complaint alleged trademark infringement, unfair competition and copyright infringement, and it requested a declaratory judgment of non-infringement of the ’019 patent. On August 22, 2016, 360Heros filed an answer and a counterclaim alleging infringement of the ’019 patent. *Id.* The counterclaim was served on GoPro on the same day. *Id.* at 8. GoPro filed an answer to the counterclaim on September 15, 2016. *Id.* at 7.

On September 13, 2017, while the California case was pending, 360Heros filed a complaint against GoPro alleging infringement of the ’019 patent in the District of Delaware, designated Case No. 1:17-cv-1302 (“the Delaware case”). *Id.* The complaint in the Delaware case was served on GoPro on September 18, 2017. *Id.*

Turning back to the California case, on September 15, 2017, GoPro filed a motion for summary judgment alleging, among other things, that 360Heros lacked standing to sue on its counterclaim of infringement. *Id.* Specifically, GoPro alleged that Mike Kintner, the CEO of 360Heros and listed inventor of the ’019 patent, did not formally assign the ’019 patent to 360Heros until October 21, 2016, after 360Heros had filed its counterclaim.

*Id.*; *see also* Ex. 1031, 2 (describing Mr. Kintner as the “sole shareholder and officer” of 360Heros), 4 (describing assignment from Mr. Kintner to 360Heros). Thus, GoPro alleged, 360Heros did not own the ’019 patent at the time of filing the counterclaim and, therefore, lacked standing to sue.

On November 14, 2017, the District Court in the California case granted GoPro’s motion for summary judgment for lack of standing. *See* Ex. 1031, 13 (Order Granting Plaintiff’s Summary Judgment Motion on Standing). GoPro filed its Petition requesting an *inter partes* review of the ’019 patent on September 17, 2018, which was less than one year after GoPro was served with 360Heros’s complaint in the Delaware case, but more than one year after GoPro was served with 360Heros’s counterclaim in the California case.

B. *The Board’s Decision Instituting Review*

In its Preliminary Response, 360Heros argued that the Petition was untimely under § 315(b) because GoPro was served in the California case with a counterclaim alleging infringement of the ’019 patent on August 22, 2016, more than one year before the filing date of the Petition. Prelim. Resp. 18–25. In particular, 360Heros argued that the Federal Circuit’s decision in *Click-To-Call Techs., LP v. Ingenio, Inc.*, 899 F.3d 1321, 1330, 1336 (Fed. Cir. 2018) (en banc in part), controlled the outcome of this case. Prelim. Resp. 18–19. Although *Click-To-Call* “specifically addressed a complaint later voluntarily dismissed without prejudice,” 360Heros argued, “its holding that the plain and unambiguous language of Section 315(b) provides no exceptions for events occurring after the service of the complaint applies here, regardless of any other effect a dismissal might have.” *Id.* at 19.

In its Institution Decision, the Board held that the filing of the counterclaim in the California case did not trigger the § 315(b) time bar. Inst. Dec. 6–11. First, the Board held that the Federal Circuit’s decision in *Click-To-Call* did not apply in this case, because the relevant issue—“i.e., whether a complaint (or counterclaim) filed without standing triggers § 315(b)’s time bar—was ‘not present, or considered, in *Click-to-Call*.’” *Id.* at 8–9 (quoting *Hamilton Beach Brands, Inc. v. f’real Foods, LLC*, 908 F.3d 1328, 1337 (Fed. Cir. 2018)). Second, the Board found that 360Heros conceded that “there was no formal assignment agreement signed” at the time that it filed its counterclaim against GoPro in the California case. *Id.* at 9–10. And, noting that “[s]tanding . . . *must exist* at the time of the filing of a complaint and cannot be cured retroactively,” the Board “acknowledge[d] the California Court’s determination that 360Heros did not have standing to file a counterclaim for patent infringement against GoPro in August 2016.” *Id.* Third, the Board found that 360Heros “largely ignore[d] a line of PTAB cases in which ownership of the patent at issue at the time of the filing of a complaint (or counterclaim) for patent infringement was determined to be necessary to start the § 315(b) time bar clock running.” *Id.* at 10–11 (citing, e.g., *SlingTV, L.L.C. v. Realtime Adaptive Streaming LLC*, Case IPR2018-01331, slip op. at 5–7 (PTAB Jan. 31, 2019) (Paper 9)).

For these reasons, the Board held “that the counterclaim in the California [c]ase was not filed by patentee,” and concluded that “the § 315(b) time bar was not triggered by the filing of the counterclaim in the California [c]ase.” *Id.* at 11.

### III. ANALYSIS

For the reasons discussed below, we conclude that service of a pleading asserting a claim alleging infringement triggers the one-year time period for a petitioner to file a petition under 35 U.S.C. § 315(b), even where the serving party lacks standing to sue or where the pleading is otherwise deficient.<sup>2</sup> Because the Petition in this case was filed more than one year after Petitioner was served with a pleading<sup>3</sup> alleging infringement in the California case, the Petition is time-barred under § 315(b). Accordingly, Patent Owner’s Request for Rehearing is granted, and the Petition requesting an *inter partes* review of the ’019 patent is denied.

A. *The Petition in This Case Is Time-Barred Under 35 U.S.C. § 315(b)*

Section 315(b) provides:

(b) Patent Owner’s Action.—An *inter partes* review may not be instituted if the petition requesting the proceeding is filed more

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<sup>2</sup> Petitioner suggests that we should not consider “the question of the impact of additional deficiencies” as presented in the POP issue because that question is “not ripe.” Pet. Br. 1 n.1. The ripeness doctrine, however, does not apply to agency actions. *See, e.g., AVX Corp. v. Presidio Components, Inc.*, 923 F.3d 1357, 1361 (Fed. Cir. 2019) (noting that “Article III requirements do not apply to administrative agencies”); *Nat’l Park Hosp. Ass’n v. Dep’t of Interior*, 538 U.S. 803, 807 (2003) (stating that ripeness is a justiciability doctrine designed to prevent courts from exercising jurisdiction).

<sup>3</sup> As noted, 360Heros’s pleading alleging infringement of the patent was in the form of a counterclaim. At the oral hearing, Petitioner conceded that a “counterclaim” is a “complaint” under § 315(b). *See* Tr. 23:20–24:4 (“We believe that the statute—the word ‘complaint’ needs to be interpreted to include counterclaim.”). We use the terms “counterclaim” and “complaint” interchangeably throughout this Decision in reference to a pleading asserting a claim alleging infringement.

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).

35 U.S.C. § 315(b) (bolding omitted).

GoPro argues that the operative language at issue here—i.e., “served with a complaint alleging infringement”—is ambiguous as to whether the complaint must be a “proper federal pleading.” Pet. Br. 11–14; *see also* MindGeek Br. 6–10 (agreeing with GoPro’s arguments regarding § 315(b)). Thus, GoPro argues, we may look to § 315(b)’s title, “Patent Owner’s Action,” and to its legislative history, both of which confirm that the § 315(b) time bar only applies when a party *with* standing files the complaint. Pet. Br. 11–14. Relying on *Hamilton Beach*, GoPro also argues that *Click-To-Call* did not address standing, and thus, has no effect on the outcome of this case. Pet. Br. 3–4. GoPro argues that, because standing is a fundamental requirement that must be satisfied at the time of filing, a complaint filed by a party without standing is a “nullity” that cannot trigger the time bar of § 315(b). Pet. Br. 4–11. Finally, GoPro argues that 360Heros’s reading of § 315(b) could result in “potential misuse of the time bar by third parties” “without any rights to enforce the patent.” *Id.* at 14–15; *see also* MindGeek Br. 10 (arguing that an expansive reading of § 315(b) “would permit a patent owner to shield itself from IPR review if another entity files and serves a complaint alleging infringement, even if meritless”).

360Heros and several *amici* argue that the Federal Circuit’s reasoning in *Click-To-Call* controls the outcome in this case. PO Br. 1–6; *see also* Naples Br. 2–4; Malone Br. 4; SpencePC Br. 6–7. Specifically, 360Heros

argues that, in *Click-To-Call*, the court held that the language of § 315(b) is plain and unambiguous, and therefore, it is improper to look to the title and legislative history as interpretation tools. PO Br. 5–6, 8–12; *see also* Naples Br. 4–5 (agreeing with 360Heros); SpencePC Br. 6–7 (same). 360Heros also argues that dismissal for lack of standing is a type of “subsequent act or ruling” that the *Click-To-Call* court called “irrelevant” to the application of § 315(b)’s time bar. PO Br. 2. 360Heros argues that any concerns about gamesmanship are policy matters for Congress to decide. *Id.* at 4. One *amicus* adds that enforcing the time bar regardless of standing is good policy, because a bright-line rule provides clarity and predictability as to when the one-year time clock will begin based on formal service. Naples Br. 5–6, 9–10. Another *amicus* adds that standing disputes involve complex factual and legal issues that are best left to the courts. Malone Br. 1–5.

1. “*Served with a complaint alleging infringement*” in § 315(b) is plain and unambiguous

At the outset, we disagree with the argument that “served with a complaint alleging infringement” is ambiguous. *See* Pet. Br. 11–14 (arguing that § 315(b) is open to competing interpretations); *see also* MindGeek Br. 6–9 (arguing that § 315(b) is not “unambiguous” for all issues). In *Click-To-Call*, the Federal Circuit addressed the question of “whether the Board erred in interpreting the phrase ‘served with a complaint alleging infringement of [a] patent’ recited in § 315(b).” 899 F.3d at 1328 (quoting § 315(b)). After employing traditional tools of statutory construction, the court held that the language of § 315(b) is “plain and unambiguous.” *Id.* at 1329–32. Although the Federal Circuit in *Click-to-Call* did not specifically address the narrow statutory interpretation question presented in this case—



namely, whether “complaint” in § 315(b) includes a complaint filed by a party otherwise lacking standing—we conclude that the statutory construction analysis and holding in *Click-to-Call* regarding § 315(b) are persuasive and applicable here.

The court started with the words of the statute itself. *Id.* at 1330. The court observed that the plain language of “served with a complaint” “does not contain any exceptions or exemptions,” “[n]or does it contain any indication that the application of § 315(b) is subject to any subsequent act or ruling.” *Id.* Next, the court looked to the ordinary and common meanings of “served” and “complaint,” and found that those meanings “confirm that the plain meaning of the phrase ‘served with a complaint’ is ‘presented with a complaint’ or ‘delivered a complaint’ in a manner prescribed by law.” *Id.* at 1330.

The court then turned to the legislative history of § 315(b) and found that it “further supports the understanding that its time bar concerns only the date on which the complaint was formally served.” *Id.* at 1331–32. In particular, the court reasoned that “Congress chose the date of service, as opposed to some other event, as the trigger for § 315(b)’s time bar because service of a complaint is the seminal notice-conferring event in a district court action.” *Id.* at 1332. The court concluded that “the text of § 315(b) clearly and unmistakably considers only the date on which the petitioner, its privy, or a real party in interest was properly served with a complaint.” *Id.*

We agree with, and follow, the Federal Circuit’s decision that “served with a complaint alleging infringement” in § 315(b) is plain and unambiguous, and means “presented with a complaint or delivered a complaint in a manner prescribed by law.” *Id.* at 1330. And, given this

clear articulation of “served with a complaint,” we see no gap in the statute’s language to fill or ambiguity to resolve. *See SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1355 (2018). Thus, we determine that, if service of a pleading asserting infringement occurred “in a manner prescribed by law,” then the one-year time period for a petitioner to file a petition under § 315(b) is triggered on the date of service. The one-year time period is triggered regardless of whether the serving party lacked standing to sue or the pleading was otherwise deficient.

Given that the statute is plain and unambiguous, we may not look to the title or legislative history of § 315(b) to change the plain meaning of that statute, contrary to Petitioner’s arguments. *See Brotherhood of R.R. Trainmen v. Baltimore & Ohio R. Co.*, 331 U.S. 519, 528–29 (1947) (“[T]he title of a statute and the heading of a section cannot limit the plain meaning of the text. For interpretative purposes, they are of use only when they shed light on some ambiguous word or phrase[,] . . . [b]ut they cannot undo or limit that which the text makes plain.” (citations omitted)); *see also Food Mktg. Inst. v. Argus Leader Media*, 139 S. Ct. 2356, 2364 (2019) (“Even those of us who sometimes consult legislative history will never allow it to be used to muddy the meaning of clear statutory language.” (quotation omitted)).

For example, Petitioner argues that § 315(b)’s title—“Patent Owner’s Action”—“suggest[s] that only service of a *patent owner’s* complaint triggers the one-year bar.” Pet. Br. 12 (quotation omitted). But “statutory titles and section headings are tools available for the resolution of a *doubt* about the meaning of a statute.” *Fla. Dep’t of Revenue v. Piccadilly Cafeterias, Inc.*, 554 U.S. 33, 47 (2008) (quotation omitted) (emphasis

added). And here, as discussed above, the Federal Circuit found no doubt in the meaning of “served with a complaint.” *See Click-To-Call*, 899 F.3d at 1332. Moreover, the subchapter heading standing alone “cannot substitute for the operative text of the statute” itself. *Fla. Dep’t of Revenue*, 544 U.S. at 47; *see also Pa. Dep’t of Corrs. v. Yeskey*, 524 U.S. 206, 212 (1998) (“[T]he title of a statute . . . cannot limit the plain meaning of the text.”); *Trainmen*, 331 U.S. at 528–29.

Petitioner also argues that § 315(b)’s legislative history shows that Congress only intended for the one-year clock to begin after service by “those with lawful rights to enforce patents.” Pet. Br. 13 (citing 157 Cong. Rec. S5429 (daily ed. Sept. 8, 2011) (statement of Sen. Kyl)). But it is well settled that we “do not resort to legislative history to cloud a statutory text that is clear.” *Ratzlaf v. United States*, 510 U.S. 135, 147–48 (1994); *see also Food Mktg. Inst.*, 139 S. Ct. at 2364; *BedRoc Ltd., LLC v. United States*, 541 U.S. 176, 183 (2004) (explaining that “there is no occasion to resort to legislative history” where the statutory text is clear); *United States v. Fisher*, 6 U.S. (2 Cranch) 358, 399 (1805) (“Where a law is plain and unambiguous, whether it be expressed in general or limited terms, the legislature should be intended to mean what they have plainly expressed, and consequently no room is left for construction.”). Thus, this argument is also unpersuasive.

*Amicus* MindGeek argues that the legislative history is fair game because “*Click-To-Call* analyzed both the text *and* legislative history to support its narrow holding.” MindGeek Br. 10 (citing *Click-To-Call*, 899 F.3d at 1330–1332). We disagree. *Click-To-Call* unequivocally held that the text of section 315(b) was “plain and unambiguous.” 899 F.3d at 1330

(“Plain and unambiguous language”); *id.* at 1332 (ending *Chevron* inquiry at step one based on lack of any ambiguity). *Click-To-Call*’s discussion of the legislative history merely demonstrated that the legislative history was consistent with the plain and unambiguous text of the statute. *Id.* at 1331-32.

Because we agree with the Federal Circuit’s determination that the statute itself is plain and unambiguous, we do not look to the legislative history for guidance on interpreting § 315(b). Even if we agreed with *MindGeek* that we should consider the legislative history, that history cannot alter the plain meaning of § 315(b), as we explain above.

2. *Petitioner’s construction would require grafting terms into the plain language of § 315(b)*

We also reject Petitioner’s argument that only a “proper” complaint—for example, a complaint filed by a party with standing—counts for § 315(b)’s time bar. *See, e.g.*, Pet. Br. 13 (arguing that the “one-year time bar concerns a *proper complaint* by the patent owner” (emphasis added)). In our view, limiting the application of § 315(b)’s time bar in this manner would require us to impose additional conditions onto the statute—something the Federal Circuit has already cautioned us against in *Click-To-Call*.

In *Click-To-Call*, the Federal Circuit stated that “adopting the Board’s preferred construction of the phrase ‘served with a complaint’ in § 315(b) would impose additional conditions not present in the statute’s text.” 899 F.3d at 1331 (quotation omitted). Specifically, the court found that the Board’s construction in that case would have read into the statute “unless the action in which the complaint was served was later dismissed without

prejudice.” *Id.* As the court explained, “Congress could have chosen to include a variation of the phrase” in § 315(b), “but it did not do so.” *Id.*

Similarly here, Petitioner’s construction of § 315(b) would require us to graft such language as “by the patent owner” or “proper” (or variations thereof) into the text of § 315(b). *See, e.g.*, Pet. Br. 4 (arguing that “there was no proper ‘complaint’” in this case because “360Heros held no enforceable rights in the ’019 [p]atent at the time of the 2016 counterclaim”); Pet. Resp. 5 (arguing that “a non-patent owner’s pleading without standing *at the time of filing* is not a ‘complaint’ under [§] 315(b)”).

As to a requirement that the complaint be served “by the patent owner,” the words “Patent Owner” appear in the title of § 315(b), but not in its text. Because Congress chose not to include “Patent Owner” (or similar language) in the text, we will not read it into the statute. *See, e.g., Bilski v. Kappos*, 561 U.S. 593, 602 (2010) (“This Court has more than once cautioned that courts should not read into the patent laws limitations and conditions which the legislature has not expressed.” (quotation omitted)).

As to whether the complaint must be “proper,” we find the Federal Circuit’s statements about the scope of § 315(b) instructive. Specifically, in *Click-To-Call*, the court explained that § 315(b) “does not contain any exceptions or exemptions for complaints served in civil actions that are subsequently dismissed, with or without prejudice.” 899 F.3d at 1330. And, in *Bennett Regulator Guards, Inc. v. Atlanta Gas Light Co.*, 905 F.3d 1311, 1315 (Fed. Cir. 2018), the court explained that § 315(b) “includes no exception for an involuntarily dismissed complaint.” We see no reason to distinguish a complaint dismissed for lack of standing, as the one at issue here, from the complaint in *Bennett*, which was dismissed for lack of

personal jurisdiction. *See Bennett Regulator Guards, Inc. v. MRC Glob. Inc.*, 2013 WL 3365193, at \*1 (N.D. Ohio July 3, 2013).

Indeed, a dismissal does not negate the fact that service was made or that the service conferred notice of the district court action. For example, the Board has determined that a complaint dismissed without prejudice for lack of personal jurisdiction triggered § 315(b)'s time bar. *Infiltrator Water Techs., LLC v. Presby Patent Trust*, Case IPR2018-00224, slip op. at 7 (PTAB Oct. 1, 2018) (Paper 18). On the other hand, as the Board has recognized, a complaint *improperly served* does not trigger the § 315(b) time bar. *See IpDatatel, LLC v. ICN Acquisition, LLC*, Case IPR2018-01823, slip op. at 10–18 (PTAB Apr. 17, 2019) (Paper 17) (interpreting “served” in § 315(b) to require compliance with Rule 4 of the Federal Rules of Civil Procedure (“FRCP”)). Nor does delivery of a *proposed* amended complaint amount to “service with a complaint” that triggers the time bar. *See Amneal Pharms., LLC v. Endo Pharms. Inc.*, Case IPR2014-00360, slip op. at 4–10 (PTAB June 27, 2014) (Paper 15) (informative); *Aristocrat Techs., Inc. v. High 5 Games, LLC*, Case IPR2018-00529, slip op. at 6–11 (PTAB July 29, 2019) (Paper 26).

At bottom, *Click-To-Call* is unequivocal that “the text of § 315(b) *clearly and unmistakably* considers *only the date* on which the petitioner, its privy, or a real party in interest was properly served with a complaint.” 899 F.3d at 1332 (emphases added). *Click-To-Call* is also unequivocal that, where a statute is unambiguous, it is improper to “impose additional conditions not present in the statute’s text.” *Id.* at 1331 (quotation omitted). “Where a statute’s language carries a plain meaning, the duty of an administrative agency is to follow its commands as written . . . .” *SAS Inst.*,

138 S. Ct. at 1355. Thus, we consider only the date on which a complaint was *served* in accordance with the law, without the added condition of whether that complaint was a *proper* complaint—e.g., filed by a party with standing and not otherwise containing a defect. And here, there is no dispute that Petitioner was served with a counterclaim in the California case more than one year before it filed its Petition. Moreover, as *Click-To-Call* explains, “§ 315(b)’s time bar is implicated once a party receives notice” of the civil action. 899 F.3d at 1330. For purposes of conferring notice, it does not matter whether the complaint was proper.

3. *Petitioner’s reliance on Hamilton Beach is not persuasive*

Relying on *Hamilton Beach*, Petitioner argues that the court’s holding in *Click-To-Call* is inapposite because *Click-To-Call* does not address a complaint served by a party without standing. *See* Pet. Br. 3–4; *see also* MindGeek Br. 2–3, 7–8 (same). And *amicus* MindGeek, for example, points to the Federal Circuit’s decision in *Hamilton Beach* as evidence that *Click-To-Call* “did not decide all issues involving § 315(b), including the present issue before the POP.” MindGeek Br. 7.

The Federal Circuit’s decision in *Hamilton Beach* arose from an appeal from a final decision in an *inter partes* review upholding the patentability of a challenged claim. 908 F.3d at 1330. In that case, the patent owner had filed suit against the petitioner for patent infringement more than a year before petitioner brought its petition. But that suit was voluntarily dismissed after the patent owner discovered that it lacked standing when the complaint was filed. *Id.* at 1336–37. The Board rejected the patent owner’s argument that the petition was time barred under § 315(b) for essentially the same reasons that Petitioner advances here: that the patent

owner lacked standing to sue because the complaint “was not a proper federal pleading,” and, thus, did not trigger the one-year time bar under § 315(b). *Id.* at 1337.

On appeal to the Federal Circuit, the patent owner in *Hamilton Beach* argued that, in light of *Click-To-Call*, the Board erred in instituting trial because the § 315(b) time bar applied. *Id.* at 1337. While acknowledging that voluntary dismissal alone was not enough to avoid application of § 315(b), the court noted that the fact that patent owner lacked standing to file its complaint “involves a circumstance not present, or considered, in *Click-To-Call.*” *Id.* Nevertheless, the court declined to resolve the § 315(b) dispute, because the patent owner had failed to cross-appeal that issue. *Id.*

We agree with Petitioner that *Click-To-Call* does not address the precise question at issue here: whether a complaint filed by a party lacking standing triggers the one-year time bar of § 315(b). We further acknowledge that *Hamilton Beach* at least suggests that the question remains an open one. But our decision in this proceeding is a straightforward application of *Click-To-Call* and *Bennett*, and *Hamilton Beach* is inapposite.

B. *That Article III Standing is Determined as of the Moment of Filing Does Not Lead to a Different Conclusion*

Petitioner argues that, because Article III standing is a fundamental, jurisdictional requirement that must be satisfied at the moment a complaint is filed, a complaint filed by a party without standing is a legal “nullity” that cannot trigger § 315(b)’s time bar. Pet. Br. 4–11. In particular, Petitioner argues that “long standing federal law” treats such pleadings as if they had never been filed. Pet. Resp. 1. Petitioner argues that “[t]he same should



apply here,” because, “[i]n the eyes of the law, nothing happened in 2016” that could have triggered § 315(b)’s time bar. *Id.*

1. *Article III standing*

“Standing is a constitutional requirement pursuant to Article III and it is a threshold jurisdictional issue.” *Abraxis Bioscience, Inc. v. Navinta LLC*, 625 F.3d 1359, 1363 (Fed. Cir. 2010) (citing *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560-61 (1992)). Article III standing, as Petitioner correctly argues, must exist as of the time a complaint is filed. *See Friends of the Earth, Inc. v. Laidlaw Envtl. Servs. (TOC), Inc.*, 528 U.S. 167, 189 (2000) (describing standing as “[t]he requisite personal interest that must exist at the commencement of the litigation”). “Thus, ‘if the original plaintiff lacked Article III initial standing, the suit must be dismissed, and the jurisdictional defect cannot be cured’ after the inception of the lawsuit.” *Abraxis*, 625 F.3d at 1364 (quoting *Schreiber Foods, Inc. v. Beatrice Cheese, Inc.*, 402 F.3d 1198, 1203 (Fed. Cir. 2005)). Moreover, Article III standing “must be extant at all stages of review, not merely at the time the complaint is filed.” *Arizonans for Official English v. Arizona*, 520 U.S. 43, 67 (1997) (quotation omitted).

2. *Petitioner fails to show persuasively that a complaint filed by a party without Article III standing is a legal “nullity” for the purpose of § 315(b)’s time bar*

To begin, we observe that accepting Petitioner’s argument—that a complaint served by a party without standing at the time of filing is a legal nullity—would require us to read some ambiguity into the term “complaint” such that the absence of a *proper* complaint creates a nullity that would be treated as if the complaint never existed. Pet. Br. 4–11; Pet. Resp. 1. For

the reasons discussed above, this we decline to do. In any event, Petitioner does not persuade us that “long standing federal law” treats these types of complaints as if they never existed. *Id.*; Pet. Resp. 1. The Federal Circuit explained in *Click-To-Call* that a “background legal principle”—such as that alleged by Petitioner here—“must both be firmly established and unequivocal before it can justify ignoring the plain text of the statute.” 899 F.3d at 1335. Petitioner fails in showing both.

Petitioner cites to *Steel Co. v. Citizens for a Better Environment*, 523 U.S. 83 (1998), for the proposition that “[w]hen a plaintiff fails to establish standing in a complaint, the lawsuit never should have existed, and ‘the complaint [must] be dismissed.’” Pet. Br. 5 (quoting *Steel Co.*, 523 U.S. at 94). But *Steel Co.* speaks to the requirement of the *courts* to ensure their own jurisdiction under Article III “[o]n every writ of error or appeal” as “the first and fundamental question.” 523 U.S. at 94 (quotation omitted). *Steel Co.* does not, as Petitioner implies, suggest that once jurisdiction ceases to exist, the complaint itself never existed. Instead, *Steel Co.* rejects the practice of “hypothetical jurisdiction,” under which a court assumes it has jurisdiction over a claim and then proceeds to adjudicate the claim on the merits. *Id.* at 94–95. Even if Petitioner is correct that a court cannot decide the merits of a case once the court determines that it lacks jurisdiction (*see, e.g.*, Pet. Resp. 6), we are not persuaded that the holding in *Steel Co.* requires us to treat the complaint as if it never existed for the purpose of § 315(b).

Petitioner also directs us to *Cortlandt St. Recovery Corp. v. Hellas Telecommunications, S.a.r.l.*, 790 F.3d 411 (2d Cir. 2015), which states that “in the ‘absence of a plaintiff with standing, this lawsuit was a nullity.’” Pet.

Br. 9 (quoting *Cortlandt*, 790 F.3d at 423). In *Cortlandt*, the Second Circuit addressed the issue of whether a district court abused its discretion by refusing to let the plaintiff “cure” its lack of Article III standing by joining another party under FRCP Rule 17(a)(3).<sup>4</sup> The district court had determined that the plaintiff lacked Article III standing because the plaintiff held less than the entire interest on subordinated notes, and, after refusing the plaintiff’s request to join the owner of the notes as a real party in interest under Rule 17(a)(3), dismissed the case without prejudice. *Cortlandt*, 790 F.3d at 420–21. The Second Circuit affirmed, holding that, because plaintiff lacked Article III standing, “there was no valid lawsuit pending before the district court in which to permit an amended complaint.” *Id.* at 422.

As it did with *Steel Co.*, Petitioner relies on *Cortlandt* for the proposition that a lawsuit filed without standing is a “nullity” for all purposes. Pet. Br. 9. But Petitioner’s brief does not provide the entire statement from the court: “In other words, in the absence of a plaintiff with standing, this lawsuit was a nullity, *and there was therefore no lawsuit pending for the real party in interest to ‘ratify, join, or be substituted into’ under Rule 17(a)(3) or otherwise.*” Compare Pet. Br. 9 (placing a period mark after “nullity”), with *Cortlandt*, 790 F.3d at 423 (showing the full sentence above (emphasis added to omitted language)).

After considering the court’s entire statement in context, the Second Circuit’s decision cabins the “nullity” effect to a plaintiff’s later ability to

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<sup>4</sup> Rule 17(a) requires that a plaintiff is a real party in interest, but Rule 17(a)(3) prohibits a court from dismissing an action “until, after an objection, a reasonable time has been allowed for the real party in interests to ratify, join, or be substituted into the action.” Fed. R. Civ. P. 17(a)(3).

*add* a party under Rule 17(a)(3) to remedy the standing deficiency.

*Cortlandt*, 790 F.3d at 423. Thus, *Cortlandt* does not stand for a general legal principle that a lawsuit filed without Article III standing is necessarily a “nullity” for all purposes.

The Federal Circuit explained in *Click-To-Call* that reliance on authorities “concern[ing] fundamentally different contexts”—as Petitioner has done here—are generally unhelpful for determining the application of an administrative time bar under § 315(b). 899 F.3d at 1333. Indeed, we see little distinction between Petitioner’s argument that service of a complaint by a party without standing renders the complaint a legal nullity, and the argument—rejected in *Click-To-Call*—that service of a complaint can be nullified by a subsequent dismissal without prejudice. *Id.* at 1336.<sup>5</sup>

And, as the Federal Circuit further explained in *Click-To-Call*, a general legal principle that lawsuits may be a “nullity” under federal law *for all purposes* “is anything but unequivocal.” *Id.* at 1335 (stating that “for many other purposes, the dismissed action continues to have legal effect”). For example, dismissed lawsuits may still give rise to Rule 11 sanctions, as

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<sup>5</sup> Petitioner also cites to *Harmon v. Sadjadi*, 273 Va. 184, 195 (Va. 2007), for its statement that “when a party without standing brings a legal action, the action so instituted is, in effect, a legal nullity.” Pet. Br. 9. *Harmon*, however, is a decision from the Virginia Supreme Court relating to the application of a statute of limitations for redress of a personal injury under Virginia code. 273 Va. at 186–87. Because this case involves a “fundamentally different context[.]”—as the Federal Circuit used that phrase in *Click-To-Call*—it can “shed no light on whether service of a complaint can be nullified” in the context of this case. 899 F.3d at 1333. Thus, we are not persuaded by Petitioner’s argument that *Harmon* stands for “a well-settled premise of federal law.”

Petitioner admits. *See* Pet. Resp. 3 (citing *Clark v. The Walt Disney Co.*, 748 F. Supp. 2d 792, 802 (S.D. Ohio 2010) (sanctioning plaintiff for failing to join all necessary parties)); *see also Click-To-Call*, 899 F.3d at 1335 (citing Wright & Miller, Federal Prac. & Proc. Civ. §§ 1336, 2367). As another example, “the filing of a patent infringement complaint, even if later voluntarily dismissed, can play a role in proving the defendant’s knowledge of the patent if charged with willful infringement.” *Click-To-Call*, 899 F.3d at 1335 (citing *TransWeb, LLC v. 3M Innovative Props. Co.*, 812 F.3d 1295, 1300 (Fed. Cir. 2016)).

For these reasons, we reject Petitioner’s argument that a complaint filed by a party without standing is treated as a nullity for all purposes, including for the purpose of applying § 315(b)’s time bar. We follow the Federal Circuit’s reasoning that a party “served with a complaint” “remains served with the complaint,” regardless of whether the serving party lacked standing to sue or the pleading was otherwise deficient. *See Click-To-Call*, 899 F.3d at 1336 (internal quotation marks omitted). And, “[t]his remains true even if that action becomes a ‘nullity’ for other purposes and even if such service becomes legally irrelevant in a subsequent court action.” *Id.*

### 3. *Petitioner’s notice concerns are not persuasive*

Petitioner argues that the notice function of § 315(b) is not fulfilled if the party filing the complaint lacks standing. *See* Pet. Br. 15. Petitioner’s argument is unpersuasive. GoPro misidentified the patent owner in its initial declaratory judgment complaint.<sup>6</sup> There is no dispute that, in response to

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<sup>6</sup> The fact that GoPro filed a claim in its initial complaint seeking a declaratory judgment that it did not infringe the ’019 patent casts doubt on

GoPro’s declaratory judgment claim of non-infringement, 360Heros understood that it was obligated to file, and did file, its compulsory counterclaim of patent infringement. *See, e.g., Polymer Indus. Prod. Co. v. Bridgestone/Firestone, Inc.*, 347 F.3d 935, 938 (Fed. Cir. 2003) (stating that FRCP 13(a) “makes an infringement counterclaim to a declaratory judgment action for non[-]infringement compulsory”). And, once served, GoPro understood that it was obligated to answer, and did answer, that counterclaim under FRCP 12(a)(1)(B).

As the Federal Circuit explained in *Click-To-Call*, Black’s Law Dictionary defines “complaint” as “[t]he initial pleading that starts a civil action and states the basis for the plaintiff’s claim, and the demand for relief.” 899 F.3d at 1330 (quoting BLACK’S LAW DICTIONARY 1491 (9th ed. 2009)). The Board has further stated that, for the purpose of § 315(b), “a counterclaim alleging infringement of a patent is ‘a complaint alleging infringement of the patent’ within the meaning of” that statute. *St. Jude Med., Cardiology Div., Inc. v. Volcano Corp.*, Case IPR2013-00258, slip op. at 7 (PTAB Oct. 16, 2013) (Paper 29) (quoting § 315(b)).

Under these circumstances, therefore, Petitioner clearly “receive[d] notice through official delivery of a complaint in a civil action,” notwithstanding that GoPro had sued the wrong party and 360Heros lacked Article III standing to serve the counterclaim. *See Click-To-Call*, 899 F.3d at 1330. Thus, we have no reason—particularly in this case—to undermine

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any argument that it lacked notice about potential disputes involving that patent.

the plain and unambiguous meaning of “served with a complaint” in § 315(b) in response to Petitioner’s notice concerns.<sup>7</sup>

C. *Relying on the Date of Service Promotes the Efficient Administration of Inter Partes Reviews*

Finally, we note that our reading of § 315(b) promotes the efficient and cost-effective administration of *inter partes* reviews. *Click-To-Call* makes clear that § 315(b)’s “time bar concerns only the date on which the complaint was formally served.” 899 F.3d at 1331. That date of service is a “real world fact” that—as *amicus* Naples points out and we agree—is easily obtainable from “publicly available information (i.e., a summons, a waiver of service of summons, or a counterclaim).” Naples Br. 5–6. Moreover, we note that standing challenges often arise well into the course of the average patent-infringement litigation, such as after the closing of fact discovery. *Id.* at 7–8. In our view, tying *inter partes* review proceedings to standing outcomes would hinder the Office’s ability to come to a just, speedy, and inexpensive resolution as to the patentability of any claim. To be clear, we do not rely on efficiency concerns to construe § 315(b), but in our judgment this reading results in an administrable, clear rule.

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<sup>7</sup> We have not encountered a circumstance in which a party serves a complaint in bad faith, e.g., with knowledge that it lacks standing to pursue its claims of patent infringement or the intent to frustrate a petitioner’s ability to file an IPR. If we were to encounter such a bad-faith filing in the future, then we may revisit the question of the availability of an equitable tolling of the application of the time bar. That is not the case here, and we have no occasion to address the issue at this time.

#### IV. CONCLUSION

The service of a pleading asserting a claim alleging infringement, including where the serving party lacks standing to sue or the pleading is otherwise deficient, triggers the one-year time period for a petitioner to file a petition under 35 U.S.C. § 315(b). Therefore, because the Petition in this case was filed more than one year after Petitioner was properly served with a complaint, the Petition is time barred under § 315(b).

#### V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Patent Owner's Request for Rehearing is *granted* to address the POP issue; and

FURTHER ORDERED that the Petition is *denied*, and no trial is instituted.



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Patent 9,152,019 B2

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