

Misc. No. 2013-____

**United States Court of Appeals
for the Federal Circuit**

In Re MCM Portfolio LLC,

Petitioner

On Petition for a Writ of Mandamus to the
United States Patent and Trademark Office
in Inter Partes Review Case No. IPR2013-00217
Patent No. 7,162,549
Teresa Stanek Rae, Director

PETITION FOR WRIT OF MANDAMUS

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Certificate of Interest

1. The full name of every party represented by me is MCM Portfolio LLC and Technology Properties Limited LLC.

2. There are no other real parties in interest represented by me.

3. MCM Portfolio LLC and Technology Properties Limited LLC have a common parent, Daniel E Leckrone. MCM Portfolio LLC holds the title to US Patent No 7,162,549. Technology Properties Limited LLC has an exclusive license.

4. The names of all the firms or lawyers that appeared for MCM portfolio LLC or Technology Properties Limited LLC in the *Inter Partes* Review and who are expected to appear in this case are Edward P Heller III and F Eric Saunders.

He

October 21, 2013

/s/ Edward P Heller III

Date

Edward P Heller III

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TABLE OF ABBREVIATIONS AND GLOSSARY

Parties

MCM	MCM Portfolio LLC
HP	Hewlett-Packard Company

Defined Terms

A_____	Appendix page(s).
MCM	Collectively, MCM Portfolio LLC, Technology Properties Limited LLC and Alliacense Limited LLC
Board	Patent Trials and Appeals Board
IPR	Inter Partes Review
DPFs	Digital Picture Frames
Texas Action	<i>Technology Properties Limited LLC v. Pandigital, Inc.</i> , No. 2:11-cv-00372-TJW (E.D. Tex. 2011)
ITC Action	<i>Certain Digital Photo Frames and Image Display Devices and Components Thereof</i> , Investigation, No. 337-TA-807, instituted on Sept. 27, 2011.
'549 patent	Patent number 7,162,549

THE STATUTE SUBJECT TO CONSTRUCTION

35 U.S.C. 315 Relation to other proceedings or actions.

...

(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).

INTRODUCTION

The Patent Trial and Appeal Board (“Board”) is systematically misinterpreting interpreting *Taylor v. Sturgell*, 553 US, 890, 128 S. Ct. 2161 (2008) in its construction of 35 USC §315(b) privity. We ask for a mandamus to instruct the Board on its proper construction and to vacate the instant IPR ordered in violation of §315(b). *Taylor* lists six discrete grounds where a nonparty will be bound (res judicata) with a prior judgment or order. The Court, at footnotes 6 and 8, observes that while the substantive legal relationships identified in its second grounds are collectively known as “privity,” “[t]he term ‘privity,’ however, has also come to be used more broadly, as a way to express the conclusion that nonparty preclusion is appropriate on any ground.” *Id.* at fn. 8. But the six grounds identified by the Court are distinct and are not subject to an equitable balancing test. See, *id.* at 2174-5. Yet balancing and giving predominance to control, *Taylor’s* fourth grounds, is exactly what the Board has done.

The new *inter partes* review (“IPR”) statutes bars late petitions by parties or their privies who are “sued” for infringement more than a year prior. The Board has been systematically misconstruing *Taylor* to allow late IPRs. *Taylor’s* second privity grounds identifies “pre-existing substantive relationships” such as “preceding and succeeding owners of property, bailee and bailor, an assignee and assignor.” The Board refuses to recognize *Taylor’s* second grounds as an independent grounds for finding privity. It has called allegations that the privy was dealing in “potentially infringing products”

“irrelevant.” A8. The Board argues that privity is a “flexible and equitable” stew of “considerations.” But in this “stew” it all but ignores *Taylor*’s second grounds and elevates *Taylor*’s fourth grounds, the right to control the participation of the privity in the prior suit as the *de facto* only basis for the Board to find privity.

MCM Portfolio LLC brings this request for a writ of mandamus because the Patent Trial and Appeals Board (“Board”) ordered the institution of this IPR despite petitioner having demonstrated *Taylor*’s second privity grounds. MCM¹ sued (and served) Pandigital, Inc. in 2011 for infringement of the ‘549² patent. Pandigital sold accused product to Hewlett-Packard (“HP”) who then resold those products under its own brand name. TPL notified HP of the Pandigital lawsuit. HP is a privity of Pandigital under *Taylor*, second grounds. HP filed the request for the instant IPR on March 27, 2013. Yet the Board ordered the IPR, finding the relationship between HP and Pandigital “irrelevant.” Instead, the Board held that MCM had failed to provide “persuasive evidence that HP could have exercised control over Pandigital’s participation....”

¹ MCM Portfolio LLC has an exclusive commercialization agreement with Technology Properties Limited LLC (“TPL”), who in turn employs Alliacense Limited LLC as a licensing agent. The agreement with TPL authorizes TPL the right to bring suit in its own name. Hereinafter, “MCM” shall refer to all three companies collectively.

² US patent 7,162,549 (‘549)

RELIEF SOUGHT

MCM respectfully requests that the Court vacate the September 10, 2013 order of the Board instituting the present IPR.

ISSUE PRESENTED

Whether the Board committed clear error when it ordered institution of the instant IPR despite MCM having demonstrated *Taylor's* second grounds privity.

STATEMENT OF FACTS

On April 2, 2008, MCM notified Hewlett-Packard of its infringement of the '549 patent by reason of selling Digital Picture Frames ("DPFs"). A172-173. MCM repeated the notices on Aug. 8, 2008,³ and on May 10, 2010.⁴ HP does not make DPFs. It instead buys them and resells them under its own brand name.⁵ In 2011, its supplier was Pandigital, Inc. A166-A167. HP identifies Pandigital as its DPFs supplier. A166. HP refers its DPF customers to Pandigital for support: email: customercare@pandigital.net. A191-192. HP's DPF products are sold on Amazon as Pandigital products. A194.

³ A178, A180:4.0a, A181:5.0a; A186, A190:5.0a,

⁴ A186, A189, A190:5.0a

⁵ A147-A166, A167, A168; A191-A192; A194.

On Aug. 24, 2011, MCM sued Pandigital, Inc. in Texas for infringement of the ‘549 for making, importing and selling infringing DPFs.⁶ (“Texas Action”). A117, A127-128. Pandigital was served on Sept. 21, 2011.⁷ Pandigital entered an appearance on October 5, 2011. A145. MCM contemporaneously filed a companion request for an ITC investigation that resulted in a March 18, 2013, limited exclusion order against Pandigital’s DPFs.⁸ A199, A201. On the date of filing, MCM notified HP of both the District Court action in Texas and of the filing of the ITC request. A169-A171. On Oct. 28, 2011, the district court the Texas Action stayed the case pending the ITC investigation. A197-A198. MCM has confirmed, through reverse engineering, that HP DPFs made by Pandigital and sold as HP products are in fact the very same products accused of infringement in the Texas Action. A202-A225.

On March 28, 2012, MCM directly sued HP for infringement of the ‘549 patent.⁹ A23. On the same date, MCM filed a companion ITC request.¹⁰ A23. The title of the ITC investigation, “Certain Computer and Computer Peripheral Devices

⁶ *Technology Properties Limited LLC v. Pandigital, Inc.*, No. 2:11-cv-00372-TJW (E.D. Tex. 2011) (the “Texas Action”)

⁷ *Id.*, docket entry 24.

⁸ *Certain Digital Photo Frames and Image Display Devices and Components Thereof, Investigation*, No. 337-TA-807, Vol. 78, No. 52 Fed. Reg. 16707-9 (March 18, 2013)

⁹ *Technology Properties Limited, LLC v. Hewlett-Packard Company*, CN: 6:12-CV-208, March 28, 2012.

¹⁰ *Certain Computer and Computer Peripheral Devices and Components Thereof and Products Containing Same*, Inv. No. 337-TA-841 (ITC) (“the related ITC Investigation”), instituted on May 9, 2012.

and Components Thereof...,” clarifies that HP’s infringement exposure extends beyond Pandigital DPFs and includes computers. (MCM makes no contention or assertion that HP is or would be bound by *Taylor*, second grounds privity beyond the Pandigital DPFs that are subject to the Texas Action and that HP resold after it received notice of the Pandigital lawsuit, August 24, 2011.)

On March 27, 2013, nine days after the ITC order and one day before the one-year anniversary of the filing of the direct complaint against HP, HP filed its request to institute the instant IPR. A18.

On June 28, 2013, MCM filed its preliminary response. A81. The preliminary response requested that the IPR not be instituted because HP was a privity of Pandigital, wherein HP itself had also been notified of their own infringement by reason of selling DPFs and had further been notified of the action against Pandigital. A85-A89. HP did not respond or even ask to respond to the MCM factual allegations concerning its relationship to Pandigital prior to the decision by the Board to institute the IPR.

On September 10, 2013, the Board ordered trial with respect to claims 7, 11 19 and 21, with respect to two references. A1. On September 24, 2013, the MCM filed a request for rehearing. A226. The Board denied that request on October 10, 2013. A242. On the same date, the Board issued an errata correction of its earlier institution decision that importantly clarified its requirement of control to find privity. A246.

STANDARD OF REVIEW

“The writ of mandamus is available in extraordinary situations to correct a clear abuse of discretion or usurpation of judicial power” *In re TS Tech USA Corporation*, 551 F.3d 1315, 1318 (Fed. Cir. 2008). (MCM here asserts both grounds, clear abuse and usurpation.) The Supreme Court has set forth two conditions that must be satisfied: first, petitioners must show a “clear and indisputable” right to the writ and, second, petitioners must have “no other adequate means to attain the relief . . . desire[d].” *Kerr v. U. S. Dist. Ct.*, 426 U.S. 394, 403 (1976). Once these two prerequisites are met, the court’s decision whether to issue the writ is largely one of discretion.

The proper construction of §315(b) privity is at issue in this case. The US PTO’s construction is reviewed *de novo*. *Therasense, Inc. v. Becton, Dickinson and Co.*, 649 F. 3d 1276 (Fed. Cir. 1011)(en banc)(citing *Merck & Co., Inc. v. Kessler*, 80 F.3d 1543, 1549-50 (Fed.Cir.1996) (“[T]he broadest of the PTO’s rulemaking powers. . . does NOT grant the Commissioner the authority to issue substantive rules.”)).

REASONS WHY THE WRIT SHOULD ISSUE

This Court should issue a writ of mandamus because

- The Board’s interpretation of §315(b) privity is incorrect as a matter of law.

- The systematic denial of Taylor’s second ground for establishing privity justifies this Court’s exercising its supervisory role to resolve important issues of first impression that involve alleged usurpation of power. *Schlagenhauf v. Holder*, 379 US 104 (1964).
- The order of institution of an IPR cannot be remedied by a reversal on appeal.

The petitioner has proven §315 (b) privity in the present IPR

The petitioner herein provided evidence showing the following:

1. HP sold accused Pandigital DPFs.
2. HP was given prior notice of its own infringement by reason of selling DPFs.
3. HP was given notice of the Texas Action against Pandigital.

MCM relies on *Aevoe Corporation v. AE Tech Company, LLC*, 2013 WL 4563014 (Fed. Cir. 2013). *Aevoe* mirrors the facts in the instant IPR. This Court in *Aevoe* found a nonparty distributor of accused infringing products bound by a preliminary injunction because of privity and further because they had been notified of the preliminary injunction against the manufacturer, the notice being required by Fed. R. Civ. Proc. 65(d) and due process. Privity was found because of a distribution agreement involving infringing products:

Defendants did not obtain the redesigned product from any entity other than AE Tech and AE Tech did not distribute those products through

any other entity. Accordingly, by virtue of their **distribution agreement**, the S&F Defendants were "**privies**" of AE Tech, did not act independently of AE Tech, and were, thus, subject to the original injunction. See *Golden State Bottling Co.* 414 U.S. at 179 (stating that a **purchaser acquiring property with knowledge that the wrong enjoined remained unremedied is considered in privity** for purposes of Rule 65(d)) (emphasis added)

Aerove, at fn.6. In footnote 6 itself, this Court found the nonparty's argument that they would be deprived of the right to bring an independent validity defense was belied by the fact that the defense it did present when joined was not independent.

Other than that an injunction is not (yet) involved here, these are virtually the same facts as in the present case. Not only did HP deal in accused products from Pandigital, they identified Pandigital as their source and referred their customers to Pandigital for support. Clearly HP and Pandigital operated through a distribution agreement. This makes them a privy of Pandigital. HP was notified of its own infringement and of the action against Pandigital. This satisfies due process.

The Board's interpretation of §315(b) privity is incorrect as a matter of law

The Board has yet to deny an IPR based on a finding §315(b) privity in any case. As of time of this writ, there are at least 566 filed IPR petitions, 260 of which have decisions on whether to institute. Of the 260, there are at least 50 cases in which the patent owner argued the petitioner was barred under 315(b). Of those 50, the

Board has actually addressed privity in 13 cases.¹¹ The 13 further distill to the following five fact patterns,¹² all involve potential late filings under 315(b), where an IPR was instituted, in part, for lack of showing of 315(b) privity. These cases illustrate how the Board has analyzed privity.

- *BAE Systems v. Cheetah Omni*, IPR2013-00175, Decision to Institute, Paper 15 (July 3, 2013). (BAE sold an infringing “Boldstroke” system to the government. After suing BAE for this sale and then dismissing the case,

¹¹ In other three cases, *Macauto USA v. Bos GmbH*, IPR2012-00004, Paper 18 (PTAB 2013); *Denso*: IPR2013-00026 and *Denso*: IPR2013-00027, the Board seemed to have found privity between the petitioner and a barring privity. However in all three, the Board avoided finding privity, preempting the issue by ruling on other grounds. *Macauto* is exemplary because the facts mirror what the Board delineates as privity via control, as evidenced in its holding in *Synopsis v. Mentor Graphics*, IPR2012-00042, and subsequent cites. In *Macauto*, Patent Owner, BOS, argued that Petitioner Macauto USA was barred under 315(b) because Patent Owner had served Macauto Taiwan; the owner of subsidiary Macuto USA; with complaint of infringement more than one year from the IPR petition filing date. In its decision, the Board avoided agreeing with Patent Owner argument that Macauto Taiwan was in privity with Macauto USA because the former “wholly owns” and “controls” the latter. Instead, the Board denied the IPR petition on improper service of process grounds. “In view of our conclusion that for two separate, independent reasons there was no effective service date of the prior complaint on Petitioner, we do not reach the issues relating to real party in interest or privity raised by Patent Owner.” *Macauto, supra*, at 14-15.

¹² The Innolux cases discussed below, involved 5 different IPRs on different patents, but between the same companies. Innolux v SEL IPRs: IPR2013-00028, IPR2013-00038, IPR2013-00060, IPR2013-00064, IPR2013-00065. Ditto *Apple* with 2 related IPRs. *Apple v. Achates* IPRs: IPR2013-00080, IPR2013-00081. *Butamax v. Gevo*, IPR IPR2013-00214 and IPR2013-00215, raised real party in interest, but it too was denied based on lack of control.

Cheetah sued the US in the court of claims in 2011 for the US's use of the BAE system. BAE filed the IPR in 2013. The Board found no privity.

“[T]he parties’ property interests in BAE Systems’ allegedly infringing products ... are irrelevant here because any such property interests are not at issue in this proceeding. ... [A]ny privity stemming from interests in BAE Systems’ allegedly infringing products does not apply to this patentability proceeding....)

- *Synopsys v. Mentor Graphics Corp.*, IPR2012-00042, Decision to Institute, Paper 16 (Feb. 22, 2013) (“*Synopsis*”) (Petitioner acquired the defendant of a 2006 infringement case one day after filing the IPR. The 2006 case was dismissed with prejudice. Denied, however, because petitioner did not control acquired party at the time of suit.)
- *Chi Mei Innolux v. Semiconductor Energy Lab. Co., Ltd.*, IPR2013-00028, Decision to Institute, Paper 14 (Mar. 21, 2013) (“*CMI*”)(collectively, the *Innolux* cases). (Petitioner’s corporate predecessors were sued and served. Denied because of “lack of control.”)
- *Apple v. Achates*, IPR2013-00080, Decision to Institute, Paper 22, (June 03, 2013) (“*Apple*”) (Petitioner (Apple) sold an “app” supplied by a party sued for infringement, where the party sued also agreed to indemnify Apple. Denied.

“[I]ndemnification is not a ‘substantive legal relationship’ described in Taylor [v. Sturgell, 128 S.Ct. 2161 (2008)], e.g. assignor and assignee and is significantly different from those, which involves successive interests in property.”)

- *Hewlett-Packard v. MCM*, IPR2013-00217, Decision to Institute, Paper 10 (Sept. 10, 2013)(“*Hewlett-Packard*”) (Petitioner, with notice of the suit against

its supplier, resold the supplier's products accused of infringement. Denied because of lack of control of the supplier's defense.)

The Board says it will look to whether the relationship between privies will bind both parties under principles of *res judicata*, *Trial Practice Guidelines* at Fed. Reg., Vol. 77 No. 157, 78756 (Aug. 14, 2012) ("Guidelines"),

"[T]he modern function of the rule in its negative aspect is simply to protect the defendant against a subsequent action by the party actually entitled to recover, and to insure generally that the judgment will have its proper effect as *res judicata*."

Id. at 48759, first column.

The Office intends to evaluate what parties constitute "privies" in a manner consistent with the flexible and equitable considerations established under federal caselaw. Ultimately, that analysis seeks to determine whether the relationship between the purported "privy" and the relevant other party is sufficiently close such that both should be bound by the trial outcome and related estoppels.

Id. at 48759, second column.

While Board clearly relies on *Taylor* for authority, but misconstrues *Taylor* to allow an equitable balancing of factors when it goes on to state:

There are multiple factors relevant to the question of whether a non-party may be recognized as a "real party-in interest" or "privy." ... **A common consideration is whether the non-party exercised or could have exercised control over a party's participation in a proceeding.** See, e.g., [Taylor] at 895.... (Bold emphasis added.)

Guidelines, at 48759, column 2. The quoted passage cites to *Taylor* at 585, 128 St. Ct. at 2172, for its “common consideration of ... control” statement. But *Taylor* there only recites control as a distinct category and says nothing at all about control being a “common consideration.” Rather *Taylor* rejects the notion that any of its six listed grounds can be treated as “in common” with other grounds for balancing purposes:

Fairchild ... asks us to abandon the attempt to delineate discrete grounds and clear rules altogether. Preclusion is in order, they contend, whenever "the relationship between a party and a non-party is 'close enough' to bring the second litigant within the judgment." ... Courts should make the "close enough" determination, they urge, through a "heavily fact-driven" and "equitable" inquiry. ...

We reject this argument... Respondents' amorphous balancing test is at odds with the constrained approach to nonparty preclusion our decisions advance.

...

Fairchild quotes our statement in *Coryell v. Phipps*, 317 U.S. 406, 411, 63 S.Ct. 291, 87 L.Ed. 363 (1943), that privity "turns on the facts of particular cases." ... That observation, however, scarcely implies that privity is governed by a diffuse balancing test.

Taylor at 128 St. Ct. 2174-2175.

But a review of the Board decisions concerning privity shows that it, in fact, employs the equitable balancing forbidden by *Taylor* to elevate control to an overarching factor. All of the following seem to meet *Taylor's* second privity ground, but the Board denied privity nonetheless:

- *BAE* – the petitioner sold the infringing system to the privity.

- *Synopsis* – the petitioner acquired the privy. Cf., *Golden State Bottling v. NLRB*, 414 US 168, 179-180 (1973) (acquiring company bound by unremedied order to its predecessor)
- *CMI* – the petitioner was a successor by merger.
- *Apple* – the petitioner was in privity of contract with respect to the infringing products.
- *Hewlett-Packard* – the petitioner was in privity of contract with respect to the infringing products

In these cases, they have based their rulings on the absence of allegations that the petitioner controlled the privy's participation in the infringement suit and/or that evidence of contracts between the privies that deal in infringing products is irrelevant. The present case is exemplary. MCM brought *Aevoe* to the attention of the Board in its request for rehearing. The board distinguished this case stating, "The allegedly infringing products referred to by MCM are not at issue in this proceeding." A244:11:19-20 The Board finds these allegations irrelevant because it does not recognize privity of contract in the sale of infringing products as §315(b) privity. See, e.g., *BAE, supra*. In every privity case, including this case, it requires a showing that the privy controls or is controlled by the petitioner at the time the lawsuit was filed against the alleged privy.

Patent owner provides no persuasive evidence that HP could have exercised control over Pandigital's participation in the Texas Action.

Errata correction of the Board's holding in the present IPR. A246.

The Board's decision severely undermines the policy preference that favors suits against manufacturers as opposed to mere resellers.

Refusing to recognize *Taylor's* second ground privity allows downstream resellers of sued manufacturers to bring late IPRs regardless of the one year bar. The refusal to recognize privity will all but force patent owners to sue resellers simply and only to prevent late IPRs.

At least from the *Codex v. Milgo*, 553 F. 2d 735 (1st Cir. 1977), followed in this Court by *Kahn v. General Motors Corp.*, 889 F.2d 1078 (Fed. Cir. 1989), the courts have expressed a strong preference that patent infringement actions be pursued against manufacturers as opposed to mere resellers because the manufacturer is the real party in interest. Indeed, the Federal Circuit recently recognized in a non-precedential decision that retailers are nominal parties – ordering their severance so that the suit against the manufacturer might be transferred. *See, In re Nintendo Co., Ltd.*, 13-151, September 25, 2013. *See also, Amperex Elec. Corp. v. Perry*, 168 U.S.P.Q. 615, 617 (7th Cir. 1970) where the Seventh Circuit issued a writ of mandamus requiring the District Court to sever a distributor and purchaser from an infringement case because the distributor and purchaser were “secondary a nominal defendants” that “will be bound by the decision in the suit against” the manufacturer.” (Emphasis added)

This court needs to exercise its supervisory jurisdiction to correct the Board's systematic, unwarranted assertion of jurisdiction in violation of §315(b).

In *Schlagenhauf v. Holder*, 379 US 104 (1964), the Supreme Court held that a mandamus was proper based upon a “substantial allegation of usurpation of power” in a case involving “an issue of first impression that called for the construction and application of a [rule] in a new context.”

We recognize that in the ordinary situation where the sole issue presented is the district court's determination that "good cause" has been shown for an examination, mandamus is not an appropriate remedy, absent, of course, a clear abuse of discretion. *See Bankers Life & Casualty Co. v. Holland, supra*, at 383. Here, however, the petition was properly before the court on a substantial allegation of usurpation of power in ordering any examination of a defendant, an issue of first impression that called for the construction and application of Rule 35 in a new context. The meaning of Rule 35's requirements of "in controversy" and "good cause" also raised issues of first impression. In our view, the Court of Appeals should have also, under these special circumstances, determined the "good cause" issue, so as to avoid piecemeal litigation and to settle new and important problems.

Thus we believe that the Court of Appeals had power to determine all of the issues presented by the petition for mandamus.

379 US at 111. There is no doubt here that §315(b) privity has never been construed by a court and that privity is being applied here in a new context. Further there is no doubt that the statute forbids the institution of an IPR if privity is found. Thus the failure to correctly recognize privity and in consequence incorrectly authorized the institution of IPRs is precisely the situation that the Supreme Court recognized in *Schlagenhauf* that gives this Court the power to issue this mandamus. This Court needs

to exercise its discretion to provide the Board a proper construction of §315(b) privity.

The fact that HP might deal in other infringing products is irrelevant §315(b).

HP may respond to this petition by observing that its exposure to ‘549 infringement regarding Pandigital-supplied DPFs was insignificant compared to its exposure generally, as witnessed by the complaint directly filed against HP on March 28, 2012 that extends to computers, and that HP should not have been forced to file an IPR request by Sept. 21, 2012 (one year after the appearance of Pandigital counsel in the Texas Action) until directly sued. A problem with this theory is that the statute is not product-dependent and only requires the service of a complaint for infringement on a privity. *Cf., St. Jude v. Volcano*, IPR2013-0258, Decision Denying Institution, paper no. 29, Oct. 16, 2011. “Service of a complaint alleging infringement triggers applicability of § 315(b), even if that complaint is later dismissed with prejudice.” *Id.*, at 7. If such a theory were to be sanctioned, every new infringement complaint against an infringer or privity would nullify earlier bars and start a new one. That would essentially eviscerate §315(b) and nullify the protections afforded patent owners by congress.

By standing trial, MCM immediately suffers the very harm §315(b) was intended to prevent, harm that cannot be undone by appeal, where the order that causes the harm may not be appealable by statute or because MCM prevails on the merits.

Turning to the issue of immediacy of harm should the writ not issue, the sole benefit, the sole right accorded the patent owner by §315(b), is a right that the IPR not be instituted. MCM will be forced to engage in parallel proceedings because the Texas Action is still pending, and HP may there litigate validity there through its privy Pandigital, or intervene as is there right; or they may choose to litigate in the district court case MCM directly filed against it. No litigation expenses are reduced by such parallel proceedings, but they are amplified to the MCM in direct contravention of declared policy:

The legislative history of 35 U.S.C. § 315(b) indicates that Congress intended *inter partes* reviews to “provid[e] quick and cost effective alternatives to litigation.” H.R.Rep. No. 112-98 at 48 (2011). The legislative history indicates also that 35 U.S.C. § 315(b) was intended to set a “deadline for allowing an accused infringer to seek inter partes review after he has been sued for infringement.” 157 CONG. REC. S5429 (daily ed. Sep. 8, 2011) (statement of Sen. Kyl). The deadline helps to ensure that *inter partes* review is not used as a “tool[] for harassment” by “repeated litigation and administrative attacks.” H.R. Rep. No. 112-98 at 48 (2011). Allowing such attacks “would frustrate the purpose of the section as providing quick and cost effective alternatives to litigation.” *Id.*

St. Jude, supra, at 3.

Moreover, an erroneous IPR institution may never be reviewable by a normal appeal so that this Court may never be able to correct this clearly erroneous

construction of the statute except by mandamus. §314(d) actually provides that determinations to institute an IPR are both *final* and *unappealable*. §141(c) allows IPR appeals only when a party is dissatisfied with a “final written decision” under §318(a). The latter statute provides that the final written decision is with respect to the “patentability of any claim.” Taken together, there is no clear basis anywhere in the statutory framework for an appeal of an erroneous institution in violation of §315(b).

Writs of mandamus are restricted to extraordinary situations. As discussed above, the Supreme Court has set forth two conditions that must be satisfied: first, petitioners must show a “clear and indisputable” right to the writ and, second, petitioners must have “no other adequate means to attain the relief . . . desire[d].” *Kerr v. U. S. Dist. Ct.*, 426 U.S. 394, 403 (1976). Once these two prerequisites are met, the court’s decision whether to issue the writ is largely one of discretion.

The petitioner respectfully submits that the present petition fulfills both *Kerr* conditions. The construction by the Board of §315(b) is clearly erroneous. Moreover, the order of institution causes the very harm that §315(b) is designed to prevent (harassment by parallel proceedings), and there is no other adequate remedy than to vacate the order of institution.

Conclusion

For all of the above reasons, the Court should grant this petition for writ of mandamus to correct a systematic USPTO misinterpretation of §315(b) privity, and to prevent the unlawful institution of an IPR in the present case.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this October 23, 2013, copies of the foregoing Petition for Writ of Mandamus and Appendix were served on the parties as follows:

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