

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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GLOBAL TEL\*LINK CORPORATION,  
Petitioner,

v.

SECURUS TECHNOLOGIES, INC.,  
Patent Owner.

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Case CBM2014-00166  
Patent 7,860,222 B2

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Before KEVIN F. TURNER and JAMES B. ARPIN,  
*Administrative Patent Judges.*

ARPIN, *Administrative Patent Judge.*

DECISION

*Denying Institution of Covered Business Method Patent Review*  
*37 C.F.R. § 42.208*

## I. INTRODUCTION

### A. *Background*

Global Tel\*Link Corporation (“Petitioner”) filed a Petition (Paper 1; “Pet.”) requesting institution of a covered business method patent review of claims 1–36 of U.S. Patent No. 7,860,222 B2 (Ex. 1001; “the ’222 patent”) pursuant to 35 U.S.C. §§ 321–29. Securus Technologies, Inc. (“Patent Owner”) filed a Preliminary Response (Paper 8; “Prelim. Resp.”). We have jurisdiction under 35 U.S.C. § 324.

Upon consideration of the Petition, as well as supplemental briefing provided by each party (Papers 12 and 14), we determine Petitioner has not demonstrated sufficiently that it satisfies the standing requirements to file its Petition under 37 C.F.R. § 42.304(a) and, therefore, *deny* institution of a covered business method patent review.

### B. *Related Matters*

In the Petition (Pet. 2) and in its first updated Mandatory Notice (Paper 6, 2), Petitioner stated that the ’222 patent “was *previously* involved in the following proceeding, *which was dismissed with prejudice: Securus Technologies, Inc. v. Global Link Corporation*, 3:13-cv-03009 (N.D. Tex.)” (emphases added). In its own Mandatory Notice, Patent Owner stated, however, that “Patent Owner *is also asserting* the ’222 patent against Petitioner in the matter, *Securus Technologies Inc. v. Global Tel\*Link Corp.*, Case No. 3:13-cv-3009 (N.D. Tex., filed Aug. 2, 2013).” Paper 5, 2 (emphasis added). Consequently, the Mandatory Notices evidenced a disagreement regarding the status of the related U.S. district court case.

In view of this disagreement, we contacted the parties via e-mail on December 31, 2014, and instructed the party that had not identified correctly the status of the related case to submit an updated mandatory notice. In response to our e-mail, Petitioner filed a second updated Mandatory Notice on January 2, 2015, in which Petitioner stated that

U.S. Patent No. 7,860,222 was previously involved in the following proceeding: *Securus Technologies, Inc. v. Global Tel\*Link Corporation*, 3:13-cv-03009 (N.D. Tex.). (See GTL 1006.) *That original lawsuit was dismissed with prejudice on July 10, 2014, with an order granting Defendant's Motion for Summary Judgment.* Patent Owner subsequently requested reconsideration or alternatively to alter, amend or clarify the judgment. On October 23, 2014, the court issued an order confirming its dismissal of Patent Owner's claims and denying Patent Owner's request for reconsideration but, *because the court's judgment did not fully dispose of all claims asserted by the parties, the court vacated its prior judgment.* And Patent Owner's Motion to Alter, Amend, or Clarify Judgment was denied as moot. Thus, Patent Owner's claim of infringement of the '222 patent in Civil Action 3:13-cv-03009 stands dismissed, but the judgment dismissing the claims with prejudice has been vacated by the Court. . . .

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On December 1, 2014, Patent Owner filed another lawsuit alleging infringement of the '222 patent by Petitioner. The new lawsuit is styled *Securus Technologies, Inc. v. Global Link Corporation*, 3:14-cv-04233 (N.D. Tex.).

Paper 10, 1–2 (emphases added).<sup>1</sup>

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<sup>1</sup> In view of Petitioner's second updated Mandatory Notice, neither party has complied with its obligations under 37 C.F.R. § 42.8(a).

## II. ANALYSIS

### A. *Standing*

Standing is a threshold issue. A petition for covered business method patent review must set forth the petitioner's grounds for standing. In particular, "[t]he petitioner must demonstrate that the patent for which review is sought is a covered business method patent, *and that the petitioner meets the eligibility requirements of § 42.302.*" 37 C.F.R. § 42.304(a) (emphasis added). Under 37 C.F.R. § 42.302(a), a person may not file a petition for covered business method patent review, "unless the petitioner, the petitioner's real party-in-interest, or a privy of the petitioner *has been sued for infringement of the patent or has been charged with infringement under that patent*" (emphasis added). Rule 42.302(a) further explains that "charged with infringement" means that "*a real and substantial controversy regarding infringement of a covered business method patent exists such that the petitioner would have standing to bring a declaratory judgment action in Federal court*" (emphases added).

As the U.S. Patent and Trademark Office explained in comments to the final rules governing covered business method patent review,

To establish standing, a petitioner, at a minimum, would be required *to certify with explanation* that the patent is a covered business method patent and that the petitioner meets the eligibility requirements of § 42.302. This requirement is to ensure that a party has standing to file the covered business method patent review and would help prevent spuriously instituted reviews. *Facially improper standing is a basis for*

*denying the petition without proceeding to the merits of the decision.*

*Changes to Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents*, 77 Fed. Reg. 48,680, 48,709 (Aug. 14, 2012) (Response to Comment 102; emphases added). Consequently, the petition must show that the petitioner meets the requirements of 37 C.F.R. § 42.302, and such “[a] showing can only be made through sufficient proof.” *Id.* (Response to Comment 106); *see* Paper 14, 4. For the reasons discussed below, we conclude that the Petition, as filed on August 4, 2014, failed to show sufficient proof to support the assertion of standing.

*B. Content of the Petition*

In its Petition, Petitioner makes only the most limited statements regarding standing. Petitioner simply asserts:

III. Grounds for Standing (37 C.F.R. § 42.104(a))<sup>2</sup>

The undersigned and GTL certify that the ’222 patent is eligible for covered business method (“CBM”) review. GTL further certifies that it is not barred or estopped from requesting CBM review on the grounds identified herein.

Pet. 3. Petitioner’s description of the status of the related litigation (*id.* at 2) and the complaint filed in that litigation (Ex. 1006) are the only proof provided in support of this assertion.

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<sup>2</sup> Petitioner incorrectly cites to the rule governing standing for *inter partes* review (37 C.F.R. § 42.104(a)), rather than to that governing standing for covered business method patent review (37 C.F.R. § 42.304(a)). The standing requirements for these two types of proceeding differ significantly.

*C. The Prongs of the CBM Standing Requirement*

In its Brief, Petitioner asserts that it has standing to file its Petition under either or both prongs of the covered business method patent review standing requirement. Paper 12, 3–4. Assuming *arguendo* that Petitioner’s general assertion of standing in the Petition is an assertion of standing under either or both prongs of the covered business method patent review standing requirement, we determine that the proof provided in the Petition is insufficient to support either prong.

*1. Sued for Infringement*

According to Petitioner, on August 4, 2014, the suit asserting Petitioner’s infringement of the ’222 patent, *Securus Technologies, Inc. v. Global Link Corporation*, 3:13-cv-03009 (N.D. Tex.), “was dismissed with prejudice.” Pet. 2. In its Brief, Petitioner explains that it had been granted Summary Judgment, *asserting its status as a licensee of the ’222 patent as a defense against Patent Owner’s claims of infringement*. Paper 12, 2. Further, on August 1, 2014, Patent Owner had “requested reconsideration of the [court’s] order and sought clarification that it did not prevent Securus from suing GTL again *upon expiration of the relevant license*,” on September 17, 2014. *Id.* (emphasis added; citing Ex. 1025<sup>3</sup>); *see also* Paper

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<sup>3</sup> Patent Owner alleges that Exhibits 1022, 1025, and 1026 were filed under a protective order in the related litigation and that Petitioner’s submission of these exhibits as publicly available documents violates that protective order. Paper 14, 3 n.4. We have made these documents available only to the Board and to the parties, *sua sponte*, so that the parties may have the opportunity to

14, 3 (“as GTL concedes, Securus *had no ability to file an infringement action prior to September 17, 2014*, because the Court found that GTL was licensed;” emphasis changed). Petitioner now argues that, as long as Patent Owner’s request for reconsideration was pending, Petitioner still was sued for infringement by Patent Owner. Paper 12, 3 n.1 (quoting *Crown Packaging Tech., Inc. v. Rexam Beverage Can Co.*, 559 F.3d 1308, 1311 (Fed. Cir. 2009)).

The court’s grant of Petitioner’s Motion for Summary Judgment was a decision on the merits entered prior to the filing date of the Petition and dismissing Patent Owner’s infringement claims, with prejudice.<sup>4</sup> *See, e.g.*, Pet. 2; Paper 6, 2; Ex. 1021. The Petition states unconditionally that the previous suit was *dismissed* with prejudice on the date that the Petition was filed. Pet. 2. Therefore, we determine that Petitioner’s assertion of standing based on its “[having] been sued for infringement” at the time of the filing of the Petition is not sufficiently supported by proof in the Petition.

## 2. *Charged with Infringement*

In its Brief, Petitioner argues that Patent Owner’s complaint (Ex. 1006) alleging that Petitioner infringed the ’222 patent evidences that, on the date the Petition was filed, Petitioner was “charged with infringement under that patent.” Paper 12, 5. Further, Petitioner argues that Patent Owner’s

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resolve this issue. Absent further action by the parties, however, these exhibits again will become available to the public. *See* 37 C.F.R. § 42.56.

<sup>4</sup> *See Rivera v. PNS Stores, Inc.*, 647 F.3d. 188, 195 (5th Cir. 2011) (“[A] motion for summary judgment ‘is necessarily granted with prejudice.’”), *cert denied*, 132 S. Ct. 1741 (2012).

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request for reconsideration evidences Patent Owner's continuing intent to charge Petitioner with infringement. *Id.* at 6. Finally, Petitioner argues that Patent Owner's filing of a second suit alleging Petitioner's infringement of the '222 patent on December 1, 2014, further evidences Patent Owner's continuing intent to charge Petitioner with infringement under that patent. *Id.*

Patent Owner responds that, in the Petition, Petitioner makes no showing that it had standing to file the Petition because Petitioner was charged with infringement of the patent on August 4, 2014. Paper 14, 3. The Petition does not mention that Patent Owner had requested reconsideration of the dismissal of the previous suit. *See id.* at 3–4. Moreover, the parties do not dispute that Patent Owner's request for reconsideration, which had not been granted on August 4, 2014, sought to preserve Patent Owner's *ability to sue in the future*. *Id.* at 2–3; Paper 12, 2.

Because the court dismissed the previous suit, *with prejudice*, Petitioner no longer was or could have been “charged with infringement” absent the vacating of the court's dismissal with prejudice. Paper 12, 2–3; Paper 14, 3; *see* Ex. 1021. Although the court ultimately vacated its judgment dismissing the suit with prejudice on October 23, 2014 (Ex. 1022), this later action changes neither our evaluation of Petitioner's assertion of standing nor the sufficiency of the proof shown in the Petition. *See Benitec Australia, Ltd. v. Nucleonics, Inc.*, 495 F.3d 1340, 1348–49 (Fed. Cir. 2007) (a party seeking to bring a declaratory judgment action must meet the Supreme Court's immediacy and reality requirements). Moreover, the later

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filing of the second suit is insufficient proof of standing *nunc pro tunc* on August 4, 2014. Therefore, we determine that Petitioner's assertion of standing based on its "[having] been charged with infringement of the patent" at the time of the filing of the Petition is not sufficiently supported by proof in the Petition.

### III. CONCLUSION

Petitioner has not made a showing of sufficient proof demonstrating that it satisfies the standing requirement under 37 C.F.R. § 42.304(a) for filing a petition for covered business method patent review.

### VI. ORDER

In consideration of the foregoing, it is hereby:  
ORDERED that the Petition is *denied*; and  
FURTHER ORDERED that no covered business method patent review is instituted.

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