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Paper 20 (CBM2014-00072)
Paper 20(CBM 2014-00073)
Paper 21(CBM 2014-00074)
Paper 20 (CBM 2014-00075)
Entered: December 10, 2014

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GTNX, INC.,
Petitioner,

v.

INTTRA, INC.,
Patent Owner.

Cases
CBM2014-00072 (Patent 7,756,794 C2)
CBM2014-00073 (Patent 7,761,387 C1)
CBM2014-00074 (Patent 7,752,142 B2)
CBM2014-00075 (Patent 7,827,119 C1)¹

Before LORA M. GREEN, WILLIAM A. CAPP, and
FRANCES L. IPPOLITO, *Administrative Patent Judges*.

GREEN, *Administrative Patent Judge*.

TERMINATION
35 U.S.C. § 325(a)(1) and 37 C.F.R. § 42.72

¹ This order addresses issues that are the same in the identified cases. We exercise our discretion to issue one order to be filed in each case. The parties are authorized to use this style heading when filing a single paper in all four proceedings, provided that such heading includes a footnote attesting that “the word-for-word identical paper is filed in each proceeding identified in the heading.”

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I. INTRODUCTION

Patent Owner, INTTRA, Inc. (“INTTRA”), filed a motion in each of the proceedings seeking dismissal of the proceeding as barred by 35 U.S.C. § 325(a)(1). Paper² 13. Petitioner, GTNX, Inc. (“GTNX”) filed an Opposition (Paper 16), and Patent Owner filed a Reply to the Opposition (Paper 18). Based on the present record, and for the reasons stated below, we grant INTTRA’s motions. Thus, we vacate our Decisions on Institution in these proceedings, and terminate the covered business method reviews.

II. ANALYSIS

GTNX filed Petitions seeking covered business method (“CBM”) review of the patents at issue in these cases on February 18 and 19, 2014 (Paper 3), and Patent Owner filed Preliminary Responses on May 27, 2014 (Paper 7). We instituted trial based on the Petitions filed by GTNX on August 12, 2014. Paper 8. During a conference call held on Thursday, October 16, 2014, INTTRA requested authorization to file a motion to dismiss the proceedings based on *SecureBuy, LLC v. CardinalCommerce Corp.*, Case CBM2014-00035 (PTAB Apr. 25, 2014) (Paper 12) (Precedential)³. Paper 15. At that time, INTTRA was authorized to file a ten page motion, and GTNX was authorized to file a ten page opposition. After GTNX filed its opposition, INTTRA was authorized to file a five page reply.

² The paper numbers referred to are the paper numbers in CBM2014-00072.

³ *SecureBuy* was designated as precedential by the PTAB on July 31, 2014.

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In *SecureBuy*, the Board noted that § 18 of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 329–31 (2011) (“AIA”) “provides that covered business method patent review proceedings shall employ all the statutory standards and procedures of a post-grant review (i.e., 35 U.S.C. §§ 321–29) except for those expressly excluded (i.e., 35 U.S.C. §§ 321(c); 325(b), (e)(2), (f)).” *SecureBuy*, Paper 12 at 2. 35 U.S.C. § 325(a)(1), which is not expressly excluded by § 18 of the AIA, states:

(1) POST-GRANT REVIEW BARRED BY CIVIL ACTION.—A post-grant review may not be instituted under this chapter if, before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent.

The Board declined to institute covered business review because the Petitioner in that case had filed two separate civil actions seeking declaratory judgment that at least one of the claims of the patent at issue is invalid. *Id.* at 3.

INTTRA, in its Motion to Dismiss, notes that Petitioner, GTNX, “filed a declaratory judgment action challenging the validity of all four patents in 2011.” Paper 13, 2. GTNX, in its opposition, does not dispute that it filed a declaratory judgment action challenging the validity of the patents at issue before filing of the instant Petitions, but instead argues that Patent Owner, INTTRA, waived that argument by failing to raise it in its Preliminary Response, or in a request for rehearing of the Decisions on Institution. Paper 16, 1. GTNX argues further that *SecureBuy* is not controlling. *Id.*

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GTNX’s arguments, however, do not persuade us that these covered business reviews should not be terminated. 35 U.S.C. § 325(a)(1) is a statutory requirement and, thus, a Congressional limitation on the Board’s jurisdiction. GTNX provides no persuasive authority that such a statutory requirement may be waived. In fact, the statute itself does not authorize the Board or parties to waive the requirement by stating that (emphasis added), “review *may not* be instituted” if a petitioner files a civil action challenging the validity of a claim of the patent being challenged. Indeed, “[a]n agency may not confer power upon itself. To permit an agency to expand its power in the face of a congressional limitation on its jurisdiction would be to grant to the agency power to override Congress.” *La. Pub. Serv. Comm’n v. FCC*, 476 U.S. 355, 374–75 (1986). Thus, institution of trial for covered business method review of a patent challenged by petitioner in a civil action that was filed before filing a petition for covered business method review is not within the discretion of the Board. Additionally, the requirement that a petitioner not have filed a civil action challenging the validity of a claim of the patent before filing the petition cannot be waived by a patent owner.

GTNX argues further that *SecureBuy* is not controlling as it “presents an incomplete analysis of § 18 and, consequently, an incorrect conclusion regarding standing in [a] CBM.” Paper 16, 3. As a precedential opinion, under agency authority (SOP 2⁴), *SecureBuy* controls the outcome of this matter based on the facts presented.

⁴ SOP2 may be found at
http://www.uspto.gov/patents/process/appeal/sop2_revision_9_dated_9_22_2014.pdf

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Thus, as GTNX filed a declaratory judgment action challenging the validity of all four patents in 2011, we terminate the covered business method reviews of these four patents and vacate our institution of review in these proceedings.

III. CONCLUSION

In consideration of the foregoing, it is:

ORDERED that the trials in CBM2014-00072, CBM2014-00073, CBM2014-00074, and CBM2014-00075 are hereby terminated; and

FURTHER ORDERED that the Decisions on Institution in CBM2014-00072, CBM2014-00073, CBM2014-00074, and CBM2014-00075 are hereby vacated.

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