

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

AMP PLUS, INC. dba ELCO LIGHTING,  
Petitioner,

v.

DMF, INC.,  
Patent Owner.

---

Case IPR2019-01094  
Patent 9,964,266 B2

---

Before CHRISTOPHER L. CRUMBLY, JEFFREY W. ABRAHAM, and  
DEBRA L. DENNETT, *Administrative Patent Judges*.

DENNETT, *Administrative Patent Judge*.

ORDER  
Denying Patent Owner's Motion to Dismiss  
*37 C.F.R. § 42.71(a)*

## I. INTRODUCTION

We instituted trial on November 20, 2019. Paper 20 (“Inst. Dec.”). On August 17, 2020, pursuant to our authorization (Paper 45), Patent Owner filed a Motion to Dismiss requesting that we dismiss this proceeding pursuant to 35 U.S.C. § 315(a). Paper 47 (“Mot.”). On August 24, 2020, Petitioner filed an Opposition to Patent Owner’s Motion. Paper 54 (“Opp.”). For the reasons discussed below, Patent Owner’s Motion is *denied*.

## II. DISCUSSION

Patent Owner (district court plaintiff) filed a Complaint on August 15, 2018 in district court<sup>1</sup> alleging, *inter alia*, infringement of “one or more claims” of U.S. Patent No. 9,964,266 B2 (“the ’266 patent”), “including at least Claim 1 and its dependent claims.” Ex. 2003, 34. Petitioner (district court defendant) filed its Answer and Counterclaims on October 9, 2018. Ex. 2097. On February 19, 2019, Patent Owner served its Identification of Asserted Claims. Ex. 2099. The parties filed a Joint Stipulation, including that Patent Owner would not contest that Petitioner “has good cause to amend its invalidity contentions to provide the omitted Claim Charts for ‘266 Patent Claims 2–28” on March 5, 2019. Ex. 2101. On March 19, 2019, Petitioner filed its Second Amended Answer and Counterclaim (Ex. 2102), which is the action that Patent Owner asserts barred institution of this *inter partes* review (IPR) under 35 U.S.C. § 315(a)(1) (Mot. 2).

---

<sup>1</sup> *DMF, Inc. v. AMP Plus, Inc. d/b/a ELCO Lighting*, Case No. 2:18-CV-07090 CAS (GJSx) (C.D. Ca.).

According to Patent Owner, in the district court case, it asserted infringement of only claims 1, 2, 5, 7, 9–11, 13, 15–16, and 30. Mot. 1. Patent Owner contends that its district court Complaint did not assert infringement of claims 12, 17, 20, 22, or 27 of the '266 patent. *Id.* Patent Owner argues that Petitioner's Second Amended Answer and Counterclaim (Ex. 2102) in the district court case triggered the time bar of §315(a)(1) because Petitioner identified "*unasserted* Claims 12, 17, 20, 22 and 27 based on the same anticipation challenge" as Petitioner's Ground 1 in this IPR. *Id.* at 2. Patent Owner asserts that 35 U.S.C. § 315(a)(1) precludes institution of this IPR in its entirety. Mot. 1. More specifically, Patent Owner contends that § 315(a)(1) requires a *claim-by-claim* analysis to determine whether the statute bars institution of an IPR. *Id.* at 4–5.

Patent Owner cites to the Board's decision in *Dr. Reddy's Labs v. Horizon Pharma USA, Inc.*, IPR2017-01995, Paper 77 at 5 & n. 4 (the "*Horizon* case") as supporting its position in the Motion. Mot. *passim*. Patent Owner contends that Petitioner's inclusion of claims of the '266 patent allegedly not asserted by Patent Owner as infringed—at least claim 27—in its counterclaim precludes an *inter partes* review of any claim of the '266 patent under § 315(a)(1). *Id.* 1, 5.

Petitioner argues that its counterclaim challenging the validity of the claims of the '266 patent were compulsory counterclaims, not independent civil actions, challenging the validity of the only patent at issue in the civil case. Opp. 3 (citing (1) Fed. R. Civ. P. Rule 13(a) identifying a compulsory counterclaim as one that "arises out of the transaction or occurrence that is the subject matter of the opposing party's claim"; and (2) 6 Charles Alan Wright, Arthur R. Miller & Mary Kay Kane, *Federal Practice and*

*Procedure* § 1401, at 73 (2<sup>nd</sup> ed. 1990)). According to Petitioner, the statutory language of § 315 considers a counterclaim challenging the validity of a claim in an asserted patent to be a counterclaim pursuant to § 315(a)(3), not a new civil action pursuant to § 315(a)(1). Opp. 1. We agree.

We begin with the language of the statute itself. Section 315 states, in part:

(a)(1) Inter partes review barred by civil action.— An inter partes review may not be instituted 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.

\* \* \*

(a)(3) Treatment of counterclaim.— A counterclaim challenging the validity of a claim of a patent does not constitute a civil action challenging the validity of a claim of a patent for purposes of this subsection.

The language of § 315(a)(3) itself supports Petitioner’s position that its counterclaim in the district court action, which challenged the validity of a claim of a patent in that district court action, does not constitute its own civil action.

Federal Rule of Civil Procedure 13(a) confirms that “[a] pleading [which includes an answer to a complaint] must state as a counterclaim any claim that—at the time of its service—the pleader has against an opposing party if the claim: (A) arises out of the transaction or occurrence that is the subject matter of the opposing party’s claim.” Fed. R. Civ. P. Rule 13(a) (2009). The requirement that a party must raise “counterclaims arising out of the same transaction or occurrence . . . was designed to prevent multiplicity of actions and to achieve resolution in a single lawsuit of all disputes arising out of common matters.” *S. Constr. Co. v. Pickard*, 371

U.S. 57, 60 (1962) (per curiam). Courts interpreting the scope of Rule 13(a)'s "transaction or occurrence" test "generally have agreed that these words should be interpreted liberally in order to further the general policies of the federal rules and carry out the philosophy of Rule 13(a)." *In re Rearden LLC*, 841 F.3d 1327, 1332 (Fed. Cir. 2016) (quoting 6 Wright & Miller, *Federal Practice & Procedure* § 1410, at 50–51 (3<sup>rd</sup> ed. 2010)). Thus, Petitioner reasonably would have concluded that invalidity allegations against any of the claims of the '266 patent were compulsory in answer to the complaint.

Petitioner correctly notes that *Horizon* is distinguishable from the facts before us. Opp. 2–3. In *Horizon*, the patent owner had asserted in a parallel district court action that the petitioner infringed the claims of five patents. IPR2017-01995, Paper 71, at 9. The petitioner in *Horizon* introduced a sixth patent into the district court case, by including a count for declaratory judgment of invalidity of that patent in its answer. *Id.* The Board held that defendant thus filed a civil action (the declaratory judgment action) in relation to the sixth patent that did not fall within the protection of § 315(a)(3). *Id.* at 12.

In the district court case of relevance here, Patent Owner asserted that Petitioner's devices practiced "one or more claims of the '266 Patent, including at least Claim 1 and its dependent claims . . ." Ex. 2003, 34. In answer to the complaint, Petitioner filed counterclaims that alleged "[t]he '266 patent and some or all of its claims are invalid . . ." Ex. 2097, 20. Unlike *Horizon*, in the instant case Patent Owner did not introduce a new patent into the district court case.

Patent Owner would have the Board interpret the statute in an illogical and unsupported manner. *See* Mot. 4–5 (“the plain statutory text alone shows that Congress required a *claim-by-claim* analysis to determine if an invalidity challenge had been brought as “[a] counterclaim challenging the validity of a claim”). Neither the text of § 315 nor Patent Owner’s argument persuades us to interpret § 315 as urged by Patent Owner.

And even if we were persuaded by Patent Owner’s claim-by-claim argument, the record in the district court case shows that Patent Owner did not clearly identify the challenged claims. *See* Ex. 2003, 2100, 2101, 2104, 2105. In fact, even the district court was unable to discern clearly which claims were asserted and which were not (Ex. 2016, 2 n.2). For example, in a “joint stipulation” on March 5, 2019 (Ex. 2101), Patent Owner arguably agreed that Petitioner “has good cause to amend its invalidity contentions to provide the omitted Claim Charts for the ’266 Patent *Claims 2–28* based on the twelve identified alleged prior art references” (emphasis added), suggesting that Patent Owner conceded that it had placed the validity of claims 2–28 in issue. Thus, Petitioner’s counterclaim included claims that appeared to be part of Patent Owner’s infringement contentions at some point in time during the district court action.

Patent Owner does not demonstrate that counterclaims against patent claims—both asserted and not asserted at various times during district court litigation—are not compulsory and could be brought in a later, separate action. *See* Mot. 3–4. Patent Owner’s allegation that Petitioner’s *Second Amended Answer and Counterclaim* went beyond the scope of the

infringement claims *asserted at the time it was filed* is conclusory and unsupported.<sup>2</sup>

Having considered the parties' arguments, we conclude that the statutory bar of 35 U.S.C. § 315(a)(1) was not triggered by Petitioner's actions in the parallel district court action, and deny Patent Owner's Motion to Dismiss pursuant to 35 U.S.C. § 315(a)(1).

### III. ORDER

In view of the foregoing, it is

ORDERED that Patent Owner's Motion to Dismiss is *denied*.

---

<sup>2</sup> Patent Owner's citation to *Nasalok Coating Corp. v. Nylok Corp.*, 522 F.3d 1320, 1327 (Fed. Cir. 2008) is unconvincing, as the case cites to a different case that holds that patent infringement claims against a device that was not "essentially the same" as a device in an earlier settlement and consent judgment did not bar a challenge to the validity of the claims by defendant. *See Nasalok*, 522 F.3d at 1327 (citing *Hallco Mfg. Co., Inc. v. Foster*, 256 F.3d 1290, 1295–96 (Fed. Cir. 2001)).

IPR2019-01094  
Patent 9,964,266 B2

PETITIONER:

Robert E. Boone III  
Daniel A. Crowe  
Erin A. Kelly  
BRYAN CAVE LEIGHTON PAISNER LLP  
reboon@bclplaw.com  
dacrowe@bryancave.com  
erin.kelly@bclplaw.com

PATENT OWNERS:

David W. Long  
ERGONIC, LLC  
longdw@ergoniq.com

Kevin B. Laurence  
LAURENCE & PHILLIPS IP LAW  
klaurence@lpiplaw.com

Ben M. Davidson  
DAVIDSON LAW GROUP, ALC  
ben@dlgla.com