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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LG ELECTRONICS, INC.
Petitioner

v.

MONDIS TECHNOLOGY LTD.
Patent Owner

IPR2015-00938
United States Patent No. 6,549,970

PATENT OWNER'S PRELIMINARY RESPONSE

Table of Contents

I. Introduction	1
II. Analysis	1
A. The Petition Is Time Barred under § 315(b)	1
1. Petitioner’s Petition Falls Squarely within § 315(b).	2
2. Petitioner’s Interpretation of § 315(b) Is Wrong.	3
B. No Exception Applies to the Statutory Bar of § 315(b).	7
1. The Parties’ First Infringement Case Was Not Dismissed without Prejudice.	9
2. The Prior Dismissal Did Not “Leave the Parties as though the Action Had Never Been Brought.”	12
3. No Equitable or Public Policy Exception Applies to § 315(b). ..	14
C. The Board Should Use Its Discretion under § 315(d) to Refuse to Institute Inter Partes Review.	18
III. Conclusion	20

Exhibit List

Exhibit 2001	Docket of <i>Mondis v. LG</i> , E.D. Tex. no. 2:07-cv-565
Exhibit 2002	LG’s Answer in <i>Mondis v. LG</i> , E.D. Tex. no. 2:07-cv-565
Exhibit 2003	LG’s Answer in <i>Mondis v. LG</i> , E.D. Tex. no. 2:14-cv-702
Exhibit 2004	LG’s Motion to Stay in <i>Mondis v. LG</i> , E.D. Tex. no. 2:14-cv-702
Exhibit 2005	Decision Instituting <i>Ex Parte</i> Reexamination 90/013,388
Exhibit 2006	Decision Instituting <i>Ex Parte</i> Reexamination 90/013,478

Pursuant to 35 U.S.C. § 313 and to 37 C.F.R. § 42.107, patent owner Mondis Technology Ltd. (“Mondis”) makes this preliminary response to the petition (the “Petition”) filed by petitioner LG Electronics, Inc. (“Petitioner,” and together with the other real party in interest, LG Electronics U.S.A., Inc., “LG”) for *inter partes* review (“IPR”) of U.S. Patent no. 6,549,970 (the “ ‘970 Patent”).

I. Introduction

The Petition is time barred. Petitioner filed the Petition “more than 1 year after the date on which petitioner . . . [was] served with a complaint alleging infringement of the [‘970] patent.” 35 U.S.C. § 315(b); *see also* 37 C.F.R. § 42.101(b). Therefore, an IPR “may not be instituted.” *Id.*; *see also* 35 U.S.C. § 314(a).

Alternatively, the Board should use its discretion under 35 U.S.C. § 315(d) to deny the Petition because the IPR would duplicate reexaminations already under way, and because the patent is expired and LG is having the Office expend an extraordinary amount of resources in this and its other proceedings to benefit LG alone, not the public as a whole.

II. Analysis

A. The Petition Is Time Barred under § 315(b).

The statute creating a time bar for IPR petitions is unambiguous:

(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 . . . is served with a complaint alleging infringement of the patent.

35 U.S.C. § 315(b); *see also* 37 C.F.R. § 42.101(b).

1. Petitioner’s Petition Falls Squarely within § 315(b).

The relevant facts are not disputed. Mondis previously sued LG for infringement and served Petitioner with “a complaint” alleging infringement of the ‘970 Patent on January 11, 2008, in *Mondis Technology Ltd. v. LG Electronics, Inc. et al.*, E.D. Tex. no. 07-cv-565 (the “First Infringement Case”). *See* Petition at 3-4 (admitting that fact); Ex. 1005¹ at Count V; Ex. 2001 at docket entry nos. 1 & 8

¹ Exhibit 1005 includes Mondis’s original and First, Second, and Third Amended Complaints against Petitioner in the First Infringement Case. LG is accused of infringing the ‘970 Patent in Count V of all but the Third Amended Complaint. (The Third Amended Complaint was filed after LG had settled the First Infringement Case and is irrelevant here). The First and Second Amended Complaints were also served upon LG more than one year before the Petition was filed, via the trial court’s ECF system, as noted by the certificates of service that are also included in Exhibit 1005 and by their filing with permission of the Court. *See* Ex. 2001 at docket entries 43, 44, 103, 108.

(showing the filing of the Complaint and proof of service).

Petitioner filed its petition on March 27, 2015. *See* Petition at 60. Thus, the petition was filed more than seven years after Petitioner was served with a complaint in the First Infringement Case, and the plain language of § 315(b) bars the Petition.

2. Petitioner’s Interpretation of § 315(b) Is Wrong.

Section 315(b) is a statutory bar: “An inter partes review may not be instituted if the petition . . . is filed more than 1 year after . . . the petitioner is served with a complaint alleging infringement of the patent.” The statute creates a bar date one year after “a complaint” is served, and it bars an IPR petition filed after the bar date. With limited potential exceptions, described below, “a complaint” means any complaint accusing the petitioner of infringement of the patent in question. It is immaterial that additional complaints may also be served after the bar date, because “[s]ervice of a second complaint does not nullify the effect of a first served complaint for purposes of 35 U.S.C. 315(b).” *Universal Remote Control, Inc. v. Universal Elecs., Inc.*, IPR2013-00168 Paper 9, at 4 (P.T.A.B. Aug. 26, 2013) (“We disagree . . . that the filing of a later lawsuit renders the service of a complaint in an earlier lawsuit to be a nullity as Petitioner argues. The plain language of the statute does not include such a restriction.”).

Petitioner can cite no case to the contrary, *see* Petition at 4-5, because “[t]he Board consistently has taken the position that § 315(b) bars institution of an *inter partes* review based on a complaint for infringement served more than one year before filing of the request for *inter partes* review.” *Loral Space & Comms., Inc., v. ViaSat, Inc.*, IPR2014-00236, 239, 240 Paper 7, at 8 (P.T.A.B. Apr. 21, 2014). Moreover, contrary to Petitioner’s assertion, there has not been only “one panel” of the Board that has disagreed with Petitioner on this issue. Petition at 5 n.1. To the contrary, the Board has rejected Petitioner’s argument again and again. *See, e.g., Microsoft Corp. v. Virnetx Inc.*, IPR2014-00401 Paper 10, at 4 (P.T.A.B. July 23, 2014) (rejecting LG’s “a complaint” argument and stating, “35 U.S.C. § 315(b) merely requires ‘a’ complaint.”); *Universal Remote*, IPR2013-00168 Paper 9, at 4 (“Service of a second complaint does not nullify the effect of a first served complaint for purposes of 35 U.S.C. 315(b).”); *Loral*, IPR2014-00236, 239, 240 Paper 7, at 7-8 (rejecting LG’s “a complaint” argument and stating, “The plain meaning of § 315(b) is that an *inter partes* review may not be instituted if the petition is filed more than one year after the date on which a party serves Petitioner . . . with a complaint.”); *Amneal Pharms., LLC v. Endo Pharms., Inc.*, IPR2014-00361 Paper 14, at 4 (P.T.A.B. July 25, 2014) (agreeing with the patent owner that a subsequent complaint “did not restart the clock in relation to the one-year bar under § 315(b).”); *Samsung Elecs. Co. Ltd. v. Fractus, S.A.*, IPR2014-00008,

00013 Paper 19, IPR2014-00012 Paper 14, IPR2014-00011 Paper 16, at 4-5 (P.T.A.B. Jan. 2, 2014) (rejecting Petitioner’s “a complaint” theory); *Apple Inc. v. Virnetx, Inc.*, IPR2013-00348, 00349 Paper 14, IPR2013-00354 Paper 20, at 3-4 (P.T.A.B. Dec. 13, 2013) (“The plain language of the statute does not specify that a later complaint will nullify the effect of an earlier complaint for timeliness purposes of a petition.”); *Apple Inc. v. Virnetx, Inc.*, IPR2013-00393 Paper 17, IPR2013-00394, 00397 Paper 15, IPR2013-00398 Paper 16, at 3-4 (P.T.A.B. Dec. 18, 2013) (same); *Accord Healthcare, Inc. v. Eli Lilly & Co.*, IPR 2013-00356 Paper 13, at 3 (P.T.A.B. Oct. 1, 2013) (“The plain language of the statute does not indicate or suggest that the filing of a later lawsuit renders the service of a complaint in an earlier lawsuit a nullity”).

The legislative history of § 315(b) supports this conclusion. *Loral*, IPR2014-00236, 239, 240 Paper 7, at 8 (“The legislative history of 35 U.S.C. § 315(b) does not support Petitioner’s argument.”). Congress intended that 35 U.S.C. § 315(b) was 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 (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; reprinted in 2011 U.S.C.C.A.N. at 78. Allowing such attacks “would frustrate the purpose of the

section as providing quick and cost effective alternatives to litigation.” *Id.*

Petitioner would have the Board effectively change the statute’s trigger for the statutory bar from “a complaint,” to a different trigger based on “the latest complaint.” Petitioner would have the statutory bar reset every time a new complaint was filed. *See* Petition at 5 (arguing that “the statute does not specify that the one year clock runs from the first complaint alleging infringement of the patent.”). But Congress enacted no such provision, and Petitioner’s request to rewrite the statute is misguided. *See, e.g., Microsoft*, IPR2014-00401 Paper 10, at 4 (“We decline Petitioner’s invitation to amend the statute by inserting . . . “latest” . . . into the statute.”); *Universal Remote*, IPR2013-00168, Paper 9 at 4 (“We disagree, however, . . . that the filing of a later lawsuit renders the service of a complaint in an earlier lawsuit to be a nullity as Petitioner argues.”). Once the statutory bar of § 315(b) has been triggered by “a complaint,” the statute does not authorize another bite at the apple when any subsequent complaint is filed. *See Loral*, IPR 2014-00236, 239, 240 Paper 7, at 7 (“Petitioner’s construction of § 315(b) incorrectly supposes that institution of an *inter partes* review is *authorized* by the statute within a year of being served with a complaint for patent infringement. The statute provides no such authorization.”).

Petitioner’s reliance on *Target Corp. v. Destination Maternity Corp.*, IPR2014-00508, Paper 28 (P.T.A.B. Feb. 12, 2015), is off target. The split

decision in that case addressed the merits of *joinder*, not the applicability of the time bar. *Target* concerned whether joinder under 35 U.S.C. § 315(c) would allow the petitioner in a first IPR petition, filed *before* the bar date, to file a *second* IPR petition *after* the bar date, when all agreed that the time bar would otherwise apply to the second petition. *Target*, IPR2014-00508 Paper 28 at 2-3. *Target* misses the mark because no IPR has been instituted for the ‘970 Patent, let alone one filed before the bar date, and so joinder is not possible.

Even if the Board were to give *Target* the meaning ascribed to it by Petitioner (*i.e.*, that the Board may “act in any way not expressly prohibited by the statute,” Petition at 5), the Petition must still be denied. As noted above, this IPR is “expressly prohibited by the statute” and it is therefore not within the Board’s discretion to grant the petition. *See Universal Remote*, IPR2013-00168 Paper 9, at 7 (holding that the Board has no “discretion to forgive the time limitation set forth in the statute [§ 315(b)]”).

B. No Exception Applies to the Statutory Bar of § 315(b).

“The plain meaning of § 315(b) is that an inter partes review may not be instituted if the petition is filed more than one year after the date on which a party serves Petitioner . . . with a complaint. The only exception created by the statute is in the case of joinder.” *Loral*, IPR2014-00236, 239, 240 Paper 7, at 8. Because

joinder does not apply here, nor does the only statutory exception.

Panels of the Board have purported to create a narrow, non-statutory exception to § 315(b) where the pre-bar date complaint was dismissed without prejudice under Federal Rule of Civil Procedure 41(a), because the dismissal “leav[es] the parties as though the action had never been brought.” *Oracle Corp. v. Click-to-Call Techs. LP*, IPR2013-00312 Paper 40, at 17 (P.T.A.B. Dec. 18, 2013). But no precedential or informative opinion of the Board has adopted this non-statutory exception to § 315(b). Moreover, the exception is contrary to the plain language of the statute, which establishes a one year period of repose that is jurisdictional and not subject to tolling. *See Unified Patents, Inc. v. Clouding IP, LLC*, IPR2013-00586 Paper 12, at 3 (P.T.A.B. Apr. 22, 2014) (“[T]he Section 315(b) bar is a jurisdictional issue that can be raised at any time.”); *Lemus v. DOJ*, 571 Fed. Appx. 952, 952-53 (Fed. Cir. 2014) (noting that jurisdictional filing deadlines are not subject to equitable tolling). Section 315(b) is jurisdictional because the statute is directed at prohibiting action by the Board, not action by the Petitioner. 35 U.S.C. § 315(b) (“may not be instituted”). The Board cannot create a non-statutory exception to expand its jurisdiction.

Nevertheless, even if a non-statutory exception to § 315(b) were allowed, it does not apply to this Petition for two reasons. First, as Petitioner admits, the First Infringement Case was in fact not dismissed without prejudice. Second, as

Petitioner also admits, the dismissal of the First Infringement Case did not leave the parties as though that prior suit had never been brought.

1. The Parties' First Infringement Case Was Not Dismissed without Prejudice.

A non-statutory exception to 35 U.S.C. § 315(b) does not apply for this Petition because the parties' First Infringement Case—in which Petitioner was served a complaint accusing it of infringing the '970 Patent more than seven years ago—was not dismissed without prejudice. As Petitioner admits, the first case concerned LG's computer monitors and was dismissed with prejudice with respect to those computer monitors.

In the First Infringement Case, captioned *Mondis Technology Ltd. v. LG Electronics, Inc. et al.*, E.D. Tex. no. 2:07-cv-565, Mondis alleged that LG computer monitors (but not LG televisions) infringed the '970 Patent. *See* Ex. 1005 at Count V (accusing only LG computer monitors of infringement in the original, First Amended, and Second Amended Complaints), Ex. 2003 ¶¶ 15-17. Mondis and LG then reached a settlement releasing both parties' claims and counterclaims with respect to the LG computer monitors that had been accused of infringement. *See* Ex. 2003 ¶ 18 (admitting that the settlement concerned the computer monitors). The computer monitor claims were dismissed with prejudice. *See* Ex. 1006 ¶ 1 (dismissing the claims for released products with prejudice, but

dismissing any claims for “Unreleased Products” without prejudice). The “Unreleased Products” were in fact LG televisions, which had not been accused in the first case. *See* Petition at 6 (“the currently accused products are the ‘Unreleased Products’”); Ex. 1004 ¶¶ 46-50 (noting that the currently accused products are LG televisions). In a nutshell, the First Infringement Case concerned LG computer monitors only, and those claims were settled and dismissed with prejudice.

Currently in *Mondis Technology Ltd. v. LG Electronics, Inc. et al.*, E.D. Tex. no. 2:14-cv-00702 (the “Second Infringement Case”), Mondis alleges that LG televisions infringe the ‘970 Patent. *See* Ex. 1004 ¶¶ 46-50; Petition at 6. LG’s televisions were never accused in the First Infringement Case, *see* Ex. 1005 at Count V; Ex. 2003 ¶¶ 15-17, which is why the LG televisions were the “Unreleased Products” from the prior settlement agreement. *See* Petition at 6.

The First Infringement Case was not dismissed without prejudice. Instead, it was dismissed with very significant prejudice; *e.g.*, with prejudice as to all the parties’ claims and counterclaims concerning LG’s computer monitors. *See* Ex. 1006 ¶ 1. Petitioner admits exactly that. *See* Petition at 4 (“On September 17, 2009, that action was dismissed . . . with prejudice for the remaining products.”). Consequently, the non-statutory exception to § 315(b) does not apply, and the Petition remains time barred. *See St. Jude Medical, Cardiology Div., Inc. v.*

Volcano Corp., IPR2013-00258 Paper 29, at 7 (P.T.A.B. Oct. 16, 2013) (“Service of a complaint alleging infringement triggers applicability of § 315(b), even if that complaint is later dismissed with prejudice.”).

It does not matter that potential claims against LG televisions (which claims had not been asserted in the First Infringement Case, *see* Ex. 1005 at Count V; Ex. 2003 ¶¶ 15-17, were not released and were dismissed without prejudice. The claims that were made in the First Infringement Case were dismissed with prejudice, and so any non-statutory exception to the § 315(b) bar does not apply.

Petitioner’s argument seems to be that, if the parties’ first patent infringement lawsuit was settled and consequently dismissed both with prejudice (in part) and without prejudice (in part), then “the prior dismissal should be interpreted as a dismissal without prejudice and the Board should consider the Dismissed Complaint as never having been served.” Petition at 6. But the Board has already rejected exactly that argument.

In *Microsoft v. Virnetx*, IPR2014-00401 Paper 10, at pp. 6-7 (P.T.A.B. July 23, 2014), the parties had earlier settled a 2007 infringement case in which “a subset of affirmative defenses and counterclaims . . . [were] dismissed without prejudice.” *Id.* (quotations and emphasis deleted). The Board nevertheless applied the statutory bar of § 315(b) to the later IPR petition, reasoning:

Petitioner, thus, argues that the infringement action corresponding to

the 2007 complaint should be treated as dismissed without prejudice (and, therefore, the dismissal should nullify the legal effect of service of the 2007 complaint). We disagree. Pursuant to 35 U.S.C. § 315(b), what matters is the temporal relationship between the filing date of the petition requesting inter partes review and the date the petitioner is served with a complaint alleging infringement of the patent.

Id. (applying § 315(b) to deny the IPR petition). The Board properly focused its analysis of the statutory bar upon a petitioner's ability to seek an IPR for a year after being served with a complaint, not upon whether a new cause of action for infringement might later arise. Because the facts in Microsoft are virtually identical to those here, and they demand the same result: denial of the Petition. Dismissal of some claims without prejudice, and some claims with prejudice, does not give the Petitioner a "pass" when it comes to the statutory bar.

2. The Prior Dismissal Did Not "Leave the Parties as though the Action Had Never Been Brought."

Similarly, the rationale behind the non-statutory exception to § 315(b) does not apply to the Petition. The parties are in significantly different legal positions now than they were before the first patent infringement case was brought. Petitioner admits as much by implication. *See* Petition at 6 ("This means the parties were left as though the action had never been brought with respect to those 'Unreleased Products.'" (emphasis added)). Examples of why the parties are not

left in the same position include:

- the parties are now prohibited from pursuing their prior claims and counterclaims with respect to computer monitors (*i.e.*, the claims dismissed with prejudice in the First Infringement Case, for the products accused of infringement in that case);
- the parties are now obligated to uphold the terms of their settlement agreement, and to submit to the jurisdiction of the district court in Texas to enforce it, *see* Ex. 1006 ¶ 3 (“This Court retains jurisdiction to enforce the parties’ Settlement Agreement.”);
- Petitioner contends that Mondis may no longer accuse certain LG products (*i.e.*, computer monitors) of infringement, *see* Ex. 2003 ¶¶ 147, 149;
- Petitioner contends that Mondis is estopped from asserting a construction of any claim of the ‘970 Patent in any manner inconsistent with Mondis’s prior positions taken in the First Infringement Case, *see* Ex. 2003 ¶152; and
- Assuming the Petitioner is correct that the first dismissal was without prejudice, then subsequent dismissals without prejudice will now operate differently than before, under Federal Rule of Civil Procedure 41(a)(1)(B).

Thus, neither party is in the same legal position that it was in before a complaint in the First Infringement Case was served upon Petitioner. The rationale behind a non-statutory exception to § 315(b) does not apply in a case like this where Petitioner agreed to dismiss the claims made in the First Infringement Case with prejudice.

3. No Equitable or Public Policy Exception Applies to § 315(b).

The Board itself has said that it has no “discretion to forgive the time limitation set forth in the statute [§ 315(b)].” *Universal Remote*, IPR2013-00168 Paper 9, at 7. But that is exactly what the Petition asks the Board to grant. Petition at 6-7. The Board may not contradict the plain language that Congress enacted in § 315(b), and even if the Board had that discretion, equity and public policy still weigh *in favor* of applying the time bar of § 315(b) in this case, not against it.

As an initial matter, the purpose of § 315(b) is “to ensure that *inter partes* review is not used as a tool for harassment by repeated litigation and administrative attacks.” *E.g., Loral*, IPR2014-00236, 239, 240 Paper 7, at 8 (alteration and quotations from the legislative history omitted). That is particularly true here, where Petitioner and its co-defendants have challenged the ‘970 Patent in multiple litigations, *inter partes* reexaminations, and *ex parte* reexaminations. *See generally* Patent Owner’s Mandatory Notices, Paper 4, at 2-3; Petition pp. 1-2

(listing litigations and reexaminations).² These amount to “harassment by repeated litigation and administrative attacks.”

Petitioner argues that it would not be “fair” for the Board to apply the plain language of § 315(b) to the Petitioner, because in this case, Petitioner could have been sued for infringement a second time. *See* Petition at 6-7. But that is always the case. Unless the patent is invalidated, held unenforceable, or expired, a patent owner can always sue an accused infringer again for subsequent acts of infringement, including for products that were not accused in the first suit. The exception that Petitioner seeks here—that § 315(b) not apply when “Patent Owner is allowed to continue to assert the same patents against Petitioner,” Petition at 6—would apply so broadly that it would swallow the rule. Petitioner is effectively asking the Board to overturn 35 U.S.C. § 315(b). *See Apple*, IPR2013-00348, 00349, Paper 14 at 3-4 (rejecting a similar fairness argument).

² Claim 22 of the ‘970 Patent, the only claim at issue in this Petition, has already been affirmed in an *inter partes* reexamination. *See* Inter Partes Reexamination Certificate no. US 6,549,970 C1 (issued June 24, 2015). The *inter partes* reexamination petition unsuccessfully asserted the same Schmidt reference that LG now asserts in the Petition. *See* Request for *Inter Partes* Reexamination in 95/000,457.

Section 315(b) does not cause inequitable results. As an initial matter, an accused infringer can prevent subsequent lawsuits either (1) by litigating validity to a conclusion, (2) by ceasing further acts of infringement, or (3) by taking a license covering all its activity for the life of the patent. In this case, Petitioner opted not to do any of those things. Instead, Petitioner negotiated a dismissal of the First Infringement Case with prejudice and a license for LG's computer monitors, only. Petitioner opted to roll the dice and to leave the door open with respect to future claims against LG's televisions.

Even so, an accused infringer has multiple opportunities to challenge the validity of a patent. First, it may seek an *inter partes* review (if after the Leahy-Smith America Invents Act) or *inter partes* reexamination (if before).³ Second, an accused infringer has the option of seeking an *ex parte* reexamination of the patent. In this case, Petitioner did just that, twice! *See* Ex. 2004 at 4 (admitting that Petitioner filed the request for reexamination 90/013,388); Petitions in IPR2015-00940 and 00942, at p. 2 (admitting that Petitioner filed an *ex parte* reexamination

³ The statutory bar of § 315(b) applies regardless whether service of the complaint was before or after the AIA. *See, e.g., Samsung Elecs. Co. Ltd. v. Fractus, S.A.*, IPR2014-00008, 00011, 00012, 00013, Paper 19 at 4 (P.T.A.B. Jan. 2, 2014) (citing cases).

request on March 27, 2015); PAIR Continuity tab for US 6,549,970 (showing that 90/013,478 was the only *ex parte* reexamination request filed on March 27, 2015).⁴ Petitioner is a multi-billion dollar company represented by sophisticated counsel, and regardless what strategy it chose, the process has certainly not been “unfair” to Petitioner.

Petitioner also argues that § 315(b) is contrary to public policy because it deters settlements. In fact, Section 315(b) encourages settlements and discourages continued litigation, and this case illustrates exactly why. When the parties negotiated a settlement of the First Infringement Case in 2009 (before § 315(b) was enacted), Petitioner knew that there were “Unreleased Products” (*i.e.*, LG’s televisions), yet it chose to negotiate a settlement that excluded those products,

⁴ Of the five IPR petitions Petitioner filed against Mondis on March 27, 2015, two petitions admit that Petitioner concurrently filed *ex parte* reexamination requests for all five corresponding patents (Petitions in IPR2015-00940 at p. 2, IPR2014-00942 at p. 2), one petition admits only that Petitioner concurrently filed an request for its patent only (Petition in IPR 2015-00937 at p. 2), and two petitions are missing any admission (Petitions in IPR2015-00938, IPR2015-0939). The five corresponding *ex parte* reexaminations filed on March 27, 2015, are nos. 90/013,477, -478, -479, -480, and -481.

rather than continue to litigate validity. *See* Ex. 1006 ¶ 1; Petition p. 6 (“Patent Owner was permitted to sue Petitioner for infringement on the ‘970 Patent for all the ‘Unreleased products.’”). Consequently, without the effect of § 315(b), an entire second patent infringement case has ensued. Had § 315(b) or a similar statute been in effect in 2009, Petitioner would have had an incentive to settle with respect to its televisions, too, rather than risking a second litigation after the time bar. Petitioner admits exactly this point about the effect of § 315(b): “a defendant is unlikely to agree to a dismissal that would leave it open to future infringement allegation from a plaintiff but at the same time eliminate its ability to seek IPR in the future.” Petition at 7. Thus, the effect of § 315(b) is to encourage settlement of all claims, and to discourage piecemeal settlements that result in more litigation. Petitioner brought any unfairness upon itself.

C. The Board Should Use Its Discretion under § 315(d) to Refuse to Institute *Inter Partes* Review.

LG is the only entity that is at risk of an infringement suit concerning the ‘970 Patent. As such, an IPR here would not benefit the public, but would only benefit LG. Moreover, the Office is already considering the patentability of the ‘970 Patent in light of every one of the references cited in the Petition, and the Office is currently considering all nine of the grounds proposed in the Petition. Given the combination of these factors, the Board should exercise its discretion

under 35 U.S.C. § 315(d) to refuse to institute IPR.

An IPR will not benefit the public as a whole, but instead will only benefit LG (and its affiliate, LG Electronics U.S.A., Inc.). The '970 Patent is expired, *see* Petition at 15, and therefore the public is not subject to an injunction nor any future damages. Petitioner alleges that Mondis has not complied with the marking statute, *see* Ex. 2003 ¶ 148; Ex. 2002 ¶ 136, and therefore the public is not subject to any back damages unless Mondis gave actual notice of infringement. *See* 35 U.S.C. § 287. Finally, LG (and its affiliate) are the only defendants in the only remaining infringement lawsuit, *see* Petition at 1-2, and hence LG is the only party at risk of liability for infringement of the '970 Patent. As a result, the public will see no benefit from an IPR; the only benefit could accrue to LG alone.

Every single ground proposed in the Petition has already been instituted in the ex parte reexamination requests filed by Petitioner. Petitioner's two *ex parte* reexamination requests, 90/013,388 and 90/013,478, have already been instituted, and Petitioner's proposed ground 7 was instituted in 90/013,388, and Petitioner's proposed grounds 1, 2, 3, 4, 5, 6, 8, and 9 were instituted in 90/013,478. *See* Ex. 2005 (Decision Granting Ex parte Reexamination in 10/013,388) at corresponding ground 4; Ex. 2006 (Decision Granting Ex parte Reexamination in 10/013,478) at corresponding grounds A, D, E, G, H, I, J, and M. Thus, the examiner corps and the Board are duplicating effort, and the IPR petition is merely an attempt by the

Petitioner at a “second bite at the apple” to invalidate the ‘970 Patent.

LG’s use of duplicative public resources (including the examiner corps and the Board) to get a second bite at the apple for its own private benefit, with no public benefit, means the Board should exercise its discretion under § 315(d) to deny the Petition.

III. Conclusion

The Board should deny the Petition for at least the following reasons:

- The Petition is time barred by 35 U.S.C. § 315(b) because
Petitioner was served with “a complaint” in the First Infringement Case seven years before filing its Petition.
- The parties’ settlement of the First Infringement Case, which dismissed the pending computer monitor claims with prejudice, does not create an exception to § 315(b) for any other claims not dismissed with prejudice.
- No exception to § 315(b) applies because the first case was not dismissed without prejudice, and the parties were not in the same position as before the first case.
- The Board may not make equitable exceptions to § 315(b), and even if it could, the equities and public policy favor denial of the

petition.

- The Board has discretion under § 315(d) to deny an IPR petition that would duplicate the work of the examiner corps and give Petitioner two bites at the apple, all without any benefit to the public as a whole.

Respectfully submitted,

Dated: July 2, 2015

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Certificate of Service

I certify that today in

LG Electronics, Inc. v. Mondis Technology Ltd., IPR2015-00938

I caused to be served a copy of:

Patent Owner's Preliminary Response
Exhibits 2001, 2002, 2003, 2004, 2005, 2006
Certificate of Service

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Dated: July 2, 2015

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