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IPR deadline applies even if complaint was defective, says PTO

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(Reuters) - The one-year clock for challenging a competitor's patent under the America Invents Act starts to run when the challenger is served with a lawsuit for infringement, even if that lawsuit suffers from a fatal defect, a three-judge review panel held Friday.

The decision by the Precedential Opinion Panel of the U.S. Patent Trial and Appeal Board is a loss for action-camera maker GoPro Inc, which had convinced the PTAB that its September 2018 petition for review was timely even though rival 360Heros Inc had first sued it for infringement in August 2016.

The PTAB ruled in June that 360Heros' 2016 complaint was a "nullity" because it had been dismissed for lack of standing, and therefore the clock did not start to run until 360Heros filed a new lawsuit in September 2017.

The Precedential Opinion Panel reversed the PTAB's institution decision in an opinion written by U.S. Patent and Trademark Office Director Andrei Iancu, Commissioner for Patents Andrew Hirshfeld and Chief Administrative Patent Judge Scott Boalick.

In passing the America Invents Act, Congress specified that the one-year limit to file a petition for inter partes review would run from "service of the complaint," not a "proper" complaint, Boalick wrote for the unanimous panel.

"(S)ervice of a pleading asserting a claim alleging infringement triggers the one-year time period . . . , even where the serving party lacks standing to sue or where the pleading is otherwise deficient," the panel concluded.

Michael Kintner, CEO and founder of New York-based 360Heros (now doing business as 360RIZE) applauded the decision on Friday.

"It's promising for all the inventors to see that the new leadership at the USPTO is willing to investigate its own panel rulings and right a wrong!" Kintner said in a statement issued through an attorney, William Spence.

GoPro's attorney, James Isbester of Kilpatrick Townsend & Stockton, declined to comment.

California-based GoPro initially sued 360Heros in federal court in San Francisco in 2016, claiming the "360Abyss," an underwater camera mount, infringed a subsidiary's trademark on "Abyss." 360Heros answered and served its counterclaim for patent infringement that August.

However, at the time, Kintner still owned the patent. The judge dismissed the counterclaim and the parties settled the rest of the lawsuit in May 2018.

Meanwhile, Kintner had formally transferred the patent to his company, which then filed the suit for infringement in U.S. District Court in Delaware. That action has been stayed pending the outcome of GoPro's petition for inter partes review.

Friday's decision dismissing the petition relied heavily on an August 2018 decision of the U.S. Court of Appeals for the Federal Circuit, but went a step beyond it.

The Federal Circuit, in *Click-to-Call v. Ingenio*, had ruled that the time limit on filing a petition for inter partes review was "plain and unambiguous," and started when the petitioner was served with a lawsuit even if the plaintiff later dismissed the action. However, the Federal Circuit has never decided whether the result would be the same if the complaint itself were defective.

The Precedential Opinion Panel nevertheless held that *Click-to-Call* was dispositive.

"(G)iven this clear articulation of 'served with a complaint,' we see no gap in the statute's language to fill or ambiguity to resolve," the panel concluded.

The case is *GoPro Inc v. 360Heros Inc*, U.S. Patent Trial Appeal Board, No. IPR 2018-01754.

For GoPro: James Isbester of Kilpatrick Townsend & Stockton

For 360Heros: Robert Greenspoon of Flachsbart & Greenspoon, Clifford Kraft

--- **Index References** ---

Company: GOPRO INC; KILPATRICK TOWNSEND AND STOCKTON LLP

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