

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

VOIP-PAL.COM, INC.,
Patent Owner

Case IPR2016-01198 and IPR2016-01201¹
Patents 9,179,005 B2 and 8,542,815 B2

Before SCOTT R. BOALICK, *Acting Chief Administrative Patent Judge*,
JACQUELINE WRIGHT BONILLA, *Acting Deputy Chief Administrative
Patent Judge*, and MICHAEL P. TIERNEY, *Vice Chief Administrative
Patent Judge*.

BOALICK, *Acting Chief Administrative Patent Judge*.

ORDER

Granting-in-Part Petitioner's Motion for Sanctions
37 C.F.R. §§ 42.5, 42.12

¹ This Order pertains to both noted proceedings. The Board exercises its discretion to issue a single Order for entry in each proceeding. The parties are not authorized to use this style heading for any subsequent papers.

The two above-captioned proceedings are on remand from the United States Court of Appeals for the Federal Circuit. *Apple Inc. v. Voip-Pal.com, Inc.*, Nos. 18-1456, -1457 (Fed. Cir. Feb. 21, 2018) (“Remand Order”). The Federal Circuit’s order remands these cases for the limited purpose of allowing us to consider the motion for sanctions (“Motion” or “Mot.”) that Apple Inc. (“Petitioner”) filed, and states that the court otherwise retains jurisdiction over the appeals. *Id.*

For the reasons that follow, the Motion is granted-in-part. The Motion is granted to the extent that Petitioner seeks sanctions against Voip-Pal.com, Inc. (“Patent Owner”) for improper *ex parte* communications and a new panel (Mot. 14–15). As a sanction, the new panel will reconsider the Final Written Decisions on rehearing in view of the entirety of record in these proceedings. The Motion is denied to the extent that Petitioner seeks judgment against Patent Owner on all claims at issue in these proceedings, or vacatur of the Final Written Decisions (Mot. 1, 15; Reply 10).

I. PROCEDURAL HISTORY

On November 20, 2017, the Board entered Final Written Decisions in each of the proceedings at issue. IPR2016-01198, Paper 53; IPR2016-01201, Paper 54. During a conference call on December 19, 2017, Petitioner obtained authorization to file a motion for sanctions. The Board memorialized this authorization in an order entered on December 20, 2017. Paper 54, 3.² That order stayed the deadline for filing requests for rehearing of the Final Written Decisions pending a decision on Petitioner’s motion,

² This citation and all subsequent citations to Paper numbers are to the Paper numbers in IPR2016-01198.

and also entered six *ex parte* communications (Ex. 3003–3008) into the record. *Id.* at 2–3.

As authorized, Petitioner filed its Motion for Entry of Judgment in Favor of Petitioner as a sanction, alleging that the *ex parte* communications were improper *ex parte* communications made by Patent Owner’s former CEO (Dr. Thomas Sawyer), in concert with Patent Owner and its counsel. Paper 55. Patent Owner filed an Opposition to the Motion (“Opp’n”). Paper 61. Petitioner filed a Reply in support of its Motion (“Reply”). Paper 65. Just prior to filing its Reply, Petitioner also filed a Notice of Appeal indicating that it had appealed the Final Written Decisions to the Federal Circuit. Paper 64. As noted above, the Federal Circuit stayed those appeals pending the resolution of the Motion before the Board in both cases. Remand Order 2.

Thereafter, the Board issued an order changing the panel to Deputy Chief Administrative Patent Judge (currently Acting Chief Administrative Patent Judge) Boalick, Vice Chief Administrative Patent Judge (currently Acting Deputy Chief Administrative Patent Judge) Bonilla, and Vice Chief Administrative Patent Judge Tierney. Paper 69.

II. BACKGROUND

Petitioner’s Motion requests that the Board sanction Patent Owner in light of six letters Patent Owner’s former CEO and Chairman and current advisor, Dr. Thomas Sawyer, wrote and sent to the Chief Administrative Patent Judge, among many others, including the judges initially assigned to conduct the proceedings. Mot. 1; Exs. 3003–3008. Petitioner argues that these letters are *ex parte* communications that violate Petitioner’s due

process rights, Board regulations, and the Administrative Procedure Act (“APA”). Mot. 7. Petitioner further argues that Patent Owner is responsible for these letters, that the Board’s response to these letters prejudiced Petitioner, and that the Board should sanction Patent Owner by entering adverse judgment against Patent Owner or, alternatively, by vacating the Final Written Decisions and assigning a new panel to preside over “constitutionally correct” proceedings going forward. *Id.* at 8–9, 12–15.

Patent Owner opposes Petitioner’s Motion, arguing first that the letters are not *ex parte* communications because they only reference a pending proceeding to illustrate a systemic concern and do not discuss substantive issues relevant to the instant proceedings themselves. Opp’n 2–7 (citing Office Patent Trial Practice Guide (“Trial Practice Guide”), 77 Fed. Reg. 48,756, 48,758 (Aug. 14, 2012)). Patent Owner further contends that even if the letters are deemed impermissible *ex parte* communications, they are not so egregious as to require the sanctions Petitioner requests, that Petitioner was not prejudiced by the letters, and that Petitioner’s due process rights were not violated. *Id.* at 7–11, 14–15. Furthermore, Patent Owner states that Petitioner’s Motion is untimely and barred because Petitioner was aware of two of the letters, but chose to do nothing, instead waiting until after the Board issued its Final Written Decisions to bring the Motion. *Id.* at 12–14.

In the Reply, Petitioner faults Patent Owner for previously misrepresenting in a press release that the letters were written “independent of [Patent Owner’s] management” and issuing a corrected press release stating that the letters were written “in consultation with [Patent Owner’s] management” only after Petitioner filed the Motion. Reply 1–2 (emphases

omitted) (quoting Exs. 1019, 1023). Petitioner again argues that the letters are *ex parte* communications that violate 37 C.F.R. § 42.5(d) and deprive Petitioner of due process. *Id.* at 4–10. The Reply reiterates Petitioner’s request for judgment against Patent Owner and, in the alternative, requests an opportunity to file new petitions. *Id.* at 10.

III. ANALYSIS

The parties’ arguments initially present two threshold issues: (A) whether Petitioner’s Motion is barred under 37 C.F.R. § 42.73(a) (Opp’n 13–14); and (B) whether the letters are *ex parte* communications (Mot. 9–10; Opp’n 2–7; Reply 4–6). If these threshold issues are resolved such that the Motion is not barred and the letters are, in fact, *ex parte* communications, then the parties ask us to further consider the following three issues: (C) whether Petitioner’s due process rights were violated (Mot. 10–12; Opp’n 14–15; Reply 6–9); (D) whether Patent Owner should be sanctioned and, if so, what sanction is appropriate (Mot. 14–15; Opp’n 7–9; Reply 10); and (E) whether Petitioner’s rights under the APA were violated (Mot. 10). We address each of these issues in turn.

A. *Whether the Motion Is Barred Under 37 C.F.R. § 42.73(a)*

Under 37 C.F.R. § 42.73(a), “[a] judgment, except in the case of a termination, disposes of all issues that were, or by motion reasonably could have been, raised and decided.” Patent Owner asserts that Petitioner is barred from bringing its Motion under § 42.73(a) because Petitioner became aware of two of the letters, on May 8, 2017, and November 1, 2017, respectively, before the Board issued the Final Written Decisions on November 20, 2017, yet chose to do nothing. Opp’n 13. Petitioner

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