United States Court of Appeals for the Federal Circuit

APPLE INC.,
Appellant

v.

VOIP-PAL.COM, INC.,
Appellee

ANDREI IANCU, UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE,
Intervenor

2018-1456, 2018-1457

Appeals from the United States Patent and Trademark Office, Patent Trial and Appeal Board in Nos. IPR2016-01198, IPR2016-01201.

Decided: September 25, 2020

MARK ANDREW PERRY, Gibson, Dunn & Crutcher LLP, Washington, DC, argued for appellant. Also represented by BRIAN BUROKER, ANDREW WILHELM; RYAN IWAHASHI, Palo Alto, CA; PAUL R. HART, Erise IP, P.A., Greenwood Village, CO; ERIC ALLAN BURESH, ADAM PRESCOTT SEITZ, Overland Park, KS.

LEWIS EMERY HUDNELL, III, Hudnell Law Group PC, Mountain View, CA, argued for appellee.

DENNIS FAN, Appellate Staff, Civil Division, United States Department of Justice, Washington, DC, argued for intervenor. Also represented by MELISSA N. PATTERSON, ETHAN P. DAVIS; THOMAS W. KRAUSE, FARHEENA YASMEEN RASHEED, DANIEL KAZHDAN, Office of the Solicitor, United States Patent and Trademark Office, Alexandria, VA.

Before PROST, *Chief Judge*, REYNA and HUGHES, *Circuit Judges*.

REYNA, *Circuit Judge*.

In two consolidated appeals, Apple Inc. challenges the final written decisions of the Patent Trial and Appeal Board that certain claims of Voip-Pal.com, Inc.'s patents were not invalid for obviousness. Apple also challenges the Board's sanctions determinations. We find no error in the Board's non-obviousness determinations or in its sanctions rulings. We vacate and remand the Board's final written decisions as to nineteen claims on mootness grounds. We affirm as to the remaining claims.

BACKGROUND

I

Appellee Voip-Pal.com, Inc. ("Voip-Pal") owns U.S. Patent Nos. 8,542,815 ("the '815 patent") and 9,179,005 ("the '005 patent") (collectively, the "Asserted Patents"), both of which are titled "Producing Routing Messages for Voice Over IP Communications." The Asserted Patents describe the field of invention as "voice over IP communications and methods and apparatus for routing and billing" and relate to routing communications between two different types of

networks—public and private. *See* '815 patent at 1:12–13, 1:15–21.

In February 2016, Voip-Pal sued appellant Apple Inc. ("Apple") for infringement of the Asserted Patents in the United States District Court for the District of Nevada. *Voip-Pal.com, Inc. v. Apple Inc.*, No. 2:16-cv-260 (D. Nev. Feb. 9, 2016). In June 2016, Apple petitioned for inter partes review ("IPR") of several claims of the Asserted Patents in two separate proceedings before the Patent Trial and Appeal Board ("Board")—IPR2016-01198 and IPR2016-01201. The Nevada district court stayed Voip-Pal's infringement action pending the IPRs.

In its IPR petitions, Apple argued that the claims were obvious over the combination of U.S. Patent No. 7,486,684 B2 ("Chu '684") and U.S. Patent No. 8,036,366 ("Chu '366"). Apple relied on Chu '684 as a primary reference for its infrastructure, call classifying, and call routing disclosures. Apple relied on Chu '366 as a secondary reference for its caller profile and dialed digit reformatting disclosures.

A panel of the Board (Benoit, Pettigrew, Margolies, JJ.) ("Original Panel") instituted review in both proceedings. In June 2017, the Original Panel was replaced by a second panel (Cocks, Chagnon, Hudalla, JJ.) ("Interim Panel") for reasons not memorialized in the record.

During both IPR proceedings, Voip-Pal's former Chief Executive Officer, Dr. Thomas E. Sawyer, sent six letters to various parties, copying members of Congress, the President, federal judges, and administrative patent judges at the Board. Dr. Sawyer did not copy or send Apple the letters. The letters criticized the IPR system, complained about cancellation rates at the Board, and requested judgment in favor of Voip-Pal or dismissal of Apple's petition in the ongoing Apple IPR proceedings. The letters did not discuss the underlying merits of Apple's IPR petitions.

On November 20, 2017, the Interim Panel issued final written decisions in both actions, determining all claims to be not invalid as obvious over Chu '684 and Chu '366. In its final written decisions, the Interim Panel found that Apple did not provide evidentiary support for Apple's argument on motivation to combine. Additionally, the Interim Panel credited Voip-Pal's expert's testimony that Chu '684 did not have, as Apple argued, a dialing deficiency.

II

Apple then moved for sanctions against Voip-Pal based on Sawyer's ex parte communications with the Board and with the United States Patent and Trademark Office. Apple argued that Voip-Pal's ex parte communications violated its due process rights and the Administrative Procedures Act. Apple requested that the Board sanction Voip-Pal by entering adverse judgment against Voip-Pal or, alternatively, by vacating the final written decisions and assigning a new panel to preside over "constitutionally correct" new proceedings going forward.

After moving for sanctions, Apple appealed the Board's final written decision to this court, giving rise to the instant consolidated appeals. Upon Apple's motion, we stayed the appeals and remanded the cases for the limited purpose of allowing the Board to consider Apple's sanctions motions. *Apple Inc. v. Voip-Pal.com, Inc.*, Nos. 18-1456, -1457 (Fed. Cir. Feb. 21, 2018). For the sanctions proceedings, a new panel (Boalick, Bonilla, Tierney, JJ.) ("Final Panel") replaced the Interim Panel.

The Final Panel determined that Voip-Pal engaged in sanctionable ex parte communications. The Final Panel rejected Apple's request for a directed judgment and Apple's alternative request for new proceedings before a new panel. The Final Panel fashioned its own sanction, which provided that the Final Panel would preside over Apple's petition for rehearing, which, according to the Final Panel,

"achieves the most appropriate balance when considering both parties' conduct as a whole." J.A. 71.

The parties proceeded to panel rehearing briefing. The Final Panel denied Apple's petition for rehearing because Apple had "not met its burden to show that in the Final Written Decision, the [Interim] panel misapprehended or overlooked any matter," J.A. 86, and "[e]ven if [the Panel] were to accept [Apple's] view of Chu '684 . . . [the Panel] would not reach a different conclusion." J.A. 82. Apple then moved our court to lift the limited stay. We lifted the stay and proceeded to briefing and oral argument. *Apple Inc. v. Voip-Pal.com, Inc.*, Nos. 18-1456, -1457 (Fed. Cir. July 3, 2019). We have jurisdiction under 28 U.S.C. § 1295(a)(4)(A).

DISCUSSION

I

Before turning to the merits of these appeals, we address a threshold jurisdictional issue Apple raised post-briefing. On June 8, 2020, prior to oral argument, Apple filed a post-briefing document in both appeals entitled "Suggestion of Mootness." *Apple Inc. v. Voip-Pal.com, Inc.*, Nos. 18-1456 (Fed. Cir. June 8, 2020), ECF No. 79. In that submission, Apple contends that our recent ineligibility determination in *Voip-Pal.com, Inc. v. Twitter, Inc.*, 798 F. App'x 644 (Fed. Cir. 2020) ("*Twitter*"), renders the instant appeals moot and that we must vacate the Board's underlying final written decisions and sanctions orders. For the reasons discussed below, we agree in part with Apple.

A. *Twitter*

Shortly after the Interim Panel issued its final written decisions in December 2017, the parties agreed to lift the stay in the underlying district court litigation. *See Voip-Pal.com, Inc. v. Apple Inc.*, No. 2:16-cv-260, ECF No. 37

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