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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

**IN RE: AMERANTH PATENT
LITIGATION**

Lead Case No. 11cv1810 DMS (WVG)

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
RENEWED MOTION OF PLAINTIFF
AMERANTH, INC. TO LIFT STAY OF
PROCEEDINGS**

**Date: January 13, 2017
Time: 1:30 p.m.
Courtroom: 13A**

Complaint Filed: August 15, 2011

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TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION.....	1
DISCUSSION	1
CONCLUSION	4

INTRODUCTION

1
2 Plaintiff Ameranth, Inc. (“Ameranth”) hereby moves the Court to lift the stay
3 of proceedings issued on November 26, 2013 [Doc. No. 549], and further continued
4 on June 4, 2015 [Doc. No. 596], now that the Federal Circuit Court of Appeals has
5 issued its final decision affirming in part and reversing in part the Patent Trial and
6 Appeal Board’s (“PTAB”) decisions in three Covered Business Method (“CBM”) reviews of certain claims Ameranth’s ‘850, ‘325 and ‘733 patents.

8 All 16 of the claims of Ameranth’s ‘733 patent have now been invalidated by
9 the Federal Circuit as ineligible under 35 U.S.C. section 101. 21 claims of
10 Ameranth’s ‘850 and ‘325 patents also have been held invalid by the Federal Circuit
11 as ineligible under section 101.

12 Furthermore, after the PTAB’s initial round of decisions, the defendants filed a
13 second set of CBM petitions challenging Ameranth’s patents under 35 U.S.C.
14 sections 101, 112 and 103. In response to those later filed petitions, the PTAB found
15 9 other claims of the ‘850 and ‘325 patents to be invalid under section 103, only.
16 Ameranth has appealed those section 103 invalidity rulings by the PTAB to the
17 Federal Circuit. (Claim 14 of the ‘325 patent remains valid.)

18 However, despite multiple petitions filed serially by the defendants on multiple
19 different grounds, including challenges under 35 U.S.C. sections 101, 103 and 112,
20 the PTAB did not institute CBM review of any of the 18 claims of Ameranth’s ‘077
21 patent, and no appellate review has been filed, or is even permitted, of the PTAB’s
22 non-institution decisions. To Ameranth’s knowledge, the ‘077 patent is the only
23 patent that has had 100% of its claims confirmed by the PTAB under all the possible
24 grounds for validity challenge since the inception of the CBM review program.
25 Consequently, the ‘077 patent will not be further affected by any PTAB or Federal
26 Circuit proceedings.

27 Therefore, in order to simplify these proceedings and move forward with the
28 Consolidated Infringement Lawsuits (the earliest of which were filed over 5 years

1 ago, in August of 2011), Ameranth respectfully requests that the Court now lift the
2 three year old stay of proceedings and allow Ameranth to finally go forward with its
3 claims for infringement of its '077 patent. Because claims for infringement of the
4 '077 patent have been asserted against every defendant in the consolidated lawsuits,
5 Ameranth's claims for infringement of that patent can now proceed against all of
6 defendants simultaneously, promoting judicial efficiency and consistency of
7 determination.

8 DISCUSSION

9 Ameranth filed the earliest of its complaints for infringement on August 15,
10 2011 [Doc. No. 1]. That pleading alleged infringement of Ameranth's '850 and '325
11 patents. On March 27, 2012, the USPTO issued Ameranth's '077 patent. Ameranth
12 thereafter filed additional complaints alleging infringement of the '077 patent. On
13 August 6, 2012, the Court issued an Order granting the defendants' motion to
14 consolidate all of the cases, on all of the patents, under Case No. 11-cv-1810 [Doc.
15 No. 260]. Thus, the lawsuits for infringement of the '077 patent were combined with
16 the suits for infringement of Ameranth's other, earlier issued, patents.

17 In October of 2013, the majority of the defendants filed CBM petitions with the
18 PTAB. The CBM petitions challenged the patentability of each and every claim of
19 all four of the patents-in-suit on multiple grounds. Subsequently, all of the
20 defendants (even those not formally participating in the petitions before the PTAB)
21 joined in a motion to stay all proceedings in the Consolidated Infringement Lawsuits
22 pending determination of the CBM petitions. On November 26, 2013, the Court
23 granted the defendants' motion to stay [Doc. No. 549]. The stay order provided, at
24 page 5, that: "Upon issuance of a final order from the PTAB, the parties shall request
25 that the stay be lifted so this case may proceed."

26 The PTAB issued Final Written Decisions on the defendants' CBM petitions
27 concerning Ameranth's '850, '325 and '733 patents that had been the basis of the
28 motion to stay on March 20, 2015. Ameranth lodged copies of those decisions with

1 the Court [Doc. No. 581] and filed a motion to lift the stay on April 24, 2015 [Doc.
2 No. 591].

3 On June 4, 2015, the Court denied Ameranth's motion to lift the stay [Doc. No.
4 596], reasoning that the stay should remain in place while the parties appealed the
5 PTAB final decisions to the Federal Circuit. The Court's Order concludes that: "The
6 parties shall notify the Court when the Federal Circuit issues its decision on the
7 pending appeals."

8 The Federal Circuit issued its decision on the parties' appeals of the PTAB
9 decisions on Ameranth's '850, '325 and '733 patents on November 29, 2016. See
10 NOL, Exh. 1. The Federal Circuit held that the challenged claims of those patents are
11 invalid¹. 9 other claims of the '850 and '325 patents subsequently were held invalid
12 by the PTAB under 35 U.S.C. section 103 in a later round of CBM challenges filed
13 the defendants². Ameranth is appealing the PTAB's later issued invalidity orders
14 under section 103 on certain claims of the '850 and '325 patents to the Federal
15 Circuit.

16 However, in contrast to the treatment of the claims of Ameranth's '850, '325
17 and '733 patents, the PTAB has declined, *on three occasions*, to institute a CBM
18 proceeding on any of the claims of Ameranth's '077 patent, which has been asserted
19 against every one of the defendants in the Consolidated Infringement Lawsuits before
20 this Court. Specifically:

- 21
22 1) On March 26, 2014, the PTAB issued an Order declining to institute CBM
23 proceedings on any of claims 1-18 of the '077 patent on any challenges
24 under 35 USC sections 101, 112(1) or 112(2). NOL, Exh. 2.

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27 ¹ The Federal Circuit held that claims 1-11 of the '850 patent, claims 1-10 of the '325
patent, and claims 1-16 of the '733 patent, are invalid.

28 ² In the later round of CBM challenges (subject to Federal Circuit appeal) the PTAB
invalidated claims 12-16 of the '850 patent, and claims 11, 12, 13 and 15 of the '325 patent.

1 2) On August 20, 2015, the PTAB issued an Order declining to institute CBM
2 proceedings on any of claims 1-18 of the '077 patent on any challenges
3 under 35 USC sections 103 or 112. NOL, Exh. 3.

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5 3) On November 19, 2015, the PTAB issued an Order denying the defendants'
6 request for re-hearing of the PTAB's decisions to not institute CBM
7 proceedings on any grounds against any of the claims of Ameranth's '077
8 patents. NOL, Exh. 4.

9 There is no right of appeal from the PTAB's decisions to not institute
10 proceedings against Ameranth's '077 patent. See 35 U.S.C. § 314(d); St. Jude
11 Medical, Cardiology Division, Inc. v. Volcano Corp., 749 F.3d 1373 (Fed. Cir. 2014).
12 There are no longer any PTAB challenges pending against any claims of Ameranth's
13 '077 patent. Therefore, there is no reasonable justification for continuing to stay
14 Ameranth's ability to prosecute lawsuits for infringement of the '077 patent that
15 outweighs Ameranth's right to seek an adjudication of its claims, now after more than
16 a three year delay.

17 **CONCLUSION**

18 For the reasons stated herein, Ameranth respectfully requests the Court to
19 timely lift the three year old stay of proceedings, to permit Ameranth to proceed with
20 the prosecution of its claims for infringement of the '077 patent, and to set a near-

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1 term status conference to discuss the case management and administration issues to
2 be addressed in the Consolidated Infringement Lawsuits.

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Respectfully submitted,

Dated: December 2, 2016

CALDARELLI HEJMANOWSKI PAGE & LEER LLP

By: /s/ William J. Caldarelli

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