

## PTAB Faulted For Logic Behind Anti-Spoofing Patent Ruling

By Khorri Atkinson

*Law360 (May 4, 2021, 9:03 PM EDT)* -- TrustID Inc. on Tuesday told the Federal Circuit that the Patent Trial and Appeal Board violated the Administrative Procedure Act because part of the board's decision in a dispute over the company's patented anti-spoofing technology considered arguments that neither party had raised.

The dispute at issue, brought by Next Caller Inc., concerns TrustID's U.S. Patent No. 9,001,985 covering an invention used to combat spoofing, which happens when a caller deliberately falsifies the number that appears on a caller ID to disguise the call's origin. The patent developed by TrustID, a caller authentication and fraud prevention service provider, generates a metric that gauges the trustworthiness of the caller identification information.

In a February 2020 order, the PTAB found that Next Caller had failed to demonstrate that certain key claims were unpatentable based on a preponderance of the evidence. TrustID, owned by technology company NeuStar Inc., challenged the board's decision that other claims that were found unpatentable.

TrustID's attorney, Byron Pickard of Sterne Kessler Goldstein & Fox PLLC, told a three-judge panel Tuesday that under the APA the board is barred from deciding an argument unless it was both raised by the petitioner and the opposing party was given an opportunity to reply during inter partes review proceedings.

He added that Next Caller argued that the patent's limitation claim is obvious when compared to a specific prior art. Pickard said the board was wrong to confirm Next Caller's unpatentability theory by relying on another prior technology the call verification company did not advance concerning the claims at issue.

This procedural error should be corrected "because the board fundamentally misunderstood the starting point of the petition," the attorney argued. The board's order "does not connect in any way with the teachings of" Next Caller's asserted prior art.

But a skeptical U.S. Circuit Judge Kara Farnandez Stoll hypothetically asked whether there would still be an APA violation if the board found that a combination of the two prior inventions teaches the patent's claimed elements.

"What if there was just extra reliance on" the prior art the board relied on "because they also found that

[the prior art] ... teaches that element? the judge added.

Pickard said that's not what happened in this case

During the roughly 30-minute remote hearing, Pickard largely spoke uninterrupted and none of the other judges on the panel asked the parties' arguing attorneys any questions.

McDermott Will & Emery LLP partner Sarah Chapin Columbia, an attorney for Next Caller, urged the panel to affirm the board's holding. She stated in part that the board acknowledged the prior art her client advanced during the IPR proceeding. According to Columbia, the board has simply used the other prior technology to bolster its findings, which is not a violation of the APA.

Next Caller is separately challenging the board's decision that some other claims were not shown to be unpatentable. Columbia argued that the board, without any basis, disregarded the patent office examiner's prior findings that the limitations of dependent claims are obvious when compared to Voice over Internet Protocol technology.

"The board should have given deference to the examiner's prior findings or, at the minimum, acknowledge those findings and explain why the board arrived at a different conclusion," Columbia told the panel.

Next Caller lodged its petition for an IPR proceeding after TrustID sued the company in January 2018 in Delaware federal court. The suit alleged false advertising and infringement of three of TrustID's patents, U.S. Patent Nos. 9,001,985; 8,238,532; and 9,871,913 that cover pre-answer caller-authentication technology.

The patent-in-suit is U.S. Patent No. 9,001,985.

U.S. Circuit Judges Jimmie V. Reyna, Alvin Anthony Schall and Kara Farnandez Stoll sat on the panel for the Federal Circuit.

TrustID Inc. is represented by Michael D. Specht, Richard M. Bembem and Byron L. Pickard of Sterne Kessler Goldstein & Fox PLLC.

Next Caller Inc. is represented by Sarah Chapin Columbia, Paul M. Schoenhard, Nicole M. Jantzi, Stephen Smith and Ian B. Brooks of McDermott Will & Emery LLP.

The case is Next Caller Inc. v. TrustID Inc., case number 20-195, before the U.S. Court of Appeals for the Federal Circuit.

--Additional reporting by Britain Eakin. Editing by Michael Watanabe.