

Citing Looming Trial, PTAB Won't Review Anti-Spoofing Patent

By Britain Eakin

Law360 (October 16, 2019, 9:09 PM EDT) -- The Patent Trial and Appeal Board said Wednesday it was using its discretion to deny two petitions for inter partes review of a TrustID Inc. anti-spoofing patent, in part because a district court has invested substantial resources in a parallel proceeding.

The PTAB said the basis for its ruling denying Next Caller Inc.'s petitions was its precedential decision in *NHK Spring Co. Ltd. v. Intri-Plex Technologies Inc.* One reason the board denied institution in that case was because Intri-Plex's infringement suit against NHK in district court was set to go to trial not long after the IPR petition was filed, so the board said it would be an inefficient use of its resources.

With a July 2020 trial set to wrap in Delaware federal court several months before the PTAB's decision would be due on Next Caller's petitions, the board said Wednesday that denying institution is likewise warranted here given the advanced stage of the district court case, where claim construction is already complete and expert discovery is set to wrap in December.

But the board said there is also substantial overlap between Next Caller's petitions and the district court litigation.

"Next Caller has already served final invalidity contentions raising substantially the same issues, evidence, and arguments presented in the petition, essentially duplicating what has been and continues to be litigated in the parallel district court proceeding," the decision said.

Similarly, the PTAB in *NHK's* case had exercised its discretion to deny review because the same arguments or evidence presented in the petition had been previously considered by the patent office. The board said *NHK's* grounds for review overlapped with those considered by a patent examiner during prosecution of the Intri-Plex Technologies patent.

According to TrustID's reply to Next Caller's petitions, the patent at issue is directed to analyzing and authenticating the trustworthiness of a calling party number to combat spoofing, which happens when a caller deliberately falsifies the number that appears on a caller ID to disguise the call's origin.

Next Caller's two petitions each challenged different claims in the patent. Though not all of the claims Next Caller challenged in its petitions are at stake in the district court case, the board said that Next Caller hadn't argued that the nonoverlapping claims are significantly different, nor that it would be harmed if the board didn't institute on those claims.

The board also pointed to Next Caller's "unexplained delay" in filing the petitions as another reason to deny institution. The PTAB said the company had asserted essentially the same prior art in an earlier IPR challenging U.S. Patent No. 9,001,985, which is a continuation of the patent at issue in Wednesday's ruling. Next Caller could have filed the present petitions at that time, but failed to do so, the board said.

"Had Next Caller filed this petition concurrently ... or around the same time as the service of the initial invalidity contentions, the proceeding in this case may have resolved the issues prior to the parallel district court proceeding," the decision said.

Counsel for TrustID declined to comment. Counsel for Next Caller did not return a request for comment.

The patent-in-suit is U.S. Patent No. 8,238,532.

Judges Jean R. Homere, Barbara A. Parvis and Stacey G. White sat on the panel for the Patent Trial and Appeal Board.

Next Caller is represented by Nicole M. Jantzi and Ian B. Brooks of McDermott Will & Emery LLP.

TrustID is represented by Michael D. Specht and Richard M. Bembem of Sterne Kessler Goldstein & Fox PLLC.

The cases are Next Caller Inc. v. TrustID Inc., case numbers IPR 2019-00961 and IPR 2019-00962, at the U.S. Patent Trial and Appeal Board.

--Additional reporting by Matthew Bultman. Editing by Abbie Sarfo.