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UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

In the Matter of	
CERTAIN ELECTRONIC DEVICES, INCLUDING STREAMING PLAYERS, TELEVISIONS, SET TOP BOXES, REMOTE CONTROLLERS, AND COMPONENTS THEREOF	**Inv. No. 337-TA-1200**

ORDER NO. 40: INITIAL DETERMINATION GRANTING RESPONDENT'S MOTION FOR SUMMARY DETERMINATION THAT COMPLAINANT LACKS STANDING TO ASSERT U.S. PATENT NO. 10,593,196

(January 25, 2021)

On December 30, 2020, Respondent Roku, Inc. ("Roku) moved for summary determination that Complainant Universal Electronics, Inc. ("UEI") lacks standing to assert U.S. Patent No. 10,593,196 ("the 196 Patent").[1] Motion No. 1200-027 ("Mot. 027"). Complainant timely filed an opposition ("Oppo."). In response to UEI's opposition, Roku filed a combined motion to strike the untimely affidavit of Brian Barnett and for leave to file a reply in support of its motion for summary determination. Motion No. 1200-038 ("Mot. 038"). UEI has responded to this motion. Also related to these motions is UEI's motion for leave to file an amended complaint based on the issuance of a certificate of correction for the 196 Patent (Motion No. 1200-039 ("Mot. 039")) and Roku's response thereto, both filed on January 21, 2021. Finally, UEI withdrew Mot. 039, and filed a corrected motion for leave to file an amended complaint based on the issuance of a certificate of

[1] The 196 Patent is asserted only against Roku, and thus, the other respondents do not join in this motion.

correction for the 196 Patent on January 22, 2021 (Motion 1200-041)("Mot. 041"). Roku has not responded to this most recent motion.

Roku's Mot. 027 is granted; Mot. 038 is denied because the motion for summary determination is granted; Mot.-039 has been withdrawn; and Mot. 041 is denied also because the motion for summary determination is granted.

The undisputed facts are that about five months after the present complaint was filed the parties became aware that Mr. Brian Barnett, a UEI employee, is a joint inventor of the 196 Patent. Mr. Barnett was not originally named as an inventor, and thus, also did not assign his rights to the patent to UEI. Upon learning of the omission, UEI filed a petition with the U.S. Patent and Trademark Office ("the USPTO") to correct the inventorship of the 196 Patent and at the same time Mr. Barnett executed an assignment of his rights in the 196 Patent to UEI.

In order to understand fully the sequence of events, the priority of the 196 Patent must be reviewed. As both parties state: the 196 Patent claims priority to several prior applications, some of which name both Mr. Arling and Mr. Barnett as inventors, while others name only Mr. Arling, as shown below.

The parties agree that Mr. Barnett and Mr. Arling are the inventors of the original 857 Provisional Application, the 876 Provisional Application, and the 176 Application; and they executed assignments to UEI that were timely filed with the USPTO. *See* Oppo. Ex. A, Barnett Aff. at Ex. 2 (876 Assignment), Ex. 3 (857 Assignment), Ex. 4 (176 Assignment). For each of those three applications, the assignment agreements assigned Mr. Barnett's and Mr. Arling's "entire right, title, and interest in and to the invention" and "all original and reissued patents granted therefor, and all divisions and continuations thereof." *Id.* On November 21, 2018, Application No. 16/197,748 was filed, incorrectly identifying Paul Arling as the only inventor. *See* Mot. 027 Ex. 1. This

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application later issued as the 196 Patent on March 17, 2020. *Id.* The parties agree that the correct inventors of the 196 Patent are both Mr. Arling and Mr. Barnett.

Application No. 13/899,671 (the "671 Application") is a continuation-in-part ("CIP") of the 176 Application and names only Mr. Arling as an inventor. The 671 Application is a CIP of the 176 Application because it adds as new matter Fig. 15 and six paragraphs related to Fig. 15. *See* Ex. 18 to Mot. 027. Similarly, Application No. 14/136,023 (the "023 Application") is a CIP of the 671 Application as it includes new matter to the paragraphs added in the 671 Application. *See* Ex. 15 to Mot. 027. All subsequent applications are continuation applications from the 023 Application.

The present complaint, in which UEI claimed ownership of the 196 Patent, was filed on April 16, 2020. It was not until December 15, 2020, that the USPTO issued the Certificate of Correction adding Brian Barnett as an inventor to the 196 Patent. *See* Mot. 027 Ex. 7 to Roku Motion (196 Patent Certificate of Correction). Roku now argues that it is entitled to summary determination that UEI lacks standing to assert the 196 Patent because UEI did not hold all substantial rights in the 196 Patent when it filed the complaint. Mot. 027 at 1.

UEI presents a number of reasons that purportedly show that it "has owned all right, title, and interest in the 196 Patent since the day it issued." Oppo. at 1. UEI first argues that Mr. Barnett assigned his rights to the invention that is claimed in the 196 Patent through [redacted] Oppo. at 1. Second, UEI argues that even [redacted] his prior assignments of the parent applications of the 196 Patent certainly did." Oppo. at 12. Neither of these reasons are persuasive.

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[redacted] Mot. at 8. UEI asserts that the [redacted] [language] is an [redacted] *Id.* at 9. This is incorrect. The language that should be evaluated is not [redacted] *per se*, but rather the words communicating conveyance. And the law is well established that the words [redacted] *Omni Medsci, Inc. v. Apple Inc.*, 2019 WL 9834334 at *1 (*citing Windy City Innovations, LLC v. Facebook, Inc.*, No. 16-cv-1730 YGR, 2019 WL 4645414, at *3 (N.D. Cal. Sept. 24, 2019); *Arachnid, Inc. v. Merit Industries, Inc.*, 939 F.2d 1574, 1581 (Fed. Cir. 1991)). The contract that Mr. Barnett signed stating that he [redacted] *Abraxis Bioscience, Inc. v. Navinta LLC*, 625 F.3d 1359, 1365 (Fed. Cir. 2010) (*citing IpVenture, Inc. v. ProStar Computer, Inc.,* 503 F.3d 1324, 1327 (Fed. Cir. 2007) (interpreting "agree to assign" as "an agreement to assign," requiring a subsequent written instrument)). In order to qualify as an automatic conveyance of property, the [redacted] required language such as "hereby conveys, transfers and assigns." *Id.* [redacted]

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UEI next argues that Mr. Barnett's prior executed assignments to the 857 and 856 Provisional Applications and the 176 Application include an assignment to the 196 Patent because the 196 Patent claims priority to these previous applications. However, there are a number of intervening patent applications to which the 196 Patent claims priority – and a number of these are continuations-in-part applications that either do not name Mr. Barnett as an inventor or for which he never executed an assignment. As shown on the face (and next page) of the patent, the 196 Patent lists the following:

Related U.S. Application Data

(63) Continuation of application No. 15/789,547, filed on Oct. 20, 2017, now Pat. No. 10,325,486, which is a
(Continued)

Related U.S. Application Data

continuation of application No. 15/259,847, filed on Sep. 8, 2016, now Pat. No. 9,842,492, which is a continuation of application No. 14/136,023, filed on Dec. 20, 2013, now Pat. No. 9,449,500, which is a continuation-in-part of application No. 13/899,671, filed on May 22, 2013, now Pat. No. 9,437,105, which is a continuation of application No. 13/657,176, filed on Oct. 22, 2012, now Pat. No. 9,215,394.

UEI seeks to overcome this break in the title chain with the argument that since the assignments that Mr. Barnett executed conveyed to UEI "all original and reissued patents granted [from the 176 application], and all divisions and continuations thereof, including the subject matter of any and all claims which may be obtained in every such patent," that all subsequent applications in the family also were conveyed. Oppo at 13, *citing* Ex. A, Barnett Aff. at Ex. 2 (876 Assignment), Ex. 3 (857 Assignment), Ex. A, Barnett Aff. at Ex. 4 (176 Assignment). UEI further submits that the language "all divisions and continuations thereof" encompasses continuations-in-part ("CIPs"). But the Federal Circuit case that UEI cites does not support UEI's argument. In *Transco-Products Inc. v. Performance Contracting, Inc.,* 38 F.3d 551, 555-56 (Fed. Cir. 1994), the Federal Circuit distinguished a CIP from a continuation and divisional application by explaining that a "'CIP'

application is a continuing application containing a portion or all of the disclosure of an earlier application together with added matter not present in that earlier application." *Citing* Manual of Patent Examining Procedure § 201.08. Thus, a continuation-in-part application includes "new matter" not present in the earlier application on which it is otherwise based. Accordingly, the 196 Patent does not contain the same "invention" that was assigned in the assignments Mr. Barnett executed for the two provisional applications or the 176 Patent. Because the 196 Patent derived from a continuation-in-part application, and because the previous executed assignments were only for "divisions and continuations," the three previous assignments do not give UEI ownership of the 196 Patent. *See, e.g., Alpha One Transporter, Inc. v. Perkins Motor Transport, Inc.,* 2014 WL 4537012 at *3 (S.D. Cal. 2014) (CIP is not covered by previous assignment to "said invention" as it contains new matter).

UEI relies on cases that found assignments to convey a later filed CIP. However, the cited cases included an assignment that contained the language "improvements," which the court found to include new matter in the CIP. *E.I. Du Pont de Nemours & Co. v. Okuley*, Case No. C2-97-1205, 2000 U.S. Dist. LEXIS 21385, at *80 (S.D. Ohio 2000). *See also Rowe Int'l Corp. v. Ecast, Inc.*, 500 F. Supp. 2d 885, 890 (N.D. Ill. 2007) (finding that an assignment of rights to improvements included CIP applications). The assignments that Mr. Barnett executed did not convey "improvements" and thus, did not cover CIP applications.

UEI further presents the following argument:

> The fact that the 671 and 023 Applications [i.e., the CIP applications] were later filed and contained some amount of new material does not affect the scope of the grant from Mr. Barnett to UEI in the 176 Assignment. This is particularly the case because Mr. Barnett did not contribute the new matter that was added to the 671 Application or the 023 Application. Ex. A, Barnett Aff. at ¶9. Roku attempts to fault UEI and Mr. Barnett for not executing an assignment for material that Mr. Barnett did not develop. Mr. Barnett did, however, execute an assignment of the "entire right, title, and interest in and to the invention in SYSTEM AND METHOD FOR OPTIMIZED APPLIANCE CONTROL" and continuations thereof. Ex. A, Barnett Aff. at Ex. 4

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> (176 Assignment). Nothing else exists for Mr. Barnett to assign as it relates to the 196 Patent. Further, the 196 Patent shares this same title and the claims of the 196 Patent are fully supported by the 857 and 876 Provisional Application and the 176 Application. As such, the additional subject matter added by the 671 and 023 Applications is simply not relevant to the issued claims of the 196 Patent and Roku provides no argument or explanation otherwise in its motion.

Oppo. at 18.[2] Mr. Barnett may not have been an inventor of the new matter that was added to the CIP applications, but it is undisputed that he was an inventor for the aspects of those applications that derive from the parent 176 Patent. It is not necessary for him to have contributed to the conception of all of the filed claims in order to be a joint inventor; if he contributed to a single claim in the CIP applications, he is considered a joint inventor. *See SmithKline Diagnostics, Inc. v. Helena Lab. Corp.,* 859 F.2d 878, 888 (Fed. Cir. 1988). In any event, he is definitely a joint inventor on the 196 Patent, so UEI's argument regarding the CIPs is beside the point.

Finally, UEI recently obtained a Certificate of Correction from the U.S. Patent and Trademark Office adding Mr. Barnett as an inventor to the 196 Patent, and UEI simultaneously filed an executed assignment from Mr. Barnett of the 196 Patent to UEI. While UEI filed a motion for leave to file an amended complaint to add this information to the complaint (Mot. 041), UEI does not make the argument that even if it lacked standing under the original Assignment, it cured this defect by executing a *nunc pro tunc* corrected patent and assignment.[3] And, of course, it cannot.

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[2] When Mr. Barnett recently assigned his rights to the 196 Patent, he also assigned rights to the 486, 492, and 500 Patents, all of which are in the string of patents that claim priority from the CIP applications, as well as the two Provisional applications and the 176 Patent. *See* Ex. 5 to Mot. 027. However, according to the parties, Mr. Barnett is not a named inventor on these three patents, either. And the record does not contain Certificates of Correction for these patents adding Mr. Barnett as a joint inventor. *See* diagram on page 2, above. The only patents for which Mr. Barnett did not assign rights are the two CIP applications.

[3] In its motion to amend the complaint, UEI states, "[t]o be clear, this is a clerical move with no impact on UEI's already-established standing in the '196 patent." Mot. 041 at 4. However, UEI also states that "the Commission must base its decision on a patent as it currently stands, and not on a version that no longer exists." Mot 041 at 3 (*citing Certain Composite Wear Components and Products Containing the Same, Inv. No. 337-TA-644,* Order No. 15 at 3 (Oct. 21, 2008)). In that

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"*[N]unc pro tunc* assignments are not sufficient to confer retroactive standing." *Enzo APA & Son, Inc. v. Geapag A.G.,* 134 F.3d 1090, 1093 (Fed. Cir. 1998). *See also Abraxis Bioscience, Inc. v. Navinta LLC,* 625 F.3d 1359, 1365–66 (Fed. Cir. 2010) (recognizing that a plaintiff could not execute a *nunc pro tunc* assignment of the asserted patent to remedy the fact that the plaintiff lacked legal title to that patent at the time it filed the lawsuit).

There are no genuine issues of material fact in this case; UEI lacks standing to assert the 196 Patent here.

Accordingly:

1. Roku's Motion 1200-038 is DENIED.
2. UEI's Motion 1200-039 is withdrawn.
3. UEI's Motion 1200-041 is DENIED.

It is my Initial Determination that the motion for summary determination (Motion No. 1200-027) is GRANTED.

This Initial Determination is hereby certified to the Commission.

Pursuant to 19 C.F.R. § 210.42(h), this Initial Determination shall be the determination of the Commission unless a party files a petition for review of the Initial Determination pursuant to 19 C.F.R. § 210.43(a), or the Commission, pursuant to 19 C.F.R. § 210.44, orders, on its own motion, a review of the Initial Determination or certain issues herein.

Within seven days of the date of this document, the parties shall submit to the Office of the Administrative Law Judges a joint statement as to whether or not they seek to have any portion of this document deleted from the public version. If the parties do seek to have portions of this document deleted from the public version, they must submit to this office a copy of this document

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case, however, the Certificate of Correction was not related to inventorship, but rather to correct clerical errors in the specification.

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with red brackets indicating the portion or portions asserted to contain confidential business information. The submission may be made by email and/or hard copy by the aforementioned date and need not be filed with the Commission Secretary.

SO ORDERED.

Cameron Elliot
Administrative Law Judge

CERTAIN ELECTRONIC DEVICES, INCLUDING STREAMING PLAYERS, TELEVISIONS, SET TOP BOXES, REMOTE CONTROLLERS, AND COMPONENTS THEREOF

Inv. No. 337-TA-1200

PUBLIC CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that the attached **INITIAL DETERMINATION** has been served upon the following parties as indicated, on **February 2, 2021.**

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