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## Apple Settles Patent Fight With Co. Linked To ND Tribe

By **Christine Powell**

Law360 (April 19, 2018, 9:07 PM EDT) -- Apple and a company that has ties to a North Dakota-based Native American tribe and holds an electrical circuitry patent have reached an undisclosed deal to settle a dispute Apple brought to challenge the patent's validity, according to a document filed on Wednesday at the Patent Trial and Appeal Board.

Apple and MEC Resources LLC filed a joint motion to terminate the PTAB proceeding Apple initiated last year over a patent Prowire LLC transferred to MEC Resources, which has described itself in the proceeding as a tribal limited liability company owned by a subsidiary of the Three Affiliated Tribes of the Fort Berthold Reservation.

"Termination of this proceeding is appropriate because petitioner will no longer be participating in this proceeding, and the Board has not decided the merits of the proceeding," the motion said. "The parties have settled their disputes and executed a settlement agreement to terminate this proceeding, as well as the parties' related district court litigation."

Apple and MEC Resources also jointly asked the PTAB on Wednesday for permission to keep the details of their settlement confidential.

Prowire sued Apple in March 2017 alleging that the iPad 4 infringes the patent, which covers an electronic circuit component known as an inductor. A few months later, Prowire **transferred the patent** to MEC Resources.

Then, in December, Apple launched the instant PTAB proceeding against MEC Resources, contending that at least one of the patent's asserted claims is invalid based on prior art.

The dispute bubbled up not long after Allergan PLC transferred six of its patents for the eye drug Restasis to the Saint Regis Mohawk Tribe in an attempt to **use the tribe's sovereign immunity** to shield the patents from review at the PTAB.

In February, the PTAB rejected the Saint Regis Mohawk Tribe's attempt to toss challenges that Mylan Inc. and other generics companies had mounted against several of the Restasis patents.

Specifically, the PTAB ruled that the proceedings could continue without the tribe because Allergan was the effective patent owner, and held that tribal sovereign immunity **does not apply** in inter partes review.

Last month, after Allergan and the Saint Regis Mohawk Tribe launched an appeal of the PTAB's decision, the Federal Circuit ordered the board to **pause its review** of the patents while their challenge plays out.

Before the settlement revealed Wednesday in the PTAB proceeding that Apple launched against MEC Resources, issues of a similar nature had been raised in that dispute.

In February, MEC Resources moved for dismissal on tribal sovereign immunity grounds, saying that it is wholly owned by Mandaree Enterprises LLC, a wholly owned subsidiary of the Three Affiliated Tribes. As such, MEC Resources contended, it is entitled to immunity as an arm of the tribe.

Then, last month, Apple filed a motion for additional discovery, in which it said that, "as a corporate entity twice removed from the tribe, MEC bears a high burden to show it is an arm of the tribe entitled to the tribe's immunity."

Apple sought to make MEC Resources cough up additional documents, as well as produce Mandaree Enterprises president Clarence O'Berry for deposition, saying the evidence about whether MEC Resources is an arm of the tribe was incomplete.

MEC Resources said Apple had not met the PTAB's standard for additional discovery, which holds that such motions should be denied when they are based on speculation rather than evidence that shows more discovery would be worthwhile.

"Apple's requested discovery is wholly based on speculation," MEC Resources wrote. "First, Apple's motion merely challenges the sufficiency of evidence offered by MEC, alleging that it is insufficient to determine whether MEC is an arm of the tribe. Second, Apple fails to set forth a threshold amount of evidence or reasoning tending to show beyond speculation that anything useful will be uncovered, should its motion be granted."

Representatives of the parties were not immediately available for comment on Thursday.

The patent at issue is U.S. Patent Number 6,137,390.

Apple is represented by David M. O'Dell, Andrew S. Ehmke and Gregory P. Huh of Haynes and Boone LLP.

MEC Resources is represented by Robert Katz of Katz PLLC and Lewis E. Hudnell II of Hudnell Law Group PC.

The case is Apple Inc. v. MEC Resources LLC, case number IPR2018-00286, before the Patent Trial and Appeal Board.

--Additional reporting by Kevin Penton, Ryan Davis and Matthew Bultman. Editing by Peter Rozovsky.