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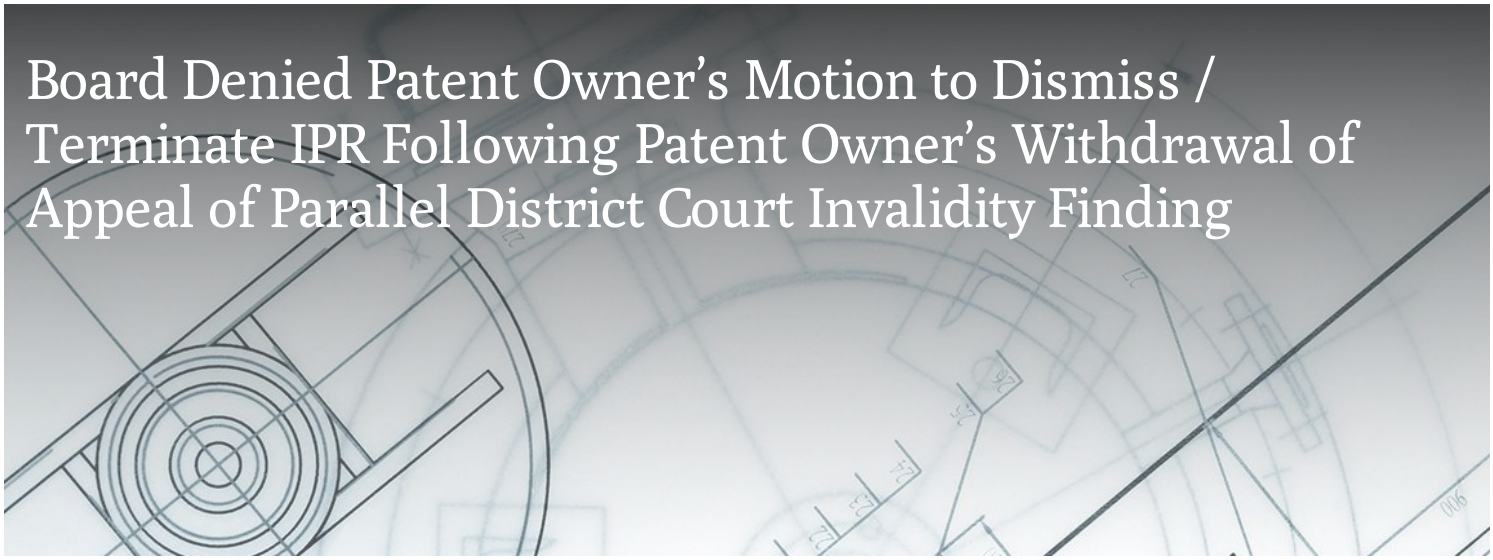
BLOG

Board Denied Patent Owner's Motion to Dismiss / Terminate IPR Following Patent Owner's Withdrawal of Appeal of Parallel District Court Invalidity Finding



DECEMBER 16, 2022

Tile, Inc. v. Linquet Technologies, Inc., Case IPR2021-00927, Paper 52 (PTAB Nov. 16, 2022).

Before: White, Amundson, Belisle.

Thirteen days before the Board's final written decision was due, patent owner filed a motion to terminate the proceeding, dismiss the petition, and vacate the Institution Decision in view of a finding of invalidity in the parallel district court proceeding. Less than a month before the hearing in the IPR trial, the district court dismissed the parallel case with prejudice after finding all claims of the challenged patent invalid under 35 U.S.C. § 101. Just before the hearing in the IPR trial, Patent Owner appealed the district court's ruling to the Federal Circuit. But Patent Owner later changed course and two months later voluntarily dismissed the Federal Circuit appeal. Patent Owner thereafter filed the motion to dismiss/terminate with the Board. Patent Owner argued that termination was appropriate based on its theory that if the Board were to issue a final written decision and if the Patent Owner were to appeal the final written decision to the Federal Circuit, the Federal Circuit would deem the matter moot in view of the district court's invalidity ruling, vacate the final written decision, and instruct the Board to dismiss the petition.

The Board held that, pursuant to the statute (35 U.S.C. §§ 317 and 318) and PTO regulations (37 C.F.R. § 42.71 AND 42.72), it was permitted, but not required, to grant the motion. The Board found it significant that a final written decision in this IPR would affect not only the challenged patent, but also three pending continuation applications (which Patent Owner had not identified during the IPR proceeding). The Board pointed out that a final written decision finding claims of the challenged patent invalid would constitute an adverse judgment against Patent Owner that would estop it from pursuing claims that were not patentably distinct under 37 C.F.R. § 42.73.

The Board therefore declined to exercise its discretion to terminate in view of a) the estoppel against Patent Owner in the continuation applications and any potential future continuation applications, b) the substantial resources expended by the parties and the Board, c) the Board having already decided the merits and having prepared a substantially complete final written decision, and d) the public's interest in cancelling invalid patents.

The Board also cast doubt on the Patent Owner's argument that the Federal Circuit would ultimately moot the Board's decision if the Patent Owner were to appeal the final written decision. First, the Board was not inclined to act based on its attempts to divine what Patent Owner may or may not do after issuance of the final written decision. Second, none of the cases cited by Patent Owner had the unique facts before the Board, where Patent Owner had

engineered the mootness issue itself by withdrawing its Federal Circuit appeal of the district court decision. If Patent Owner had not dismissed that appeal, it was possible that the Federal Circuit would have consolidated the appeal from the district court with the appeal from the Board, which would have avoided any mootness issues. Third, in *U.S. Bancorp Mortg. Co. v. Bonner Mall P'ship*, 513 U.S. 18 (1994), the Supreme Court held that when the potential mootness of an appeal is caused not by happenstance, but by the voluntary action of the party seeking relief, the equitable tradition of vacatur is inapplicable and, thus, any potential Federal Circuit appeal of the Board's final written decision should not be dismissed as moot.

2 Min Read

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