Trials@uspto.gov
571-272-7822

Paper 9
Entered: June 16, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CHUMS, INC., and CROAKIES, INC.,
Petitioner,

v.

CABLZ, INC.,
Patent Owner.

Case IPR2015-00602
Patent 8,366,268 B2

Before JOSIAH C. COCKS, JEREMY M. PLENZLER, and KRISTINA M. KALAN, *Administrative Patent Judges.*

KALAN, *Administrative Patent Judge.*

ORDER
On Request to File Motion for Sanctions
37 C.F.R. § 42.5

Introduction

On June 12, 2015, Patent Owner contacted the Board to request permission to file a Motion for Sanctions against Petitioner. A telephone conference was held on June 15, 2015, among respective counsel for the parties and Judges Cocks, Plenzler, and Kalan. The Board initiated the conference call to discuss Patent Owner's request to file a Motion for Sanctions under 37 C.F.R. § 42.12(a)(2) and 42.12(a)(7), and additional matters related to dismissal and termination.

Discussion – Motion for Sanctions

As a preliminary matter, our rules require that most motions must be authorized before they are submitted to the Board. 35 C.F.R. § 42.20(b). Petitioner's submission of a draft Motion for Sanctions, attached to an email to the Board dated June 12, 2015, is in violation of that rule. Accordingly, the Board disregards the submitted document in its entirety.

This case is in the preliminary proceeding stage. A preliminary proceeding begins with the filing of a petition for instituting a trial and ends with a written decision as to whether trial will be instituted. *See* 37 C.F.R. § 42.2. Petitioner filed its Petition on January 22, 2015. Patent Owner filed a Preliminary Response on May 12, 2015. A decision on institution, which has not yet been made, is due on or before August 12, 2015.

During the call, Patent Owner indicated that it wished to file a motion for sanctions because the Petition in this proceeding, IPR2015-00602, includes a subset of the same prior art included in the petition in IPR2014-01240, which involves the same parties and the same patent as this proceeding. IPR2014-01240, Paper 1. Patent Owner argued that the Petition in this proceeding is an express attempt by Petitioner to rebut Patent

Owner's Preliminary Response in IPR2014-01240. IPR2014-01240, Paper 6. Patent Owner also argued that the only new argument presented in the present Petition was presented expressly in related district court litigation, two months prior to Petitioner's filing of the petition in IPR2014-01240. Patent Owner cited to certain of the Board's previously decided cases on later-filed petitions to support its arguments.

Petitioner disagreed with Patent Owner's position that the arguments in present Petition are substantially same as the arguments in the IPR2014-01240 petition. Petitioner maintained that its arguments in this Petition are different, as its position in the IPR2014-01240 petition was more conservative. Petitioner also disagreed with Patent Owner's characterization of the relevant case law.

In view of the facts presented by the parties, Patent Owner is not authorized to file a motion for sanctions at this time. Some overlap between the present Petition and the petition in IPR2014-01240 does not demonstrate cause to authorize a motion requesting sanctions. We note that the Preliminary Response in this case raises arguments under 35 U.S.C. § 325(d) as to why the Petition should not be considered. Paper 6, 6–22. The Board will consider those arguments, if necessary, should the Board reach an institution decision in this case.

Discussion – Termination and Settlement

The parties had requested permission to file a joint motion to terminate on June 3, 2015. Authorization for the motion was granted by the Board on June 5, 2015. Regarding the status of the joint motion to terminate, the parties indicated that they would confer further regarding whether to file a joint motion to terminate. The parties represented that there

is no settlement agreement between them at this time. We remind the parties of their obligations under 37 C.F.R. § 42.74(b) ("Any agreement or understanding between the parties made in connection with, or in contemplation of, the termination of a proceeding shall be in writing and a true copy shall be filed with the Board before the termination of the trial.").

Regarding the status of IPR2014-01240, which is scheduled to go to trial on September 2, 2015, the parties had nothing new to report concerning settlement in that case.

Our June 5, 2015 authorization to file a joint motion to terminate this proceeding remains in effect. We further authorize Petitioner, if desired, to file a motion to dismiss its Petition under 37 C.F.R. § 42.71(a).

It is, therefore,

ORDERED that Patent Owner is not authorized to file a motion for sanctions;

FURTHER ORDERED that the authorization granted by the Board to the parties to file a joint motion to terminate remains in effect; and

FURTHER ORDERED that Petitioner may file a motion to dismiss its Petition under 37 C.F.R. § 42.71(a).

PETITIONER:

Daniel C. Higgs
dchiggs@stoel.com

Andrew D. Maslow
andy@andymaslow.com

PATENT OWNER:

Joseph S. Bird, III
jbird@babc.com

Paul M. Sykes
psykes@babc.com