

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FAVORED TECH CORPORATION,
Petitioner,

v.

P2I LTD.,
Patent Owner.

IPR2020-01198
U.S. Patent 10,421,876

**P2I LTD.'S MOTION FOR TERMINATION OF PROCEEDING
PURSUANT TO 37 C.F.R. §42.72**

Mail Stop PATENT BOARD
Patent Trial and Appeal Board
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, Virginia 22313-1450

Pursuant to the Board's authorization provided via e-mail on April 23, 2021, Patent Owner P2i Ltd. ("P2i"), hereby requests that the Board terminate this proceeding under 37 CFR §42.72 in view of the statutory disclaimer (Ex. 2004) filed with the USPTO in connection with U.S. Patent No. 10,421,876 ("the '876 patent") on April 14, 2021, disclaiming claims 1-15 of the '876 patent, which include all of the claims challenged in the Petition. Because disclaimed claims are treated as though they never existed, termination of this proceeding without entry of adverse judgment under §42.73 is appropriate.

I. RELATED PROCEEDINGS

The Board's authorization directed P2i to update the Board "concerning the status of any litigation or proceeding, including but not limited to proceedings in the U.S. Patent and Trademark Office involving the subject patent, and advise the Board whether any litigation or proceeding involving the subject patent is contemplated in the foreseeable future." P2i submits that there is no current litigation or proceeding involving the '876 patent other than this proceeding, and no litigation or proceeding involving the '876 patent is contemplated in the foreseeable future.

P2i has filed two pending continuation applications which claim priority to the '876 patent, 16/547,728, filed 8/22/2019, which has been allowed and will issue May 11, 2021, and 17/219,388, filed March 31, 2021. P2i has submitted the art

asserted by Petitioner to the USPTO, as well as the Petition, expert declarations, briefing, and the Institution Decision in both pending applications.¹

II. ARGUMENT

The Board has broad authority to terminate a trial under 37 CFR § 42.72: “[t]he Board may terminate a trial without rendering a final written decision, where appropriate, including where the trial is consolidated with another proceeding or pursuant to a joint request under 35 U.S.C. 317(a) or 327(a).” The Board has terminated IPR proceedings without entering an adverse judgment when the challenged claims have been cancelled or their patentability is no longer at issue. *See Mylan Pharmaceuticals Inc. v. Shire Laboratories, Inc.*, IPR2016-01033, Paper 12 at 2 (PTAB August 4, 2017)(terminating trial under §42.72 where “no claim subject to *inter partes* review remains in the trial” due to voluntary cancellation of the claims in another IPR pursuant to a motion to amend); *Unified Patents Inc. v. Data Scope Ltd.*, IPR2019-01115, Paper 27 at 2 (PTAB July 17, 2020) (terminating trial under §42.72 where “no claims remain[] to be challenged” in view of adverse Fed. Cir.

¹ The Examiner did not issue a double patenting rejection in 16/547,728, indicating that the Examiner found the allowed claims to be patentability distinct from the claims of the ’876 patent.

decision and statutory disclaimer); *Facebook, Inc. v. EveryMD.com LLC*, IPR2017-02027, Paper 24 at 4–6, 9 (PTAB Oct. 9, 2018) (terminating trial under §42.72 where Petition’s grounds were mooted by decisions in other proceedings); *Apple Inc. v. Smartflash LLC*, CBM2015-00015, Paper 59 at 2-3 (PTAB March 18, 2016)(dismissing trial under §42.72 where the claim at issue was “finally cancelled and any decision we might reach in this proceeding regarding the patentability of this claim would be moot and purely advisory.”).

As in the above cases, the grounds asserted against the claims of the ‘876 patent are now moot, as there are no claims left in the trial. Indeed, disclaimed claims are treated as though they never existed. *See Vectra Fitness, Inc. v. TWNK Corp.*, 162 F.3d 1379, 1383 (Fed. Cir. 1998) (“This court has interpreted the term ‘considered as part of the original patent’ in section 253 to mean that the patent is treated as though the disclaimed claims never existed.”); *Guinn v. Kopf*, 96 F.3d 1419, 1422 (Fed. Cir. 1996) (“A statutory disclaimer under 35 U.S.C. § 253 has the effect of canceling the claims from the patent and the patent is viewed as though the disclaimed claims had never existed in the patent.”); *see also Genetics Inst., LLC v. Novartis Vaccines & Diagnostics, Inc.*, 655 F.3d 1291, 1299 (Fed. Cir. 2011). Therefore, an adverse judgment against nonexistent claims would be inconsistent with 35 USC § 253(a), and in the words of the Board panel in *Apple v. Smartflash*, “moot and purely advisory.” *Cf. Bern Unlimited, Inc. v. Burton Corp.*, 25 F.Supp.3d

170, 180 (D.Mass. 2014)(dismissing declaratory judgment claims of invalidity and unenforceability as moot in view of disclaimer).

Entry of adverse judgment under §42.73(b)(2) is also inconsistent with the authorizing statutes governing *inter partes* review. 35 USC §§311-319. No statutory provision provides for adverse judgment resulting from a statutory disclaimer. Further, an adverse judgment arising from disclaimed claims would be contrary to 35 USC §318(a), which states that “[i]f an inter partes review is instituted and not dismissed under this chapter, the Patent Trial and Appeal Board shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner . . .” However, a final written decision addressing the patentability of nonexistent disclaimed claims would be moot, as well as an inefficient use of the Board’s resources. 35 USC §316(b) (regulations shall consider “the efficient administration of the Office”). Therefore, a termination of trial without an adverse judgment is consistent with the authorizing statutes.

Petitioner may argue that *Guinn* supports entering adverse judgment. In *Guinn*, at issue was a regulation (37 CFR §1.662(c)) that allowed the Board to treat a statutory disclaimer of all claims involved in an interference proceeding as a request for adverse judgment. There, the Court held that the regulation was not inconsistent with the right of a patentee to statutorily disclaim claims pursuant to §253, but based this holding on the fact that the regulation “does not address the

question of the patentability of a claim or claims corresponding to a count to the party or parties of the interference who have not so disclaimed all of the involved claims.” *Guinn*, 96 F.3d at 1422. On the other hand, 37 CFR §42.73(b)(2) purports to allow the Board to issue an adverse judgment against a party who has disclaimed the challenged claims, which purportedly amounts to a determination of unpatentability of disclaimed claims. 37 CFR §42.73(a). Therefore §42.73(b)(2) is unlike the regulation at issue in *Guinn*, wherein an adverse judgment against the disclaiming patentee was merely a determination as to which party was entitled to the claims, an issue clearly determined by the patentee disclaiming their right to the claims in controversy. *Guinn*, 96 F.3d at 1422.

While *Arthrex, Inc. v. Smith & Nephew, Inc.*, 880 F.3d 1345, 1349 (Fed. Cir. 2018) held that the Board acted within its authority under §42.73(b) to enter adverse judgment when a party disclaimed all claims at issue prior to institution, the Federal Circuit clarified it was not deciding whether that regulation was authorized by statute. Accordingly *Arthrex* is not controlling.

In view of the above, P2i respectfully requests that the Board terminate this proceeding under 37 CFR §42.72.

Respectfully submitted,

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Dated: May 3, 2021

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CERTIFICATE OF SERVICE

The undersigned certifies that a true copy of the foregoing was served electronically via email on the following counsel of record for Petitioner:

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