

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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FAVORED TECH CORPORATION,

Petitioner,

v.

P2I LTD.,

Patent Owner.

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IPR2020-01198

Patent No. 10,421,876

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**PETITIONER'S OPPOSITION  
TO PATENT OWNER'S MOTION FOR TERMINATION**

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Mail Stop PATENT BOARD  
Patent Trial and Appeal Board  
P.O. Box 1450  
Alexandria, VA 22313-1450

May 3, 2021

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Rule 42.73(b) is clear-cut and controlling. P2i disclaimed the '876 patent—  
all 15 claims—and has no remaining claim in the trial. That is “construed to be a  
request for adverse judgment.” 37 C.F.R. § 42.73(b). P2i’s effort to skirt the conse-  
quences of its disclaimer should be rejected.

5 **I. P2i’s disclaimer constitutes a request for adverse judgment**

Two parts of Rule 42.73 define P2i’s disclaimer as a request for adverse judg-  
ment. First, the disclaimer of claims 1-15 is a “[d]isclaimer of the involved ... patent”  
under Rule 42.73(b)(1) because the '876 patent has no other claims. *Google v.*  
*SEVEN Networks, LLC*, IPR2018-01103, Paper 10 at 3-5 (PTAB Dec. 6, 2018). Sec-  
10 ond, the petition challenged claims 1-15, so P2i’s disclaimer means that P2i “has no  
remaining claim in the trial” under Rule 42.73(b)(2). *Unified Patents v. Arsus, LLC*,  
IPR2020-00948, Paper 18 at 2 (PTAB Jan. 27, 2021). P2i’s disclaimer is an action  
“construed to be a request for adverse judgment” under both provisions.

That constructive request should be granted. *Arthrex, Inc. v. Smith & Nephew,*  
15 *Inc.*, 880 F.3d 1345, 1349-50 (Fed. Cir. 2018) (affirming adverse judgment). P2i has  
by its actions requested adverse judgment, and Petitioner agrees that adverse judg-  
ment is necessary. The Board should thus construe P2i’s disclaimer as an unequivocal,  
unopposed request for adverse judgment, as prescribed by Rule 42.73(b).

Adverse judgment would be consistent with settled Board practice after such  
20 a disclaimer of all challenged claims. *E.g.*, *Arthrex*, 880 F.3d at 1349-50; *Unified*

*Patents*, IPR2020-00948, Paper 18 at 2; *Astellas US LLC v. Imperial Coll. Innovations*, IPR2020-00764, Paper 10 at 2 (PTAB Jan. 7, 2021); *AMD v. Polaris Innovations*, IPR2019-01514, Paper 19 at 3-5 (PTAB Aug. 3, 2020); *Volkswagen Grp. Am., Inc. v. Carucel Investments, L.P.*, IPR2019-01104, Paper 8 at 2 (PTAB Apr. 30, 2020); *Auris Health, Inc. v. Intuitive Surgical*, IPR2019-01448, Paper 15 at 2-3 (PTAB Apr. 8, 2020); *Google*, IPR2018-01103, Paper 10 at 5-8. The Board should follow that practice. P2i fails to cite a single case where the Board instead terminated under Rule 42.72. *See* Paper 12 at 2-3 (citing cases deemed moot for other reasons).

## **II. P2i identifies no basis to deviate from adverse judgment**

### **A. P2i's own characterization of its actions is irrelevant**

P2i stated that it “does not request adverse judgment.” Paper 11 at 1. But that does not control. *Arthrex*, 880 F.3d at 1349. Otherwise “a patent owner could always avoid an adverse judgment by simply stating that it is not requesting one.” *Id.*

### **B. P2i can disclaim only its own rights, not those of the public**

P2i further contends that an adverse judgment would be inconsistent with 35 U.S.C. § 253(a). Paper 12 at 3. P2i is wrong. Under § 253(a), a disclaimer relinquishes the *patent owner's* rights, not those of the public. *Rembrandt Wireless Techs. v. Samsung Elecs. Co.*, 853 F.3d 1370, 1383-84 (Fed. Cir. 2017). Thus, while a disclaimed patent claim is treated in some contexts as if it never existed, the Federal Circuit has “not readily extended the effects of disclaimer to situations where others besides the patentee have an interest that relates to the relinquished claims.” *Id.* at

1384. The patentee in *Rembrandt* therefore could not nullify the public-oriented marking requirement by canceling a claim that covered its unmarked products. *Id.*

The same principle underlies the cases P2i cites. In *Vectra Fitness v. TNWK Corp.*, the patentee disclaimed the broadest claims from a patent and then tried to  
5 add reissue claims of intermediate scope after the broadening-reissue deadline. 162 F.3d 1379, 1383 (Fed. Cir. 1998). The court rejected the patentee’s attempt to use the canceled claims to set the scope of reissue, noting that “after the two-year window for broadening reissues, the public should be able to rely on the scope of non-disclaimed claims.” *Id.* at 1384. On the other hand, a disclaimed claim remained  
10 relevant in *Guinn v. Kopf* because, by “resolving both priority and patentability when these questions are fully presented,” the Board “settles not only the rights between the parties but also rights of concern to the public.” 96 F.3d 1419, 1422 (Fed. Cir. 1996). The patentee argued that its disclaimer precluded adverse judgment in an ongoing interference, but the Board “had the authority and the responsibility ... to re-  
15 solve the interference and render judgment against [the patentee] as a result of his disclaimer.” *Id.*; see also *AMD*, IPR2019-01514, Paper 19 at 4-5.<sup>1</sup>

That consistent focus forecloses P2i’s argument. Rule 42.73(d)(3) estoppel

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<sup>1</sup> *Genetics Institute* dealt with expiration (not disclaimer), which in any event did not bar appellate jurisdiction. 655 F.3d 1291, 1298-1300 (Fed. Cir. 2011).

prevents a patentee from obtaining claims patentably indistinct from those that were lost. *Arthrex*, 880 F.3d at 1350. Like estoppel generally, that serves the public by promoting reliance on settled disputes. *B&B Hardware v. Hargis Indus., Inc.*, 575 U.S. 138, 147-48 (2015); *Biogen v. Japanese Found. Cancer Rsch.*, 785 F.3d 648, 657-58 (Fed. Cir. 2015). Terminating without adverse judgment based on P2i's unilateral disclaimer would eliminate certainty. And it would ill serve the public for P2i to so easily evade estoppel and remain free to obtain and assert claims not patentably distinct from those it chose to give up rather than defend from a challenge deemed reasonably likely to prevail on all asserted grounds. *See* Paper 9 at 27-45. An adverse judgment is necessary to settle "rights of concern to the public." *Guinn*, 96 F.3d at 1422. As in *Guinn*, the '876 claims existed when the Board exercised jurisdiction to institute, so the Board has "the authority and the responsibility" to render judgment. *Id.*; *Pfizer v. Uniqure Biopharma*, IPR2020-00388, Paper 52 at 3-4 (PTAB Mar. 25, 2021). And contrary to P2i's asserted distinction (Paper 12 at 4-5), adverse judgment here would likewise apply "only against the patentee." *Guinn*, 96 F.3d at 1422.

**C. Adverse judgment is consistent with the AIA**

P2i argues that adverse judgment would contradict the AIA. Paper 12 at 4. But Congress provided for rulemaking on the relationship of IPRs to other Office functions. 35 U.S.C. § 316(a)(4). And an adverse judgment accords with § 318(a)—which says the Board "shall issue" a final decision on instituted claims—and serves

§ 316(b) by averting duplicative future proceedings on patentably indistinct claims.

**III. Mere termination cannot suffice here, and harm is imminent unless the Board acts before May 11**

This case illustrates exactly why Rule 42.73(b) exists. P2i disclaimed the '876  
5 patent while pursuing two continuations. Paper 12 at 1. Without enforcement of Rule  
42.73, patentees like P2i could simply opt out of instituted IPRs, pursue patentably  
indistinct claims in continuing applications, and try their luck down the road before  
another panel or tribunal. Rule 42.73 prevents such wastefulness and uncertainty.

The issue is urgent here. P2i paid the issue fee for its allowed '728 application  
10 on March 24, and the application is set to issue on May 11. Paper 12 at 1. Yet P2i  
waited until April 14—one week before its longstanding Response deadline, and  
weeks after it chose not to cross-examine Petitioner's expert, 37 C.F.R. § 42.53(d)(2),  
(4)—to disclaim the '876 patent. P2i then waited *six more days* before informing the  
Board (Paper 11). P2i's dilatory approach suggests an intent to run out the clock  
15 until the '728 application issues, free from estoppel under Rule 42.73(d).

Petitioner has therefore filed this opposition on the earliest possible date to  
facilitate timely action. Petitioner requests that the Board (1) issue an adverse judg-  
ment with estoppel consequences in accordance with Rule 42.73 before May 11, and  
(2) use its authority as necessary to delay issuance of the '728 application until after  
20 judgment here and instruct the examiner to consider Rule 42.73(d)(3) as applied to  
the '728 application in the first instance. *See* 37 C.F.R. § 42.73(c).

Dated: May 3, 2021

Respectfully submitted,

/Andrew T. Dufresne/

Lead Counsel

Andrew T. Dufresne, Reg. No. 66,636

Back-Up Counsel

Han-Wei Chen, Reg. No. 75,350

Back-Up Counsel

Nathan K. Kelley, Reg. No. 45,295

Back-Up Counsel

Mengke Xing, Reg. No. 76,534

*Counsel for Petitioner*

*Favored Tech Corporation*

PERKINS COIE LLP  
33 East Main Street, Suite 201  
Madison, Wisconsin 53703  
(608) 663-7492 (phone)  
(608) 663-7499 (fax)



## CERTIFICATE OF SERVICE

The undersigned certifies that a copy of this opposition has been electronically served on counsel for patent owner as follows:

P2i-IPR@fitcheven.com  
PHenkermann@fitcheven.com  
Tpmalo@fitcheven.com

Dated: May 3, 2021

Respectfully submitted,

/Andrew T. Dufresne/

Lead Counsel

Andrew T. Dufresne, Reg. No. 66,636

Back-Up Counsel

Han-Wei Chen, Reg. No. 75,350

Back-Up Counsel

Nathan K. Kelley, Reg. No. 45,295

Back-Up Counsel

Mengke Xing, Reg. No. 76,534

PERKINS COIE LLP  
33 East Main Street, Suite 201  
Madison, Wisconsin 53703  
(608) 663-7492 (phone)  
(608) 663-7499 (fax)

*Counsel for Petitioner*

*Favored Tech Corporation*