

**UNITED STATES PATENT AND TRADEMARK OFFICE**

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**BEFORE THE PATENT TRIAL AND APPEAL BOARD**

**BIOFRONTERA INCORPORATED,  
BIOFRONTERA BIOSCIENCE GMBH,  
BIOFRONTERA PHARMA GMBH,  
AND  
BIOFRONTERA AG**

**Petitioner**

**v.**

**DUSA PHARMACEUTICALS, INC.**

**Patent Owner**

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***Inter Partes* Review No. IPR2022-00056  
U.S. Patent No. 10,357,567**

**UNOPPOSED MOTION TO DISMISS  
PETITION FOR *INTER PARTES* REVIEW**

Mail Stop PATENT BOARD  
Patent Trial and Appeal Board  
U.S. Patent & Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450

## I. INTRODUCTION

The Board authorized Petitioner to file a motion to dismiss the present Petition for *inter partes* review in IPR2022-00056 directed to U.S. Patent No. 10,357,567 (“the ’567 Patent”). (Board email dated December 2, 2021.) Petitioner and Patent Owner have conferred via email, and Patent Owner does not oppose the relief requested in this motion. Petitioner now so moves and respectfully requests that the Board dismiss the present Petition in IPR2022-00056, consistent with Board’s precedent allowing petitioners to withdraw IPR petitions pre-institution. This proceeding is in its preliminary phase, Patent Owner has not yet filed a Preliminary Response, and the Board has not yet reached the merits by issuing a decision on institution.

As explained in more detail below, dismissal of the instant *inter partes* review Petition under 37 C.F.R. § 42.71 is the appropriate mechanism for addressing the Petition under the circumstances giving rise to this motion, as the Petition is presently pending and awaiting a decision on institution, and dismissal would preserve the Board’s and parties’ resources, promote efficiency, and minimize costs, without prejudicing Patent Owner. *See Intel Corp. v. Tela Innovations, Inc.*, IPR2019-01257 Pap. 16, 3 (PTAB Jan. 2, 2020) (granting petitioner’s unopposed motion to dismiss “to promote efficiency and minimize unnecessary costs”); *Samsung Electronics Co., Ltd. v. Telefonaktiebolaget LM Ericsson*, IPR2021-00446

Pap. 7, 5 (PTAB Aug. 3, 2021) (noting “Petitioner has shown good cause for dismissal of its Petitions” and granting motion to dismiss without requiring parties to file settlement agreement); 37 C.F.R. § 42.71(a) (“The Board . . . may grant, deny, or dismiss any petition or motion . . .”).

Accordingly, Petitioner hereby moves unopposed for dismissal of the pending Petition.

## **II. BACKGROUND AND RELATED IPR PROCEEDINGS**

The present petition was filed less than two months ago on October 19, 2021, and Patent Owner has yet to submit its Preliminary Response. The parties have recently entered into a confidential settlement agreement (“Settlement Agreement”) that will resolve the parties’ instant dispute regarding the challenged ’567 Patent, as well as other disputes in the District of Massachusetts in a lawsuit originally captioned as *Dusa Pharmaceuticals, Inc. v. Biofrontera Inc. et al.* (Civil Action No. 1:18-cv-10568) involving U.S. Patent No. 9,723,991 (“the ’991 Patent”) and U.S. Patent No. 8,216,289 (“the ’289 Patent”), neither of which is in the same family as the ’567 Patent. Pursuant to the terms of the Settlement Agreement, the parties have filed a Joint Notice of Settlement in the aforementioned civil action, and the parties’ disputes have been dismissed by the court. Pursuant to the terms of the Settlement Agreement, the parties have also agreed that the filing of the present motion would not limit Petitioner’s ability to refile a petition for *inter partes* review of the ’567

Patent at a later date. There are no district court proceedings between the parties related to the '567 Patent that is the subject of the Petition, and there are no other currently pending related IPR or district court proceedings between the parties.

### III. ARGUMENT

#### **A. PTAB Rules Provide for Dismissal of a Pending Petition for *Inter Partes* Review Before Reaching the Merits**

To request *inter partes* review of a patent, “a person who is not the owner of a patent may file with the Office *a petition to institute an inter partes review* of the patent.”<sup>1</sup> 35 U.S.C. § 311(a). Thereafter, if it reaches the merits, the Board either grants the petition, which yields institution of an *inter partes* review, or denies the petition, which results in non-institution of an *inter partes* review. In rendering its decision on institution, the Board evaluates whether “the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a).

Notably, prior to such a decision on institution, no *inter partes* review has commenced. *See, e.g.*, 35 U.S.C. §§ 311-313. Statutes addressing pre-institution procedures therefore consistently refer to “the petition” rather than an “*inter partes*

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<sup>1</sup> Unless indicated, emphases in quotes throughout this motion are added.

review” proceeding. *Id.*; see also *Intellectual Ventures II LLC v. JPMorgan Chase & Co.*, 781 F.3d 1372, 1376 (“The AIA differentiates between a petition for a CBMR proceeding (which a party files) and the act of instituting such a proceeding (which the Director is authorized to do).”). This stands to reason, as its name—institution decision—confirms that *inter partes* review does not commence until a decision to institute has been rendered. See also *Institution*, Black’s Law Dictionary (11th ed. 2019) (“The commencement of something, such as a civil or criminal action.”).

With respect to a petition, therefore, the PTAB rules provide that the Board may reach the merits through grant or denial of institution, in the manner noted above. And importantly, the PTAB rules recognize one more option—dismissal. 37 C.F.R. § 42.71(a) (“the Board . . . may grant, deny, or **dismiss** any petition or motion”); see also, e.g., 37 CFR § 42.12(b)(8) (describing sanctions including “**dismissal of the petition**”); 37 CFR § 42.106(b) (in the case of an incomplete petition, “the Office will **dismiss the petition** if the deficiency in the petition is not corrected within one month from the notice of an incomplete petition.”).

In contrast, no rule or statute authorizes the Board to “dismiss” a trial on an instituted *inter partes* review. Instead, “the Board may **terminate a trial**” or an “instituted” *inter partes* review. 37 C.F.R. § 42.72; 35 U.S.C. § 317(a); see also, e.g., 37 C.F.R. § 42.2 (a “[t]rial” is “a contested case instituted by the Board based upon a petition”). And as noted in section C, *infra*, no rule or statute authorizes the Board

to “terminate” a petition. Thus, read together, authority is offered for dismissal (of a petition) pending decision on the petition’s institution merits (*i.e.*, without granting or denying it), and for termination (of trial) following a decision on the petition’s institution merits. *See* 37 C.F.R. § 42.71(a); 37 C.F.R. § 42.72; 35 U.S.C. § 317(a).

In the present case, a Petition requesting *inter partes* review awaits a Board decision on institution. The Board has yet to decide whether to grant the Petition—and thus institute trial—or deny the Petition. Under the rules, the proper mechanism for dispatching this pending Petition prior to an institution decision by the Board is dismissal. *See* 37 C.F.R. § 42.71(a); *Apple Inc. v. Ericsson Inc. et al.*, IPR2015-01904 Pap. 7, 2 (PTAB Jan. 29, 2016) (granting petitioner’s unopposed motion to dismiss twelve petitions where “Patent Owner has not filed a preliminary response, and we have not considered the merits of the Petitions.”); *Samsung Electronics Co., Ltd. v. Telefonaktiebolaget LM Ericsson*, IPR2021-00446 Pap. 7, 5 (PTAB Aug. 3, 2021) (granting petitioner’s unopposed motion to dismiss thirty petitions at an early stage).

### **B. Good Cause Justifies Dismissal of the Present Petition**

Consistent with 37 C.F.R. § 42.71(a), the Board has recognized that dismissal of pre-institution petitions is available to petitioners upon a showing of good cause, and the Board has recognized through its decisions various instances of good cause sufficient to justify dismissal. *See, e.g., Intel Corp. v. Tela Innovations, Inc.*,

IPR2019-01257 Pap. 16, 3 (PTAB Jan. 2, 2020); *Apple Inc. v. Ericsson Inc. et al.*, IPR2015-01904 Pap. 7, 2 (PTAB Jan. 29, 2016); *World Programming LTD. v. SAS Institute, Inc.*, IPR2019-01457 Pap. 22, 2-3 (PTAB Dec. 27, 2019) (granting “unopposed motion to dismiss the Petition and terminate the proceeding more than two months before the statutory deadline for institution”); *Huawei Techs. Co. LTD. v. Harris Global Communications, Inc.*, IPR2019-01512 Pap. 8, 1-2 (PTAB Dec. 27, 2019) (granting petitioner’s unopposed motion to dismiss where “[b]oth Petitioner and Patent Owner contend there is good cause to terminate the proceedings because it will preserve the resources of the Board and the parties”); *Samsung Electronics Co. et al. v. Nvidia Corp.*, IPR2015-01270 Pap. 11, 3-4 (PTAB Dec. 9, 2015) (granting petitioner’s motion to dismiss, despite opposition by patent owner, “to promote efficiency and minimize unnecessary costs”); *Apple Inc. v. Pinn, Inc.*, IPR2021-00220 Pap. 10, 2-3 (PTAB Mar. 19, 2021) (granting a motion to dismiss because proceedings were “at an early stage, and although the Board has expended some resources in its initial review of the Petitions,” dismissal would “promote efficiency and minimize unnecessary costs.”).

In the instant case, good cause exists, consistent with Board precedent. The parties have settled their disputes, a preliminary response to the Petition has not been filed, and a decision on institution of IPR2022-00056 has not yet been rendered. As such, granting Petitioner’s unopposed motion to dismiss the instant Petition at this

early juncture would serve to preserve the Board's and parties' resources, promote efficiency, and minimize costs. *See Samsung v. Nvidia*, IPR2015-01270 Pap. 12, 3. Indeed, dismissing the Petition now, before any decision on the merits, will promote the Board's objective of achieving "just, speedy, and inexpensive resolution of every proceeding." 37 C.F.R. § 42.1(b); *World Programming LTD. v. SAS Institute, Inc.*, IPR2019-01457 Pap. 22, 2. Moreover, withdrawal of the present Petition does not prejudice the Patent Owner, who does not oppose the filing of this motion.

**C. No Statute or Rule Provides a Basis for "Terminating" a  
Petition for *Inter Partes* Review That Has Not Yet Been  
Instituted**

There is no statutory or rule-based authority for termination prior to institution of a petition. 37 C.F.R. § 42.74 and 35 U.S.C. § 317(a) relate to termination of instituted proceedings, rather than pre-institution dismissal of a Petition, as requested in this motion.

37 C.F.R. § 42.74 refers to "termination of a proceeding" and "termination of the trial," and makes no mention of dismissal, let alone dismissal of a petition. 37 C.F.R. § 42.74(b) states: "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*." Further, the PTAB rules state that the board "may *terminate a trial* without



rendering a final written decision,” 37 C.F.R. § 42.72, and define a “trial” as “a contested *case instituted* by the Board based upon a petition,” 37 C.F.R. § 42.2.

Similarly, 35 U.S.C. § 317(a) refers only to “termination” of *inter partes* reviews “instituted under this chapter,” and makes no mention of dismissal (or dismissal of petitions). 35 U.S.C. § 317(a) states, in relevant part: “An *inter partes* review *instituted* under this chapter shall be *terminated* with respect to any petitioner upon the joint request of the petitioner and the patent owner, unless the Office has decided the merits of the proceeding before the request for *termination* is filed.” The statute does not describe a mechanism for dismissing a petition for *inter partes* review that awaits decision on institution. *See id.*

Accordingly, the parties have not jointly sought to terminate; rather, consistent with the Board’s authorization, Petitioner hereby submits this unopposed motion to dismiss.

**D. Because Petitioner Seeks Dismissal of its Petition Pre-Institution, the Parties Are Not Obligated to File a Copy of a Settlement Agreement**

Because the presently-filed motion is a motion to dismiss a petition prior to institution rather than a joint motion to terminate a proceeding or trial pursuant to 37 C.F.R. § 42.74(b), 37 C.F.R. § 42.74(b) does not apply. Therefore, Petitioner and Patent Owner are not required to file a copy of their Settlement Agreement with this motion. *See Samsung Electronics Co., Ltd. v. Telefonaktiebolaget LM Ericsson,*

IPR2021-00446 Pap. 7, 4-5 (PTAB Aug. 3, 2021) (dismissing case pre-institution without requiring copy of settlement agreement “because there are no explicit provisions in the statutes or regulations that settlement agreements [] be filed in pre-institution dismissals”).

To the extent the Board finds that a basis exists in the PTAB rules for termination of a non-instituted proceeding, such termination would still not obligate the parties to file a “true and correct copy” of a settlement agreement related to the termination under 37 C.F.R. § 42.74(b), because § 42.74(b) states that this obligation must be fulfilled “*before the termination of the trial.*” 37 C.F.R. § 42.74(b). Since no “trial” exists for a non-instituted proceeding, such termination will never occur, and the parties are therefore not obligated to file a copy of the settlement agreement. *See id.*; 37 C.F.R. § 42.2 (defining a “trial” as “a contested case instituted by the Board based upon a petition” that “begins with a written decision notifying the petitioner and patent owner of the institution of the trial”).

#### IV. CONCLUSION

For the reasons set forth herein, Petitioner Biofrontera respectfully requests that the Board grant the Unopposed Motion to Dismiss Petition for *Inter Partes* Review in Case Number IPR2022-00056.

Respectfully submitted,

Dated: December 3, 2021

By: /s/ Lauren L. Fornarotto

Lauren L. Fornarotto, Reg. No. 76,470

**CERTIFICATE OF SERVICE**

I certify that on December 3, 2021, I will cause a copy of the foregoing document, including any exhibits referred to therein, to be served via electronic mail, as previously consented to by Patent Owner, upon the following:

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Dated: December 3, 2021

By: /s/ Lauren L. Fornarotto  
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