

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CYANOTECH CORPORATION
Petitioner

v.

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS
Patent Owner

Case IPR2013-00401
Patent 5,527,533

Before WILLIAM V. SAINDON, SCOTT E. KAMHOLZ, and
SHERIDAN K. SNEDDEN, *Administrative Patent Judges*.

SNEDDEN, *Administrative Patent Judge*.

DECISION

Patent Owner's Request for Rehearing
37 C.F.R. § 42.71

I. INTRODUCTION

Patent Owner, the Board of Trustees of the University of Illinois (“the University”), filed a request for rehearing (Paper 25) of the Board’s decision, dated Dec. 19, 2013 (“Decision”, Paper 17), which instituted *inter partes* review of claims 1-15, 21, 22, and 26 of US Patent No. 5,527,533 (“the ’533 patent”). For the reasons stated below, the University’s request is denied.

II. STANDARD OF REVIEW

Under 37 C.F.R. § 42.71(c), “[w]hen rehearing a decision on petition, a panel will review the decision for an abuse of discretion.” An abuse of discretion occurs when a “decision was based on an erroneous conclusion of law or clearly erroneous factual findings, or . . . a clear error of judgment.” *PPG Indus. Inc. v. Celanese Polymer Specialties Co. Inc.*, 840 F.2d 1565, 1567 (Fed. Cir. 1988). *See also* 37 C.F.R. § 42.71(d) (“The request must specifically identify all matters the party believes the Board misapprehended or overlooked”).

III. DISCUSSION

Petitioner Cyanotech Corporation filed a corrected petition (Paper 9) to institute an *inter partes* review of claims 1-27 of Patent 5,527,533. The University filed a preliminary response (Paper 15) that alleged that the institution of an *inter partes* review involving Cyanotech is barred under 35 U.S.C. § 315(a)(1). The Board considered the University’s contentions but determined that, under these circumstances, Cyanotech’s actions did not bar institution of an *inter partes* review because their case was dismissed without prejudice, which has the legal effect of rendering the action a nullity and leaves the parties in the same legal position as if the civil action was never filed. Decision 9-12.

The University seeks rehearing of this decision, contending that the Board misapprehended, or overlooked, the fact that the language of the statute is clear on its face and that Petitioner's filing of the civil action in the United States District Court, District of Hawaii, barred the petitions at issue. Reh'g. Req. 2. We disagree. We considered the University's arguments and addressed them fully in the Decision. The University has shown no abuse of discretion in the Decision in this regard and may not use a Request for Rehearing to re-argue its prior, unsuccessful, arguments.

The University further contends that the cases cited in the Decision to guide our interpretation of the terms "filed a civil action" are not relevant to § 315(a)(1). Decision, 3. The University's arguments are not persuasive. While the cases cited in the Decision do not discuss § 315(a)(1) specifically, the cases are instructive to show that federal courts, including our reviewing court, uniformly treat dismissals without prejudice as if the actions were never filed. *Id.* at 9-12. The University has shown no abuse of discretion in the Decision in this regard.

The University further contends that its interpretation of the statute is wholly consistent with the legislative history of the statute. Reh'g. Req. 4. The University, however, does not set forth any persuasive rationale as to why the Board's interpretation of legislative history is in error. Accordingly, the University has shown no abuse of discretion.

Finally, the University contends that the Hawaii Action was not simply dismissed without prejudice—it was dismissed "without prejudice to Cyanotech bringing its claims in the pending parallel action in the U.S. District Court for the Middle District of Florida." *Id.* at 5. The University, however, fails to explain the legal effect of the dismissal and why the parties were not left in the same legal position as if the civil action had never been filed. We find this argument

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conclusory and unpersuasive to show abuse of discretion.

IV. ORDER

Accordingly, it is hereby

ORDERED that Patent Owner's request for rehearing is *denied*.

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