

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

COSTCO WHOLESALE CORPORATION,
Petitioner,

v.

ROBERT BOSCH LLC,
Patent Owner.

CASE NO. IPR2016-00041
U.S. Patent No. 8,099,823

MOTION FILED PURSUANT TO PAPER NO. 67

Patent Owner Robert Bosch LLC (“Bosch”) submits this motion in response to the Board’s September 14, 2017 order authorizing Bosch to file a motion seeking to vacate the final written decision in IPR2016-00041 or, in the alternative, to otherwise prevent the Office from issuing a certificate pursuant to 35 U.S.C. § 318(b).

Costco Wholesale Corporation (“Costco”) and Bosch have reached a settlement of the IPRs (IPR2016-00034, IPR2016-00036, IPR2016-00038, IPR2016-00039, IPR2016-00040, and IPR2016-00041) and of the district-court litigation relating to the patents that are the subject of the IPRs.

In view of the parties’ settlement and Costco’s abandonment of the contest, and pursuant to, *e.g.*, 37 C.F.R. § 42.5(a), Bosch moves the Board to vacate the final written decision and terminate IPR2016-00041.¹

If that motion is denied,

(i) Bosch moves the Board to terminate this IPR pursuant to, *e.g.*, 37 C.F.R. § 42.5(a); such a termination would end the proceedings before any certificate cancelling claims is issued pursuant to 35 U.S.C. § 318(b), and obviate the Director’s authority to issue such a certificate, and

¹ Bosch anticipates that in the other IPRs it will file similar motions to those set forth in this paper, if the Board authorizes Bosch to do so.

(ii) Bosch also moves the Board to terminate this IPR and enter adverse judgment against Costco pursuant to 37 C.F.R. § 42.73(b)(4).

Bosch expects that Costco will join in this motion, or, if it does not actively join, will no longer participate, which will evidence its “abandonment of the contest.” Costco’s “abandonment of the contest” is also evidenced by its successful motion to the United States Court of Appeals for the Federal Circuit to “withdraw as appellee and as a party from” the pending appeal of the final written decision in IPR2016-00034. Again, entry of such a judgment would end the proceedings before any certificate cancelling claims is issued pursuant to 35 U.S.C. § 318(b), and obviate the Director’s authority to issue such a certificate.

In further support of this motion, Bosch notes that neither 37 C.F.R. § 42.5(a) nor § 42.73(d) contains any limitation preventing the Board from acting after a final written decision is issued (or during the pendency of an appeal from a final written decision). Both regulations use the word “proceeding,” which is defined to include a “trial.” 37 C.F.R. § 42.2. “Trial” in turn is defined as “a contested case instituted by the Board based upon a petition,” and while the definition specifies when a “trial” begins, the definition does not state or suggest that a “trial” ends with entry of a final written decision. *Id.*

With respect to this IPR, there are no considerations of finality or jurisdiction per, *e.g.*, *In re Allen*, 115 F.2d 936 (C.C.P.A. 1940). This IPR is, as a

whole, still pending before the Board in all senses, as illustrated by the decision of the Court of Appeals of the Federal Circuit to dismiss, for lack of jurisdiction, Bosch's appeal of the portions of the final written decision that were adverse to Bosch in view of Costco's pending motion to reconsider the portion of the final written decision that was adverse to Costco.

With respect to the other IPRs, Bosch respectfully submits that the "ministerial function" doctrines of, *e.g.*, the *Allen* decision do not apply to *inter partes* review proceedings in which an appeal of a final written decision has been taken to the Court of Appeals for the Federal Circuit. When appeals from *ex parte* original prosecution rejections—the context in *Allen*—are taken, there is nothing remaining for the Director to do unless the rejections are reversed. Absent a contrary instruction from the Court of Appeals, the Office does nothing. In an *inter partes* review, by contrast, 35 U.S.C. § 318(b) specifically requires the Director to take action after any appeal is completed: issue a certificate cancelling claims determined to be unpatentable.

This is in specific contrast to, for example, the procedure Congress prescribed for a derivation proceeding. *See* 35 U.S.C. § 135. In a derivation proceeding, like in *ex parte* original prosecution and unlike in an IPR, the Board's final written decision is self-executing: "The final decision of the Patent Trial and Appeal Board, if adverse to claims in a patent, shall, if no appeal or other review of

the decision has been or can be taken or had, constitute cancellation of those claims, and notice of such cancellation shall be endorsed on copies of the patent distributed after such cancellation.”

Thus, in both *ex parte* original prosecution (*Allen*) and in derivation proceedings, the Board’s final written decision is, in fact, final, in the sense that nothing remains for the Office to do unless it receives a mandate from the Court of Appeals.

Moreover, in both those contexts, Congress specified that a dissatisfied party could commence a civil action against the Director, rather than appealing the Board’s decision to the Court of Appeals. *See* 35 U.S.C. §§ 145 and 146. Unlike an IPR, such a civil action would be governed by the usual rules of finality, by the Constitutional requirement of an actual case or controversy, and by the other requirements of federal litigation.

Thus, while the Board’s final written decisions are referred to as “final,” they are not “final” in the sense that a District Court judgment of invalidity is final. Under the enabling statutes, they have no effect unless and until a certificate is issued. *See* 35 U.S.C. § 318(b). And so, for example, they do not have any collateral estoppel effect before appeals are exhausted, even assuming, *arguendo*, that final written decisions in IPRs could ever be given preclusive effect. *See In re. Innovasystems, Inc.*, Case No. 11–36228–ABA, 2014 WL 7235527, at *5 (Bankr.

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