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Paper 20
Entered: February 28, 2017

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNIFIED PATENTS INC.,
Petitioner,

v.

DIGITAL AUDIO ENCODING SYSTEMS, LLC,
Patent Owner.

Case IPR2016-01710
Patent 7,490,037 B2

Before MICHAEL J. FITZPATRICK, STACEY G. WHITE, and MICHELLE N. WORMMEESTER, *Administrative Patent Judges*.

Opinion of the Board filed by Administrative Patent Judge WORMMEESTER.

Opinion Concurring filed by Administrative Patent Judge FITZPATRICK.

WORMMEESTER, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
37 C.F.R. §§ 42.107(e), 42.108

I. INTRODUCTION

Unified Patents Inc. ("Petitioner") filed a Petition (Paper 1, "Pet.") requesting *inter partes* review of claims 1–32 of U.S. Patent No. 7,490,037 B2 (Ex. 1001, "the '037 patent"). Digital Audio Encoding Systems, LLC ("Patent Owner") filed a Preliminary Response (Paper 10, "Prelim. Resp."). We have jurisdiction under 35 U.S.C. § 314 and 37 C.F.R. § 42.4(a). For the reasons that follow, we decline to institute an *inter partes* review.

II. BACKGROUND

A. Related Proceedings

The parties identify more than twenty federal district court cases involving the '037 patent. Pet. 1–4; Paper 8; Paper 9.

B. The '037 Patent

The '037 patent, titled "Method and Apparatus for Encoding Signals," relates to encoding digitized audio signals and processing the encoded signals. Ex. 1001, [54], [57]. Given the procedural posture of this proceeding, we need not discuss further the substance of the patent.

III. ANALYSIS

In a motion to expunge its Preliminary Response, Patent Owner represents that it "believes that the patent claims of the subject patent, U.S. Patent No. 7,490,037 (the ''037 patent') are invalid in light of recently-developed information, specifically, a break in the continuity in the chain of priority applications due to failure to pay an extension fee," and that it therefore "expect[s] to take steps to seek an adverse judgment on the above-

identified IPR, and/or dedicate the patent to the public." Paper 15, 1. Since filing its motion to expunge, Patent Owner filed both a Request for Adverse Judgment (Paper 16) and a statutory disclaimer (Paper 17) disclaiming all thirty-two claims of the '037 patent. In addition, during a conference call between the panel and respective counsel for the parties in related cases[1] held on January 24, 2017, counsel for Patent Owner indicated that it did not believe that any continuing prosecution associated with the '037 patent exists.

The Director has delegated to the Board authority to determine whether to institute an *inter partes* review. 37 C.F.R. § 42.4(a). The Director has determined that:

> The patent owner may file a statutory disclaimer under 35 U.S.C. 253(a), in compliance with § 1.321(a) of this chapter, disclaiming one or more claims in the patent. No *inter partes* review will be instituted based on disclaimed claims.

37 C.F.R. § 42.107(e). Pursuant to 35 U.S.C. § 253(a), "[s]uch disclaimer shall be in writing, and recorded in the Patent and Trademark Office; and it shall thereafter be considered as part of the original patent." Given the phrase "considered as part of the original patent," "[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." *Vectra Fitness, Inc. v. TNWK Corp.*, 162 F.3d 1379, 1383 (Fed. Cir. 1998); *Guinn v. Kopf*, 96 F.3d 1419, 1422 (Fed. Cir. 1996); *see*

[1] The conference call was held between the panel and respective counsel for the parties in the cases IPR2017-00208, IPR2017-00209, and IPR2017-00212, all of which involve the '037 patent. Counsel for Petitioner in the instant case was notified of the call, but did not participate.

also Altoona Publix Theatres v. American Tri–Ergon Corp., 294 U.S. 477, 492 (1935) ("Upon the filing of the disclaimers, . . . the public was entitled to manufacture and use the device originally claimed as freely as though [the claim] had been abandoned.").

As discussed above, Patent Owner here disclaimed all thirty-two claims of the '037 patent under section 253. Accordingly, Patent Owner "effectively eliminated those claims from the original patent." *See Vectra*, 162 F.3d at 1383. In light of such elimination of all thirty-two claims from the '037 patent, as well as Patent Owner's belief that all those claims were already invalid and that no continuing prosecution associated with the '037 patent exists, we deny as moot the Petition, which requests *inter partes* review of claims 1–32 of the '037 patent. In addition, we also dismiss as moot Patent Owner's Request for Adverse Judgment.

IV. CONCLUSION

For the foregoing reasons, we decline to institute an *inter partes* review of U.S. Patent No. 7,490,037 B2.

V. ORDER

For the reasons given, it is

ORDERED that the Petition is *denied* as moot and no trial is instituted; and

FURTHER ORDERED that Patent Owner's Request for Adverse Judgment (Paper 16) is *dismissed* as moot.

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FITZPATRICK, *Administrative Patent Judge*, concurring.

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