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Paper 10
Entered: May 22, 2017

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

PAPST LICENSING GMBH & CO. KG,
Patent Owner.

Case IPR2017-00679
Patent 8,966,144 B2

Before JONI Y. CHANG, JENNIFER S. BISK, and MIRIAM L. QUINN, *Administrative Patent Judges.*

CHANG, Administrative Patent Judge.

DECISION
Denying Petitioner's Motion to Dismiss Petition and Motion for Joinder
37 C.F.R. § 42.20(b)

INTRODUCTION

Apple Inc. ("Apple") filed a Petition requesting an *inter partes* review of claims 1–6, 8, 10, 13–16, 22, 27–40, 42–49, 52–55, 59–65, 77, and 80–87 of U.S. Patent No. 8,966,144 B2 ("the '144 patent"). Paper 1 ("Pet."). Apple also concurrently filed a Motion for Joinder, seeking to join this proceeding with *Canon Inc. et al., v. Papst Licensing GmbH & Co., KG*, Case IPR2016-01212 ("the Canon IPR"), which we instituted on December 15, 2016. Paper 2. Patent Owner, Papst Licensing GmbH & Co., KG ("Papst"), did not file a Preliminary Response; nor does it oppose Apple's Motion for Joinder. Paper 7.

Subsequently, Apple filed a Motion to Dismiss Without Prejudice Its Petition and Motion for Joinder, seeking a "dismissal of the current proceeding without rendering a final written decision." Paper 8 ("Mot."). Papst filed an Opposition to Apple's Motion to Dismiss. Paper 9 ("Opp."). For the reasons discussed below, Apple's Motion to Dismiss is *denied*.

ANALYSIS

In its Motion to Dismiss, Apple argues that dismissal of the Petition and Motion for Joinder, at this preliminary stage, would promote efficiency and minimize the burdens of both parties and the Board. Mot. 1, 3–4. Apple also contends that "Patent Owner will not suffer prejudice from the withdrawal and resulting dismissal because it would be in the same position as if the Petition had never been filed." *Id*. at 1, 5. In Apple's view, withdrawal of the Petition and Motion for Joinder would further "the goals of 'secur[ing] the just, speedy, and inexpensive resolution of every proceeding.'" *Id.* at 5.

Papst counters that allowing Apple "to withdraw its Petition conserves no appreciable resources" in that, since the Canon IPR has been instituted, the parties have already incurred all of the expenses associated with this proceeding, and there is nothing left for the Board to do but join this proceeding with the Canon IPR. *Id*. at 6. Papst also argues that Apple should not be permitted to avoid the possible estoppel consequences under 35 U.S.C. § 315(e)(2) and 37 C.F.R. § 42.73(d), as it would be prejudicial to Papst, and would encourage further serial filings of petitions and discourage settlement. *Id.* at 7–8. We agree with Papst.

Granting Apple's requested relief—"dismissal of the current proceeding without rendering a final written decision"—essentially would allow Apple to avoid possible estoppel effects. Notably, 35 U.S.C. § 315(e) provides the following (emphases added):

> (e) ESTOPPEL.—
>
> (1) PROCEEDINGS BEFORE THE OFFICE.—The petitioner in an inter partes review of a claim in a patent under this chapter that *results in a final written decision* under section 318(a), or the real party in interest or privy of the petitioner, *may not request or maintain a proceeding before the Office* with respect to that claim on any ground that *the petitioner raised or reasonably could have raised during that inter partes review*.
>
> (2) CIVIL ACTIONS AND OTHER PROCEEDINGS.—The petitioner in an inter partes review of a claim in a patent under this chapter that *results in a final written decision* under section 318(a), or the real party in interest or privy of the petitioner, *may not assert either in a civil action arising in whole or in part under section 1338 of title 28 or in a proceeding before the International Trade Commission* under section 337 of the Tariff Act of 1930 that the claim is invalid on any ground that *the petitioner raised or reasonably could have raised during that inter partes review*.

As the legislative history shows, the estoppel provisions under 35 U.S.C. § 315(e) provide "protections that were long sought by inventors and patent owners." *See* 157 Cong. Rec. S1326 (daily ed. Mar. 7, 2011) (statement of Sen. Sessions) ("The bill also includes many protections that were long sought by inventors and patent owners. It preserves estoppel against relitigating in court those issues that an inter partes challenger reasonably could have raised in his administrative challenge."); *see also Patent Quality Improvement: Post-Grant Opposition: Hearing before the Subcomm. on Courts, the Internet, and Intellectual Prop. of the H. Comm. on the Judiciary*, 108th Cong., note 383382 at 32 (2004) (statement of Michael Kirk, Executive Director, AIPLA) ("A very important aspect of any post-grant-opposition proceeding is the effect the decision will have on the parties. If the estoppel provision is too harsh, no one will use the procedure . . . . If it is too lenient, patentees may be subject to needless repetitive challenges by the same party. Therefore, we believe that a determination with respect to any issue of validity actually raised by an opposer should be preclusive against that opposer in any subsequent proceeding.").

Here, we are not persuaded that Apple, as the moving party, has met its burden to establish that it is entitled to the requested relief (37 C.F.R. § 42.20(c)), in that Apple has not shown sufficiently that the burden on both parties and the Board of joining the instant proceeding with the Canon IPR outweighs Papst's interest. As Apple itself argues in its Motion for Joinder, "[j]oinder will have minimal—indeed, likely no—impact on the trial schedule and costs for the existing Canon IPR because of the complete overlap between the two petitions for the instituted grounds." Paper 2, 6.

Although the instant proceeding is at the preliminary stage, the parties have completed their briefings in connection with the issues of joinder and institution. As Apple confirms, the "Petition does not present new art or arguments beyond those in IPR2016-01212," replying on the same evidentiary record and asserting no new grounds of unpatentability. Mot. 5; Paper 2, 1, 5–6. Papst did not file a Preliminary Response. Paper 8. Nor does Papst oppose Apple's Motion for Joinder. *Id.* Moreover, Apple's argument that dismissal would minimize unnecessary costs on the parties, in the event that the petitioner in the Canon IPR settles with Papst, is speculative. As Papst notes, there are many entities that are involved in that proceeding, and "the likelihood of each settling and leaving Apple being the sole petitioner is unlikely." Opp. 7. If that situation arises, Petitioner also may settle with Papst or request adverse judgment. For these reasons, Petitioner has not established that the burden on both parties and the Board of joining this proceeding with the Canon IPR warrants dismissal.

After considering the totality of the circumstances, we are not persuaded that Apple has shown sufficiently that it is entitled to the requested relief—namely, "dismissal of the current proceeding without rendering a final written decision." 37 C.F.R. § 42.20(c). As a result, we decline to dismiss Apple's Petition and Motion for Joinder. They will be decided in due course.

ORDER

In view of the foregoing, it is:

ORDERED that Apple's Motion to Dismiss Petition and Motion for Joinder is *denied*.

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