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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NAUTILUS HYOSUNG INC.,
Petitioner,

v.

DIEBOLD SELF-SERVICE SYSTEMS DIVISION OF DIEBOLD NIXDORF, INC.,[1]
Patent Owner.

Cases IPR2016-00523, IPR2016-00525
Patent 7,121,461 B2

Before BARBARA A. BENOIT, GEORGIANNA W. BRADEN, and KERRY BEGLEY, *Administrative Patent Judges*.

BEGLEY, *Administrative Patent Judge*.

JUDGMENT
Granting Patent Owner's Request for Adverse Judgment
37 C.F.R. § 42.73(b)

[1] After institution of *inter partes* review in IPR2016-00523 and IPR2016-00525, Patent Owner changed its name. *See* IPR2016-00523, Paper 13; IPR2016-00525, Paper 11. We use Patent Owner's updated name in this Order.

I. BACKGROUND

In IPR2016-00523, Petitioner Nautilus Hyosung Inc. ("Petitioner") filed a Petition requesting *inter partes* review of claims 1–8, 12–18, and 21–27 of U.S. Patent No. 7,121,461 B2 ("the '461 patent"). IPR2016-00523, Paper 2. On August 3, 2016, we instituted an *inter partes* review of claims 1–5, 12–18, and 21–27 of the '461 patent and issued an accompanying Scheduling Order setting deadlines for the trial. IPR2016-00523, Papers 8–9. The Scheduling Order set November 3, 2016 as the deadline for Diebold Self-Service Systems Division of Diebold Nixdorf, Inc. ("Patent Owner") to file a Response to the Petition and a Motion to Amend. IPR2016-00523, Paper 9, at 3, 6 (Due Date 1). Patent Owner, however, did not file a Response to the Petition or a Motion to Amend. *See* IPR2016-00523, Paper 12. On February 7, 2017, Patent Owner filed a Request for Adverse Judgment, asking the Board to cancel claims 1–5, 12–18, and 21–27 of the '461 patent, all of the claims on which *inter partes* review was instituted in IPR2016-00523, and to enter adverse judgment against Patent Owner. IPR2016-00523, Paper 14. Petitioner has not opposed or otherwise responded to Patent Owner's request.

In IPR2016-00525, Petitioner filed a Petition for *inter partes* review of claims 1–8, 12–18, and 21–27 of the '461 patent. IPR2016-00525, Paper 2. On August 3, 2016, the Board issued a decision in which we instituted *inter partes* review of each of these claims, along with a Scheduling Order for the trial. IPR2016-00525, Papers 6–7. Similar to IPR2016-00523, the Scheduling Order set November 3, 2016 as the deadline for Patent Owner's Response to the Petition and Motion to Amend, but Patent Owner did not file a Response or a Motion to Amend.

IPR2016-00525, Paper 7, at 3, 6 (Due Date 1); Paper 10. On February 7, 2017, Patent Owner filed a Request for Adverse Judgment, requesting that the Board cancel claims 1–8, 12–18, and 21–27 of the ’461 patent, all of the claims at issue in IPR2016-00525, and enter adverse judgment against Patent Owner. Paper 12. Petitioner has not responded to Patent Owner’s request.

II. DISCUSSION

A party may request adverse judgment against itself at any time. 37 C.F.R. § 42.73(b). Cancellation of claims of the patent at issue “such that the party has no remaining claim in the trial” is construed as a request for adverse judgment. *Id.*

In each of IPR2016-00523 and IPR2016-00525, Patent Owner requests adverse judgment and the cancellation of all claims of the ’461 patent on which *inter partes* review was instituted. Thus, after cancellation of the specified claims of the ’461 patent, no claims would remain in either trial. Under these circumstances, the Requests for Adverse Judgment are appropriate. Therefore, we grant Patent Owner’s requests and enter judgment against Patent Owner under 37 C.F.R. § 42.73(b) in IPR2016-00523 and IPR2016-00525.

III. ORDER

Accordingly, it is:

ORDERED that Patent Owner’s Request for Adverse Judgment in IPR2016-00523 is *granted*, and judgment is entered against Patent Owner in IPR2016-00523 under 37 C.F.R. § 42.73(b) with respect to claims 1–5, 12–18, and 21–27 of U.S. Patent No. 7,121,461 B2;

FURTHER ORDERED that Patent Owner's Request for Adverse Judgment in IPR2016-00525 is *granted*, and judgment is entered against Patent Owner in IPR2016-00525 under 37 C.F.R. § 42.73(b) with respect to claims 1–8, 12–18, and 21–27 of U.S. Patent No. 7,121,461 B2;

FURTHER ORDERED that claims 1–8, 12–18, and 21–27 of U.S. Patent No. 7,121,461 B2 are CANCELLED; and

FURTHER ORDERED that a copy of this Decision is to be entered into the file of Cases IPR2016-00523 and IPR2016-00525.

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