

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FEDEX CORPORATION,
Petitioner,

v.

PATENT OWNER¹

Case IPR2017-01786, Patent 7,755,479 B2
Case IPR2017-01830, Patent 7,209,037 B2²

Before JOHN F. HORVATH, ELIZABETH M. ROESEL, and
CHRISTA P. ZADO, *Administrative Patent Judges*.

Per Curiam.

ORDER
Dismissing Petitions and Terminating *Inter Partes* Review
37 C.F.R. §§ 42.5(a), 42.71(a), and 42.72

¹ As discussed below, the identity of the patent owner is unclear on the current record.

² This Order applies to each of the listed cases. We exercise our discretion to issue one Order to be docketed in each case. The parties, however, are not authorized to use this caption for any subsequent papers absent prior authorization from the Board.

In each of IPR2017-01786 (“1786 IPR”) and IPR2017-01830 (“1830 IPR”), FedEx Corporation (“Petitioner”) filed an authorized Motion to Dismiss and Terminate the Proceeding Without Prejudice under 37 C.F.R. §§ 42.5(a), 42.71(a),³ and 42.72 on grounds that Human Sciences cannot demonstrate it is the owner of the patents challenged in these proceedings: U.S. Patent No. 7,209,037 B2 (“the ’037 patent”) and U.S. Patent No. 7,755,479 B2 (“the ’479 patent”) (collectively, “the challenged patents”). Paper 23 (“Motion” or “Mot.”).⁴ Human Sciences HC Ltd. (“Human Sciences”) opposed the Motion, Paper 24 (“Opp.”), and Petitioner filed a reply, Paper 25 (“Reply”).

For the reasons discussed below, we determine that Human Sciences has not shown it has standing to take action as patent owner, we dismiss and terminate these proceedings pursuant to our authority under 37 C.F.R. §§ 42.5(a), 42.71(a) and 42.72, and we dismiss Petitioner’s Motion as moot.

I. BACKGROUND

A. *Related District Court Litigation*

On December 19, 2016, Human Sciences filed suit against various FedEx entities (including Petitioner) (collectively, “FedEx”) alleging infringement of the challenged patents, as well as U.S. Patent No. 7,046,138 B2 (“the ’138 patent”). *Human Sciences HC Ltd. v. FedEx Corp.*, No. 2:17-cv-02462 (W.D. Tenn.) (transferred from N.D. Ill.).

³ The brief’s caption erroneously refers to § 47.71(a), rather than § 42.71(a), but the correct section number is referenced in the brief.

⁴ Except as otherwise noted, we cite to the papers and exhibits filed in the 1786 IPR. To the extent they pertain to the ownership issue, the papers and exhibits filed in the 1830 IPR are substantially similar.

On February 2, 2018, Human Sciences moved to dismiss its patent infringement action without prejudice, conceding that it cannot demonstrate that it owned the patents-in-suit as of the date the complaint was filed. Ex. 1020, 8–10, 18–22.⁵ Human Sciences contended, however, that the standing issue was “easily curable” with a “new assignment.” *Id.* at 9–10, 21, 24–25. FedEx opposed dismissal without prejudice, arguing that the ownership defect cannot be cured. Ex. 1023, 4. On June 4, 2018, the district court granted Human Sciences’ motion and dismissed the infringement action without prejudice. Ex. 1037, 1, 6.

B. Procedural History of these Proceedings

Between July 12 to 24, 2017, Petitioner filed three Petitions⁶ requesting *inter partes* review of the challenged patents and the ’138 patent, identifying either IntelAgents, Inc. (“Intelagents”) or InfrAegis, Inc. (“InfrAegis”) as patent owner as indicated on USPTO assignment records. Paper 2, 1; *see* Exs. 1024, 1026, 2001–2003; 1830 IPR Exs. 2001–2002.⁷ In identifying IntelAgents or InfrAegis as patent owner, Petitioner explained that, in the related district court litigation, Human Sciences “admitted that ‘new evidence suggest[s]that the assignment of the

⁵ We refer to the page numbers added by Petitioner at the bottom left corner of Exhibits 1020 and 1023.

⁶ Petitioner filed petitions in three cases, namely IPR2017-01761 (“1761 IPR”), the 1786 IPR, and the 1830 IPR.

⁷ As discussed below, Exhibits 1024 and 2001–2003 and 1830 IPR Exhibits 2001–2002 are documents recorded in the USPTO. *See* n.8, *infra*. Exhibit 1026 appears to be a document filed with the State of Delaware on December 6, 2005 showing a change of name from “Intelagents, Inc.” to “InfraAegis, Inc.” Documents recorded in the USPTO show a different spelling for the latter company name: “InfrAegis, Inc.” Exs. 2003, 2004; 1830 IPR Exs. 2002, 2004. Herein, we refer to that company as “InfrAegis, Inc.” or “InfrAegis.”

[challenged patents] from InfrAegis to Human Sciences may have been ineffective.” Paper 2, 73 (citing Ex. 1015, 7).

As of November 8, 2017, no appearance had been entered by or on behalf of the owner of any patent in any of these proceedings. *See* 37 C.F.R. § 42.8(a)(2) (requiring patent owner to file mandatory notices within 21 days of service of the petition); *see also id.* § 42.8(b)(1) (requiring identification of the real party-in-interest). Accordingly, on November 8, 2017, we entered an Order stating that the identity of patent owner was unclear from the record and requiring patent owner to file powers of attorney and mandatory notices. *See* Paper 4, 2.

On November 15, 2017, in response to the aforementioned Order, Charles R. Abbott, identifying himself as Managing Director of Human Sciences, signed powers of attorney appointing various attorneys from the firm of Carlson, Gasky & Olds (“CG&O”) to represent Human Sciences in these proceedings (*see* Paper 6), and CG&O filed the powers of attorney and mandatory notices identifying Human Sciences as the real party-in-interest and owner of the challenged patents (*see* Paper 5).

On February 8, 2018 and February 6, 2018, we instituted *inter partes* review in the 1786 IPR and the 1830 IPR, respectively. Paper 7 (Feb. 8, 2018); 1830 IPR, Paper 8 (Feb. 6, 2018). We denied institution in the 1761 IPR. 1761 IPR, Paper 7 (Feb. 6, 2018).

On February 7, 2018, Petitioner requested a telephone conference with the Board regarding ownership of the challenged patents, asserting that Human Sciences is not the rightful owner and requesting adverse judgment or dismissal without prejudice of the IPR proceedings. Thereafter, on February 9, 2018, Mr. Abbott, now identifying himself as a Director of InfrAegis, signed powers of attorney appointing the same attorneys from CG&O to represent InfrAegis in these

proceedings (see Paper 9), and CG&O filed the powers of attorney and corrected patent owner mandatory notices, now identifying InfrAegis as the real party-in-interest and owner of the challenged patents (See Paper 10). In the corrected notices, InfrAegis acknowledged that a previous attempt to assign such patents to Human Sciences was ineffective:

[T]he assignment documents that were the basis for previously identifying Human Sciences as the real party-in-interest were not effective to transfer ownership of the [challenged patents] from InfrAegis to Human Sciences. As a result, InfrAegis is the current sole owner of the [challenged patents].

See id. at 1 n.2.

On February 23, 2018, Petitioner renewed its request for a telephone conference with the Board regarding the ownership issue. In response to Petitioner's request, a call was scheduled for March 2, 2018.

On March 1, 2018, the day before the scheduled call, Mr. Abbott, once again identifying himself as Managing Director of Human Sciences, signed powers of attorney identifying attorneys at CG&O to represent Human Sciences in these proceedings (see Paper 13), and CG&O filed the powers of attorney and second corrected patent owner mandatory notices, identifying Human Sciences as the real party-in-interest and owner of the challenged patents (see Paper 12). The second corrected mandatory notices explained: "Previously listed owner InfrAegis recently assigned the [challenged patents] to Human Sciences." *See id.* at 1, n.2.

A conference call was held on March 2, 2018, among counsel for Petitioner, counsel for Human Sciences, and Judges Horvath and Zado. During the call, Petitioner maintained its ownership challenge, arguing that the recent assignments from InfrAegis to Human Sciences were invalid. Subsequently, we issued an order requiring Petitioner to file notices pursuant to 37 C.F.R. § 42.21(a) stating the

relief it requested in connection with the patent ownership issue and the basis for its entitlement to such relief. *See* Paper 16, 6–7.

Petitioner filed the requisite notices on March 16, 2018, requesting authorization to file motions to dismiss and terminate the IPR proceedings without prejudice under 37 C.F.R. §§ 42.5(a), 42.71(a), 42.72. *See* Paper 17. On April 10, 2018, we issued an Order authorizing Petitioner to file motions to dismiss and terminate these proceedings. *See* Paper 22, 2–3. The Order stayed all deadlines in these proceedings, except for the date of oral argument on the motion to dismiss and terminate. *Id.* at 3–4.

C. Chain of Title and Related Evidence

The chain of title of the challenged patents from the named inventor, Gregory E. Webb, Sr., to InfrAegis is undisputed.⁸ However, the parties dispute the validity of a February 12, 2018, assignment from InfrAegis to Human Sciences signed by Mr. Abbott. Ex. 1024 (“Assignment”).⁹

With regard to validity of the Assignment, Human Sciences relies on Exhibit 2004, which it contends is a consent resolution of the board of directors of

⁸ The challenged patents each claim priority to Application No. 10/464,523 (“the ’523 application”) as the earliest-filed application. Ex. 1001; *see also* 1830 IPR, Ex. 1001. The ’037 patent also claims priority to Application No. 10/648,933 (“the ’933 application”), which is a continuation-in-part of the ’523 application. 1830 IPR, Ex. 1001. USPTO assignment records show: (1) an assignment of the ’523 application from the inventor, Gregory E. Webb, Sr., to Intelagents dated June 16, 2003 (Ex. 2001); (2) an assignment of the ’933 application from Mr. Webb to Intelagents dated August 11, 2003 (1830 IPR, Ex. 2001); and (3) a change-of name conveyance from Intelagents to InfrAegis dated November 22, 2005. Ex. 2003; 1830 IPR, Ex. 2002; *see also* Ex. 1026 (Amendment of Certificate of Incorporation for Intelagents).

⁹ Human Sciences mistakenly refers to the February 12, 2018, assignment (Ex. 1024) as the “February 12, 2008 Assignment (Ex. 1026).” Opp. 4.

InfrAegis authorizing InfrAegis to assign the challenged patents to Human Sciences and authorizing Mr. Abbott to act on behalf of the company for that purpose. Opp. 4–5; Ex. 2004 (“Consent Resolution”).

Petitioner contends that the February 2018 Assignment is “inoperative” because Human Sciences has not shown that the individuals who signed the Consent Resolution—Mr. Abbott, James R. Zilka, and John D. Butterworth—ever became members of the board of directors of InfrAegis. Mot. 4, 6. As support for its position, Petitioner relies on Exhibits 1025 and 1028, which it contends are Intelagents’ certificate of incorporation and bylaws, respectively. *Id.* at 3–4; Ex. 1025 (“Certificate of Incorporation”); Ex. 1028 (“Bylaws”).

Petitioner also directs our attention to state and federal criminal and civil proceedings involving allegations of securities fraud against Mr. Webb, InfrAegis, and two individuals Human Sciences contends are current directors of InfrAegis—Messrs. Abbott and Zilka. Mot. 6–8 (citing *United States v. Gregory Webb*, No. 1:14-cr-00103, 2016 WL 7384457 (N.D. Ill. Dec. 21, 2016); *In the Matter of Gregory Webb*, Nos. 0700225 and 0800463, 2010 WL 3119093, at *4–6 (Ill. Sec. Dept. June 4, 2010); Ex. 1033 (U.S. Securities and Exchange Commission Litigation Release No. 23777, March 13, 2017)); *see also United States v. Gregory Webb*, No. 17-1501, 2018 WL 1211954 (7th Cir. Mar. 8, 2018) (affirming Mr. Webb’s conviction and sentence).

The foregoing evidence is discussed below in the context of addressing the ownership dispute.

II. DISCUSSION

A. *Legal Framework*

As detailed below, applicable statutes and rules give us authority to determine whether Human Sciences has standing to participate in these proceedings as patent owner. *See* 35 U.S.C. §§ 313, 316(a)(8), 316(d); 37 C.F.R. §§ 3.54, 3.71, 3.73(c), 42.8(a)(2), 42.9, 42.107(a), 42.120(a).

The statute establishing *inter partes* review (Chapter 31 of Title 35) permits “the patent owner” to respond to a petition. 35 U.S.C. § 313 (“the patent owner shall have the right to file a preliminary response to the petition”); 35 U.S.C. § 316(a)(8) (requiring regulations permitting a response to the petition “by the patent owner”); 35 U.S.C. § 316(d) (“the patent owner may file 1 motion to amend”). The rules implementing *inter partes* review similarly require or permit filings by “the patent owner.” 37 C.F.R. §§ 42.8(a)(2) (mandatory notice), 42.107(a) (preliminary response), 42.120(a) (response).

The rules governing *inter partes* review allow an owner (i.e., an assignee of the entire right, title, and interest) of a challenged patent to act to the exclusion of the inventor. 37 C.F.R. § 42.9 (citing 37 C.F.R. § 3.71). Rule 3.71 specifies the conditions under which an assignee may act to the exclusion of the inventor, including by “filing a statement in compliance with § 3.73(c) that is signed by *a party who is authorized* to act on behalf of the assignee.” 37 C.F.R. § 3.71(c) (citing 37 C.F.R. § 3.73(c)) (emphasis added). Rule 3.73(c) specifies that a party seeking to establish standing as an assignee “must establish its ownership of the patent property . . . *to the satisfaction of the Director.*” 37 C.F.R. § 3.73(c)(1) (emphasis added); *see also* 35 U.S.C. § 3(b)(3) (authorizing the Director to delegate to the Board “such of the powers vested in the Office”). This can be done by showing a chain of title from the original owner to the assignee, either by

documentary evidence or by reference to documents recorded in the USPTO. 37 C.F.R. §§ 3.73(c)(1)(i)–(ii). Under Rule 3.54, however, the recording of a document in the USPTO, such as an assignment, “is not a determination by the Office of the validity of the document or the effect that document has on the title to . . . a patent.” 37 C.F.R. § 3.54. Rather, the recording of an assignment gives rise to a rebuttable presumption of the assignment’s validity. *See SIRF Tech., Inc. v. ITC*, 601 F.3d 1319, 1327–28 (Fed. Cir. 2010) (finding the recording of a patent assignment with the USPTO gives rise to a rebuttable presumption of validity of the assignment). “[W]hen necessary,” the Office determines the effect of the document, “including whether *a party has the authority* to take an action in a matter pending before the Office.” 37 C.F.R. § 3.54. (emphasis added).

In *inter partes* review proceedings, the Board generally accepts a party’s identification of itself as patent owner. Nonetheless, the burden of persuasion remains with the party asserting standing as patent owner to demonstrate ownership of the challenged patent. 37 C.F.R. §§ 3.54, 3.73(c), 42.62; *see also* Fed. R. Evid. 301 (“the party against whom a presumption is directed has the burden of producing evidence to rebut the presumption. But this rule does not shift the burden of persuasion, which remains on the party who had it originally”).

B. Human Sciences’ Standing to Take Action in these Proceedings

As the party asserting the right to take action as patent owner in these proceedings, Human Sciences bears the initial burden of production and always retains the burden of persuasion to show that it is the owner of the challenged patents. 37 C.F.R. §§ 3.54, 3.73(c), Fed. R. Evid. 301.¹⁰ To meet these burdens,

¹⁰ As the moving party, Petitioner would normally bear the burden of proof. 37 C.F.R. § 42.20(c). As indicated above, however, we issue this order pursuant to our authority under 37 C.F.R. §§ 42.5(a), 42.71(a) and 42.72, and we dismiss

Human Sciences relies on the corrected mandatory notices it filed pursuant to 37 C.F.R. § 42.8 (Paper 12) and the assignments recorded in the USPTO (Exs. 2001–2003, 1024). Opp. 2–3. Human Sciences contends that the recorded assignments show a chain of title from the named inventor, Mr. Webb, to Human Sciences. *Id.* Petitioner disputes the last link in the alleged chain—the February 12, 2018, assignment of the challenged patents from InfrAegis to Human Sciences (Ex. 1024, “Assignment”).

Human Sciences’ recordation of the Assignment in the USPTO gives rise to a rebuttable presumption of its validity. *SIRF Tech.*, 601 F.3d at 1327–28. The burden of production thus shifts to Petitioner to rebut the validity of the assignment. See Fed. R. Evid. 301 (“the party against whom a presumption is directed has the burden of producing evidence to rebut the presumption.”). For the reasons discussed below, we determine that Petitioner’s evidence (Exs. 1025, 1028, 1032, 1033, 1035, 1036) is sufficient to rebut the presumption of validity of the Assignment. The burden of production thus shifts back to Human Sciences, which retains the burden of persuasion to show ownership of the challenged patents. In view of the evidence presented by Petitioner and the absence of rebuttal evidence from Human Sciences, we further determine that Human Sciences has not met its burden of production or persuasion to show ownership of the challenged patents, and therefore, the right to take action as patent owner in these proceedings.

Human Sciences contends that the Assignment (Ex. 1024) was authorized by a Consent Resolution of the board of directors of InfrAegis. Opp. 4–5; Ex. 2004 “Consent Resolution”). By its own terms, to be valid, the Consent Resolution must

Petitioner’s motion as moot. As the party asserting ownership, Human Sciences bears the burden of persuasion, subject to the rebuttable presumption under *SIRF Tech.* 37 C.F.R. §§ 3.54, 3.73(c); *SIRF Tech.*, 601 F.3d at 1327–28.

be unanimously approved by all of InfrAegis' directors. Ex. 2004 ("Section 2.8 of the Company bylaws allow the Board of Directors, by unanimous written consent resolution, to take any action which is otherwise required or permitted to be taken at any annual or special meeting of the Company Board of Directors."). Human Sciences does not dispute that the Consent Resolution must be approved by all directors of InfrAegis in order to be effective.

The Consent Resolution was signed by C. Robert Abbott, John D. Butterworth, and James R. Zilka and identifies these individuals as the board of directors of InfrAegis. Ex. 2004, 1. Other than the Consent Resolution itself, however, Human Sciences has not presented any documentation to support its assertion that the board of directors of InfrAegis consists of Messrs. Abbott, Butterworth, and Zilka. For the reasons discussed below, in the absence of corroborating documentation, we are not persuaded that Human Sciences has shown the board of directors of InfrAegis consists of the individuals named in the Consent Resolution.

Human Sciences does not dispute that Petitioner's Exhibit 1025 is a true and correct copy of InfrAegis' Certificate of Incorporation and that Petitioner's Exhibit 1028 is a true and correct copy of InfrAegis' Bylaws. Ex. 1025 ("Certificate of Incorporation"); Ex. 1028 ("Bylaws").¹¹ The Certificate of Incorporation identifies the initial members of InfrAegis' board of directors as Mr. Webb, James F. Brennan, Thomas Bouquet, Kenneth W. Sain, Timothy W. Van Oost, and Mark J. Wiegel, and establishes procedures for fixing the number of

¹¹ Exhibits 1025 and 1028 pertain to Intelagents. As discussed above, however, Intelagents changed its name to InfrAegis in 2005. Exs. 1026, 2003.

directors and filling any vacancies on the board of directors. Ex. 1025, 3–5.¹² The Bylaws require that each director on the board of directors be elected for a term by the shareholders at an annual meeting for which written notice has been provided, and allows any vacancy on the board to be filled by majority vote of the board. Ex. 1028, 2, 4.

Human Sciences does not explain how or when Messrs. Abbott, Butterworth, and Zilka became the sole members of the board of directors of InfrAegis. None of the individuals identified in the Consent Resolution is named as an initial director in the Certificate of Incorporation. Ex. 1025, 3–4. Human Sciences does not dispute that the board of directors must be elected by the company’s shareholders or that any vacancy on the board can be filled by majority vote of the board. Nevertheless, Human Sciences has not shown that any of Messrs. Abbott, Butterworth, and Zilka were ever elected to the board of directors by the shareholders of Intelagents or InfrAegis or were ever appointed by majority vote of the board of directors to fill a vacancy.¹³ For example, Human Sciences has not provided any written notice of any shareholder meeting at which any of Messrs. Abbott, Butterworth, and Zilka were candidates for the board of directors, as required by the bylaws. Ex. 1028, 2, 4. Nor does Human Sciences contend that Messrs. Abbott, Butterworth, and Zilka became directors pursuant to procedures established by the Certificate of Incorporation. Ex. 1025, 4–5.

¹² We refer to the page numbers added by Petitioner at the bottom left corner of Exhibits 1025 and 1028.

¹³ We note that as purported directors of the boards of both Human Sciences and InfrAegis, Messrs. Abbott, Butterworth, and Zilka would have access to documentation demonstrating their election or appointment to the board of InfrAegis.

C. Credibility of Human Sciences' Evidence

For the reasons discussed below, under the circumstances of this case, we determine that the identification of InfrAegis' board of directors in the Consent Resolution (Ex. 2004) lacks credibility.

At the time the Consent Resolution was signed in February 2018, Human Sciences needed to “cure” the admittedly ineffective assignment from InfrAegis to Human Sciences that it initially relied upon to establish patent ownership in the civil action and in these proceedings. *See* Paper 10, 1 n.2; Ex. 1020, 8–10 (Human Sciences' motion to dismiss).

The record shows that two of InfrAegis' alleged directors—Messrs. Abbott and Zilka—were involved in the securities fraud that led to Mr. Webb's conviction for defrauding investors of InfrAegis. *U.S. v. Webb*, 2016 WL 7384457; *U.S. v. Webb*, 2016 WL 1211954. According to Mr. Zilka's testimony at Mr. Webb's criminal trial, Messrs. Abbott and Zilka were both involved in preparing offering memoranda for InfrAegis' stock—one of the ways that Mr. Webb was found to have defrauded investors. *U.S. v. Webb*, 2016 WL 7384457, at *3; Ex. 1032, 99–100 (testimony of Mr. Zilka). In addition, both Messrs. Abbott and Zilka are named as respondents in a consent order entered against them by the State of Illinois. *Webb*, 2010 WL 3119093, at *4. In the consent order, Mr. Abbott and Mr. Zilka stipulated to a finding that they engaged in the fraudulent sales of securities of InfrAegis. *Id.* at *1–2, *4–6. The involvement of Messrs. Abbott and Zilka in defrauding investors calls into question the credibility of their assertion in the Consent Resolution (Ex. 2004) regarding the composition of InfrAegis' board of directors. Although Messrs. Abbott, Butterworth, and Zilka identify themselves as the board of directors of InfrAegis, there is no evidence that they were ever elected to the board of directors, and there is no evidence that they are

shareholders, much less controlling shareholders, who could have elected themselves to the board of directors.

The credibility of the Consent Resolution is further undermined by conflicting evidence regarding the composition of the board of directors of InfrAegis. The Consent Resolution states that the board of directors of InfrAegis consists of Messrs. Abbott, Butterworth, and Zilka. Ex. 2004. As already discussed, however, none of these individuals was an initial director of InfrAegis, formerly known as Intelagents. Ex. 1025, 3–4. At Mr. Webb’s 2016 criminal trial, Mr. Zilka’s testimony identifies members of InfrAegis’ board of directors, at various times, as himself, Mr. Webb, Mr. Abbott, Mr. Wamhof, Mr. McAuley, and Mr. Aristiggi, but does not identify Mr. Butterworth as a director. Ex. 1032, 97–98. In a January 31, 2018, declaration submitted by Human Sciences in the related district court action, Mr. Abbott averred that, as of May 29, 2015, the InfrAegis board of directors consisted of himself, Mr. Zilka, and Mr. Butterworth. Ex. 1027, ¶ 6. But Mr. Abbott’s declaration conflicts with other district court submissions by Human Sciences, namely, a September 6, 2017, brief and an August 14, 2017, affidavit of Mr. Zilka that both state that, as of May 29, 2015, the InfrAegis board of directors included Mr. Wamhof. Ex. 1035, 7;¹⁴ Ex. 1036 ¶ 8.

In view of the conflicting evidence regarding the members of InfrAegis’ board of directors, the involvement of Messrs. Abbott and Zilka in defrauding the investors in InfrAegis, and the lack of evidence regarding ownership of InfrAegis and how its board of directors arrived at its current alleged composition,¹⁵ we do

¹⁴ We cite to the page number inserted at the bottom left-hand corner of Exhibit 1035.

¹⁵ In its order dismissing Human Science’s patent infringement case, the District Court specifically noted: “As FedEx argues, Human Sciences has not shown how InfrAegis’s board arrived at its current composition.” Ex. 1037, 6.

not credit the Consent Resolution's identification of InfrAegis' board of directors as consisting of Messrs. Abbott, Butterworth, and Zilka. Human Sciences has not directed us to any other credible evidence indicating these individuals were authorized to sign the Consent Resolution on behalf of InfrAegis. Presumably, Human Sciences would have access to such evidence through Messrs. Abbott, Butterworth, and Zilka, all of whom are allegedly also board members of InfrAegis. Accordingly, we find that Human Sciences has failed to carry its burden of production, renewed in view of the credible evidence adduced by Petitioner that rebuts the presumption that the Consent Resolution and recorded assignment from InfrAegis to Human Sciences are valid, and has therefore failed to carry its burden of persuasion that Human Sciences is the owner of the challenged patents.

D. Dismissal and Termination

Petitioner requests that the Board dismiss and terminate these proceedings "without prejudice to Petitioner's ability to file a future IPR petition." Mot. 1–2, 14. Human Sciences requests denial of Petitioner's motion and opposes Petitioner's request that the proceedings be dismissed "without prejudice." Opp. 1, 6, 9–10. Human Sciences further requests that, "if the Board is inclined not to continue" these proceedings, then these proceedings should be stayed or terminated pending the district court's future determination of ownership, to which the Board should defer. *Id.* at 1, 5.

As discussed above, we have independent authority to determine whether Human Sciences has the right to take action as patent owner in these *inter partes* review proceedings. 35 U.S.C. §§ 313, 316(a)(8), 316(d); 37 C.F.R. §§ 3.54, 3.71, 3.73(c), 42.8(a)(2), 42.9, 42.107(a), 42.120(a). We also have authority under Rules 42.5(a), 42.71(a) and 42.72 to dismiss or terminate an *inter partes* review under

appropriate circumstances. 37 C.F.R. § 42.71(a) (“[t]he Board may take up petitions or motions for decisions in any order, may grant, deny, or dismiss any petition or motion, and may enter any appropriate order”); 37 C.F.R. § 42.72 (“[t]he Board may terminate a trial without rendering a final written decision, where appropriate”).

We determine that dismissal of the Petitions and termination of these proceedings is appropriate under the present circumstances. For the reasons discussed above, Human Sciences has not established that it has standing to take action as patent owner in these proceedings. Human Sciences’ request that we defer to the district court’s future determination of patent ownership is moot because the district court has since ruled on Human Sciences’ motion to dismiss without determining patent ownership or the validity of the Assignment. Ex. 1037.¹⁶ Accordingly, there is no district court determination to which we could possibly defer.

We decline, moreover, to designate the dismissal and termination as “without prejudice to Petitioner’s ability to file a future IPR petition,” as requested by Petitioner. Mot. 2. In support of that request, Petitioner cites two non-binding orders of the Board. *Id.* at 14–15 (citing *Celltrion, Inc. v. Genentech, Inc.*, Case IPR2015-01733 (PTAB Oct. 6, 2015) (Paper 12) and *FCA US LLC v. Jacobs Vehicle Sys, Inc.*, Case IPR2015-01230 (PTAB July 7, 2015) (Paper 11)). Neither order supports Petitioner’s request for a “without prejudice” qualifier under the present circumstances.

¹⁶ The district court stated: “The Court needs not and does not evaluate the merits of the purported transfer to Human Sciences at this juncture. If Human Sciences subsequently files suit to assert the same patents, FedEx may, if they so choose, litigate the validity of the purported transfer.” Ex. 1037, 7.

In *Celltrion*, the order states dismissal of the petitions is “without prejudice,” but clarifies that the “dismissal without prejudice does not modify or otherwise alter the application of statutory and regulatory requirements to a filed petition, including the Board’s discretionary considerations when deciding whether to institute an *inter partes* review.” *Celltrion*, slip op. at 2–3.

In *FCA US*, the petitioner filed two petitions challenging the same claim based on the same prior art. *FCA US* at 2. The later petition was filed shortly after the first in order to correct what petitioner called a “clerical error.” *Id.* Petitioner accordingly moved for dismissal without prejudice of the first petition. *Id.* The Board granted petitioner’s motion. *Id.* at 3. The Board’s order discussed the appropriateness of dismissing the first petition to increase Board efficiency, but did not discuss whether it was appropriate for the dismissal to be without prejudice. *Id.* Nor did the order bind the Board by prohibiting its ability to exercise its discretion when considering whether to institute or deny any future petition. *Id.* In contrast to *FCA US*, Petitioner’s request for dismissal “without prejudice,” is made after *inter partes* review has been instituted and is not made for purposes of correcting a clerical error in a petition.

Accordingly, we do not designate our dismissal and termination as “without prejudice.” At this juncture, we do not decide the question of whether and to what extent any subsequently filed petitions comply with applicable statutory and regulatory requirements. See 35 U.S.C. § 314(a); *General Plastic*.¹⁷

¹⁷ *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, Case IPR2016-01357, slip op. 15–16 (PTAB Sept. 6, 2017) (Paper 19) (Section II.B.4.i was designated precedential on October 18, 2017).

Because we dismiss and terminate these proceedings pursuant to our authority under 37 C.F.R. §§ 42.5(a), 42.71(a) and 42.72, we dismiss Petitioner's Motion as moot.

III. CONCLUSION

For all of the foregoing reasons, we conclude that the Petitions in the 1786 IPR and 1830 IPR should be dismissed, and the *inter partes* reviews should be terminated.

IV. ORDER

Accordingly, it is

ORDERED that the Petitions in Case IPR2017-01786 and Case IPR2017-01830 are *dismissed*;

FURTHER ORDERED that the proceedings in Case IPR2017-01786 and Case IPR2017-01830 are *terminated*; and

FURTHER ORDERED that, in Case IPR2017-01786 and Case IPR2017-01830, Petitioner's motions to dismiss and terminate the proceedings without prejudice are *dismissed as moot*.

Case IPR2017-01786, Patent 7,755,479 B2
Case IPR2017-01830, Patent 7,209,037 B2

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