

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FAVORED TECH CORPORATION,
Petitioner,

v.

P2I LTD.,
Patent Owner.

IPR2020-01198
Patent 10,421,876 B2

Before KRISTINA M. KALAN, CHRISTOPHER M. KAISER,
and JEFFREY W. ABRAHAM, *Administrative Patent Judges*.

KAISER, *Administrative Patent Judge*.

JUDGMENT

Granting Request for Adverse Judgment After Institution of Trial
37 C.F.R. § 42.73(b)

Favored Tech Corporation (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting an *inter partes* review of claims 1–15 of U.S. Patent No. 10,421,876 B2 (Ex. 1001, “the ’876 patent”). P2i Ltd. (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). With our authorization, Petitioner filed a Reply (Paper 7), and Patent Owner filed a Sur-Reply (Paper 8). We determined that Petitioner had demonstrated a reasonable likelihood that it would prevail with respect to at least one challenged claim; accordingly, we instituted *inter partes* review of all challenged claims on all asserted grounds. Paper 9.

After we instituted review, Patent Owner statutorily disclaimed claims 1–15 of the ’876 patent. Ex. 2004. Patent Owner also filed a Notice alerting us to the statutory disclaimer and requesting that we terminate the *inter partes* review under 37 C.F.R. § 42.72. Paper 11. With our authorization, Patent Owner filed a motion seeking termination of this proceeding under Rule 42.72 (Paper 12), arguing that the alternative course of entering adverse judgment under Rule 42.73 would be inappropriate. Petitioner filed an opposition seeking entry of adverse judgment against Patent Owner under Rule 42.73 (Paper 13) and arguing that Patent Owner’s arguments for termination instead were unpersuasive.

Under 37 C.F.R. § 42.72, “[t]he Board may terminate a trial without rendering a final written decision, where appropriate, including where the trial is consolidated with another proceeding or pursuant to a joint request under 35 U.S.C. 317(a) or 327(a).” In this case, there is no “consolidat[ion] . . . or a joint request under 35 U.S.C. 317(a) or 327(a),” so the application of § 42.72 here is unclear.

Petitioner’s arguments for the application of § 42.73 are more persuasive. The Board construes an action cancelling or disclaiming claims such that no challenged claims remain in the trial as a request for adverse judgment. 37 C.F.R. § 42.73(b)(2) (“Actions construed to be a request for adverse judgment include . . . [c]ancellation or disclaimer of a claim such that the party has no remaining claim in the trial.”); *see also McAfee, Inc. v. CAP Co., Ltd.*, IPR2016-00211, Paper 19 (PTAB Apr. 5, 2017) (entering adverse judgment based on motion to amend seeking cancellation of claims remaining in the trial). In this case, the Board instituted trial on claims 1–15 of the ’876 patent, none of which remains in the trial following Patent Owner’s statutory disclaimer. Ex. 2004, 1 (disclaiming claims 1–15). Accordingly, we construe Patent Owner’s disclaimer as a request for adverse judgment, and we grant that request.

ORDER

It is hereby

ORDERED that Patent Owner’s motion to terminate this proceeding under 37 C.F.R. § 42.72 is *denied*; and

FURTHER ORDERED that adverse judgment is hereby *entered* against Patent Owner pursuant to 37 C.F.R. § 42.73(b)(2) with respect to claims 1–15 of U.S. Patent No. 10,421,876 B2.

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