

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ROKU, INC.,
Petitioner,

v.

UNIVERSAL ELECTRONICS INC.,
Patent Owner.

IPR2021-00263
Patent 10,600,317 B2

Before PATRICK M. BOUCHER, CHARLES J. BOUDREAU, and
RUSSELL E. CASS, *Administrative Patent Judges*.

CASS, *Administrative Patent Judge*.

JUDGMENT

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

I. BACKGROUND

Roku, Inc. (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 1–11 (the “challenged claims”) of U.S. Patent No. 10,600,317 (Ex. 1001, “the ’317 patent”). Paper 2 (“Pet.”). On July 12, 2021, the Board denied institution pursuant to 35 U.S.C. § 314(a) and *Apple Inc. v. Fintiv Inc.*, Paper 11 at 5–6, 8 (PTAB March 20, 2020) (precedential) (“*Fintiv*”), determining that it was appropriate to exercise our discretion to deny institution in light of a parallel proceeding before the International Trade Commission (the “ITC”) involving the ’317 patent. Paper 11 (“Denial Decision”).

Petitioner filed a Request for Rehearing of the Denial Decision seeking review by the Precedential Opinion Panel (the “POP”). Paper 13. The POP denied the request for POP review, and ordered that “the original panel maintains authority over all matters, including considering the submitted rehearing request.” Paper 14, 2. Petitioner appealed the Denial Decision and the POP’s order denying POP review, and sought a writ of mandamus from the Federal Circuit. Paper 15. The Federal Circuit dismissed the appeal and denied the mandamus request. *In re Roku, Inc.*, 2022 WL 1485721 (Fed. Cir. May 11, 2022).

After our Denial Decision, the Director issued an Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation (“Interim *Fintiv* Guidance”)¹, directing that “[t]he PTAB will not discretionarily deny petitions based on applying *Fintiv* to a

¹ The Interim *Fintiv* Guidance is available at https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621.pdf.

parallel ITC proceeding.” Interim *Fintiv* Guidance, 7. Following the Federal Circuit’s decision, we conducted a conference call with counsel for the parties and allowed the parties to submit additional briefing to address the status of the case, the status of any related proceedings, the Interim *Fintiv* Guidance, and any actions that should be taken by the panel at this point concerning this proceeding. Papers 16–18. After considering the parties’ arguments, we granted Petitioner’s Request for Rehearing on February 8, 2023, concluding that, in light of the Interim *Fintiv* Guidance, exercising discretion to deny institution under 35 U.S.C. § 314(a) was not warranted in this case. Paper 19, 5–12. We also determined that Petitioner had demonstrated a reasonable likelihood of success in proving that the challenged claims were unpatentable, and instituted an *inter partes* review of claims 1–11 of the ’317 patent with respect to all grounds set forth in the Petition. *Id.* at 12–37.

On October 6, 2023, with our permission, Patent Owner filed a motion to dismiss this proceeding as moot based on lack of subject matter jurisdiction due to the cancellation of the challenged claims in a co-pending *ex parte* reexamination proceeding, Reexamination Control No. 90/019,074 (the “’074 Reexam”). Paper 39 (“Mot.”). Petitioner filed a response arguing that Patent Owner’s cancellation of the challenged claims in the reexamination should be construed as a request for adverse judgment under 37 C.F.R. § 42.73(b)(2). Paper 40 (“Resp.”).

II. THE PARTIES’ ARGUMENTS

In its Motion to Dismiss, Patent Owner argues that because “[e]ach of the Challenged Claims no longer exist,” there is no longer an actual case or controversy between the parties “relating to . . . the relief requested by

Petitioner, and any decision rendered by the Board would be an advisory opinion on moot questions.” Mot. 3–4. Thus, according to Patent Owner, “the Board does not have subject matter jurisdiction to continue this IPR proceeding.” *Id.* at 4. As a result, Patent Owner contends, “the Board should terminate this IPR and not enter adverse judgment because the Board does not have subject matter jurisdiction to enter adverse judgment.” *Id.* at 6. In support, Patent Owner cites *Stripe, Inc. v. Boom! Payments, Inc.*, CBM2020-00002, Paper 49 at 2 (PTAB Mar. 4, 2021), where the Board terminated three related CBM proceedings as moot without entering adverse judgment after the Federal Circuit found all the challenged claims unpatentable. *Id.* at 6–7. Patent Owner also asserts that its argument is supported by the Federal Circuit’s decision in *Apple Inc. v. Voip-Pal.com, Inc.*, 976 F.3d 1316, 1320–21 (Fed. Cir. 2020) *Id.* at 4.

Petitioner responds that Patent Owner “requested adverse judgment against itself by voluntarily canceling” the challenged claims in the ’074 Reexam, “leaving no claims remaining in this trial,” and that “Patent Office rules unambiguously characterize [Patent Owner’s] action as a request for adverse judgment.” Resp. 2–3 (citing 37 C.F.R. § 42.73(b)(2)). “That [Patent Owner] does not explicitly characterize its action as a request for adverse judgment,” according to Petitioner, “is of no consequence.” *Id.* at 3. Petitioner argues that “the Board routinely enters adverse judgment” following claim cancellation, and that Patent Owner “does not cite a single case in which the Board declined to enter adverse judgment” due to “lack of a ‘case or controversy’ or lack of ‘subject matter jurisdiction.’” *Id.* at 3–4. Additionally, Petitioner asserts, the Board should not terminate this case under 37 C.F.R. § 42.72 without adverse judgment because this trial has not

been consolidated with another proceeding and no joint request for such termination has been received, as Rule 42.72 requires. *Id.* at 4. Finally, Petitioner contends, entering adverse judgment is appropriate because it would estop Patent Owner from later obtaining claims that are not patentably distinct from the challenged claims that have been cancelled. *Id.* at 6–7.

III. ANALYSIS

We agree with Petitioner that entering adverse judgment is appropriate here. We start with the language of 37 C.F.R. § 42.73, which provides:

(b) *Request for adverse judgment.* A party may request judgment against itself at any time during a proceeding. Actions construed to be a request for adverse judgment include: . . .

(2) Cancellation or disclaimer of a claim such that the party has no remaining claim in the trial.

37 C.F.R. § 42.73(b).

In the '074 Reexam, Patent Owner cancelled all of challenged claims 1–11, and the USPTO has issued a Reexamination Certificate indicating that these claims are cancelled. Ex. 2100, 2; Ex. 1046, 1:15. The Board has previously construed a patent owner's cancellation in a reexamination of all claims challenged in a pending IPR as a request for adverse judgment under § 42.73(b). *See Tarsco Bolted Tank Inc. v. Tank Connection, LLC*, IPR2016-01634, Paper 16 at 2 (PTAB Aug. 24, 2017) (“Cancellation of claims 1–11” in an *ex parte* reexamination “is construed as a request for adverse judgment” in the corresponding IPR proceeding.); *Mercedes-Benz USA, LLC v. Signal IP, Inc.*, IPR2015-00941, Paper 21 at 2–3 (PTAB Apr. 14, 2016) (“Pursuant to 37 C.F.R. § 42.73(b), we construe cancellation of all claims involved in this proceeding” in “a concurrent Reexamination of

the” patent at issue “as a request for adverse judgment.”). We agree with the prior decisions in *Tarsco* and *Mercedes-Benz* that a patent owner’s cancellation of all challenged claims in an IPR in a co-pending *ex parte* reexamination is properly construed as a request for adverse judgment under 37 C.F.R. § 42.73(b). Consequently, we construe Patent Owner’s cancellation of all of the claims challenged in this IPR in the ’074 Reexam as a request for adverse judgment.

We disagree with Patent Owner’s arguments to the contrary. Although Patent Owner argues that the Board lacks subject matter jurisdiction because there is no longer an actual case or controversy between the parties relating to the challenged claims, Patent Owner does not point us to any case finding that the Board had no authority or jurisdiction to enter adverse judgment after a patent owner canceled or disclaimed all challenged claims, either in a reexamination or otherwise. Patent Owner cites *Apple v. Voip-Pal.com*, but in that case the Federal Circuit found mootness based on its affirmance of a district court’s determination that the claims were patent ineligible, and noted that the parties did not dispute the mootness of the claims at issue. *Apple*, 976 F.3d at 1321. The patent owner in *Apple* did not disclaim claims or cancel claims in a parallel reexamination. *Id.*

Additionally, the decision in *Apple* was based on the finding that that Federal Circuit itself was deprived of jurisdiction due to the standing requirement, which applies to Federal courts but not the Board. *Id.* at 1321, quoting *Momenta Pharms., Inc. v. Bristol-Myers Squibb Co.*, 915 F.3d 764, 770 (Fed. Cir. 2019) (“[W]hen the potential for injury has been mooted by events, the federal courts are deprived of jurisdiction.”).

Similarly in *Stripe*, also relied on by Patent Owner, the Federal Circuit affirmed a district court's finding that the claims at issue were patent ineligible, and there was no disclaimer or cancellation of claims by the patent owner. *Stripe*, Paper 49 at 1–2; *see also Int'l Bus. Machs. Corp. v. Intellectual Ventures II LLC*, IPR2015-01322, Paper 22 at 2–3 (PTAB Apr. 7, 2016) (terminating proceedings as moot where the challenged claims were previously found unpatentable in a final written decision in separate IPR proceeding, and the time for appeal had lapsed); *Mylan Pharms. Inc. v. Saint Regis Mohawk Tribe*, IPR2016-01127, Paper 154 at 3–4 (PTAB Sept. 27, 2019) (dismissing proceedings as moot where the challenged claims were found unpatentable in a parallel district court proceeding). Thus, neither *Apple* nor *Stripe* supports the proposition that the Board cannot enter adverse judgment where, as here, a patent owner cancels all of the challenged claims in a co-pending reexamination proceeding.

Finally, we do not find that termination under 37 C.F.R. § 42.72 is appropriate here. Rule 42.72 provides that “[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).” Here, the trial has not been consolidated with another proceeding, and no joint request for termination under 35 U.S.C. § 317(a) or § 327(a) has been made. Therefore, we find that adverse judgment under 37 C.F.R. § 42.73(b)(2) is the appropriate course of action.²

² Patent Owner's reliance on lack of “an actual case or controversy” is misplaced. The Constitutional requirement to which Patent Owner alludes applies to courts, not to federal agencies.

IV. ORDER

Accordingly, it is

ORDERED that judgment is entered under 37 C.F.R. § 42.73 against Patent Owner with respect to claims 1–11 of the '317 patent; and

FURTHER ORDERED that this Order constitutes a Final Written Decision under 35 U.S.C. § 318(a).

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