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The author reviews a recent unusual PTAB scenario—the inter partes review petitioner successfully stopped an IPR proceeding, which the patent owner wanted to continue, before the board reached a trial-institution decision—and identifies reasons why petitioners may consider making the request.

Patent Trial and Appeal Board Finds it Has Discretion to Dismiss Contested IPR Proceedings Over the Patent Owner's Objection in Order to Conserve Resources



By GREGORY H. LANTIER

For the first time since it began implementing America Invents Act post-grant proceedings, the Patent Trial and Appeal Board, on Dec. 9, 2015, terminated and dismissed pending inter partes review (IPR) petitions at the unilateral request of the petitioner, and over the patent owner's objection, in a circumstance where termination ended all board review of

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the challenged claims.¹ In so doing, the board adopted an expansive reading of 37 C.F.R. § 42.71(a), under which it suggested it can “grant, deny, or dismiss” any petition discretionarily, even where no other proceeding challenging the same claims is pending.

In the underlying proceedings, petitioner Samsung Electronics sought to dismiss IPR petitions challenging U.S. Patent Nos. 7,038,685 and 7,209,140 on the basis that the board had not yet issued a decision on institution, and that dismissal would save resources.² Samsung explained that the IPR petitions were one component in a broader litigation between the parties.

Patent owner NVIDIA Corp. had already filed preliminary responses to both petitions and disagreed that terminating the proceedings would conserve resources. It opposed the petitioner's motion, arguing that 35 U.S.C. §§ 311-314 and the board's rules, including 37 C.F.R. § 42.72, preclude withdrawal of a petition or termination of institution proceedings once a preliminary response has been filed.³ NVIDIA further argued that permitting IPR petitioners to file petitions and then withdraw them before a decision on institution would “promote gamesmanship and prejudice patent owners such as NVIDIA by allowing challengers to make a public record of baseless assertions of unpatentability without having the merits of those assertions determined.”

¹ *Samsung Elecs. Co. v. NVIDIA Corp.*, IPR2015-01270 and IPR2015-01314 (Paper 11), available at <http://src.bna.com/buK>.

² IPR2015-01270, Samsung Motion to Terminate *Inter Partes* Review (Paper 8), available at <http://src.bna.com/buL>.

³ IPR2015-01270, NVIDIA Opposition to Motion to Terminate *Inter Partes* Review (Paper 9), available at <http://src.bna.com/buM>.

The PTAB sided with Samsung, predicated its decision on 37 C.F.R. § 42.71(a), which provides that “[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.” The Board found:

Both matters are still in the preliminary proceeding stage, and the Board has not yet decided the merits of either proceeding. To the extent Patent Owner argues that termination under 37 C.F.R. § 42.72 is inapposite, we note that the rules do not expressly preclude termination of an inter partes review during the preliminary proceeding stage. Nonetheless, the rules do provide us the discretion to “take up petitions or motions for decisions in any order” and to “grant, deny, or dismiss any petition or motion” or enter any appropriate order. 37 C.F.R. § 42.71(a). We are persuaded also that Patent Owner’s arguments concerning the expenditure of resources fail to consider the requirements of these proceedings should trial be instituted.

The board also found it significant that the one-year bar date of 35 U.S.C. § 315(b) had already passed, so Samsung could not re-file its petition.

In a co-pending investigation before the U.S. International Trade Commission,⁴ NVIDIA alleges that Samsung’s products infringed the ’685 and ’140 patents. Fol-

⁴ *In the Matter of Certain Consumer Electronics and Display Devices with Graphics Processing and Graphics Processing Units Therein*, Inv. No. 337-TA-932.

lowing a trial, on Oct. 9, 2015, Administrative Law Judge Thomas B. Pender issued an Initial Determination finding that Samsung’s products do not infringe either patent, and that the ’140 patent is invalid as obvious. Pender’s Initial Determination is currently under review by the full commission.

While the PTAB’s decision is not binding on other panels, it does suggest that the board will consider terminating pending IPR petitions on a discretionary basis under 37 C.F.R. § 42.71(a), even where doing so results in no board review of the challenged claims. Some circumstances in which petitioners may consider making such a request include:

- When a parallel litigation has effectively resolved the disputed issued (e.g., infringement) by a determination of non-infringement;

- When adjudicating validity along with infringement appears advantageous; and

- When the PTAB may issue a claim construction that could create uncertainty in the parallel litigation regarding the scope of a claim term that has already been construed by another adjudicator.

It appears that in considering such requests, the board may find significant whether the petitioner is estopped from filing another petition by 35 U.S.C. § 315(b).