



THINK FORWARD

Post-Grant Proceedings Advance to Final Decisions Despite Settlements

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One of the benefits to the post-grant proceedings created by the American Invents Act (“AIA”) is that parties may settle before the completion of the proceeding. However, as explained below, several recent PTAB decisions make clear that if the parties do not settle early enough, the PTAB may nevertheless continue the proceedings and issue a final decision as to the validity of the patent.

While the AIA provides for termination of a proceeding with respect to “any petitioner,” Section 317 makes clear that “[i]f no petitioner remains in the inter partes review, the Office may terminate the review *or proceed to a final written decision* under section 318(a).” (emphasis added). Thus, the AIA allows for a proceeding to be terminated upon a joint request of the petitioner and patent owner; however, the rules leave open the possibility that even if the parties submit a joint request to terminate, the Patent Trial and Appeal Board (“PTAB” or “Board”) may continue to a final written decision on the merits despite any dismissals or settlements. *See also* 37 C.F.R. § 42.74 (“The parties may agree to settle any issue in a proceeding, *but the Board is not a party to the settlement and may independently determine any question of jurisdiction, patentability, or Office practice.*”) (emphasis added).

In a series of recent Board decisions, the PTAB provided guidance on how far a proceeding must progress before the Board will exercise its discretion to maintain the proceeding after settlement. In two IPR proceedings involving Blackberry and Mobilemedia Ideas, LLC, the Board twice determined that in view of the advanced stage of the proceeding, rather than terminate the proceeding, the Board would proceed to a final written decision. In IPR2013-00036, the parties had fully briefed the issues and oral arguments were held in front of the Board. The parties reached settlement following the oral hearing and submitted a joint motion to terminate the proceeding. The Board decided that “in view of the advanced stage of this proceeding, rather than terminate the proceeding, the Board will proceed to a final written decision.” IPR2013-00036, Paper 64. A similar result was reached in IPR2013-00016 despite the cancellation of the oral hearing in view of the impending settlement. IPR2013-00016, Paper 31.

In a parallel Covered Business Method Review decision, the Board again determined that the advanced stage of the proceedings disfavored dismissal with respect to the patent owner. In CMB2012-00007, the petitioner had filed its reply brief, but the Board had not yet held oral arguments before the joint motion to terminate was filed. The Board dismissed with respect to the petitioner but decided maintain the proceeding for the patent owner. The Board issued an order stating that the patent owner may still request an oral hearing, if desired. CBM2012-00007, Paper 47.

In view of these decisions, it is clear that the Board may refuse to terminate post-grant proceedings when the proceedings have advanced near oral arguments and the parties have fully briefed the issues. The Board’s refusal to terminate proceedings with respect to a patent owner will likely encourage parties to settle early and before final briefings are filed. It should be noted that if a proceeding is dismissed with respect to the petitioner but nevertheless proceeds to a final written decision, no estoppel would apply to the petitioner even if the claims are upheld. *See* 35 U.S.C. § 317 (“If the inter

partes review is terminated with respect to a petitioner under this section, no estoppel under section 315(e) shall attach to the petitioner, or to the real party in interest or privy of the petitioner, on the basis of that petitioner's institution of that inter partes review.”).

If you have any questions or wish to discuss how this decision may impact your company, please contact your attorney at [Brinks Gilson & Lione](#).