No. 15-

IN THE

Supreme Court of the United States

GEA PROCESS ENGINEERING, INC.,

Petitioner,

v.

STEUBEN FOODS, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

This petition presents a second aspect of the question of judicial reviewability that was raised in a previous petition for certiorari which was granted on January 15, 2016 by this Court. *See Cuozzo Speed Technologies, LLC, v. Lee*, No. 15-446 (Question 2).

The Patent Trial and Appeal Board ("PTAB") was created in the United States Patent and Trademark Office ("PTO") in 2011 by the Leahy-Smith America Invents Act, Pub. L. No. 112-29,125 Stat. 284. The PTAB hears post patent grant proceedings including *inter partes* reviews ("IPRs"), which give the public an ability to challenge the validity of U.S. patents more quickly and less expensively than in district court. 35 U.S.C. §§ 311-319. Since its inception in late 2012, patent challengers have filed over 3,600 IPR petitions and the PTAB's 235+ Administrative Patent Judges have instituted reviews of patentability in the great majority of these proceedings.

In the decisions underlying both this and the now-granted *Cuozzo* petition, the Federal Circuit continues to refuse to accept jurisdiction of appeals from the PTAB and also refuses to grant writs of mandamus. The Federal Circuit holds that it lacks jurisdiction to review claims that the PTAB exceeded the PTO's statutory authority. In *Cuozzo*, the issue is whether the PTAB exceeded its authority in instituting an IPR proceeding. In this case, the issue is whether the PTAB exceeded its statutory authority by terminating and vacating five instituted and near-final IPR proceedings, without determining patentability *vel non* as Congress had intended.

Like *Cuozzo*, the PTAB here rendered a final written decision, and the Federal Circuit refused to review it holding that a lack of jurisdiction prevented it. Furthermore, the Federal Circuit did so without due consideration of this Court's precedents that establish a "strong presumption" in favor of judicial reviewability of agency action.

Thus, the question presented for review is the following:

1. Whether the Federal Circuit erred in holding that, even if the Patent Trial and Appeal Board exceeded its statutory authority by terminating an instituted IPR proceeding with a final written decision, the PTAB's final decision is judicially non-reviewable.

PARTIES TO THE PROCEEDINGS

GEA Process Engineering, Inc. is a corporation organized under the laws of Maryland, and it petitioned the PTAB for review of five patents. Respondent Steuben Foods, Inc. is a corporation organized under the laws of New York.

CORPORATE DISCLOSURE STATEMENT

GEA Process Engineering, Inc. is a subsidiary of GEA North America, Inc., which is a subsidiary of GEA Group Holding GmbH, which is a subsidiary of GEA Group AG, a publicly-held corporation.

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PETITION FOR A WRIT OF CERTIORARI

Petitioner GEA Process Engineering, Inc. ("GPNA") respectfully petitions for a writ of certiorari to review the decisions of the United States Court of Appeals for the Federal Circuit in this case.

OPINIONS BELOW

The opinion and order of the Federal Circuit dismissing GPNA's five appeals and denying GPNA's Petition for Mandamus is not a reported decision, but is available at 2015 Fed. Appx 667 (Fed. Cir. 2015). App., *infra*, 3a-8a. The Federal Circuit's order denying GPNA's motion for reconsideration is also not reported. App., *infra*, 1a-2a.

The final written decision of the PTAB is not reported and is not otherwise available. App., *infra*, 8a-33a.

The five decisions by the PTAB to institute *inter partes* review trials are not reported, but are available at 2014 WL 1253170 (IPR2014-00051), 2014 WL 1253167 (IPR2014-00043), 2014 WL 1253174 (IPR2014-00054), 2014 WL 1253178 (IPR2014-00055), and 2014 WL 1253156 (IPR2014-00041). For reference, an Institution Decision in IPR2014-00043 for U.S Patent No. 6,475,435 is provided. App., *infra*, 34a-55a.

JURISDICTION

The Federal Circuit denied review of the appeal and petition for mandamus in an opinion dated June 23, 2015. GPNA timely moved that court for reconsideration. On November 24, 2015, the Federal Circuit denied GPNA's

motion. This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1) and alternatively as a court of last resort.

STATUTORY PROVISIONS INVOLVED

Relevant statutory provisions (35 U.S.C. §§ 141, 311-19; 28 U.S.C. § 1295) are reproduced in the appendix. App., *infra*, 56a-82a.

STATEMENT OF THE CASE

This petition questions whether the Court of Appeals for the Federal Circuit erred in holding that a final written decision of the Patent Trial and Appeal Board ("PTAB") was judicially unreviewable – a decision which exceeded the PTAB's statutory authority in finally terminating an on-going *inter partes* review proceeding months after those proceedings had been instituted. This question presents a second aspect of the question of judicial reviewability which was raised in a previous petition that was granted by this Court on January 15, 2016: *See Cuozzo Speed Technologies, LLC v. Lee*, No. 15-466, Pet. for Cert. (Question 2) (S. Ct. Oct. 6, 2015; granted on Jan. 15, 2016) ("Whether the court of appeals erred in holding that, even if the Board exceeds its statutory authority in instituting an IPR proceeding, the Board's decision whether to institute an IPR proceeding is judicially unreviewable.").

An understanding of the PTAB is helpful. The PTAB was created in the Patent and Trademark Office ("PTO") in 2011 by the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284. The PTAB adjudicates the newly-created *inter partes* review ("IPR") proceedings and gives the public an ability to challenge the validity

of U.S. patents more quickly and less expensively than in district court.[1] The PTAB serves as a surrogate for district court litigation of patent validity, conducting adjudicative proceedings designed to "review the validity of a patent . . . in a court-like proceeding." *In re Cuozzo Speed Technologies, LLC*, 793 F.3d 1268, 1284 (Fed. Cir. 2015) (Newman, J., dissenting) (quoting H.R. Rep. No. 112-98, Pt. 1 at 68). Since the inception of these proceedings in late 2012, patent challengers have filed over 3,600 IPR petitions and the PTAB, currently with its 235+ Administrative Patent Judges, has instituted reviews of patentability in the great majority of these proceedings. The portions of the AIA statute that create and govern IPR proceedings are contained in 35 U.S.C. §§ 311-319. App., *infra*, 56a-82a.

In order to understand the issue before this Court, one must briefly understand how an IPR proceeds. It starts with a petition. Under the IPR statute, any "person who is not the owner" of a specific patent may file with the PTO "a petition to institute an *inter partes* review of [that] patent" to request the "cancellation of one or more claims" of an issued patent. 35 U.S.C. § 311.

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1. *See* Michelle Lee, Remarks by Director Michelle K. Lee at Patent Public Advisory Committee Quarterly Meeting, USPTO, (February 4, 2016, 9:00 AM) http://www.uspto.gov/about-us/news-updates/remarks-director-michelle-k-lee-patent-public-advisory-committee-quarterly ("You'll also hear about our Patent Trial and Appeal Board (PTAB)—which ultimately is providing a faster, lower-cost alternative to the district courts to challenge the validity of issued patents.")

The patent owner may file a preliminary response to the petition. 35 U.S.C. § 313. A designated panel of typically three PTAB judges determines whether or not to institute an IPR trial on the challenged patent. 35 U.S.C. § 314(a). Section 314(a) provides that the proceeding is instituted if the information presented by petitioner "shows that there is a reasonable likelihood that the petitioner will prevail' in its challenge to the claims of the patent. This determination by the PTAB, whether or not to institute, is "final and nonappealable." 35 U.S.C. § 314(d).

If the IPR is instituted, § 316 provides for the conduct of the IPR proceeding as a trial, including evidentiary standards, rules for discovery and depositions of witnesses. Thus, § 316(a)(11) requires that the IPR results in a "final determination . . . not later than 1 year after . . . the institution of a review." Section 316(c) charges the PTAB with responsibility for conducting "each inter partes review instituted," and § 318 requires, with respect to any IPR that has been "instituted and not dismissed under this chapter"[2] that the "Board shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner . . . ."

The IPR decision may result in the cancellation of patent claims which have been determined to be unpatentable or the confirmation of any claim determined to be patentable. 35 U.S.C. § 318(b). If the claims are confirmed as patentable in the PTAB's final written

2. This chapter provides for termination or dismissal of an instituted IPR proceeding only in § 317, which relates to settlements and stipulated terminations. However, even if "no petitioner" remains in the review proceeding, the PTO may still "proceed to a final written decision." 35 U.S.C. § 317(a).

decision, the "petitioner . . . or the real party in interest or privy of the petitioner" is estopped from asserting that such claims are invalid on "any ground that the petitioner raised or reasonably could have raised" during that IPR review. 35 U.S.C. § 315(e) (estoppel).

A party dissatisfied with the PTAB's "final written decision . . . may appeal the decision pursuant to [35 U.S.C.] sections 141 through 144," and Section 141(c) directs that the appeal be "only" to the Court of Appeals for the Federal Circuit. 35 U.S.C. § 319.

Proceedings before the PTAB

Four years ago in the District Court for the Western District of New York, Respondent Steuben Foods, Inc. ("Steuben") filed a complaint alleging infringement of five U.S. patents by GPNA and a related Italian corporation, GEA Procomac S.p.A. ("Procomac"). GPNA was served with the complaint on October 10, 2012, and Procomac waived service two months later, in December of 2012. Steuben has also brought similar suits against 12 other co-defendants.

Noting the pendency times to trial in district courts, GPNA timely filed five petitions for IPR at the PTO. Although Procomac was eligible to file its own petitions for IPR at that time, Procomac did not file separate petitions or offer to join GPNA's petitions and proceedings. Nonetheless, Procomac agreed to be bound in the District Court by the results of GPNA's IPR proceedings in accordance with § 315(e). There is no dispute that Petitioner GPNA, was and is a real party in interest and was entitled to file each of its five IPR petitions on the date they were filed.

After the five IPR proceedings were instituted, discovery took place, witnesses were deposed, and each proceeding continued toward completion within the one year statutory time limit. During the proceedings, patent owner Steuben asserted that Procomac was also a real party in interest ("RPI") and should have been named as such in GPNA's IPR proceedings. GPNA disagreed because Procomac did not control the petitions or proceedings, but GPNA nonetheless offered to update its RPI list because it was inconsequential to the IPR and district court proceedings. App., *infra*, 27a. After discovery and briefing, the PTAB held that Procomac was also an RPI in its "Termination Decision." *Id.* at 28a.

Without giving GPNA an opportunity to simply list Procomac as a RPI in the ongoing IPR proceedings, the PTAB held that adding Procomac as an RPI was not possible "without changing the filing dates of the petitions" to the then-current date. The PTAB reasoned that the one year limitation period (following service of Steuben's complaint) had then expired under § 315(b), and that changing the IPR's filing dates would cause the IPRs to be untimely and that the existing IPRs should therefore be terminated. *Id.* at 29a-33a. Despite the PTAB's guidance that it should look to the federal court's treatment of RPIs in this murky area of law, this ruling ignored Fed. R. Civ. P. 17(a)(3), which if applied, would require the PTAB to preserve GPNA's filing date. 77 Fed. Reg. at 48759; App., *infra*, 29a-33a.

The PTAB issued a final written decision which vacated its five institution decisions many months after instituting the proceedings, without reaching any of the validity issues briefed by the parties and awaiting decision.

App., *infra*, 8a-33a. The PTAB reasoned GPNA's IPR petitions "should not have been considered at institution" due to the mere absence of Procomac's name in a list. The PTAB docket now lists the status of the five IPRs as "Settled," although no settlement between the parties took place. Search https:ptabtrials.uspto.gov using proceeding "IPR2014-00041", for example.

Proceedings before the Federal Circuit

GPNA sought review of the PTAB's final written decisions by both a Petition for a Writ of Mandamus, on February 8, 2015, to the Federal Circuit and by timely appeals. Steuben opposed mandamus and moved to dismiss GPNA' appeals based on a lack of jurisdiction by the Federal Circuit. App., *infra*, 3a-4a.

On June 23, 2015, the Federal Circuit issued an order dismissing GPNA's appeals for lack of appellate jurisdiction. The Federal Circuit held that (1) the PTAB's characterization of its Termination Decision as vacating its earlier "institution" decision made the Termination Decision into an institution decision that was non-appealable under § 314(d), and (2) that Section 319 stripped the Federal Circuit of jurisdiction because the PTAB's final Termination Decision made no determination on patentability. *Id.* at 5a, 7a. The Federal Circuit denied GPNA's Petition for Mandamus for the same reasons: that GPNA could not invoke mandamus "given the careful statutory limits on the court's jurisdiction to review non-institution decisions." *Id.* at 7a. GPNA moved the Federal Circuit for reconsideration, Steuben opposed, and GPNA's motion was denied on November 24, 2015. *Id.* at 1a-2a.

Reasons for granting the Petition

The Court should grant GPNA's writ because: (1) GPNA is being denied its right of appeal under 28 U.S.C. § 1295 and there is a strong presumption in favor of judicial review of agency action; and (2) the PTAB's usurpation of statutory authority sets a dangerous precedent that undermines the AIA.

I. The Federal Circuit Erred in Refusing Jurisdiction and Failing to Review the PTAB's Final Written Decision

GPNA's right to appeal involves the interaction of general and specific statutes. The Federal Circuit has general jurisdiction over PTAB decisions including IPR appeals. 28 U.S.C § 1295(a)(4). This Court also has long established precedent that a strong presumption exists favoring judicial review of an action taken by an administrative agency – such as the PTAB.

The only way for GPNA to lose its general right to appeal is if a more specific statute strips away the Federal Circuit's jurisdiction over particular PTAB decisions. The decision below contends that two statutes did so here: (1) 35 U.S.C. § 314(d); and (2) 35 U.S.C. § 319 (in conjunction with 35 U.S.C. §§ 318(a) and 141).

Section 314(d) is a specific statute that precludes judicial review of PTAB decisions "whether to institute." GPNA is not appealing a decision whether to institute. Instead, GPNA is appealing a Termination Decision issued more than nine months after the PTAB rendered the actual institution decisions in GPNA's IPRs.

Section 319 (in conjunction with §§ 318(a) and 141) is not a statute that strips away the Federal Circuit's jurisdiction. Section 319 is a permissive statute that recognizes that parties "may" appeal final written decisions and directs those appeals to the Federal Circuit, as opposed to an alternative court. None of the language in §§ 141, 318, and 319 is restrictive, and cannot meet the heavy burden necessary to overcome the strong presumption of appellate review of agency decisions.

GPNA's writ should be granted because the only statute stripping away the Federal Circuit's general jurisdiction is § 314(d), and § 314(d) does not apply here.

A. 28 U.S.C § 1295 Grants the Federal Circuit General Jurisdiction to Review PTAB Decisions with Respect to an *Inter Partes* Review

The plain language of Section 1295(a)(4)(A) grants the Federal Circuit general jurisdiction over appeals from PTAB decisions in IPR proceedings:

> The United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction . . . of an appeal from a decision of the [PTAB] of the [PTO] with respect to . . . inter partes review under title 35.

28 U.S.C. § 1295(a)(4)(A); *see also Immigration and Naturalization Serv. v. Phinpathya*, 464 U.S. 183, 189 (1984) ("In all cases involving statutory construction, our starting point must be the language employed by Congress, and we assume that the legislative purpose is expressed by the ordinary meaning of the words used.")

(internal citations and quotations omitted). Federal Circuit precedent establishes that 28 U.S.C. § 1295 alone is sufficient to grant parties the right to appeal patent cases from district courts and the PTO. *E.g., Dahl v. U.S.*, 695 F.2d 1373, 1374 (Fed. Cir. 1982) ("Jurisdiction is conferred on this court by the Federal Courts Improvement Act of 1982, Public Law 97-164, 97th Congress, Sec. 127, Chapter 83, Title 28 U.S.C. (28 U.S.C. Sec. 1295)"); *Regents of the University of California v. Eli Lilly & Co.*, 119 F.3d 1559, 1564 (1997) ("We have jurisdiction pursuant to 28 U.S.C. § 1295(a)(1)."). Therefore, the Federal Circuit has general jurisdiction over IPR appeals unless a more specific statute strips away the Federal Circuit's jurisdiction. *Biogen Idec MA, Inc. v. Japanese Found. For Cancer*, No. 2014-1525, slip op. at 16 (Fed. Cir. May 7, 2015) (when interpreting jurisdictional statutes within the AIA, "the specific governs the general") (citation omitted); *see Frederick Rodgers v. United States*, 185 U.S. 83, 89 (1902) (specific statutes trump general statutes).

B. There Is a Strong Presumption Favoring Judicial Review of Agency Actions

In addition to the jurisdictional statutes, there is a strong presumption that agency decisions are judicially reviewed. Indeed, it has long been the law that "[a]dministrative determinations must have a basis in law and must be within the granted authority. . . . An agency may not finally decide the limits of its statutory power. That is a judicial function." *Soc. Sec. Bd. v. Nierotko*, 327 U.S. 358, 369 (1946). The Supreme Court has repeatedly emphasized "the strong presumption that Congress intends judicial review of administrative action," and that "'our [prior] cases [establish] that judicial review of

a final agency action by an aggrieved person will not be cut off unless there is persuasive reason to believe that such was the purpose of Congress.'" *Bowen v. Mich. Acad. of Family Physicians*, 476 U.S. 667, 670 (1986) (quoting *Abbott Labs. v. Gardner*, 387 U.S. 136, 140(1967).

This Court recently reaffirmed these positions:

> Congress rarely intends to prevent courts from enforcing its directives to federal agencies. For that reason, this Court applies a "strong presumption" favoring judicial review of administrative action. *Bowen v. Michigan Academy of Family Physicians*, 476 U.S. 667, 670, 106 S.Ct. 2133, 90 L.Ed.2d 623 (1986). That presumption is rebuttable: It fails when a statute's language or structure demonstrates that Congress wanted an agency to police its own conduct. *See Block v. Community Nutrition Institute*, 467 U.S. 340, 349, 351, 104 S.Ct. 2450, 81 L.Ed.2d 270 (1984). The agency bears a "heavy burden" in attempting to show that Congress "prohibit[ed] all judicial review" of the agency's compliance with a legislative mandate. *Dunlop v. Bachowski*, 421 U.S. 560, 567, 95 S.Ct. 1851, 44 L.Ed.2d 377 (1975).

Mach Mining, LLC v. E.E.O.C., 135 S.Ct. 1645, 1651 (2015) (emphasis added).

Congress itself has recognized the rarity of a bar to judicial review of final agency action:

> Very rarely do statutes withhold judicial review. . . It has never been the policy of Congress to prevent the administration of its own statutes from being judicially confined to the scope of authority granted or to the objectives specified. Its policy could not be otherwise, for in such a case statutes would in effect be blank checks drawn to the credit of some administrative officer or board.

S. Rep. No. 79-752, at 26 (1945); H.R. Rep. No. 79-1980, at 41 (1946).

When there is doubt about Congressional intent, the general presumption favoring judicial review of rights-changing administrative action is controlling. *Block v. Cmty. Nutrition Inst.*, 467 U.S. 340, 351 (1984). As a result, an agency seeking to overcome this strong presumption faces a "heavy burden" and must do so by "clear and convincing" evidence. *Bowen*, 476 U.S. at 671–72.

C. The Federal Circuit Did Not Factor In the Strong Presumption Favoring Judicial Review

The Federal Circuit has recognized that the presumption favoring judicial review of administrative actions is applicable, even in concert with IPR proceedings.

In *Versata Development Group, Inc., v. SAP America, Inc.*, another panel of the Federal Circuit referenced this strong presumption when analyzing 35 U.S.C. § 324(e) (a statute on a different type of patent post-grant review, but a statute which contains language identical to § 314(d)):

> In short, we do not find that the Government's arguments approach meeting the "heavy burden" of persuasion needed to overcome the 'strong presumption' of judicial review. Congress, by limiting the scope of the review bar in § 324 as we have described, struck a balance between Congress's desire for a prompt and efficient review process at the USPTO, on the one hand, and, on the other, the necessary recognition of the traditional role of judicial review of final agency action. We find that balance carefully crafted and consistent with the roles the Constitution assigns to the Judicial and Executive Branches.

793 F.3d 1306, 1322 (Fed. Cir. 2015); *see Cuozzo*, 793 F.3d at 1291 (Newman, J., dissenting) (finding that § 314(d) "does not preclude review of whether the statute was applied in accordance with its legislated scope").

In the context of IPRs, however, the Federal Circuit concluded that 35 U.S.C. §§ 314 and 319 create absolute bars to all judicial review (interlocutory or otherwise) of any PTAB decisions — including underlying issues of whether the PTAB has exceeded its statutory authority — except for appeals of final written decisions "on patentability." *Cuozzo*, Pet. for Cert., at 29-31.

Both in this case and in *Cuozzo*, the Federal Circuit reached its conclusions of non-reviewability without addressing the strong presumption favoring judicial review of agency action that has been prominent in this Court's precedents for nearly half a century.

In the present case, the Federal Circuit found that GPNA did not have a right to appeal for two flawed reasons: (1) GPNA's appeal is barred by § 314(d); and (2) §§ 141(c), 318(a) and 319 limit the Federal Circuit's jurisdiction to only final written decisions on patentability. Neither reason, however, withstands scrutiny or overcomes the strong presumption in favor of appellate review.

D. Section 314(d) Does Not Preclude GPNA's Appeal

35 U.S.C. § 314(d) addresses the Federal Circuit's jurisdiction over IPR institution decisions. Section 314(d) reads:

> No Appeal.— The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.

35 U.S.C. § 314(d). This specifically strips away the Federal Circuit's general jurisdiction to review institution decisions. Congress expressly used the statutory terms "[n]o appeal" in the heading, and "nonappealable" to foreclose a dissatisfied party's right to appeal a "determination . . . whether to institute," as set out in § 314(a). However, this stripping away is only with respect to decisions whether to institute. As explained below, the PTAB's Termination Decision in this case is not a decision whether to institute, and therefore, a judicial appeal is not barred by § 314(d).

1. The Termination Decision is not a Determination "Whether to Institute"

The PTAB issued decisions instituting GPNA's IPRs on March 10, 2014. The PTAB determined that each of the petitions filed by GPNA fully met that 'threshold' standard of § 314(a), and timely issued five institution decisions. *E.g.,* App., *infra*, 34a-55a; *see* 2014 WL 1253170, 2014 WL 1253167, 2014 WL 1253174, 2014 WL 1253178, and 2014 WL 1253156. Those actual institution decisions are deemed "final and nonappealable" by § 314(d). 35 U.S.C. § 314(a), (d). The later Termination Decision, on the other hand, is not a determination whether to institute, no matter how the PTAB characterizes it.

The PTAB characterized its Termination Decision as "vacating" the previous institution decisions, thereby seeming to place the decision in the non-appealable § 314(d) category. Such a characterization promotes form over substance and would allow the PTAB to avoid judicial review by characterizing any decision for a patent owner as a "vacated" institution decision.

First, the Termination Decision is not a "determination whether to institute" because it was dated 9 months after the statutory deadline for decisions whether to institute. 35 U.S.C. § 314(b) requires the PTAB to make determinations "whether to institute" within three months from the receipt of a patent owner's preliminary response or, if no response is filed, the last possible date when such a response could have been filed. On December 18, 2013, Steuben waived its right to filing a preliminary response, so the last statutorily permitted date for a "determination whether to institute" was March 18, 2014. *E.g.,* IPR2014-

00051, Paper 14 (PTAB Dec. 18, 2016). The PTAB's December 23, 2014 Termination Decision missed that deadline by over nine months, so it cannot be considered a non-appealable Section 314 determination on "whether to institute."

Second, allowing the PTAB to improperly categorize the Termination Decision as an institution decision has negative effects. For example, allowing the PTAB to vacate an Institution Decision, nine months after institution, is contrary to the "final" in "final and nonappealable" language regarding Institution Decisions in § 314(d). Congress did not write a blank check for the PTAB to arbitrarily decide issues of law without review by the judiciary. *See Versata*, 793 F.3d at 1322. Nothing in the legislative history implies such unchecked power, and terminating proceedings after the PTAB has already found a patent "reasonably likely" to be invalid is contrary to the public's interest in quickly, and inexpensively, invalidating flawed patents.

The decision that needs review in this case is not a decision not to institute IPR based on a threshold issue. Rather, the decision GPNA seeks review of is a much later order terminating GPNA's ongoing IPR proceedings over an alleged failure to list Procomac as a RPI to GPNA's petitions. That is the agency action that needs and deserves judicial review.

Third, IPR proceedings were designed to develop and resolve contested validity issues rapidly (within one year from institution), with less expense than court litigation, and with finality. But, to protect patent owners from frivolous and harassing petitions for review, Congress

provided that the PTO could institute the IPR proceeding only when the petition for review provided a showing of a "reasonable likelihood" of invalidity. § 314(a).

Institution determinations are "final and nonappealable" only because allowing such appeals would delay the IPR proceeding and that would frustrate the Congressional imperative for rapid determination of patent validity. A determination not to institute is also final and nonappealable, thus furthering the purpose of protecting patent owners from continuing or repeated frivolous claims.[3]

There is, however, no Congressional intent or purpose that justifies insulating all the other PTAB actions from judicial oversight. Congress did not provide broad insulation from appeals in the statute, and none can be derived from the legislative history. With no other statutes and silence from Congress, the 'strong presumption' of judicial review must control.

2. Because the Termination Decision is Not a "Determination . . . Whether to Institute," Section 314(d) Does Not Bar Judicial Review

35 U.S.C. § 314(d) is the type of specific statute that strips away the Federal Circuit's general jurisdiction and overcomes the strong presumption of appellate

3. Federal Circuit Judge Newman, dissenting in *Cuozzo,* recognized the intent of Congress and viewed § 314(d) as intended to "control interlocutory delay and harassing filings." 793 F.3d at 1291.

review of agency decisions. Section 314(d) addresses a narrow subset of decisions – determinations "whether to institute" based on the statutory threshold of "reasonable likelihood" – as "nonappealable." 35 U.S.C. § 314(d) (using the terms "No Appeal" and "nonappealable"). However, the Federal Circuit erred in holding that § 314(d) barred judicial review of the PTAB decision at issue in this case because the Termination Decision does not address the threshold issue of "reasonable likelihood," and thus is not a determination "whether to institute" (*i.e.*, an institution decision).

The Termination Decision is not a "determination . . . whether to institute," for the many reasons discussed above. It does not meet the statutory "reasonable likelihood" requirements of an Institution Decision under § 314(a), it has statutory timing problems under § 314(b), it does not replace the institution decisions which were statutorily "final" and already decided under § 314(d), and precluding review gives the PTAB the unfettered freedom of no appellate review except in very limited cases.

E. Section 319 Does Not Preclude GPNA's Appeal

The Federal Circuit also considered that it had no jurisdiction over GPNA's appeal because: (1) § 319, in providing for the permissive appeal from "final written decisions," refers to § 318(a) – which requires that the PTAB issue final written decisions "with respect to the patentability" of challenged claims – thus limiting appeals to final decisions that only cancel or confirm patent claims. Therefore, the Federal Circuit concluded that because the PTAB's Termination Decision did not reach a decision as to patentability, it is "outside §§ 141(c), 318(a) [and] 319"

and therefore not reviewable under 28 U.S.C. § 1295(a)(4)(A).

1. Section 319 Does Not Strip Away The Federal Circuit's General Jurisdiction

In contrast to § 314(d), 35 U.S.C. § 319 is a permissive, not restrictive, statute:

> A party dissatisfied with the final written decision of the Patent Trial and Appeal Board under section 318(a) may appeal the decision pursuant to sections 141 through 144. Any party to the inter partes review shall have the right to be a party to the appeal.

35 U.S.C. § 319. The plain language of § 319 simply does not limit the Federal Circuit's jurisdiction. Section 319 does not state that a party may "only" appeal a final written decision of the Patent Trial and Appeal Board limited to decisions on claim cancellation or confirmation.

Likewise, § 141 does not limit appeals to patentability. Section 141 is another permissive statute that directs which appellate court has jurisdiction of an appeal: "A party to an inter partes review . . . may appeal the Board's decision only to the United States Court of Appeals for the Federal Circuit." Section 141 does not state that only final written decisions on patentability may be appealed, but rather, that those appeals may only go to the Federal Circuit.

If §§ 141, 318, and 319 limited appeals only to the issue of patentability, § 314(d)'s "nonappealable" provision

would be entirely superfluous. In other words, Section 314 and its nonappealability of institution decisions would be superfluous if these other statutes limited appeals to only final written decisions with respect to patentability. Section 319 provides for appeal of "final written decisions" of the PTAB without any express limitation to decisions on issues of patentability. If Congress intended to limit appeals *only* to the issue of patentability, Congress certainly knew what words to use. Congress used those words in § 314(d), but not in § 319.

2. An Appeal Under Section 319 Does Not Prevent Review When the PTAB Does Not Issue a Decision on Patentability as Statutorily Mandated

The Federal Circuit's decision also erred in concluding that § 319 precludes review of any final PTAB action except a final written decision that addresses patentability. The decision below misconstrues the interplay between §§ 318(a) and 319 by holding that § 319 appeals can never occur if the PTAB fails to follow its statutory mandate. In fact, the decision misses the entire point of having appellate review – to review when a lower court, or agency, fails in applying or complying with statutory law.

Congress set out a simple statutory mandate for the PTAB to follow for IPR proceedings. Section 318(a) establishes that after the PTAB institutes an IPR proceeding, the PTAB "shall issue a final written decision with respect to [] patentability." 35 U.S.C. § 318(a) (emphasis added). Then, in § 319, Congress gave the Federal Circuit jurisdiction over appeals of the "final written decision" that the PTAB was required to issue

under § 318(a). The fact that the PTAB failed to comply with all of the requirements of § 318(a), *i.e.*, addressing patentability, in issuing its final written decision does not strip the Federal Circuit of jurisdiction of the final written decision that the PTAB did issue.

In other words, Congress explained the PTAB's general duty in § 318(a) – to issue a decision on patentability once an IPR proceeding is instituted. Then, Congress gave the Federal Circuit the jurisdiction to review the PTAB's decision upon performance of that duty in § 319. Yet, the Federal Circuit's jurisdiction cannot be necessarily conditioned on the "correctness" of the PTAB's performance of its duty once the PTAB has issued its final decision. Otherwise, there is no avenue to correct the PTAB's action or to compel the PTAB to complete performance as required by its statutory mandate.

One Federal Circuit panel has already recognized that the definition of the PTAB's duty does not mean that appellate review is limited to the correctness of the PTAB's performance of that duty. In *Versata Development Group, Inc., v. SAP America, Inc. et al*, 793 F.3d 1306 (Fed. Cir. 2015), the Federal Circuit expressly rejected such a narrow scope of judicial review on virtually identical statutory language in §§ 328(e) and 329 (the post-grant reviews provisions that parallel the language of §§ 318 and 319), stating:

> The Government finds significance in the fact that § 328(a) directs the PTAB to issue a decision with respect to the patentability of any patent claim. Putting this provision together with § 329 the Government argues

> that on appeal the court is limited to only what the PTAB is directed to do. But that is a non-sequitur. The statutory description of an agency's decisional duties does not necessarily define the scope of an appellate court's ultimate merits considerations.

793 F.3d at 1321.

a. The PTAB is Statutorily Required to Issue a Final Written Decision on Patentability Once an IPR Is Instituted

The AIA makes clear that the PTAB is required to issue a final written decision on patentability after deciding to institute an IPR. Section 318(a) establishes that after the PTAB institutes an IPR proceeding, the PTAB "shall issue a final written decision with respect to [] patentability." 35 U.S.C. § 318(a) (emphasis added). Section 314(d) reinforces this mandate by making determinations whether to institute "final." Section 314(d) therefore prevents reconsideration of an institution decision. As such, once the PTAB instituted GPNA's IPRs, the PTAB was statutorily mandated to issue a proper § 318(a) final written decision on patentability.

The Federal Circuit should not lose the ability to review the PTAB's final written decision based solely on the fact that the PTAB failed to issue the mandated decision.

b. Alternatively, The Federal Circuit Erred by Not Granting a Writ of Mandamus Compelling the PTAB to Issue a Final Written Decision on Patentability

Even if § 319 were to preclude appeal of a PTAB decision not addressing patentability, the Federal Circuit erred by not granting GPNA's petition for a writ of mandamus to compel the PTAB to issue its statutorily mandated final written decision on patentability.

As explained above, the PTAB is required to issue a final written decision on patentability "[i]f an inter partes review is instituted and not dismissed under this chapter," *i.e.*, dismissed for settlement.[4] The PTAB instituted GPNA's IPRs, and those institution decisions are "final and nonappealable." The Federal Circuit erred in holding that instituted IPR proceedings can be vacated because they are statutorily "final."

The Federal Circuit simply turned the true meaning of § 314 on its head. The court interpreted § 314(d) to mean that any determination to institute (or to reconsider and "vacate" an institution determination) is "not appealable," following the statement from *GTNX, Inc. v. INTTRA, Inc.*,

4. While § 318 does not require the PTAB to issue a final written decision with respect to patentability if an IPR is "dismissed under this chapter," the only section of that chapter that contemplates dismissal of an IPR is 35 U.S.C. § 317, which addresses settlement. But even settlement does not necessarily stop the proceeding from continuing to its completion; subsection 317(a) provides that "[i]f no petitioner remains in the inter partes review, the Office may . . . proceed to a final written decision under section 318(a)."

that "administrative agencies possess inherent authority to reconsider their decisions, subject to certain limitations, regardless of whether they possess explicit statutory authority to do so."

The decision below erred in giving broad scope to the PTAB's "inherent authority." This is one of those circumstances in which the PTAB's authority is "subject to . . . limitations' – the explicit limitations imposed on the PTAB by Congress in § 314(d). Each of the words of the statute must be given effect, and thus the word "final" in § 314(d) presumptively has a meaning other than "nonappealable." *See TRW Inc. v. Andrews*, 534 U.S. 19, 31 (2001) ("[N]o clause, sentence, or word shall be superfluous, void, or insignificant."); *Duncan v. Walker*, 533 U.S. 167, 174 (2001) ("We are thus reluctant to treat statutory terms as surplusage in any setting."). The plain meaning of the word "final" means not to be altered or undone.

One of the primary goals of the AIA was to challenge improvidently granted patents more quickly and inexpensively. After the PTAB has determined that a patent's claims were reasonably likely to be invalid in an institution decision, it is in the public's interest to adjudicate the validity of the patent expeditiously, not to revisit a threshold decision. Congress had all the reason to prevent the PTAB from revisiting a decision instituting an IPR proceeding.

The PTAB exceeded its statutory authority by reviewing and vacating GPNA's Institution decisions and by not issuing a final written decision on patentability. The Federal Circuit erred by declining to compel the PTAB to follow the law. This Court should do so.

3. Section 319 Does Not Overcome the Strong Presumption Favoring Judicial Reviewability

The plain language of § 319 does not restrict the Federal Circuit's general jurisdiction over IPR appeals. Neither does the plain language of §§ 318(a) and 141. The absence of explicit language barring appellate review, especially when compared to § 314(d), suggests that Congress did not intend for § 319 to be used as a basis for precluding judicial review. The legislative history does not show any intent to restrict review of PTAB decisions issues of patentability, nor is there any reason to imply such a limitation. Instead, limiting review of IPR dismissals on non-substantive grounds, after the PTAB has already determined a patent's claims are likely invalid, goes strongly against Congress' intent of quickly, and inexpensively, invalidating flawed patents. This Court should hold that Section 319 does not preclude the Federal Circuit from considering GPNA's appeal of a final written decision of the PTAB.

II. The PTAB's Action Sets a Dangerous Precedent that Undermines Congressional Intent and Is Ripe for Judicial Review Because It Is a Final Decision

Not only did the PTAB exceed its statutory authority by terminating the IPRs, but its basis for doing so was contrary to decades of federal court precedent. The PTAB's Termination Decision dismissed GPNA's IPRs for failing to list Procomac as an RPI even though: (1) GPNA and Procomac both had standing to file IPRs when the petitions were first filed; and (2) Procomac had already agreed to the same statutory estoppel as

GPNA. Thus, the PTAB used a "highly fact-dependent" procedural requirement to dismiss a case even though that requirement had no impact on the substantive rights of any party or on the substantive issues in the proceedings.

There is no dispute that the AIA statute contemplates that PTAB panels conducting the IPR proceedings function as surrogates of the federal district courts in adjudicating and resolving contested issues of validity ("patentability") of patent claims. Thus, once the PTAB decided that Procomac was required to be named as a RPI under § 312, and then finding no explicit guidance in the AIA, the PTAB should have looked for parallels in district court procedures, rather than fashioning a draconian termination penalty.

The Federal Rules of Civil procedure, specifically FRCP 17, provide relevant guidance that the PTAB overlooked. Rule 17 is specifically addressed in the PTO Director's Patent Trial Practice Guide. 77 Fed. Reg. 48756, 48759 (March 14, 2012), in the context of real-party-in-interest/privy considerations.[5] Like § 312, Rule 17 specifies, in subsection (a)(1), that "[a]n action must be prosecuted in the name of the real party in interest", and Rule 17 does so for exactly the same reason – estoppel by res judicata – that applies to real parties in interest in IPR proceedings. *See In re Signal International*, 579 F.3d 478, 487-88 (5th Cir. 2009). Rule 17(a)(3) states:

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5. The Trial Practice Guide of the PTAB, in referring to FRCP 17, notes that whether a party is a real party in interest or privy "is a highly fact-dependent question" and should be handled "taking into consideration how courts have viewed the terms . . . ." 77 Fed. Reg. at 48759.

> The court may not dismiss an action for failure to prosecute in the name of the real party in interest until, after an objection, a reasonable time has been allowed for the real party in interest to ratify, join, or be substituted into the action. After ratification, joinder or substitution, *the action proceeds as if it had been originally commenced by the real party in interest.*

Fed. R. Civ. P. 17(a)(3) (emphasis added). As stated in 6A Wright & Miller § 1555, pp. 565-569 (2010):

> Rule 17(a) is designed to avoid forfeiture. . . . Thus, a correction in parties is permitted even after the statute of limitations governing the action has run. This provision reflects the general policy of the drafters of the federal rules that the choice of a party at the pleading stage ought not have to be made at the risk of a final dismissal of the action should it later appear that there had been an error.

Rule 17(a)(3) ensures that the application of "wooden interpretations to the rules of procedure" do not "defeat[] substantive rights." *National Safe Corp. v. Texidor Sec. Equip., Inc.*, 101 F.R.D. 467, 469 (D.P.R. 1984); *see also Prevor-Mayorsohn Caribbean, Inc. v. Puerto Rico Marine Mgmt.*, 620 F.2d 1, 3 n.2 (1st Cir. 1980). The lack of any judicial review of these types of arbitrary decisions allows the PTAB to triumph with form over substance.

In contrast, the PTAB's failure to adhere to the common sense policy of Rule 17(a) results in a draconian termination penalty and in avoidance of the PTAB's

statutory duty to determine the validity of challenged patent claims, serves no purpose consistent with the statutory intent, and instead nullifies extensive expenditures in time and cost by the parties and by the PTO. It also fails to accomplish any result that serves the Congress' objective of reducing delays in informing the business community of whether patents are valid or not, and potentially inhibits further technical development in the field of the challenged patent claims.

CONCLUSION

The Federal Circuit has no legitimate statutory justification for refusing to review the merits of GPNA's appeal. GPNA has the right to be heard on the merits of its case. Therefore, it is respectfully submitted that the Court should set both this case and *Cuozzo* for briefing and argument. In the alternative, the Court should grant this petition, hold this case pending resolution of *Cuozzo,* and then reevaluate or remand for reconsideration by the court of appeals in light of that decision.

Respectfully submitted,

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APPENDIX

APPENDIX A — ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT, DATED NOVEMBER 24, 2015

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

2015-1536, -1537, -1538, -1539, -1540

GEA PROCESS ENGINEERING, INC.,

Appellant,

v.

STEUBEN FOODS, INC.,

Appellee.

Appeals from the United States Patent and Trademark Office, Patent Trial and Appeal Board in Nos. IPR2014-00041, IPR2014-00043, IPR2014-00051, IPR2014-00054, and IPR2014-00055.

2015-125

In re: GEA PROCESS ENGINEERING, INC.,

Petitioner

Appendix A

On Petition for Writ of Mandamus to the United States Patent and Trademark Office in Nos. IPR2014-00041, IPR2014-00043, IPR2014-00051, IPR2014-00054, and IPR2014-00055.

ON MOTION AND PETITION

Before NEWMAN, LINN, and O'MALLEY, *Circuit Judges*, NEWMAN, *Circuit Judge*.

ORDER

GEA Process Engineering, Inc. moves for reconsideration of the court's June 23, 2015 order denying its petition for a writ of mandamus and granting Steuben Foods, Inc.'s motion to dismiss 2015-1536, -1537, -1538, -1539, and -1540.

Upon consideration thereof,

IT IS ORDERED THAT:

The motion is denied.

FOR THE COURT

/s/ Daniel E. O'Toole
Daniel E. O'Toole
Clerk of Court

APPENDIX B — ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT, DATED JUNE 23, 2015

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

2015-1536, -1537, -1538, -1539, -1540

GEA PROCESS ENGINEERING, INC.,

Appellant,

v.

STEUBEN FOODS, INC.,

Appellee.

Appeals from the United States Patent and Trademark Office, Patent Trial and Appeal Board in Nos. IPR2014-00041, IPR2014-00043, IPR2014-00051, IPR2014-00054, and IPR2014-00055.

2015-125

In re: GEA PROCESS ENGINEERING, INC.,

Petitioner.

Appendix B

On Petition for Writ of Mandamus to the United States Patent and Trademark Office in Nos. IPR2014- 00041, IPR2014-00043, IPR2014-00051, IPR2014-00054, and IPR2014-00055.

ON MOTION AND PETITION

Before NEWMAN, LINN, and O'MALLEY, *Circuit Judges*, NEWMAN, *Circuit Judge*.

ORDER

Months after the Patent Trial and Appeal Board ("Board") granted GEA Process Engineering, Inc.'s ("GEA Process") petitions for inter partes review of patents owned by Steuben Foods, Inc. ("Steuben Foods"), the Board reconsidered and vacated its institution decision and terminated proceedings. GEA Process seeks a writ of mandamus directing the Board to withdraw that order, and also appeals seeking the same relief, which Steuben Foods moves to dismiss for lack of jurisdiction.

GEA Process is the subsidiary of a global company that manufactures and sells aseptic bottle filling machines. GEA Process's affiliate, GEA Procomac S.p.A, manufactures machines sold by GEA Process to customers in the United States. In September 2012, Steuben Foods filed suit in the United States District Court for the Western District of New York, alleging that GEA Process and GEA Procomac infringed five of Steuben Foods' patents relating to aseptic packaging of food products.

Appendix B

In October 2013, GEA Process petitioned the Director of the Patent and Trademark Office for inter partes review ("IPR") of those patents, listing GEA Process as the sole real-party-in-interest. Trial was instituted in all five IPRs in March 2014. A few months after that decision, however, Steuben Foods sought, and was subsequently allowed, discovery relating to whether GEA Procomac's omission precluded institution of the proceedings. *See* 35 U.S.C. § 312(a)(2) ("A petition filed under identifies all real parties in interest.")

On December 23, 2014, the Board entered a decision terminating all five IPR proceedings. Without addressing any issues of patentability, the Board vacated the March 2014 institution decision on the ground that they never should have been instituted. The Board noted that GEA Process's petitions did not identify all real-parties-ininterest and thus "the Petitions are incomplete pursuant to § 312(a), which dictates that we cannot consider the Petitions."

This court lacks jurisdiction over GEA Process's appeal. Read together, 35 U.S.C. §§ 319 and 141(c) authorize appeals only from a "final written decision of the [Board] under section 318(a)," which in turn refers only to "a final written decision *with respect to the patentability of any patent claim challenged by the petitioner and any new claim added under section 316(d).*" § 318(a) (emphasis added). Here, the Board made no decision "with respect to the patentability" of any claim.

Appendix B

This court's authority to review IPR decisions under 28 U.S.C. § 1295(a)(4)(A) is limited to the Board's decision on the merits of the review, after it conducts the proceeding that the Director has instituted. *St. Jude Med., Cardiology Div., Inc. v. Volcano Corp.*, 749 F.3d 1373, 1376 (Fed. Cir. 2014); *see also GTNX, Inc. v. INTTRA, Inc.*, No. 2015-1349 et al, 2015 WL 3692319, at 2 (Fed. Cir. June 16, 2015). Because the Board's decision did not make a determination with respect to patentability, it is outside §§ 141(c), 318(a), 319 and, in turn, outside § 1295(a)(4)(A).

That the Board initially instituted proceedings here is of no moment. Our recent decision in *GTNX* is instructive on this point. In that case, the petitioner sought covered business method patent review, which is generally subject to the post-grant review provisions of chapter 32. The Board initially instituted proceedings but subsequently vacated the institution decision and terminated proceedings after it was determined that the petitioner had previously filed a declaratory judgment action that barred review under 35 U.S.C. § 325(a)(1). *See id.*

The *GTNX* court held that in addition to the fact that there was no "final written decision," the Board's decision could fairly be characterized as a "determination . . . whether to institute" under 35 U.S.C. § 324(e) and thus "final and nonappealable." *Id.* at 3. The court noted that the Board simultaneously vacated its earlier ruling and determined it lacked jurisdiction, and explained that under the circumstances "it is strained to describe this as anything but" an institution determination because

the statutory language was not limited to an initial determination to the exclusion of a determination on reconsideration. *Id.*

Although this case involves inter partes review under chapter 31, rather than post-grant review under chapter 32, the analysis is the same. Here, as in GTNX, the Board expressly stated that it was vacating the earlier decisions to institute proceedings and simultaneously determined that the petitions were incomplete and thus could not be considered. Moreover, as in post-grant review, the determination to institute inter partes review is also "final and nonappealable." 35 U.S.C. § 314(d).

For these reasons, we must also deny GEA Process's petition for a writ of mandamus. In *In re Dominion Dealer Solutions, LLC*, 749 F.3d 1379 (Fed. Cir. 2014), we relied on this statutory scheme to conclude that the petitioner could not invoke mandamus to challenge a noninstitution decision in this court. We explained that a petitioner could not establish a "' clear and indisputable'" right to relief in this court, id. at 1381 (citation omitted), given the careful statutory limits on this court's jurisdiction to review non-institution decisions.

Relying on § 314(d), GEA Process argues that mandamus should issue because the Board did not have authority to vacate the prior institution decisions. In GTNX, we explained that "'administrative agencies possess inherent authority to reconsider their decisions, subject to certain limitations, regardless of whether they possess explicit statutory authority to do so.'" *GTNX*

at 3 (quoting *Tokyo Kikai Seisakusho, Ltd. v. United States*,529 F.3d 1352, 1360 (Fed. Cir. 2008)). Like the petitioner in *GTNX*, GEA Process has not made any showing that would clearly deprive the Board of that default authority.

Accordingly,

IT IS ORDERED THAT:

(1) The motion is granted. The appeals are dismissed.

(2) The mandamus petition is denied.

(3) All pending motions are denied as moot.

(4) Each side shall bear its own costs.

FOR THE COURT

/s/ Daniel E. O'Toole
Daniel E. O'Toole
Clerk of Court

ISSUED AS A MANDATE (for 2015-1536, -1537, -1538, -1539, -1540): June 23, 2015

APPENDIX C — TERMINATION OF THE UNITED STATES PATENT AND TRADEMARK OFFICE, ENTERED DECEMBER 23, 2014

UNITED STATES PATENT
AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL
AND APPEAL BOARD

GEA PROCESS ENGINEERING, INC.,

Petitioner,

v.

STEUBEN FOODS, INC.,

Patent Owner.

Cases[1]

IPR2014-00041 (Patent 6,945,013 B2)
IPR2014-00043 (Patent 6,475,435 B1)
IPR2014-00051 (Patent 6,209,591 B1)
IPR2014-00054 (Patent 6,481,468 B1)
IPR2014-00055 (Patent 6,536,188 B1)

Before MICHAEL P. TIERNEY, RAMA G. ELLURU, and BEVERLY M. BUNTING, *Administrative Patent Judges.*

1. This order addresses issues raised in all five cases. We exercise our discretion to issue one order to be filed in each case. The parties, however, are not authorized to use this style heading in subsequent papers.

Appendix C

ELLURU, *Administrative Patent Judge.*

TERMINATION

35 U.S.C. § 312(a)(2) and 37 C.F.R. § 42.72

I. INTRODUCTION

Patent Owner, Steuben Foods, Inc. ("Steuben Foods"), filed motions addressing two issues: (1) whether Petitioner, GEA Process Engineering, Inc. ("GEA"), identified all real-parties-in-interest ("RPIs") in its Petitions; and (2) what relief we should grant if we determine that GEA did not identify all RPIs in its Petitions. Paper 62, 3 (authorizing briefing); Paper 63 ("Mot").[2] GEA filed Oppositions to Steuben Foods' motions. Paper 62, 3 (authorizing briefing); Paper 79 ("Opp."); Paper 81, 4 (authorizing GEA to refile its Opposition to comply with the authorized 15 page limit). GEA's Oppositions are supported by a Declaration from its General Counsel, Brian Casto. Ex. 1056. Steuben Foods filed Replies in support of its Motions. Paper 81, 5 (authorizing briefing); Paper 108 ("Reply"). Lastly, GEA filed sur-replies. Paper 126, 4 (authorizing briefing); Paper 128 ("Sur-reply").

Based on the present record, and for the reasons stated below, we grant Steuben Foods' motions. Thus, we vacate our decisions on institution in the above-identified

2. The same briefing from both parties was filed in all five cases. While the analysis herein applies to each of these proceedings, we refer to the papers filed in Case IPR2014-00041 for convenience, unless otherwise indicated.

cases and terminate the *inter partes* reviews in these cases.

II. ANALYSIS

A. Factual Background

GEA and GEA Procomac S.p.A. ("Procomac") are related companies within the same family of companies. Ex. 2001, 13, 206-209; Ex. 2006; Ex. 2007 ¶¶ 3-5; Ex. 1052 ¶ 1; Ex. 2012; Ex. 2013. GEA Group AG ("GEA Group") is the parent company of both GEA and Procomac. Ex. 2001, 13; Ex. 2012; Ex. 2013. Steuben Foods filed a complaint in district court alleging infringement of all five patents at issue in these proceedings against GEA and Procomac. Ex. 2007, 1-12. Steuben Foods served GEA with the complaint on October 10, 2012. *See* IPR2014-00051, Paper 10, 1-2.[3]

In November 2012, GEA and Procomac entered into an [redacted] agreement with [redacted] covering the "Steuben Patents." Ex. 1052[4] ¶¶ 1-5. The

3. Although GEA asserts that it was served with a complaint alleging infringement of US Patent No. 6,209,591 B1 on September 10, 2012 (IPR2014-00051, Paper 10, 1-2), the parties have not disputed that this service date applies to the other four patents at issue. *See* 35 U.S.C. § 315(b) ("An *inter partes* review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party-in-interest or privy of the petitioner is served with a complaint alleging infringement of the patent.").

4. Although the [redacted] agreement provided as Exhibit 1052 does not evidence execution, GEA has not disputed that the agreement was executed. *See* Opp.

agreement defines "GEA" as GEA Process Engineering Inc. (Petitioner) and GEA Procomac S.p.A, collectively. *Id.* ¶ 2. "Steuben Patents" is defined to include all five patents at issue in these trials. *Id.* ¶ 1. The [redacted] agreement provides that:

[redacted]

Id. ¶ 2 (emphasis added).

On October 9 and 10, 2013, GEA filed the five petitions at issue in these trials.[5] GEA is represented in these proceedings by the same counsel that represents both GEA and Procomac in the district court case, Pillsbury Winthrop Shaw Pittman LLP ("Pillsbury"). Ex. 1056 ¶¶ 5, 7; Ex. 2004. Two in-house attorneys from GEA Group are designated as in-house legal representatives for both GEA and Procomac under the protective order in the related district court case. Ex. 2002.

We instituted *inter partes* review ("IPR") trials in these cases on March 10, 2013. Paper 15. During the initial

5. The petition filing dates are as follows: IPR2014-00041 (October 9, 2013); IPR2014-00043 (October 9, 2013); IPR2014-00051 (October 9, 2013); IPR2014-00054 (October 10, 2013); and IPR2014-00055 (October 10, 2013).

conference call, on March 31, 2014, Steuben Foods sought additional discovery relating to the RPI of the petitions at issue. Paper 18; *see* 35 U.S.C. § 312(a)(2) ("A petition filed under section 311 may be considered only if ... the petition identifies all real parties in interest"). Specifically, Steuben Foods alleged that Procomac was possibly an RPI because it may have funded and controlled the filing of the instant petitions. Paper 18, 4-5. We authorized Steuben Foods to file a motion for additional discovery relating solely to the RPI issue in the instant cases and authorized GEA to file an opposition to that motion. *Id.* at 6-7. During that March 31 teleconference, GEA argued that if Procomac was a party that should have been identified as an RPI in the instant petitions, the failure to do so was merely a clerical error. *Id.* at 5. GEA requested us to extend the time period within which a party could have requested joinder in the instant proceedings, which expired on April 10, 2014, so that if Procomac sought to file petitions in these cases, they could be joined with the present cases. *Id.; see* 37 C.F.R. § 42.122(b) ("Any request for joinder must be filed ... no later than one month after the institution date of any *inter partes* review for which joinder is requested."). We declined to extend the deadline set forth in § 42.122(b). Paper 18, 5. Procomac did not file petitions and seek joinder in these cases.

We subsequently denied Steuben Foods' motion for additional discovery relating to the identity of all RPIs because the evidence and arguments presented by Steuben Foods did not convince us that the requested additional discovery either existed or was likely to uncover information useful to the instant proceedings. Paper 23,

7; Paper 29 (denying request for rehearing of decision denying additional discovery). One of our considerations in denying Steuben Foods' request was that, at that time in the proceedings, there was no evidence that GEA accepted monetary compensation from Procomac. Paper 23, 6.

Almost two months after the initial conference call, in a May 21, 2014 teleconference, Steuben Foods continued to seek discovery relating to the RPIs. Paper 32, 2-7. GEA admitted during that teleconference that "[o]n May 16, 2014, petitioner discovered that after the October 10, 2013 filing of the petitions [Procomac] had been [redacted] invoiced by petitioner for *IPR petition expenses for the previously filed IPR petition[s].* Petitioner is correcting its [redacted] now." Ex. 2064, 33:11-18 (emphasis added). We authorized Steuben Foods to file a "proposed" set of discovery requests relating to the RPI issue. Paper 32, 2-7. Steuben Foods filed proposed discovery requests including a request for document(s) referenced by GEA during the May 21 teleconference, and GEA agreed to produce that requested discovery. Papers 33, 38; Ex. 2072. GEA subsequently reimbursed Procomac for all IPR expenses that were invoiced previously by GEA to Procomac ("GEA/Procomac invoices") on May 28, 2014. Ex. 2073.

During a June 24, 2014 teleconference, GEA stated that it would not agree to un-redact the portions of the GEA/Procomac invoices that indicated dollar amounts, but agreed to produce dollar amounts in terms of percentages, "presumably the percentage of the amount [GEA's counsel] Pillsbury charged for legal fees for the instant proceedings that was invoiced to Procomac,

GEA Group or any other party." Paper 43, 3. On July 21, 2014, GEA counsel sent Steuben Foods counsel an email stating that with regards to the GEA/Procomac invoices dated October 23, 2013, December 20,2013, and March 19, 2014, GEA [redacted] invoiced Proco mac for "*all of the IPR expenses* that had previously been billed to and paid by" GEA for GEA's IPRs. Ex. 2073 (emphasis added); *see* Ex. 2072 (GEA/Procomac Invoices). GEA counsel further stated that the three GEA/Procomac Invoices included "all the IPR expenses" until this [redacted] was identified on May 16, 2014. *Id.*

GEA's Opposition to Steuben Foods' RPI motion is supported by a Declaration from Brian Casto, General Counsel for GEA, who started working for GEA on June 16, 2014, after the relevant events at issue occurred. Paper 79, 1 (citing Ex. 1056). Mr. Casto provides the following declaration testimony:

> When categorizing Pillsbury's invoices, *Petitioner did not differentiate between (1) IPR Expenses that Petitioner alone was responsible for, and (2) non-IPR expenses that were supposed to be charged to Procomac.* This caused Petitioner's accounting department to treat the different Pillsbury expenses in the same way and [redacted] invoice IPR Expenses to Procomac on October 23, 2013, December 20, 2013, and March 19, 2014 (*see,* Ex. 2072, pp. 1-3, respectively) (the [redacted]).

Ex. 1056 ¶ 10 (emphasis added). During a September 11, 2014 teleconference, we ordered GEA to produce to

Steuben Foods the "Pillsbury invoices" referred to in Mr. Casto's Declaration and Pillsbury invoices to GEA that reference any IPR expense with appropriate redactions, beginning with the first-in-time Pillsbury invoice that references an IPR expense and all Pillsbury invoices that reference any IPR expense from then until June 30, 2014. Paper 90, 3-4. That discovery was produced,[6] and the parties have completed the ordered briefing.

B. Arguments Presented

Steuben Foods argues that a challenge to the identification of the RPI can be raised at any time during a proceeding, and that if all RPIs have not been identified in the petition, there is no jurisdictional basis for the IPR. Mot. 5 (citing 35 U.S.C. §§ 312(a), 315(b)); *see Zoll Lifecor Corp. v. Phillips Elec. N.A. Corp.,* IPR2013-00606, slip op. at 10 (PTAB Mar. 10, 2014) (Paper 13) (hereinafter *"Zoll Lifecor").* Steuben Food further asserts that a failure to disclose an RPI is a substantive defect, and curing that defect, *e.g.*, updating mandatory notices, requires giving the petition a new filing date. Mot. 6 (citing *Petroleum Geo-Services Inc. Westerngeco, LLC,* IPR2014-00678, slip op. at 4 (PTAB July 24, 2014) (Paper 15)); Reply 5. According to Steuben Foods, however, the assignment of a new filing date is futile if the petition would then be time-barred. Mot. 6 (citing *Zoll Lifecor,* slip op. at 12 (Paper 13)).

6. On October 2, 2014, Steuben Foods filed a paper stating that "[i]n view of the stipulation agreed to by the parties, it is no longer necessary to depose Mr. Brian Casto," and indicating that the deposition of Mr. Casto was cancelled. Paper 105.

Steuben Foods advances several arguments in support of its assertion that Procomac is an RPI of the instant proceedings, including that GEA and Procomac, jointly, entered into an agreement with [redacted], that Procomac did in fact fund the entirety of these review proceedings up until May 2014, and that GEA's allegation of an [redacted] is suspect. Mot. 6-15; Reply 2-4.

GEA argues that Steuben Foods raised the RPI issue in an untimely manner. Opp. 9-12. According to GEA, 35 U.S.C. § 312(a) is a "petition completeness statute," petition completeness challenges must be made before institution, and the Board's institutions affirmed GEA's filing dates. *Id.* at 10 (citations omitted).

Referring mainly to Mr. Casto's Declaration, GEA asserts that Procomac did not control or fund the petitions. *Id.* at 1-3. Furthermore, reiterating the statements in Mr. Casto's Declaration, GEA alleges that the Pillsbury invoices were sent to Procomac as a result of an [redacted] *Id.* at 7 (citing Ex. 1056 ¶ 10). GEA also argues that Procomac was not an RPI when the petitions were filed, and a post-filing change in the RPIs due to an alleged [redacted] does not affect petition completeness or GEA's standing. Opp. 8, 11-12. With respect to the [redacted] agreement, GEA states that [redacted] did not file an IPR or move to join GEA's IPR and, thus, Procomac did not have an actual opportunity to control GEA's IPR. *Id.* at 4 (emphasis omitted).

Lastly, GEA argues that it should be allowed to correct any mistakes it made in identifying all the RPIs

in its petitions without having to change its petition filing dates. *Id.* at 12-15.

C. Timeliness of Steuben Foods Raising the Real Party-In-Interest Issue

GEA argues that Steuben Foods raised the RPI issue in an untimely manner. Opp. 9-12. Section 312(a) of Title 35 of the United States Code provides:

> REQUIREMENTS OF PETITION.—A petition filed under section 311 may be considered only if —
>
> ...
>
> (2) *the petition identifies all real parties in interest;*
>
> ...

(emphasis added). For a petition to receive a filing date, the petition must satisfy the § 312(a) statutory requirements.

GEA contends that 35 U.S.C. § 312(a) is a "petition completeness statute" and that petition completeness challenges must be made before institution, as opposed to "standing" issues that may be challenged at any time. Opp. 9-10. According to GEA, the Board's decisions on institution found that the original petitions are complete and listed all RPIs,[7] and those decisions affirming the

7. GEA's argument, that even if Procomac became an RPI subsequent to the petition filings, its petitions were complete when filed, fails for the reasons discussed below. Opp. 11-12.

filing dates are final. *Id.* at 9 (citations omitted). GEA does not provide persuasive authority for its position that challenges to the identification of an RPI pursuant to § 312(a) must be made before institution.

GEA refers to the Office's response to the public's comments to the Final Rules, 77 Fed. Reg. 48,680, 48,695 (August 14, 2012), cmt. 8. Opp. 10. In response to the public comment that the Office should require challenges to RPI identifications to be brought no later than the deadline for filing a preliminary response, the Office responded that such a challenge "should be" brought before or with the filing of the patent owner preliminary response. *Id.* During that period, the patent owner may seek authorization to take pertinent discovery and, after that time, the likelihood of granting authorization for additional discovery before institution will decrease. *Id.* The Office, however, did not state that a challenge to the identification of the RPI *must* be brought before institution. Indeed, the Office, in the same response, further stated that, "[a]fter institution, standing issues may still be raised during trial" and "[a] patent owner may seek authority [ ] to take pertinent discovery or to file a motion to challenge the petitioner's standing." *Id.*[8] GEA also refers to the decision in *Synopsys, Inc. v. Mentor Graphics Corp.*,

8. *Cf.* 77 Fed. Reg. at 48,759 ("The typical common-law expression of the 'real party-in-interest' (the party 'who, according to the governing substantive law, is entitled to enforce the right') does not fit directly into the AIA trial context" because "[t]hat notion reflects standing concepts, but no such requirement exists in the IPR or PGR context" wherein "there is no 'right' being enforced since any entity (other than the patent owner) may file an IPR or PGR petition.").

IPR2012-00042, slip op. at 3 (PTAB Mar. 11, 2013) (Paper 23). That decision denied a rehearing request because patent owner failed to raise an improper service of petition issue pursuant to § 312(a) in its preliminary response, and could not make the argument anew in its rehearing request. *Id.* That decision also did not hold that a challenge to the RPI *must be* made before institution. *See id.*

Section 312(a) expressly states that a petition filed under § 311 "*may be considered only if,*" among other things, the petition identifies all RPIs—*not* "may be considered *before or at institution only* if...." Rather, the statutory provision is clearly an ongoing requirement that must be complied with during the pendency of the petition. Furthermore, requiring that such challenges must be made before institution would be prejudicial to patent owners as exemplified by this case. Here, Steuben Foods chose not to file patent owner preliminary responses, as was its option. Furthermore, Steuben Foods did not obtain the crucial discovery upon which its present motions are based until months after it first raised the RPI issue and sought additional discovery, *and* it received the discovery only after we ordered GEA to produce the discovery. Thus, based on the present record, we determine that Steuben Foods' challenge to the identification of the RPIs in GEA's petitions is not untimely.

D. Real Party-in-Interest Analysis

Having decided that Steuben Foods is not time-barred from alleging that GEA did not properly identify all RPIs in the instant petitions, we address the question of whether Procomac is an RPI in the proceedings at issue.

Appendix C

"Whether a party who is not a named participant in a given proceeding nonetheless constitutes a 'real party-in-interest' ... to that proceeding is a highly fact-dependent question." 77 Fed. Reg. at 48,759. "[T]he spirit of that formulation as to IPR ... proceedings means that, at a general level, the 'real party-in-interest' is the party that *desires review* of the patent. Thus, the 'real party-in-interest' may be the petitioner itself, and/or it may be the real party or parties at whose behest the petition has been filed." *Id.* (emphasis added).

There are multiple factors relevant to consider in the RPI determination. 77 Fed. Reg. at 48,759 (citing *Taylor v. Sturgell*, 553 U.S. 880 (2008)). "A common consideration [but not the sole consideration] is whether the non-party exercised or could have exercised control over a party's participation in a proceeding." *Id.* (citations omitted); *see Syntroleum Corp. v. Neste Oil Oyj,* IPR2013-00178, slip op. at 6 (Sept. 4, 2013) (Paper 22). The concept of control generally means that "'the nonparty has the actual measure of control or opportunity to control that might reasonably be expected between two formal coparties.'" 77 Fed. Reg. at 48,759 (citation omitted). There is no bright-line test, however, for "determining the necessary quantity or degree of participation to qualify as a 'real party-in-interest' ... based on the control concept." *Id.* (citing *Gonzalez v. Banco Cent. Corp.*, 27 F.3d 751, 759 (1st Cir. 1994)). And whether "something less than complete funding and control suffices to justify similarly treating the party requires consideration of the pertinent facts." *Id.* (citations omitted). The non-party's participation may be overt or covert, and the evidence may be direct or

circumstantial—but the evidence as a whole must show that the nonparty possessed effective control from a practical standpoint. *Gonzalez,* 27 F.3d at 759. The inquiry is not based on isolated facts, but rather must consider the totality of the circumstances. *Id.*

Procomac funded all of the expenses of the instant proceedings until May 2014. Ex. 2072; *see* 77 Fed. Reg. at 48,760 (discussing funding). GEA does not dispute that on October 23, 2013, December 20, 2013, and March 19, 2014, it invoiced Procomac for *"all of the IPR expenses* that had been previously billed to and paid by" GEA for its IPRs. Ex. 2073 (emphasis added); *see* 77 Fed. Reg. at 48,759 (identifying funding as a consideration for determining whether a party is an RPI). This funding occurred until May 2014, when GEA claims that it identified an alleged [redacted] and refunded to Procomac all the IPR expenses that Procomac had thus far paid. Ex. 1056 ¶ 11; Ex. 2072, 4. Although GEA has not revealed the dollar amount of the expenses that it invoiced to Procomac and then refunded to Procomac, there is no dispute that it was one-hundred percent of the IPR expenses that previously was billed to, and paid by, GEA. Ex. 2073. As Steuben Foods contends, the undisclosed amount of money invoiced to and paid by Procomac is presumably significant—" on the order of several hundred thousand dollars." Mot. 11.

GEA asserts that Procomac paid for the IPR expenses *after* the IPR petitions were filed, and, thus, that Procomac was not an RPI when the petitions were previously filed, arguing that post-filing funds cannot retroactively change the facts as of the filing date. Opp. 6, 8, 11-12. We are not

persuaded by GEA's argument. Typically, legal bills are billed and paid for *after* the services have been rendered. Here, the first invoice from Pillsbury to GEA that included an IPR expense is dated October 25, 2013, for "services rendered and disbursements incurred through September 30, 2013," and there is an invoice dated November 14, 2013, for "services rendered and disbursements incurred through October 31, 20 13." Ex. 2113, 1-15, 16-30; *see* Paper 90 (ordering GEA to produce to Steuben Foods Pillsbury invoices that reference any IPR expenses, "beginning with the first-in-time Pillsbury invoice that references an IPR expense"). Some Pillsbury invoices to GEA included both IPR expenses as well as expenses related to the district court litigation. *See, e.g.,* Ex. 2113, 32. The first invoice from GEA to Procomac for IPR expenses is dated October 23, 2013,[9] indicating that it is "to backcharge your account for legal fees." Ex. 2072, 1. GEA's counsel acknowledges that Procomac paid for "all of the IPR expenses that had been *previously billed to and paid by*" GEA. Ex. 2073 (emphasis added). Thus, there is no dispute that the amount invoiced to Procomac, beginning on October 23, 2013, covered the costs and expenses associated with the preparing and filing of the petitions on October 9 and 10, 2013. A third-party cannot shield itself from being identified as an RPI in a petition by, among other things, funding IPR expenses after the related petition was filed or after it was instituted. *See* Taylor, 553 U.S. at 895 ("a party bound by a judgment may not avoid its preclusive

9. We note that the first invoice from GEA to Procomac for IPR expenses is dated October 23, 2013, two days before the first invoice from Pillsbury to GEA including an IPR expense. Ex. 2013, 1-15; Ex. 2072, 1.

effect by relitigating through a proxy"). Furthermore, Procomac's funding of the IPR expenses starting with the GEA/Procomac invoice dated October 23, 2013, a mere two weeks after the petitions were filed on October 9 and 10, 2013, speaks to the relationship between Procomac and GEA, and these proceedings, at the time of the filing of the petitions.

GEA argues that the invoices for the IPR expenses were sent to Procomac as a result of an [redacted] Opp. 7. The evidence GEA provides in support of its position is a declaration by Mr. Casto, who began working for GEA as its General Counsel on June 16, 2014, well after the relevant events occurred. Ex. 1056 ¶ 1-3. Mr. Casto attests that throughout the preparation and filing of GEA's petitions and Pillsbury's ongoing work in GEA's *inter partes* reviews, Pillsbury billed only GEA for costs and expenses incurred for the reviews, and GEA paid the bills. *Id.* ¶ 7. Mr. Casto further attests that "[w]hen categorizing Pillsbury's invoices, [GEA] *did not differentiate between (1) IPR [e]xpenses* that [GEA] alone was responsible for, *and (2) non-IPR expenses* that were supposed to be charged to Procomac." *Id.* ¶ 10 (emphasis added). GEA explains that this lack of differentiation caused GEA's accounting department to "treat the different Pillsbury expenses in the same way and [redacted] invoice IPR Expenses to Procomac on October 23, 2013, December 20, 2013, and March 19, 2014." *Id.* (citations omitted). That GEA itself did not differentiate between IPR expenses and non-IPR expenses, *i.e.*, the related district court expenses, sheds light on the relationship between the two proceedings. GEA itself treated the IPR as if it was

closely related to, if not the same as, the district court case. What Mr. Casto does not assert also is telling—"Mr. Casto does not aver that any employee of [GEA] ever issued or received instructions to the effect that [GEA] should be bearing the costs of the review proceedings."[10] Reply 3. Although GEA "refunded" to Procomac the IPR expenses Procomac previously had paid, on May 28, 2014, well after Steuben Foods had first alleged that Procomac was an RPI, the fact remains that Procomac funded the IPR expenses until May 2014. Furthermore, something less than complete funding and control may be sufficient to justify similarly treating the party as an RPI. 77 Fed. Reg. at 48,760. We must consider the totality of circumstances. *Gonzalez,* 27 F.3d at 759.

We are not persuaded by GEA's argument that funding is not sufficient to make Procomac an RPI because "Procomac had no control over or involvement" in these

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10. One of the invoices from Pillsbury to GEA has the following handwritten note by GEA's General Counsel at the time, Mr. Doug L. Lunefeld:

[redacted] Ex. 2113, 1, 4; Ex. 2116. The parties dispute the meaning of the notations with Steuben Foods' counsel arguing that the notation indicates a [redacted] (Reply 2-3), and GEA's counsel (*i.e.*, Pillsbury) arguing that notation [redacted] "

(Sur-reply 1-2). Given that GEA does not provide declaratory testimony attesting to the meaning of the notation (*e.g.*, declaration testimony by the person who made the notation), we do not make a determination as to the definitive meaning of this notation as it is not necessary for our analysis.

reviews and did not request the reviews. Opp. 8. One of the considerations in determining whether a non-party is a real party-in-interest is whether the non-party has an "*opportunity to control* that might reasonably be expected between two formal coparties." 77 Fed. Reg. at 48,759 (emphasis added) (citations omitted). The evidence of record supports a reasonable inference that Procomac in fact had an opportunity to control GEA's participation in these IPRs.

The totality of the circumstances persuades us that there was no discernible boundary between GEA and Procomac in relation to these proceedings, providing Procomac ample opportunity to control GEA's participation in these proceedings. The facts here do not present the situation where Procomac and GEA are merely co-defendants with a mutual interest in the patentability of the Steuben Foods' patents. *See* 77 Fed. Reg. at 48,760 (solely because a non-party is a part of a joint defense group with a party that does file a petition for review, the non-party is not a real party-in-interest for purposes of the petition, but "*slight alterations in the facts, as well as consideration of other facts, including the non-party's relationship to the petitioner and the petition,* might result in a different conclusion") (emphasis added). GEA and Procomac are related companies, with a common parent, GEA Group. Steuben Foods alleges patent infringement by both GEA and Procomac of all five patents at issue in these proceedings in the related district court case. GEA is represented in these proceedings by Pillsbury, which represents both GEA and Procomac

in the district court case.[11] In addition, two in-house attorneys from GEA Group are designated as in-house legal representatives for both GEA and Procomac under the protective order in the district court case. Procomac also admitted in the related district court case to working with GEA to defend against the lawsuit. Ex. 2075 ("It is Procomac's understanding that defense work done with [GEA] to defend against the present [related district court lawsuit] would not be considered indirect assistance in connection with [GEA's] discrete IPR proceedings").[12] In addition, well before the instant proceedings were filed, GEA and Procomac entered into an [redacted] agreement with a third party covering the "Steuben Patents." Ex. 1052[13] ¶¶ 1-5. Under the agreement, GEA and Procomac jointly (the agreement defines "GEA" as GEA Process Engineering Inc. (Petitioner) and GEA Procomac S.p.A) have [redacted] Ex. 1052 ¶ 2. GEA and Procomac were so

11. *See Zoll Lifecor Corp.,* slip op. at 10 (Paper 13) (taking into consideration common counsel); *RPX v. Virnetx,* IPR2014-00171, slip op. at 6 (PTAB June 5, 2014) (Paper 49) (same).

12. While Procomac agreed to be bound by the statutory estoppel provisions under 35 U.S.C. § 315(e)(2) as a condition of the stay in the district court, it is not clear when Procomac made this concession, and neither party expressly argues that this fact affects our analysis. Ex. 2075.

13. Although the [redacted] agreement provided as Exhibit 1052 does not evidence execution, GEA has not disputed that the agreement was executed. *See* Opp.

closely aligned in relation to these proceedings that even the entities themselves did not fully appreciate they were separate and distinct entities, as demonstrated by the alleged [redacted] As discussed above, Procomac funded the significant costs of these proceedings until May 2014, approximately a month and a half after Steuben Foods first raised the RPI issue, and GEA produced evidence of that funding only after we ordered it to produce such discovery. Even assuming GEA sent the invoices for the IPR expenses to Procomac as a result of an [redacted] Procomac's opportunity to control GEA's participation in the instant proceedings was increased during the time because it was the entity entirely funding the proceedings. Furthermore, GEA has not produced evidence that the alleged [redacted] involved an insignificant amount of money; GEA did not agree to un-redact the GEA/Procomac invoices indicating the precise amount of money that was invoiced to Procomac. Paper 43, 3; *see* Mot. 11 (alleging that the amount of expenses invoiced to Procomac was "on the order of several hundred thousand dollars"). That a [redacted] of that proportion could take place is evidence of the closely aligned relationship between Procomac and GEA.

Therefore, based on the particular facts of this case, we determine that Procomac was an RPI of the instant proceedings that was not identified in the Petitions. Having decided that Procomac is an RPI, we must determine the appropriate remedy for GEA's failure to identify Procomac as such in the Petitions.

Appendix C

E. Correcting the Identification of Real Parties-In-Interest

Steuben Foods asserts that because Procomac is an RPI that GEA did not identify in the petitions, GEA must update the mandatory notices in these proceedings, and the petitions should be accorded a new filing date. Mot. 15. Because GEA filed the petitions on the "last possible day" before the § 315(b) bar applied, Steuben Foods argues the petitions are time barred. *Id.* GEA argues that if we determine now that Procomac is an RPI, we should allow GEA to correct the identification without changing the filing date because "(1) Petitions need not be completed on their filing date, and (2) Petitioner should equitably be allowed to correct a good-faith RPI mistake without changing Petitioner's filing date." Opp. 12-14. We determine that, based on the particular facts of this case, that GEA's failure to identify Procomac as an RPI is not the type of error that can be corrected without changing the filing date of the petitions.

Pursuant to statutory authority, we may not consider a petition unless it includes the identification of all real parties-in-interest. Specifically, 35 U.S.C. § 312(a)(2) dictates that "[a] petition filed under section 311 may be considered only if ... the petition identifies all real parties in interest." In order to receive a filing date, the petition must satisfy § 312(a) statutory requirements as of the filing date. *See, e.g.,* 37 C.F.R. § 42.106 (in order to receive an accorded filing date, the petition must satisfy § 42.104, which by requiring compliance with § 42.8, requires a mandatory notice that identifies each real

party-in-interest for the party); 77 Fed. Reg. at 48,763 (Aug. 14, 2012) ("To obtain a filing date, the petition must meet certain minimum standards."). Because GEA did not identify all the real parties-in-interest in its petitions, it has not met the statutory requirement of § 312(a)(2), and we cannot consider the petitions.

GEA contends that although § 42.106 requires a petition to be complete to receive a filing date, that requirement is regulatory, not statutory, and it should not be applied here because the Office's own FAQs concede that the Board disregards this rule and accords the filing date of the original submission if it includes "'only regulatory defects.'" Opp. 13 (citing Ex. 1058, 5). Our rules do allow for corrections of "clerical or typographical" mistakes in a petition for *inter partes* review while maintaining the original filing date. 37 C.F.R. § 42.104(c); *see also* 37 C.F.R. § 42.106(b) (allowing for correction of an incomplete petition). For example, the Board has allowed for the correction of certain papers filed in *inter partes* review proceedings to address non-substantive mistakes. *See, e.g., ABB Inc., Roy-G-Biv Corp.,* IPR2013-00063, slip op. at 5-10 (PTAB Jan. 16, 2013) (Paper 21). GEA, however, does not *now* argue that the failure to identify all RPIs in the petitions is a non-substantive "clerical or typographical" error. *See Chicago R.I. & P. Ry. Co. v. Schendel,* 270 U.S. 611, 620 (1926) ("Identity of parties is not a mere matter of form, but of substance. Parties nominally the same may be, in legal effect, different; and parties nominally different may be, in legal effect, the same.").

Furthermore, the rules contemplate that not all mistakes can be corrected without changing the filing date. *See, e.g.*, 77 Fed. Reg. at 48,699 ("[t]here is no provision allowing for the correction of a mistake that is not clerical or typographical in nature without a change in filing date."). The lack of a rule that allows for the correction to the identification of the RPIs without changing the filing date is consistent with the contemplated importance of identifying *all* the RPIs in the petitions. The mandatory notices included in the petition must include the identification of "each real party-in-interest for the party." 37 C.F.R. §§ 42.8(a)(1), (b)(1). The Board relies on petitioner's identification of the RPI to detennine conflicts of interest for the Office, the credibility of evidence presented in a proceeding, and standing of a party that previously has filed a civil action involving a patent for which an IPR is requested. *Id.* at 48,617. The failure to identify all the RPIs impedes the Board's ability to determine whether a request for *inter partes* review is timely. This is so because an IPR may not be instituted if the petition is filed more than one year after the date on which the petitioner, the RPI, or privy of the petitioner is served with a complaint alleging infringement of the patent. 35 U.S.C. § 315(b). Further, the failure to identify the RPI impedes the Board's ability to determine whether the IPR may be barred under 35 U.S.C. § 315(a)(1), or whether an RPI or privy of the petitioner is estopped from requesting review under 35 U.S.C. § 315(e).

Lastly, GEA argues that equity and justice warrant allowing GEA to correct its identification of the RPIs without changing the filing dates of the Petitions. Opp. 13-

15. According to GEA, "[t]he Board should allow Procomac to be added as an RPI (if needed) without changing Petitioner's filing date to 'avoid defeating substantive rights' with 'wooden interpretations' of rules that were not intended to procedurally void otherwise valid claims." *Id.* at 14 (citation omitted). Even assuming we have authority to consider a petition pursuant to § 312(a)(2) when a "goodfaith" mistake has impeded Petitioner from identifying all real parties-in-interest, the facts of this particular case do not warrant such equitable relief. We determine that that equity does not dictate allowing GEA to make the RPI correction without changing the filing dates. GEA *initially* argued that the failure to identify Procomac as an RPI was a clerical error. Paper 18, 5. Subsequently, however, discovery revealed that Procomac funded all the IPR expenses in these cases until May 2014 and that it had the opportunity to control GEA's participation in these proceedings. GEA did not admit that Procomac funded the IPR expenses, or produce the relevant discovery, until long after Steuben Foods alleged that Procomac was an RPI. Indeed, GEA still asserts that Procomac is not an RPI (Opp. 1) despite the overwhelming evidence of its relationship with GEA and these proceedings, discussed above. GEA, thus, has not persuaded us that we should allow it to correct the identification of the RPIs in these trials without changing the filing dates of the Petitions.

III. CONCLUSION

Based on the foregoing discussion, we determine that GEA's Petitions do not identify all RPIs. Thus, the

Petitions are incomplete pursuant to § 312(a), which dictates that we cannot consider the Petitions. Rule 42.106 provides that "[w]here a party files an incomplete petition, no filing date will be accorded, and the Office will dismiss the petition if the deficiency in the petition is not corrected within one month from the notice of an incomplete petition." Granting GEA a month within which to correct its incomplete Petitions is futile in this instance because, even if corrected, the earliest filing dates that could be accorded to the Petitions would not fall within the one-year period specified by the 35 U.S.C. § 315(b) statutory-bar. *See Zoll Lifecor,* slip op. at 12 (Paper 13). Because we cannot consider the petitions, we terminate these trials. Furthermore, because the Petitions should not have been considered at institution, we vacate our Decisions on Institution.[14]

In consideration of the foregoing, it is:

ORDERED that the trials in IPR2014-00041, IPR2014-00043, IPR2014-00051, IPR2014-00054, and IPR2014-00055 are hereby terminated; and

FURTHER ORDERED that the Decisions on Institution in IPR2014-00041, IPR2014-00043, IPR2014-00051, IPR2014-00054, and IPR2014-00055 are hereby vacated.

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14. Steuben Foods requested oral argument. Paper 98. GEA did not make a request for oral argument. The relevant statute, 35 U.S.C. 316(a)(1), dictates that the Director shall prescribe regulations providing either party with the right to an oral hearing as part of the proceeding. Given that trials should not have been instituted in these proceedings, we do not hold an oral hearing.

APPENDIX D — DECISION OF THE UNITED STATES PATENT AND TRADEMARK OFFICE, DATED MARCH 10, 2014

UNITED STATES PATENT
AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL
AND APPEAL BOARD

Case IPR2014-00043
Patent 6,475,435

GEA PROCESS ENGINEERING, INC.

Petitioner

v.

STEUBEN FOODS, INC.

Patent Owner

Before RAMA G. ELLURU, BEVERLY M. BUNTING, and CARL M. DEFRANCO, *Administrative Patent Judges.*

ELLURU, *Administrative Patent Judge.*

DECISION
Institution of *Inter Partes* Review
37 C.F.R. § 42.108

Appendix D

I. BACKGROUND

Petitioner, GEA Process Engineering, Inc. ("GEA"), filed a corrected petition ("Pet.") requesting an *inter partes* review of claims 1-37 of U.S. Patent No. 6,475,435 (Ex. 1001, "the '435 patent") on October 21, 2013. Paper 5. Patent Owner, Steuben Foods, Inc. ("Steuben Foods"), waived the right to file a preliminary response to the petition. Paper 14. We have jurisdiction under 35 U.S.C. §§ 6(b) and 314.

The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a), which states:

> THRESHOLD. — The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

Upon consideration of the petition, we conclude that GEA has established a reasonable likelihood that it would prevail with respect to claims 1-37 of the '435 patent. Accordingly, we grant the petition and institute an *inter partes* review of claims 1–37 of the '435 patent.

Appendix D

A. Related Proceedings

GEA indicates that the '435 patent is being asserted in the following district court cases: *Steuben Foods, Inc. v. GEA Process Eng'g, Inc.*, Case No. 1:2012-cv-00904-WMS-HKS (W.D.N.Y.); *Steuben Foods, Inc. v. Oystar USA*, Case No. 1:2010-cv-00780 (W.D.N.Y.); *Steuben Foods, Inc. v. Shibuya Hoppmann Corp.*, Case No. 1:2010-cv-00781 (W.D.N.Y.); *Steuben Foods, Inc. v. HP Hood LLC*, Case No. 1:2012-cv-00211 (W.D.N.Y.); *Steuben Foods, Inc. v. Nestle, USA*, Case No. 1:13-cv-00892 (W.D.N.Y.). Pet. 1. The '435 patent is the subject of an *ex parte* reexamination (control no. 90/012,135, filed Sept. 9, 2012). *Id*. at 1-2. The '435 Patent is related to the following U.S. Patents, which are or were under reexamination: U.S. Patent No. 6,475,468 (control no. 90/000,686, filed Sept. 12, 2012); U.S. Patent No. 6,209,591 (control no. 90/012,533, filed Sept. 13, 2013); U.S. Patent No. 6,536,188 (control nos. 90/011,072 and 90/011,357, reexamination certificate issued Sept. 12, 2013); and U.S. Patent No. 6,945,013 (control no. 95/001,452, filed Sept. 24, 2010). GEA also contemporaneously filed petitions for *inter partes* review (IPR2014-00041, IPR2014-00051, IPR2014-00054, IPR2014-00055, and IPR2014-00056) of those four related patents. *Id*. at 2.

B. The '435 Patent (Ex. 1001)

The '435 Patent issued from an application filed on June 11, 1999, and claims the benefit of the filling date of a provisional application filed on February 2, 1999. Ex. 1001, title page, 1:6-7.

Appendix D

The '435 patent is directed to an apparatus and method for providing sterilization zones in an aseptic packaging sterilization tunnel that surrounds a plurality of containers with pressurized gas. *Id.* at 1:12-14, 3:30-31. The sterilization tunnel comprises a plurality of sterile zones created by a plurality of partitions and a plurality of hot sterile air supply sources (e.g., conduits). *Id.* at 2:46-48, 3:20. The aseptic sterilant may be hydrogen peroxide. *Id.* at 2:23-24. "The sterile zones provide a plurality of sterilant concentration levels [e.g., 'at a ratio of at least about 5 to 1'] within the sterilization tunnel." *Id.* at 2:48-50; 3:20-21, 16:52. For example, the '435 patent provides an embodiment wherein the sterilant concentration is about 1000 parts per million (ppm) in a bottle sterilizer zone. *Id.* at 9:38-39, 9:51-10:2. In contrast, the sterilant concentration is the lowest, less than 0.5 ppm and typically about 0.1 ppm, in a filling zone, preventing unwanted high levels of sterilant to enter the food product during filling. *Id.* at 9:59-66. In addition, the sterile zones have a plurality of gas flow rates within the sterilization tunnel. *Id.* at 2:50-51, 3:39-40.

C. Representative Claims

GEA challenges claims 1–37 of the '435 patent. Claims 1, 4, 17, 33, and 37 are independent claims. Claims 1 and 37 are representative of the claimed subject matter and are reproduced below.

1. Apparatus comprising:

> a sterilization tunnel for surrounding a plurality of containers with pressurized gas; and

a plurality of zones within the sterilization tunnel having different sterilant concentration levels therein wherein the sterilant concentration levels in the plurality of zones are maintained at a ratio of at least about 5 to 1.

37. Apparatus comprising:

means for providing a plurality of containers in a sterilization tunnel;

means for providing a plurality of sterilant concentration zones within the sterilization tunnel wherein the sterilant concentration levels of the plurality of sterilant concentration zones are maintained at a ratio of at least about 5 to 1; and

means for providing a plurality of gas flow rates within the sterilization tunnel.

D. Prior Art Relied Upon

GEA relies upon the following prior art references:

Kelbrick	US 5,534,222	Jul. 9, 1996	(Ex. 1004)
Müller	US 4,631,173	Dec. 23, 1986	(Ex. 1005)
Scholle	US 4,417,607	Nov. 29, 1983	(Ex. 1008)

21 C.F.R. § 178.1005(d) (1997) ("FDA Rule") (Ex. 1002)

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J. Chambers et al., *Principles of Aseptic Processing and Packaging*, The Food Processors Institute (2d ed.1993)

(Ex. 1003) ("Chambers)

H. Reuter, *Aseptic Processing of Foods*, B. Behr's Verlag GmbH & Co. (1993)

(Ex. 1006) ("Reuter")

N. Buchner, *Aseptic Filling of Glass and Plastic Containers,* ZFL Magazine, Vol. 41, No. 5 (1990) (with translation)

(Ex. 1007) ("ZFL")

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E. The Asserted Grounds of Unpatentability

GEA challenges the patentability of claims of the '435 patent on the following grounds. Pet. 10.

Reference(s)	Basis	Claims challenged
ZFL	§ 102	1-32
ZFL and Kelbrick	§ 103	1-37
ZFL, Kelbrick, 21 C.F.R. § 178.1005(d)[1] (1997), Chambers, and Scholle	§ 103	1-37
ZFL, Kelbrick, 21 C.F.R. § 178.1005(d) (1997), Chambers, Scholle, and Müller	§ 103	4, 37
Reuter	§ 102	1-32
Reuter and Kelbrick	§ 103	1-37
Reuter, Kelbrick, 21 C.F.R. § 178.1005(d) (1997), Chambers, and Scholle	§ 103	1-37
Reuter, Kelbrick, 21 C.F.R. § 178.1005(d) (1997), Chambers, Scholle, and Müller	§ 103	4, 37

1. This section of the Code of Federal Regulations states "No use of hydrogen peroxide solution in the sterilization of food packaging material shall be considered to be in compliance if more than 0.5 part per million of hydrogen peroxide can be determined in distilled water packaged under production conditions (assay to be performed immediately after packaging)." Ex. 1002, 2.

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II. ANALYSIS

A. GEA's Request to Stay or Consolidate the Parallel Reexamination

In its petition, GEA requested that the co-pending *ex parte* reexamination of the '435 patent (Reexamination Control No. 90/012,135) be stayed or that this *inter partes* review proceeding be consolidated with the reexamination. Pet. 1. GEA further requested that if Steuben Foods sought any new or amended claims in the reexamination, then the Board should require Steuben Foods to add such claims to this proceeding to give GEA an opportunity to challenge their patentability here. *Id.* The Board held a conference call with GEA and Steuben Foods to discuss the issue and ordered the parties to submit briefing setting forth their respective positions. Paper 9. Upon reviewing the briefs, the Board denied the request for consolidation or a stay, without prejudice to our consideration of consolidation or a stay at the time of our institution decision. Paper 12.

The Board ordinarily will not stay a co-pending reexamination because, in absence of good cause, reexaminations are conducted with special dispatch. *CBS Interactive Inc. v. Helferich Patent Licensing, LLC*, IPR2013-00033, Paper 15 at 2 (Nov. 6, 2012). As GEA has indicated (Paper 10 at 2), the Examiner issued a nonfinal action in the reexamination rejecting claims 1-37, on September 17, 2012. Ex. 1010. One factor the Board considers in determining whether to stay a parallel reexamination is whether the patent

claims being challenged are subject to amendment in the reexamination. Here, however, Steuben Foods has agreed to forgo amendments to the issued claims in the reexamination. Another factor the Board considers is the extent of overlapping issues in the two proceedings. While there is complete overlap between the claims challenged here, claims 1-37, and the claims rejected in the non-final action in the reexamination, the only prior art reference asserted in the reexamination that overlaps with references in the current *inter partes* review proceeding is Scholle. Paper 10 at 2. Given the limited overlap in the asserted prior art, and Steuben Foods's stipulation that it will not amend the issued claims in the reexamination, we decline to stay the reexamination. We also decline to exercise our discretion under the rules, 37 C.F.R. § 42.122(a), to consolidate the reexamination with the current proceeding. The reexamination currently involves forty-two claims in addition to the thirty-seven original patent claims. Paper 10 at 2. Consolidation, therefore, would increase significantly the number of claims for review, which could delay the time to final decision. *See* 37 C.F.R. § 42.1(b) (rules shall be construed to secure the just, speedy, and inexpensive resolution of every proceeding).

B. Claim Interpretation

In an *inter partes* review, claim terms in an unexpired patent are given their broadest reasonable construction in light of the specification of the patent in which they appear. 37 C.F.R. § 42.100(b). Under the broadest reasonable interpretation standard, claim terms are given their ordinary and customary meaning in view of the

specification, as would be understood by one of ordinary skill in the art at the time of the invention. *In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007). Any special definition for a claim term must be set forth in the specification with reasonable clarity, deliberateness, and precision. *In re Paulson*, 30 F.3d 1475, 1480 (Fed. Cir. 1994).

For purposes of this decision, and based on the record before us, we interpret the following "means for" claim terms of claim 37: "means for providing a plurality of containers in a sterilization tunnel," "means for providing a plurality of sterilant concentration zones within the sterilization tunnel wherein the sterilant concentration levels of the plurality of sterilant concentration zones are maintained at a ratio of at least about 5 to 1," and "means for providing a plurality of gas flow rates within the sterilization tunnel."

Under 35 U.S.C. § 112, sixth paragraph,[2] a claim element expressed as a means or a step for performing a specified function without the recital of structure, material, or acts in support thereof, is construed properly as covering the corresponding structure, material or acts described in the specification and equivalents thereof. To determine what is covered by a means-plus-function element, we look to the specification to identify

2. Section 4(c) of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 112 Stat. 284 (2011) ("AIA") re-designated 35 U.S.C. § 112, ¶ 6, as 35 U.S.C. § 112(f). Because the '435 patent has a filing date before September 16, 2012 (effective date of the AIA), we will refer to the pre-AIA version of 35 U.S.C. § 112.

the corresponding structure, material, or acts that are described as performing the recited function. 35 U.S.C. § 112, sixth paragraph; *In re Donaldson Co.*, 16 F.3d 1189, 1193 (Fed. Cir. 1994) (en banc).

"means for providing a plurality of containers in a sterilization tunnel"

According to GEA, the structure described in the specification that corresponds to the "means for providing a plurality of containers in a sterilization tunnel" limitation "includes 'a bottle lifter 40 for providing a supply of properly oriented empty bottles.'" Pet. 6-7 (citing Ex. 1001, Fig. 2; 5:11-12). We agree with GEA's interpretation, in part, because it is supported by the specification, as cited by GEA. The '435 specification, however, discloses additional structure that performs the function of providing a plurality of containers in a sterilization tunnel. Specifically, the embodiment of the aseptic processing apparatus to which GEA refers for its proposed interpretation also includes "a first bottle unscrambler." Ex. 1001, 5:9-10. The specification explains that the first bottle unscramble manipulates bottles that arrive at the scrambler oriented in any direction until the opening of each bottle is in a top vertical position. *Id.* at 5:21-25. The bottles leave the first bottle unscrambler and travel to a first bottle lifter. *Id.* at 5:25-29. The bottle lifter lifts and transports the bottles to a bottle infeed and sterilization apparatus. *Id.* at 5:29-31. Although the specification further explains that a second bottle unscrambler *may* be used (*id.* at 5:31-32), we do not limit the interpretation of the "means" limitation at issue to

include this additional structure as it is not required to perform the claimed function.

Thus, we determine that the structure that corresponds to the claimed function "providing a plurality of containers in a sterilization tunnel" is *a bottle unscrambler and a bottle lifter.*

> *"means for providing a plurality of sterilant concentration zones within the sterilization tunnel wherein the sterilant concentration levels of the plurality of sterilant concentration zones are maintained at a ratio of at least about 5 to 1"*

GEA contends that the structure described in the specification that corresponds to the "means for providing a plurality of sterilant concentration zones within the sterilization tunnel wherein the sterilant concentration levels of the plurality of sterilant concentration zones are maintained at a ratio of at least about 5 to 1" limitation includes a combination of elements. Pet. 7-9. Specifically, GEA contends that the structure includes "a series of partitions 130A, 130B, 130C that sequentially divide the sterilization tunnel 90", "a bottle sterilizer that sprays hot atomized H2O2 sterilant vapor fog into the fourth zone 165," "an activation and drying apparatus 152 that [] applies hot sterile air to the bottles," and "a 'control system 550'" to perform numerous operations. *Id.* at 7-9. In support, GEA refers to statements Steuben Foods made in the reexamination proceeding. *Id.* at 9. We must accord the claim language the broadest reasonable interpretation in light of the specification, and the '435 patent specification does not support GEA's narrow interpretation.

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The claimed function of the claim limitation at issue is "providing a plurality of sterilant concentration zones within the sterilization tunnel" wherein the zones have different sterilant concentrations levels, specifically, "a ratio of at least about 5 to 1." The '435 specification expressly states that a "[a] plurality of partitions and a plurality of hot sterile air supply sources (e.g., conduits) provide a plurality of sterile zones within the sterilization tunnel." Ex. 1001, 2:46-48. In addition, the '435 patent specification discloses an embodiment in which "[t]he partitions 130A, 130B, and 130C *create* sterilization zones 164, 165, 166, and 172 with different concentration levels of gas laden sterilant." *Id.* at 9:51-53 (emphasis added). Thus, based on the specification, we determine that the structure that corresponds to the claimed "means for providing a plurality of sterilant concentration zones within the sterilization tunnel wherein the sterilant concentration levels of the plurality of sterilant concentration zones are maintained at a ratio of at least about 5 to 1" is *a plurality of partitions between zones and a plurality of hot sterile air supply sources*.

"*means for providing a plurality of gas flow rates within the sterilization tunnel*"

GEA contends that the structure described in the specification that corresponds to the "means for providing a plurality of gas flow rates within the sterilization tunnel" includes: "a series of inlet and exhaust conduits, a source of pressurized gas, a plurality of flow sensors to measure gas flow rates in the different zones, and a control system for regulating the gas flow rates in different zones within

the sterilization tunnel to predetermined flow rates, as shown in FIGS. 3." Pet. 10 (citing Ex. 1001, 10:3-31, 14:46-48, 15:43-45). We agree, in part, with GEA.

The '435 specification discloses inlet and outlet conduits through which sterilant gas enters and exits the multiple sterilization zones of the sterilization tunnel. Ex. 1001, Fig. 3; 10:3-31. For example, sterile gas enters and exits first sterilization zone 164 through conduits 148 and exhaust ports 153, respectively. *Id*. at 10:3-7, 10:11-14. The '435 specification further discloses a control system 550 for monitoring the air pressure and flow rate of the sterile heated air "to ensure that an adequate flow of the hot sterile air is maintained" in various parts of the sterilization tunnel. *See, e.g.*, *id*. at 7:4-8, 7:34-37, 10:42-45. Control system 550 gathers information from monitoring devices, including "[a] plurality of flow sensors to ensure that the airflow rate of the sterile air entering the sterilization tunnel 90 is correct." *Id*. at 14:43-51, 15:43-45. We do not agree, however, that a source of pressurized gas is part of the structure that performs the function of providing a plurality of gas flow rates within the sterilization tunnel, as that is part of the structure that provides the plurality of sterilization zones, discussed above.

Accordingly, we determine that the structure that corresponds to the claimed function "providing a plurality of gas flow rates within the sterilization tunnel" is *a series of inlet and exhaust conduits, a control system, and a plurality of flow sensors*.

C. Obviousness of claims 1-37

GEA contends that claims 1-37 would have been obvious over ZFL, Kelbrick, 21 C.F.R. § 178.1005(d), Chambers, and Scholle. Pet. 10. Based on the record before us, we are persuaded that, based on the information presented, GEA has demonstrated a reasonable likelihood that it will prevail with respect to claims 1-37.

GEA asserts that the combination of references, identified above, describes the limitations of claim 1 as follows.

Claim 1

Apparatus comprising a sterilization tunnel for surrounding a plurality of containers with pressurized gas

ZFL discloses the aseptic filling of containers within a "fully enclosed system, which is ventilated by sterile air at a slight overpressure." Ex. 1007, E4,[3] *see id.* at E2. ZFL's sterilization system, which includes a "chamber-like enclosure" for the containers, uses a combination of steam rinsing together with H2O2 condensation that is "carried onto all inner and outer surfaces of the containers" prior to being dried off using sterile hot air. *Id.* at E1, E2.

3. The page numbers refer to those on the bottom left side of the page as opposed to the bottom right side.

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a plurality of zones within the sterilization tunnel having different sterilant concentration levels therein wherein the sterilant concentration levels in the plurality of zones are maintained at a ratio of at least about 5 to 1

GEA contends that the limitation "maintaining" specified "sterilant concentration levels" is a functional limitation of intended use and that ZFL discloses a system that is capable of being used in the intended manner. Pet. 12. Based on the record before us, we are persuaded by GEA's contention.

The ZFL system includes different zones for a "rinser," "a sterilizer for thebottles," a "filler," and a "connecting tunnel." Ex. 1007, E2.

Kelbrick also discloses an aseptic container sterilizing and filling machine comprising different zones and teaches using 33% H2O2 as the sterilant. Ex. 1004, 2:33-50; 2:57-60. Chambers also teaches the use of 30-35% H2O2. Ex. 1003, 60. The different zones in Kelbrick are maintained at different pressures. Ex. 1004, 3:8-40. In particular, the container filling and sealing zones are kept at a higher pressure than the pressure in the lidstock feed and container sterilization zones, which, in turn, is higher than the ambient atmospheric pressure. *Id.* Kelbrick and Scholle each teach using partitions between different zones. *Id.* at 3:17 (disclosing a "baffle divider" to allow for pressure differentials between zones); Ex. 1008, 6:25-42. Such pressure differentials and resulting air flow create different concentrations of a sterilant in the various

zones of the sterilization system. Pet. 15 ("Such pressure differentials and air flow prevents the high concentration of H2O2 vapor fog in the bottle sterilizer zone from flowing against that air flow in the filling and sealing zones that are intended to be kept free of H2O2."); *see* Ex. 1001, 9:41-50 (explaining that gas flow leakage is from the direction of the higher pressure zone to the lower pressure zone).

Based on the record before us, we are persuaded by GEA's argument (Pet. 14) that a person of ordinary skill would have been motivated to modify ZFL's system with Kelbrick's differential pressure teaching structure (i.e., blower to create positive air pressure, multiple sterile air inlet and exhaust ducts in different zones). *See* Pet. 12-15; Ex. 1004, 2:63-67, 3:8-40. In particular, a person of ordinary skill would have been motivated to maintain different sterilant concentration levels in the various zones. A skilled artisan would have been motivated to maintain a high concentration of H2O2 in ZFL's bottle sterilizer zone so as to ensure coating of "all inner and outer surfaces" and achieve faster, more complete sterilization of the containers. Pet. 12-13. Furthermore, a person of ordinary skill in the art would have been motivated to minimize H2O2 in the filler zone to ensure compliance with U.S. Food and Drug Administration ("FDA") regulations. Pet. 13 (citing Ex. 1007, E3 (stating that the residual peroxide in the containers is less than 0.5 ppm); Ex. 1002 (FDA regulation requiring H2O2 concentration to be not "more than 0.5" ppm)).

As to the required at least 5:1 concentration levels, maintaining different sterilant concentration levels in

different zones of a sterilizing system for packing food (e.g., higher in the sterilization zone and lower in the filler zone) was a known, result-effective parameter, as discussed above. Accordingly, modifying the ZFL machine to meet the claimed ratio would have amounted to no more than the obvious optimization of known, result-effective parameters. *See In re Aller*, 220 F.2d 454, 456 (CCPA 1955).

Accordingly, we determine that the record before us establishes a reasonable likelihood that GEA will prevail with respect to claim 1.

GEA further asserts that the combination of references, identified above, describes the limitations of claim 37 as follows.

Claim 37

means for providing a plurality of containers in a sterilization tunnel

As noted above, we have determined that the disclosed structure that corresponds to this claim limitation is *a bottle unscrambler and bottle lifter*. ZFL discloses a "bottle feeding conveyer" that "lift[s] and input[s] into the cells of a multi-lane cup chain." Ex. 1007, E2; Fig. 3 (illustrating the "bottle feeding conveyer" that leads into the bottle sterilizer zone). Figure 3 also indicates that the system manipulates the bottles such that the opening of each bottle is in a top vertical position.

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means for providing a plurality of sterilant concentration zones within the sterilization tunnel wherein the sterilant concentration levels of the plurality of sterilant concentration zones are maintained at a ratio of at least about 5 to 1

As noted above, we have determined that the structure that corresponds to this claim limitation is *a plurality of partitions between zones and a plurality of hot sterile air supply sources*.

The ZFL system modified with Kelbrick's pressure differential teachings would be a fully enclosed system comprising various zones, such as "sterilizer" and "filler" zones. *Id*. at E2; Fig. 1. The combination of ZFL, Scholle, and Kelbrick teaches the required partitions between zones. In Scholle, partitions divide the chamber into spraying, drying, and filling compartments. Ex. 1008, 1:54-62, 4:60-65; Figs. 3, 4. The Scholle system continually sprays a mist of hydrogen peroxide into the spraying compartment during the operation of the system. *Id*. at 5:15-26, 5:43-49. Scholle explains that the partitions between the different compartments, and maintaining a particular compartment at a positive pressure via a flow of sterile heated air, reduce the tendency of the hydrogen peroxide mist in one compartment (e.g., spraying compartment) from migrating into a compartment with a positive pressure (e.g., drying compartment). *Id*. at 6:25-43. In addition, Kelbrick discloses "baffle divider 40" between different zones of an enclosed system in order to provide for pressure differentials between the zones. Ex. 1004, 3:16-19; Fig. 1.

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With respect to a "plurality of hot sterile air supply sources," ZFL discloses the enclosed system is ventilated by "sterile air." Ex. 1007, E4. Scholle likewise discloses a source of sterile heated air. Ex. 1008, 5:12-15; Figs. 1, 2.

means for providing a plurality of gas flow rates within the sterilization tunnel

As noted above, we have determined that the structure that corresponds to this claim limitation is *a series of inlet and exhaust conduits, a control system, and a plurality of flow sensors*.

Kelbrick teaches inlet and exhaust ducts. Ex. 1004, 2:63-3:9, 3:31-40; Fig. 1. In addition, Scholle teaches a sterilizing system in which "[c]ontrollers 92 *monitor*, record, and control the [] processes and continually *regulate flow rate*, pressure, and temperature variables, such as the source temperature of the sterilized air, and the air pressure in the filling compartment." Ex. 1008, 5:59-68 (emphasis added). Based on the record before us, as discussed above, we are persuaded that a person of ordinary skill in the art would have had modified the ZFL system with Kelbrick and Scholle to maintain a high concentration of H2O2 vapor in ZFL's bottle sterilizer zone to achieve faster, more complete sterilization, while minimizing the H2O2 concentration in the filler zones to comply with FDA requirements. Pet. 12-13 (citing Ex. 1007; 1002).

Accordingly, we determine that the record before us establishes a reasonable likelihood that GEA will prevail with respect to claim 37.

We have considered the arguments and evidence presented by GEA, and we are persuaded that GEA has demonstrated a reasonable likelihood that independent claims 1 and 37 are rendered obvious by the combination of ZFL, Kelbrick, 21 C.F.R. § 178.1005(d), Chambers, and Scholle. We also have considered GEA's arguments and evidence as to the obviousness of claims 2-36 and are persuaded that GEA has demonstrated a reasonable likelihood that it will prevail as to those claims as well. Accordingly, we institute *inter partes* review of claims 1-37 for obviousness over ZFL, Kelbrick, 21 C.F.R. § 178.1005(d), Chambers, and Scholle.

D. Other Challenges

Upon review of the other challenges asserted by GEA against claims 1-37, we conclude that they are redundant in light of the grounds on the basis of which we institute review.

III. CONCLUSION

For the foregoing reasons, we determine that GEA has demonstrated a reasonable likelihood that it will prevail on its challenge to claims 1-37 of the '435 patent.

At this stage of the proceeding, the Board has not made a final determination as to the patentability of any challenged claim.

IV. ORDER

It is

ORDERED that an *inter partes* review is hereby instituted as to claims 1-37 of the '435 patent on the following ground:

Claims 1-37 as obvious under 35 U.S.C. § 103 by the combination of ZFL, Kelbrick, 21 C.F.R. § 178.1005(d), Chambers, and Scholle;

FURTHER ORDERED that all other grounds presented in GEA's petition are *denied*, and no ground other than the ground specifically granted above is authorized for the *inter partes* review as to claims 1-37 and

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(a), *inter partes* review of the '435 patent is hereby instituted commencing on the entry date of this Order, and pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial;

FURTHER ORDERED that an initial conference call with the Board is scheduled for 3:00pm Eastern Time on March 31, 2014. The parties are directed to the Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,765-66 (Aug. 14, 2012) for guidance in preparing for the initial conference call, and should be prepared to discuss any proposed changes to the Scheduling Order entered herewith and any motions the parties anticipate filing during the trial.

APPENDIX E — RELEVANT STATUTES

28 U.S.C.A. § 1291

§ 1291. Final decisions of district courts

Currentness

The courts of appeals (other than the United States Court of Appeals for the Federal Circuit) shall have jurisdiction of appeals from all final decisions of the district courts of the United States, the United States District Court for the District of the Canal Zone, the District Court of Guam, and the District Court of the Virgin Islands, except where a direct review may be had in the Supreme Court. The jurisdiction of the United States Court of Appeals for the Federal Circuit shall be limited to the jurisdiction described in sections 1292(c) and (d) and 1295 of this title.

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28 U.S.C.A. § 1295

§ 1295. Jurisdiction of the United States Court of Appeals for the Federal Circuit
Effective: September 16, 2012

Currentness

(a) The United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction—

***

(4) of an appeal from a decision of—

(A) the Patent Trial and Appeal Board of the United States Patent and Trademark Office with respect to a patent application, derivation proceeding, reexamination, post-grant review, or *inter partes* review under title 35, at the instance of a party who exercised that party's right to participate in the applicable proceeding before or appeal to the Board, except that an applicant or a party to a derivation proceeding may also have remedy by civil action pursuant to section 145 or 146 of title 35; an appeal under this subparagraph of a decision of the Board with respect to an application or derivation proceeding shall waive the right of such applicant or party to proceed under section 145 or 146 of title 35;

(B) the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent

and Trademark Office or the Trademark Trial and Appeal Board with respect to applications for registration of marks and other proceedings as provided in section 21 of the Trademark Act of 1946 (15 U.S.C. 1071); or

(C) a district court to which a case was directed pursuant to section 145, 146, or 154(b) of title 35;

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35 U.S.C.A. § 141

§ 141. Appeal to Court of Appeals
for the Federal Circuit

Effective: September 16, 2012

Currentness

(a) Examinations.—An applicant who is dissatisfied with the final decision in an appeal to the Patent Trial and Appeal Board under section 134(a) may appeal the Board's decision to the United States Court of Appeals for the Federal Circuit. By filing such an appeal, the applicant waives his or her right to proceed under section 145.

(b) Reexaminations.—A patent owner who is dissatisfied with the final decision in an appeal of a reexamination to the Patent Trial and Appeal Board under section 134(b) may appeal the Board's decision only to the United States Court of Appeals for the Federal Circuit.

(c) Post-grant and inter partes reviews.—A party to an inter partes review or a post-grant review who is dissatisfied with the final written decision of the Patent Trial and Appeal Board under section 318(a) or 328(a) (as the case may be) may appeal the Board's decision only to the United States Court of Appeals for the Federal Circuit.

(d) Derivation proceedings.—A party to a derivation proceeding who is dissatisfied with the final decision of

the Patent Trial and Appeal Board in the proceeding may appeal the decision to the United States Court of Appeals for the Federal Circuit, but such appeal shall be dismissed if any adverse party to such derivation proceeding, within 20 days after the appellant has filed notice of appeal in accordance with section 142, files notice with the Director that the party elects to have all further proceedings conducted as provided in section 146. If the appellant does not, within 30 days after the filing of such notice by the adverse party, file a civil action under section 146, the Board's decision shall govern the further proceedings in the case.

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35 U.S.C.A. § 142

§ 142. Notice of appeal

Effective: November 2, 2002

Currentness

When an appeal is taken to the United States Court of Appeals for the Federal Circuit, the appellant shall file in the Patent and Trademark Office a written notice of appeal directed to the Director, within such time after the date of the decision from which the appeal is taken as the Director prescribes, but in no case less than 60 days after that date.

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35 U.S.C.A. § 143

§ 143. Proceedings on appeal

Effective: September 16, 2012

Currentness

With respect to an appeal described in section 142, the Director shall transmit to the United States Court of Appeals for the Federal Circuit a certified list of the documents comprising the record in the Patent and Trademark Office. The court may request that the Director forward the original or certified copies of such documents during pendency of the appeal. In an *ex parte* case, the Director shall submit to the court in writing the grounds for the decision of the Patent and Trademark Office, addressing all of the issues raised in the appeal. The Director shall have the right to intervene in an appeal from a decision entered by the Patent Trial and Appeal Board in a derivation proceeding under section 135 or in an *inter partes* or post-grant review under chapter 31 or 32. The court shall, before hearing an appeal, give notice of the time and place of the hearing to the Director and the parties in the appeal.

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35 U.S.C.A. § 144

§ 144. Decision on appeal

Effective: November 2, 2002

Currentness

The United States Court of Appeals for the Federal Circuit shall review the decision from which an appeal is taken on the record before the Patent and Trademark Office. Upon its determination the court shall issue to the Director its mandate and opinion, which shall be entered of record in the Patent and Trademark Office and shall govern the further proceedings in the case.

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35 U.S.C.A. § 145

§ 145. Civil action to obtain patent

Currentness

An applicant dissatisfied with the decision of the Patent Trial and Appeal Board in an appeal under section 134(a) may, unless appeal has been taken to the United States Court of Appeals for the Federal Circuit, have remedy by civil action against the Director in the United States District Court for the Eastern District of Virginia if commenced within such time after such decision, not less than sixty days, as the Director appoints. The court may adjudge that such applicant is entitled to receive a patent for his invention, as specified in any of his claims involved in the decision of the Patent Trial and Appeal Board, as the facts in the case may appear and such adjudication shall authorize the Director to issue such patent on compliance with the requirements of law. All the expenses of the proceedings shall be paid by the applicant.

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35 U.S.C.A. § 311

§ 311. Inter partes review

Effective: January 14, 2013

Currentness

(a) In general.—Subject to the provisions of this chapter, a person who is not the owner of a patent may file with the Office a petition to institute an inter partes review of the patent. The Director shall establish, by regulation, fees to be paid by the person requesting the review, in such amounts as the Director determines to be reasonable, considering the aggregate costs of the review.

(b) Scope.—A petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.

(c) Filing deadline.—A petition for inter partes review shall be filed after the later of either—

(1) the date that is 9 months after the grant of a patent; or

(2) if a post-grant review is instituted under chapter 32, the date of the termination of such post-grant review.

Appendix E

35 U.S.C.A. § 312

§ 312. Petitions

Effective: September 16, 2012

Currentness

(a) Requirements of petition.—A petition filed under section 311 may be considered only if—

(1) the petition is accompanied by payment of the fee established by the Director under section 311;

(2) the petition identifies all real parties in interest;

(3) the petition identifies, in writing and with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim, including—

(A) copies of patents and printed publications that the petitioner relies upon in support of the petition; and

(B) affidavits or declarations of supporting evidence and opinions, if the petitioner relies on expert opinions;

(4) the petition provides such other information as the Director may require by regulation; and

(5) the petitioner provides copies of any of the documents required under paragraphs (2), (3), and (4) to the patent owner or, if applicable, the designated representative of the patent owner.

(b) Public availability.—As soon as practicable after the receipt of a petition under section 311, the Director shall make the petition available to the public.

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35 U.S.C.A. § 313

§ 313. Preliminary response to petition

Effective: September 16, 2012

Currentness

If an inter partes review petition is filed under section 311, the patent owner shall have the right to file a preliminary response to the petition, within a time period set by the Director, that sets forth reasons why no inter partes review should be instituted based upon the failure of the petition to meet any requirement of this chapter.

Appendix E

35 U.S.C.A. § 314

§ 314. Institution of inter partes review

Effective: September 16, 2012

Currentness

(a) Threshold.—The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

(b) Timing.—The Director shall determine whether to institute an inter partes review under this chapter pursuant to a petition filed under section 311 within 3 months after—

(1) receiving a preliminary response to the petition under section 313; or

(2) if no such preliminary response is filed, the last date on which such response may be filed.

(c) Notice.—The Director shall notify the petitioner and patent owner, in writing, of the Director's determination under subsection (a), and shall make such notice available to the public as soon as is practicable. Such notice shall include the date on which the review shall commence.

(d) No appeal.—The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.

Appendix E

35 U.S.C.A. § 315

§ 315. Relation to other proceedings or actions

Effective: September 16, 2012

Currentness

(a) Infringer's civil action.—

(1) Inter partes review barred by civil action.— An inter partes review may not be instituted if, before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent.

(2) Stay of civil action.—If the petitioner or real party in interest files a civil action challenging the validity of a claim of the patent on or after the date on which the petitioner files a petition for inter partes review of the patent, that civil action shall be automatically stayed until either—

(A) the patent owner moves the court to lift the stay;

(B) the patent owner files a civil action or counterclaim alleging that the petitioner or real party in interest has infringed the patent; or

(C) the petitioner or real party in interest moves the court to dismiss the civil action.

(3) **Treatment of counterclaim.**—A counterclaim challenging the validity of a claim of a patent does not constitute a civil action challenging the validity of a claim of a patent for purposes of this subsection.

(b) Patent owner's action.—An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).

(c) Joinder.—If the Director institutes an inter partes review, the Director, in his or her discretion, may join as a party to that inter partes review any person who properly files a petition under section 311 that the Director, after receiving a preliminary response under section 313 or the expiration of the time for filing such a response, determines warrants the institution of an inter partes review under section 314.

(d) Multiple proceedings.—Notwithstanding sections 135(a), 251, and 252, and chapter 30, during the pendency of an inter partes review, if another proceeding or matter involving the patent is before the Office, the Director may determine the manner in which the inter partes review

or other proceeding or matter may proceed, including providing for stay, transfer, consolidation, or termination of any such matter or proceeding.

(e) Estoppel.—

(1) Proceedings before the Office.—The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not request or maintain a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review.

(2) Civil actions and other proceedings.—The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not assert either in a civil action arising in whole or in part under section 1338 of title 28 or in a proceeding before the International Trade Commission under section 337 of the Tariff Act of 1930 that the claim is invalid on any ground that the petitioner raised or reasonably could have raised during that inter partes review.

Appendix E

35 U.S.C.A. § 316

§ 316. Conduct of inter partes review

Effective: September 16, 2012

Currentness

(a) Regulations.—The Director shall prescribe regulations—

(1) providing that the file of any proceeding under this chapter shall be made available to the public, except that any petition or document filed with the intent that it be sealed shall, if accompanied by a motion to seal, be treated as sealed pending the outcome of the ruling on the motion;

(2) setting forth the standards for the showing of sufficient grounds to institute a review under section 314(a);

(3) establishing procedures for the submission of supplemental information after the petition is filed;

(4) establishing and governing inter partes review under this chapter and the relationship of such review to other proceedings under this title;

(5) setting forth standards and procedures for discovery of relevant evidence, including that such discovery shall be limited to—

(A) the deposition of witnesses submitting affidavits or declarations; and

(B) what is otherwise necessary in the interest of justice;

(6) prescribing sanctions for abuse of discovery, abuse of process, or any other improper use of the proceeding, such as to harass or to cause unnecessary delay or an unnecessary increase in the cost of the proceeding;

(7) providing for protective orders governing the exchange and submission of confidential information;

(8) providing for the filing by the patent owner of a response to the petition under section 313 after an inter partes review has been instituted, and requiring that the patent owner file with such response, through affidavits or declarations, any additional factual evidence and expert opinions on which the patent owner relies in support of the response;

(9) setting forth standards and procedures for allowing the patent owner to move to amend the patent under subsection (d) to cancel a challenged claim or propose a reasonable number of substitute claims, and ensuring that any information submitted by the patent owner in support of any amendment entered under

subsection (d) is made available to the public as part of the prosecution history of the patent;

(10) providing either party with the right to an oral hearing as part of the proceeding;

(11) requiring that the final determination in an inter partes review be issued not later than 1 year after the date on which the Director notices the institution of a review under this chapter, except that the Director may, for good cause shown, extend the 1-year period by not more than 6 months, and may adjust the time periods in this paragraph in the case of joinder under section 315(c);

(12) setting a time period for requesting joinder under section 315(c); and

(13) providing the petitioner with at least 1 opportunity to file written comments within a time period established by the Director.

(b) Considerations.—In prescribing regulations under this section, the Director shall consider the effect of any such regulation on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings instituted under this chapter.

(c) Patent Trial and Appeal Board.—The Patent Trial and Appeal Board shall, in accordance with section 6,

conduct each inter partes review instituted under this chapter.

(d) Amendment of the patent.—

(1) In general.—During an inter partes review instituted under this chapter, the patent owner may file 1 motion to amend the patent in 1 or more of the following ways:

(A) Cancel any challenged patent claim.

(B) For each challenged claim, propose a reasonable number of substitute claims.

(2) Additional motions.—Additional motions to amend may be permitted upon the joint request of the petitioner and the patent owner to materially advance the settlement of a proceeding under section 317, or as permitted by regulations prescribed by the Director.

(3) Scope of claims.—An amendment under this subsection may not enlarge the scope of the claims of the patent or introduce new matter.

(e) Evidentiary standards.—In an inter partes review instituted under this chapter, the petitioner shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence.

Appendix E

35 U.S.C.A. § 317

§ 317. Settlement

Effective: September 16, 2012

Currentness

(a) In general.—An inter partes review instituted under this chapter shall be terminated with respect to any petitioner upon the joint request of the petitioner and the patent owner, unless the Office has decided the merits of the proceeding before the request for termination is filed. 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 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).

(b) Agreements in writing.—Any agreement or understanding between the patent owner and a petitioner, including any collateral agreements referred to in such agreement or understanding, made in connection with, or in contemplation of, the termination of an inter partes review under this section shall be in writing and a true copy of such agreement or understanding shall be filed in the Office before the termination of the inter partes review as between the parties. At the request of a party to the proceeding, the agreement or understanding shall be

treated as business confidential information, shall be kept separate from the file of the involved patents, and shall be made available only to Federal Government agencies on written request, or to any person on a showing of good cause.

Appendix E

35 U.S.C.A. § 318

§ 318. Decision of the Board

Effective: September 16, 2012

Currentness

(a) Final written decision.—If an inter partes review is instituted and not dismissed under this chapter, the Patent Trial and Appeal Board shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner and any new claim added under section 316(d).

(b) Certificate.—If the Patent Trial and Appeal Board issues a final written decision under subsection (a) and the time for appeal has expired or any appeal has terminated, the Director shall issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent by operation of the certificate any new or amended claim determined to be patentable.

(c) Intervening rights.—Any proposed amended or new claim determined to be patentable and incorporated into a patent following an inter partes review under this chapter shall have the same effect as that specified in section 252 for reissued patents on the right of any person who made, purchased, or used within the United States, or imported into the United States, anything patented

by such proposed amended or new claim, or who made substantial preparation therefor, before the issuance of a certificate under subsection (b).

(d) Data on length of review.—The Office shall make available to the public data describing the length of time between the institution of, and the issuance of a final written decision under subsection (a) for, each inter partes review.

Appendix E

35 U.S.C.A. § 319

§ 319. Appeal

Effective: September 16, 2012

Currentness

A party dissatisfied with the final written decision of the Patent Trial and Appeal Board under section 318(a) may appeal the decision pursuant to sections 141 through 144. Any party to the inter partes review shall have the right to be a party to the appeal.