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Paper No. 19
Filed: October 9, 2018

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FACEBOOK, INC.
Petitioner

v.

EVERYMD.COM LLC
Patent Owner

Case IPR2018-00050
Patent 8,504,631 B2

Before KRISTEN L. DROESCH, MICHAEL R. ZECHER, and PATRICK M. BOUCHER, *Administrative Patent Judges*.

PER CURIAM.

DECISION AND ORDER
Vacatur of Institution, Dismissal of Petition, and Termination of Trial
37 C.F.R. §§ 42.5(a), 42.71(a), and 42.72

In an Order entered on August 23, 2018, we invited each party to file a brief that is tailored narrowly to address whether, based on the circumstances presented here, we possess authority to dismiss the Petition (under 37 C.F.R. § 42.71(a) or otherwise), thereby terminating the trial without rendering any further decisions in accordance with 37 C.F.R. § 42.72. Paper 15. In response, Patent Owner, EveryMD.com LLC ("EveryMD") argues that our authority to terminate a trial is limited to the circumstance where parties have reached a settlement and jointly request termination. Paper 16. Petitioner, Facebook, Inc. ("Facebook"), contends that we possesses the authority to terminate the trial and the pending Motion to Amend has no impact on our authority to do so. Paper 17. Because of the unique circumstances presented by this matter, and for the reasons explained below, we vacate our Decision on Institution, dismiss the Petition, and terminate trial, thereby obviating the need to reach the pending Motion to Amend.

I. Procedural History

A timeline of relevant events regarding U.S. Patent No. 8,504,631 B2 (Ex. 1001, "the '631 patent") is provided below.

1. On May 10, 2017, the U.S. District Court for the Central District of California granted Petitioner's motion to dismiss litigation asserting infringement of the '631 patent. Ex. 1009, 21. The district court determined that the claims of the '631 patent are not patent-eligible under 35 U.S.C. § 101 because they are directed to an abstract idea and they do not otherwise include an inventive concept. *Id.* at 14–21.

2. On October 10, 2017, Facebook filed the Petition that resulted in the instant proceeding. Paper 2.
3. On April 16, 2018, we instituted an *inter partes* review as to all the claims and all grounds set forth in the Petition. Paper 6, 17–18.
4. On March 9, 2018, the U.S. Court of Appeals for the Federal Circuit entered a "Rule 36" Judgment affirming the district court's unpatentability ruling. Ex. 3001.
5. On July 3, 2018, EveryMD filed a Motion to Amend. Paper 9.
6. On May 4, 2018, the Federal Circuit denied EveryMD's request for a rehearing of the "Rule 36" Judgment. Paper 15, 1 (explaining that, "[o]n May 4, 2018, the Federal Circuit denied . . . [the] request for rehearing").
7. On July 24, 2018, EveryMD informed the panel that it would not appeal the Federal Circuit's decision to the U.S. Supreme Court. Paper 15, 1 (explaining that, "[i]n an email dated July 24, 2018, EveryMD informed the panel . . . that it would not file a petition for writ of certiorari with the Supreme Court").
8. On August 22, 2018, we conducted a call with both parties and invited additional briefing from the parties concerning our authority to terminate at this stage of the proceeding. Paper 15.
9. On August 24 and August 31, 2018, the parties provided further briefing regarding whether we possess the authority to terminate this proceeding and, if so, whether we should exercise that authority based on the circumstances presented here. Papers 16, 17.

In summary, the courts have finally adjudicated all claims of the '631 patent as unpatentable. Facebook's original Petition concerning obviousness

of the claims of the ’631 patent is, unquestionably, moot. The only substantive paper that remains for our consideration is the pending Motion to Amend.

II. Analysis of Whether the Board has Legal Authority to Terminate a Proceeding

Pursuant to the applicable statutes and regulations, we hold that we may dismiss the Petition (Paper 2), thereby terminating this proceeding. In particular, 37 C.F.R. § 42.71(a) provides that “[t]he Board may take up petitions or motions for decisions in any order, may grant, deny, or dismiss any petition or motion, and may enter any appropriate order.” A “petition” is defined as “a request that a trial be instituted” and a “motion” is defined as “a request for relief other than by petition.” 37 C.F.R. § 42.2. Thus, the regulations expressly provide the Board with broad authority to dismiss a petition where appropriate; such authority is notably not constrained by the existence of pending motions, such as a motion to amend.

The Board’s broad authority to dismiss the Petition, thereby terminating this proceeding, is further confirmed by 37 C.F.R. § 42.72, which states “[t]he Board may terminate a trial without rendering a final written decision, where appropriate, including where the trial is consolidated with another proceeding or pursuant to a joint request under 35 U.S.C. [§§] 317(a) or 327(a).”

EveryMD contends that it is not appropriate under 37 C.F.R. § 42.72 for the Board to terminate the trial for any ground other than settlement at the joint request of the parties. Paper 17, 2–3. We are not persuaded by EveryMD’s argument in this regard because it is inconsistent with the broad

authority set forth in the regulation. Rather than limit the Board's termination authority, the regulation expands it by explicitly setting forth special circumstances under which it also applies. 37 C.F.R. § 42.72 ("where appropriate, *including* . . .") (emphasis added). The regulation further provides the Board with expansive discretion and flexibility to terminate in all "appropriate" circumstances. *See also* 37 C.F.R. § 42.5(a) ("The Board may determine a proper course of conduct in a proceeding for any situation not specifically covered by this part . . . .").

The regulations identified above are consistent with the applicable United States Code, which specifically contemplates dismissal of petitions after institution. In particular, 35 U.S.C. § 318(a) states, in relevant part, that, "[i]f an inter partes review is instituted *and not dismissed* under this chapter, the Patent Trial and Appeal Board shall issue a final written decision . . . ." 35 U.S.C. § 318(a) (emphasis added.)

Our reviewing court's interpretation of 35 U.S.C. § 318(a) supports this analysis. In *Medtronic, Inc. v. Robert Bosch Healthcare Sys., Inc.*, 839 F.3d 1382, 1383 (Fed. Cir. 2016), the Federal Circuit held that the Board's vacatur of its decision on institution and termination of proceedings was final and non-appealable under 35 U.S.C. § 314(d). In reaching this holding, the Federal Circuit was not persuaded by *Medtronic's* argument that the Board lacked authority to reconsider its prior institution decision. *Id.* at 1385. The court explained that "[35 U.S.C.] § 318(a) contemplates that a proceeding can be 'dismissed' after it is instituted, and, as [the court's] prior cases have held, 'administrative agencies possess inherent authority to reconsider their decisions, subject to certain limitations, regardless of

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