

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

EMERSON ELECTRIC CO.,
Petitioner,

v.

SIPCO, LLC,
Patent Owner.

Case IPR2016-00984
Patent 8,754,780 B2

Before LYNNE E. PETTIGREW, STACEY G. WHITE, and
CHRISTA P. ZADO, *Administrative Patent Judges*.

ZADO, *Administrative Patent Judge*.

DECISION ON REMAND
35 U.S.C. § 144 and 37 C.F.R. § 42.5(a)

I. BACKGROUND

A. Initial Proceedings Before the Board

Emerson Electric Co. (“Petitioner”) filed a Petition for *inter partes* review of claims 1–15 (“challenged claims”) of U.S. Patent No. 8,754,780 B2 (Ex. 1001, “the ’780 patent”) (Paper 1, “Pet.”), and SIPCO, LLC (“Patent Owner”) subsequently filed a Preliminary Response (Paper 12, “Prelim. Resp.”). On November 2, 2016, we instituted an *inter partes* review to determine whether the challenged claims of the ’780 patent are unpatentable under 35 U.S.C. § 103(a) on the following grounds: claims 1–15 as obvious over the ’732 patent;¹ claims 1, 2, and 7 as obvious over Kahn² in view of admitted prior art (the “APA”);³ and claims 4–6 and 8 as obvious over Kahn in view of the APA and Burchfiel.⁴ Paper 18, 26 (“Inst. Dec.”).

After institution, Patent Owner filed a Response (Paper 22, “PO Resp.” or “Response”), and Petitioner filed a Reply (Paper 25, “Reply”). An oral hearing was held on July 13, 2017. A transcript of the hearing is included in the record. Paper 40 (“Tr.”).

On October 25, 2017, we entered a Final Written Decision (Paper 43, “Final Dec.” or “Final Decision”) determining that Petitioner had

¹ U.S. Patent No. 8,013,732 B2 (Ex. 1012) (“the ’732 patent”).

² Robert E. Kahn et al., *Advances in Packet Radio Network Protocols*, Proceedings of the IEEE, Vol. 66, No. 11, Nov. 1978 (Ex. 1015) (“Kahn”).

³ Petitioner refers to portions of the ’780 patent as Admitted Prior Art (“APA”). *See, e.g.*, Pet. 16–17; *see also* Ex. 1001.

⁴ J. Burchfiel et al., *Functions and Structure of a Packet Radio Station*, National Computer Conference presented paper, 1975 (Ex. 1016) (“Burchfiel”).

demonstrated, by a preponderance of the evidence, that claims 1–15 of the '780 patent are unpatentable under 35 U.S.C. § 103(a) over the '732 patent; claims 1, 2, and 7 of the '780 patent are unpatentable under 35 U.S.C. § 103(a) over Kahn in view of the APA; and, claims 4, 6, and 8 of the '780 patent are unpatentable under 35 U.S.C. § 103(a) over Kahn in view of the APA and Burchfiel. Final Dec. 61–62. We further determined that Petitioner had not shown that claim 5 of the '780 patent is unpatentable under 35 U.S.C. § 103(a) over Kahn in view of the APA and Burchfiel. *Id.*

B. Proceedings Before the Federal Circuit

On December 21, 2017, Patent Owner filed a Notice of Appeal to the United States Court of Appeals for the Federal Circuit for review of the Final Decision. *See* Paper 44. The Federal Circuit docketed the appeal on January 2, 2018. *SIPCO, LLC v. Emerson Elec. Co.*, No. 2018-1364 (Fed. Cir.). On May 3, 2018, Patent Owner filed with the Federal Circuit a motion requesting that the Federal Circuit remand the case to the Board to consider the effect of a certificate of correction that issued for the '780 patent after our entry of the Final Decision. *Mot. for Remand, SIPCO, LLC v. Emerson Elec. Co.*, No. 2018-1364 (Fed. Cir. May 3, 2018). On June 27, 2018, the Federal Circuit granted Patent Owner's motion, ordering that

(1) The motion is granted to the extent that the case is remanded for the Board to issue an order addressing what, if any, impact the certificate of correction has on its final written decision in this case. This court retains jurisdiction over the appeal.

[(2)] Proceedings are stayed pending the Board's decision on this issue. Within seven days from the date of the Board's decision, the parties are directed to inform this court how they believe this appeal should proceed. Any

appeal from the Board's decision on this issue will be consolidated with this appeal.

Order on Mot. for Remand, *SIPCO, LLC v. Emerson Elec. Co.*, No. 2018-1364, slip op. at 4 (Fed. Cir. June 27, 2018). This order by the Federal Circuit constitutes the mandate.

C. Proceedings on Remand

On August 30, 2018, a conference call was held with Petitioner, Patent Owner, and Judges Pettigrew, White, and Zado to discuss a procedure for this proceeding on remand. The parties agreed that each party would file on the same day an opening brief not to exceed ten (10) pages, and that each party thereafter would file on the same day a response not to exceed five (5) pages. Paper 46, 3. The parties agreed no other briefing is necessary and that no additional or supplemental discovery or briefing is required, and the parties confirmed they did not seek oral hearing in this remand proceeding. *Id.* We authorized each party to file an opening brief not to exceed ten (10) pages addressing what, if any, impact the certificate of correction has on the Final Decision and a response not to exceed five (5) pages responsive only to arguments made in the corresponding opening brief. *Id.* No other motions, briefing, or discovery was requested or authorized. *Id.*

Petitioner subsequently filed Petitioner's Opening Brief After Remand-in-Part (Paper 47, "Pet. Brief"), and Patent Owner filed Patent Owner's Brief Regarding the Effect of the Certificate of Correction on the Final Written Decision (Paper 48, "PO Brief"). In response, Petitioner filed Petitioner's Response to Patent Owner's Opening Brief After Remand-in-Part (Paper 50, "Pet. Reply"), and Patent Owner filed Patent Owner's Reply to Petitioner's Opening Brief After Remand-in-Part (Paper 49, "PO Reply").

D. The '780 Patent's Claim of Priority

For reasons discussed below, at the time the Petition was filed (and through the duration of the proceeding), the earliest priority date to which the challenged claims of the '780 patent were entitled was April 2, 2013. As a result, the '732 patent—which serves the basis for a ground of unpatentability affecting all challenged claims, claims 1–15—qualified as prior art against the challenged claims of the '780 patent. As discussed below, in an attempt to remove the '732 patent as prior art, Patent Owner sought to, and did, file multiple petitions requesting correction of the priority claim of the '780 patent to include other applications. A certificate of correction, however, did not issue until March 27, 2018, five months after entry of the Final Decision, and three months after Patent Owner filed a notice of appeal to the Federal Circuit.

The application for the '780 patent, U.S. Application No. 13/855,452 (“the '452 application”), was filed on April 2, 2013. Ex. 1001. On its face, the '780 patent asserts to be “a continuation of copending U.S. patent application Ser. No. 13/173,499, entitled, ‘Automotive Diagnostic Data Monitoring Systems and Methods,’ filed on Jun. 30, 2011.” *Id.* at 1:8–11. U.S. Application No. 13/173,499 (“the '499 application”), however, issued as U.S. Patent No. 8,212,667 on July 3, 2012, several months prior to the filing of the application leading to the '780 patent. Ex. 1001; Ex. 1002. Accordingly, there was no co-pendency between the '780 patent and the '499 application. As a result, the earliest claim of priority to which the challenged claims of the '780 patent could be entitled was April 2, 2013, the filing date of the '452 application.

On May 26, 2016, nearly one month after the filing date accorded to the Petition, Patent Owner filed, with respect to the '780 patent, both a Request for a Certificate of Correction (Ex. 1023) and a Petition to Accept an Unintentionally Delayed Priority Claim and for Expedited Consideration (Ex. 1022) (collectively, "First Request"). Patent Owner filed the First Request without Board authorization, namely, Patent Owner (1) did not seek leave from the Board to file a motion for authorization to file a certificate of correction, as required under 37 C.F.R. § 42.20(b), (2) did not file a motion with the Board seeking authorization to file a certificate of correction, as required under 37 C.F.R. § 1.323, and (3) did not have authorization from the Board to file for a certificate of correction. Patent Owner did not notify the Board or Petitioner after the filing. Petitioner asserts that it learned of the First Request as a result of a search of the Public Patent Application Information Retrieval ("PAIR") system. *See, e.g.*, Paper 10, 2. It is Petitioner who informed the Board of the First Request.

Patent Owner did not, at any time, request leave under 37 C.F.R. § 42.20(b) to file a motion for authorization to file a certificate of correction, or file a motion under 37 C.F.R. § 1.323. On July 2, 2016, exercising our authority under 37 C.F.R. § 42.3, we issued an order staying the First Request pending our decision on institution. Paper 10, 4. Our order also precluded Patent Owner, during the pendency of this proceeding, from filing additional papers to correct the claim of priority of the '780 patent without prior authorization from the Board. *Id.*

On November 2, 2016, we instituted *inter partes* review in this proceeding, and lifted the stay with respect to the First Request, noting that

we “defer to the determination of the Petitions Branch regarding Patent Owner’s claim of priority.” Inst. Dec. 11.

Patent Owner’s First Request sought to amend the ’780 patent’s priority claim to an application that Patent Owner alleged shared co-pendency with the ’452 application, U.S. Application 13/222,216 (“the ’216 application”). Ex. 1022, 2; Ex. 1023, 2. On November 14, 2016, the Petitions Branch granted Patent Owner’s request for expedited review of Patent Owner’s petition, but otherwise dismissed the petition for failure to comply with 35 U.S.C. § 120 and 37 C.F.R. § 1.78(d)(2), which requires a reference be filed in an Application Data Sheet. Ex. 3001.

Pursuant to our July 27, 2016 Order (Paper 10), Patent Owner subsequently sought, and we granted, authorization to file a second Request for a Certificate of Correction and Petition to Accept an Unintentionally Delayed Priority Claim and for Expedited Consideration (collectively, “Second Request”). Paper 20, 3. On January 20, 2017, the Petitions Branch granted Patent Owner’s request for expedited review of Patent Owner’s petition, but dismissed the request for correction of the ’780 patent’s priority claim for failure to “make a reference to the first (earliest) application and every intermediate application.” Ex. 3002, 2 (“Second Dismissal”). Patent Owner sought to claim the benefit of a chain of applications by claiming priority to the ’216 application, which claims priority to U.S. Application No. 12/477,329 (“the ’329 application”). Ex. 2034, Ex. A, 2. The Second Dismissal explains that the chain set forth by Patent Owner in the Second Request did not match the chain in either the ’329 application or the patent resulting from the ’329 application. Ex. 3002, 2. The Second Dismissal states that before Patent Owner can claim priority as requested in the Second

Request, the claim of priority in the '329 application would need to be corrected through a separate request for correction. *Id.*

Patent Owner subsequently sought our authorization to file a third Request for a Certificate of Correction and Petition to Accept an Unintentionally Delayed Priority Claim and for Expedited Consideration with the Petitions Branch (collectively, "Third Request"). We ordered Patent Owner to show cause why we should authorize it to file a Third Request. Paper 24. Patent Owner's response to our order to show cause alleged that the mistakes in the Second Request were due to an inadvertent omission, but Patent Owner did not explain any particular circumstances that would justify its mistakes. Paper 26, 4–5. We found that Patent Owner's demonstrated pattern of making mistakes indicated deliberate indifference toward avoiding errors. *See id.* Under the circumstances, we exercised our authority pursuant to 37 C.F.R. § 42.3, and denied Patent Owner's request to file a Third Request. *Id.* at 4. Patent Owner subsequently filed a request for rehearing (Paper 28), which we denied, noting:

Patent Owner has made several errors and mistakes throughout Patent Owner's attempts to make a claim of priority with respect to U.S. Patent No. 8,754,780 B2 (the "780 patent"), including during prosecution of the application leading to the '780 patent (*see, e.g.*, Paper 13, 1–5; Ex. 1022–1034; Paper 15; Ex. 2011–2021), during prosecution of the application to which Patent Owner seeks to claim priority (i.e., Application No. 12/477,329) (*see, e.g.*, Ex. 3002, 2), and in the First Request (*see, e.g.*, Ex. 3001) and Second Request (*see, e.g.*, Ex. 3002). In our Order [Paper 24], our finding regarding Patent Owner's "repeated mistakes" was in reference to Patent Owner's demonstrated pattern of making errors it should have recognized and could have avoided with the exercise of minimal diligence. Paper 27, 3. In the Response to our Order to Show Cause, Patent Owner

did not provide sufficient justification for the failure to avoid making error after error.

Paper 31, 3.

Later, in conjunction with entering the Final Decision, we lifted the stay prohibiting Patent Owner from filing a request for a certificate of correction, and deferred to the determination of the Petitions Branch regarding Patent Owner's claim of priority. Final Dec. 22.

Subsequent to entry of the Final Decision on December 7, 2017, Patent Owner filed a third Request for a Certificate of Correction and Petition to Accept an Unintentionally Delayed Priority Claim and for Expedited Consideration with the Petitions Branch (collectively, "Third Filed Request"). Ex. 3005; Ex. 3006. On January 16, 2018, the Petitions Branch granted Patent Owner's request for expedited review of Patent Owner's petition, but again dismissed Petitioner's request for correction of the '780 patent's priority claim for failure to "make a reference to the first (earliest) application and every intermediate application." Ex. 3007, 2.

On January 30, 2018, Patent Owner filed a Renewed Petition to Accept an Unintentionally Delayed Priority Claim ("Fourth Request"). Ex. 3008. On February 8, 2018, the Petitions Branch granted Patent Owner's Fourth Request. Ex. 3009.

On March 27, 2018 the certificate of correction issued. Ex. 2038 ("Certificate").

II. DISCUSSION

A. Legal Principles

The Director has the authority to issue a certificate of correction for certain mistakes in a patent made by patent applicant, pursuant to 35 U.S.C. § 255, which states:

Whenever a mistake of a clerical or typographical nature, or of minor character, which was not the fault of the Patent and Trademark Office, appears in a patent and a showing has been made that such mistake occurred in good faith, the Director may, upon payment of the required fee, issue a certificate of correction, if the correction does not involve such changes in the patent as would constitute new matter or would require re-examination. Such patent, together with the certificate, shall have the same effect and operation in law on the trial of actions for causes thereafter arising as if the same had been originally issued in such corrected form.

Furthermore, a patent owner may petition the Director to issue a certificate of correction of applicant's mistake in accordance with 37 C.F.R. § 1.323. However, if the request for correction relates to a patent involved in a trial before the Patent Trial and Appeal Board, the request must be accompanied by a motion under 37 C.F.R. § 42.20:

The Office may issue a certificate of correction under the conditions specified in 35 U.S.C. 255 at the request of the patentee or the patentee's assignee, upon payment of the fee set forth in § 1.20(a). If the request relates to a patent involved in an interference or trial before the Patent Trial and Appeal Board, the request must comply with the requirements of this section and be accompanied by a motion under § 41.121(a)(2), § 41.121(a)(3) or § 42.20 of this title.

37 C.F.R. § 1.323. Also, because we have exclusive jurisdiction over the challenged patent during an *inter partes* review proceeding, the Board may

determine the manner in which review of a request for a certificate of correction pursuant to § 255 and § 1.323 is to proceed. 35 U.S.C. § 315(d) (giving the Director authority to determine manner in which an *inter partes* review and any other proceeding or matter involving the patent may proceed); 37 C.F.R. § 42.3(a) (granting the Board “exclusive jurisdiction within the Office over every involved application and patent during the proceeding, as the Board may order”). Under 37 C.F.R. § 42.2, “*Proceeding* means a trial or preliminary proceeding” where a “*Preliminary Proceeding* begins with the filing of a petition for instituting a trial and ends with a written decision as to whether a trial will be instituted,” and “[a] trial begins with a written decision notifying the petitioner and patent owner of the institution of the trial.”

B. Effect of the Certificate

1. The Parties’ Arguments

Petitioner submits that we should find, as a matter of law, that the Certificate that issued on March 27, 2018, has no impact on the Final Decision in this case. Pet. Brief 1. Petitioner argues this is so because under 35 U.S.C. § 255, which governs certificates of correction for patent applicant errors, a certificate applies only prospectively to a trial of actions, and an *inter partes* review proceeding qualifies as a trial of actions. *Id.* at 5–8.

To support the argument that a certificate applies only prospectively, Petitioner relies on the language in § 255 that a patent, together with the certificate, “shall have the same effect and operation in law on the trial of actions for causes thereafter arising as if the same had been originally issued in such corrected form.” *See id.* at 5 (citing 35 U.S.C. § 255). Petitioner points out that the Federal Circuit, in addressing identical language in 35

U.S.C. § 254 (governing certificates of correction for Patent Office mistakes), recognized a “certificate of correction is only effective for causes of action arising after it was issued.” *Id.* at 7 (quoting *Southwest Software, Inc. v. Harlequin Inc.*, 226 F.3d 1280, 1294 (Fed. Cir. 2000) (“*Southwest Software*”)).

Petitioner asserts that an *inter partes* review is a trial of actions because it is a statutory cause of action properly assigned to a non-Article III tribunal. *Id.* at 6–7. Petitioner relies on *Granfinanciera, S.A. v. Nordberg*, 492 U.S. 33, 53–54 (1989), which Petitioner argues addresses whether a statutory cause of action can be assigned to a non-Article III Tribunal. *Id.* at 6. In *Granfinanciera*, the Supreme Court stated:

For if a statutory cause of action, such as respondent’s right to recover a fraudulent conveyance under 11 U.S.C. § 548(a)(2), is not a “public right” for Article III purposes, then Congress may not assign its adjudication to a specialized non-Article III court lacking “the essential attributes of the judicial power.” And if the action must be tried under the auspices of an Article III court, then the Seventh Amendment affords the parties a right to a jury trial whenever the cause of action is legal in nature. Conversely, if Congress may assign the adjudication of a statutory cause of action to a non-Article III tribunal, then the Seventh Amendment poses no independent bar to the adjudication of that action by a nonjury factfinder.

Id. (quoting *Granfinanciera*, 492 U.S. at 53–54). Petitioner relies on *Granfinanciera* for the proposition that “Congress may devise novel *causes of action* involving public rights free from the strictures of the Seventh Amendment if it assigns their adjudication to tribunals without statutory authority to employ juries as factfinders.” *Id.* (quoting *Granfinanciera*, 492 U.S. at 51). Petitioner argues this is precisely what Congress did for *inter partes* review—namely, Congress devised a cause of action involving public

rights. *Id.* at 7. To support the argument that an *inter partes* review involves a public right, Petitioner relies on *Oil States Energy Services, LLC v. Greene’s Energy Group, LLC*, 138 S. Ct. 1365 (2018), asserting that the Supreme Court found “[w]hile ‘inter partes review is not initiated by private parties in the way that a common-law cause of action is,’ inter partes review is nonetheless a statutory cause of action properly assigned to a non-Article III tribunal because it involves public rights as the Court found in *Oil States*.” Pet. Brief 6 (citing *Oil States*, 138 S. Ct. at 1378–79). Petitioner relies on the Court’s statement that “[i]nter partes review falls squarely within the public-rights doctrine,’ which ‘applies to matters ‘arising between the government and others, which from their nature do not require judicial determination and yet are susceptible of it.’”” *Id.* (quoting *Oil States*, 138 S. Ct. at 1373 (quoting *Crowell v. Benson*, 285 U.S. 22, 50 (1932))).

In addition to its argument that, as a matter of law, the certificate has no impact on the *inter partes* review, Petitioner argues it would be prejudiced and Patent Owner would be rewarded unfairly if we were to give retroactive effect to the certificate. *Id.* at 9. Petitioner points out that Patent Owner filed two failed requests for correction with the Petitions Branch during this proceeding before we stayed any further filings requesting correction, and that for the two years between the patent’s issuance and the filing of the Petition in this case, Patent Owner failed to seek correction of the error. *Id.* Petitioner also states that in another case the Board took note of how “[p]otential changes to the claims at this stage could lead to a moving target that is unfair to Petitioner.” *Id.* at 10 (quoting *Kingston Tech. Co. v. CATR Co.*, Case IPR2015-00559, slip op. at 3 (Paper 44) (PTAB Nov. 6, 2015)). Petitioner argues that if we were to give effect to a certificate that

issued *after* the Final Decision, that target would not just move, it would alter the target entirely. *Id.*

Petitioner also argues that, by staying Patent Owner’s request to file a Third Request, the Board “effectively determined that the request for a certificate should not have any impact on the IPR.” *Id.* at 8.

Patent Owner does not dispute that under § 255, a certificate of correction applies only prospectively to a trial of actions for causes. *See* PO Brief 2–3. However, Patent Owner argues that an *inter partes* review is not a trial of actions for causes under the statute. *Id.* at 3–7.

Even though Patent Owner states that “it is not clear from the statutory text” of § 255 whether an *inter partes* review is a “trial of actions for causes,” Patent Owner nonetheless asserts that this language should be interpreted such that it does not apply to an *inter partes* review. *Id.* at 4. To support this assertion, Patent Owner argues that “[n]either the statute defining IPR, 35 U.S.C. § 311, nor any other part of Title 35, defines an IPR as a ‘trial of actions for causes.’” *Id.* Patent Owner also points out that *Southwest Software* involves a civil action for patent infringement, arguing that its holding should not be “stretched beyond its clear context” to include *inter partes* review proceedings. *Id.* Patent Owner also compares 35 U.S.C. § 281, which states “[a] patentee shall have a remedy by civil action for infringement of his patent,” with 35 U.S.C. § 316, which provides that the file of any “proceeding” under “this chapter” be made available to the public. *Id.* at 5.

Patent Owner also argues that the holding in *Oil States* supports Patent Owner’s interpretation of § 255 rather than Petitioner’s. *Id.* at 5–6. Patent Owner asserts that in *Oil States* the “Supreme Court declined to find

that an IPR is a judicial proceeding merely because ‘PTO regulations [] use terms typically associated with courts—calling the hearing a ‘trial,’” and, moreover, argues that “[a]lthough inter partes review includes some of the features of adversarial litigation, it does not make any binding determination regarding’ the legal liabilities of one party to another, as in patent infringement trials.” *Id.* at 5–6 (quoting *Oil States*, 138 S. Ct. at 1378).

Patent Owner also argues that it is unlikely that the drafters of § 255 envisioned that an administrative adjudication like an IPR proceeding would constitute a “trial of actions for causes” because *inter partes* review did not come into effect until 2012, decades after the drafting of § 255. PO Brief 6.

Patent Owner also argues that in drafting Title 35, Congress expressly used different language to distinguish a “proceeding” before the Patent Office from a “trial of actions for causes,” comparing 35 U.S.C. §§ 305–307, with 35 U.S.C. §§ 252, 254, and 255. PO Brief 6. Patent Owner also directs us to 35 U.S.C. § 315, which Patent Owner asserts consistently uses “actions” to refer to district court actions and “proceedings” to refer to administrative proceedings. *Id.*

Patent Owner also asserts it would be contrary to current Board practice to interpret *inter partes* review proceedings as trials of actions for causes. *Id.* at 7. Patent Owner identifies, as current Board practice, the consideration of motions seeking authorization to file requests for certificate of correction of a patent during an *inter partes* review proceeding involving that patent. *Id.* at 7–8 (citing 35 U.S.C. § 315(d)); *see also* 37 C.F.R. § 1.323. Patent Owner argues that Petitioner’s statutory construction of § 255 would unnecessarily disrupt the Board’s practice of entertaining motions seeking authorization to file requests for correction during the

pendency of an *inter partes* review proceeding. PO Brief 7–8. According to Patent Owner

The statutory grant of discretion to the Director in § 315(d) conflicts with Emerson’s interpretation of § 255. Well-established principles of statutory construction indicate that when two statutes can be interpreted to give effect to both, the harmonizing interpretation prevails. *Morton v. Mancari*, 417 U.S. 535, 551 (1974). Further, even if the Board finds that §§ 255 and 315 are irreconcilable, the more specific statute—§ 315—prevails over the more general statute—§ 255—particularly since they are closely related provisions both granting the PTO authority to act. *See HCSC-Laundry v. United States*, 450 U.S. 1, 6 (1981) (finding that the relationship between the specific and general statutes impacts statutory interpretation of potentially conflicting statutes).

Id. at 8.

Finally, Patent Owner asserts that failing to give retroactive effect to certificates of correction would waste Patent Office resources. *Id.* at 9.

Patent Owner submits that it would be illogical for the Director, upon issuance of a final written decision and expiration of appeals, to cancel claims of an uncorrected patent if the Petitions Branch of the Patent Office has issued a certificate correcting the patent. *Id.* Patent Owner argues that

it is illogical to suggest that the PTAB should proceed to adjudicate issues related to a patent that has since been revised by the Petitions Branch—another part of the same agency. This “illogical and unworkable result” is exactly the type of outcome the Federal Circuit warned against when interpreting similar statutory language in § 254. *See* 226 F.3d 1280 at 1295 (citing *Timex V.I., Inc. v. United States*, 157 F.3d 879, 886 (Fed. Cir. 1998)).

Id.

2. Analysis

We begin our analysis with the language of 35 U.S.C. § 255. *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1355 (2018) (“[s]tart[ing] where the statute does”). “The first step ‘is to determine whether the language at issue has a plain and unambiguous meaning with regard to the particular dispute in the case.’” *Barnhart v. Sigmon Coal Co.*, 534 U.S. 438, 450 (2002) (quoting *Robinson v. Shell Oil Co.*, 519 U.S. 337, 340 (1997)). In doing so, we “must read the words ‘in their context and with a view to their place in the overall statutory scheme.’” *King v. Burwell*, 135 S. Ct. 2480, 2489 (2015) (quoting *FDA v. Brown & Williamson Tobacco Corp.*, 529 U.S. 120, 133 (2000)). This is because statutory “[a]mbiguity is a creature not of definitional possibilities but of statutory context.” *Brown v. Gardner*, 513 U.S. 115, 118 (1994). In arriving at our construction, we consider not only the unambiguous language of § 255, but also the design of the statute as a whole with regard to certificates of correction. “To determine Congressional intent, we begin, of course, with the language of the statutes at issue. However, to fully understand the meaning of the statute, we look ‘not only to the particular statutory language, but to the design of the statute as a whole and to its object and policy.’” *Associated Elec. Co-op., Inc. v. U.S.*, 226 F.3d 1322, 1326 (Fed. Cir. 2000) (quoting *Crandon v. U.S.*, 494 U.S. 152, 158 (1990)).

Section 255 contains only one sentence addressing retroactive versus prospective application of an issued certificate: “Such patent, together with the certificate, shall have the same effect and operation in law on the trial of actions for causes *thereafter arising* as if the same had been originally issued in such corrected form.” 35 U.S.C. § 255 (emphasis added). Although the

parties' arguments focus on whether an *inter partes* review is a "trial of actions" under 35 U.S.C. § 255, we need not decide this issue in order to determine the impact, if any, of the Certificate on the Final Decision in this proceeding. Assuming, without deciding, that an *inter partes* review falls within the statute's "trial of actions" language, the statute makes a certificate of correction applicable only to actions arising *after* a certificate issues. As the above discussion of the procedural timeline here makes clear, the Certificate issued to Patent Owner well after the subject *inter partes* review commenced; Patent Owner did not even seek correction until after Petitioner had filed its Petition. Moreover, the correction did not occur until *after* the Final Decision issued. Thus, under the express language of the statute, the Certificate would not impact this trial.

Conversely, if we assume, without deciding, that an *inter partes* review is not a "trial of actions" under § 255, then the statute is silent about prospective or retroactive application. Patent Owner would apparently infer from this silence that a certificate has retroactive application for anything not qualifying as a "trial of actions." We reject that reading of the statute. The statute does not contain any affirmative language indicating any intention to retroactively apply a certificate of correction. Inferring retroactivity would be inconsistent with the plain language that Congress did include, which communicates that Congress contemplated only prospective application of a certificate of correction.

Giving a certificate of correction only prospective application is also consistent with the interpretation given to §§ 254 and 256, the sister provisions to § 255. *See Superior Fireplace Co. v. Majestic Prods. Co.*, 270 F.3d 1358, 1370 (Fed. Cir. 2001) (construing phrase "clerical or

typographical nature” in § 255 in context of related provisions §§ 251–256).

Section 255 authorizes the Director to issue a certificate correcting mistakes by *patent applicant*, and § 254 authorizes the Director to issue a certificate correcting mistakes by the *Patent Office* (“Office”). 35 U.S.C. §§ 254–255. Section 256 authorizes the Director to issue a certificate to correct named inventorship. *Id.* § 256.

Sections 254 and 255 provide the following language giving effect to a certificate, stating it “shall have the same effect and operation in law on the trial of actions for causes thereafter arising as if the same had been originally issued in such corrected form.” *Id.* §§ 254–55. Therefore, these sections expressly give effect to a certificate on a trial of actions for causes arising after the certificate issues. These sections do not contain any language, or otherwise provide any indication, that certificates generally should be given retroactive effect. Instead, these provisions unambiguously provide the circumstance in which a certificate under these sections are to be given effect.

The Federal Circuit’s analysis and holding in *Southwest Software* supports our conclusion. There, the Court rejected the retroactive application of a certificate of correction issued under § 254 based upon the same “thereafter arising” language found in § 255. While it did so in the context of a patent infringement litigation, the court’s reasoning resonates here. Specifically, in reaching its conclusion, the Court rejected the argument that the language in § 254 providing that “such certificate [of correction] shall be considered part of the original patent” (this language is not in § 255) supported giving the correction retroactive effect. The Court explained that “[t]his language plays the role of establishing that, for *all*

circumstances in which the certificate of correction is effective—namely, at all times after its issue date—the certificate is considered part of the original patent.” 226 F.3d at 1295 (emphasis added). This language from § 254 arguably provides a stronger basis for retroactivity of a certificate of correction (in § 254, for a mistake by the Office) than anything found in § 255, but the court rejected that reading. The two provision are otherwise, in relevant language, on all fours. Thus, the logical and natural reading of § 255 is that, like § 254, a certificate of correction for an applicant’s mistake similarly does not receive retroactive application.

A comparison of § 255 with § 256 further indicates that § 255 does not have retroactive effect. Section 256 authorizes the Director to issue a certificate to correct named inventor errors, stating

(a) CORRECTION.—

Whenever through error a person is named in an issued patent as the inventor, or through error an inventor is not named in an issued patent, the Director may, on application of all the parties and assignees, with proof of the facts and such other requirements as may be imposed, issue a certificate correcting such error.

(b) PATENT VALID IF ERROR CORRECTED.—

The error of omitting inventors or naming persons who are not inventors *shall not invalidate the patent* in which such error occurred if it can be corrected as provided in this section. The court before which such matter is called in question may order correction of the patent on notice and hearing of all parties concerned and the Director shall issue a certificate accordingly

35 U.S.C. § 256(a)–(b) (emphasis added). Accordingly, by stating that a patent shall not be invalidated if inventorship is corrected, § 256 provides for retroactive effect of a certificate correcting named inventorship. By stating

that the error shall not invalidate the patent, certificates issued under this section have retroactive effect in general. This is in contrast with § 255, which does not include any similar provision.

Our interpretation of § 256 as having retroactive effect is consistent with the Federal Circuit’s decision in *Vikase Corp. v. Am. Nat’l Can Co.*, 261 F.3d 1316, 1329 (Fed. Cir. 2001) (finding the district court correctly rejected the argument that a second family of patents were invalid for the period prior to correction of inventorship under § 256, stating that “§ 256 provides that an error of inventorship does not invalidate the patent if such error ‘can be corrected as provided in this section.’”).

In addition, our interpretation of § 256 is consistent with the district court’s decision in *Roche Palo Alto LLC v. Ranbaxy Laboratories Ltd.*, 551 F. Supp. 2d 349, 349 (D.N.J. 2008) (“*Roche*”). In *Roche*, the parties contested whether a certificate correcting inventorship had issued pursuant to § 254 or § 256. *Id.* at 355. The significance of this distinction was that under § 254 the certificate would not have retroactive effect, whereas under § 256 it would apply retroactively. *Id.* at 355 (citing *Southwest Software*, 255 F.3d at 1297, 1299) (noting that the Federal Circuit has held that unlike § 256, certificates obtained under § 254 are prospective).

Our interpretation of § 255 is also consistent with 35 U.S.C. § 315(d) and with our Rules. During the pendency of an *inter partes* review, the Director has authority to determine the manner in which the *inter partes* review, and any other proceedings, including review of a request for certificate of correction, is to proceed. 35 U.S.C. § 315(d). This authority has been delegated to the Board. *See* 37 C.F.R. § 42.3 (stating that the Board may exercise exclusive jurisdiction within the Office over every

involved patent during the proceeding); *see id.* § 42.122 (stating that where another matter involving the patent is before the Office, “the Board may during the pendency of the *inter partes* review enter any appropriate order regarding the additional matter including providing for the stay, transfer, consolidation, or termination of any such matter”). The period of time during which the Board has jurisdiction begins when a petition for *inter partes* review is filed. *See id.* § 42.3 (providing for Board jurisdiction during the *proceeding*); *see id.* § 42.2 (defining *proceeding* as a “trial or preliminary proceeding,” and *preliminary proceeding* as “begin[ning] with the filing of a petition for instituting a trial”). Moreover, if the request for the certificate of correction relates to a patent involved in a trial before the Board, it must be accompanied by a motion to the Board under 37 C.F.R. § 42.20. 37 C.F.R. § 1.323.

Therefore, once a petition for *inter partes* review of a patent has been filed, the Board may exercise jurisdiction over a request for a certificate of correction, and may stay the request. 35 U.S.C. § 315(d); 37 C.F.R. §§ 42.3, 42.122. Moreover, once trial has been instituted, Patent Owner must file a motion with its request, which the Board may deny. 37 C.F.R. § 1.323.

Therefore, it is within the Board’s discretion to stay or prohibit filing of a certificate of correction, thereby avoiding potentially conflicting outcomes between proceedings before different authorities within the Office, such as a decision by the Certificates of Correction Branch on a request for a certificate of correction and a decision by the Board in an *inter partes* review. A stay or prohibition of filing a certificate of correction also prevents a moving target during an *inter partes* review for the parties and for the Board, which must issue a final determination within one year of

instituting trial. 35 U.S.C. § 316(a)(11). It would be inconsistent to grant the Director, under § 315(d), the discretion to stay or prohibit filing of a request for a certificate of correction during an *inter partes* review, yet mandate retroactive effect when a certificate issues *after* the Final Decision and after an appeal to the Federal Circuit has been filed.

These same equitable considerations support giving § 255 only prospective application. As the court explained in *Southwest Software* in declining to afford retroactive effect to a certificate of correction under § 254: “Moreover, it does not seem to us to be asking too much to expect a patentee to check a patent when issued in order to determine whether it contains any errors that require the issuance of a certificate of correction.” 226 F.3d at 1296. Those considerations have equal applicability to § 255—perhaps even greater import, when one considers that § 254 speaks to Office errors, while § 255 addresses errors by the patentee. A lack of diligence by the patentee in correcting patent errors has potentially negative consequences for the public, who may allocate its affairs based on the patent as issued, unaware of any such error. Permitting the patentee to alter the patent document with retroactive effect could have negative consequences for unsuspecting parties, while leaving the patentee no worse off. While Patent Owner suggests actual prejudice would exist here (*see, e.g.*, Reply at 4-5), that is not the correct inquiry. Statutory construction does not occur in a vacuum; provisions are read consistent with their language and place in the overall statutory scheme. Here, neither § 255 nor its place in the Patent Act requires or suggests that Congress intended for parties other than the patent owner to bear any consequences incident to the issuing of a certificate of correction pursuant to § 255, which would be the possible result if that

correction were to receive retroactive application.

We also disagree with Patent Owner's argument that failing to give certificates of correction retroactive effect in *inter partes* review proceedings would, as a matter of course, waste Office resources and result in an "illogical and unworkable result." PO Brief 9 (citing *Southwest Software*, 226 F.3d at 1295). Section 315(d) of Title 35, as well as 37 C.F.R. §§ 42.3 and 42.122, provide the Board with discretion to determine the manner in which various proceedings before the Office are to proceed, on a case by case basis, thereby vesting the Board with the authority to determine how best to manage Office resources. In addition, § 255 does not *require* the Director to issue a certificate of correction, but instead is permissive, stating "the Director *may*, upon payment of the required fee, issue a certificate of correction." 35 U.S.C. § 255 (emphasis added); *see also* 37 C.F.R. § 1.323 (providing that "[t]he Office *may* issue a certificate of correction under the conditions specified in 35 U.S.C. § 255" (emphasis added)). In view of the discretion accorded to the Director in determining the manner in which proceedings are to proceed and the permissive nature of issuing a certificate of correction, we disagree with Patent Owner that its interpretation of § 255, which is contrary to the language of the statute, is necessary in order to avoid an "illogical and unworkable result." PO Brief 9.

For the foregoing reasons, we reject Patent Owner's interpretation of § 255 as giving retroactive effect to certificates of correction. PO Brief 3–4.

Patent Owner asserts that because the Final Decision deferred determination of the certificate to the Petitions Branch, we agreed that we should vacate our unpatentability determination based on the '732 patent if a certificate were to issue later. PO Brief 1. Contrary to Patent Owner's

assertion, we did not agree that a decision by the Petitions Branch or Certificates of Correction Branch should impact the Final Decision. Even though the Board has jurisdiction over the manner in which a request for a certificate of correction is to proceed during an *inter partes* review—e.g., whether it is to be stayed or whether its filing is authorized—requests for certificates of correction are decided by the Certificates of Correction Branch. MPEP § 1002.02(1) (9th ed. Jan. 2018). Our deferral was an acknowledgment that upon lifting the stay a petition for a certificate of correction would be decided by another branch. However, for the reasons discussed above, a certificate of correction under § 255 does not have retroactive effect. The procedure employed here—deferring to Petitions on deciding the request to issue a certificate of correction but otherwise retaining the discretion and ability to determine what impact, if any, an issued certificate would have on this trial—is consistent with the procedure employed in other *inter partes* reviews. *See, e.g., SPTS Tech, Ltd. v. Plasma-Therm LLC*, IPR2018-00618, Paper 7 (PTAB May 1, 2018). It is consistent also with the Federal Circuit’s determination in *Honeywell International Inc. v. Arkema Inc.*, 939 F.3d 1345, 1349 (Fed. Cir. 2019), that § 255 does not grant the Board authority to determine whether a certificate of correction should be issued.⁵

For the foregoing reasons, we determine that the Certificate, which issued after the Final Decision and after Patent Owner filed an appeal to the

⁵ We note the issue in *Honeywell* of whether the Board abused its discretion in staying Patent Owner’s request to file a certificate of correction is not before us. This issue is beyond the scope of the remand order in this case.

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Federal Circuit, has no impact on the Final Decision in this case because it was not in effect during the proceeding.

III. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the certificate of correction (Ex. 2038) has no impact on the Final Written Decision (Paper 43) in the proceeding; and

FURTHER ORDERED that parties to the proceeding seeking judicial review of this decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

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