

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESLA, INC.,
Petitioner,

v.

UNICORN ENERGY GMBH,
Patent Owner.

IPR2022-00110
Patent 10,008,869 B2

Before TERRENCE W. McMILLIN, JON M. JURGOVAN, and
NABEEL U. KHAN, *Administrative Patent Judges*.

McMILLIN, *Administrative Patent Judge*.

ORDER

Denying Motion to Dismiss the Revised Petition and Terminate the
Proceeding

37 C.F.R. § 42.5; 37 C.F.R. § 42.71

I. INTRODUCTION

On October 27, 2021, the Petitioner (Tesla, Inc.) filed a Petition for *inter partes* review challenging claims 1-3, 5-7, 9-10, 17, 19, 24 and 27-28 of U.S. Patent No. 10,008,869 B2. Paper 2. The Petition was supported by a “Certificate of Compliance with Word Count” that stated the Petition contained 14,732 words. *Id.* Pursuant to 37 C.F.R. § 42.24(a)(1)(i), petitions requesting *inter partes* review are limited to 14,000 words. On November 26, 2021, an Order was entered indicating that the Petition was not in compliance with the word count limit of 37 C.F.R. § 42.24(a)(1)(i) and ordering the filing of a Revised Petition that complied with the word count limit of 14,000 words no later than December 3, 2021. Paper 5, 2–3. The Revised Petition was filed on December 3, 2021, by Petitioner. Paper 6.

Thereafter, Patent Owner (Unicorn Energy GMBH) filed a Motion to Dismiss the Revised Petition for *Inter Partes* Review of U.S. Patent No. 10,008,869 and to Terminate the Proceeding. Paper 14 (“Motion”). Petitioner filed a Response to Patent Owner’s Motion to Dismiss. Paper 17 (“Response”). Patent Owner filed a Reply in Support of the Motion to Dismiss the Revised Petition and to Terminate the Proceeding. Paper 18 (“Reply”). We have considered the arguments and evidence of the parties and, for the reasons set forth below, deny the Motion.

II. DISCUSSION

A. Request for Termination Under 35 U.S.C. § 317

Patent Owner argues that, “[b]ecause [35 U.S.C. § 317] is satisfied in this case, the proceeding must be terminated.” Motion 3, 15. 35 U.S.C. § 317(a) provides: “[a]n *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.”¹

Patent Owner relies on an email to the Board on November 9, 2021, that it contends is a joint request to terminate. Motion 4 (citing Ex. 2003, 4); *see also id.* at 15 (“Section 317 makes termination mandatory given the November 9th email.”). The November 9 email said:

I write on behalf of Petitioner Tesla, Inc. in IPR2022-00110. Petitioner respectfully requests permission from the Board to file an unopposed motion to terminate the proceeding and withdraw the IPR petition. Counsel for Petitioner held a meet-and-confer with Patent Owner on November 8, 2021, and Patent Owner indicated that it does not oppose Petitioner’s motion to terminate provided Tesla does not seek to refile an IPR petition, which Tesla does not intend to do.

Ex. 2003, 4. The only request in this email is a request from Petitioner for permission “to file an unopposed motion to terminate the proceeding and withdraw the IPR petition.” *Id.* This is a request from Petitioner, not a joint

¹ Petitioner argues that 35 U.S.C. § 317(a) states that it only applies to “[a]n inter partes review instituted under this chapter” and not to this proceeding as it is not an “instituted” IPR. Response 3. Patent Owner argues that this statute applies to “pre-instituted and instituted proceedings alike.” Reply 1. 35 U.S.C. § 317(a) does not expressly apply to pre-institution settlement. *See* Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, 77 Fed. Reg. 48,612, 48,625 (Aug. 14, 2012) (“*Section 42.74*: Section 42.74 provides guidance on settling proceedings before the Board. 35 U.S.C. 135(e), and **317, as amended**, and 35 U.S.C. 327 will govern settlements of Board trial proceedings **but do not expressly govern pre-institution settlement.**”)(emphasis added). However, we need not reach this issue as no joint request to terminate has been filed.

request. This is a request to file a motion to terminate, not a request to terminate.²

The November 9 email did not indicate that Patent Owner joined in a request to terminate. To the extent this email refers to Patent Owner, it is limited to indicating that Patent Owner would not oppose a motion to terminate if filed by Petitioner, provided that Petitioner does not seek to refile an IPR petition.³

Notably, the response to the November 9 email on behalf of the Board did not grant the request. The response said: “Counsel: This case has not yet been paneled. Please check back with us in a couple of weeks. Thank you.” Ex. 2003, 3. Petitioner’s request to file a motion was not renewed or

² In support of its argument, Patent Owner cites three non-precedential Board decisions, but these cases do not support terminating a proceeding under 35 U.S.C. § 317 without a joint request for termination having been filed. *See* Motion 3–4 (citing *Pfizer, Inc. v. Biogen, Inc.*, IPR2018-00186, Paper 34, 3 (Nov. 8, 2018); *Am. Honda Motor Co. v. Signal IP, Inc.*, IPR2015-01004, Paper 21, 2–3 (Apr. 12, 2016); *NVIDIA Corp. v. Tessera Advanced Techs., Inc.*, IPR2020-00708, Paper 14, 2 (Nov. 12, 2020); Reply 1. In each of these proceedings, a joint motion to terminate was filed. *See Pfizer*, IPR2018-00186, Paper 33; *Am. Honda Motor*, Paper 20; *NVIDIA*, Paper 13.

³ We acknowledge that in the November 9 email, Petitioner represented that “Tesla does not seek to refile an IPR petition” and Petitioner “does not intend to” “refile an IPR petition.” Ex. 2003, 4. The Board and Patent Owner could reasonably understand this email to indicate Petitioner would withdraw and not refile its Petition. Petitioner argues that the November 9 email is not a binding agreement or an enforceable contract, but fails to explain why it made these representations and then filed the Revised Petition. Response 5–7. However, no motion to withdraw was filed and Patent Owner fails to establish a basis for dismissing the Revised Petition and terminating this proceeding based on the November 9 email.

pursued; the Board never authorized the filing of a joint motion to terminate;⁴ and no joint motion to terminate was filed.

In response to the November 9 email, we could not terminate this proceeding under 35 U.S.C. § 317 then or now. It was not a joint motion or request to terminate. It was a request for authorization to file a motion. Accordingly, we do not terminate this proceeding under 35 U.S.C. § 317 as no joint request to terminate this proceeding has been made in this proceeding.

B. Request to Terminate Because the Petition Was Withdrawn

Patent Owner argues, based again on the November 9 email, that the original Petition filed on October 27, 2021 (Paper 2) was withdrawn and this proceeding must be terminated as time-barred. Motion 5 (“[T]he October 27 Petition was withdrawn by Petitioner and was no longer available to provide a filing date.”), 15 (“[T]he December 3 Petition is time barred. It can receive no earlier filing date due to (i) withdrawal of the prior Petition.”). In support of this contention, the Motion states, “Petitioner requested ‘to withdraw the [October 27] IPR petition’ in its November 9th email.” *Id.* at 5 (alteration in original). This is a misleading quote from the November 9

⁴ In a teleconference with the Board, Patent Owner requested authorization to file a motion to dismiss the Petition and terminate the proceeding based on an alleged agreement to terminate, and not based on an alleged joint request to terminate under 35 U.S.C. § 317. *See* Paper 10, 2; *see also* Ex. 3001 (December 14, 2021, email to the Board from Patent Owner’s counsel requesting a teleconference so that “Patent Owner [could] request[] permission to move that the Board enforce th[e] agreement” in the November 9 email). When we authorized Patent Owner to file a motion, we limited the motion to specific arguments, which did not include an argument for termination under 35 U.S.C. § 317. *See* 37 C.F.R. § 42.20(b) (requiring Board authorization for a motion).

email. The full sentence from which this quote is taken states: “Petitioner respectfully requests permission from the Board to file an unopposed motion to terminate the proceeding and withdraw the IPR petition.” Ex. 2003, 4. The November 9 email is not a withdrawal of the Petition (Paper 2). The November 9 email contains only a request by Petitioner for authorization to file a motion. Authorization to file the motion was not given and no request to withdraw the Petition (Paper 2) was made. Patent Owner’s motion to terminate this proceeding on the theory that the Petition (Paper 2) was withdrawn is denied.⁵

C. Request to Terminate Because the December 3 Revised Petition Cannot be Accorded the Filing Date of the October 27 Petition

Patent Owner argues that the Revised Petition filed on December 3, 2021 (Paper 6) cannot be accorded the filing date of the original Petition filed on October 27, 2021 (Paper 2) under the regulations governing this proceeding and this proceeding must be terminated as time-barred. Motion 6. Specifically, Patent Owner contends the regulations relating to correcting a petition allow only for correction of clerical or typographical errors and that “the substantive changes to the Petition require a change in filing date.”

⁵ We did not authorize Patent Owner to file a motion to terminate this proceeding because the Petition (Paper 2) was withdrawn. *See* Paper 10, 2 (“Patent Owner is authorized (but not required) to file a motion on or before Tuesday, January 11, 2022. ***The motion is limited to*** whether the revised Petition exceeded the 14,000 word limit under 37 C.F.R. § 42.24(a)(1)(i) and, if so, the consequences that should result from a second failure to comply with the word limit pursuant to our Order (Paper 5); whether the revised Petition should be accorded the filing date of the first Petition (Paper 2) or is barred under 35 U.S.C. § 315(b); and whether an alleged agreement to dismiss the Petition and terminate the proceeding should be enforced.” (emphasis added)).

Id. (citing 37 C.F.R. § 42.106(b)).⁶ 37 C.F.R. § 42.106(b) provides: “[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 incomplete petition.”). 37 C.F.R. § 42.106(b) does not support Patent Owner’s position. On November 26, 2021, the Board issued an Order (Paper 5) that said:

[T]he Petition is not in compliance with 37 C.F.R. § 42.24(a)(1)(i) because it exceeds the permitted word count for a petition. Specifically, the rules require that an *inter partes* review petition is not complete, and will not be accorded a filing date, unless the petition satisfies certain requirements including specific word count limits. 37 C.F.R. §§ 42.4, 42.104, 42.106(a). A petition requesting *inter partes* review is subject to a word count of 14,000 words, not including the table of contents, table of authorities, certain mandatory notices, the certificate of service or word count, or an appendix of exhibits or claim listing. 37 C.F.R. § 42.24(a)(1)(i).

A petitioner may file a petition exceeding the word count and request authorization to exceed the required word count, but such a request must be made by motion to waive the word count and be accompanied by a petition that complies with the required word count. 37 C.F.R. § 42.24(a)(2).

The Board may determine a proper course of conduct for any situation not specifically covered by the rules. 37 C.F.R. § 42.5(a). Petitioner filed a Petition exceeding the permitted word count but did not file a corresponding motion requesting permission to exceed the word count. Petitioner likewise did not file a petition falling within the 14,000 word count limit.

The Petition was filed less than one month ago, and Patent Owner has not filed any papers in this proceeding other

⁶ 37 C.F.R. § 42.104(c) deals directly with correcting clerical or typographical errors in a petition. 37 C.F.R. § 42.104(c) provides: “[a] motion may be filed that seeks to correct a clerical or typographical mistake in the petition. The grant of such a motion does not change the filing date of the petition.”).

than its Power of Attorney and Mandatory Notices. Papers 3, 4. Under the circumstances, Petitioner is authorized to file a revised Petition complying with the 14,000 word count limit by no later than December 3, 2021. The revised Petition may not contain any new subject matter. This proceeding will be dismissed should Petitioner fail to comply with this order.

In consideration of the foregoing, it is hereby:

ORDERED that, Petitioner shall file a revised Petition complying with 37 C.F.R. § 42.24(a)(1)(i) and the revised Petition shall not exceed 14,000 words, no later than December 3, 2021.

Paper 5, 2–3. The November 26 Order (Paper 5) indicated that an incomplete Petition had been filed, identified the deficiency in the Petition, and provided that a revised Petition be filed no later than December 3, 2021 (i.e., within one month from the notice of incomplete petition). Patent Owner has not shown that the November 26 Order (Paper 5) was not issued properly under 37 C.F.R. § 42.106(b).⁷ And, this Order clearly was proper and in accordance with the regulations governing this proceeding. The November 26 Order (Paper 5) was also authorized under 37 C.F.R. § 42.5(b) which provides: “[t]he Board may waive or suspend a requirement of parts 1, 41, and 42 and may place conditions on the waiver or suspension.” As the Revised Petition (Paper 6) was timely filed on December 3, 2021, in accordance with the November 26 Order, we determine that the Revised Petition can be accorded the filing date of the original Petition under the regulations governing this proceeding.

⁷ Patent Owner does not challenge the November 26 Order (Paper 5). *See* Reply 3–4 (“Petitioner misconstrues Patent Owner’s argument as challenging the November 26th Order. Response, 8-10. Patent Owner is not seeking a rehearing or otherwise challenging that Order. To the contrary, Patent Owner seeks to enforce that Order.”).

D. Request to Expunge the Revised Petition and Dismiss the Proceeding

Patent Owner argues that, “[t]he Board should thus enforce its [November 26] Order, expunge the December 3 [Revised] Petition, and dismiss the proceeding” because “[t]he December 3 [Revised] Petition does not comply with the 14,000 word count and thus does not comply with the November 26 Order.” Motion 7. Patent Owner contends, “[t]he December 3 Petition’s word count certification is inaccurate. Although it states that the petition ‘contains no more than 13,561 words’ (Paper 6, at Certificate of Compliance), the certification underrepresents the actual word count due to numerous formatting tricks used to circumvent the rules.” *Id.* According to Patent Owner, the “formatting tricks” in the Revised “Petition include using excessive text in graphics, removing spaces from paragraph and other citations, and excessive use of non-standard abbreviations.” *Id.* at 8.

The “Certificate of Compliance with Word Count” in the Revised Petition states:

Pursuant to 37 C.F.R. § 42.24(d), I certify that this petition complies with the type-volume limits of 37 C.F.R. § 42.24(a)(1)(i) because it contains no more than 13,561 words, according to the word-processing system used to prepare this petition, excluding the parts of this petition that are exempted by 37 C.F.R. § 42.24(a) (including the table of contents, a table of authorities, mandatory notices, a certificate of service or this certificate word count, appendix of exhibits, and claim listings).

Paper 6, Certificate of Compliance with Word Count (on un-numbered page following page 97). 37 C.F.R. § 42.24(d) provides: “[a]ny paper whose length is specified by type-volume limits must include a certification stating the number of words in the paper. *A party may rely on the word count of the word-processing system used to prepare the paper.*” (emphasis added).

Petitioner did not violate this regulation by relying on its word processing system's word count.

Patent Owner acknowledges that “a party ordinarily can rely on the word processor's word count,” but contends Petitioner “abuse[d] the process.” Motion 7. Specifically, with regard to removing spaces from paragraph and other citations, and excessive use of non-standard abbreviations, Patent Owner argues that:

Petitioner omitted a space between the paragraph symbol and the paragraph number in 112 instances; omitted a space between an abbreviation for the word “appendix” and the appendix number in 15 instances; and omitted a space between an abbreviation for the word “exhibit” and the exhibit number in 5 instances—totaling 132 uncounted words. Petitioner also used excessive abbreviations by combining “Patent Owner” to “PO” in 43 instances and “Claim Construction” to “CC” in 5 instances—totaling 48 additional uncounted words.

Id. at 9. We agree with Patent Owner to the extent that the better practice would be to use spaces between paragraph symbols and paragraph numbers, to use spaces between the abbreviation for the word “appendix” and the appendix number, and to use spaces between the abbreviation for the word “exhibit” and the exhibit number and to not abbreviate “Patent Owner” to “PO” and “Claim Construction” to “CC.” However, we determine that not doing so in the Revised Petition (Paper 6) was not so extraordinary or so excessive as to warrant the extreme remedy of dismissing the Revised Petition and terminating this proceeding.

With regard to the alleged use of excessive text in graphics, the Patent Owner argues:

The December 3 Petition uses “annotated and modified” figures in lieu of written argument, thereby hiding words from

the word processor. The Petition clips figures with annotations “as images on numerous pages instead of actual text” so the words are not counted. Patent Owner identified 23 figures in the December 3 Petition containing 353 uncounted words embedded as images.

Motion 10 (citations omitted). In its Response, Petitioner asserts that Patent Owner “fails to identify a single instance where the Petition embeds ‘written argument’ in figure annotations” and Petitioner argues that Patent Owner, “in fact, identifies *every figure annotation in the Petition* as an attempt to circumvent the word count, even though the annotations consist entirely of short, explanatory labels for components in the figures, and not ‘written argument’ or ‘images on numerous pages instead of actual text.’” Response 12–13. We have reviewed Petitioner’s use of figures in the Revised Petition (Paper 6) and find that the annotations consist primarily of highlighting or other coloration and very short (a few words) labels. We find nothing improper or excessive in the use of figures and annotations in the Revised Petition. To the contrary, we determine that the figures and annotations are likely to properly aid us in our consideration of the Revised Petition.⁸

Patent Owner also argues that Petitioner improperly incorporated by reference arguments from an exhibit (Ex. 1002 (“Declaration of Arthur MacCarley, PH.D., PE.”)). Motion 8, 13–15. Patent Owner contends, “[t]he

⁸ One of the examples in the Motion is the inclusion, in the Revised Petition, of an annotated version of a figure (a flowchart) from a prior art reference. Motion 11 (citing Paper 6, 67). However, the only addition to the figure from the prior art was the highlighting in yellow of two steps. See Paper 6, 67. Petitioner “added no text to this figure.” Response 13. We see nothing improper in including this prior art flowchart as a figure and find the highlighting to be properly used to direct attention to the important matter in the cited art.

December 3 Petition excessively cites to and incorporates lengthy passages from the MacCarley declaration as a substitute for including argument in the Petition itself” and “[i]n multiple places, the Petition makes only a conclusory statement and cites MacCarley for the substance of Petitioner’s argument.” *Id.* at 13–14. In its Response, Petitioner states that Patent Owner “does not identify any instances of improper incorporation by reference in the Petition” and argues that:

[I]t is unclear why [Patent Owner] characterizes additional detail present only in the expert declaration as an attempt to circumvent the word count limit for the Petition. *See* Motion, 13. By rule, arguments not presented in a petition are not considered. Thus, simply moving arguments from a petition to the declaration does not circumvent the word count limit, because the removed arguments will not be considered to the extent they appear only in the declaration.

Response 15. And, Petitioner also argues that, “the Board’s rules contemplate, and in fact encourage, the presence of additional explanatory testimony in an expert declaration, as context for the opinions relied upon by the petition.” *Id.* (citing 37 C.F.R. § 42.65(a) (“Expert testimony that does not disclose the underlying facts or data on which the opinion is based is entitled to little or no weight.”)).

We have reviewed the citations to the MacCarley Declaration (Ex. 1002) in the Revised Petition and do not find them to constitute improper incorporation by reference. We find no basis for concluding that Petitioner improperly incorporated by reference argument from an exhibit in the Revised Petition (Paper 6).

Accordingly, we find nothing improper in Petitioner’s reliance on its word processing system in certifying the word count of the Revised Petition

(Paper 6). And, to the extent there was anything improper in the word count, it was not serious enough to warrant our dismissing the Revised Petition and terminating this proceeding.

E. The Motion is Denied Under 37 C.F.R. §§ 42.1(b), 42.71

37 C.F.R. § 42.1(b) provides that the regulations governing this proceeding, “shall be construed to secure the just, speedy, and inexpensive resolution of every proceeding.” 37 C.F.R. § 42.71 provides, “[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.” It is apparent that, if the Revised Petition (Paper 6) contained more than 14,000 words,⁹ the excess number of words was small and was not used by Petitioner to significantly expand the argument in the Revised Petition. We will not impose the draconian remedy of dismissing the Revised Petition and terminating this proceeding in view of Petitioner’s apparent compliance with the word limit in the Revised Petition. We believe that, based on the circumstances presented here, the just resolution of this proceeding is best served by moving forward to consider the Revised Petition (Paper 6) on the merits and so we deny the Motion under 37 C.F.R. §§ 42.1(b), 42.71.

III. CONCLUSION

Accordingly, for the reasons stated herein, we deny the Motion.

⁹ See Motion 8 (“Patent Owner has identified at least **533 words** that were not counted by the word processor in the certification— making the December 3 Petition’s actual word count at least **14,094 words.**”). As noted previously, we do not believe that Petitioner’s reliance on its word processing system’s word count of no more than 13,561 words was improper.

IV. ORDER

In consideration of the foregoing, it is:

ORDERED that the Motion (Paper 14) is *denied*.

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