

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED
STATES PATENT AND TRADEMARK OFFICE

ZYXEL COMMUNICATIONS CORPORATION,
Petitioner,¹

v.

UNM RAINFOREST INNOVATIONS,
Patent Owner.

IPR2021-00375
Patent 8,265,096 B2

Before COKE MORGAN STEWART, *Acting Under Secretary of
Commerce for Intellectual Property and Acting Director of the United States
Patent and Trademark Office.*

ORDER

Granting Director Review, Vacating in Part Termination Order,
and Remanding to the Patent Trial and Appeal Board for
Further Proceedings

¹ ZyXEL Communications Corporation filed a petition and a motion for joinder in IPR2021-00734 and has been joined as a petitioner in this proceeding. *See* Paper 18. Original Petitioner Qualcomm Incorporated is no longer participating in this proceeding. *See* Paper 76, 1 n.1, 3 n.2.

This case is on remand from the United States Court of Appeals for the Federal Circuit to address the patentability of substitute claims 44–47, 49, and 50 of U.S. Patent No. 8,265,096 B2 (Ex. 1001). *ZyXEL Commc’ns Corp. v. UNM Rainforest Innovations*, 107 F.4th 1368, 1384 (Fed. Cir. 2024). On remand, the Board issued a Termination Order (Paper 76, “Decision”) granting a Joint Motion (Paper 75, “Motion”) filed by UNM Rainforest Innovations (“Patent Owner”) and ZyXEL Communications Corporation (“Petitioner”) to terminate the proceeding. In the Joint Motion, Petitioner represented that it had resolved its disputes with Patent Owner, requested that it no longer participate in this proceeding, and indicated that it would take no position on Patent Owner’s substitute claims. *See* Motion 1, 6. As such, the Board terminated the proceeding without rendering a final written decision on remand. Decision 3–4.

Patent Owner filed a Petition for Director Review of the Decision requesting that a certificate incorporating substitute claims 44–47, 49, and 50 be issued. *See* Paper 77 (“DR Request”); Ex. 3100. Patent Owner contends that prior to the appeal to the Federal Circuit, the Board’s Final Written Decision granted Patent Owner’s Motion to Amend concerning these substitute claims, and that decision has not been vacated or overturned. DR Request 2. Patent Owner further contends that although the Federal Circuit remanded to the Board for further consideration of these substitute claims, the Board declined to do so in view of the parties’ motion to terminate. *Id.*² Patent Owner argues that the Board is therefore “required by

² The Joint Motion requesting termination of the proceeding had also included Patent Owner’s request that the Board issue a certificate incorporating amended claims 44–47, 49 and 50. Motion 4.

law and every enacting regulation to issue a certificate ‘incorporating in the patent’ the substitute claims.” *Id.* at 2–3 (citing U.S.C. § 318(b); 37 C.F.R. § 42.80).

The Board improperly terminated this proceeding without considering the remand from the Federal Circuit. Decision 3–4. The remand to the Board was two-part: (1) “to determine, based on [the court’s] determination that claims 1–4 and 6–8 are unpatentable as obvious, if collateral estoppel applies to substitute claims 44–47, 49, and 50,” and (2) “to allow the Board to consider whether to exercise its discretion to evaluate if these claims are invalid based on a combination of Talukdar,^[3] Li,^[4] and Nystrom^[5].” *ZyXEL*, 107 F.4th at 1384. Although the Board was allowed discretion as to the second portion of the court’s remand, the court also ordered the Board to determine if collateral estoppel applied to the substitute claims based on the Federal Circuit’s decision as to the original claims, and to decide if the substitute claims are unpatentable. *Id.* The Board failed to address either aspect of the remand. Decision 3 (finding it “appropriate to terminate the proceeding without rendering a final written decision as to proposed substitute claims 44–47, 49, and 50”).

Specifically, the Federal Circuit determined that claim 8 is unpatentable as obvious over an asserted ground and reversed the Board’s decision. *ZyXEL*, 107 F.4th at 1380. As the court pointed out, the substitute claims are entirely a combination of the limitations of original claims 1–4 and 6–8, all of which the court held unpatentable as obvious. *Id.* at 1383.

³ Ex. 1012, US 2009/0067377 A1, published Mar. 12, 2009 (“Talukdar”).

⁴ Ex. 1016, US 2007/0155387 A1, published July 5, 2007 (“Li”).

⁵ Ex. 1017, US 2007/0104174 A1, published May 10, 2007 (“Nystrom”).

The court therefore ordered the Board “to determine if, in light of [the court’s] conclusion that claim 8 is unpatentable as obvious (together with the unpatentability of claims 1–4 and 6–7), collateral estoppel should apply, and the substitute claims should be deemed unpatentable.” *Id.* at 1384. The proper course here is to comply with the court’s remand as to the substitute claims prior to terminating the proceeding. *See* 35 U.S.C. § 317(a) (“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).”). A final determination as to patentability of the substitute claims is required before Patent Owner’s requested certificate can be issued. Moreover, there is a public interest in resolving patentability of these claims on the fully developed record already before the Board.

Accordingly, Director Review is granted, and the portion of the Board’s Order terminating the proceeding without rendering a final written decision is vacated. The proceeding remains terminated as to Petitioner. The case is remanded to the Board for consideration of the issues set forth in the Federal Circuit’s remand instructions. If the Board determines that the substitute claims are patentable in light of the court’s remand, the Board shall issue a final written decision confirming the patentability of these claims. Absent good cause, the Board shall issue a decision on remand within 30 days of this Order.

Accordingly, it is:

ORDERED that Director Review is granted;

FURTHER ORDERED that the Board’s Termination Order (Paper 76) is vacated in part; and

FURTHER ORDERED that the case is remanded to the Board for further proceedings consistent with this Order.

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