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PTAB Denies Petitioner Request to Withdraw PGR as "Too Late"

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37 C.F.R. § 42.71(a) provides that "The Board…may grant, deny, or dismiss any petition or motion" but does not provide other specifics. The Board therefore has broad discretion in considering requests to withdraw Petitions.

On July 30, 2021, the Board provided further clarity as to how late is too late when requesting withdrawal of a Petition during the pre-institution stage. *Ocado Group PLC v. Autostore Tech. AS*, PGR2021-00038, Paper 10 (July 30, 2021) (Grossman, joined by Quinn and Ippolito). Here, the PTAB denied Petitioner's request to withdraw its Petition just two weeks before the Institution Decision was due. However, there were some extenuating circumstances at play. In response to being accused of infringement before the International Trade Commission, Petitioner filed two IPRs and a PGR to challenge the validity of the three related asserted patents. The Board denied institution of the two related patents on July 21, 2021. Just five days after denying Petitioner's request, on August 4, 2021, the Board issued its Decision denying institution.[1]

In its withdrawal request, Petitioner argued that the Board denied institution of the two related IPR's and since the same invalidity grounds were asserted in all three of the related patents, "it would be wasteful to address the same grounds in both the ITC and before the Board." Petitioner also argued that withdrawal of the PGR Petition would "promote efficiency by consolidating Petitioner's invalidity challenges to all three patents in the ITC."

Patent Owner opposed the request. Citing the lateness of Petitioner's request and Patent Owner's opposition, the Board explained that allowing the Petitioner to withdraw the Petition "will not save the parties any additional time or expense, because there is no additional authorized briefing, discovery, or other effort in this proceeding to be taken by the parties at this time." (Paper 10, p. 3). The Board also noted that allowing Petitioner to withdraw the Petition "will not reduce any significant burden on the Board." *Id*. Very likely, by the time Petitioner requested withdrawal of the Petition, the Board had already substantially completed its institution Decision. Finally, the Board noted the inaccuracy of Petitioner's request, stating that the PGR Petition included additional grounds of unpatentability not asserted in the IPR proceedings, i.e., enablement, written description, indefiniteness, and on-sale grounds. *Id*. At 4.

The Board's Decision here is in line with prior PTAB decisions, including *LG Electronics, Inc. v. Koninklijke KPN N.V.*, IPR2018-00551, Paper 10 (PTAB Aug. 1, 2018). There, the Board denied the Petitioner's request to withdraw the IPR filed on August 1, 2018, and promptly issued a Decision to deny institution on August 10,

2018.

This Decision can also be compared to the Board's grant of Petitioner's Motion to Dismiss and Terminate its IPR in *Unified Patents, LLC v. Motion Offense, LLC*, IPR2020-00705, Paper 14 (September 23, 2020). There, Petitioner argued that "it sought to reallocate its budget and resources," that "withdrawal is also in the interest of justice, as the parties have no other dispute, and dismissal will resolve all matters." *Id*. at 2. Patent Owner opposed the Motion, mainly on the grounds that it wanted to explore whether Petitioner "misused the patent system by omitting its members as RPIs [real parties in interest]" *Id*. at p. 4. The Board granted the Motion to Dismiss and Terminate the IPR, citing the early juncture of the proceeding and the low likelihood that the RPI issue would be reached in the Institution Decision. *Id*. at 5. In granting the Motion, the Board noted that dismissing the IPR would also decrease the burden on Patent Owner because Petitioner reassured Patent Owner and also confirmed to the Board that "it does not intend to file another patent challenge against this patent or known related patents." *Id*. at 3.[2]

Takeaway for Petitioner: Request withdrawal as early as possible and explain why withdrawal will promote efficiency and conserve resources. An unopposed request is more likely to succeed.

Takeaway for Patent Owner: Opposing the Request makes it more likely that an Institution Decision will be issued; especially if arguments about timing and resources already spent can be raised.

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[1] The due date for the Institution Decision was August 10, 2021, six months from the notice according filing date of February 10, 2021.

[2] The due date for the Institution Decision was October 15, 2020, six months from the notice according filing date of April 15, 2020.