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Director Vidal Orders Rehearing on Adverse Judgment

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Director Vidal issued a new precedential decision yesterday, reversing an adverse judgement order against the patent owner Zipit Wireless, Inc. in *Apple v. Zipit Wireless*, IPR2021-01124, Paper 14 (PTAB Dec. 21, 2022). In the relevant underlying IPRs, patent owner Zipit failed to file a patent owner response after the Board had instituted trial. The Board held a hearing in which the panel asked Zipit's counsel whether patent owner was contesting if a final written decision or adverse judgment should be entered in the IPRs. Zipit's counsel responded that it would not contest such findings, "[i]f the Board determines that [Petitioner has] met their burden of proof…." Based on this statement, the Board concluded that Zipit had abandoned the proceeding and awarded adverse judgment in Apple's favor.

In a *sua sponte* Director Review Order, the Director indicated that she did not view Zipit's counsel's statements as being an "unequivocal abandonment of the contest." Instead, Zipit's counsel's non-opposition appeared to be contingent on the Board determining that Petitioner met its burden of proving by a preponderance of the evidence that the challenged claims were unpatentable. The Director vacated the Board's adverse judgment order and remanded to the panel to issue a show cause order clarifying whether Zipit was actually abandoning the contest or to issue a final written decision addressing patentability of the challenged claims.

Practice tip: Patent Owners who are disinterested in participating in a PTAB trial, whether due to weak arguments or cost concerns, should consider requesting that that Board address the merits of a petitioner's petition rather than conceding that they are abandoning the proceeding.