

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GENERAL ELECTRIC COMPANY,
Petitioner,

v.

UNITED TECHNOLOGIES CORPORATION,
Patent Owner.

Case IPR2019-00212
Patent 9,624,827

**PATENT OWNER UNITED TECHNOLOGIES CORPORATION'S
OPPOSITION TO PETITIONER'S MOTION TO AMEND THE PETITION
TO WITHDRAW CHALLENGED CLAIM 19 AND FOR ADVERSE
JUDGMENT AGAINST DISCLAIMED CLAIMS 1-18 AND 20-24**

Pursuant to the Order dated April 9, 2019 (Paper 7), Patent Owner United Technologies Corporation (“UTC”) submits this opposition to Petitioner General Electric Company’s (“GE’s”) motion for withdrawal of claim 19 and entry of adverse judgment against claims 1-18 and 20-24 (Paper 8). Not only is GE’s request lacking any legal basis, it vitiates the explicit intent of the USPTO in establishing the rules governing IPRs. Thus, GE’s motion should be denied.

I. REBUTTAL OF GE’S “FACTUAL BACKGROUND”

UTC has not asserted the ’827 Patent in any litigations. Of its own accord, GE chose when and how to challenge the ’827 Patent, as it was subject to no statutory deadlines for filing its IPRs. Free of such obligations, GE chose to challenge each and every claim of the ’827 Patent based on its asserted prior art and arguments.

Faced with the petitions as GE defined them and the short response period prescribed for Preliminary Patent Owner Responses, UTC chose to narrow the issues for the Board’s consideration, and therefore most effectively expose the hindsight bias of GE’s analysis. UTC’s decision to focus the proceedings was undisputedly within the scope of the USPTO’s rules and served to facilitate the Board’s goal of the “just, speedy, and inexpensive resolution of [this] proceeding.” 37 C.F.R. § 42.1(b). Specifically, UTC relied upon the procedure explicitly authorized by 37 C.F.R. § 42.107(e) to disclaim claims 1-18 and 20-24 so as to focus on one example of how the inventive EUTP design parameter has never been described in the prior

art. In so doing, UTC explicitly stated that its disclaimer was made solely “[i]n an effort to narrow the issues for adjudication, and **without any concession or admission.**” Paper 6, p. 1, n. 1 (emphasis added).

Indeed, in its preliminary response, UTC provided a thorough explanation of how the prior art failed to recognize the EUTP design parameter as a useful tool, much less the benefits attendant to its expression within the claimed turbofan engines. *See, e.g.*, Paper 6, pp. 5-14, 21-33. Thus, contrary to GE’s assertion, UTC has **not** “conceded via its disclaimer in the 212 and 213 IPRs that the prior art GE identified discloses the EUTP concept.” Paper 8, p. 2.

GE complains that UTC continues to prosecute two patent applications drawn to the EUTP design ratio that were filed long before GE filed its Petition.¹ But this

¹U.S. Application No. 14/497,822 was filed September 26, 2014, while U.S. Application No. 15/450,631 was filed March 6, 2017 and its issue fee paid on July 2, 2018—both well before GE filed its IPRs on November 6, 2018. Notably, GE makes no attempt to compare the disclaimed claims of the ’827 Patent to the claims in UTC’s co-pending applications. The scope of those claims is distinctly different from the disclaimed claims here, which, though not required of UTC, further undermines GE’s argument.

is a red herring, with no bearing on Rule 42.107(e). Nor does it support GE's argument that UTC intended to concede rights.

II. GE'S MOTION IS COUNTER TO THE USPTO'S STATED INTENT IN ISSUING THE RELEVANT RULES

37 C.F.R. § 42.107(e) lists "statutory disclaimer under 35 U.S.C. 253(a) in compliance with § 1.321(a)" as a proper "preliminary response to petition." In issuing this rule, the USPTO explained that the application of statutory disclaimer as a preliminary response provides patent owners with a mechanism to "streamline the proceedings." Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48764 (Aug. 14, 2012). Providing further clarification, the USPTO delineated between instances where the patent owner disclaims all of the claims in a proceeding and where patent owner disclaims only a subset of the claims:

Where no challenged claims remain, the Board would terminate the proceeding. Where one or more challenged claims remain, the Board's decision on institution would be based solely on the remaining claims.

Id. In other words, the USPTO intended to give patent owners a tool to "streamline" proceedings by disclaiming less than all challenged claims with the understanding that the PTAB would then issue an institution decision on "the remaining claims."

The USPTO enshrined this rule in 37 C.F.R. § 42.73(b), which lists the limited circumstances under which the PTAB will terminate a proceeding in

adverse judgement due to the action a party. By specifically listing cases where “cancellation or disclaimer of a claim” results in “no remaining claim in the trial” as a trigger for a presumption of adverse judgement, the USPTO implicitly confirmed that lesser cancellations and disclaimers would not result in an adverse judgement. *See* 37 C.F.R. § 42.73(b)(1)-(4).

It was under this guidance from the USPTO regarding its rules that UTC sought to streamline IPR2019-00212 and -00213 by disclaiming less than all of the claims GE chose to challenge in its petition. This disclaimer had an immediate legal consequence on UTC’s rights with respect to the ’827 Patent. *See* 35 U.S.C. 253(a). To allow GE to now re-write its petition after UTC has taken this consequential action would be both highly prejudicial to UTC and counter to the USPTO’s intent in setting forth its rules for preliminary responses.

GE has no basis to argue that the general and nonspecific rules it cites in support of its motion (*i.e.*, 37 C.F.R. §§ 42.5(a) and 42.71(a)) should contravene the clear intent of the USPTO for handling the exact situation confronted in this case. Indeed, the only case cited by GE applying these broad rules is inapposite. *See* Paper 8, pp. 3-4 (citing *Samsung Electronics Co., Ltd. v. NVIDIA Corp.*, IPR2015-01270, IPR2015-01314, Paper 11 (PTAB Dec. 9, 2015)). In *Samsung*, the Board’s primary rationale for granting Petitioner’s motion was that it would be statutorily “barred from filing another petition for *inter partes* review with respect

to these patents,” preventing Samsung from serial challenges to the patent. *Id.* at 3. Unlike Samsung, there is no statutory bar at work here. More importantly, the patent owner in *Samsung* had not disclaimed claims with its preliminary response, as UTC did here.

A more relevant case to consider is *Apple Inc. v. Papst Licensing GmbH & Co. KG*, IPR2017-00670, Paper 11 (PTAB May 22, 2017). In that case, the Board denied petitioner’s motion to withdraw the petition, finding that “[g]ranting Apple’s requested relief . . . essentially would allow Apple to avoid possible estoppel effects.” *Apple Inc.*, IPR2017-00670, Paper 11 at 3. Even though Apple could assert that patent owner “would be in the same position as if the Petition had never been filed”—which is **not** the case here—the Board still agreed that allowing Apple to avoid estoppel through such a withdrawal “would be prejudicial to Papst, and would encourage further serial filings of petitions and discourage settlement.” *Id.* at 2-3. According to the Board, if Apple wanted to withdraw from the case, it should “settle with Papst or request adverse judgment.” *Id.* at 5. These were options this panel presented to GE on the conference call, and GE has apparently decided not to pursue them.

Instead, GE is making an even more unjust and prejudicial request than the request denied in *Apple*. By initially choosing to challenge claim 19 under no obligation to do so and now seeking to abandon that challenge after UTC has

responded with partial disclaimer, GE is not only seeking to elude the legal implications on itself from a negative decision by the Board on claim 19 but is further seeking the power to trigger, through its own action, an adverse judgement against UTC, encumbering UTC with estoppel. While the Board's rules certainly contemplate that a party's own actions might be construed as a request for adverse judgement against itself (*see* 37 C.F.R. § 42.73(b)), there is no legitimate reading of the rules that empowers one party to take an action that imposes adverse judgement on another party.

Even assuming, *arguendo*, that GE could be permitted to withdraw its challenge of claim 19, the result should not be adverse judgment as to claims already disclaimed before that decision. *See Daikin Indus., Ltd. v. Chemours Co. FC, LLC*, IPR2018-00993, Paper 12 at 5 (PTAB Nov. 13, 2018) (holding that “Rule 42.107(e) specifically contemplates” disclaimer of less than all claims in a proceeding “and is notably silent as to the adverse judgment and estoppel Petitioner seeks”). Nothing in the language of the regulation suggests that cancellation of less than all claims somehow retroactively becomes a request for adverse judgement if other claims are later removed from the proceeding by the action of the opposing party. To read the regulation this way would: (1) encourage Petitioners to bring voluminous and potentially unmeritorious challenges to reveal patent owner's defenses and, if they were strong, to simply back out with no

adverse consequences; and (2) strongly discourage patent owners from “streamlining” the issues as contemplated by the relevant regulations, since they would have no way to know what consequences might flow from that decision.

Denying GE’s request to withdraw claim 19 from its Petition is consistent with *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348 (2018). The Supreme Court held that the “statute envisions an *inter partes* review guided by the **initial** petition.” *SAS Institute*, 138 S. Ct. at 1351 (emphasis added). Thus, while “the petitioner is master of its complaint and normally entitled to judgment on all of the claims it raises,” that mastery is exercised through the discretion it has in drafting the petition it files in the first place. *See id.* at 1355. No one forced GE to challenge claim 19, so GE has no legitimate reason to abandon its “initial petition” when faced with the consequences of the choices GE made in drafting it.

For the foregoing reasons, UTC requests that the Board deny GE’s motion.

Respectfully submitted,

Date: April 18, 2019

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CERTIFICATE OF SERVICE

Pursuant to 37 CFR § 42.6(e)(4), the undersigned certifies that on April 18, 2019, a complete and entire copy of this Opposition was provided via email, to the Petitioner by serving the email correspondence address of record as follows:

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