

Trials@uspto.gov
Tel: 571-272-7822

Paper 18
Entered: March 14, 2018

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

COMMVAULT SYSTEMS, INC.
Petitioner

v.

REALTIME DATA, LLC,
Patent Owner

Case CBM2017-00061
Patent 8,717,204 B2

Before JAMESON LEE, THOMAS L. GIANNETTI, and
JENNIFER S. BISK, *Administrative Patent Judges*.

BISK, *Administrative Patent Judge*.

ORDER
Denying Petitioner's Request for Adverse Judgment
37 C.F.R. § 42.73

Case CBM2017-00061
Patent 8,717,204 B2

The Petition in this case, challenging claims 1–30 of the '204 patent, was filed June 30, 2017. Paper 1. Subsequent to the Petition and prior to any decision on institution, Patent Owner filed a statutory disclaimer of claims 1–11, 15–17, and 22–30. Ex. 2002. We determined Petitioner had not shown the '204 patent qualifies as a covered business method patent, and thus, on January 18, 2018, we entered a decision denying covered business method patent review of the remaining claims, 12–14 and 18–21. Paper 10.

On March 5, 2018, as authorized (Paper 14), Petitioner filed a request for adverse judgment for the statutorily disclaimed claims 1–11, 15–17, and 22–30. Paper 16 (“Mot.”). Patent Owner filed an opposition to the request on February 9, 2018. Paper 17 (“Opp.”).

According to Petitioner, “the Federal Circuit affirmed entry of adverse judgment against a patent owner who, like Realtime, filed a statutory disclaimer pre-institution and then argued that Board proceedings should not be instituted.” Mot. 1–2 (citing *Arthrex v. Smith & Nephew*, 880 F.3d 1345, 1347 (Fed. Cir. 2018)). Petitioner contends Petitioner asserts that “Realtime’s conduct can be construed as a request for adverse judgment under both § 42.73(b)(2) and (3).” *Id.* at 2 (citing 37 C.F.R. § 42.73(b)(2)–(3)). In addition, Petitioner argues that we should enter adverse judgment to prevent the “gamesmanship” of Patent Owner “tactically disclaim[ing] claims in this CBM proceeding” only to “escape the consequences by obtaining similar claim coverage elsewhere.” *Id.* at 5.

Patent Owner opposes this request both because of the timing (Opp. 1–3) and because Patent Owner asserts that the basis of Petitioner’s request under 42.73(b) does not apply here, where not all challenged claims were disclaimed (*id.* at 3–5).

Case CBM2017-00061
Patent 8,717,204 B2

We decline to enter adverse judgment in this case based on Petitioner's delay in making its request. Although Petitioner asserts that "[f]ollowing *Arthrex*, Commvault timely requested entry of adverse judgment" (Mot. at 1 (citing Ex. 1070)), we are not persuaded that adverse judgment under these circumstances, even if allowed under 42.73(b)¹, would not be prejudicial to Patent Owner.

The relevant events in this case occurred as follows: (1) Petition is filed June 30, 2017 (Paper 1); (2) Statutory disclaimer is filed October 23, 2017 (Ex. 2002); (3) Preliminary Response is filed October 27, 2017 (Paper 9); (4) Decision denying institution is entered January 18, 2018 (Paper 10); (5) *Arthrex* is decided by the Federal Circuit on January 24, 2018; (6) Petitioner contacts the Board regarding adverse judgment on February 14, 2018 (Ex. 1070). Petitioner's request, therefore, comes almost four months after Patent Owner's preliminary response describing the statutory disclaimer. It also comes almost a month after our decision on institution and three weeks after the decision in *Arthrex*. Petitioner does not provide adequate explanation for the delay. The consequence of this timing is that Patent Owner did not have notice that Petitioner would be requesting adverse judgment until just before the time for a rehearing request on the decision denying institution had lapsed. This prejudice to Patent Owner outweighs Petitioner's stated interest in preventing alleged gamesmanship.

Accordingly, it is

ORDERED that Petitioner's request for adverse judgment as to claims

¹ Because we determine the timing in this case makes adverse judgment inappropriate, we do not determine whether it is proper under 42.73(b).

Case CBM2017-00061
Patent 8,717,204 B2

1-11, 15-17, and 22-30 is *denied*.

PETITIONER:

John R. King
Michelle Armond
Bridget Smith
KNOBBE, MARTENS, OLSON & BEAR, LLP
2jrk@knobbe.com
2mea@knobbe.com
2bzs@knobbe.com

PATENT OWNER:

William P. Rothwell
Kayvan Noroozi
NOROOZI PC
william@noroozipc.com
kayvan@noroozipc.com