

UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE DIRECTOR ACTING DIRECTOR

Rambus, Inc. v. Nvidia, Corp. (withdrawn) )  
*Inter Partes Reexam* ) Decision on Request  
Control No. 95/001,169 ) under 37 C.F.R. § 1.304(a)(3)(ii)  
  
BPAI Final Decision: Nov. 13, 2012 )  
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MEMORANDUM AND ORDER

On May 30, 2013, patent owner Rambus, Inc (Rambus) filed a request seeking an extension of time under 37 C.F.R. § § 11.304(a)(3)(ii)<sup>1</sup> to file a Notice of Appealn appeal to the U.S. Court of Appeals for the Federal Circuit in Inter Partes Reexamination Control No. 95/001,169 with the United States Court of Appeals for the Federal Circuit. For the reasons given below, Rambus' request is granted.

On February 13, 2013, the Patent Trial and Appeal Board (Board) concluded that Rambus had not shown that the Board's earlier decision (BPAI 2011-010623; dated Jan. 24, 2012) required modification with respect to the anticipation rejection of claim 1, 5, 7, 11, 14, 19, and 23, or obviousness rejection of claims 1-26. Under 37 C.F.R. §§ 1.983 and 1.304(a)(1), Rambus had until April 13, 2013 in which to file a Notice of Appeal to the U.S. Court of Appeals for the Federal Circuit (Notice).

Rambus did not file any Notice, or seek additional time to do so, on or before April 13, 2013.

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<sup>1</sup> On September 16, 2012, various changes to title 37 of the Code of Federal Regulations took effect. These included replacing the previous regulations governing the seeking of judicial review of Board decisions at 37 C.F.R. §§ 1.301-304, with the provisions at 37 C.F.R. §§ 90.1-90.3. Because this Request arises in an *inter partes* reexamination requested under 35 U.S.C. § 311, the old regulations govern. *See* 37 C.F.R. § 90.1. Substantively, however, the old and new time extension rules are effectively equal.

On May 30, 2013, Rambus filed the underlying Request, seeking additional time in which to file a Notice. The Director may extend the time for filing an appeal after the expiration of the period for filing an appeal “upon a showing that the failure to act was the result of excusable neglect.” 37 C.F.R. § 1.304(a)(3)(ii). The authority to decide such requests has been delegated to the Solicitor. MPEP § 1002.02(k)(3).

In determining excusable neglect, the USPTO applies the standard used by the Federal Courts. MPEP § 1216; *see, e.g., In re Ashkenazi*, Serial No. 09/984,924 (Memorandum and Order on Request for Additional to File Federal Circuit Appeal) (Feb. 6, 2006). Determining whether the failure to properly file a civil action or appeal within the proscribed time period is the result of “excusable neglect” is

an equitable one, taking account of all relevant circumstances surrounding the party’s omission. These include . . . [1] the danger of prejudice to [another party], [2] the length of the delay and its potential impact on judicial proceedings, [and 3] the reason for the delay, including whether it was within the reasonable control of the movant, and whether the movant acted in good faith.

*Pioneer Inv. Servs. v. Brunswick Assocs. Ltd. P’ship*, 507 U.S. 380, 395 (1993). Excusable neglect “is understood to encompass situations in which the failure to comply with a filing deadline is attributable to negligence.” *Id.* at 390; *see also Information Systems and Networks Corp. v. United States*, 994 F.2d 792, 796 (Fed. Cir. 1993) (holding that a party's failure to answer a counterclaim based on the mistaken belief that no answer was required constituted excusable neglect for purposes of Fed. R. Civ. P. 60(b)). Moreover, “[a]lthough inadvertence, ignorance of the rules, or mistakes construing the rules do not usually constitute excusable neglect, it is clear that excusable neglect . . . is a somewhat elastic concept and is not limited strictly to omissions caused by circumstances beyond control of the movant.” *Id.* at 392. The third *Pioneer* factor—relating to

why the filing was delayed—is generally considered the most important factor in the analysis. *See, e.g., Firsthealth of the Carolinas, Inc. v. Carefirst of Maryland, Inc.*, 479 F.3d 825 (Fed. Cir. 2007); *Pumpkin, Ltd. v. The Seed Corps*, 43 USPQ2d 1582, 1587 n.7 (TTAB 1997).

On the critical third factor, Rambus explains that the failure to timely file a Notice was the “result of unique circumstances that resulted in communication breakdown among multiple law firms and multiple in-house counsel.” Req. at 1. Rambus’ outside counsel at Finnegan, Henderson, Farabow, Garrett & Dunner, LLP (Finnegan) informed Rambus on March 28, 2013 that the Notice deadline was approaching by emailing Mr. Saxon Noh at Rambus, the individual Finnegan believed was the correct Rambus contact for such matters. Req. at 3; Stoll Decl. at ¶¶ 5-6. Finnegan explains that it understood Mr. Noh’s response – that an appeal was likely, but “that internal [Rambus] consultations were needed” – to mean that “Rambus would let Finnegan know if it wanted Finnegan to take action.” Req. at 3; Stoll Decl. at ¶ 5; Harris Decl. at ¶ 4. Finnegan subsequently emailed Mr. Noh again on April 9, 2013 to remind Rambus to let Finnegan know if “there’s anything you need us to do.” Req. at 3; Stoll Decl. at 5.

The Request explains that Rambus did not have further communication with Finnegan regarding any appeal because Rambus’ internal legal department was undergoing reorganization at the time the appeal deadline here was pending. Req. at 3; Harris Decl. at ¶¶ 2-3. The law is fairly clear, however, that upheaval within a business or legal department does not weigh in favor of finding “excusable neglect.” *See, e.g., Pioneer*, 507 U.S. at 398. Further, Rambus asserts that the lack of any confirmation to pursue an appeal was unnecessary because it had a good faith belief that outside counsel was attending to filing the Notice given its “prosecution guidelines,” which instruct outside counsel to “never let a matter go abandoned without explicit instructions from

Rambus in-house counsel.” Req. at 3-4; Harris Decl. at ¶ 4. On the one hand, Finnegan apparently had been given those guidelines as recently as February, 2013, although apparently not to anyone working on Rambus-related reexaminations. Req. at 4. On the other hand, Rambus’ prior communications in this case indicated the need for further “internal deliberations” before any appeal should be pursued, which is consistent with Rambus’ prior practice of expressly authorizing Finnegan to file appeals from Board decisions in other reexamination proceedings. Req. at 2-3; Stoll Decl. at ¶ 3.

Aside from the reasonableness of the excuses given here for why neither party acted in the manner that the other believed they would, the real problem with the analysis of this *Pioneer* prong for Rambus is that but-for a courtesy call from the USPTO, there is absolutely nothing to indicate that either Rambus or Finnegan would have even realized the deadline had passed, let alone taken steps to procure additional time to file any Notice. That is problematic. While the USPTO strives to communicate with parties involved in proceedings before it, the type of courtesy call given in this case is neither required nor standard. And, as discussed below, the USPTO would have been well within its authority to take action in this reexamination that would have severely complicated granting this Request.

However, as *Pioneer* makes clear, determining whether “excusable neglect” occurred is “an equitable one, taking account of all relevant circumstances surrounding the party’s omission.” 507 U.S. at 395. Critically, the absence of any bad faith conduct here weighs in favor of granting the relief. *See id.*; *Cheney v. Anchor Glass Container Corp.*, 71 F.3d 848, 850 (11th Cir. 1996) (“excusable neglect” in context of Fed. R. Civ. P. 60(b)). There is no indication that either Rambus or its outside counsel “deliberately disregarded” the Notice filing deadline. *Id.* And the

absence of prejudice from a belated appeal further weighs in favor of granting the requested relief to avoid forfeiting Rambus' right to judicial review of a Board decision. The length of delay here between the decision date and any judicial review is not overly long. Further, the third-party requester (Nvidia) in this reexamination settled with Rambus and is no longer participating in the reexamination. Req. at 1. Nor is there prejudice to the USPTO proceedings or the public. That would not be the case, however, if the USPTO had issued a reexamination certificate, or even a NIRC, in this reexamination. It would have been entirely proper for the USPTO to close these reexamination proceedings once the deadline for seeking judicial review of the Board decision had passed without receiving proper Notice of such a suit. See MPEP §§ 2687, 2688; 35 U.S.C. § 316 (pre-AIA version governing inter partes reexaminations). In that scenario, the USPTO and public at large should be able to rely upon the timely and proper conclusion of the reexamination proceedings. Thus, the USPTO hastens to make clear to practitioners that future requests presenting that fact scenario will likely not result in the same favorable outcome. Cf. *Pioneer*, 507 U.S. at 398.

Given these considerations, and the equitable and elastic nature of the “excusable neglect” standard, the balance of the *Pioneer* factors weighs in favor of granting the extension.

One further point merits discussion. On the same day Rambus filed the underlying Request for additional time to seek Federal Circuit review of the Board decision here, it also filed a Notice of such an appeal. Req. at 8. Once the filing deadline passes, additional time must first be sought from the USPTO before filing a notice of appeal or civil action complaint (if available). See generally *Barbacid v. Brown*, 223 Fed. Appx. 972 (Fed. Cir. Mar. 19, 2007) (nonprecedential); see also *In re Ishii*, Serial No. 09/655,847 (Mem. and Order on Request for Additional Time to File

Federal Circuit Appeal) (Feb. 6, 2009). The USPTO loses jurisdiction over an application to perform anything but “purely ministerial” functions once the applicant formally files a notice of appeal to the Federal Circuit, or a complaint in district court. *See generally In re Graves*, 69 F.3d 1147, 1149-50 (Fed. Cir. 1995); *Barbacid*, 223 Fed. Appx. at 974 (dismissing untimely appeal “without prejudice to Barbacid making a written request for an extension of time” under Rule 304(a)(3)); Fed. Cir. R. 15(a)(1) (instructing that USPTO “must promptly advise the clerk that the notice [of appeal] is or is not timely” once one is filed). On July 11, 2013, the Federal Circuit granted Rambus’ motion to withdraw the appeal Notice filed May 30, 2013, permitting the USPTO to act upon the underlying Request here. *See Rambus, Inc. v. NVIDIA, Corp.*, Appeal No. 2013-1507, Dkt. Entry #4.

ORDER

Upon consideration of the request for an extension of time under 37 C.F.R. §1.304(a)(3)(ii), it is ORDERED that the request is granted.

Rambus' time for filing a Notice of Appeal to the Federal Circuit for review of the February 13, 2013 Board decision in this reexamination is extended from April 13, 2013 to July 26, 2013.

TERESA STANEK REA  
ACTING UNDERSECRETARY OF COMMERCE  
FOR INTELLECTUAL PROPERTY AND  
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By: \_\_\_\_\_  
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DATE: July 11, 2013

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