UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE DIRECTOR

Mexichem Amanco Holding S.A. de C.V. and Daikin Industries, Ltd. v. Honeywell Int'l Inc.	)	Decision on Request under 37 C.F.R. § 1.304(a)(3)(ii)
Inter Partes Reexamination Control Nos. 95/002,189 and 95/002,204	)	
U.S. Patent No. 7,534,366	)	

MEMORANDUM AND ORDER

Before the Director is the "Petition for Extension of Time to File an Appeal with the U.S. Court of Appeals for the Federal Circuit" ("Request"), filed on July 17, 2020, by Patent Owner Honeywell International Inc. ("Honeywell") in the above-captioned consolidated inter partes reexamination proceeding. Appellee Daikin Industries, Ltd. ("Daikin") filed an opposition on July 31, 2020 ("Daikin Opp."); Honeywell filed a reply on August 7, 2020. Appellee Mexichem Amanco Holding S.A. de C.V ("Mexichem") did not oppose the requested extension. For the reasons given below, Honeywell's Request is granted.

The Patent Trial and Appeal Board (Board) issued its decision in these above-captioned inter partes reexaminations involving U.S. Patent No. 7,534,366 ("the '366 patent") on May 1, 2020. On July 6, 2020, Honeywell filed its Notice of Appeal to the Federal Circuit in this matter with the Director, and served copies on Appellees and the Federal Circuit. On July 23, 2020, the Federal Circuit docketed Honeywell's appeal as Appeal No. 20-2023. *See Honeywell Int'l Inc. v. Mexichem Amanco Holdings S.A. de C.V. & Daikin Industr., Ltd.*, Appeal No. 20-2023, ECF No. 1 (Jul. 23, 2020). The issue underlying the Request here is when Honeywell's Notice of Appeal from the Board decision was due and, thus, whether the July 6th filing was timely.

On September 16, 2012, various changes to title 37 of the Code of Federal Regulations took effect. Among other changes, the provisions governing the seeking of judicial review for ex parte and America Invents Act ("AIA") proceedings were installed at 37 C.F.R. §§ 90.1-90.3. Rule 90.3

provides 63 days for filing a notice of appeal without specifying the type of proceedings to which it applies. However, per 37 C.F.R. § 90.1, "[j]udicial review of decisions arising out of inter partes reexamination proceedings that are requested under [pre-AIA] 35 U.S.C. § 311…continue to be governed by the pertinent regulations in effect on July 1, 2012." The "pertinent regulations in effect on July 1, 2012" regarding judicial review of decisions in inter partes reexamination are 37 C.F.R. §§ 1.301-1.304 (2012). *See* 37 C.F.R. § 1.983 (providing that a party wishing to appeal a PTAB decision in an inter partes reexamination should "timely file a written notice of appeal directed to the Director in accordance with §§ 1.302 and 1.304"). In particular, Rule 1.304 provided only "two months" for filing a notice of appeal. However, the regulatory text of 37 C.F.R. §§ 1.301-1.304 (2012) does not appear in post-2012 versions of the CFR. *See* MPEP § 2683 (providing guidance for appeals in inter partes reexaminations, and quoting 37 C.F.R. §§ 90.1, 1.983, and 1.302-304 (2012)). The "good cause" and "excusable neglect" standards applicable to requests for additional time, however, are the same under the old and new regulations.

The difference in the filing deadlines articulated in Rule 90.3 (63 days) and Rule 1.304 (two months) is generally three days. In this case, the difference between the due date under the two rules was six days. If Rule 90.3 applied, Honeywell's due date would have been July 3rd, which was a Federal Holiday, making July 6th the actual due date and Honeywell's filing on the same date timely. But Honeywell's due date under 37 C.F.R. § 1.304(a)(1) (2012), was June 30, 2020. Thus, under Rule 1.304, Honeywell's appeal notice was late by six days, requiring an extension of that length under the "excusable neglect" standard to make the notice timely.

There has been significant activity related to Honeywell's appeal notice and Request here. On July 9, 2020—before the Court had docketed the appeal—Daikin filed a letter with the Federal Circuit Clerk's Office, asserting that Honeywell's Notice of Appeal was untimely and should be

dismissed. *See* Req. (Exh. A). On July 13, 2020, Honeywell responded, asserting that its Notice was timely. *See* Daikin Opp. (Exh. 1). Honeywell then filed the underlying Request for additional time on July 17, 2020. On July 23, 2020, the Federal Circuit docketed Honeywell's appeal as Appeal No. 20-2023. *See Honeywell Int'l Inc. v. Mexichem Amanco Holdings S.A. de C.V. & Daikin Industr., Ltd.*, Appeal No. 20-2023, ECF No. 1 (Jul. 23, 2020). On July 30, 2020, the Clerk's Office sent a letter to the parties regarding their prior communications, explaining that dismissal arguments based on untimeliness should be raised via motion or briefing. *Id.*, ECF No. 3.

On August 26, 2020, Daikin did just that, filing a motion to dismiss Appeal No. 20-2023 as untimely. *Id.*, ECF No. 19 (Aug. 26, 2020). Mexichem did not join that motion, nor has it filed its own motion to dismiss the 20-2023 appeal. Honeywell opposed Daikin's dismissal motion (*id.*, ECF No. 24 (Sept. 8, 2020)), and Daikin replied. *Id.*, ECF No. 25 (Sept. 15, 2020).

During the appellate dismissal motion briefing, the USPTO submitted a "Notice of Non-Filing of Certified List." *Id.*, ECF No. 22 (Sept. 1, 2020). In that Notice, the USPTO explained that Honeywell's Notice of Appeal was untimely based on Rule 1.304's two-month filing window, observing that Honeywell had since filed the underlying Request for additional time to cure that defect. *Id.*

Additionally, on August 19, 2020, Honeywell filed a motion to consolidate the related appeal here—Appeal No. 20-2023—with Appeal Nos. 20-1981 and 20-1991. *Id.*, ECF No. 17 (Aug. 19, 2020). As Honeywell's consolidation motion explains, all three appeals involve 1) inter partes reexaminations of related Honeywell patents, and 2) Mexichem as a party, but 3) neither 20-1981 nor 20-1991 involve Daikin as a party. *Id.* at 2, 5 n.5. Briefly:

> Appeal No. 20-1981: Mexichem filed the appeal, seeking review of the Board's decision in inter partes reexamination 95/002,030, involving Honeywell's U.S. Patent No. 8,065,882 ("the '882 patent"). There are no dismissal motions or appeal-notice timeliness issues associated with the 20-1981 appeal.

Appeal No. 20-1991: Honeywell filed the appeal, seeking review of the Board's decision in inter partes reexamination 95/001,783, involving Honeywell's U.S. Patent No. 8,033,120 ("the '120 patent"). Honeywell has filed a Rule 1.304 request with the Director for additional time to pursue the 20-1991 appeal. The operative facts, and basis for relief, in the '1783 reexamination are virtually identical to those here.[1] The one difference is that Appellee Mexichem—the lone Appellee in the -1991 appeal related to the '1783 reexamination—has not moved to dismiss the -1991 appeal or opposed Honeywell's time-extension request with the USPTO.

Returning to Honeywell's consolidation motion filed in Appeal No. 20-2023, Daikin and Mexichem opposed (*id.*, ECF Nos. 20 and 21 (Aug. 31, 2020)), and Honeywell replied. *Id.*, ECF No. 23 (Sept. 8, 2020). On Sept. 24, 2020, the Court consolidated Appeal Nos. 20-2023 and 20-1991, while keeping Appeal No. 20-1981 as a companion appeal. *Id.*, ECF No. 26 (Reyna, J.). Given Daikin's pending motion to dismiss Appeal No. 20-2023, and Honeywell's Rule 1.304 time-extension requests in the underlying inter partes reexaminations, the Court ordered briefing stayed in consolidated Appeal Nos. 20-1991, -2023 pending resolution of those time-extension requests. *Id.*

We turn now to Honeywell's Request in the underlying reexaminations here. 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) (Jul. 2012). The authority to decide such requests has been delegated to the Solicitor. *See* MPEP § 1002.02(k)(3). In determining excusable neglect, the USPTO applies the standard used by the Federal Courts. *See* MPEP § 1216; *Pioneer Inv. Servs. Co. v. Brunswick Assocs. Ltd. P'ship*, 507 U.S. 380, 395 (1993); *see, e.g.*, *Mitsubishi Cable Industr., Ltd., et al. v. Goto Denshi Co., Ltd.*, Memorandum and Order at 7-14, Dkt. No. 28 (IPR2015-01108) (May 3, 2017) ("*Mitsubishi*"); *IpVenture, Inc. v. FedEx Corp.*, Memorandum and Order (Inter Partes Reexamination Control No. 95/001,896) (Apr. 4, 2017)

[1] A decision in the request filed in the '1783 reexamination, reaching the same result as here, was

("*IpVenture II*"); *Rambus, Inc. v. Nvidia, Corp.*, Memorandum and Order (*Inter Partes* Reexamination Control No. 95/001,169) (Jul. 11, 2013).

The "excusable neglect" inquiry 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, 507 U.S. at 395. Excusable neglect "is understood to encompass situations in which the failure to comply with a filing deadline is attributable to negligence." *Id.* at 394. 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 the control of the movant." *Id.* at 392 (internal quotation marks omitted). The third *Pioneer* factor—relating to why the filing was delayed—is generally considered the most important factor in the analysis, although one factor does not control. *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, 1586 n.7 (T.T.A.B. 1997). This Decision is rendered based upon review of all relevant documents, including Honeywell's Request, Daikin's Opposition, and Honeywell's Reply. *See, e.g.*, *UWA v. AZL*, Memorandum and Order, at 3-4 (Interference No. 106,013) (Feb. 26, 2016) (explaining that while the regulations do not contemplate either opposing an extension request or a subsequent reply thereto, or that such filings will be considered if submitted, the USPTO will consider them where practical).

Before turning to the merits of Honeywell's Rule 1.304 extension request, two housekeeping issues must be addressed. First, Daikin incorrectly argues that the USPTO lacks jurisdiction to

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issued separately.

decide Honeywell's extension request. *See* Opp. at 4-6. The USPTO explained in *Mitsubishi* that an untimely notice of appeal to the Federal Circuit does not deprive the USPTO of jurisdiction to decide a request filed under either Rule 90 or Rule 1.304 (as applicable) to extend the time for seeking judicial review. *See Mitsubishi*, at 2-7. In reaching that conclusion, the USPTO explained that it had "reconsidered the USPTO's prior conclusions" to the contrary, including the *IpVenture I* decision upon which Daikin relies here. *See* Opp. at 4 (citing *IpVenture, Inc. v. FedEx Corp.*, Memorandum and Order (Inter Partes Reexamination Control No. 95/001,896) (Aug. 19, 2016) ("*IpVenture I*"). Daikin asserts that the operative fact underlying the USPTO's conclusion that it lacked jurisdiction to decide the extension request in *IpVenture I* was that the requestor there had taken the position before the Federal Circuit that its appeal notice was timely, and argues that because Honeywell has taken the same position here, the USPTO lacks jurisdiction. *See* Opp. at 4-5. That is not correct. Neither *Mitsubishi*, nor jurisdiction generally, turns on an appellant's subjective belief regarding the timeliness of its appeal notice. Further, the Federal Circuit here has stayed the appeal pending the USPTO decision on Honeywell's Rule 1.304 extension request. It would be inconsistent with the Court's Order—not to mention fundamental notions of judicial and administrative economy—to conclude that the USPTO lacks the ability to render the decision the Court has indicated will drive future events. *See Mitsubishi*, at 6.

Second, in addition to seeking an extension under Rule 1.304, Honeywell alternatively requests the USPTO to waive the appeal deadline under 37 C.F.R. § 1.183. *See* Req. at 18-19. Daikin is correct that 37 C.F.R. § 1.4(c) forecloses reaching any argument for relief under Rule 1.183. *See* Opp. at 24. Rule 1.4(c) requires a party seeking distinct bases for relief to do so in separate papers because "different matters may be considered by different branches or sections of the Office." *See also* MPEP § 1002 ("37 CFR 1.4(c) requires a separate petition for each distinct subject, inquiry or

order to avoid confusion and delay in answering the petition. Therefore, each petition should ordinarily only be filed under a single authorizing provision (e.g., 37 CFR 1.181)"). The USPTO typically addresses the basis of relief articulated in a filing violating Rule 1.4(c) that makes the most sense to address. *See, e.g.*, *Google Inc. v. Vederi, LLC*, Memorandum and Order (Inter Partes Reexamination No. 95/000,682) (Jul. 11, 2017). Rule 1.304 expressly addresses the situation here (*i.e.*, extending the time to file a notice of appeal), while Rule 1.183 is a rule of general applicability. Accordingly, the Director treats Honeywell's combined filing as a Rule 1.304 request for additional time to file an appeal from the Board decision in the underlying reexamination here.

Turning to the *Pioneer* analysis and the third factor, Honeywell maintains that it failed to apply the two-month appeal window proscribed in Rule 1.304 because it "plausibly misconstrued the applicable mix of statutory and regulatory rules defining the deadline for filing a notice of appeal." Req. at 2. Honeywell offers two arguments in support of this position. First, Honeywell argues that it plausibly believed Rule 90.3 applied. *Id.* at 7-8. Second, Honeywell argues that "excusable neglect" lies "'where the language of a rule is ambiguous or susceptible to multiple interpretations, or where an apparent conflict exists between two rules.'" *Id.* at 4-5 (quoting *Canfield v. Van Atta Buick/GMC Truck, Inc.*, 127 F.3d 248, 250 (2d Cir. 1997), and citing other decisions). Honeywell argues that Rule 90.3 and Rule 1.304 are "susceptible to multiple interpretations when taken together." *Id.* at 8; *see id.* at 8-11.

Honeywell's excuses for failing to apply the correct regulation are not particularly compelling one way or the other. Honeywell first argues that it was justified in relying on Rule 90.3 because that provision expressly states that it provides the "[f]iling deadline" for appeals under 35 U.S.C. §§ 141 and 142, and Honeywell's appeal here falls under those statutory provisions. Req. at 7. True enough. But Honeywell's protest that its "counsel had no indication that any other rule [besides Rule 90.3]

governed the time within which Honeywell had to file a notice of appeal" (*id.*) loses force because Honeywell gives no indication that it did anything other than read Rule 90.3. On the one hand, that was not a facially unreasonable choice, given that Rule 90.3 does not indicate that it applies to some § 141 appeals but not others. Honeywell's counsel explains that he relied on Rule 90.3 here based on experience with other appeals from other USPTO proceedings where that rule governed. *See* Frank Decl. ¶ 4. On the other hand, the Board decision expressly directed Honeywell to Rule 90.1. *See* PTAB Dec., at 21 (May 1, 2020). Rule 90.1 defines the "[s]cope" of Part 90 and makes plain that appeals from inter partes reexamination fall outside the rule: "Judicial review of decisions arising out of *inter partes* reexamination proceedings ... continue to be governed by the pertinent regulations in effect on July 1, 2012." Honeywell makes no representation as to whether it read Rule 90.1, making its statement that it had no indication that Rule 90.3 did not apply here difficult to accept.

Which brings us to Honeywell's second explanation, asserting that confusion and ambiguity resulting from reading Rules 90.1-90.3 and Rules 1.301-1.304 supports finding "excusable" neglect in Honeywell's reliance upon Rule 90.3. *See* Req. at 8-14.[2] As just discussed, there is no indication that Honeywell consulted anything other than Rule 90.3 before pursuing its appeal. Honeywell could

[2] Honeywell argues that Rule 90.3 governs appeals from inter partes reexaminations. *See, e.g.*, Req. at 8, 14. The issue need not be resolved here in light of the granted extension under Rule 1.304. Further, the issue of whether Rule 90.3 governs appeals arising from inter partes reexaminations has been presented to the Court in the context of Daikin's motion to dismiss Appeal No. 20-2023, an appeal to which the USPTO is not a party. While this extension should moot Daikin's dismissal motion, the Director observes that the USPTO has already taken the position in this appeal that Rule 1.304 governs the deadline for the notice of appeal here. *See* Notice of Non-Filing of Certified List, ECF No. 22 (Sept. 1, 2020). In that Notice, the USPTO explained that Honeywell's Notice of Appeal was untimely because Rule 1.304's two-month filing window applied and the Notice was filed after that deadline. The Director observes that the plain text of Rules 90.1 and 1.983, discussed above, supports that position. USPTO guidance regarding appeals for inter partes reexaminations reinforces that "37 CFR 1.302 and 37 CFR 1.304, as in effect on July 1, 2012, are still applicable to *inter partes* reexamination proceedings." MPEP § 2683. If the Court determines it necessary to reach the merits of Daikin's dismissal motion despite the granted extension here, the USPTO welcomes the opportunity to brief any issue if the Court would find it helpful, including which regulation

not have been confused by allegedly conflicting regulations when Honeywell makes no representation that it did anything more than read Rule 90.3. At a minimum, reading Rule 90.1 would have told Honeywell that Rule 90.3 did not apply.

Honeywell protests that Rule 90.1 would not have clarified things because Rule 90.1 does not clearly say what regulations are "pertinent" to appealing from an inter partes reexamination. *See* Req. at 10. Again, a fair, but incomplete, point. While Rule 90.1 does not identify Rule 1.304 as the "pertinent" regulation for filing the notice of appeal, that information is provided at 37 C.F.R. § 1.983—a regulation to which the Board also sent Honeywell. *See* PTAB Dec., at 21. Rule 1.983 expressly states that to appeal from the Board decision in an inter partes reexamination, "(b) [t]he appellant must take the following steps: (1) In the U.S. Patent and Trademark Office, timely file a written notice of appeal directed to the Director in accordance with §§ 1.302 and 1.304." 37 C.F.R. § 1.983 (2020). Honeywell counters that even if it had uncovered that Rule 1.304 governed, it is hard to fault them for failing to apply it when that rule does not appear in the current Code of Federal Regulations. *See* Req. at 9. Also true, but MPEP § 2683 contains the text of Rule 1.304. Further, MPEP § 2683 confirms that Rule 1.304 governs this appeal. Honeywell was aware of MPEP § 2683, since it cited that section in its notice of appeal here.

All of this said, Honeywell's explanations collectively illustrate that the regulations governing appeal from an inter partes reexamination after 2012 are not a model of clarity. It is difficult to fault a party for relying on Rule 90.3 when it is the only regulation governing appeals from USPTO proceedings written in Title 37 of the Code of Federal Regulations. Toward that end, while Rule 90.1 unambiguously states that Rule 90.3 does not apply to appeals arising from inter partes reexamination, that's as far as it goes. An interested party then has to discover the applicable

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supplies the time window for filing a notice of appeal in an inter partes reexamination.

regulation using an objectively ambiguous patchwork of guidance and regulation, including 37 C.F.R. § 1.983 and MPEP § 2683—the latter apparently being the only place to find the regulatory text providing the text of Rule 1.304. Honeywell correctly points out that different arms of the USPTO have referenced Rule 90 as applying to appeals from inter partes reexaminations. *See* Req. at 13-14. While those errors do not support, as Honeywell asserts, the conclusion that Rule 90.3 actually governs such appeals (Req. at 14), they do illustrate the relative ease with which the mistake that Honeywell made here can be made. While there is still the difficulty of the fact that Honeywell never actually consulted the allegedly conflicting regulatory text, Honeywell's point that identifying the governing provision, and its text, proves objectively confusing has force in the "excusable neglect" determination here. *See, e.g.*, *Pioneer*, 507 U.S. at 389-399 (considering "significant" in the "excusable neglect" analysis there the confusion caused by the "unusual form" of the notice from the Bankruptcy Court supplying the relevant filing date). In sum, the Director finds that the third *Pioneer* factor is, at best, neutral; at worst, it weighs slightly against a finding of excusable neglect.

While the third *Pioneer* factor holds heightened importance, it does not control; *Pioneer* requires a holistic consideration of all relevant factors. The Director finds that other relevant factors weigh in favor of finding "excusable neglect" and granting the requested extension. *Pioneer* contemplates examining the length of the delay, along with any prejudice to other parties or proceedings under its first two factors. *Pioneer*, 507, U.S. at 395. The Director finds no evidence of prejudice to another party under these facts. There is no apparent prejudice to Daikin, and Daikin does not allege any. *See* Opp. at 19-20. Daikin is involved only in Appeal No. 20-2023 (now consolidated with Appeal No. 20-1991). Briefing in that appeal has been stayed, pending the decision on Honeywell's underlying extension requests. *See Honeywell Int'l Inc. v. Mexichem Amanco Holdings S.A. de C.V. & Daikin Industr., Ltd.*, Appeal No. 20-2023, ECF No. 26 (Sept. 24, 2020). The

Director does not see any prejudice to Mexichem, either. The stay in consolidated Appeal Nos. 20-1991, -2023 moots any concerns in that appeal. Further, briefing in companion Appeal No. 20-1981, involving only Honeywell and Mexichem, is well underway. *See Mexichem Amanco Holdings S.A. de C.V v. Honeywell Int'l Inc.*., Appeal No. 20-1981, ECF Nos. 29 (Jan. 4, 2021) (Appellant Mexichem's opening brief) & 42 (Mar. 26, 2021) (Honeywell's responsive brief).

For these same reasons, the facts here do not support finding prejudice to judicial proceedings. Related district court proceedings have been stayed since 2013. *See* Req. at 7. While the Director laments that the need to stay briefing in consolidated Appeal Nos. 20-1991, -2023, awaiting disposition of pending extension requests, that time is not directly attributable to Honeywell missing its filing deadline by six days. Similarly, the Director finds the length of delay here to be short. Under Rule 90.3, Honeywell's notice of appeal was due on or before June 30, 2020. Honeywell filed its notice of appeal here on July 6, 2020. The brief six-day delay between the due date and filing date is inconsequential in the appellate proceedings. Daikin does not claim that six-day delay prejudiced its ability to defend its interests.

Daikin argues that the shortness of Honeywell's delay in filing its appeal notice here does not help Honeywell, relying on cases that concluded "excusable neglect" had not been shown with smaller "delay" windows. Opp. at 20 (arguing that "[c]ourts have found delays of only one day not to be excusable neglect"). There is no threshold number for whether a particular "delay" is too long to support "excusable neglect." If a one-day delay forecloses finding "excusable" neglect, then it is difficult to see how the standard could ever be met. Thus, *Pioneer* contemplates that any impact by the "length of delay" be considered in conjunction with its impact on proceedings, and then in conjunction with other relevant factors, to render the "excusable neglect" determination. The Director finds that where the "delay" had no discernible impact on judicial proceedings—as is the

case here—this factor weighs in favor of finding "excusable neglect."

Daikin relatedly argues that the relevant "delay" is not how long it took Honeywell to file its appeal notice after the applicable deadline, but how long it took Honeywell to seek this extension. *See* Opp. at 20-21. Daikin does not cite to any authority for that premise and the cases upon which it relies belie its theory. The cases cited by Daikin focus on how long it took the relevant party to perform the particular action after the deadline passed, not how long it took for the party to seek relief from the missed deadline. *See, e.g.*, *Cooper v. IBM Pers. Pension Plan,* 163 F. App'x 424 (7th Cir. 2006). *Pioneer* itself indicates that the relevant "delay" relates to how long it took to perform the untimely action. *See* 507 U.S. at 384-86, 395, & 397 (lower courts and Supreme Court focused on delay in filing of "proofs of claim" required under bankruptcy law). That makes sense given the overall framework of the *Pioneer* inquiry, which focuses on the impact that forgiving a tardy filing would have on, *e.g.*, the proceedings.

The Director finds that Honeywell's conduct evinces good faith under the fourth *Pioneer* factor, favoring a finding of "excusable neglect." The Director finds Honeywell's belief that Rule 90.3 governed this appeal genuine; Honeywell's timely compliance with that provision evinces good faith, rather than a deliberate or intentional flouting of USPTO regulations. Moreover, Honeywell's compliance with Rule 90.3 demonstrates that it made a timely determination to appeal. *See Pioneer*, 507 U.S. at 388, 395; *Amgen Inc. v. Hoechst Roussel, Inc.*, 25 F. App'x 923, 924-25 (Fed. Cir. 2001) (delayed filing, while within the reasonable control of party, was not an attempt to ignore judicial deadlines).

Daikin argues that Honeywell's failure to apply Rule 90.3 mirrors the facts found not to constitute "excusable neglect" in *IpVenture II*. Opp. at 19-20. The *Pioneer* inquiry is uniquely fact-dependent, and there are important distinctions between this situation and *IpVenture II*. On the

third *Pioneer* factor, *IpVenture II* placed significant emphasis on IpVenture's failure to offer a reasonable explanation for its failure to apply 37 C.F.R. § 41.79 in calculating its time to seek rehearing (and thus toll its appeal deadline), with the result that it filed an untimely rehearing request and resulted in an untimely Federal Circuit appeal. There, the Board cited § 41.79 to IpVenture and the rule unambiguously provided the window for seeking rehearing. *IpVenture II*, at 4-7. Here, as the discussion above on the third factor indicates, the Board did not actually point Honeywell to Rule 1.304. At most, the Board pointed Honeywell to regulations indicating that another (unidentified) regulation governed. Moreover, unlike the applicable regulation in *IpVenture II*, the regulation governing Honeywell's filing—Rule 1.304—cannot be found in the Code of Federal Regulations, and Honeywell's explanation for conflicting and confusing regulatory provisions has weight. Conversely, *IpVenture II* rejected the argument of conflicting or confusing regulations. *IpVenture II*, at 6 n.4.

Further, *IpVentureII* rejected finding "excusable neglect" based on concerns that "granting IpVenture's Request would cause an unacceptable prejudice to USPTO proceedings under the second *Pioneer* factor." *IpVenture II*, at 12; *see id.* at 12-13. *IpVenture II* explained that "where, as here, the offending party is expressly directed to the applicable regulation, and the regulations are otherwise clear, the need to preserve the integrity of the administrative proceedings gains importance." *Id.* at 12. The Director does not find the admittedly important goal of ensuring the integrity of USPTO proceedings at significant risk here. As already discussed, it cannot be said that the patchwork collection of regulations and guidance here possesses the same "clarity" as the regulation at issue in *IpVenture II*. Moreover, non-compliance with the rehearing regulation at issue in *IpVenture II* had a direct and meaningful impact on the conduct of USPTO proceedings. The USPTO relies on timely filings in its proceedings to identify active disputes and issues that require

adjudication; if a party misses an internal filing deadline, the risk of prejudice to the USPTO significantly increases. By extension, the USPTO's interest in enforcing those internal deadlines takes on heightened importance to encourage compliance. While the USPTO has interest in encouraging compliance with all regulations, the judicial appeal filing deadline at issue here has less direct impact on the integrity and orderly administration of USPTO administrative proceedings, as those proceedings have ended. Thus, the relative posture of this situation and the one in *IpVenture II* meaningfully differ. Where, as here, there is no evidence of prejudice to another proceeding or party, prejudice concerns are largely satisfied.

The factors specifically enumerated in *Pioneer* are not exclusive; the inquiry affords consideration of all relevant facts and circumstances. *Pioneer*, 507 U.S. at 395. Honeywell maintains that work and home disruptions caused by the COVID-19 pandemic contributed to the delay here, including by preventing collaboration with colleagues about the appropriate deadline, and thus supports granting the extension requested under Rule 1.304. *See* Req. at 14-15. Honeywell argues that the USPTO's prior recognition that the COVID-19 outbreak is an "extraordinary circumstance" within the meaning of 37 C.F.R. § 1.183 "must meet '*Pioneer*'s flexible approach.'" Req. at 14 (citing USPTO Notice, "Relief Available to Patent and Trademark Applicants, Patentees and Trademark Owners Affected by the Coronavirus Outbreak" (Mar. 16, 2020)).[3] While it is difficult to see a causal link between the COVID-19 disruptions identified by Honeywell's counsel, and the failure to apply Rule 1.304 here, the Director understands that the pandemic caused unforeseen and significant

[3] Honeywell appears to alternatively argue that significant disruptions caused by the COVID-19 outbreak support relief under 37 C.F.R. § 1.183. Per the discussion above, that separate basis for relief is not considered here, pursuant to 37 C.F.R. § 1.4(c). Further, relief under § 1.183 is moot in light of the time-extension provisions available under Rule 1.304 (the same would be true if Rule 90.3 applied here, based on the same extension provisions). The Director can consider whether the identified disruptions support granting a requested extension under the "good cause" or "excusable neglect" standards for providing an extension.

disruption in both personal and professional lives, as averred to here by Honeywell's attorney. *See* Frank Decl. ¶¶ 11-15. The Director accordingly declines to reject completely any impact of the unprecedented pandemic on the missed deadline here, and finds that the identified impacts on Honeywell's counsel weigh marginally in favor of finding "excusable neglect."

The Director additionally finds relevant the high degree of interrelatedness between Appeal Nos. 20-1981, -1991, and -2023. Appeal Nos. 20-1991 and 20-2023 have been consolidated and will be briefed together. Appeal No 20-1981 has been designated a companion case, and will be argued with Appeal Nos. 20-1991, -2023. Yet, only Appeal No. 20-2023 is subject to a dismissal motion based on an untimely notice of appeal. It would be anomalous for the parties to brief one-half of that otherwise consolidated case. Further, inter partes reexamination control no. 95/002,204—involved in Appeal No. 20-2023—has previously been appealed to this Court, supporting additional consideration by the Court in the underlying appeal here. *Honeywell Int'l Inc. v. Mexichem Amanco Holdings S.A. de C.V. & Daikin Industr., Ltd.*, Appeal No. 20-2023, ECF No. 14 (Aug. 6, 2020) (Daikin docketing statement identifying prior Appeal No. 16-1996).

Moreover, even if both Appeal Nos. 20-2023 and 20-1991were dismissed for timeliness issues, Appeal No. 20-1981 would continue, as there is no timeliness issue regarding Mexichem's appeal there. The parties do not dispute that the three patents involved in these reexaminations are closely related. *See, e.g.*, *Honeywell Int'l Inc. v. Mexichem Amanco Holdings S.A. de C.V. & Daikin Industr., Ltd.*, Appeal No. 20-2023, ECF No. 17, at 5 n.5 (Aug. 19, 2020); *id.*, ECF No. 8 (Aug. 4, 2020) (Honeywell docketing statement identifying three appeals as involving "related patents"); *id.*, ECF No. 11 (Aug. 4, 2020) (Mexichem docketing statement identifying same). The Court will hear the substantive issues on the '882 patent involved in Appeal No. 20-1981; the interests of the parties and public are best served by similarly addressing issues regarding the related '120 or '366 patents in

Appeal Nos. 20-1991 and 20-2023. These additional considerations support granting Honeywell a short extension. *See Pioneer*, 507 U.S. at 395 (excusable neglect determination permits consideration of "all relevant circumstances"); *Facebook, Inc., et al. v. Uniloc 2017 LLC*, Memorandum and Order, at 12-13 (IPR2017-01427) (Jan. 21, 2020).

While the parties debate whether "proportionality" of the delay to the severity of denying the extension can be considered under the *Pioneer* inquiry (*see* Req. at 17-18; Opp. at 22), it cannot be debated that the "excusable neglect" determination is an equitable one that requires balancing all the competing and relevant factors. *Pioneer*, 507 U.S. at 395. On balance, the Director finds that the facts weigh in favor of finding "excusable neglect" and granting Honeywell a six-day extension on its filing deadline in the underlying reexamination here. The USPTO recognizes that Honeywell could have figured out that Rule 1.304, and not Rule 90.3, governed its appeal. Yet, the path of patchwork regulations and guidance to divining that fact is less than clear. As discussed above, the Director finds that the third *Pioneer* factor is, at best, neutral; at worst, it weighs slightly against a finding of excusable neglect.

Even if the third *Pioneer* factor weighs slightly against finding "excusable neglect," the error here is "not so egregious" as to outweigh the remaining considerations, which all favor finding the standard met. *See In re Gilman*, 887 F.3d 956, 963-64 (9th Cir. 2018) (standard contemplates "relief even when counsel makes an unreasonable mistake"); *M.D. by and through Doe v. Newport-Mesa Unified School District*, 840 F.3d 640, 643 (9th Cir. 2016) (holding that trial court abused its discretion under Fed. R. Civ. P. 60(b)(1) in finding no excusable neglect where only factor weighing against relief related to the reason for the late filing); *see also Moczek v. Secretary of Health and Human Services*, 776 F. App'x 671, 675 (Fed. Cir. 2019) (relying upon M.D. in finding special master abused discretion in Vaccine Act case for letting reasons for the delay control that were not "so egregious" as to

outweigh countervailing considerations). Honeywell acted in good faith to timely comply with the lone appeal-filing regulation appearing in the Code of Federal Regulations, rather than evincing a careless disregard for applying relevant USPTO regulations or otherwise making a timely determination as to whether to appeal.

While the USPTO recognizes the need to maintain the integrity of its proceedings by ensuring that parties recognize and apply the correct regulations, the Director finds the risk of prejudicing those concerns by excusing the conduct here very small under these facts. The failure of Honeywell to apply the timing requirement of Rule 1.304 here is, frankly, not particularly meaningful. The minimal delay caused by filing on July 6th (the Rule 90.3 deadline) instead of June 30th (the Rule 1.304 deadline) did not prejudice either the appeal, another proceeding, or another party. Further, the interplay between existing related appeals, as well as prior appeals, further counsels for granting the limited extension. Under these facts, the USPTO is reluctant to deprive Honeywell and the public of judicial review of agency action regarding patentability matters. *See Gilman*, 887 F.3d at 964 (noting preference for "resolv[ing] cases on the merits" in affirming Rule 60(b) relief).

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. Honeywell's due date for filing its notice of appeal under Rule 1.304 in the underlying inter partes reexaminations is extended from June 30, 2020, to July 6, 2020. Accordingly, the USPTO deems timely Honeywell's notice of appeal filed in the identified reexaminations on July 6, 2020.

ANDREW HIRSHFELD
Performing the Functions and Duties of the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office

/s/ Thomas W. Krause
By: Thomas W. Krause
Deputy General Counsel for Intellectual Property Law and Solicitor

DATE: April 15, 2021

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