

UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE DIRECTOR

<i>Marker Volkl USA, Inc.</i>	)	IPR2017-01265
<i>v.</i>	)	
<i>KneeBinding, Inc.</i>	)	Decision on Request
	)	under 37 C.F.R. § 90.3(c)(1)(ii)

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MEMORANDUM AND ORDER

Before the Director is “Patent Owner’s Request for Extension of Time to File a Notice of Appeal” (“Request”), filed on December 21, 2018, by Patent Owner KneeBinding, Inc. (“KneeBinding”) in the above-captioned IPR proceeding. For the reasons given below, KneeBinding’s Request is granted.

On October 15, 2018, the Patent Trial and Appeal Board (“Board”) issued its Final Written Decision, holding that Petitioner Marker Volkl USA, Inc. (“Marker”) had demonstrated the unpatentability of claims 1 and 4-9 of KneeBinding’s U.S. Patent No. 8,955,867. Under 37 C.F.R. § 90.3(a), KneeBinding had until December 17, 2018, to file with the USPTO a notice of appeal to the United States Court of Appeals for the Federal Circuit for review of the PTAB decision. KneeBinding did not file an appeal notice on or before that date with the USPTO.

On December 21, 2018, KneeBinding filed the underlying Request, seeking an additional four days on its appeal deadline, with supporting declarations (Fox and Springer-Miller). On the same day, KneeBinding also filed its Notice of Appeal with

the USPTO and filed a copy with the Federal Circuit. On December 26, 2018, the Court docketed KneeBinding's appeal as Appeal No. 2019-1341. *See KneeBinding, Inc. v. Marker Volk USA, Inc.*, Appeal No. 19-1341, ECF No. 1 (Dec. 26, 2018).

The Director may extend the time for filing a notice of 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. § 90.3(c)(1)(ii); *see also Mitsubishi Cable Industr., Ltd., et al. v. Goto Denshi Co., Ltd.*, Memorandum and Order at 2-7, Dkt. No. 28 (IPR2015-01108) (May 3, 2017) ("*Mitsubishi*") (explaining why the Director retains authority to decide Rule 90 time-extension requests where an untimely notice of appeal has concurrently or subsequently been filed). 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*, Mem. Op. at 7-14; *IpVenture, Inc. v. FedEx Corp.*, Memorandum and Order (Inter Partes Reexamination Control No. 95/001,896) (Apr. 4, 2017) ("*IpVenture IP*").

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, [3] the reason for the delay, including whether it was within the reasonable control of the movant, and [4] 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 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 it does not control the inquiry. *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 (T.T.A.B. 1997).

On the third factor, KneeBinding explains that it missed the December 17, 2018 filing deadline as the result of a communication misunderstanding between KneeBinding and its attorney, Mr. Bradley Fox, regarding filing of the appeal notice. *See* Req. at 1-3 & 5-6. Mr. Springer-Miller (Chairman of KneeBinding) explains that he retained Mr. Fox to represent KneeBinding in the IPR and instructed Mr. Fox in late November, 2018, to file a notice of appeal in the underlying IPR. *See* Springer-Miller Decl. ¶¶ 6-10. On November 30, 2018, Mr. Fox filed a joint status report in the related patent infringement litigation between KneeBinding and Marker, which stated

that KneeBinding “intends to appeal” the PTAB decision in the underlying IPR here. *See* Springer-Miller Decl., Exh. 2 (*KneeBinding, Inc. v. Marker Volk USA, Inc.*, Civil Action No. 2:15-cv-00121, ECF No. 71 (Nov. 30, 2018)). However, Mr. Fox explains that he “had misinterpreted [Springer-Miller’s] instruction” regarding filing the appeal notice and that he “believed the other co-counsel, Wilmer Cutler Pickering Hale and Dorr LLP, was handling the filing of the appeal.” Fox Decl. ¶ 12. Accordingly, the appeal deadline passed without filing the appeal notice.

On December 19, 2018, Mr. Springer-Miller called IPR co-counsel Mr. Steinberg at Wilmer Cutler Pickering Hale and Dorr LLP to discuss appeal strategy and learned of the lapsed deadline. *See* Springer-Miller Decl. ¶¶ 6, 13. On December 20, 2018, KneeBinding instructed Mr. Steinberg to file the appeal notice and time-extension request, who complied on December 21, 2018. *See* Springer-Miller Decl. ¶ 16.

KneeBinding candidly admits “its conduct was less than laudable.” Req. at 6. However, as KneeBinding argues, *Pioneer* makes clear that “‘excusable neglect’ is understood to encompass situations in which the failure to comply with a filing deadline is attributable to negligence.” *See Pioneer*, 507 U.S. at 394. Thus, while the conduct here of KneeBinding’s counsel—for which KneeBinding is accountable—was negligent, it does not answer the question of whether it was excusable.

Ultimately, *Pioneer* makes clear that determining whether “excusable neglect”



occurred is “an equitable one, taking account of all relevant circumstances surrounding the party’s omission.” *Id.* at 395. Communication failures like those underlying the missed deadline here are not *per se* inexcusable under the *Pioneer* standard. *See Pincay v. Andrews*, 389 F.3d 853, 855 (9th Cir. 2004); *see also Rambus, Inc. v. Nvidia, Corp.*, Memorandum and Order (*Inter Partes* Reexamination Control No. 95/001,169) (July 11, 2013) (granting Rule 304 request for additional time under “excusable neglect” standard where communication misunderstanding between in-house and outside legal counsel led to missed deadline). Absent the communication misunderstanding, KneeBinding’s conduct here was timely and does not evince that they abdicated their responsibility to make a prompt determination of whether to pursue appeal or otherwise “flout[ed]” the filing deadline. *See Pioneer*, 507 U.S. at 388. The Request and supporting declarations indicate that KneeBinding made a timely decision to appeal, as evinced by KneeBinding’s representation in the November 30, 2018 joint status report in the related district court litigation that it intended to appeal the PTAB decision.

Relatedly, KneeBinding’s conduct evinces good faith under the fourth *Pioneer* factor. KneeBinding acted quickly to remedy the missed deadline, filing the underlying Request four days after the notice due date. KneeBinding’s good faith conduct here weighs in favor of granting the relief under the fourth *Pioneer* factor. *See Pioneer*, 507 U.S. at 395; *Cheney v. Anchor Glass Container Corp.*, 71 F.3d 848, 850 (11th Cir. 1996)

(delayed filing—an “omission[] caused by carelessness” as a result of “failure in communication” between different counsel—found to be “excusable neglect” in context of Fed. R. Civ. P. 60(b) given absence of prejudice and bad faith conduct) (internal citations omitted).

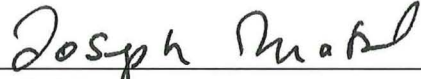
There is no evidence of prejudice to Marker under the first *Pioneer* factor. Marker was on notice of KneeBinding’s intent to appeal prior to the appeal deadline given the joint status report filed with the district court in their litigation. Nor is there evidence of potential negative impact to any judicial or administrative proceedings, as relevant under the second *Pioneer* factor. The district court had already stayed the litigation between the two parties, who have requested that the proceedings remain stayed pending the outcome of any appeal. *See* Fox Decl. ¶ 6. Similarly, the four-day delay between expiration of the appeal filing deadline and filing of the underlying Request and Notice of Appeal did not result in any meaningful delay in the proceedings under the second *Pioneer* factor. These facts all weigh in favor of granting the Request.

Thus, on balance, the Director finds that application of the *Pioneer* factors here weighs in favor of granting KneeBinding’s requested four-day extension.

ORDER

Upon consideration of the request for an extension of time under 37 C.F.R. § 90.3(c)(1)(ii), it is ORDERED that the request is granted. KneeBinding's filing deadline to appeal from the underlying IPR is extended from December 17, 2018, to December 21, 2018.

ANDRE IANCU  
UNDERSECRETARY OF COMMERCE  
FOR INTELLECTUAL PROPERTY AND  
DIRECTOR OF THE UNITED STATES  
PATENT AND TRADEMARK OFFICE

  
By: Joseph Matal  
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DATE: January 3, 2019

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