

UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE DIRECTOR

Samsung Electronics Co., Ltd.
Petitioner

v.

Netlist, Inc.
Patent Owner

IPR2022-00064
Patent No. 10,474,595

Decision on Request for
Extension of Time under
37 C.F.R. § 90.3(c)(1)(ii)

MEMORANDUM AND ORDER

On July 14, 2023, Patent Owner Netlist, Inc. filed a request to extend the time to seek judicial review of the Patent Trial and Appeal Board decision in the underlying IPR proceeding. The PTAB's decision issued on May 9, 2023. Under 37 C.F.R. § 90.3(a)(1), judicial review of a Board decision must be sought within sixty-three (63) days of the Board decision, making the deadline July 11, 2023. Netlist filed a Notice of Appeal with the Director on July 14, 2023, three (3) days after the deadline. Netlist also filed a copy of the Notice of Appeal with the United States Court of Appeals for the Federal Circuit. On July 25, 2023, the Court docketed Netlist's appeal as *Netlist, Inc. v. Samsung Electronics Co., Ltd.*, appeal number 2023-2183. *See* Notice of Docketing, ECF No. 1 (July 25, 2023).

Rule 90.3(c)(1) allows parties extra time to file a notice of appeal in the Court of Appeals for the Federal Circuit under two circumstances: Rule 90.3(c)(1)(i), in which the Director may extend the time for filing an appeal

requested before the expiration of the period for filing an appeal with good cause, and Rule 90.3(c)(1)(ii), in which the Director may extend the time for filing an appeal requested after the expiration of the period for filing an appeal due to excusable neglect. Accordingly, the extension request at issue here, filed after the expiration of the period for filing the appeal notice, falls under the “excusable neglect” provision of 37 C.F.R. § 90.3(c)(1)(ii). The request is DENIED WITHOUT PREJUDICE for the reasons set forth below.

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 Indus., Ltd., et al. v. Goto Denshi Co., Ltd.*, Memorandum and Order at 2-7, Paper 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).

The Supreme Court in *Pioneer Inv. Servs. Co. v. Brunswick Assocs. Ltd. P'ship*, 507 U.S. 380, 395 (1993) made 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. Netlist does not deny that it neglected to adhere to the July 10, 2023 deadline. The question remains, however, whether the negligence was excusable.

In *Pioneer*, the Court explained that determining whether “excusable neglect” occurred is “an equitable one, taking account of all relevant circumstances surrounding the party’s omission.” *Pioneer*, 507 U.S. at 395. And in determining whether a party’s failure to comply with a deadline was excusable, it is proper to rely on the acts and omissions of a party’s chosen counsel where relevant. *Id.* at 396-97. “Although 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). Generally, the factors to be considered in determining whether negligence is excusable 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. *Id.* at 395.

The Petitioner acknowledged in co-pending litigation that it expected Netlist to appeal the Final Written Decision in this proceeding. Request at 2. Therefore, there is no evidence of prejudice to the USPTO or another party under the first *Pioneer* factor. Nor is there evidence of potential negative impact to any judicial or administrative proceedings, as relevant under the second *Pioneer* factor. The 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.

There is no indication of bad faith under the fourth *Pioneer* factor. Netlist's counsel Sohi testifies that he "became aware of the error on July 14, 2023 and immediately instructed Skiermont to file the notice of appeal." Declaration at ¶4. *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"—found to be "excusable neglect" in context of Fed. R. Civ. P. 60(b) given absence of prejudice and bad faith conduct).

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, 829 (Fed. Cir. 2007); *Pumpkin Ltd. v. The Seed Corps.*, 43 USPQ2d 1582, 1587 n.7 (T.T.A.B. 1997). As explained below, on the current record, the third factor weighs heavily against granting the request because Netlist has failed to reasonably explain its reason for failing to timely file the notice of appeal, including whether the delay was within Netlist’s reasonable control.

In explaining the delay in his declaration, Mr. Jayson Sohi, Director of IP Strategy, Legal Counsel at Netlist, states:

On May 12, 2023, Netlist discussed the appealability of the Board's final written decision with Skiermont counselor Sarah Spires and prosecution counsel Jaimie Zheng. Based on the outcome of this discussion, I determined to appeal the decision. Skiermont was instructed that another firm that represents Netlist in district court proceedings would file the appeal. I memorialized this in writing to Skiermont. However, that other firm did not receive instructions to file a notice of appeal and had not made an appearance in the PTAB proceeding, and therefore was not monitoring the docket. I became aware of the error on July 14, 2023 and immediately instructed Skiermont to file the notice of appeal, and prepared this declaration explaining the error.

Declaration at ¶4. Netlist characterizes the delay as “the result of a miscommunication.” Request at 1. The statement of facts in paragraph 4 of the

declaration does not clearly identify the alleged “miscommunication” and does not provide sufficient detail to support a determination that the neglect that led to the late filing was excusable. Netlist does not explain, for example, who from Netlist was at the May 12, 2023 meeting about the appealability of the Board’s final written decision, what the outcome of the meeting was, and who at Netlist was responsible for acting upon that outcome. The statement of facts also does not reveal whether Mr. Sohi has the authority to decide whether to appeal, to whom Mr. Sohi reports, who instructed Skiermont that the other firm would file the appeal, when and how that instruction was transmitted and when and how Mr. Sohi memorialized it, who was responsible for informing the other firm about the decision, and why that firm did not receive those instructions. *See Pioneer*, 507 U.S. at 395 (third factor includes consideration of “whether [reason] was within the reasonable control of the movant”). It does not explain what Skiermont’s role was (before and after being instructed not to file the notice of appeal) and thus does not provide sufficient information to assess whether (among other things) Skiermont, as counsel of record in the IPR, had an independent obligation to remind Netlist of the filing deadline when the other firm did not enter an appearance in the IPR, and whether its failure to do so was excusable. The statement of facts makes no mention of a docketing system at Netlist, Skiermont, or the other firm that would

serve to monitor the appeal deadline. Finally, it does not explain how Mr. Sohi became aware of the missed deadline.

Accordingly, on the current record, the third Pioneer factor weighs heavily against finding “excusable neglect” based upon Netlist’s failure to provide a sufficiently detailed explanation for its failure to file a timely notice of appeal. *See, e.g., Graphic Commc’ns Int’l Union, Local 12-N v. Quebecor Printing Providence, Inc.*, 270 F.3d 1, 6 (1st Cir. 2001) (affirming district court finding of no “excusable neglect,” particularly given absence of “unique or extraordinary circumstances” explaining conduct); *In re Montaldo Corp.*, 209 B.R. 40 (Bankr. M.D. N.C. 1997) (creditor failed to establish excusable neglect where it did not explain why it failed to timely file a proof of claim).

Viewing the *Pioneer* factors together, and bearing in mind that the third factor is the most important, Netlist has failed to establish the requisite “excusable neglect” for the requested 3-day extension.

ORDER

Upon consideration of Netlist’s request for an extension of time under 37 C.F.R. § 90.3(c)(1)(ii), it is ORDERED that the request is denied without prejudice to filing another request within seven calendar days.

KATHERINE K. VIDAL
Under Secretary of Commerce for
Intellectual Property and Director of the
U.S. Patent and Trademark Office

By: /s/ Thomas W. Krause
Thomas W. Krause
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DATE: July 26, 2023

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