

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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BRANCH BANKING AND TRUST COMPANY  
Petitioner

v.

MAXIM INTEGRATED PRODUCTS, INC.  
Patent Owner

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Case CBM2013-00059  
Patent 5,949,880

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Before SALLY C. MEDLEY, MITCHELL G. WEATHERLY, and  
MIRIAM L. QUINN, *Administrative Patent Judges*.

WEATHERLY, *Administrative Patent Judge*.

DECISION

Denying Institution of Covered Business Method Patent Review

*37 C.F.R. § 42.208*

## I. INTRODUCTION

Branch Banking and Trust Company (“BBT” or “Petitioner”) filed a petition (Paper 1, “Pet.” or “Petition”) to institute a covered business method patent review (a “CBM review”) of claims 1–4 (the “challenged claims”) of U.S. Patent No. 5,949,880 (Exhibit 1001, “the ’880 patent”) pursuant to 35 U.S.C. § 321. Maxim Integrated Products, Inc. (“Maxim” or “Patent Owner”) timely filed a Preliminary Response. Paper 10 (“Prelim. Resp.”).

## II. ANALYSIS

As a threshold issue, Maxim contends that the Petition should be denied because “the Board is statutorily barred from instituting review by 35 U.S.C. § 325(a)(1).” Prelim. Resp. 1. Section 18(a)(1) of the Leahy-Smith America Invents Act (“AIA”) establishes the transitional program for covered business method patents as follows:

### SEC. 18. TRANSITIONAL PROGRAM FOR COVERED BUSINESS METHOD PATENTS.

#### (a) TRANSITIONAL PROGRAM.—

(1) ESTABLISHMENT.—[T]he Director shall issue regulations establishing and implementing a transitional post-grant review proceeding for review of the validity of covered business method patents. The transitional proceeding implemented pursuant to this subsection shall be regarded as, and shall employ the standards and procedures of, a post-grant review under chapter 32 of title 35, United States Code, subject to the following:

(A) Section 321(c) of title 35, United States Code, and subsections (b), (e)(2), and (f) of section 325 of such title shall not apply to a transitional proceeding.

AIA, Pub. L. No. 112-29, 125 Stat. 329 (2011). The AIA, thus, provides that a CBM review proceeding shall employ all the standards and procedures

of a post-grant review under Chapter 32 of title 35 of the United States Code (i.e., 35 U.S.C. §§ 321–29) except for those expressly carved out (i.e., 35 U.S.C. §§ 321(c) and 325(b), (e)(2), and (f)). Therefore, this CBM review is governed by the requirements of 35 U.S.C. § 325(a)(1), which states:

(a) INFRINGER’S CIVIL ACTION.—

(1) POST–GRANT REVIEW BARRED BY CIVIL ACTION.—A post-grant review may not be instituted under this chapter if, before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent.

35 U.S.C. § 325(a)(1).

On June 18, 2012, BBT filed a civil action seeking a declaration pursuant to the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202, “that each and every claim of the [’880 patent] is invalid.” Ex. 2001, 7. BBT filed its complaint in *Branch Banking & Trust Co. v. Maxim Integrated Products, Inc.*, No. 2:12-cv-00945-JFC (E.D.N.C. filed June 18, 2012) (“the NC DJ Action”). *Id.* at 1. The NC DJ Action was incorporated into *In re Maxim Integrated Products, Inc.*, No. 2:12-mc-00244-NBF, MDL No. 2354 (W.D. Pa.) (“the PA MDL”) for pretrial proceedings by order of the Judicial Panel on Multidistrict Litigation. Ex. 1005, 6–7, n.2. In counterclaims filed in the PA MDL, Maxim alleges that BBT infringes claims of the ’880 patent. *Id.* at 9–10. The evidence of record establishes that the NC DJ Action is ongoing. Based on our review of the record before us, we understand that trial of BBT’s request for a declaration of invalidity of claims of the ’880 patent and Maxim’s counterclaim for infringement will occur, if at all, in the United States District Court for the Eastern District of North Carolina. *Id.* at 3.

Section 325(a)(1) precludes the Board from instituting a review of a challenged patent when the petitioner filed a civil action challenging the validity of a claim of the patent. 35 U.S.C. § 325(a)(1). BBT is such a petitioner.<sup>1</sup> We conclude that under 35 U.S.C. § 325(a)(1), BBT's filing of the NC DJ Action almost 15 months before filing its Petition on September 16, 2013, bars us from instituting a CBM review of the '880 patent. Therefore, we deny the Petition in all respects. We express no opinion regarding the likelihood that BBT would prevail in establishing that any of the challenged claims are unpatentable for the reasons set forth in the Petition.

### III. ORDER

For the reasons given, it is:

ORDERED that the Petition is DENIED.

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<sup>1</sup> We also note that Rule 42.304(a) requires that BBT demonstrate in the Petition that it “meets the eligibility requirements of § 42.302.” 37 C.F.R. § 42.304(a). Rule 42.302(b) specifies that a “petitioner may not file a petition to institute a covered business method patent review of the patent where the petitioner, . . . is estopped from challenging the claims on the grounds identified in the petition.” 37 C.F.R. § 42.302(b). BBT asserts that “[p]ursuant to §§ [42.304 and 42.302(b)], Petitioner, Petitioner's real party in interest, and Petitioner's privies are not estopped from challenging the claims on the grounds identified in this Petition.” Pet. 80. Nonetheless, BBT does not address whether its filing of the NC DJ Action precludes the Board under 35 U.S.C. § 325(a)(1) from instituting a covered business method review of the '880 patent. The evidence of record establishes that BBT filed the NC DJ Action in which it challenged the validity of a claim of the '880 patent before it filed the Petition and that the NC DJ Action is ongoing.

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