



ARE PTAB Alert: The PTAB Newly Designates Two Precedential Decisions

Author(s): Charles R. Macedo,

On December 17, 2020, the U.S. Patent Trial and Appeal Board (the “Board”) designated two decisions as precedential where, after the evaluation of the *Fintiv* factors, *inter partes* review (“IPR”) of a patent was instituted while there were pending litigations in district courts.

In determining whether to exercise discretion to deny institution under 35 U.S.C. § 314(a) in view of a parallel district court proceeding dealing with the same issues, the Board considers the factors set out in *Apple Inc. v. Fintiv, Inc.*, IPR 2020-00019, Paper 11 (March 20, 2020) (“*Fintiv*”):

1. Whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. Proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. Investment in the parallel proceeding by the court and the parties;
4. Overlap between issues raised in the petition and in the parallel proceeding;
5. Whether the petitioner and the defendant in the parallel proceeding are the same party;
6. Other circumstances that impact the Board’s exercise of discretion, including the merits.

In evaluating these factors, no single factor is dispositive and “the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.”

After considering the *Fintiv* factors, the Board, in both newly-designated precedential decisions, instituted IPR despite parallel district court proceedings:

***Sotera Wireless, Inc. v. Masimo Corporation*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020)**

In addressing the *Fintiv* factors, the Board explained that the petitioner’s broad stipulation in the district court proceeding that it would not pursue **any ground** raised, or could have



raised, in the IPR strongly weighed in favor of institution. The Board reasoned that petitioner's stipulation "mitigates any concerns of duplicative efforts between the district court and the Board, as well as concerns of potentially conflicting decisions....[S]uch a broad stipulation better addresses concerns of duplicative efforts and potentially conflicting decisions in a much more substantial way."

Considering the minimal potential overlap of the two proceedings, in addition to the reasonable timing of the petition and the relatively limited investment in the parallel proceeding to date, the Board held that the *Fintiv* factors weighed in favor of instituting IPR.

Snap, Inc. v. SRK Technology LLC, IPR2020-00820, Paper 15 (PTAB Oct. 21, 2020)

With the parallel district court proceeding stayed pending denial of institution or a final written decision, the Board explained that such a stay "allays concerns about inefficiency and duplication of efforts."

The Board further reasoned that "due to the stay of the parallel District Court proceeding, the Board will likely address patentability issues prior to the District Court reaching invalidity issues at trial, thereby obviating concerns of inefficiency and conflicting decisions while providing the possibility of simplifying issues for trial in the parallel District Court proceeding."

In balancing the *Fintiv* factors, the Board held that the stay in the parallel district court proceeding (which was only in its early stages prior to the stay) until the issuance of a final written decision, and the lack of potential overlap between the invalidity contentions in the district court proceeding and the challenges raised in the petition, weighed in favor of the institution of IPR.

In view of this pair of precedential decisions, the Patent Trial and Appeal Board has clarified situations where the *Fintiv* test did not lead the Board exercise its discretion in denying the institution of IPR.

We will continue to monitor and report on developments. For more information, please contact us.

Charles R. Macedo is a partner, and Chandler Sturm is an associate at Amster, Rothstein & Ebenstein LLP. They specialize in intellectual property issues, including PTAB proceedings, and litigating patent, trademark and other intellectual property disputes. They can be reached at cmacedo@arelaw.com and csturm@arelaw.com.