

NOVEMBER/DECEMBER 2022

VOLUME 28 NUMBER 6

DEVOTED TO
INTELLECTUAL
PROPERTY
LITIGATION &
ENFORCEMENT

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and Charles W. Grimes*

IP *Litigator*®



PTO Practice

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Updated Guidance on Discretionary Denial of Inter Partes Review Proceedings

The Patent Office issued updated interim guidance on when the Patent Trial and Appeal Board (Board) may deny review of patents based on parallel litigation,¹ which should provide clarity when denials are appropriate. The updated guidance makes several adjustments to how the Board will apply its 2020 precedential decision in *Apple Inc. v. Fintiv Inc.*² which established the following factors for the Board to consider when deciding whether to use its discretion not to review a patent because of related infringement litigation (“*Fintiv* factors”):

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; and

6. other circumstances that impact the Board’s exercise of discretion, including the merits.²

When analyzing these factors, the Board considers the totality of the circumstances, performing a holistic assessment of whether its efficiency and integrity are furthered by denying or instituting review.³

The updated guidance explains that the Board will not deny institution of an IPR (or PGR) under *Apple Inc. v. Fintiv Inc.*:

- (i) when a petition presents compelling evidence of unpatentability;
- (ii) when a request for denial under *Fintiv* is based on a parallel ITC proceeding; or
- (iii) where a petitioner stipulates not to pursue in a parallel district court proceeding the same grounds as in the petition or any grounds that could have reasonably been raised in the petition.

Additionally, the Board will consider the speed with which the district court case may come to trial and be resolved when considering *Fintiv* factor two. The Board will weigh factor two against exercising discretion to deny institution if the median time-to-trial is around the same or after the statutory deadline for the Board’s final written decision.

This updated guidance applies to all proceedings pending before

the Office until further notice. The Office expects to replace this interim guidance with rules after it has completed formal rulemaking.

Why It Matters:

The Board continues to clarify practice associated with instituting contested proceedings. The guidance will remain in effect while the Patent Office implements the formal rulemaking process. The updated guidance clarified that when evaluating how fast a case will reach trial, the Board will use the median time-to-trial statistics assembled by the Administrative Office of the US Courts, as opposed to the trial date set by the judge in the case, which often changes.

The guidance should allow the parties to spend less time on *Fintiv* issues, including the statement that petitions will not be denied under *Fintiv* when a petitioner files a stipulation agreeing not to pursue in court the same invalidity grounds raised at the Board, or any other grounds that reasonably could have been raised.

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1. Memorandum, Interim Procedure For Discretionary Denials In AIA Post Grant Proceedings With Parallel District Court Litigation (June 21, 2022).

2. Apple Inc. v. Fintiv, Inc., IPR2020-00019, slip op. at 5-6, 2020 WL 2126495, Paper 11 (P.T.A.B. March 20, 2020) (precedential). See additional description here: <https://www.manatt.com/>

insights/newsletters/intellectualproperty-law/board-designates-two-decisionsprecedential-app.

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