Kilpatrick

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The Rising Tide of Fintiv Denials

In the precedential *Fintiv, Inc*. decision, the Patent Trial and Appeal Board identified six factors balancing efficiency, fairness, and integrity of the patent system in determining whether to exercise discretionary institution or denial. Since this decision, discretionary denials at the PTAB have continued to rise and show no sign of abating. In fact, we can likely expect a further increase in discretionary denials as the impact of COVID disappears and courts resume normal scheduling.

This rise in discretionary denials has been accompanied by an increase in strategic posturing by defendants to increase the likelihood of institution of their petition. This has included attempts to avoid overlapping claim construction issues at the PTAB and the district court, and defendants' willingness to stipulate to forgo arguments at the district court that were or could have been raised in the IPR.[1]

While discretionary denials are up, the impact of the denials appears to be unevenly distributed as discretionary denial is more likely in cases filed in district courts with aggressive trial schedules.[2] Through aggressive scheduling, many historically plaintiff-friendly jurisdictions are avoiding the equalizing influence of the PTAB, which will likely encourage increased forum shopping and more battles over venue.

While discretionary denials are up, potential change looms on the horizon with both the USPTO rule making directed at discretionary denials, and litigation attempting to enjoin discretionary denials. The future of discretionary denials is unclear, but the present impact of these denials is undeniable.

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[1] *Sotera v. Masimo Wireless*, IPR2020-01019, Paper 12.

[2] Proposed Alternative PTAB Discretionary Denial Factors In View of Co-Pending Parallel Litigation, National Law Review Volume X, Number 316.