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Fallout from the Fintiv Precedential Decision

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On May 5th, the Board designated an order regarding discretionary denial precedential. *Apple v. Fintiv, Inc*, IPR2020-00019, Paper 11 (P.T.A.B. Mar. 20, 2020) (precedential). In the two months since that designation, more than fifteen petitions have been denied under 35 U.S.C. § 314(a) and 324(a) based on the Board's application of the *Fintiv* factors.

While the *Fintiv* decision identified six factors, the overarching theme appears to be on the objective of the AIA to provide "an effective and efficient ***alternative*** to district court litigation." *NHK Spring*, IPR2018-00752, Paper 8, at 20 (emphasis added). Accordingly, the recent denials focus on two primary issues: (1) the timing of the filing of the petition in relation the schedule in the district court (factors 1, 2 and 3), and (2) overlap between the issues and parties (factors 4 and 5).

(1) Timing. The Board evaluates the proximity of the trial date to the statutory deadline for final written decision. The Board has denied petitions where the trial is scheduled to occur between six and ten months ***before*** the deadline for issuing a final written decision.[1] Similarly, the Board evaluates the investment already made in the district court litigation. The Board has denied institution where fact discovery is complete and expert reports served.[2]

(2) Overlap. The Board focusses on the issues and the parties. "[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial." *Fintiv*, IPR2020-00019, Paper 11, at 12. The Board also evaluates whether the parties to the proceeding are the same as in the parallel district court litigation. If there is substantial overlap of issues and parties, those facts weigh against institution.

The *Fintiv* decision and its aftermath confirm that it remains good practice for petitioners to file an IPR or PGR petition as soon as is practicable. And while the one-year statutory bar provides an explicit deadline, simply meeting that deadline may not be enough. Patent Owners can leverage any delay along with a speedy trial docket to convince the Board to deny the petition.

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[1] *See, e.g., Supercell*, IPR2020-00215, Paper 10, at 10–12 (***ten-month*** gap between trial and deadline for final written decision); *Edwards Lifesciences*, IPR2019-01479, Paper 7, at 7 (***nine-month*** gap); *Intel*, IPR2020-00106, Paper 17, at 7 (***seven-month*** gap); *Vizio*, IPR2020-00043, Paper 30, at 8 (***seven-month*** gap); *NHK Spring*, IPR2018-00752, Paper 8, at 20 (***six-month*** gap); *Supercell*, IPR2020-00310, Paper 13, at 10–12 (***six-month*** gap); *Cisco*, IPR2020-00122, Paper 14, at 7 (***six-month*** gap); *Samsung*, IPR2019-01218, Paper 7, at 10 (***six-month*** gap).

[2] IPR2020-00215, Paper 10, at 12–14; see *Supercell*, IPR2020-00513, Paper 11, at 11–12; *Supercell*, IPR2020-00310, Paper 13, at 13–15. Similarly, in *Vizio*, the Board held that this factor weighed in favor of discretionary denial where the district court had issued claim construction orders, fact discovery had closed, and expert discovery had also been completed prior to the Board's institution decision. IPR2020-00043, Paper 30, at 9.