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Partial Waiver of District Court Invalidity Challenges not Sufficient to Prevent Denial of IPR Institution

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The PTAB's precedential *Fintiv* decision (*Apple v. Fintiv, Inc*, IPR2020-00019) held that the PTAB could deny institution of an IPR, even within the one year statutory bar, if (1) district court litigation has progressed sufficiently and (2) there is overlap in the issues and parties (substantially same claims and arguments). There are 6 factors, but those are the top two.

In *Samsung Electronics Co. v. Clear Imaging Research, LLC*, IPR2020-01399, Samsung maintained that it had eliminated duplicative efforts by stipulating not to "pursue district court invalidity challenges based on the petition's asserted grounds or grounds sharing the same primary reference." (Paper 13, p. 20, Feb. 3, 2021). In addition, only 3 of 29 challenged claims were also in the district court litigation.

The PTAB panel stated that "the mere existence of non-overlapping claims does not support Petitioner's position that this factor favors institution." *Id.* at p. 21. The PTAB panel went on to say "In short, notwithstanding the stipulation, there will likely be overlap between the issues raised in the Petition and the parallel litigation. Because overlapping claims are challenged based on the same prior art in both the Petition and in the parallel litigation, we find that factor 4 weighs slightly in favor of exercising our discretion to deny institution under § 314(a)." *Id.* at p. 24.

Thus, it appears a stipulation that doesn't waive all invalidity arguments in district court litigation may not be persuasive to the PTAB. The PTAB precedential decision of *Sotera Wireless, Inc. v. Masimo Corp.* stated that a broad stipulation to waive "any ground raised, or that could have been reasonably raised" in the district court would improve the chances of institution. (IPR2020-01019, Paper 12, Dec. 1, 2020).

Of course, the other main *Fintiv* factor is timing. The Samsung IPR petition was filed about 10 months after the complaint was served. The district court litigation was in the Eastern District of Texas, before Judge Gilstrap, and trial was scheduled 10 months before a Final Written Decision would be due in the IPR. This confirms that the best practice is to file an IPR within a few months of the complaint being served, especially for fast-track courts.