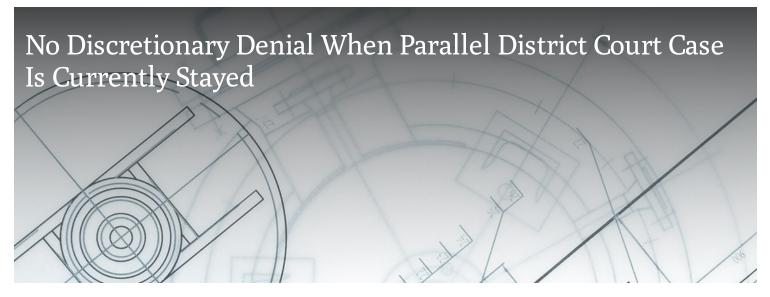


BLOG



DECEMBER 30, 2020

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

Before: Droesch, Braden, Boudreau.

In a case where a parallel district court proceeding between the parties had already been stayed pending resolution of the IPR petition, the Board examined the six-factor *Fintiv* test to determine whether the petition should be denied institution under the Board's discretionary authority.

The existence of the stay tipped the balance on the first and second *Fintiv* factors. Under the first factor (stay), although the parallel proceeding was presently stayed, the Patent Owner argued that because the stay would be lifted if the petition were denied and the parallel district court trial would be held prior to the date a final written decision would be due, this factor should weigh in favor of a discretionary denial. The Board disagreed. Because the parallel proceeding would remain stayed until a final written decision, this factor weighed "strongly" against a discretionary denial. The existence of the stay also meant that the second factor (proximity of trial date) weighed against a discretionary denial.

The third factor (investment in parallel proceeding) weighed against a discretionary denial for two reasons. First, the parallel district court proceeding was in its early stages. Discovery was not yet complete, and the District Court had not issued any substantive orders and had only held a scheduling conference where the stay was granted. Second, although the Petition was filed near the end of the one-year window for the Petitioner to file, the Board found that the petition was filed "neither expeditiously nor with delay" because it was not filed in close proximity to any response by the Patent Owner to the district court invalidity contentions.

The existence of the stay also affected the fourth and fifth factors. The fourth factor (issue overlap) weighed against a discretionary denial because of the existence of the stay and because there was not complete overlap in the invalidity issues presented in the petition and in the parallel proceeding. The fifth factor (party overlap) was neutral or at most weighed slightly in favor of a discretionary denial in view of the stay and the lack of substantial overlap in the invalidity issues.

Finally, the sixth factor (other considerations) weighed against discretionary denial because the grounds presented in the petition were strong and Patent Owner would be able to pursue discovery of alleged secondary

considerations in the IPR proceeding.

Weighing all the factors together, the Board concluded that it would not exercise its discretionary authority to deny institution. Because petitioner had demonstrated a reasonable likelihood that it would prevail on the merits, the Board instituted trial.

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