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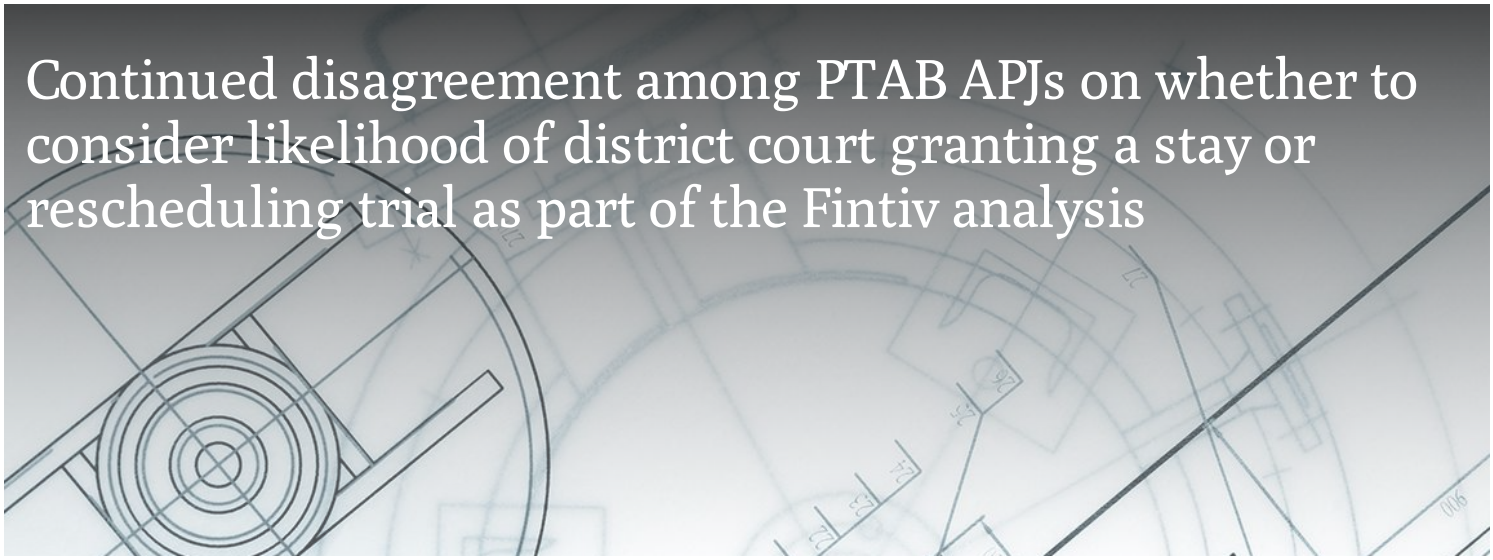
BLOG

Continued disagreement among PTAB APJs on whether to consider likelihood of district court granting a stay or rescheduling trial as part of the Fintiv analysis



MARCH 2, 2021

GlobalFoundries, Inc. v. UNM Rainforest Innovations F/K/A STC.UNM, Case IPR2020-00984, Paper 11 (PTAB Dec. 9, 2020).
Before: Droesch, Crumbley, and Boudreau.

This is yet another decision where the Board analyzed the *Fintiv* factors to consider whether to exercise its discretion to not institute in light of an earlier scheduled trial date in a parallel proceeding between the petitioner and patent owner in the Western District of Texas.

Under the first factor (stay), the Board noted that no motion to stay had been filed yet, but petitioner represented that it would file such a motion if the petition were instituted and patent owner represented that it would oppose such a motion. Patent Owner also argued that the Board should consider that the facts of such a hypothetical motion would be virtually the same as facts in other decisions before the Western District of Texas denying motions to stay. The Board "decline[d] to speculate or make any inferences that the say will be denied" based on any similarities to prior decisions from the Western District of Texas. Accordingly, the Board found that this factor did not weigh for or against discretionary denial of institution.

Under the second factor (proximity of trial date), the Western District of Texas had scheduled trial approximately three and a half months before the Board's statutory deadline for a final written decision. Petitioner argued that the caseload of the Western District of Texas couped with the impact of the pandemic meant that it was likely the scheduled trial date would change. The Board found that petitioner's arguments were "speculative and [did] not rise to the level of evidence." Because the district court trial date preceded the statutory deadline for the final written decision, the Board found this factor weighed in favor of a discretionary denial of institution.

Under the third factor (investment in the proceedings), while the district court had reached a claim construction decision, no significant discovery had been completed. Under these facts, the Board found that the district court had not yet made much investment in the invalidity issues. In addition, the Petitioner had filed the petition within two months of being served with the district court complaint. On the balance of these facts, the Board found this factor weighed against a discretionary denial of institution.

Under the fourth factor (overlap in issues), the petitioner had stipulated not to pursue the same grounds or references before the district court, but the stipulation did not include any other potential anticipation or

obviousness grounds. The Board found that this stipulation alleviated to some degree any concerns of duplicative efforts and that this factor weighed against a discretionary denial of institution.

Under the fifth factor (same parties), the parties were the same. The Board found this factor weighed in favor of a discretionary denial of institution.

Under the sixth factor (other circumstances), the Board found that the merits of three of the four grounds were strong. This factor, therefore, weighed against a discretionary denial of institution.

Weighing the factors together, the Board found that the *Fintiv* factors ultimately weighed against a discretionary denial of institution.

On the merits, as mentioned, the Board found that three of the four grounds were strong. But the Board had "reservations" about petitioner's proffered reason why one of ordinary skill in the art would have combined the asserted references. Nonetheless, because the three other grounds were strong, the Board instituted all four grounds as required by the USPTO Guidance on the Impact of SAS on AIA Trial Proceedings.

In a concurring opinion, APJ Crumbly disagreed with the majority on the application of the first and second *Fintiv* factors. On the first factor, APJ Crumbly would consider how the facts of a hypothetical stay motion compare to prior decisions of the district court to consider whether a stay was likely. In this case, he would have found a low likelihood of a stay being granted and would have weighed the first factor in favor of a discretionary denial of institution. On the second factor, APJ Crumbly would have considered the evidence proffered by petitioner on the likelihood of the trial date-changing and would have found that the evidence in its totality showed that it was likely that the trial date would change. Accordingly, APJ Crumbly would have weighed this factor against a discretionary denial. But, in any event, once all the factors were weighed together, the ultimate outcome would have been the same for APJ Crumbly.

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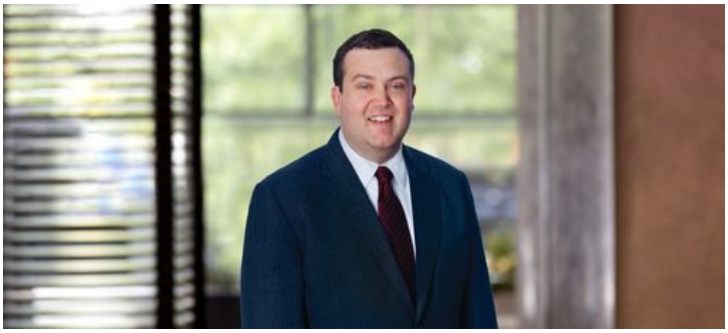

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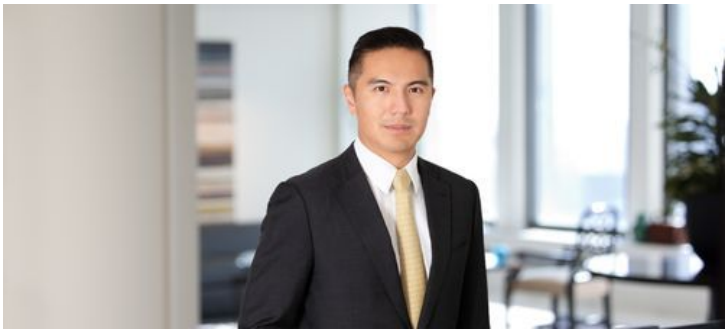

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