

Seyfarth PTAB Blog



A legal look at Patent Trial and Appeal Board decisions and trends

Maximum Possible Delay Weighs Against Stay Pending IPR

By Patrick T. Muffo

Defendants often move to stay a litigation pending final review of an *Inter Partes* Review challenge. Defendants typically argue that a stay would avoid different invalidity rulings from the PTAB and district court. Plaintiffs often counter that a stay would unduly prejudice the plaintiff as delaying the case further. It should be no surprise, then, that a stay was denied when a defendant filed its IPR petitions on literally the last day allowable under statute.

In the case of *Parthenon Unified Memory Architecture, LLC v. HTC Corp.* (Case No. 2:14-cv-00690, E.D. Tex. June 16, 2016), HTC moved for a stay at the end of the one year statutory term for filing an IPR. That is, defendants may petition for IPR within one year of being served with a complaint of patent infringement. Parthenon filed their lawsuit on June 12, 2014, and served HTC on June 24, 2014. Literally one year to the day after service, HTC filed their IPR petitions and subsequently moved the court to stay the case.

The court denied the motion on several grounds, the delay appearing chief among them. For example, the court noted the contentious discovery disputes between the parties and found the IPR petitions to be tactical moves: “Defendants did not file their IPRs expeditiously and are most likely seeking a stay to gain a tactical advantage over Parthenon.” HTC also apparently did not offer any reason for the delay, leading the court to this conclusion.

Also notable was that, of the several patents and dozens of asserted claims, most claims were not before the PTAB on IPR petitions. The PTAB did not institute IPR for over half of the asserted claims and two of the asserted patents altogether, meaning “[a] stay would prejudice Parthenon’s right to assert the unchallenged claims and would prejudice Parthenon’s right to conduct its business” of licensing patents, Parthenon being a non-practicing entity.

Takeaway:

IPR petitions take time to prepare and some delay is tolerable, and indeed, expected by district courts. However, filing an IPR petition on the absolute last day possible will likely weigh against a stay by suggesting defendants have not filed for IPR expeditiously.

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