Friday, April 26, 2019

Addressing an *inter partes* review (IPR) petition filed by respondents to an earlier-filed International Trade Commission (ITC) Section 337 investigation, the Patent Trial and Appeal Board (PTAB) declined to treat the petition as a “follow-on” to the ITC investigation and accordingly refused the patent owner’s request for a discretionary denial of institution. *Samsung Elecs. Co., Ltd. et al. v. BiTMICRO LLC*, IPR No. 2018-01545 (PTAB March 7, 2019).

In late 2017, BiTMICRO instigated an ITC investigation of Samsung Electronics and others for alleged infringement of four patents related to solid state hard drives (SSDs). Samsung responded by filing a district court action seeking a declaratory judgment of non-infringement and shortly thereafter filed IPR petitions challenging the validity of the asserted patents.

BiTMICRO responded to each IPR petition by requesting that the PTAB use its discretion to deny institution under Section 314(a). BiTMICRO argued that IPR proceedings would be a waste of resources because the same issues would be considered as part of the ITC investigation. BiTMICRO characterized the petitions as “follow-on” petitions and pointed to a passage in the PTAB’s trial guide that listed a parallel ITC investigation as a factor in favor of denying a petition. Samsung countered that the ITC’s decisions on validity would have no preclusive effect in any other forum and that the PTAB’s final written decisions would issue before final
resolution of the ITC investigation.

The PTAB agreed with Samsung and instituted each of the IPRs. The PTAB relied on the fact that the ITC has no authority to invalidate patents and also refused to treat the petitions as follow-on petitions.

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