

## Impact of SAS on District Court Patent Infringement Litigation

Rick Neifeld, Neifeld IP Law, PC

### I. Introduction

The Supreme Court decision *SAS Institute Inc. v. Iancu*, 16–969 (4/24/2018), requires the PTAB to either institute and IPR (or PGR or CBM) petition on all claims and grounds asserted in the petition, or deny institution. That is in contrast to the PTAB's prior practice of evaluating each ground and each claim separately and only instituting on grounds and claims that met the reasonable likelihood standard. The direct consequences *SAS* on the PTAB are massive. However, a related impact is on impact of all or nothing institution decisions on the decisions of District Courts regarding how to conduct their patent infringement litigation in which there is a corresponding PTAB petition.

### II. Discussion

Copied below are excerpts from the five district court cases since the Supreme Court's decision in *SAS*, in which *SAS* has mentioned. In *all* of those cases, *SAS* is mentioned in connection with the decision whether to stay or continue an existing stay of the litigation. In *all* of those cases where there is a decision, the stay was imposed or continued.

...Indeed, with the PTAB taking the new all-or-nothing approach to institution decisions, there's no concern about the PTAB picking and choosing certain claims or certain invalidity grounds from each petition. *See SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1359 (2018). At least for now, this factor favors a stay." [Nichia Corporation v. Vizio, Inc. 8-18-cv-00362(C.D. Cal. May. 21, 2018).]

For the reasons set forth below, the Court grants the motion [sic to stay]. Western Digital petitioned the PTAB for inter partes review of the '802 and '135 Patents. In granting review of the '802 Patent, the PTAB found that there was a reasonable likelihood that Claims 38 and 39 would be found invalid. ('802 Institution Decision, p. 42.) In granting review of the '135 Patent, the PTAB found that there was a reasonable likelihood that Claims 55, 57, and 58 would be found invalid. ('135 Institution Decision, p. 36.) In accord with the Supreme Court's recent decision, [Footnote 5 citing *SAS*] the PTAB indicated it would review all claims which Western Digital placed in issue." [SPEX Technologies, Inc. v. Kingston Technology Corporation et al., 8-16-cv-01790 (C.D. Cal May. 16, 2018).]

Recently, the Supreme Court issued an opinion concluding that, once the PT AB grants review of an IPR petition, it is statutorily required to address every contested claim. *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1354 (2018). \*\*\* The PTO has yet to decide whether it will institute review on any of LG' s six petitions. \*\*\* While review is not guaranteed and, therefore, the benefits of review are only speculative at this juncture, in light of the Supreme Court's

mandate to review all contested claims upon grant of IPR and the complexity of this case, the Court finds this factor weighs in favor of a limited stay of proceedings until the PTO issues its decisions on whether to institute IPR. The Court has considered the relevant factors and concludes a limited stay of the proceedings is warranted. [Wi-LAN, Inc. et al v. LG Electronics, Inc. et al, 3-17-cv-00358 (S.D. Cal. May. 22, 2018).]

MINUTE entry before the Honorable Joan H. Lefkow: Each party is to file a brief by 6/1/2018 addressing any potential effect of *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348 (2018), on the pending motion to stay (dkt. 68). Mailed notice (mad, ) [sic]. [Sennco Solutions Inc. v. Mobile Technologies Inc., 1-16-cv-09668 (N.D. Ill. May. 18, 2018).]

7. Following the filing of the motion to lift the stay, on April 24, 2018, the Supreme Court issued its ruling in *SAS Institute, Inc. v. Iancu*, which held that the PT AB must issue a final written decision addressing every patent claim challenged in an IPR petition. 138 S. Ct. 1348 (2018). 8. As a result of the Supreme Court's decision, Ulthera filed a motion before the Federal Circuit requesting remand of Ulthera's appeal to the PT AB for issuance of a final decision regarding the patentability of claims 5 and 10. (D.I. 53 at 1) 9. On May 25, 2018, the Federal Circuit granted Ulthera's motion and "directed [the PTAB] to promptly issue a final decision as to all claims challenged by Ulthera in its petition." (D.I. 52, Ex. 1 at 3) \*\*\* 12. Conclusion. For the forgoing reasons, the motion to lift stay is denied. (D.I. 48) [DermaFocus LLC v. Ulthera, Inc., 1-15-cv-00654 (D. Del. Jun. 07, 2018).]

### III. Conclusion

Obviously, *SAS* is substantially impacting district court patent infringement litigation, by favoring a stay of the litigation.