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PUBLISHED: DECEMBER 16, 2020

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Husch Blackwell Prevails for Sotera Wireless in Patent Dispute

FIRM SECURES PRECEDENTIAL PTAB DECISION

Husch Blackwell secured a victory for Sotera Wireless before the Patent Trial and Appeal Board (PTAB) of the United States Patent and Trademark Office resulting in PTAB precedent when the Board decided to institute an *inter partes* review (IPR) of a patent that is the subject of a pending, parallel lawsuit in U.S. District Court regarding an alarm system for medical monitoring equipment. Not all decisions by the PTAB are marked precedential, but the Board found Husch Blackwell's arguments and methods so useful that it marked this decision precedential to help future IPR parties in navigating PTAB procedure.

The decision follows closely on the heels of a new multi-factor test devised by PTAB. In May 2020, PTAB decided *Apple Inc. v. Fintiv, Inc.* (Case IPR2020-00019), which introduced six factors to apply when deciding whether to deny institution of *inter partes* review for discretionary reasons under 35 U.S.C. § 314(a). According to Unified Patents Inc., a member-based information and advocacy organization, PTAB Discretionary Denials increased "more than 60% in 2020, fueled entirely by 314(a) denials."

At the end of May 2020, prior to the *Fintiv* decision being marked precedential, Husch Blackwell's patent litigation team submitted a petition to the PTAB challenging the validity of a patent asserted against Sotera by Masimo Corporation. Relying on the *Fintiv* multi-factor test, Masimo later urged the Board to deny institution on discretionary grounds, arguing that the corresponding district court litigation was too advanced and instituting IPR would waste PTAB resources.

Importantly, in the parallel district court litigation, the court had not ruled on a motion to stay filed by Husch Blackwell due to a litigation backlog but had vacated a claim construction hearing in view of the undecided motion to stay. Without the district court litigation stayed, the Husch Blackwell team filed a broad stipulation stating that if the IPR is instituted, Sotera “will not pursue in the District Court Litigation any ground raised or that could have been reasonably raised in an IPR.”

This stipulation ultimately prevented discretionary denial because the Board found that this stipulation mitigated any potential concerns about duplicative efforts by the Board and the district court. Hence, the broad stipulation weighed “strongly in favor of not exercising discretion to deny institution under 35 U.S.C. § 314(a).”

In its decision to grant the IPR, the Board repeatedly shot down Masimo’s arguments regarding the patent-in-suit, ultimately finding that Sotera had established “a reasonable likelihood of prevailing” on obviousness grounds.

“In our view the RE353 patent is obvious and unpatentable,” said Rudy Telscher, the leader of Husch Blackwell’s patent team for Sotera Wireless. “The difficulty was in determining how to pursue the matter, given the recent *Fintiv* test and the litigation backlog in the district court. The ability to file the stipulation helped clear the way toward IPR institution, which was in our judgment the most efficient way to resolve the dispute favorably for our client. I suspect more petitioners will use similarly broad stipulations to avoid discretionary denials.”

The Husch Blackwell litigation team led by Telscher includes Daisy Manning, Jennifer Hoekel, Nathan Spertel, Dustin Taylor, and Lauren Hitchens.

This release was updated on January 7, 2021.