

NEWS RELEASES

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Husch Blackwell Earns Appellate Victory, Wiping Out Eight Patents

Husch Blackwell secured a victory before the U.S. Court of Appeals for the Federal Circuit on behalf of Sotera Wireless as it successfully invalidated eight of Masimo Corporation’s patents in final, non-appealable judgments.

In November 2021, Husch Blackwell earned a high-profile victory for Sotera Wireless before the Patent Trial and Appeal Board (PTAB) of the United States Patent and Trademark Office, knocking out all disputed patent claims—175 in total—across eight related *inter partes* review (IPR) petitions. The Board also reversed its previous stance on several patentability issues at stake in the IPRs, instead finding in the Final Written Decisions that the full record supported Sotera’s arguments. Owned by Masimo Corporation, the patents-in-suit purported to protect certain medical monitoring equipment and devices; however, the PTAB determined that all of the disputed claims in the patents were unpatentable.

Masimo Corporation appealed two of the eight IPR decisions to the Federal Circuit, which affirmed the Board’s rulings in all respects, in two decisions that came in late September and on October 24, 2023.

The overall case was closely watched by the patent bar due to the precedential nature of the litigation. In May 2020, PTAB decided *Apple Inc. v. Fintiv, Inc.* (Case IPR2020-00019), which introduced six factors PTAB will apply when deciding whether to deny institution of *inter partes* review for discretionary reasons. Thanks in part to the establishment of the *Fintiv* test, PTAB discretionary denials increased more than 60% throughout the remainder of 2020, greatly altering the strategic approach to IPRs.

In the weeks following the *Fintiv* case, Husch Blackwell’s patent litigation team submitted IPR petitions to the PTAB challenging the validity of patents asserted against Sotera by Masimo Corporation in a related district court

lawsuit. Relying on the recently devised *Fintiv* multi-factor test, Masimo 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. The Husch Blackwell team countered by filing 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 it 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 June 2022, the matter set a precedent where USPTO Director Katherine Vidal issued a memorandum that adopted Husch Blackwell’s strategy regarding discretionary denials in AIA post-grant proceedings associated with parallel International Trade Commission (ITC) proceedings or district court litigation. The PTAB will not discretionarily deny institution of an IPR if the petitioner stipulates not to pursue in a parallel district court proceeding the same grounds as in the petition or any grounds that could have been reasonably raised in the petition.

The Husch Blackwell litigation team was led by Rudy Telscher and included Daisy Manning, Jennifer Hoekel, Nathan Sportel, and Dustin Taylor.