The Current State of *Fintiv* and the New Director Review Process

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Roadmap

- **Updates on *Fintiv***
  - Intro: The *Fintiv* Doctrine
  - *Fintiv* Denials are Down
  - Stipulation Trends
  - The Reexam Landscape
  - Challenges to *Fintiv*

- **Director Review**
  - Background: *Arthrex*
  - Timing and Protocol for Requests
  - PTO’s First Issued Decisions
  - Impact on Other Proceedings and Closed Cases
  - Challenges to Director Review
Updates on Fintiv
• **The Doctrine**: The Board may exercise its discretion to deny institution of IPR proceedings where the challenged patent is already subject to pending litigation.

• **Stated Purpose**: “efficiency, fairness, and patent quality” *(Fintiv, IPR202-00019, Paper 11)*

• **Implementation**: Six factor “holistic” balancing test

• **Discretion Statutory Basis**: 35 U.S.C. § 314(a)

• **Final & Not Appealable**: 35 U.S.C. § 314(d)

Procedural Institution Denials Have Increased Dramatically


§ 314(a) Denials (106/146)
Fintiv Dominates the Discussion

§ 314(a) Denials By Type

- Other
- Joinder Denial
- Parallel Petition Denial
- NHK Spring/Fintiv
- General Plastic/NVIDIA

Fintiv Denials are Down

![Bar chart showing the count of denied and granted patents from 2020Q2 to 2021Q3. The chart indicates a decrease in denials over time.]

Trial Dates Used in *Fintiv* Denials Are Often Wrong

- **94.1% (48 cases)**
- **5.9% (3 cases)**

![Bar chart and pie chart showing the distribution of trial dates.

**Source:** Law360, Perkins Coie Study

On Time: 3 cases
≤1 month: 1 case
1-3 months: 5 cases
3-6 months: 7 cases
6-12 months: 3 cases
Still Unresolved: 7 cases
Terminated: 15 cases
**Fintiv Stipulation Trends: Sand Revolution to Sotera**

- **Option 1 – Sand Revolution Stipulation**
    - If instituted, will drop any invalidity ground raised in the IPR

- **Option 2 – Sotera Stipulation**
  - *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (Dec. 1, 2020) (precedential as to § II.A)
    - If instituted, will drop any invalidity ground that was “raised or could have been reasonably raised” in the IPR

**Practice Tip:** As trial gets closer or if the parallel litigation is an ITC case, a broader *Sotera* stipulation may be required to achieve IPR institution.
Following *Fintiv*, Reexaminations Become More Popular

Re-Examinations by Year

Current Challenges to *Fintiv*

- **Challenges under the APA**

- **Challenges at the Supreme Court**

- Congress might step in with the “Restoring the AIA” bill
Director Review
Background: *Arthrex*

  - The Supreme Court held that the PTAB’s structure violated the Constitution’s appointments clause
  - PTAB judges are inferior officers, whose final decisions were not reviewable by the director of the USPTO
  
- **Simple Remedy:** Grant the Director the power to review final decisions
  → “Director Review”
Timing and Protocol for Requesting Director Review

1. **Final Written Decision**
   - **Director Sua Sponte Review**
     - **Option 1** Party Requests Director Review
     - **Option 2** Party Requests Panel Rehearing
     - **Rehearing Denied**
     - **Rehearing Granted**
     - **Party Requests Director Review**
Timing and Protocol for Requesting Director Review

- **Director Review (Sua Sponte or Party Requested)**
  - **Granted (full or partial)**
    - Parties may Appeal to CAFC
  - **Denied**
    - Parties may Appeal to CAFC
    - Director Remand to PTAB panel with instructions
  - Decision
    - Previous decision review options available

Source: PTAB Boardside Chat presentation.
The Director Has Denied All But One To Date

  - PO based Director Review request on four arguments
  - Granted and remanded as to priority date of two dependent claims that Board did not address
  - Denied on remaining arguments
Director Review Applies to Ex Parte Appeals

  - The original *Arthrex* opinion declined to address the reach of Director Review
  - The Federal Circuit held that Director Review can apply to rejected patent applications
No Director Review Available for Closed Cases

  - PO’s patent invalidated during IPR as obvious
  - PO unsuccessfully appealed claiming IPR should not have been instituted because Petitioner failed to identify its parent company as an RPI
  - In October 2020, Federal Circuit affirmed obviousness determination and held RPI issue unappealable
  - Federal Circuit denied PO’s mandamus petition to order USPTO to take up request for Director Review
Challenges to Director Review

- Commissioner Drew Hirshfeld is not appointed
  - *New Vision Gaming & Development, Inc. v. SG Gaming, Inc.*, No. 20-1399 (Fed. Cir.)
- Application to *Fintiv*
- New director nomination: Kathi Vidal
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