

USPTO Provides Interim Guidance on PTAB Discretionary Denials Under *Fintiv*

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By John Schroeder

On June 22, 2022, the U.S. Patent and Trademark Office (USPTO) announced [new interim guidance](#) regarding discretionary denials of patent challenges at the Patent Trial and Appeal Board (PTAB) based on parallel litigation. The interim guidance follows criticism of the PTAB's application of factors propounded in [Apple v. *Fintiv*](#) to determine whether to deny institution of Leahy-Smith America Invents Act (AIA) post-grant proceedings where there is parallel district court litigation.

For the past two years, the PTAB has applied the following set of *Fintiv* factors to determine whether to exercise its discretion under 35 U.S.C. § 314(a) to deny institution of *Inter Partes* Review (IPR) and Post-Grant Review (PGR) proceedings:

1. Whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted
2. Proximity of the court's trial date to the board's projected statutory deadline for a final written decision
3. Investment in the parallel proceeding by the court and the parties
4. Overlap between issues raised in the petition and in the parallel proceeding
5. Whether the petitioner and the defendant in the parallel proceeding are the same party
6. Other circumstances that impact the Board's exercise of discretion, including the merits

The *Fintiv* analysis has since become a significant hurdle in seeking institution of IPR and PGR proceedings. The interim guidance clarifies that the PTAB will not deny institution of an IPR or PGR under the *Fintiv* analysis:

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1. When the information presented at the institution stage presents a compelling unpatentability challenge
2. When a request for denial is based on a parallel ITC proceeding
3. Where a petitioner stipulates not to pursue in a parallel district court proceeding the same grounds as in the petition or any grounds that could have reasonably been raised in the petition (*i.e.*, a [Sotera](#) stipulation)

Further, the guidance provides that the PTAB is to consider the most recent median time-to-trial in the district court in which the parallel litigation resides in considering the “proximity of the court’s trial date” factor of the *Fintiv* analysis.

The newly announced interim guidance mirrors and adopts recent trends as to the PTAB’s application of the *Fintiv* analysis. While the guidance does not foreclose the application of the *Fintiv* analysis in discretionarily denying petitions for PTAB proceedings, it provides clearer guidance limiting when discretionary denials will be considered and actions that petitioners can take to avoid them. The interim guidance is expected to remain in place until the USPTO has completed formal rulemaking.

In light of this guidance, businesses engaged in parallel PTAB and district court proceedings should consider when developing their strategies the reduced prospects of the PTAB proceeding resulting in a discretionary denial under *Fintiv*.

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