



PTAB Institutes IPR Despite Delayed Sotera Stipulation

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By: Nia E. Kyritsis, Jason Weil, Rubén H. Muñoz

The Patent Trial and Appeal Board granted institution of *inter partes* review after petitioner submitted a *Sotera* stipulation to patent owner via email, several days after patent owner's preliminary response. The board rejected patent owner's argument that the *Sotera* stipulation was too late, holding that there is no specific time limit for when such stipulation must be submitted before a decision on institution is made.

Petitioner filed an IPR petition alleging that certain claims covering methods for displaying social networking and navigation information would have been obvious. In its preliminary response, patent owner argued that the board should exercise its discretion to deny institution because of its parallel infringement action involving the same parties and invalidity challenges. A few days later, petitioner emailed patent owner stating that, pursuant to *Sotera*, petitioner would not pursue "any ground that [it] raised or reasonably could have raised" during the IPR, if instituted. The parties requested, and the board allowed, a pre-institution reply and sur-reply to address, among other issues, discretionary denial.

Petitioner noted that under the board's interim procedure, the board will not discretionarily deny institution in view of such a stipulation. Petitioner further explained that validity is not at issue in its action for declaratory judgment of noninfringement filed in a different district. In response, patent owner asked the board to discredit petitioner's "eleventh hour" stipulation and criticized petitioner for filing the noninfringement action, multiplying proceedings "where validity will certainly be an issue."

Agreeing with petitioner, the board first noted the absence of any precedent establishing a deadline for providing a *Sotera* stipulation, so long as it is provided far enough in advance

that the board can take it into consideration. Patent owner had identified no prejudice that it suffered based on the timing of the stipulation here. The board also rejected patent owner's argument that petitioner's declaratory judgment action, on its own, was sufficient to support discretionary denial. Indeed, according to the board, patent owner's *Fintiv* analysis was based entirely on its parallel infringement action.

Practice Tip: Some petitioners may wish to delay filing a *Sotera* stipulation until after considering a patent owner's preliminary response. If so, petitioners should recognize that they must still provide such a stipulation early enough for the board to consider it prior to deciding whether to institute review. And patent owners who wish to rely on multiple parallel proceedings to support denial of institution should ensure that they address each such proceeding in their *Fintiv* analysis.

BMW of North America, LLC v. NorthStar Systems LLC, IPR2023-01017, Paper No. 12 (PTAB Dec. 8, 2023)

Categories

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