

SAP America, Inc. v. Pi-Net Int'l, Inc.: Order Denying Motion to Stay Petitions

Article By:

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Takeaway: The Board is unlikely to stay PTAB proceedings pending appeal of a district court's finding of invalidity, particularly where the issues in the district court and in front of the Board are different.

In its [Order](#), the Board denied Patent Owner's request to stay two related *inter partes* review proceedings and a related covered business method review in light of a district court's finding that all of the challenged patents were invalid as being indefinite. In light of its ruling regarding the requested stay, the Board granted the parties' previous request for oral hearing.

After all the briefing was completed in each of the proceedings before the Board, the District Court for the District of Delaware issued a claim construction order finding certain claim terms indefinite and granted a motion for summary judgment that all of the patents involved in the current proceedings are invalid. Patent Owner filed a Notice of Appeal, appealing the district court's claim construction and summary judgment. Shortly thereafter, the parties held a conference call with the Board in light of the actions of the district court.

Patent Owner requested that the Board stay the IPR and CBM proceedings pending a decision on its appeal to the Federal Circuit. Petitioner opposed the stay, arguing that (1) it was not a party to the district court case, (2) the district court decision did not constitute another proceeding before the Office under 35 U.S.C. § 315(d), and (3) that the maximum extension of six months under 35 U.S.C. § 316(a)(11) would not be sufficient for a determination of the appeal.

The Board first noted that it would give the district court's decision "due consideration," but pointed out that the issues under 35 U.S.C. § 112 addressed by the district court were not before it in the IPR proceedings, and overlapped "to some extent" with the CBM proceeding. However, the Board noted, "as with the *inter partes* reviews, we also instituted CBM2013-00013 on grounds other than those addressed by the district court's decision."

The Board also explained that the standards of claim construction as well as the burden of proof differ between the district court and the Board. The Board went on to explain that an affirmance of the district court's decision invalidating the challenged patents could terminate the subject proceeding. However, a reversal of the court's invalidity determination might not affect the Board's decisions.

Thus, the Board did not authorize a motion to stay the subject proceedings.

With respect to the oral hearing, Petitioner indicated that it was considering withdrawing its request for oral hearing and proposed “that such withdrawal would limit the subject matter of the oral hearing to Patent Owner’s motions to amend.” The Board indicated that it would proceed with hearing arguments on all issues whether or not Petitioner participates in the hearing.

The Board then provided guidance regarding the hearing. Each party was allotted 90 minutes of total argument time, with Petitioner proceeding first to present its case regarding the instituted grounds of unpatentability. Patent Owner would follow to respond to Petitioner’s case and present its case regarding the Motion to Amend. Petitioner would then follow with its remaining time to respond to Patent Owner, and Patent Owner would conclude the hearing with any reply related to the Motion to Amend.

Any demonstrative exhibits are to be served five business days before the hearing and filed with the Board no later than at the time of the hearing, pursuant to 37 C.F.R. § 42.70(b). Additional guidance regarding demonstrative exhibits is provided in *CBS Interactive Inc. v. Helferich Patent Licensing, LLC*, IPR2013-00033, Paper 118 (Oct. 23, 2013). Issues with respect to the demonstrative exhibits should be resolved at least two days prior to the hearing by way of a joint conference call with the Board.

Finally, the Board noted that lead counsel for each party is expected to be present in person at the hearing, but lead or backup counsel may present the arguments. If lead counsel cannot attend, the Board expects the parties to initiate a joint telephone conference call with the Board to discuss the matter.

***SAP America, Inc. v. Pi-Net Int’l, Inc.*, IPR2013-00194; IPR2013-00195; CBM2013-00013**

Dated: May 23, 2014

Patents: 8,108,492; 5,987,500; and 8,037,158

Before: Karl D. Easthom, William V. Saindon, and Brian J. McNamara

Written by: McNamara

Related Proceeding: *Pi-Net International, Inc. v. JPMorgan Chase & Co.*, Case No. 1:12-cv-00282 (D. Del.)

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