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Husch Blackwell Scores Major Patent Litigation Victory for Sotera Wireless

FIRM'S PATENT LITIGATORS SUCCEED IN INVALIDATING 175 CLAIMS ACROSS EIGHT IPRS

Husch Blackwell earned a high-profile victory for Sotera Wireless before the U.S. Patent & Trademark Office's Patent Trial & Appeal Board (PTAB), 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 purport to protect certain medical monitoring equipment and devices; however, the PTAB determined that all of the disputed claims in the patents were unpatentable.

The 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 percent 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 its decision to grant the IPRs, the Board repeatedly shot down Masimo’s arguments regarding the patents-in-suit, ultimately finding that Sotera had established “a reasonable likelihood of prevailing” on obviousness grounds, a likelihood that became the basis for PTAB’s Final Written Decisions that found the disputed claims to be invalid.

“These IPR wins are significant in that had we not filed the stipulations, it is likely the PTAB would have denied all eight IPRs based on the *Fintiv* factors,” said Husch Blackwell partner Daisy Manning. “*Fintiv* denials were becoming very common. If we had to litigate the validity of eight patents with that many claims before a jury under the heightened burden of proof in district court, it is very doubtful we could have convinced a jury to invalidate that many claims. Many similarly situated defendants in federal lawsuits have used *Sotera*-like stipulations since our petition, and they have had a material impact in preserving IPRs as a tool to invalidate weak patent claims.”

Manning was joined on the Husch Blackwell team by Rudy Telscher, Nathan Sportel, Jennifer Hoekel, Dustin Taylor, Lauren Hitchens and Anna Florian.