

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ETHICON, INC.,
Petitioner,

v.

BOARD OF REGENTS, THE UNIVERSITY OF TEXAS SYSTEM,
Patent Owner.

Case IPR2019-00406
Patent 6,596,296 B1

Case IPR2019-00407
Patent 7,033,603 B2

Before SUSAN L.C. MITCHELL, ROBERT A. POLLOCK, and
KRISTI L. R. SAWERT *Administrative Patent Judges*.

POLLOCK, *Administrative Patent Judge*.

ORDER
Suspending Proceedings
37 C.F.R. § 42.5

In Paper 4¹ we afforded Petitioner (“Ethicon”) an opportunity to show cause why we should not stay the above-referenced proceedings pending resolution of *Regents of the University of Minnesota v. LSI Corp.*, Case No. 2018-1559, addressing the applicability of sovereign immunity to Inter Partes Review (“the *UMN* Appeal”). Petitioner timely responded (Paper 8), and Patent Owner (“UT”) submitted an authorized reply to that response (Paper 10). Having considered the parties’ positions, we issue a stay in the instant proceedings pending an initial ruling by the United States Court of Appeals for the Federal Circuit in the *UMN* Appeal.

The parties present extensive arguments directed to the merits of whether State sovereign immunity applies to IPR and whether, as is the case here, a state that asserts the subject patent in district court waives any such immunity. But as these are precisely the issues before the Federal Circuit in the *UMN* Appeal, little would be accomplished by addressing them here in the first instance. We take into account however, whether grant of a stay advances “the just, speedy, and inexpensive resolution,” including fairness to the parties. *See* 37 C.F.R. § 42.1(b).

In this respect, Petitioner calculates that it may be nine months or more until the Federal Circuit issues a decision in the *UMN* Appeal. Paper 8 & n.1. And, in the event we issue a stay, the resulting delay would “afford[] UT the unwarranted litigation advantage of stalling Ethicon’s IPRs by at least nine months while it advances its co-pending infringement suit asserting the same patents against Ethicon in district court.” *Id.* at 1. Petitioner further argues that, should the Court

¹ We refer to papers filed in IPR2019-00406. Corresponding papers are filed in IPR2019-00407.

decide the *Regents* Appeal in favor of the University of Minnesota, “UT will have ample opportunity to seek relief.” *Id.* at 5.

Patent Owner, however, asserts that if we do not stay these proceedings pending a decision on the *UMN* Appeal, it will immediately request permission to file motions to dismiss seeking to preserve its asserted rights to State sovereign immunity pursuant to the Eleventh Amendment. *See* Paper 10, 1. We take particular note of the Supreme Court’s guidance that “motion by a State or its agents to dismiss on Eleventh Amendment grounds involves a claim to a fundamental constitutional protection,” and that “the value to the States of their Eleventh Amendment immunity . . . is for the most part lost as litigation proceeds past motion practice.” *Puerto Rico Aqueduct & Sewer Auth. v. Metcalf & Eddy, Inc.*, 506 U.S. 139, 145 (1993). Thus, while we recognize the potential litigation harm to Petitioner if this case is stayed, this is outweighed by the potential constitutional harm to Patent Owner, should the instant IPRs proceed on the merits. And while not itself dispositive, Patent Owner also notes that if we ultimately denied its presumptive motion to dismiss, it would immediately appeal that decision to the Federal Circuit, thereby triggering a stay pending appellate review. Paper 10, 1–2. We, therefore, agree with Patent Owner that “[i]t would be far more efficient and inexpensive to stay this proceeding now until the Federal Circuit provides the Board with guidance on these important constitutional issues.” *Id.* at 2.

Accordingly, in view of the particular circumstances of this case, including the unique nature of the Eleventh Amendment immunity right at issue, we conclude that it is appropriate to suspend proceedings pending an initial ruling from the Court of Appeals in the *UMN* Appeal based on Eleventh Amendment

immunity.

Unless otherwise notified by the Board, the stay will be lifted on the date of the first decision by the CAFC in the *UMN* Appeal. From the date of that first decision, Patent Owner will have two months to file its Preliminary Response. In addition, Patent Owner may, within two weeks from the date of the first decision by the CAFC in the *UMN* Appeal, file a Motion to Dismiss on the basis of State sovereign immunity. The Motion is limited to ten pages. If Patent Owner files a Motion to Dismiss, Petitioner will have two weeks to file an Opposition to Patent Owner's Motion to Dismiss. The Opposition is limited to ten pages.

ORDER

In consideration of the foregoing, it is hereby:

ORDERED that these proceedings are suspended pending an initial decision by the CAFC in *Regents of the University of Minnesota v. LSI Corporation*, Case No. 2018-1599;

FURTHER ORDERED that the deadline for Patent Owner to file a Preliminary Response in these proceedings will be set for two months from the date of initial decision in *Regents of the University of Minnesota v. LSI Corporation*, Case No. 2018-1599;

FURTHER ORDERED that Patent Owner is authorized to file a Motion to Dismiss, if applicable, within two weeks of the date of initial decision in *Regents of the University of Minnesota v. LSI Corporation*, Case No. 2018-1599, not to exceed ten pages;

FURTHER ORDERED that, in the event Patent Owner files a Motion to Dismiss, Petitioner will have two weeks to file an Opposition to Patent Owner's

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Motion to Dismiss, not to exceed ten pages; and

FURTHER ORDERED that the parties are to timely apprise the Board of developments or changes in the status of any other proceedings concerning these proceedings.

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