

Professional Perspective

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Timing Considerations for Section 337 Investigations & IPRs

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In June 2022, US Patent and Trademark Office Director Katherine Vidal released a [guidance memorandum](#) significantly limiting the circumstances in which the Patent Trial and Appeal Board (PTAB) should exercise its discretion to deny institution under *Fintiv*. Prior to the memorandum, the PTAB had routinely denied institution of inter partes reviews (IPRs) where there was a pending International Trade Commission (ITC) Section 337 investigation. See [19 U.S.C. § 1337](#). In announcing a departure from this practice, the director's memorandum states that "the PTAB will not discretionarily deny petitions based on applying *Fintiv* to a parallel ITC proceeding."

As a result of this change in guidance, IPRs are now a much more attractive option to respondents in [Section 337 investigations](#). However, before filing an IPR, respondents should be aware that the timing of a potential final written decision is likely to be quite significant in how the ITC will treat the IPR final written decision.

This article will outline the timeline of investigations brought before the ITC and the PTAB and explain how they compare to each other. Then, it will explain how this timeline may affect co-pending cases before both the ITC and the PTAB, especially following the USPTO's recent announcement.

Timing of Section 337 Investigations & IPRs

Relative to the vast majority of district court litigations, ITC investigations move quickly. In 2021, Section 337 investigations that were completed on the merits took an average of [18-19 months](#). Because under most circumstances the ITC will institute the investigation within 30 days from the date the complaint was filed, on average it will take 19-20 months from the filing of the complaint for the ITC to reach a final determination on the merits. See [19 C.F.R. § 210.10\(a\)\(1\)\(i\)](#).

IPRs operate in a similar timeframe with the PTAB typically issuing a final written decision in an instituted IPR within 18 months of the filing of the petition. The PTAB will normally issue its decision as to whether to institute IPR approximately six months after the filing of the petition. If the PTAB institutes an IPR, absent good cause, the PTAB has 12 months from the date of institution to issue its final written decision. See [35 U.S.C. § 316\(a\)\(11\)](#).

While Section 337 investigations and IPRs take similar amounts of time, as a practical matter, Section 337 investigations are likely to outpace IPRs. Typically, respondents in Section 337 investigations have no advance notice of the relevant patent(s) before the Section 337 complaint is filed. Thus, it is often difficult for respondents to get an IPR filed that keeps pace with a co-pending Section 337 investigation. For example, it will take time for a respondent to conduct a [prior art search](#) and prepare the [IPR petition](#). Ideally, any IPR petition would be filed early in the Section 337 investigation.

Motions to Stay ITC Proceedings Pending IPRs

It is very difficult to obtain a stay of a Section 337 investigation pending completion of an IPR. To date, the ITC has issued one such stay, and it was under unique circumstances.

In *Certain Integrated Circuits with Voltage Regulators*, the ALJ granted an unopposed motion to stay the investigation pending Federal Circuit review of an IPR final written decision that found all asserted claims to be unpatentable. See [Inv. No. 337-TA-1024](#), Order 55 (Aug. 31, 2018).

Notably, the investigation was delayed due to the remand of a summary determination of no infringement and the evidentiary hearing was still over seven months away. This delay extended the investigation beyond the typical 18-19 months it takes for a Section 337 investigation to complete. In deciding to stay the investigation, the ALJ also considered the fact that the patent did not expire for 10 years, giving the complainant time to seek further relief if the IPR decision was reversed on appeal. Also of note, the complainant did not oppose the stay.

By contrast, in *Certain Memory Modules*, an opposed motion for a stay pending the outcome of IPRs was denied despite the IPRs being at an advanced stage. See [Inv. No. 337-TA-1089](#), Order 49 (April 11, 2019). There were two asserted patents in the investigation, and the PTAB had found all asserted claims of one patent unpatentable in a final written decision and final written decisions as to the asserted claims in the other patent were due in a couple months. At the time the motion

was filed, the investigation was about three months from the evidentiary hearing. In denying the motion, the ALJ relied heavily on the stage of the investigation, i.e., that discovery had closed and the close proximity of the evidentiary hearing.

Accordingly, unless the Section 337 investigation is unexpectedly delayed or the respondent is able to file the IPR petition well before the filing of the Section 337 complaint, it is highly unlikely that the ITC will stay the Section 337 investigation pending completion of the IPR.

Motions to Suspend Remedial Orders

IPR Final Written Decision Issued Before Final Determination

While it is rare for the ITC to stay a Section 337 investigation pending the outcome of an IPR, if the IPR final written decision is issued before the ITC's final determination, the ITC will suspend enforcement of remedial orders—i.e., exclusion and cease and desist orders—pending appeals of IPR final written decisions to the Federal Circuit. For example, in *Certain Laparoscopic Surgical Staplers*, the ITC suspended enforcement of remedial orders pending the appeal of an IPR final written decision. See *Certain Laparoscopic Surgical Staplers*, [Inv. No. 337-TA-1167](#), Comm'n Op. at 66 (Dec. 20, 2021).

In the investigation, the ITC found a violation and issued remedial orders with respect to one of the three asserted patents. However, prior to issuance of the final determination, the PTAB issued a final written decision finding each of the asserted claims for which a violation was found unpatentable. In the final determination, the ITC suspended enforcement of the remedial orders pending the outcome of the Federal Circuit appeal of the IPR final written decision.

IPR Final Written Decision Issued After Final Determination

However, the ITC appears to only be willing to suspend such orders when the IPR final written decision issues before the final determination. For example, the procedural history of *Certain Network Devices* is useful in understanding how the ITC will treat IPR final written decisions that issue after the final determination. See *Certain Network Devices*, [Inv. No. 337-TA-945](#).

In *Certain Network Devices*, the ITC denied a motion to suspend enforcement of the remedial orders pending the Federal Circuit appeal of an IPR final written decision that found all of the asserted claims unpatentable. On Dec. 14, 2014, the complainant filed its Section 337 complaint asserting two patents US Patent Nos. 6,377,577 (the '577 patent) and 7,224,668 (the '668 patent). During the investigation, on Dec. 9, 2015, the respondent filed IPRs as to all asserted claims of the '577 and '668 patents. The PTAB instituted IPR on both patents.

However, on May 4, 2016, before the IPR final written decision was issued, the ITC issued its final determination finding that both patents were infringed and that a limited exclusion order and a cease-and-desist order should be issued. Three weeks later, on May 4, 2017, and before the end of the 60-day Presidential review period, the PTAB issued its final written decision finding all asserted claims of both patents unpatentable. See [19 U.S.C. § 1337\(c\)](#).

Thereafter, the respondent moved both the ITC and Federal Circuit to suspend or stay enforcement of the remedial orders pending appeal of the IPRs. In denying the ITC motion, on July 2, 2017, the ITC found that “the PTAB final written decisions . . . do not constitute a changed circumstance warranting temporarily rescinding the remedial orders” and that the “claims are valid until the PTO issues certificates cancelling for those claims.” The respondent also moved the Federal Circuit for a stay of the remedial orders which was similarly denied. See *Arista Networks, Inc. v. Cisco Sys., Inc.*, [Case No. 17-2289](#) (ECF No. 54).

Finally, in *Certain Network Devices*, despite its earlier statement that patent claims remain valid until the PTO issues the certificate canceling claims, the ITC did suspend the remedial orders as to the '668 patent once the Federal Circuit affirmed the IPR final written decision. The parties settled before the Federal Circuit affirmed the '577 IPR final written decision.

On Feb. 14, 2018, the Federal Circuit summarily affirmed the IPR final written decision as to the '668 patent. Nearly, two months later, on April 5, 2018, the ITC suspended the remedial orders as to the '668 patent. The remedial orders had been in effect for nine months before the ITC suspended enforcement.

The timeline below illustrates the timing issues in *Certain Network Devices*.

Date	Event
Dec. 14, 2014	Section 337 Complaint Filed
Jan. 21, 2015	Section 337 Investigation Instituted
Dec. 9, 2015	IPRs filed
June 11, 2016	IPRs Instituted by PTAB
May 4, 2017	ITC Issues Final Determination
May 25, 2017	PTAB Issues Final Written Decisions Finding All Asserted Claims Unpatentable
June 2, 2017	Respondent Files Motion with ITC to Suspend Remedial Orders
July 2, 2017	ITC Denies Motion to Suspend Remedial Orders
July 4, 2017	Presidential Review Period Ends and Remedial Orders Take Effect
Sept. 22, 2017	Federal Circuit Denies Motion for Stay of Remedial Orders
Feb. 14, 2018	Federal Circuit Affirms PTAB Final Written Decision for '668 Patent
April 5, 2018	ITC Suspends Enforcement of Remedial Orders as to the '668 Patent
Nov. 8, 2018	Federal Circuit Affirms PTAB Final Written Decision for '577 Patent
May 31, 2019	PTO Issues Certificate Canceling Claims Found Unpatentable

Conclusion

The biggest takeaway is that any respondent in a Section 337 investigation interested in filing an IPR should do so as soon as practicable, particularly in view of the recent PTO director's memorandum announcing that the PTAB will not discretionarily deny petitions under *Fintiv* in view of parallel ITC proceedings.

While it is highly unlikely that the ITC will stay a Section 337 investigation pending the outcome of an IPR, if the IPR final written decision issues before the ITC's final determination, the respondent may be able to rely on the IPR final written decision to suspend any remedial orders issued by the ITC until the patent claims are formally canceled by the PTO. By contrast, if the IPR final written decision issues after the ITC's final determination, the respondent will likely need a Federal Circuit affirmation of the IPR final written decision to have any remedial orders suspended.

Moreover, having to wait for a Federal Circuit affirmation may mean that remedial orders issued in an ITC investigation remain in effect for a significant amount of time. A patentee has 63 days after the PTAB's decision, including any requests for rehearing and director review, to file its notice of appeal. See [37 C.F.R. § 90.3](#). This means that a complainant may be able to use post-final written decision procedures at the PTAB—such as a request for rehearing or director review—to further extend the time that ITC remedial orders are in effect. Accordingly, it could be well over a year before a respondent can use a successful IPR final written decision as a basis to suspend remedial orders issued by the ITC.