

## COVID-19's Influence On IPR Has Diminished

By **Brett Cooper and Kevin Schubert** (September 25, 2020, 5:41 PM EDT)

Recent decisions suggest that the impacts of COVID-19 are less influential on the decision-making process in inter partes review before the Patent Trial and Appeal Board and related district court litigation than they were at the beginning of the pandemic, as district courts and the PTAB get used to the new normal.

For example, in *Varian Medical Systems Inc. v. ViewRay Inc.*, the U.S. District Court for the Northern District of California denied a stay pending IPR in which the petitioner emphasized the COVID-19 pandemic as a basis for granting the stay.[1]

Although the trial would not be held until August 2021, nearly a full year away, the court found "the better course is to proceed with this case and to allow defendants to renew their request for a stay in the even the PTAB institutes the IPRs." [2]

While the court acknowledged that it was "not unsympathetic to the concerns raised by defendants about engaging in time-consuming and expensive litigation while waiting for the PTAB's decision, as well as the fact that COVID-19 may make those endeavors more complicated and burdensome," [3] the court nonetheless did not find these factors significant enough to warrant a stay.

The *Varian* decision can be contrasted with decisions that came just after the COVID-19 outbreak like *DivX LLC v. Netflix Inc.*, in which the U.S. District Court for the Central District of California in May 2020 granted an IPR stay. Notably, the stay was granted despite the fact that the "PTAB has not made preliminary decisions on whether to institute IPR for most of Defendants' pending IPR petitions" and several asserted claims were not the subject of any IPR petitions.[4]

The *DivX* court found the "coronavirus pandemic is also a relevant consideration" and that "the Court, parties, and counsel face unprecedented challenges from COVID-19 and the corresponding guidance and restrictions that have disrupted everyday life and routines." [5] At least one other case around the time of the *DivX* decision likewise granted an IPR stay in light of COVID-19 concerns.[6]

And while not directly related to IPRs, recently the U.S. District Court for the Eastern District of Texas court denied an unopposed motion for a one-month extension of discovery deadlines in *National Oilwell Varco LP v. Auto-Dril Inc.* despite discovery obstacles due to COVID-19.[7] The court required



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"something more...than generalized concerns about COVID-19 to establish good cause." [8]

Contrast National Oilwell with an earlier decision from the same district which found that the requesting party had not provided any particularized concerns but nonetheless granted a short extension stating "[t]he country is undoubtedly in the throes of a public health crisis." [9]

The court considered arguments made regarding the practicalities of remote depositions, office closures, and a previous three month extension that had been granted and found that although it was sympathetic to the issues there was no specific reason provided. [10] Notwithstanding the lack of any specific reason, the court provided a short extension.

Further, another Eastern District of Texas court recently issued an order in Personalized Media Communications LLC v. Google LLC denying defendant's request for a 90-day continuance of the jury selection date currently scheduled for Oct. 1, "for, among other reasons, the unavailability of witnesses due to other litigation." [11] The order reset the trial date for Nov. 2, citing the unavailability of witnesses for both parties on the originally-scheduled trial date.

While there are relatively few decisions to form a conclusion as to a trend, it appears that courts are more reluctant to move dates based on the mere fact that the country, indeed the world, is amid a pandemic.

To be sure, COVID-19 has caused disruptions in a number of trials, but even these trials appear to be moving forward. For example, the VirnetX Inc. v. Apple Inc., which was originally set for trial last month, was rescheduled until Oct. 26. [12] The continuance order there cited the fact that the relevant counties "rank among the top-30 counties for active COVID-19 cases in Texas" and "the continuance provided herein is relatively short, and its importance is not outweighed by VirnetX's alleged prejudice." [13]

As another example, a Western District of Texas court has continued the MV3 Partners LLC v. Roku Inc. trial four times. Last month, the "defendant voiced that due to the current pandemic and the numbers associated with it in Waco, that their clients feel it would be possibly unsafe for their health and they would like the trial to be moved further out — possibly October." [14]

The court stated that the jury trial would not be held in September due to the defendant's issues and recently reset the trial date for Oct. 5 [15] At present, it appears that both VirnetX and MV3 Partners will be moving forward with trials next month.

Recent PTAB decisions have granted IPR noninstitutions after rejecting arguments that COVID-19 would cause disruptions in the district court trial. For example, in Google LLC v. Personalized Media Communications LLC, the PTAB on Aug. 31 exercised its discretion to deny several IPRs in light of an upcoming Eastern District of Texas trial set for Oct. 19. [16]

Although the petitioner argued that the trial date may change due to disruptions in trial schedules from COVID-19, the PTAB "decline[d] to speculate whether that [trial] date will change due to COVID-19 disruptions." [17] The PTAB also noted that the Eastern District of Texas had recently completed a jury trial. [18]

In sum, recent district court and PTAB decisions have rejected arguments based on the impacts of COVID-19, suggesting the pandemic may be less influential today than it was in the early days and months after the outbreak.

Some may see these decisions as carefully balancing the considerations of justice and the right to an expeditious resolution on the merits with the risks of COVID-19. Others may see these decisions as not prioritizing safety enough. Either way, it is as important now as ever for practitioners to keep abreast of the changing environment in deciding strategy.[19]

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[1] Varian Medical Systems, Inc. v. ViewRay, Inc., No. 3:19-cv-05697, 2020 U.S. Dist. LEXIS 164720 (N.D. Cal. Sept. 9, 2020).

[2] Id. at \*3.

[3] Id.

[4] DivX v. Netflix, Inc., CV 19-1602-PSG, 2020 U.S. Dist. LEXIS 100327, at \*8 (C.D. Cal. May 11, 2020).

[5] Id. at \*6.

[6] See, e.g., Sherwood Sensing Sols., LLC v. Henny Penny Corp., No. 3:19-cv-366, 2020 U.S. Dist. LEXIS 75319, at \*6 (S.D. Ohio April 28, 2020) (granting an IPR stay and rejecting the argument that the "COVID-19 crisis will unnecessarily delay proceedings in the PTO" because there is "no reason to think this Court will be affected any less than the PTO.")

[7] National Oilwell Varco, L.P. v. Auto-Dril, Inc., No. 5:15-cv-00027-RWS, Dkt. 201 (E.D. Tex. Sept. 10, 2020).

[8] Id.

[9] See Uniloc USA, Inc. v. Big Fish Games, Inc., No. 2:16-cv-00741-RWS, (E.D. Tex. Apr. 30, 2020) (partially granting extension but finding a lack of particularity).

[10] Id. at 3; see also Velicer v. Falconhead Capital LLC, No. C19-1505 JLR, 2020 WL 1847773, at \*2 (W.D. Wash. Apr. 13, 2020) (denying requested extension for lack of specificity).

[11] Personalized Media Communications, LLC v. Google LLC, No. 2:19-cv-00090-JRG, Dkt. 378 (Sept. 15, 2020).

[12] VirnetX Inc. v. Apple Inc., No. 6:12-cv-00855-RWS, Dkt. 934 (E.D. Tex. Aug. 10, 2020).

[13] Id.

[14] See public docket sheet of MV3 Partners LLC v. Roku, Inc., No. 6:18-cv-00308-ADA, at August 10, 2020 entry.

[15] Id.

[16] See *Google LLC v. Personalized Media Communications, LLC*, IPR2020-00719, IPR2020-00722, IPR2020-00723 (August 31, 2020).

[17] See, e.g., *Google LLC v. Personalized Media Communications, LLC*, IPR2020-00723, Paper 22, at 7 (August 31, 2020).

[18] Id.

[19] See our other recent analyses of Patent Trial and Appeal Board trends.