



March 12, 2012

DISTRICT COURT STAYS PATENT INFRINGEMENT SUIT PENDING OUTCOME OF REEXAMINATION PROCEEDING ON RELATED PATENT NOT AT ISSUE IN CASE**Intellectual Property Client Alert**

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One strategy frequently considered by a defendant in a patent litigation lawsuit is to file a patent reexamination before the U.S. Patent and Trademark Office (PTO) and request that the district court litigation be stayed pending the reexamination outcome. A recent decision from one Court expands the scope of when a reexamination may stay litigation. In *PPS Data, LLC. v. Allscripts Healthcare Solutions*, Civil Action No. 12-83, Order (M.D. Fla. Mar. 1, 2012), the District Judge stayed an infringement case pending because a related patent was the subject of an ongoing reexamination.

Invalidating a patent is an uphill battle as patents are presumed valid. An alleged patent infringer can rebut validity of another's patent by either invalidating the claims before a federal district court or before the PTO in a process called reexamination, which is much less expensive than a litigation. The outcome of the reexamination can be cancellation of patent claims, amending claims or confirming patentability of the claim. While courts are not obligated to stay a litigation proceeding if the patent-in-suit is being reexamined, it is not uncommon for the court to halt the case pending the outcome of the PTO decision.

In *PSS Data*, the court, acting without any request by a party, stayed an infringement lawsuit pending a PTO reexamination where the defendants in two other cases had sought a stay. This is especially interesting because the patent-at-issue in the reexamination was not one of the patents asserted in the litigation. While the patent under reexamination had a similar specification to the asserted patents, it did not share a priority claim and was not part of the same patent family. The court stated that while the reexamination proceeding was for a non-asserted patent, given the patents shared a similar disclosure, "the reexamination proceedings of [that] Patent will likely provide the Court with additional insight as to the proper construction and scope of the claims of [two patents-in-suit]. The disclosures of these three patents are closely-related." Thus, this court expanded the scope of when litigation is stayed to include situations where a reexamination of a patent from an entirely different family occurs.

If followed by other courts, this decision could have a significant impact on patent litigation in the U.S.

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