



THINK FORWARD

PTAB Designates Two Prior Opinions As Precedential

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The Patent Trial and Appeal Board (“PTAB”) recently designated as precedential its prior decisions in *LG Electronics, Inc. v. Mondis Tech, Ltd.*, Case IPR2015-00937 (Sept. 17, 2015) and *Westlake Services, LLC v. Credit Acceptance Corp.*, Case CBM2014-00176 (May 14, 2015). These decisions warrant consideration before filing proceedings before PTAB.

LG Electronics, Inc. v. Mondis Tech, Ltd. – The Impact of Prior Litigation and Settlements on Subsequent PTAB Requests

In *LG Electronics v. Mondis*, petitioner LGE was sued twice on the same patent. In the first action (served January, 2008) the claims directed to existing products were eventually dismissed with prejudice while the claims directed to “unreleased products” were dismissed without prejudice. In October 2014, Mondis served a second complaint asserting infringement of the same patent, but directed at the previously “unreleased products”. In March 2015, LGE filed a request for inter partes review (“IPR”).

The PTAB found that LGE’s request for inter partes review was time barred because it was filed more than one year after LGE was served in the first action, citing 35 U.S.C. § 315(b). The PTAB distinguished its decision in *Oracle Corp. v. Click-to-Call Techs., LP*, Case IPR2013-00312 because in Oracle, the entire complaint was dismissed without prejudice. Instead, the PTAB likened the LGE petition to the facts in *Microsoft Corp. v. Virnetx Inc.*, Case IPR2014-00401, where a prior complaint acted as a bar to filing a petition because claims had been dismissed with prejudice. Significantly, the 2008 LGE-Mondis settlement agreement barred claims against the existing products. Thus, unlike Oracle, the legal position of the parties was not the same as if the complaint had never been brought.

In view of this precedential PTAB decision, the accused infringer should evaluate the impact of the settlement on potential future PTAB proceedings.

Westlake Services, LLC v. Credit Acceptance Corp. – The Estoppel Effect of Prior PTAB Proceedings

In *Westlake v. Credit Acceptance*, the PTAB confirmed that estoppel resulting from a final decision is applied on a claim-by-claim basis.

In *Westlake v. Credit Acceptance*, petitioner Westlake previously petitioned for a covered business method review of all claims in Credit Acceptance’s patent. The PTAB instituted review of 19 out of 42 claims, and subsequently ruled upon their patentability in a final decision. When Westlake later challenged the remaining claims in a subsequent CBMR petition, Credit Acceptance claimed that Westlake was estopped under 35 U.S.C. § 325(e)(1) by the prior final decision and that the second

petition should be terminated. In denying the motion to terminate, the PTAB confirmed that 35 U.S.C. §§ 328(a) and 325(e) are applied on a claim-by-claim basis. Because the prior final written decision only ruled upon the patentability of the instituted claims, Westlake was not estopped from bringing the second petition against the previously uninstituted claims.

In view of this precedential opinion, a petitioner should consider whether all claims need to be challenged in a CBMR.

Contact Us

If you have any questions or wish to discuss how this decision impacts your business, please contact one of our [Brinks Attorneys](#).