



# THINK FORWARD

## Managing the Interplay Between DJ Actions and PGR Petitions

As post-grant proceedings before the PTAB continue to gain popularity for their ability to invalidate supposedly “bad” patents, filings of declaratory judgment actions by alleged patent infringers appear to be going down. Even so, the traditional use of declaratory judgment (“DJ”) actions to control venue may still be an important legal strategy to consider for any alleged patent infringer. Barring specific financial or business considerations, parties may still pursue both legal strategies as long as they are careful to abide by the PTAB rules covering who may file for review.

Early on, petitioners for post-grant review that had already filed DJ actions in district court asserting invalidity arguments found their petitions denied in view of their previously filed DJ actions based on 37 CFR 42.101(a) (for IPRs) or 37 CFR 42.302(c) (for CBMPRs), which expressly state that a petitioner may not file a petition requesting review of a patent when it has previously filed a civil action challenging the validity of a claim of the patent. So what’s a petitioner to do?

The simple strategy is to follow the rules by preparing the DJ action to only include non-infringement positions and filing the DJ action after a petition for IPR or CBMPR is filed. Given the recent district court trends, the DJ action has a good chance of being stayed (depending on the jurisdiction) to allow the IPR or CBMPR to run its course with the PTAB. Under this scenario, the accused infringer has the benefit of pursuing invalidation of the patent under the broader rules of the PTAB and selecting favorable venue with the DJ action.

The accused infringer may still file its post-grant review petition after first filing a DJ action if its DJ action only asserts non-infringement positions. Later when the patent owner brings its counterclaims of infringement, the accused infringer may then respond by asserting its invalidity arguments. This careful timing of non-infringement vs. invalidity arguments is actually promoted by the PTAB, which recognized the difference between the two actions. (See, e.g., [Ariosa Diagnostics v. Isis Innovation Limited](#), IPR2012-00022, Paper 20). A DJ action asserting only non-infringement in the original filing should not bar filing of an IPR or CBMPR.

Even when a DJ action asserting invalidity has been filed, there may still be hope for the accused infringer to file a petition for post-grant review. This scenario could play out after the DJ action has been dismissed without prejudice. The PTAB has been clear that a DJ action dismissed without prejudice is treated as something that *de jure* never existed, thus leaving the parties as though the action had never been brought. ([Emerson Electric Co. v. Sipco, LLC](#), IPR2015-01579, paper 7). Thus, an earlier filed DJ action dismissed without prejudice should not bar the accused infringer from filing its petition.

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Additional information about post-grant proceedings can be found on our [Post-Grant Patent practice group page](#).

