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Paper 19
Entered: December 19, 2017

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LSI CORPORATION and AVAGO TECHNOLOGIES U.S., INC.,
Petitioner,

v.

REGENTS OF THE UNIVERSITY OF MINNESOTA,
Patent Owner.

Case IPR2017-01068
Patent 5,859,601

Before DAVID P. RUSCHKE, *Chief Administrative Patent Judge*, SCOTT R. BOALICK, *Deputy Chief Administrative Patent Judge*, JACQUELINE WRIGHT BONILLA, SCOTT C. WEIDENFELLER, *Vice Chief Administrative Patent Judges*, ROBERT J. WEINSCHENK, CHARLES J. BOUDREAU, and JACQUELINE T. HARLOW, *Administrative Patent Judges.*

Opinion for the Board filed by *Chief Administrative Patent Judge* RUSCHKE.

Opinion Concurring filed by *Administrative Patent Judge* HARLOW.

ORDER
Denying Patent Owner's Motion to Dismiss
37 C.F.R. §§ 42.5, 42.71

I. INTRODUCTION

Regents of the University of Minnesota ("Patent Owner") filed a Motion to Dismiss (Paper 10, "Motion" or "Mot.") the Petition for an *inter partes* review (Paper 1, "Petition" or "Pet.") in this proceeding. Specifically, Patent Owner contends that it is entitled to avoid this proceeding entirely because it is a sovereign that is immune to our authority under the Eleventh Amendment to the U.S. Constitution. Mot. 1, 15. LSI Corporation and Avago Technologies U.S., Inc. (collectively, "Petitioner") filed an Opposition to the Motion (Paper 11, "Opposition" or "Opp."), to which Patent Owner filed a Reply in Support of the Motion (Paper 13, "Reply"). For the reasons discussed below, the Motion is *denied*.

II. PANEL EXPANSION

Our standard operating procedures provide the Chief Judge with discretion to expand a panel to include more than three judges. PTAB SOP 1, 2–5 (§§ II, III) (Rev. 14); *see id.* at 2 (introductory language explaining that the Director has delegated to the Chief Judge the authority to designate panels under 35 U.S.C. § 6); *see also In re Alappat*, 33 F.3d 1526, 1532 (Fed. Cir. 1994) (*abrogated on other grounds by In re Bilski*, 545 F.3d 943 (Fed. Cir. 2008)) (providing that Congress "expressly granted the [Director] the authority to designate expanded Board panels made up of more than three Board members."). The Chief Judge may consider panel expansions upon a "suggestion" from a judge, panel, or party in a post-issuance review created by the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) ("AIA"), such as an *inter partes* review. *Id*. at 3–4; *see also Apple Inc. v. Rensselaer Polytechnic Inst*., Case

IPR2014-00319, slip op. at 2 n.1 (PTAB Dec. 12, 2014) (Paper 20) (expanded panel) (per curiam).

The standard operating procedure sets forth some of the reasons for which the Chief Judge may expand a panel. PTAB SOP 1, 3–4 (§ III.A). For example, an expanded panel may be appropriate when "[t]he proceeding or AIA Review involves an issue of exceptional importance." *Id.* (§ III.A.1). An expanded panel may also be appropriate when "necessary to secure and maintain uniformity of the Board's decisions." *Id.* (§ III.A.2).

In this case, the Chief Judge has considered whether expansion is warranted, and has decided to expand the panel due to the exceptional nature of the issues presented.[1] As we discuss further below, the issues of whether a State can claim Eleventh Amendment immunity and whether such immunity may be waived have been raised in this proceeding. These issues are of an exceptional nature. The Eleventh Amendment immunity issue continues to be raised in multiple cases before the Board. We have not had occasion to address the waiver issue before, but it has been raised in multiple cases before the Board. The Chief Judge also has determined that an expanded panel is warranted to ensure uniformity of the Board's decisions involving these issues.

III. ANALYSIS

Petitioner does not dispute that Patent Owner is a State entity that can claim sovereign immunity under the Eleventh Amendment, at least with

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[1] Consistent with the standard operating procedure, the Judges on the merits panel in this case have been designated as part of the expanded panel, and the Chief Judge, Deputy Chief Judge, and Vice Chief Judges Bonilla and Weidenfeller have been added to the panel. PTAB SOP 1, 4 (§ III.E).

respect to this Motion. *See* Mot. 9–13; Opp. 6 n.4. The parties disagree, though, about whether Eleventh Amendment immunity can be invoked in an *inter partes* review. Mot. 2–9; Opp. 1–4. We agree with Patent Owner that "an IPR is an adjudicatory proceeding of a federal agency from which States are immune." Mot. 8 (*citing Covidien LP v. Univ. of Fla. Research Found., Inc.*, Case IPR2016-01274, slip op. at 24, (PTAB Jan. 25, 2017) (Paper 21)). Nevertheless, we determine, for the reasons discussed below, that Patent Owner has waived its Eleventh Amendment immunity by filing an action in federal court alleging infringement of the patent being challenged in this proceeding.

A. Patent Owner May Assert Eleventh Amendment Immunity

The Board has previously determined that Eleventh Amendment immunity is available to States as a defense in an *inter partes* review proceeding. *Reactive Surfaces Ltd., LLP v. Toyota Motor Corp.*, Case IPR2016-01914 (PTAB July 13, 2017) (Paper 36) (granting in part motion to dismiss and dismissing Regents of the University of Minnesota from an *inter partes* review proceeding); *NeoChord, Inc. v. Univ. of Md., Balt.*, Case IPR2016-00208 (PTAB May 23, 2017) (Paper 28) (granting motion to dismiss and terminating an *inter partes* review); *Covidien LP v. Univ. of Fla. Research Found. Inc.*, Case IPR2016-01274 (PTAB Jan. 25, 2017) (Paper 21) (granting motion to dismiss and dismissing three Petitions requesting an *inter partes* review). We agree.

The Supreme Court has held that the rules and practice of procedure of the Federal Maritime Commission are sufficiently similar to civil litigation for the State of South Carolina to raise Eleventh Amendment

immunity as a defense to participation in a proceeding seeking damages and injunctive relief against the South Carolina State Ports Authority. *See Fed. Mar. Comm'n v. S.C. State Ports Auth.*, 535 U.S. 743, 757–58, 765–66 (2002) ("*FMC*"). Applying *FMC*, the Federal Circuit has held that Eleventh Amendment immunity is available in interference proceedings before the Board of Patent Appeals and Interferences (the predecessor of the PTAB) because interferences are sufficiently similar in procedure to civil litigation, i.e., they involve adverse parties, examination and cross-examination by deposition of witnesses, production of documentary evidence, findings by an impartial federal adjudicator, and power to implement the decision. *Vas-Cath, Inc. v. Curators of Univ. of Mo.*, 473 F.3d 1376, 1381–82 (Fed. Cir. 2007).

Patent Owner asserts that *inter partes* reviews are sufficiently similar in procedure to interferences and other adjudicatory proceedings such that Eleventh Amendment immunity is available as a defense in both types of proceedings. *See* Mot. 3–8. We agree with Patent Owner. In keeping with *Vas-Cath*, we determine that *inter partes* reviews, like interferences, are similar to court proceedings inasmuch as they involve adverse parties, examination of witnesses, cross-examination by deposition, findings by an impartial adjudicator, power to implement the adjudicator's decision, the ability of the adjudicator to set a time for filing motions and for discovery, and application of the Federal Rules of Evidence. *See generally NeoChord*, slip op. at 6–7 (Paper 28). Patent Owner, therefore, is entitled to rely on its

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