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Ericsson, Inc. v. Regents of the University of Minnesota and a New Frontier for the Waiver by Litigation Conduct Doctrine

Jason Kornmehl*

Abstract

Eleventh Amendment sovereign immunity is one of the most confusing areas of constitutional law. The waiver by litigation conduct doctrine represents a particularly complex aspect of Eleventh Amendment immunity. Courts, for example, have not precisely defined the extent to which waiver in a prior proceeding might extend to a future one. The Patent Trial and Appeals Board recently considered this issue in a novel context. In Ericsson, Inc. v. Regents of the University of Minnesota, the Patent Trial and Appeals Board applied the waiver by litigation conduct doctrine in an inter partes review proceeding. Combining the Eleventh Amendment, non-Article III courts, and patent law, Ericsson qualifies as an important ruling. This article explores the Ericsson decision and its implications.

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I. INTRODUCTION

As part of its sweeping reform of the patent system in the Leahy-Smith America Invents Act (AIA), Congress created a new proceeding called *inter partes* review that enables third parties to challenge the validity of patent claims before the U.S. Patent and Trademark Office’s Patent Trial and Appeal Board (PTAB or the “Board”). As “the most significant patent reform legislation since the original [Patent Act] of 1790,” the AIA and its newly created *inter partes* review procedure have unsurprisingly generated substantial scholarly and judicial debate. In fact, the *inter partes* framework has already been subject to U.S. Supreme Court review, and the Court has recently held that this administrative proceeding does not violate Article III of the U.S. Constitution or the Seventh Amendment.

The *inter partes* review process has also spawned considerable litigation and public policy concerns over the use of sovereign immunity to thwart invalidity challenges. For example, in the wake of Allergan’s highly publicized assignment of a top-selling drug to the Saint Regis Mohawk Tribe, a federal district court expressed “serious doubts” whether the company could shield these patents from *inter partes* review, and a congressional subcommittee

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3. Saurabh Vishnubhakat, *The Youngest Patent Validity Proceeding: Evaluating Post-Grant Review*, 24 TEX. INTELL. PROP. L.J. 333, 335 (2016) (“A great and growing body of empirical research is now emerging on the uses (and potential abuses) of *inter partes* review . . . . Legal challenges have also been mounted against the very framework in which the [AIA]’s patent validity review mechanisms operate . . . .”).
4. E.g., Cuozzo Speed Techs., LLC v. Lee, 136 S. Ct. 2131, 2143–46 (2016) (analyzing the extent to which courts can review *inter partes* institution decisions and the proper standard for claim construction in *inter partes* review).
5. Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC, 138 S. Ct. 1365, 1370 (2018). In a case decided on the same day as *Oil States*, the Court held that once the PTAB grants review of an *inter partes* review petition, it is statutorily required to address every contested claim raised in the petition. SAS Inst., Inc. v. Iancu, 138 S. Ct. 1348, 1354 (2018) (analyzing 35 U.S.C. § 318(a) and concluding the PTAB “must address every claim the petitioner has challenged”).
held a hearing to examine the interplay between sovereign immunity and patent law. In its most recent exposition on the applicability of sovereign immunity to inter partes review, the PTAB held in Mylan Pharmaceuticals Inc. v. Saint Regis Mohawk Tribe that the Saint Regis Mohawk Tribe could not assert tribal immunity as a defense to inter partes review, a decision which the U.S. Court of Appeals for the Federal Circuit affirmed on appeal in July 2018.

In addition to tribal sovereign immunity, the PTAB has opined on state sovereign immunity in inter partes review. In contrast to its decision in Mylan, the PTAB has held that state sovereign immunity is available as a defense to inter partes review. In December 2017, the PTAB made a foray into the waiver of state sovereign immunity issue. In Ericsson, Inc. v. Regents of the University of Minnesota, the PTAB ruled that by filing an infringement suit, a state university effected a waiver of state sovereign immunity against inter partes review of the disputed patent. Because parties may at some point need to enforce their intellectual property rights through litigation, the panel’s decision in Ericsson severely undermines the potential stratagem of transferring or licensing patents to state entities to avoid the inter partes review process. The PTAB’s decision in Ericsson is also significant for its application of the doctrine of waiver by litigation conduct—a complex and unsettled area of Eleventh Amendment jurisprudence—in a novel context.

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12. See infra note 47 and accompanying text. Although it recognized the “many parallels” between state and tribal sovereign immunity in upholding the PTAB’s decision in Mylan, the Federal Circuit declined to weigh in on the issue of whether state sovereign immunity is a viable defense to inter partes review. See Mylan, 2018 WL 3484448, at *4 (“[W]e leave for another day the question of whether there is any reason to treat state sovereign immunity differently [from tribal sovereign immunity].”).
15. See infra Part V.
This article analyzes the PTAB’s ruling in Ericsson and the potential ramifications of the Board’s decision. Part II of this Article describes the inter partes review process. Part III provides a brief overview of the Eleventh Amendment, its application in the context of inter partes review, and the waiver by litigation conduct doctrine. Next, Part IV summarizes the PTAB’s decision in Ericsson. Part V examines the PTAB’s waiver analysis and asserts that the Board may have erred in finding a waiver of Eleventh Amendment immunity. Finally, Part VI concludes the discussion.

II. INTER PARTES REVIEW

Prior to the passage of the AIA, the only administrative mechanisms for challenging the validity of a patent post-issuance were ex parte reexamination and inter partes reexamination. The AIA created new procedures for reconsidering the validity of a patent, including replacing inter partes reexamination with inter partes review. In inter partes review, a party (usually a competitor or defendant in an infringement action) may file a petition challenging a patent for lack of novelty or obviousness based on prior art consisting of patents or printed publications. Although inter partes review is similar in many respects to inter partes reexamination, the fundamental difference between these two processes is that inter partes review is an adjudicative rather than an examinational procedure.

In addition to inter partes review, a party may challenge a patent’s

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20. See Abbott Labs. v. Cordis Corp., 710 F.3d 1318, 1326 (Fed. Cir. 2013) (“The purpose of this reform was to ‘convert[ ] inter partes reexamination from an examinational to an adjudicative proceeding.’” (quoting H.R. REP. No. 112–98, pt. 1, at 46 (2011))).
validity through litigation in federal district court. When a patent holder files an infringement action, an alleged infringer can raise invalidity of the patent as a defense. Alternatively, in a “mirror image of a suit for patent infringement,” a putative infringer can seek a declaratory judgment to have the patent declared invalid. In many cases, the infringer will petition the PTAB for *inter partes* review of a patent’s validity concurrent with litigation in federal court. Because petitioners have historically fared well in invalidating patent claims in *inter partes* review, defendants will typically seek to stay an infringement action pending PTAB review.

The AIA, however, places some temporal limits on instituting *inter partes* review. The statute provides that a party cannot file a petition for *inter partes* review more than one year after being served with a complaint alleging patent infringement and cannot file a petition after bringing a declaratory judgment action for invalidity.

**III. Eleventh Amendment Immunity and Waiver by Litigation Conduct**

“[B]ear[ing] directly on federalism, separation of powers, and the protection of fundamental rights,” the Eleventh Amendment occupies a unique place in the federal court system.
in American constitutional law.\(^{30}\) It provides that “[t]he Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.”\(^{31}\)

Over the last one hundred years, the Supreme Court has expansively interpreted this constitutional provision. Despite its text, which appears only to protect states from lawsuits brought by citizens of another state, the Court has construed the Eleventh Amendment to protect states from being sued by their own citizens,\(^{32}\) foreign nations,\(^{33}\) and Indian tribes.\(^{34}\) Additionally, although the Eleventh Amendment addresses “any suit in law or equity,”\(^{35}\) the Court has held that it bars suits in admiralty against the states.\(^{36}\) Moreover, notwithstanding the Amendment’s limitation on the “Judicial power of the United States,”\(^{37}\) the Court has extended immunity to claims brought in state courts.\(^{38}\) Likewise, in \textit{Federal Maritime Commission v. South Carolina State Ports Authority}, the Court concluded that states are immune from private actions brought before a federal administrative agency.\(^{39}\)

Constitutional immunity provided by the Eleventh Amendment, however, is not absolute. It is well established that a state may waive its Eleventh Amendment immunity based on its litigation conduct.\(^{40}\) The Court has explained that “where a state voluntarily become[s] a party to a cause, and submits its rights for judicial determination, it will be bound thereby, and cannot


\(^{31}\) U.S. CONST. amend. XI.

\(^{32}\) \textit{Hans v. Louisiana}, 134 U.S. 1, 15 (1890).


\(^{35}\) U.S. CONST. amend. XI.


\(^{37}\) U.S. CONST. amend. XI.


\(^{40}\) \textit{See Clark v. Barnard}, 108 U.S. 436, 447 (1883) (holding that a state’s “voluntary appearance” in federal court when it intervened as a claimant amounted to a waiver of Eleventh Amendment immunity); \textit{Coll. Sav. Bank v. Fla. Prepaid Postsecondary Educ. Expense Bd.}, 527 U.S. 666, 675 (1999) (“We have long recognized that a State’s sovereign immunity is ‘a personal privilege which it may waive at pleasure.’” (quoting \textit{Clark}, 108 U.S. at 447)).
escape the result of its own voluntary act by invoking the prohibitions of the 11th Amendment." Accordingly, the Court has found a waiver of immunity where a state files a proof of claim in a bankruptcy case. The Court has also found that a state’s removal to federal court of state law claims—for which it had waived immunity to suit in state court—constitutes a waiver of Eleventh Amendment immunity. In the intellectual property context, the Federal Circuit has held that a state cannot initiate a patent interference proceeding and subsequently invoke sovereign immunity to block an appeal to federal court of the agency’s decision. Nonetheless, the parameters of the waiver by litigation conduct doctrine are not clearly defined. For instance, the circuit courts are divided over whether a state waives sovereign immunity by removing a case to federal court when it retains immunity in state court. The extent to which a state waives its immunity with respect to counterclaims once it makes an appearance in federal court is another notable example of the doctrine’s amorphous boundaries.


42. Gardner v. New Jersey, 329 U.S. 565, 574 (1947) (“When the State becomes the actor and files a claim against the fund it waives any immunity which it otherwise might have had respecting the adjudication of the claim.”).

43. Lapides v. Bd. of Regents of Univ. Sys. of Ga., 535 U.S. 613, 624 (2002) (“We conclude that the State’s action joining the removing of this case to federal court waived its Eleventh Amendment immunity.”).

44. Vas-Cath, Inc. v. Curators of Univ. of Mo., 473 F.3d 1376, 1385 (Fed. Cir. 2007) (“Having waived any potential immunity as to the interference contest in the [Patent & Trademark Office], we conclude that the University waived any Constitution-based objection to Vas-Cath’s statutory right of judicial review.”).

45. Compare Stewart v. North Carolina, 393 F.3d 484, 488–90 (4th Cir. 2005) (holding no waiver by removal when a state had not waived immunity from suit on claim in its own courts), with Phoenix Int’l Software, Inc., 653 F.3d at 461 (observing that a state waives immunity in all instances in which a state removes a case to federal court). See generally Stroud v. McIntosh, 722 F.3d 1294, 1300 (11th Cir. 2013) (discussing circuit split).

The PTAB issued a triumvirate of decisions in 2017 dismissing *inter partes* review proceedings against state universities on the basis of Eleventh Amendment immunity.\(^{47}\) The first of these cases, *Covidien LP v. University of Florida Research Foundation Inc.*, illustrated the uncertain role of the waiver by litigation conduct doctrine in challenging a patent post-issuance.\(^ {48}\) In *Covidien*, a medical device manufacturer filed three petitions seeking *inter partes* review of a patent owned by a state university.\(^ {49}\) Relying heavily upon *South Carolina State Ports Authority*,\(^ {50}\) the PTAB determined that Eleventh Amendment immunity applies to *inter partes* review proceedings.\(^ {51}\) The panel emphasized the adversarial nature of *inter partes* review and observed that the “rules and procedures governing *inter partes* review resemble civil litigation in federal courts.”\(^ {52}\) The panel thus concluded that the Eleventh Amendment bars the institution of *inter partes* review proceedings against a state that has not waived immunity.\(^ {53}\)

The PTAB in *Covidien*, however, expressly noted that because the university had not brought a patent infringement action in federal court, it did not need to consider whether such conduct would waive immunity in *inter partes* review.\(^ {54}\) In December 2017, an expanded PTAB panel in *Ericsson* opined on this unsettled issue, thereby clarifying the scope of the waiver by litigation conduct doctrine in the *inter partes* review process.\(^ {55}\)

**IV. ERISSON**

*Ericsson* began when the University of Minnesota (the “University”) sued
AT&T, Sprint, T-Mobile, and Cellco Partnership for patent infringement in 2014.\textsuperscript{56} The University alleged that the four defendants incorporated into their 4G LTE network services, without the University’s consent, patented wireless communications technology developed by University professors.\textsuperscript{57} Ericsson, a telecommunications company that provided equipment to the four named defendants, successfully intervened in the infringement action in 2016.\textsuperscript{58} Shortly thereafter, Ericsson filed petitions requesting an inter partes review of the University’s five patents at issue in the infringement litigation.\textsuperscript{59} The court subsequently granted a motion to stay the litigation pending PTAB review of Ericsson’s petitions.\textsuperscript{60} Recognizing the sovereign immunity barrier erected by Covidien, Ericsson argued in its petitions that the University waived its immunity from inter partes review when it filed suit for patent infringement.\textsuperscript{61} Ericsson analogized inter partes review to a compulsory counterclaim and contended that the University could have anticipated that filing a lawsuit for infringement would lead to invalidity claims before the PTAB.\textsuperscript{62} In its motion to dismiss Ericsson’s petitions, the University took issue with Ericsson’s analogy and countered that waiver only applies to proceedings in the same forum.\textsuperscript{63} Ruling in favor of Ericsson, a unanimous seven-member PTAB panel denied the University’s motion to dismiss.\textsuperscript{64} Writing on behalf of the panel, the PTAB’s Chief Administrative Patent Judge first explained why he had exercised his discretion to expand the tribunal from three to seven administrative patent judges.\textsuperscript{65} The Chief Judge
identified Eleventh Amendment immunity as an issue that had been raised in multiple *inter partes* review matters and noted that the Board had not yet had the opportunity to address waiver in the context of parallel district court litigation. Deeming these issues to be “of an exceptional nature,” the Chief Judge asserted that an expanded panel was warranted “to ensure uniformity of the Board’s decisions involving these issues.” The panel then endorsed the reasoning of prior PTAB decisions in finding that sovereign immunity is a viable defense to *inter partes* review.

The panel, however, was quick to elucidate that a state may waive its Eleventh Amendment immunity in *inter partes* review when it files an infringement action in federal court. The PTAB acknowledged the Federal Circuit’s decision in *Biomedical Patent Management Corp. v. California, Department of Health Services* that a state’s waiver of immunity in one action does not usually extend to a separate action. Nonetheless, the Board highlighted the appellate court’s observation that there is no “bright-line rule whereby a [s]tate’s waiver of sovereign immunity can never extend to a . . . separate lawsuit.” In deciding whether the University’s waiver of sovereign immunity in the federal district court litigation would extend to the *inter partes* review, the panel looked to whether the University’s selective invocation of immunity would lead to “unfairness” and “inconsistency.”

The PTAB first cited Federal Circuit precedent holding that a state waives immunity as to compulsory counterclaims “because a state as plaintiff can surely anticipate that a defendant will have to file any compulsory counterclaim or be forever barred from doing so.” The panel then credited Ericsson’s contention that *inter partes* review is akin to a compulsory counterclaim. Pointing to the AIA, the panel explained that a defendant in an infringement action must file a petition for *inter partes* review within one year.

66. Id. at *3.
67. Id. at *1.
68. Id. at *2 (“The Board has previously determined that Eleventh Amendment immunity is available to States as a defense in an *inter partes* review proceeding . . . . We agree.”).
69. Id. at *3.
70. Id. (citing *Biomedical Patent Mgmt. Corp. v. Cal.*, Dep’t of Health Servs., 505 F.3d 1328, 1339 (Fed. Cir. 2007)).
71. Id. (quoting *Biomedical Patent*, 505 F.3d at 1339).
73. Id. (quoting *Regents of Univ. of N.M. v. Knight*, 321 F.3d 1111, 1125–26 (Fed. Cir. 2003)).
74. Id.
after being served with a complaint or “be forever barred from doing so.” The PTAB thus concluded that just as a state can “anticipate that a defendant will have to file a compulsory counterclaim,” it can also foresee a defendant in an infringement action having to file a petition for *inter partes* review. Lastly, the panel reasoned that it would be “unfair and inconsistent” to allow a state to invoke immunity in *inter partes* review because it is a state’s filing of an infringement lawsuit that triggers the one-year statute of limitations period.

**V. Ericsson’s Implications and the PTAB’s Waiver Analysis**

*Ericsson* is an important decision for several reasons. First, *Ericsson* confirms that state sovereign immunity is available as a defense to *inter partes* review. Although the PTAB had previously dismissed *inter partes* review proceedings on Eleventh Amendment grounds, *Ericsson* involved an expanded seven-member panel comprised of the Chief, Deputy, and Vice Chief Administrative Patent Judges. But what *Ericsson* confirmed with one hand it took away with the other. By removing Eleventh Amendment immunity as a defense to *inter partes* review after a state entity has filed an infringement suit in federal court, *Ericsson* impedes companies from shielding patent claims from PTAB review. Thus, *Ericsson*, along with the Federal Circuit’s recent decision in *Mylan*, is also significant for its likely curtailment of patent transfer agreements with sovereign entities.

Finally, and most importantly for purposes of this article, the Board’s ruling in *Ericsson* is significant for its clarification of the contours of the waiver by litigation conduct doctrine. The PTAB, however, appears to have unduly

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75. *Id.* (citing 35 U.S.C. § 315(b) (2012)).
76. *Id.* (quoting *Knight*, 321 F.3d at 1126).
77. *Id.*
79. *See supra* note 47 and accompanying text.
81. *See id.* at *4*.
82. *See id.* at *3* (noting there is no “bright-line rule whereby a State’s waiver of sovereign immunity can never extend to a . . . separate lawsuit” (quoting Biomedical Patent Mgmt. Corp. v. Cal., Dep’t of Health Servs., 505 F.3d 1328, 1339 (Fed. Cir. 2007))).
expanded the scope of this doctrine by misapprehending the import of *Biomedical Patent*, and finding “unfairness” and “inconsistency” where neither exists.\(^\text{83}\) In *Biomedical Patent*, the Federal Circuit explained “that a State’s waiver of immunity generally does *not* extend to a separate or re-filed suit.”\(^\text{84}\) Although the Federal Circuit did not delineate the extent to which waiver in one proceeding might extend to another and left open the possibility that waiver might carry over to another action,\(^\text{85}\) the court’s analysis suggests that this would be a rare case.\(^\text{86}\)

In *Biomedical Patent*, a company holding a patent covering a method of prenatal screening for fetal chromosomal abnormalities, Biomedical Patent Management Corporation (BPMC), sued the California Department of Health Services (CDHS) for patent infringement.\(^\text{87}\) The suit involved the same parties, the same subject matter, and the same claims as an earlier dispute.\(^\text{88}\) In the first suit, a private subcontractor of CDHS sought a declaratory judgment that laboratory services performed by CDHS did not infringe on BPMC’s patent.\(^\text{89}\) Seeking a declaration of non-infringement and invalidity as well, CDHS intervened, thereby waiving its sovereign immunity.\(^\text{90}\) BPMC then asserted a compulsory counterclaim of infringement against CDHS.\(^\text{91}\) The suit was eventually dismissed without prejudice for improper venue.\(^\text{92}\) Several years later, BPMC filed suit against CDHS asserting infringement of the same patent.\(^\text{93}\) Even though the second suit involved “the same four counts” as those contained in BPMC’s counterclaim in the first suit,\(^\text{94}\) the district court and the Federal Circuit concluded that CDHS’s waiver of immunity in the first

\(^{83}\) See id. at *4 (“[A]llowing Patent Owner to assert its Eleventh Amendment immunity in this proceeding selectively so as to bar Petitioner from obtaining the benefits of an *inter partes* review of the asserted patent would result in substantial unfairness and inconsistency.”).

\(^{84}\) *Biomedical Patent*, 505 F.3d at 1339.

\(^{85}\) Other courts have also declined to “determine precisely the extent to which waiver in a prior case might extend to a future one.” Wagoner Cty. Rural Water Dist. No. 2 v. Grand River Dam Auth., 577 F.3d 1255, 1260 (10th Cir. 2009).

\(^{86}\) See infra notes 87–96 and accompanying text.


\(^{88}\) Id. at *2.

\(^{89}\) *Biomedical Patent*, 505 F.3d at 1331.

\(^{90}\) Id.

\(^{91}\) Id.

\(^{92}\) Id.

\(^{93}\) Id. at 1332.

\(^{94}\) Id. at 1331.
action did not extend to the second suit.\textsuperscript{95} Given the almost identical posture of the two actions,\textsuperscript{96} \textit{Biomedical Patent} suggests that a waiver of immunity in one proceeding will only extend to another in rare instances.

A matter like \textit{Ericsson}, however, does not appear to constitute the rare case justifying a departure from the general principle that a state’s waiver of immunity in one action does not extend to a separate action. At the outset, one would be hard-pressed to argue that \textit{inter partes} review of a patent’s validity is not a separate action from a district court’s consideration of an infringement claim.\textsuperscript{97} As the Supreme Court has recognized, \textit{inter partes} review and district court litigation “provide[] different tracks—one in the Patent Office and one in the courts—for the review and adjudication of patent claims.”\textsuperscript{98} The fact that a stay of infringement litigation is not automatic and that a party must move for a stay in the district court also demonstrates that \textit{inter partes} review is a distinct proceeding.\textsuperscript{99} Additionally, unlike \textit{Biomedical Patent}, which involved “the same four counts” and the same issues as in the previous proceeding,\textsuperscript{100} the issue of infringement in district court litigation is “separate and distinct” from the issue of patent validity in \textit{inter partes} review.\textsuperscript{101} Furthermore, in contrast to \textit{Biomedical Patent}, which involved claims asserted in

\textsuperscript{95} Id. (“Because we agree that [CDHS’s] initial waiver of Eleventh Amendment sovereign immunity does not extend to this case or judicially estop [CDHS] from asserting immunity in this case, we affirm.”).


\textsuperscript{97} See Cuozzo Speed Techs., LLC v. Lee, 136 S. Ct. 2131, 2144 (2016) (noting “that the purpose of \textit{[inter partes review]} is not quite the same as the purpose of district court litigation”).

\textsuperscript{98} Id. at 2146.

\textsuperscript{99} Although the AIA contains an automatic stay provision, it is very limited. Only a declaratory judgment action challenging a patent’s validity can be automatically stayed and, even then, only if the action was brought “on or after the date on which the petitioner files a petition for \textit{inter partes} review of the patent.” 35 U.S.C. § 315(a)(2) (2012). In addition, a stay will not be automatic if “[after the date on which the petitioner files a petition for \textit{inter partes} review of the patent,]” the “patent owner files a civil action or counterclaim alleging that the petitioner or real party in interest has infringed the patent[.]” 35 U.S.C. § 315(a)(2)(B).

\textsuperscript{100} Biomedical Patent Mgmt. Corp. v. Cal., Dep’t of Health Servs., 505 F.3d 1328, 1339 (Fed. Cir. 2007).

\textsuperscript{101} See Pandrol USA, LP v. Airboss Ry. Prods., Inc., 320 F.3d 1354, 1365 (Fed. Cir. 2003) (“[T]his court has long recognized that patent infringement and invalidity are separate and distinct issues. ‘Though an invalid claim cannot give rise to liability for infringement, whether it is infringed is an entire separate question capable of determination without regard to its validity.’” (quoting Medtronic, Inc. v. Cardiac Pacemakers, Inc., 721 F.2d 1563, 1583 (Fed. Cir. 1983))

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the same type of forum—an Article III court—inter partes review of a patent’s validity takes place in an administrative setting. Thus, measured against Biomedical Patent, where the two proceedings were “practically identical” and the court refused to find a waiver extension, it is dubious whether a waiver of immunity in district court litigation is sufficient to effect a waiver in inter partes review. Indeed, the PTAB in Ericsson seemingly recognized the distinction between district court litigation and inter partes review when it observed that “the proceedings are not the same.”

To overcome the general presumption against waiver in separate proceedings, the PTAB pointed to the purported need to avoid “unfairness” and relied on the precept “that a state should not reap litigation advantages through its selection of a forum and subsequent assertion of sovereign immunity as a defense." The PTAB explained that unfairness would inhere if the University could avail itself of sovereign immunity in inter partes review after filing an infringement lawsuit because “a party served with a patent infringement complaint in federal court must request an inter partes review of the asserted patent within one year of service of that complaint” under the AIA. In other words, the University’s litigation conduct would lead to Ericsson being “barred from requesting an inter partes review of the asserted patent[s].”

But it is not clear how the University’s filing a patent infringement suit in a federal district court leads to an unfair “litigation advantage.” Again, there are two “different tracks—one in the Patent Office and one in the courts—for the review and adjudication of patent claims.”

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102. See Ericsson, Inc. v. Regents of the Univ. of Minn., No. IPR2017-01186, 2017 WL 6517563, at *2 n.3 (P.T.A.B. Dec. 19, 2017) (“[inter partes] review is less like a judicial proceeding and more like a specialized agency proceeding.” (quoting Cuozzo, 136 S. Ct. at 2143)).


104. Ericsson, 2017 WL 6517563, at *4. In its recent decision in Oil States, the Supreme Court also highlighted differences between inter partes review and district court litigation. See Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC, 138 S. Ct. 1365, 1378 (2018) (“Although inter partes review includes some of the features of adversarial litigation, it does not make any binding determination regarding ‘the liability [between the parties].’” (quoting Crowell v. Benson, 285 U.S. 22, 51 (1932))).


106. Id. at *3.

107. See id.

108. Id.

adequate fora to adjudicate . . . patent invalidity.” The University’s infringement suit would only cut off one of the two avenues available to Ericsson to assert patent invalidity. Although Ericsson would be precluded from instituting *inter partes* review, the company would still be able to assert an affirmative defense of patent invalidity in the infringement litigation. Thus, the University’s patent infringement suit “bar[ring Ericsson] from requesting *inter partes* review” would not completely foreclose “the review and adjudication” of Ericsson’s invalidity arguments.

The consequences of the University’s conduct in *Ericsson* stand in stark contrast to the effects of governmental entities’ conduct in cases where the Federal Circuit has expressed concerns regarding unfair litigation advantages. For example, in *Regents of the University of New Mexico v. Knight*, which the PTAB in *Ericsson* heavily relied upon, a state university filed suit in federal court to enforce a patent claim and then asserted Eleventh Amendment immunity when the opposing parties filed compulsory counterclaims. Noting the “seriously unfair results” that would arise if the state university could block compulsory counterclaims, the Federal Circuit held that “when a state files suit in federal court to enforce its claims to certain patents, the state shall be considered to have consented to have litigated *in the same forum* all compulsory counterclaims.” Unlike in *Knight*, where the state university sought to prevent a litigant from asserting a claim “in the same forum” in which the sovereign voluntarily filed suit, the University’s invocation of immunity would only prevent Ericsson from asserting patent invalidity before the PTAB and would not bar the company from having its invalidity contention considered in the district court—the same forum in which the University initiated the dispute. Accordingly, the consequences of the University’s actions in *Ericsson* do not rise to the level of the “seriously unfair results” flowing from

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115. *Id.* at 1125–26 (emphasis added).

116. *Id.*
the state university’s conduct in *Knight*.117

Even if the University were to obtain a litigation advantage by foreclosing *inter partes* review, the waiver by litigation conduct doctrine “does not prevent a [state] from obtaining any sort of advantage relating to immunity in pursuing [its] case.”118 Instead, the doctrine “only condemn[s] those litigation advantages that are ‘inconsistent’ or ‘unfair.’”119 Because the University’s conduct only removes one of the two tracks for reviewing a patent claim and Ericsson’s invalidity arguments may be considered in another forum—the same forum in which the University brought its patent infringement suit—any litigation advantage achieved by the University would not be unfair.120 When one considers that “the advantages of *inter partes* review (such as a more favorable claim construction standard and a lower burden of proof)” favor Ericsson, it becomes even more clear that the University’s conduct would not lead to an unfair litigation advantage.121 The loss of Ericsson’s ability to seek *inter partes* review where it is advantaged by the proceeding’s legal standards is not a sufficiently compelling basis to find that the University’s assertion of Eleventh Amendment immunity “would result in substantial unfairness.”122 Thus, by giving short shrift to *Biomedical Patent* and determining that the University’s litigation conduct “would result in substantial unfairness,”123 the PTAB’s waiver analysis is susceptible to criticism.

117. *See id.* at 1125.
120. *See Cuozzo Speed Techs.*, LLC v. *Lee*, 136 S. Ct. 2131, 2153 n.6 (2016) (Alito, J., dissenting) (“A patent challenger does not have nearly as much to lose from an erroneous denial of *inter partes* review as a patent owner stands to lose from an erroneous grant of *inter partes* review. . . . [A patent challenger] remains free to challenge the patent’s validity in [district court] litigation.”).
121. *Id.* These legal standards play a role in the PTAB’s high cancellation rate of patent claims and “help[] explain the popularity of PTAB proceedings with many patent challengers.” *Golden*, supra note 25, at 1669. Although the PTAB’s rates of claim cancellation are not as high as they once were, *inter partes* review proceedings remain a challenger-friendly forum for patent validity disputes. *See id.*
123. *Id.*
VI. CONCLUSION

It has been said that waivers of state sovereign immunity “provide a window into the ideology” of the Eleventh Amendment\(^\text{124}\)—“one of the Constitution’s most baffling provisions.”\(^\text{125}\) The PTAB’s analysis of the waiver by litigation conduct doctrine in *Ericsson* is particularly interesting because it involves the application of this enigmatic doctrine in the context of the federal patent system and the modern administrative state.\(^\text{126}\) Nonetheless, it is unclear whether *Ericsson* will help shape the boundaries of this indeterminate doctrine.\(^\text{127}\) The ruling is certainly subject to opprobrium for its application of the waiver doctrine, and the PTAB may have been motivated by a desire to resist limitations on its power to review patent claims.\(^\text{128}\) What is clear, however, is that *Ericsson* will not be the last word on the waiver by litigation conduct doctrine.\(^\text{129}\)


\(^{126}\) See supra Part IV.


\(^{128}\) See Epstein, supra note 110 (“Any case in which a tribunal such as the PTAB decides a case in favor of its own jurisdiction should be looked upon with deep suspicion, especially when the tribunal has never ruled in ways that have limited its power.”).

\(^{129}\) See Ericsson, Inc. v. Regents of the Univ. of Minn., No. IPR2017-01186, 2017 WL 6611494, at *1 (P.T.A.B. Dec. 27, 2017) (noting the University’s intention to appeal the Board’s decision to the Federal Circuit); see also Siegel, supra note 124, at 1169–70 (explaining why “[c]ases concerning waivers are cropping up all over the federal courts”).