

Publications

Federal Circuit's *Dodocase Vr* Decision Provides a Roadmap for Limiting AIA Proceedings

01.07.20 IPWatchdog

In an article published by IPWatchdog on January 7, Ben Hodges discusses *Dodocase Vr, Inc. v. MerchSource, LLC.* and routes patent owners can take to limit their exposure to attack.

Patent owners asserting and licensing their patents want to avoid an America Invents Act (AIA) proceeding, whether that proceeding is an Inter Partes Review (IPR), Post Grant Review (PGR) or Covered Business Method Review (CBM).

"The question is whether you can avoid it," says Hodges, adding that, "The answer to that is 'sometimes, yes.'"

In 2019, the Federal Circuit exposed one route to avoid attack in its ruling in *Dodocase Vr, Inc. v. MerchSource, LLC.*, which addressed whether it is possible through a license to contract away the right to bring an AIA challenge at the U.S. Patent and Trademark Office (USPTO).

Dodocase and *MerchSource* executed a license agreement for three of *Dodocase*'s patents, which included a release of challenging the patents clause and a forum selection clause. In December 2017, *Dodocase* sued *MerchSource* to enforce the license agreement. By January 2018, *MerchSource* had filed two PGRs and an IPR against the three patents covered by the license agreement. In February 2018, *Dodocase* responded by asserting that *MerchSource*'s AIA petitions were an additional breach of the licensee's forum selection and no challenge clauses.

"*Dodocase*'s theory was that the forum selection clause prevented AIA challenges because challenging the validity of the patents in that forum was still a dispute arising out of the license agreement," explained Hodges.

The District Court granted a preliminary injunction, and in April 2019 the Federal Circuit panel affirmed the District Court's finding. The Federal Circuit found that the forum selection clause did limit the ability to file an AIA challenge, which took place in a different forum.

Hodges emphasized that, "as a licensee, the lesson to be learned is be careful about forum selection or choice of law clauses."

"Be careful about all the clauses in license agreements and then carefully consider the claims that arise out of a breach," says Hodges.

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