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US IP Office Axes Patent That a Jury Had Previously Ordered Intel To Pay \$675M for Infringing
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The US Patent Trial and Appeal Board (PTAB) has overturned a Texas jury's finding that Intel infringed a patent owned by circuit maker VLSI by deeming it invalid for obviousness.

Intel had been ordered to pay \$675m damages for infringing the quashed VLSI patent, one of two ruled as having been infringed by the jury in March 2021, lining up the chipmaker to pay a total of \$2.18bn.

An earlier petition by Intel to challenge the patent at PTAB had been rejected due to ongoing litigation in Texas, but it was allowed to join a company called OpenSky Industries' petition and was ordered to take it over in October. VLSI's patent related to a system and method of managing clock speed in an electronic device.

The PTAB-instituted trial found that all seven challenged claims were unpatentable due to obviousness and it denied the patent owner's motion to exclude.

Intel has also joined a challenge by a company called Patent Quality Assurance LLC of the second VLSI patent, for whose infringement the Texas jury ordered Intel to pay \$1.5bn.

Nick Matich, principal of McKool Smith's intellectual property practice group and former acting general counsel of the US Patent and Trademark Office (USPTO), said the PTAB's decision highlights how uninterested third-parties use the America Invents Act (that created the USPTO's PTAB) in ways that undermine innovation.

He noted: "Allowing anyone to challenge a patent gives patent challengers a windfall and destabilises IP rights, damaging the incentives that patents are meant to create. It's a shame that the PTAB ever considered OpenSky's petition."

It is the latest twist in a tortuous patent dispute. Last year VLSI, in a move to dismiss a motion for joinder between OpenSky and Patent Quality Assurance, [alleged](#) that OpenSky was attempting to extract pay outs and conduct sham litigation undermining the integrity of the patent system.

VLSI even made publicly available an email it had received from [OpenSky's attorney](#), Stradling Yocca Carlson & Rauth's Chris Ivey.

In October last year USPTO director Kathi Vidal found that OpenSky had engaged in abuse of the [inter partes review process](#), the main method in the US to challenge the validity of a patent that has already been granted.