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Filed on behalf of Intel Corporation

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UNITED STATES PATENT AND TRADEMARK OFFICE

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**BEFORE THE PATENT TRIAL AND APPEAL BOARD**

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Intel Corporation  
Petitioner

v.

VLSI Technology LLC  
Patent Owner

Case IPR2020-00582

**PETITIONER'S NOTICE OF APPEAL**

Pursuant to 35 U.S.C. §§ 141-144 and 319, 5 U.S.C. §§ 701-706, 28 U.S.C. § 1295(a)(4)(A), and 28 U.S.C. § 1651, and 37 C.F.R. § 90.2-90.3, notice is hereby given that Petitioner Intel Corporation appeals to the U.S. Court of Appeals for the Federal Circuit from the Decision Denying Institution of *Inter Partes* Review entered October 1, 2020 (Paper 19) in IPR2020-00582, attached as Exhibit A, and the Decision Denying Petitioner’s Request on Rehearing of the Decision Denying Institution of *Inter Partes* Review entered February 11, 2021 (Paper 26) in IPR2020-00582, attached as Exhibit B, and all prior and interlocutory rulings related thereto or subsumed therein.

In accordance with 37 C.F.R. § 90.2(a)(3)(ii), Petitioner indicates that the issues for appeal include, but are not limited to:

(1) whether the U.S. Patent and Trademark Office (“PTO”) exceeded its statutory authority and violated the text, structure, and purpose of the Leahy-Smith America Invents Act, 35 U.S.C. §§ 311-319 (AIA), and Administrative Procedure Act, 5 U.S.C. §§ 701-706 (“APA”), by adopting a rule—and applying that rule to deny institution here—that purports to authorize the Patent Trial and Appeal Board (the “Board”) to deny institution of *inter partes* review (“IPR”) based on nonstatutory, discretionary factors related to the pendency of parallel patent infringement litigation;

(2) whether the PTO exceeded its statutory authority and violated the APA

by adopting a rule governing institution decisions—and applying the rule to deny institution here—that incorporates non-statutory, discretionary factors that are arbitrary and capricious;

(3) whether the PTO exceeded its statutory authority and violated the AIA and the APA by adopting a rule to govern all institution decisions—and applying that rule to deny institution here—without following the procedures for notice-and-comment rulemaking; and

(4) whether the court of appeals has jurisdiction over this appeal, notwithstanding 35 U.S.C. § 314(d), because the PTO acted in excess of its statutory authority and outside its statutory limits or because the grounds for attacking the decision to deny institution depend on statutes, including the APA, that are less closely tied to the application and interpretation of statutes related to the decision to initiate IPR.

This Notice of Appeal is timely, having been duly filed within 63 days after the date of the Decision Denying Petitioner’s Request on Rehearing of the Decision Denying Institution of *Inter Partes* Review. A copy of this Notice of Appeal is being filed simultaneously with the Patent Trial and Appeal Board, the Clerk’s Office for the United States Court of Appeals for the Federal Circuit, and the Director of the U.S. Patent and Trademark Office.

Respectfully Submitted,

/John V. Hobgood/

John V. Hobgood  
Registration No. 61,540

**CERTIFICATE OF SERVICE**

Pursuant to 37 C.F.R. §§ 90.2(a)(1) and 104.2(a), I hereby certify that, in addition to being filed electronically through the Patent Trial and Appeal Board's End to End (PTAB E2E) system, a true and correct original version of the foregoing PETITIONER'S NOTICE OF APPEAL is being filed by Express Mail on this 11th day of March, 2021, with the Director of the United States Patent and Trademark Office, at the following address:

Office of the General Counsel  
United States Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450

Pursuant to 37 C.F.R. § 90.2(a)(2) and Federal Circuit Rule 15(a)(1), and Rule 52(a),(e), I hereby certify that a true and correct copy of the foregoing PETITIONER'S NOTICE OF APPEAL is being filed in the United States Court of Appeals for the Federal Circuit using the Court's CM/ECF filing system on this 11th day of March, 2021, and the filing fee is being paid electronically using pay.gov.

I hereby certify that on March 11, 2021, I caused a true and correct copy of the PETITIONER'S NOTICE OF APPEAL to be served via electronic mail, as

previously agreed by the parties, on the following service addresses for Patent

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**EXHIBIT A**

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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INTEL CORPORATION,  
Petitioner,

v.

VLSI TECHNOLOGY LLC,  
Patent Owner.

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IPR2020-00582  
Patent 7,292,485 B1

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Before THU A. DANG, BART A. GERSTENBLITH, and  
KIMBERLY McGRAW, *Administrative Patent Judges*.

GERSTENBLITH, *Administrative Patent Judge*.

DECISION  
Denying Institution of *Inter Partes* Review  
35 U.S.C. § 314



## I. INTRODUCTION

Intel Corporation (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 1–3, 5–8, and 12–14 (the “challenged claims”) of U.S. Patent No. 7,292,485 B1 (Ex. 1001, “the ’485 patent”). Paper 2 (“Pet.”). VLSI Technology LLC (“Patent Owner”) filed a Preliminary Response. Paper 9 (“Prelim. Resp.”). Pursuant to our authorization (Paper 11), Petitioner filed a Reply to Patent Owner’s Preliminary Response (Paper 12 (“Pet. Prelim. Reply”)) and Patent Owner filed a Sur-reply (Paper 13, “PO Prelim. Sur-reply”), each directed to whether we should exercise our discretion to deny institution pursuant to 35 U.S.C. § 314(a). We also granted each party authorization to file a paper further clarifying the record as to expert testimony offered in the related district court proceeding regarding one of the references relied upon by Petitioner—Nii (Ex. 1003). Paper 16. In response, Petitioner filed Paper 17 and Patent Owner filed Paper 18.

An *inter partes* review may not be instituted “unless . . . the information presented in the petition . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a) (2018). The Board, however, has discretion to deny a petition even when a petitioner meets that threshold. *Id.*; *see, e.g., Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *see also* Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019) (“Consolidated TPG”), 55–63, available at <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf> (identifying considerations that may warrant exercise of this discretion). In particular, 35 U.S.C. § 314(a) permits

the Board to deny institution under certain circumstances. *See Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i); *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential).

Having considered the parties' submissions, we determine that it is appropriate in this case to exercise our discretion to deny institution of *inter partes* review pursuant to 35 U.S.C. § 314(a).

## II. BACKGROUND

### *A. Real Parties in Interest*

Petitioner identifies Intel Corporation as the real party in interest. Pet. 1. Patent Owner identifies VLSI Technology LLC and CF VLSI Holdings LLC as the real parties in interest. Paper 5 (Patent Owner's Mandatory Notices), 1.

### *B. Related Matters*

The parties identify the '485 patent as the subject of *VLSI Tech. LLC v. Intel Corp.*, No. 6-19-cv-00256 ("Western District of Texas litigation" or "third case"). Pet. 2; Paper 5, 1. Petitioner explains that the '485 patent is one of several patents asserted by Patent Owner in three venues: Nos. 6-19-cv-00254, -00255, -00256 (W.D. Tex.); 1-18-966-CFC (D. Del.); and 5-17-cv-05671 (N.D. Cal.). Pet. 4. Petitioner also explains that cases -254, -255, and -256 are consolidated until trial as 1-19-cv-00977. *Id.*

*C. Asserted Grounds of Unpatentability*

Petitioner challenges the patentability of claims 1–3, 5–8, and 12–14 of the '485 patent on the following grounds (Pet. 4):

<b>Claim(s) Challenged</b>	<b>35 U.S.C. §<sup>1</sup></b>	<b>References</b>
1–3, 5–7, 12–14	103	Nii <sup>2</sup>
8	103	Nii, Hamzaoglu <sup>3</sup>

Petitioner relies on the Declaration of Vivek Subramanian, Ph.D. (Ex. 1002), dated February 26, 2020, in support of its unpatentability contentions.

**III. ANALYSIS – 35 U.S.C. § 314(a)**

Under 35 U.S.C. § 314(a), the Director has discretion to deny institution. In determining whether to exercise that discretion on behalf of the Director, we are guided by the Board’s precedential decision in *NHK*.

In *NHK*, the Board found that the “advanced state of the district court proceeding” was a “factor that weighs in favor of denying” the petition under § 314(a). *NHK*, Paper 8 at 20. The Board determined that “[i]nstitution of an *inter partes* review under these circumstances would not be consistent with ‘an objective of the AIA . . . to provide an effective and efficient alternative to district court litigation.’” *Id.* (citing *Gen. Plastic*, Paper 19 at 16–17 (precedential in relevant part)).

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<sup>1</sup> The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended 35 U.S.C. § 103. Because the '485 patent has a filing date of July 31, 2006, which is prior to the effective date of the applicable AIA amendments, we refer to the pre-AIA version of § 103. *See* Ex. 1001, code (22).

<sup>2</sup> U.S. Patent Application Publication No. 2007/0030741 A1, pub. Feb. 8, 2007 (Ex. 1003, “Nii”).

<sup>3</sup> U.S. Patent Application Publication No. 2006/0268626 A1, pub. Nov. 30, 2006 (Ex. 1011, “Hamzaoglu”).

“[T]he Board’s cases addressing earlier trial dates as a basis for denial under *NHK* have sought to balance considerations such as system efficiency, fairness, and patent quality.” *Apple Inc. v. Fintiv Inc.*, IPR2020-00019, Paper 11 at 5 (PTAB Mar. 20, 2020) (precedential) (collecting cases). *Fintiv* sets forth six non-exclusive factors for determining “whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Id.* at 6. These factors consider:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board’s exercise of discretion, including the merits.

We discuss the parties’ arguments in the context of considering the above factors. In evaluating the factors, we take a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review. *Fintiv* at 6.

*1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted*

On the present record, neither party has produced evidence that a stay has been requested or that the Western District of Texas has considered a stay in this case. *See* Pet. Prelim. Reply 5–6; PO Prelim. Sur-reply 3. Thus,

this factor does not weigh in favor of or against exercising our discretion to deny institution pursuant to § 314(a).

*2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision*

Both parties rely upon the proposed Third Amended Agreed Scheduling Order (Ex. 1022) as representing the most current district court schedule. *See* Pet. Prelim. Reply 6; PO Prelim. Sur-reply 3. The proposed Third Amended Agreed Scheduling Order reflects the following: (1) the three cases between the parties (No. 6:19-cv-254, -255, and -256) are consolidated for much of the pre-trial phase of the cases (*see* Ex. 1022, 1–3); (2) the three cases are scheduled to have separate trials; (3) the first case (-254) is scheduled for trial on November 16, 2020 (*id.* at 3); and (4) the trial dates for the second and third cases are “[t]o be set by the Court in each case” (*id.* at 4).

Petitioner contends that the uncertainty regarding the precise trial date for the third trial (which includes the '485 patent) weighs against exercising discretion to deny institution. Pet. Prelim. Reply 6 (citing *Sand Revolution II, LLC v. Cont'l Intermodal Grp.-Trucking LLC*, IPR2019-01393, Paper 24 at 9–10 (PTAB June 16, 2020) (informative)). In response, Patent Owner contends that even if the third trial was scheduled with the same intervening time originally proposed by Patent Owner, it would occur 112 days after the first trial, on March 8, 2021. PO Prelim. Sur-reply 3–4.

If an *inter partes* review was instituted, a final written decision in this matter likely would not issue until October 2021. Despite there not being a firm trial date in the Western District of Texas litigation, there is no indication that trial will occur after October 2021. Rather, the only indications of record suggest the opposite. First, the consolidation of the

pre-trial phases of the three district court cases permitted the Western District of Texas litigation to move along with the -254 case, which is scheduled for trial in just over a month. Second, the proposed Third Amended Agreed Scheduling Order indicates that each of the second and third cases (-255 and -256) requires only five weeks of lead time prior to trial. *See* Ex. 1022, 4 (noting the first listing under “Amended Dates” of “5 weeks before each respective trial date”). Third, the only schedule for three trial dates previously proposed by either party reflects a spread of 112 days between the first and third trials. *See* Prelim. Resp. 13 (citing Ex. 2031 (Proposed Scheduling Order), 3–4). Thus, the evidence of record suggests that trial is likely to occur months before any final written decision in this matter.

Accordingly, on the record before us, this factor weighs slightly in favor of exercising our discretion to deny institution pursuant to § 314(a).

*3. investment in the parallel proceeding by the court and the parties*

Patent Owner contends there has been “immense” investment in the parallel proceeding. *See* PO Prelim. Resp. 17. Petitioner contends that the “district court’s investment in the challenged claims has been relatively limited.” Pet. Prelim. Reply 6. Petitioner also asserts that because the grounds asserted in the Petition are not at issue in the district court, the relevance of the parties’ investment in the district court litigation is diminished. *Id.* at 7 (citing *Apple v. Seven Networks*, IPR2020-00266, Paper 12 at 13 (PTAB Aug. 14, 2020)).

The district court issued a claim construction order on January 3, 2020, approximately nine months ago, in which the court construed the term “capacitance structure” recited in the challenged claims of the ’485 patent. Ex. 1008, 1. Additionally, the parties’ final infringement and invalidity

contentions were served in January 2020. Ex. 1022, 2. Further, expert discovery has already closed or is about to close. *Id.* at 3. Accordingly, in light of the present posture of the district court action, we find that the district court’s and parties’ investment in that action, although diminished because of the differences in challenges raised here and at the district court,<sup>4</sup> weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

*4. overlap between issues raised in the petition and in the parallel proceeding*

Patent Owner contends that there is a “complete” overlap between the issues raised in the Petition and those in the Western District of Texas litigation. PO Prelim. Resp. 19–23.

Petitioner contends that there is no overlap between the arguments for unpatentability in the Petition and the Western District of Texas litigation. Pet. Prelim. Reply 8. In particular, Petitioner explains that, in the district court action, it is advancing two invalidity grounds based on references that are not asserted in the Petition. *Id.* Petitioner notes that it initially included Nii in its district court invalidity contentions, but states that it does not intend to include Nii as an invalidating reference when it reduces the number of invalidity grounds advanced in the district court. *Id.* n.3. Petitioner explains that the district court has ordered Patent Owner to reduce the number of asserted claims and “[a] trial by the Board avoids complicated and overlapping jury issues across multiple patents, while allowing the Board to focus on invalidity issues involving only the ’485 patent.” *Id.* at 9.

In view of Petitioner’s representation that it does not intend to include Nii as an invalidating reference when it reduces the number of invalidity

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<sup>4</sup> We discuss this issue further as part of *Fintiv* Factor 4.

grounds advanced in the district court, thus leaving no grounds overlapping between the Western District of Texas litigation and the Petition, this factor weighs in favor of not exercising our discretion to deny institution pursuant to § 314(a).

*5. whether the petitioner and the defendant in the parallel proceeding are the same party*

Petitioner and Patent Owner are the defendant and plaintiff, respectively, in the Western District of Texas litigation. PO Prelim. Resp. 24. Therefore, we find that this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

*6. other circumstances that impact the Board's exercise of discretion, including the merits*

Petitioner contends that discretionary denial would reward Patent Owner's tactics to evade review of its patents. Pet. Prelim. Reply 1–2. Petitioner asserts that Patent Owner's "scheme is evident: to file serial lawsuits against Intel in multiple venues asserting numerous patents and claims, to resist narrowing the number of asserted claims, and to delay adjudication of the validity of its claims." *Id.* at 3. In particular, Petitioner reiterates that other factors should weigh more heavily toward not exercising discretion to decline institution; e.g., the Patent Owner's identity and behavior, and the number and identity of claims ultimately asserted in each jurisdiction. *Id.* at 2–4. In particular, Petitioner contends Patent Owner is a non-practicing entity whose business model is centered on filing an unreasonably large number of patent suits against Intel in a fast-moving jurisdiction, with numerous asserted claims, to encourage a quick settlement or long-shot jury verdict and avoid *inter partes* review. *Id.* at 1–3.



Even if Petitioner’s contentions are true, the validity of the ’485 patent is at issue in the co-pending litigation, which is likely to go to trial well before the deadline for a final written decision in this proceeding. Accordingly, this argument does not weigh against exercising our discretion to deny institution pursuant to § 314(a).<sup>5</sup>

Patent Owner contends that other circumstances weigh in favor of exercising our discretion to deny institution. In particular, Patent Owner asserts that Nii, a reference relied upon by Petitioner in each of the two grounds presented in the Petition, does not constitute prior art to the ’485 patent because Patent Owner has antedated the reference by proving an earlier conception and reasonable diligence in reducing the invention to practice. Prelim. Resp. 25–26; PO Prelim. Sur-reply 9. In particular, Patent Owner contends: (1) the ’485 patent was filed July 31, 2006; (2) Nii was filed in the U.S. on July 25, 2006, six days earlier; (3) the inventions claimed in the ’485 patent were conceived by at least July 12, 2006 as evidenced by a draft patent application with that date; (4) the applicant exercised reasonable diligence during the “critical period”—from before July 25, 2006, through the filing of the ’485 patent application on July 31, 2006; and (5) testimony, in the form of a declaration, by the prosecuting patent attorney, Mr. Hill, confirms these actions and support Patent Owner’s arguments. *See* Prelim.

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<sup>5</sup> In a footnote, Petitioner argues that the *NHK/Fintiv* framework should not be applied because it is “inconsistent with the AIA’s purpose and creates significant practical challenges, particularly when the Petition challenges a patent subject to litigation in a ‘rocket docket’ jurisdiction.” Pet. Prelim. Reply 1 n.1. Although Petitioner’s argument may be appropriate for review in another forum, we are bound to follow the precedential *NHK/Fintiv* framework.

Resp. 26–43. Petitioner contends that it can show that Nii is prior art, but does not elaborate as to how it would do so. Pet. Prelim. Reply 10.

For the above reasons, on this record Patent Owner’s evidence supporting its arguments regarding antedating Nii weighs strongly in favor of exercising our discretion to deny institution pursuant to § 314(a).<sup>6</sup>

### *7. Weighing the factors*

There is no dispute that the related district court litigation involves the same parties as this proceeding. At this juncture, the related litigation is quite advanced and trial will likely be scheduled months prior to the issuance of any final written decision in this case. Although the district court may not address the grounds presented in the Petition, Patent Owner’s evidence and argument suggests that Patent Owner may antedate Nii, thus negating the grounds asserted here. After weighing all of the factors and taking a holistic view of the relevant circumstances of this proceeding, we determine that instituting an *inter partes* review would be an inefficient use of the Board’s and parties’ resources, and we exercise discretion to deny institution under 35 U.S.C. § 314(a).

## IV. CONCLUSION

For the foregoing reasons, we exercise our discretion pursuant to 35 U.S.C. § 314(a) to deny institution of *inter partes* review.

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<sup>6</sup> In so finding, we make no determination on the ultimate question whether Patent Owner has antedated Nii.

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition (Paper 2) is *denied* as to the challenged claims of the '485 patent; and

FURTHER ORDERED that no *inter partes* review is instituted.

IPR2020-00582  
Patent 7,292,485 B1

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**EXHIBIT B**

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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INTEL CORPORATION,  
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v.

VLSI TECHNOLOGY LLC,  
Patent Owner.

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IPR2020-00582  
Patent 7,292,485 B1

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Before THU A. DANG, BART A. GERSTENBLITH, and  
KIMBERLY McGRAW, *Administrative Patent Judges*.

GERSTENBLITH, *Administrative Patent Judge*.

DECISION

Denying Petitioner's Request on Rehearing of the  
Decision Denying Institution of *Inter Partes* Review  
*37 C.F.R. § 42.71(d)*

## I. INTRODUCTION

Intel Corporation (“Petitioner”) filed a Request for Rehearing (Paper 21, “Rehearing Request” or “Req. Reh’g”) of the Decision Denying Institution of *Inter Partes* Review (Paper 19, “Decision” or “Inst. Dec.”). Petitioner also filed a request for the Precedential Opinion Panel (“POP”) to review the Decision (Paper 22 (Notification of Receipt of POP Request)), which the POP denied (Paper 23 (Order)).

For the reasons provided below, Petitioner’s Rehearing Request is *denied*.

## II. ANALYSIS

A party requesting rehearing bears the burden of showing that the decision should be modified. 37 C.F.R. § 42.71(d). “The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.” *Id.* When rehearing a decision on a petition, we review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c).

Petitioner’s Rehearing Request raises two primary arguments: (1) that the precedential Board decisions in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential), and *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential), were wrongly decided and should be reviewed by the POP; and (2) that, even under the *Fintiv/NHK Spring* framework, the Board erred by (a) improperly surmising that the related district court trial will likely occur months before any final written decision; (b) relying upon Patent Owner’s antedating evidence without affording Petitioner an opportunity to cross-examine it; (c) failing to place appropriate weight on Patent Owner’s

litigation conduct; and (d) ignoring that the district court trial will not address the validity of each challenged claim. *See, e.g.*, Req. Reh’g 1–2.

With respect to whether *Fintiv* and *NHK Spring* were decided correctly, that issue was raised in Petitioner’s POP request, which was denied. *See* Paper 23. With respect to our consideration of the facts under the *Fintiv/NHK Spring* framework, we address each of Petitioner’s arguments.

First, Petitioner contends that we should not have relied upon the circumstances surrounding a potential trial date because there was “no indication of when the third trial (involving the ’485 patent) would actually occur.” Req. Reh’g 13. In short, only the trial date for the first of three related district court cases was set by the district court and that trial does not involve the ’485 patent, which is at issue only in the third trial. *See id.* at 12. Additionally, the 112-day spread between the first and third trials was based on a proposal by Patent Owner and was not agreed to by Intel or endorsed by the district court. *Id.* at 13. Further, Petitioner contends that after we issued our Decision, the district court rescheduled the first trial due to the closing of the Austin courthouse for civil jury trials because of COVID-19 and that there is no indication when the third trial involving the ’485 patent actually will occur. *Id.* at 12–13.

In our Decision, we found that, although there was no set trial date for the ’485 patent, the facts available at the time supported the determination that trial would likely occur months before any final written decision. Inst. Dec. 6–7. Even though we agreed with Petitioner that a firm trial date had not been set, the information available at the time of our Decision supported Patent Owner’s argument that trial would occur before a final written decision would have issued, if not months before. *See id.*



A conference call was held on January 28, 2021, between counsel for the parties and Judges Dang, Gerstenblith, and McGraw to discuss the current state of the related district court litigation. A transcript of the conference is of record as Exhibit 1028 (“Tr.”). During the conference, Patent Owner explained that, although a firm trial date had not been set by court order, the parties received an email from Mr. Pearson, one of Judge Albright’s law clerks, in which Mr. Pearson acknowledges the urgency of setting trial dates and indicates that the parties have priority to a trial date of June 7, 2021, for the ’485 patent. Ex. 1029<sup>1</sup> (Email from Evan Pearson, sent Nov. 17, 2020), 1 (Mr. Pearson states, “I will get them on the calendar and hold them as a priority – please keep us posted with adjustments.”); Tr. 11:17–12:9. Petitioner contends that the June 2021 date held for the third trial involving the ’485 patent is based on holding the trial in Austin, Texas, where the courthouse is closed currently, and that the first trial was moved to Waco, where the courthouse is open currently. Tr. 14:9–16. On February 4, 2021, the district court issued an order setting a trial date of June 7, 2021, for the ’485 patent. Ex. 2054 (Order Setting Jury Trial).

The change in circumstances regarding the trial date does not persuade us to change our decision to exercise our discretion to deny institution. Even if we were to institute an *inter partes* review proceeding, the deadline for issuing a final written decision could be no earlier than February 2022. Thus, at this time, it appears likely that trial will occur many months before any final written decision would likely issue in this proceeding. Therefore, we maintain our finding that *Fintiv* Factor 2

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<sup>1</sup> Exhibit 1029 consists of a thread of emails, with the most current being the email referenced above from Mr. Pearson. See Ex. 1029.

(proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision) weighs in favor of exercising our discretion to deny institution pursuant to 35 U.S.C. § 314(a).

Second, Petitioner argues that we should not have relied on Patent Owner’s antedating evidence under *Fintiv* Factor 6 (other circumstances that impact the Board’s exercise of discretion, including the merits) without affording Petitioner an opportunity to cross-examine it. Req. Reh’g 2, 13–14. Although Petitioner did not request an opportunity to cross-examine or otherwise respond to Patent Owner’s antedating evidence, we agree that under the circumstances presented, we should not have weighed Patent Owner’s evidence strongly in favor of exercising our discretion to deny institution.<sup>2</sup> Thus, we determine that *Fintiv* Factor 6 weighs neutrally. However, as discussed below, this change does not alter the outcome of our balancing of the factors.

Third, Petitioner contends that we incorrectly weighed the identity and behavior of Patent Owner. *See* Req. Reh’g 15. We disagree. In our Decision, we considered Petitioner’s allegations regarding Patent Owner’s identity and conduct under *Fintiv* Factor 6 (other circumstances that impact the Board’s exercise of discretion, including the merits), and we noted that, “[e]ven if Petitioner’s contentions are true, the validity of the ’485 patent is

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<sup>2</sup> Petitioner contended, without elaboration, that it “expects to show that Nii is prior art to the ’485 patent if given the opportunity to respond” to Patent Owner’s antedating evidence. Paper 12 (Petitioner’s Reply to Patent Owner’s Preliminary Response), 10. In our Decision, we remarked that “we make no determination on the ultimate question whether Patent Owner has antedated Nii” (Inst. Dec. 11 n.6), but we weighed Patent Owner’s evidence and argument in favor of exercising our discretion to deny institution (*id.* at 11).

at issue in the co-pending litigation, which is likely to go to trial well before the deadline for a final written decision in this proceeding.” Inst. Dec. 10. Accordingly, we maintain our finding that Petitioner’s “argument does not weigh against exercising our discretion to deny institution.” *Id.*

Fourth, Petitioner contends that we erred in analyzing the overlap between the related litigation and this proceeding (*Fintiv* Factor 4) because we focused on the ’485 patent generally rather than the specific claims. Req. Reh’g 14–15. We disagree. Although we mentioned the validity of the ’485 patent, we did so in the context of addressing Petitioner’s arguments regarding Patent Owner’s identity and behavior under *Fintiv* Factor 6. In the context of *Fintiv* Factor 4 (overlap between issues raised in the petition and in the parallel proceeding), we found that “Petitioner’s representation that it does not intend to include Nii as an invalidating reference when it reduces the number of invalidity grounds advanced in the district court,” left no overlapping ground. Inst. Dec. 8–9. Thus, we weighed *Fintiv* Factor 4 in Petitioner’s favor, finding that it weighs in favor of not exercising our discretion to deny institution. *Id.* at 9. Accordingly, the difference in claims asserted in the related litigation and this proceeding does not change the weighing of this factor.

Even though we now weigh *Fintiv* Factor 6 neutrally, the weighing of the other factors remains unchanged. In particular, Factor 1 also weighs neutrally. The related litigation involves the same parties as this proceeding. Fact and expert discovery has concluded and substantially all, if not all, motions have been briefed. Tr. 18:13–21. The trial date, even if not June 7, 2021, is still likely to be months before any final written decision could issue in this case; thus, Factors 2, 3, and 5 weigh in favor of exercising discretion to deny institution. Although Factor 4 weighs in favor of not exercising

discretion to deny institution, after weighing all of the factors and taking a holistic view of the relevant circumstances, we maintain our finding that “instituting an *inter partes* review would be an inefficient use of the Board’s and parties’ resources.” Inst. Dec. 11.

Accordingly, having considered Petitioner’s Rehearing Request, Petitioner has not persuaded us, for the reasons discussed, that the outcome of our Decision should be modified.

### III. ORDER

For the foregoing reasons, it is:

ORDERED that Petitioner’s Rehearing Request (Paper 21) is *denied*.

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Patent 7,292,485 B1

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