

Filed on behalf of Apple Inc.

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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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APPLE INC.,  
Petitioner,

v.

MAXELL, LTD.,  
Patent Owner.

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Case IPR2020-00597  
U.S. Patent No. 8,339,493 B2

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**PETITIONER'S NOTICE OF APPEAL**

Pursuant to 35 U.S.C. §§ 141-142 and 319, 5 U.S.C. §§ 701-706, 28 U.S.C. § 1295(a)(4)(A), and 28 U.S.C. § 1651, and in accordance with 37 C.F.R. §§ 90.2-90.3, and Federal Circuit Rule 15(a)(1), notice is hereby given that Petitioner Apple Inc. appeals to the U.S. Court of Appeals for the Federal Circuit from the Decision Denying Institution of Inter Partes Review entered on September 24, 2020 (Paper 9) in IPR2020-00597, attached as Exhibit A, and all prior and interlocutory rulings related thereto or subsumed therein.

In accordance with 37 C.F.R. § 90.2(a)(3)(ii), Petitioner states 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 (Board) to deny institution of inter partes review (IPR) based on non-statutory, 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 11 days after the date of the Decision Denying Institution of Inter Partes Review.

A copy of this Notice of Appeal is being filed simultaneously with the Board, the Clerk’s Office for the United States Court of Appeals for the Federal Circuit, and the Director of the PTO.

Dated: October 6, 2020

Respectfully submitted,  
ERISE IP, P.A.

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ATTORNEYS FOR PETITIONER  
APPLE INC.

**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 Priority Express Mail on this 6th day of October, 2020, with the Director of the U.S. Patent and Trademark Office, at the following address:

Director of the U.S. Patent and Trademark Office  
c/o 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 6th day of October, 2020, and the filing fee is being paid electronically using pay.gov.

I hereby certify that on October 6, 2020, I caused a true and correct copy of the foregoing Petitioner's Notice of Appeal to be served via email on the following counsel for Patent Owner:

Robert G. Pluta (rpluta@mayerbrown.com)

Maxell-Apple-Service@mayerbrown.com

Dated: October 6, 2020

Respectfully submitted,

BY: /s/ Adam P. Seitz

Adam P. Seitz, Reg. No. 52,206

COUNSEL FOR PETITIONERS

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

APPLE INC.,  
Petitioner,

v.

MAXELL, LTD.,  
Patent Owner.

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IPR2020-00597  
Patent 8,339,493 B2

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Before MINN CHUNG, JASON W. MELVIN, and  
FREDERICK C. LANEY, *Administrative Patent Judges*.

LANEY, *Administrative Patent Judge*.

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

EXHIBIT A

## I. INTRODUCTION

Petitioner, Apple Inc., filed a Petition for *inter partes* review of claims 1, 3–6, 10, and 11 (the “challenged claims”) of U.S. Patent No. 8,339,493 B2 (Ex. 1001, “the ’493 patent”). Paper 1 (“Pet.”). Patent Owner, Maxell, Ltd., filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). Pursuant to our authorization for supplemental briefing, Petitioner filed a Reply to Patent Owner’s Preliminary Response, and Patent Owner filed a Sur-reply. Paper 7 (“Pet. Reply”); Paper 8 (“PO Sur-reply”); *see* Ex. 1056 (authorizing reply and sur-reply).

Under 35 U.S.C. § 314 and 37 C.F.R. § 42.4(a), we have authority to institute an *inter partes* review if “the information presented in the petition . . . and any response . . . 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). 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.”); *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential, designated May 7, 2019) (“*NHK*”).

Having considered the parties’ submissions, and for the reasons explained below, we exercise our discretion under 35 U.S.C. § 314(a) to deny institution of *inter partes* review.



## II. BACKGROUND

### *A. Related Matters*

The parties identify the following pending district court proceeding related to the '493 patent: *Maxell, Ltd. v. Apple Inc.*, No. 5:19-cv-00036 (E.D. Tex., filed Mar. 15, 2019) (“the underlying litigation”). Pet. 81; Paper 5, 1 (Patent Owner’s Mandatory Notices).

### *B. Overview of the '493 Patent*

The '493 patent, is titled “Electric Camera.” Ex. 1001, code (54). It issued on December 25, 2012, based on an application filed July 28, 2010. *Id.* at code (22), (45). It claims priority as a continuation of a U.S. application filed September 12, 2003, which in turn claims priority as a division of a U.S. application filed March 8, 2000. *Id.* at code (60). Priority is also claimed to a Japanese patent application filed January 11, 2000. *Id.* at code (30), 1:6–14.

The '493 patent relates to “video cameras, camcorders, digital still cameras and others using a solid-state image sensing device, and more particularly to an electric camera using a solid-state image sensing device with a large number of pixels.” *Id.* at 2:57–61. An object of the invention is to provide an electric camera “which uses an image sensing device with a sufficient number of pixels for still images and enables the taking of highly detailed still images and a moving video taking with reduced image quality degradation without increasing circuitry such as field memory.” *Id.* at 3:8–13. “It is also an object of the present invention to provide an electric camera that can also realize the image stabilizing function.” *Id.* at 3:13–15.

### *C. Illustrative Claim*

Challenged claims 1, 5, and 10 are independent. Challenged claims 3 and 4 depend directly from claim 1, challenged claim 6 depends directly from claim 5, and challenged claim 11 depends directly from claim 10. Claims 5 and 6 are illustrative of the claimed subject matter. Claims 5 and 6 recite:

5. An electric camera comprising:
    - an image sensing device with a light receiving sensor having an array of pixels arranged vertically and horizontally in a grid pattern, in an N number of vertically arranged pixel lines;
    - a signal processing unit that generates image signals by processing the output signals of the image sensing device; and
    - a display unit with a display screen, that displays an image corresponding to the image signals;wherein when recording an image in a static image mode, the signal processing unit generates the image signals by using all signal charges accumulated in all N number of vertically arranged pixel lines of the image sensing device, to provide N pixel lines;
  - wherein when monitoring the image in the static image mode, the signal processing unit generates the image signals by using pixel lines that have been mixed or culled from the N number of vertically arranged pixel lines to only include pixel lines separated from one another by intervals of a first distance; and
  - wherein when recording the image in a moving video mode, the signal processing unit generates the image signals by using a portion of, or the entirety of, pixel lines which have been mixed or culled from the N number of vertically arranged pixel lines to only include pixel lines separated from one another by intervals of a second distance, where the second distance is different from the first distance.
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6. An electric camera according to the claim 5, further comprising:
    - an image-instability detector which detects an image-instability of the electric camera; and

wherein when recording in the moving video mode, in order to correct the image-instability, the signal processing unit generates the image signals by changing the pixel lines used, and the portion of the pixel lines used, according to an amount of image-instability detected by the instability detector.

Ex. 1001, 16:32–17:3.

#### *D. Prior Art and Declaration Evidence*

Petitioner cites the following references in its challenge to patentability:

Casio LCD Digital Camera QV-8000SX User’s Guide (Ex. 1004, “Casio”);

U.S. Patent No. 7,903,162 B2, issued March 8, 2011 (Ex. 1005, “Juen”);

U.S. Patent No. 5,502,483, issued March 26, 1996 (Ex. 1006, “Takase”); and

U.S. Patent No. 5,444,482, issued August 22, 1995 (Ex. 1008, “Misawa”).

Petitioner supports its challenge with a declaration from Dr. Jeffrey J. Rodriguez (Ex. 1003).

#### *E. Asserted Grounds of Unpatentability*

Petitioner asserts that the challenged claims are unpatentable based on the following ground (Pet. 4):

<b>Claims Challenged</b>	<b>35 U.S.C. §</b>	<b>References</b>
1, 3, 5, and 10	103(a) <sup>1</sup>	Casio, Juen

<sup>1</sup> The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011), amended 35 U.S.C. §103 effective March 16, 2013. Because the

Claims Challenged	35 U.S.C. §	References
4	103(a)	Casio, Juen, Takase
6 and 11	103(a)	Casio, Juen, Misawa

### III. ANALYSIS

Patent Owner contends we should exercise our discretion under 35 U.S.C. § 314(a) to deny institution of *inter partes* review due to the advanced stage of the underlying litigation in the United States District Court for the Eastern District of Texas. Prelim. Resp. 2–28; PO Sur-reply 1–11. According to Patent Owner, instituting an *inter partes* review “would needlessly duplicate” the district court action and “unnecessarily waste the Board’s resources.” Prelim. Resp. 4 (citing *NHK*, Paper 8 at 20 (denying institution)).

After Patent Owner filed its Preliminary Response, we authorized the parties to submit supplemental briefing on the issue of discretionary denial under 35 U.S.C. § 314(a). Ex. 1056, 1. We specifically authorized the parties to address the factors set forth in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential, designated May 5, 2020) (“*Fintiv*”). *Id.* *Fintiv* provides several factors that balance considerations of system efficiency, fairness, and patent quality when a patent owner raises an argument for discretionary denial due to the advanced state of a parallel proceeding. *Fintiv*, Paper 11 at 5–6. These factors are:

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

’493 patent has an effective filing date prior to the effective date of the applicable AIA amendment, we refer to the pre-AIA version of § 103.

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.

*Id.*

We now consider these factors to determine whether we should exercise discretion to deny institution under 35 U.S.C. § 314(a). “[I]n evaluating the factors, the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.”

*Id.* at 6.

*A. Fintiv Factor 1: Stay in the Underlying Litigation*

Petitioner moved for a stay in the underlying litigation, but the district court denied the motion. *See* Pet. Reply 1; PO Sur-reply 2; Ex. 1052.

Among other reasons, the court stated “[t]he case is not in its infancy and is far enough along that a stay would interfere with ongoing proceedings.”

Ex. 1052, 4. Notably, the court denied the motion without prejudice.

*Id.* at 6. Although the court stated that “[t]he late stage of the proceedings will certainly weigh against granting a stay” if Petitioner were to file a renewed motion for a stay, the court also stated it could not “say now that the late stage would necessarily outweigh the potential simplification of issues following institution decisions” in this and other *inter partes* review proceedings. *Id.* Given the court's apparent willingness to reconsider a motion to stay if an institution decision simplified issues for trial, but also

considering the late stage of the district court proceeding, with trial scheduled to begin in less than three months, we view the first *Fintiv* factor as neutral in determining whether to exercise discretion to deny institution.

*B. Fintiv Factor 2: Trial Date in the Underlying Litigation*

The district court trial date, previously set for October 26, 2020, has been reset for December 7, 2020. Ex. 3001 (August 10, 2020 Order resetting trial date); see PO Sur-reply 2–3. A trial beginning this December would be completed about nine months before a final written decision would be due in this proceeding. Petitioner does not directly address factor 2 in its supplemental briefing. See Pet. Reply 1–7.

Petitioner, however, does suggest that the COVID-19 pandemic may affect the trial schedule, and indeed the trial has been delayed by six weeks due to the effects of COVID-19. Pet. Reply 6–7; Ex. 3001, 1. Patent Owner counters by citing an order by another judge in the Eastern District of Texas for a different case involving the Petitioner that denied its request to continue a patent trial scheduled for August 2020 because of concerns with COVID-19. PO Sur-reply 3 (citing Ex. 2031). In addition, Patent Owner argues, even if the trial date were delayed by three to five months, the trial still would precede a final written decision by several months. *Id.* Although we consider further delays due to the COVID-19 pandemic to be a real possibility despite the trial court’s recent order resetting the trial date for December 7, 2020, a delayed trial still seems likely to precede a final written decision in this proceeding, which would be due in September 2021. This factor, therefore, favors the exercise of discretionary denial.

*C. Fintiv Factor 3: Investment by the Court and the Parties in the Underlying Litigation*

Petitioner does not address factor 3 in its supplemental briefing, but instead argues that its Petition was not purposefully delayed. *See* Pet. Reply 2–3. Thus, Petitioner notably does not dispute Patent Owner’s contention that significant time and resources have already been used by the district court and the parties in preparation for the upcoming December trial. PO Sur-reply 3; *see* Prelim. Resp. 13–14.

Regardless of Petitioner’s diligence to file the Petition, it appears undisputed that the court and the parties have invested significant work related to invalidity in preparation for trial. Because some of this invested effort, including claim construction and expert discovery, likely has relevance to issues that would arise in this proceeding, this factor favors the exercise of discretionary denial in this case to prevent duplication of work on similar issues by the Board and the district court, and by the parties in multiple forums.

*D. Fintiv Factor 4: Overlap Between Issues Raised in the Petition and Underlying Litigation*

Petitioner contends “the subject matter that the Board will consider does not overlap with the [underlying] litigation.” Pet. Reply 3. Petitioner notes that the Petition challenges claims 1, 3–6, 10, and 11, whereas only claims 5 and 6 are at issue in the underlying litigation, and argues that claim 1 has a materially different scope than those in the underlying litigation. *Id.*

Petitioner asserts also that the Petition presents the unique issue of whether “Juen disclose[s] mixing and culling.” *Id.* In particular, for the element “signal processing unit generates the image signals by using pixel

lines that have been mixed or culled from the N number of vertically arranged pixel lines” of claim 5, Petitioner contends that it only relies on Juen to disclose this limitation in the Petition, whereas only Sony is relied upon to disclose this limitation in the litigation. *Id.* at 3–4. Petitioner argues that although Casio and Sony disclose similar technology they are still “two different cameras from two different manufactures” that “invalidate [the challenged claim] limitations in different ways, with different teachings, and different motivations to combine.” *Id.* at 4. As support, Petitioner points out that in these proceedings it is “limited to a user manual” for Casio and, for Sony in the litigation, Petitioner is able to present “the Sony device itself and a supporting body of evidence outlining the operation of that device that includes the printed manual, a service manual, advertisements, microscopic images of the sensors, tear down testing, Sony’s employees, and other evidence that is unavailable in the IPR.” *Id.*

Patent Owner contends that claims 1, 3–6, 10, and 11 were asserted against Petitioner in the underlying litigation at the time the Petition was filed and, thus, the “proper time at which to evaluate facts with respect to *Fintiv* Factor 4 is the time the Petition is filed.” PO Sur-reply 5. Nevertheless, Patent Owner argues that Petitioner’s suggestion that the scope of claim 1 is materially different than claim 5 is disingenuous because Petitioner’s invalidity contentions regarding claim 5 “points back to its [c]laim 1 analysis for every limitation of [c]laim 5.” *Id.* (citing Ex. 2009, 153–154; Ex. 2010, 116–119). Moreover, Patent Owner argues that the Petition itself undermines Petitioner’s suggestion claim 1 is “materially different” than claim 5 because the analysis presented for claim 5 likewise consists largely of referencing the analysis presented for claim 1. *Id.* (citing Pet. 57–59).



Patent Owner disputes Petitioner’s contention that Juen is only used in this proceeding to disclose the mixing and culling limitation. *Id.* at 5–6. Patent Owner contends the opposite is true because Petitioner uses Juen the same way in the underlying litigation to show the mixing and culling limitation for video recording and monitoring. *Id.* at 6 (citing Ex. 1058, 104–105, 107)<sup>2</sup>. Patent Owner argues additionally that Petitioner’s “effort to distinguish the Casio and Sony references fares no better” because Petitioner “has not pointed out a *single* difference between the Sony and Casio devices (or the manuals) related to purported application to the challenged claims.” *Id.* at 6–9. Lastly, Patent Owner notes that Petitioner “ignores that it uses Misawa both in the Petition and the [underlying] litigation for the image-instability correction features of Claim 6.” *Id.* at 6 (citing Pet. 74–78; Ex. 1058, 82–88).

After considering the parties’ arguments and the record before us, we determine that substantial overlap exists between the issues raised in the Petition and the underlying litigation.

First, regarding the difference between the challenged claims in this proceeding (i.e., claims 1, 3–6, 10, 11) and those claims that the parties have elected to pursue during the upcoming trial (i.e., claims 5, 6), Petitioner only suggests claim 1 “has a materially different scope” than the ones in this proceeding (Pet. 3), but Patent Owner correctly notes that this contention is undermined by the fact that Petitioner cross-references its unpatentability

<sup>2</sup> For Exhibit 1058, Patent Owner appears to cite to the page number of the original document rather than the exhibit page number added by Petitioner (i.e., the page number added at the lower right corner). Our subsequent reference to Exhibit 1058 refers to the added exhibit page number.

analysis presented for claim 1 extensively in the Petition to also show the unpatentability of claim 5. *See* Pet. 57–59. Similarly, Petitioner’s invalidity contentions in the underlying litigation likewise rely *exclusively* on the analysis presented for claim 1 to support the contentions for claim 5. *See* Ex. 2009, 153–154; Ex. 2010, 116–119. Furthermore, we note that both parties agree that the ’493 patent claims priority to January 11, 2000, which means that the ’493 patent has expired<sup>3</sup> and that the unelected claims can no longer be asserted against future products of the Petitioner (or anyone else). *See* 35 U.S.C. § 154(a)(2). Thus, although the challenged claims asserted in this proceeding are not identical to those that the parties have elected to pursue at trial in the underlying litigation, we do not find this difference to be meaningful in this case.

Second, Petitioner’s assertion that the issue of whether Juen discloses mixing and culling is *unique* to this proceeding lacks merit. An expert report provided by Petitioner in the underlying litigation indicates that Petitioner intends to offer testimony that Juen discloses mixing and culling to support its invalidity contentions. *See* Ex. 1058, 107–108, 110–111. We have considered the expert’s analysis and evidence offered in the report for the underlying litigation and find it to be substantively similar to the analysis and evidence being offered in this proceeding on this issue. Therefore, contrary to Petitioner’s assertion that Juen’s disclosure of mixing and culling presents *unique* subject matter for the Board to consider in this proceeding, we find this subject matter to be exemplary of the kind of issues that “would

<sup>3</sup> Additionally, a terminal disclaimer was filed disclaiming the terminal part of the statutory term granted to the ’493 patent that may extend beyond the expiration date of prior Patent No. 6,765,616. *See* Ex. 1002, 79.

needlessly duplicate” the district court action and “unnecessarily waste the Board’s resources.” *NHK*, Paper 8 at 20.

Third, although Sony and Casio are two different cameras from two different manufactures, we do not find any relevant difference in their structures and operations that are relied upon to show the unpatentability of the challenged claims. For example, for both Sony and Casio, Petitioner alleges each discloses: (1) a charge-coupled device (“CCD”) that can produce signals that are used to create an image size of 1280 x 960 pixels, which is relied upon to show the recited “image sensing device” (Pet. 22, 24; Ex. 1058, 59); (2) the ability to convert or encode images to JPEG format, which is relied upon to show the recited “signal processing unit” (Pet. 28; Ex. 1058, 67); (3) a LCD screen, which is relied upon to show the recited “display unit” (Pet. 32; Ex. 1058, 67–68); (4) the ability to use the monitor as a “viewfinder” to display images prior to recording, which is relied upon to show the recited “monitoring in a static image mode” (Pet. 34–37; Ex. 1058, 77–78); (5) the ability to display on the monitor an image that has a resolution lower than the image subsequently recorded, which is relied upon to show the recited mixing or culling at a first interval (Pet. 37–40, 43–44; Ex. 1058, 77–80); and (6) the ability to record movies in 320 x 240 pixel AVI format, which is relied upon to show the recited mixing or culling at a second interval (Pet. 44–47; Ex. 1058, 81–84). While Sony and Casio may disclose different cameras from different manufactures, the record before us shows that Petitioner is relying on structural and operational components that both devices share. In other words, the relevant structures and operations in Sony and Casio that Petitioner relies on in the underlying litigation and in this proceeding to show either invalidity or unpatentability

are substantially the same despite being incorporated into two different devices.

Consistent with our understanding that Sony and Casio are substantially the same, we note that the district court in the underlying litigation likewise found “the Casio Camera seems cumulative to the already disclosed references” and the Sony Camera had already been disclosed at the time of that ruling. *See* Ex. 2006, 6; Ex. 2003, 36–38. Petitioner’s statements to the contrary that Sony and Casio invalidate the challenged claims in different ways is notably conclusory without any basis provided to substantiate the position. *See* Pet. Reply 4.

This fourth *Fintiv* factor involves consideration of inefficiency concerns and the possibility of conflicting decisions. *Fintiv*, Paper 11 at 12. Therefore, “if the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.” *Id.* As discussed, there is substantial overlap between the grounds asserted in the underlying litigation and those asserted in the Petition, so that institution of an *inter partes* review likely will result in duplicative efforts by the Board and the trial court as to how the references teach limitations of the challenged claims. Further, accepting Petitioner’s representation that it has substantially more evidence regarding Sony’s structure and operation in the underlying litigation than it has of Casio’s structure and operation in this proceeding, we find that efficiency and fairness tips toward giving way to the underlying litigation that is set to begin trial in less than three months. For these reasons, we determine that this factor on balance favors the exercise of discretionary denial.

*E. Fintiv Factor 5: Whether Petitioner is the Defendant in the Underlying Litigation*

It is undisputable that Petitioner here is the defendant in the underlying litigation. *See* Ex. 1010. Because the trial court may reach the overlapping issues before the Board would in a final written decision, this factor favors the exercise of discretionary denial in this case. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15, 15 (PTAB May 13, 2020) (informative, designated July 13, 2020) (determining factor 5 weighs in favor of discretionary denial when the parallel proceeding involves the same parties and the trial court may reach overlapping issues before the Board would in a final written decision).

*F. Fintiv Factor 6: Other Considerations*

Under the sixth *Fintiv* factor, which takes into account any other relevant circumstances, Patent Owner argues that Petitioner unreasonably delayed in filing the Petition. Prelim. Resp. 13–22. Petitioner explains that it needed time to locate relevant prior art and prepare petitions for *inter partes* review. Pet. Reply 2–3. Having considered the particular factual circumstances of this case, we do not consider Petitioner’s filing untimely.

Petitioner also presents extensive policy arguments against the Board’s application of *Fintiv* and *NHK* in determining whether to exercise discretion to deny institution under 35 U.S.C. § 314(a). Pet. Reply 8–11. We need not address these arguments, as the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office has designated *Fintiv* and *NHK* as precedential decisions of the Board.

As noted in *Fintiv*, a balanced assessment of factors may include consideration of the merits. *Fintiv*, Paper 11 at 14–15. Although we do not

undertake here a full analysis of the merits, our initial inspection of the record and the parties' arguments suggests a potential deficiency in Petitioner's evidence supporting its contention that Casio and Juen disclose using different intervals when mixing or culling signal charges accumulated in the vertically arranged pixel lines based on whether the electric camera is monitoring in a static image mode or recording in a moving video mode. *See* Pet. 34–47; Prelim. Resp. 61–63. In a balanced assessment of the relevant evidence of record, and in view of the possible weakness in Petitioner's showing on the present record, this factor is neutral or weighs slightly in favor of discretionary denial.

#### *G. Conclusion*

Based on the particular circumstances of this case, we determine that instituting an *inter partes* review would be an inefficient use of Board resources. As discussed above, the trial in the underlying litigation is currently scheduled to begin in less than three months and may conclude several months before we would reach a final decision in this proceeding. The district court and the parties have expended effort in preparing for the upcoming trial that will address issues that substantially overlap with those raised in the Petition. Further, based on our preliminary assessment of the merits, we have identified a potential deficiency in Petitioner's evidence regarding the use of different intervals when mixing or culling signal charges accumulated in the vertically arranged pixel lines based on whether the electric camera is monitoring in a static image mode or recording in a moving video mode. All of the *Fintiv* factors discussed above either weigh in favor of exercising discretion to deny institution or are neutral. On balance, after a holistic consideration of the relevant facts, we conclude that

efficiency and integrity of the system are best served by denying institution. Thus, we exercise our discretion under § 314(a) to deny institution of *inter partes* review.

#### IV. ORDER

Accordingly, it is

ORDERED that the Petition is *denied*; and

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

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