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Filed on behalf of Intel Corporation

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INTEL CORPORATION,
Petitioner,

v.

VLSI TECHNOLOGY LLC,
Patent Owner.

Case IPR2020-00498
U.S. Patent No. 7,725,759

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 August 19, 2020 (Paper 16) in IPR2020-00498, attached as Exhibit A, and the Decision Denying Petitioner's Request on Rehearing of the Decision Denying Institution of Inter Partes Review entered December 18, 2020 (Paper 21) in IPR2020-00498, 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 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 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.

Dated: February 1, 2021

Respectfully submitted,

/Benjamin S. Fernandez/

Benjamin S. Fernandez, Reg. No. 55,172

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 Federal Express on this 1st day of February, 2021, with the Director of the United States Patent and Trademark Office, at the following address:

United States Patent and Trademark Office
c/o Office of the General Counsel
Madison Building East, Room 10B20
600 Dulany Street
Alexandria, VA 22314

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 1st day of February, 2021, and the filing fee is being paid electronically using pay.gov.

I hereby certify that on February 1, 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 Owner:

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EXHIBIT A

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INTEL CORPORATION,
Petitioner,

v.

VLSI TECHNOLOGY LLC,
Patent Owner.

IPR2020-00498
Patent 7,725,759 B2

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 12, 18–22, 24, 26, and 27 (the “challenged claims”) of U.S. Patent No. 7,725,759 B2 (Ex. 1101, “the ’759 patent”). Paper 4 (“Pet.”). VLSI Technology LLC (“Patent Owner”) filed a Preliminary Response. Paper 10 (“Prelim. Resp.”). Pursuant to our authorization (Paper 12), Petitioner filed a Reply to Patent Owner’s Preliminary Response (Paper 13 (“Pet. Prelim. Reply”)) and Patent Owner filed a Sur-reply (Paper 15, “PO Prelim. Sur-reply”), each directed to whether we should exercise our discretion to deny institution pursuant to 35 U.S.C. § 314(a).

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 6 (Patent Owner's Mandatory Notices), 1.

B. Related Matters

The parties identify the '759 patent as the subject of *VLSI Tech. LLC v. Intel Corp.*, No. 6-19-cv-00254 ("Western District of Texas litigation"). Pet. 4–5; Paper 6, 1. Petitioner explains that the '759 patent is one of several patents asserted by Patent Owner in three venues: Nos. 19-cv-00254, -00255, -00256 (W.D. Tex.); 18-966-CFC (D. Del.); and 5-17-cv-05671 (N.D. Cal.). Pet. 4–5. Petitioner also explains that cases -00254, -00255, and -00256 are consolidated until trial as 1-19-cv-00977. *Id.* at 5.

Petitioner also challenges claims of the '759 patent in IPR2020-00106. In that case, we exercised our discretion to deny institution of *inter partes* review pursuant to 35 U.S.C. § 314(a) for similar reasons. *Intel Corp. v. VLSI Tech. LLC*, IPR2020-00106, Paper 17 (PTAB May 5, 2020). Petitioner filed a request for rehearing (Paper 18) and a request for Precedential Opinion Panel review (Paper 19), which are both pending.

C. Asserted Grounds of Unpatentability

Petitioner challenges the patentability of claims 12, 18–22, 24, 26, and 27 of the ’759 patent on the following grounds (Pet. 4):

Claim(s) Challenged	35 U.S.C. §	References
12	103 ¹	Chen, ² Terrell, ³ Rusu ⁴
18, 20–22, 24, 27	103	Chen, Terrell, Kiriake ⁵
19, 26	103	Chen, Terrell, Kiriake, Rusu
12	103	Shaffer, ⁶ Lint, ⁷ Rusu
18, 20–22, 24, 27	103	Shaffer, Lint, Kiriake
19, 26	103	Shaffer, Lint, Kiriake, Rusu

Petitioner relies on the Declaration of Dr. Bruce Jacob (Ex. 1102) 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*.

¹ The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended 35 U.S.C. § 103. Because the ’759 patent has a filing date of August 30, 2006, which is prior to the effective date of the applicable AIA amendments, we refer to the pre-AIA version of § 103. *See* Ex. 1101, code (22).

² U.S. Patent No. 5,835,995, issued Nov. 17, 1998 (Ex. 1103, “Chen”).

³ U.S. Patent Application Publication No. 2004/0098631 A1, pub. May 20, 2004 (Ex. 1104, “Terrell”).

⁴ U.S. Patent Application Publication No. 2003/0065960 A1, pub. Apr. 3, 2003 (Ex. 1127, “Rusu”).

⁵ U.S. Patent Application Publication No. 2003/0159080 A1, pub. Aug. 21, 2003 (Ex. 1128, “Kiriake”).

⁶ U.S. Patent No. 6,298,448 B1, Oct. 2, 2001 (Ex. 1005, “Shaffer”).

⁷ U.S. Patent No. 7,360,103 B2, Apr. 15, 2008 (Ex. 1106, “Lint”).

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)).

“[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 6; PO Prelim. Sur-reply 1–2 (citations omitted). 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

According to the most recent scheduling order in the record, trial in the Western District of Texas involving the ’759 patent currently is scheduled to start on November 26, 2020. *See* Prelim. Resp. 11 (citing Ex. 2042 (Second Amended Agreed Scheduling Order), 3). If a proceeding were instituted, a final written decision in this matter likely would not issue until August 2021, approximately nine months after the scheduled trial date.

Accordingly, on the record before us, this factor weighs 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. 16. The Western District of Texas issued a claim construction order on January 3, 2020, over seven months ago, although the court did not construe any claim terms from the ’759 patent. *See id.* at 16–17 (noting Petitioner proposed no claim terms from the ’759 patent for construction). Additionally, the parties’ final

infringement and invalidity contentions were served in January 2020. *Id.* at 16.

Petitioner does not directly address this factor. *See* Pet. 4–6; *see generally* Pet. Prelim. Reply

In light of the present posture of the district court action, we find that the parties’ investment in that action 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. 17–20 (contending that Petitioner relies upon the same references, in the same combinations). Patent Owner points to Petitioner’s final invalidity contentions challenging the claims as obvious over Chen, Terrell, Kiriake, and Rusu and as obvious over Shaffer, Lint, Kiriake, and Rusu. *Id.* at 18–19 (comparing the Petition to Petitioner’s Final Invalidity Contentions (Ex. 2013)).

Petitioner does not dispute Patent Owner’s argument, but contends that “the scope of trial is uncertain due to VLSI’s consistent refusal to discuss claim narrowing.” Pet. Prelim. Reply 10.

As noted above, Petitioner raises six grounds of obviousness pursuant to 35 U.S.C. § 103(a), three based on Chen and Terrell and three based on Shaffer and Lint, with each also including Kiriake and/or Rusu. In comparison, Petitioner’s Final Invalidity Contentions assert that claims 1–4, 7, 8, 12, 14, 15, 17–21, 24, and 26 are obvious, *inter alia*, over the combination of (1) Chen, Terrell, Kiriake, and/or Rusu, and (2) Shaffer, Lint, Kiriake, and/or Rusu. Ex. 2013, 33. Accordingly, we find that the issues raised in the Petition largely overlap with those currently raised in the

Western District of Texas litigation. Although Petitioner's Final Invalidity Contentions include other combinations of references challenging overlapping claims, *see id.*, that difference alone does not negate that the same combinations of references asserted in the Petition also are asserted in Petitioner's Final Invalidity Contentions.

Additionally, on the record before us, each of the claims challenged via petition also is included in Petitioner's Final Invalidity Contentions, with the exception of dependent claims 22 and 27. *Compare* Pet. 1, *with* Ex. 2013, 33. Petitioner, however, does not raise this difference in its papers let alone argue that the difference is a reason not to exercise our § 314(a) discretion to deny institution. Thus, on the present record, we agree with Patent Owner that there is a substantial overlap between the issues raised in the Petition and in the Western District of Texas litigation.

Accordingly, this factor weighs in favor of 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. 20. 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 raises three primary arguments regarding other circumstances that it asserts impact our exercise of discretion. First, Petitioner contends that discretionary denial would reward Patent Owner's tactics to evade review of its patents. Pet. Prelim. Reply 2–4. 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. Petitioner contends that, as part of Patent Owner’s pattern of conduct, Patent Owner has refused to narrow the claims asserted in the Western District of Texas litigation because there is no deadline for claim narrowing in the schedule. *Id.* at 4 (citing Ex. 1145, 2).

Although related, Petitioner discusses the following under its “third” reason. 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 8–10. 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—all to encourage a quick settlement or long-shot jury verdict and avoid IPR review. *Id.* at 8–9.

Even if Petitioner’s contentions are true, Petitioner has not shown these contentions will avoid adjudication of Intel’s invalidity defenses. The validity of the ’759 patent is at issue in the co-pending litigation, which is currently scheduled to go to trial well before the deadline for a final written decision in this proceeding. Additionally, Petitioner’s argument as to whether and when Patent Owner will narrow its claims in the Western District of Texas litigation is too speculative as there is insufficient evidence in the record to show which claims, if any, challenged in the present petition and presently in Texas will not be adjudicated at trial. Accordingly, this argument does not weigh against exercising our discretion to deny institution pursuant to § 314(a).

Second, Petitioner argues the Board should not apply the *NHK/Fintiv* framework in the present proceeding because the framework is inconsistent with the AIA's purpose, is inconsistent with Congress' decision to allow petitioners up to one year to challenge a patent after receiving a complaint, encourages gamesmanship, will allow unpatentable claims to survive in greater numbers, and creates significant practical problems. *See* Pet. Prelim. Reply 4–8. Although, Petitioner's arguments may be appropriate for review in another forum, we are bound to follow the precedential *NHK/Fintiv* framework.

For the above reasons, the circumstances identified by the parties do not weigh in favor of or against exercising our discretion to deny institution pursuant to § 314(a).

7. Weighing the factors

There is no dispute that the related district court litigation involves the same parties and issues as this proceeding. At this juncture, the related litigation is fairly advanced and trial is scheduled for November. The district court will likely resolve the issues in this proceeding before we would reach a final written decision, and instituting an *inter partes* review would likely duplicate the district court's efforts and could lead to inconsistent results, undercutting the efficiency and integrity of the patent system. After weighing all of the factors and taking a holistic view of the relevant circumstances of this proceeding, we determine 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.

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition (Paper 4) is *denied* as to the challenged claims of the '759 patent; and

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

IPR2020-00498
Patent 7,725,759 B2

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EXHIBIT B

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INTEL CORPORATION,
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VLSI TECHNOLOGY LLC,
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IPR2020-00498
Patent 7,725,759 B2

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 17, “Rehearing Request” or “Req. Reh’g”) of the Decision Denying Institution of *Inter Partes* Review (Paper 16, “Decision” or “Inst. Dec.”). Petitioner also filed a request for the Precedential Opinion Panel (“POP”) to review the Decision (Paper 19 (Notification of Receipt of POP Request)), which the POP denied (Paper 20 (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 failing to place sufficient weight on (a) the identity and prior conduct of VLSI Technology LLC (“Patent Owner”) and (b) Petitioner’s argument that only a subset of the claims challenged in the Petition (Paper 4) will be

presented and resolved in the related district court trial. *See, e.g.*, Req. Reh’g 1–2.

First, 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 20.

Second, on the record before us, we do not believe that we incorrectly weighed the identity and prior conduct of Patent Owner or the potential difference in claims challenged in the Petition and asserted in the related litigation in deciding whether to exercise our discretion to deny institution pursuant to 35 U.S.C. § 314(a). 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, Petitioner has not shown these contentions will avoid adjudication of Intel’s validity defenses” in the related Western District of Texas litigation, in which trial was scheduled to occur well before the deadline for a final written decision in this proceeding. Dec. 9. In light of the record at the time, we found that a consideration of all of the circumstances identified by the parties in connection with *Fintiv* factor 6 did not weigh in favor of or against exercising discretion to deny institution. *Id.* at 8–10.

Additionally, we disagree with Petitioner’s assertion that we placed inadequate weight on Petitioner’s argument that only a portion of the claims challenged in the Petition might be asserted at trial. *See* Req. Reh’g 2–3, 12–15. In the Preliminary Reply, Petitioner asserted that “[a]lthough it is clear that not all patents and claims will be tried at the same time, the scope of trial is uncertain due to [Patent Owner’s] consistent refusal to discuss claim narrowing.” Pet. Prelim. Reply 10. This argument, however, was not

persuasive because it was based on speculation. Dec. 9. Specifically, the record did not show when, if at all, Patent Owner would narrow the claims asserted in the related litigation. Based on the record presented, we considered the overlap between the claims challenged in the Petition and those asserted in the related litigation in addressing *Fintiv* factor 4 (overlap between issues raised in the petition and in the parallel proceeding). *Id.* at 7–8. In particular, at the time of our Decision, we found that “on the record before us, each of the claims challenged via petition also is included in Petitioner’s Final Invalidity Contentions, with the exception of dependent claims 22 and 27.” *Id.* at 8. And, we noted that Petitioner did not argue that difference as a reason not to exercise our § 314(a) discretion to deny institution. *Id.*

In its Rehearing Request, Petitioner contends Patent Owner “recently narrowed its asserted claims—only *after* the Board issued its discretionary denial decision—such that five out of the nine claims challenged in this petition are no longer asserted in the co-pending litigation.” Req. Reh’g 14 (citing Ex. 1151 (Sept. 11, 2020, Identification of Claims)). Petitioner asserts “[i]f the Board does not revisit its denial of institution decision, these five claims (and any other claims [Patent Owner] may drop before trial) will be insulated from validity challenges, as [Petitioner] will be barred from challenging those claims in future petitions.” *Id.* (citing 35 U.S.C. § 315(b)).

Petitioner has not shown that this change in circumstance warrants modifying (1) the determination that *Fintiv* factor four weighs in favor of exercising discretion to deny institution or (2) the determination, after weighing all factors and taking a holistic view of the relevant circumstances, to exercise discretion to deny institution. Several of the claims challenged in the Petition are still at issue in the parallel proceeding, and the combinations

of references asserted by Petitioner in the district court largely overlap with the combinations of references asserted in the Petition. *See Fintiv*, Paper 11 at 13 (“if a petition involves the same prior art challenges but challenges claims in addition to those that are challenged in the district court, it may still be inefficient to proceed because the district court may resolve validity of enough overlapping claims to resolve key issues in the petition”).

Nor are we persuaded by Petitioner’s argument that if “the Board does not revisit its denial of institution decision, these five claims (and any other claims VLSI may drop before trial) will be insulated from validity challenges, as Intel will be barred from challenging those claims in future petitions.” Req. Reh’g 14 (citing 35 U.S.C. § 315(b)); *see also id.* (stating that “VLSI can assert those shielded claims against others in future cases”). Although Petitioner may be barred from challenging the dropped claims in future petitions, there is no indication that Petitioner would be precluded from challenging those claims in district court litigation if Patent Owner ultimately decides to pursue them against Petitioner or that a third party would be precluded from challenging those claims via petition if asserted against that party by Patent Owner.

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

III. ORDER

For the foregoing reasons, it is:

ORDERED that Petitioner’s Rehearing Request (Paper 17) is *denied*.

IPR2020-00498
Patent 7,725,759 B2

For PETITIONER:

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