

DOCKET NO.: 0107131-00662US1

Filed on behalf of Intel Corporation

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

Mary (“Mindy”) V. Sooter, Reg. No. 71,022

Richard Goldenberg, Reg. No. 38,895

R. Gregory Israelsen, Reg. No. 72,805

Wilmer Cutler Pickering Hale and Dorr LLP

1225 17th Street, Suite 2600

Denver, Colorado 80202

Tel: (720) 274-3135

Email: Mindy.Sooter@wilmerhale.com

Ben.Fernandez@wilmerhale.com

Richard.Goldenberg@wilmerhale.com

Greg.Israelsen@wilmerhale.com

UNITED STATES PATENT AND TRADEMARK OFFICE

---

**BEFORE THE PATENT TRIAL AND APPEAL BOARD**

---

INTEL CORPORATION,  
Petitioner,

v.

VLSI TECHNOLOGY LLC,  
Patent Owner.

---

Case IPR2020-00106  
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 May 5, 2020 (Paper 17) in IPR2020-00106, attached as Exhibit A, and the Decision Denying Petitioner’s Request on Rehearing of the Decision Denying Institution of Inter Partes Review entered December 10, 2020 (Paper 21) in IPR2020-00106, 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 1<sup>st</sup> 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:

weatherwax@lowensteinweatherwax.com

lowenstein@lowensteinweatherwax.com

smith@lowensteinweatherwax.com

rose@lowensteinweatherwax.com

hsieh@lowensteinweatherwax.com

hendifar@lowensteinweatherwax.com

maloney@lowensteinweatherwax.com

linger@lowensteinweatherwax.com

VLSI\_IPRs@lowensteinweatherwax.com

*/Benjamin S. Fernandez/  
Benjamin S. Fernandez  
Registration No. 55,172*

# **EXHIBIT A**

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

INTEL CORPORATION,  
Petitioner,

v.

VLSI TECHNOLOGY LLC,  
Patent Owner.

---

IPR2020-00106  
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 for *inter partes* review of claims 1–4, 7, 8, 13–15, and 17 of U.S. Patent No. 7,725,759 B2 (Ex. 1001, “the ’759 patent”). Paper 3 (“Pet.”). VLSI Technology LLC (“Patent Owner”) filed a Preliminary Response. Paper 7 (“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 14, “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.”); *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i) (recognizing the same); *NHK Spring Co. v. Intri-Plex Technologies, Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential) (same); *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).

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 following pending matter related to the '759 patent: *VLSITech. LLC v. Intel Corp.*, No. 19-cv-00254-ADA (W.D. Tex.) ("Western District of Texas litigation"). Pet. 1; Paper 5, 1. The parties identify two matters that are no longer pending: *VLSITech. LLC v. Intel Corp.*, No. 6:19-cv-00254 (W.D. Tex.) and *VLSITech. LLC v. Intel Corp.*, No. 1-19-cv-00426 (D. Del.). Pet. 1; Paper 5, 1. Petitioner also challenges claims of the '759 patent in IPR2020-00498. *See Intel Corp. v. VLSITech. LLC*, IPR2020-00498, Paper 4 (PTAB Feb. 4, 2020) (petition).

*C. Asserted Grounds of Unpatentability*

Petitioner challenges the patentability of claims 1–4, 7, 8, 13–15, and 17 of the '759 patent on the following grounds (Pet. 4):

<b>Claim(s) Challenged</b>	<b>35 U.S.C. §</b>	<b>References</b>
1, 2, 4, 7, 8, 13, 14, 17	103 <sup>1</sup>	Shaffer, <sup>2</sup> Lint <sup>3</sup>
3	103	Shaffer, Lint, Taketoshi <sup>4</sup>
1–4, 7, 8, 13–15, 17	103	Chen, <sup>5</sup> Terrell

Petitioner relies on the Declaration of Dr. Bruce Jacob (Ex. 1002) in support of its unpatentability contentions.

III. ANALYSIS – 35 U.S.C. § 314(a)

Patent Owner contends that the facts presented here are the same as those presented in *NHK Spring Co. v. Intri-Plex Technologies, Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential), where the Board denied institution pursuant to 35 U.S.C. § 314(a). *See* Prelim. Resp. 6. Petitioner asserts that we should not exercise our discretion to deny institution pursuant to § 314(a) because Petitioner will have a limited amount of time in the Western District of Texas trial to demonstrate invalidity and the Petition presents “unique issues.” Pet. 4–5.

---

<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 '759 patent has an effective filing date prior to the effective date of the applicable AIA amendments, we refer to the pre-AIA versions of § 103.

<sup>2</sup> U.S. Patent No. 6,298,448 B1, issued Oct. 2, 2001, filed Dec. 21, 1998 (Ex. 1005, “Shaffer”).

<sup>3</sup> U.S. Patent No. 7,360,103 B2, issued Apr. 15, 2008, filed May 21, 2004 (Ex. 1006, “Lint”).

<sup>4</sup> U.S. Patent Application Pub. No. 2005/0102560 A1, pub. May 12, 2005 (“Ex. 1007, “Taketoshi”).

<sup>5</sup> U.S. Patent No. 5,838,995, issued Nov. 17, 1998, filed Dec. 18, 1995 (Ex. 1003, “Chen”).

In determining whether to exercise our discretion, we are guided by the Board’s precedential decision in *NHK*. There, the Board found that the “advanced state of the district court proceeding,” in which the “same prior art and arguments” were presented by Petitioner, expert discovery was scheduled to end in less than two months, and a jury trial was scheduled to begin in six months, was a “factor that weighs in favor of denying” the petition under § 314(a). *NHK*, IPR2018-00752, 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 Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16–17 (PTAB Sept. 6, 2017) (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). When applying *NHK*, the Board has balanced the following non-exclusive factors (“*Fintiv* factors”):

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.

*Id.* at 5–6. We discuss the parties’ arguments in the context of considering the above factors.

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

Petitioner contends that “[a]lthough the district court has not entered a stay, the parties could stipulate to a stay, so as not to use the court’s resources to litigate validity issues—just as the parties did in the California litigation.”<sup>6</sup> Pet. Prelim. Reply 6. Patent Owner responds by noting that neither party has requested a stay in the Western District of Texas litigation, which is where the ’759 patent currently is asserted, and Patent Owner will not stipulate to a stay. PO Prelim. Sur-reply 1. Additionally, Patent Owner argues that the Western District of Texas rarely grants stays pending outcomes of *inter partes* review proceedings. *Id.* at 2 (citations omitted).

On the present record, we find that the Western District of Texas has not granted a stay and there is no evidence suggesting that a stay might be requested or granted if an *inter partes* review were initiated. A judge determines whether to grant a stay based on the facts of each specific case as presented in the briefs by the parties. We decline to infer, based on actions taken in different cases with different facts, how the District Court would rule should a stay be requested by the parties in the parallel case here. Thus, this factor does not weigh for or against discretionary denial in this case.

---

<sup>6</sup> See Pet. Prelim. Reply 3 (referring to *VLSITech. LLC v. Intel Corp.*, No. 5:17-cv-05671 (N.D. Cal.)).

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

The parties agree that the trial in the Western District of Texas currently is scheduled to start in less than six months, on October 5, 2020. *See* Prelim. Resp. 7 (citing Ex. 2009 (Agreed Scheduling Order)), 3; Pet. Prelim. Reply 6; *see also* PO Prelim. Sur-reply 4. A final written decision in this matter would not issue until approximately May 2021, seven months after trial.

The parties also agree that there is some uncertainty as to whether trial actually will occur on October 5<sup>th</sup>. *See* Pet. Prelim. Reply 6–7; PO Prelim. Sur-reply 4–6. In particular, there are two variables contributing to that uncertainty. First, there are three actions between the parties pending in the Western District of Texas, each scheduled for trial on October 5<sup>th</sup>, yet the three actions are scheduled for separate trials.<sup>7</sup> Pet. Prelim. Reply 6–7; PO Prelim. Sur-reply 4–5. Thus, as of today, the evidence supports a finding that at least two of the trials will not occur on October 5<sup>th</sup>.<sup>8</sup>

Patent Owner explains, however, that the action involving the '759 patent was the first-filed case of the three actions and that Patent Owner's proposed trial schedule requests that this action be tried first. PO Prelim. Sur-reply 5 (citing Ex. 2031 (APPENDIX A – Proposed Scheduling Order), 4<sup>9</sup>). Patent Owner further explains that Petitioner

---

<sup>7</sup> In addition to the action involving the '759 patent (i.e., 6:19-cv-00254), the other two cases pending in the Western District of Texas are Nos. 6:19-cv-00255 and -00256.

<sup>8</sup> It is possible that the parties may agree to hold one trial addressing all three actions. At this point, however, that is not the plan. Pet. Prelim. Reply 6–7; PO Prelim. Sur-reply 4–5.

<sup>9</sup> Patent Owner cites to page 4 of Exhibit 2031, but the actual page indicating the October 5<sup>th</sup> trial date is page 3.

appears to seek a single trial date for all three actions (*id.* (citing Ex. 2030 (Telephonic Discovery Hearing) 10:11–15)), whereas Patent Owner proposed December 14, 2020, and January 25, 2021, as trial dates for the other two actions (Ex. 2031, 4). *See* PO Prelim. Sur-reply 4–5. Should trial occur in either December 2020 or January 2021 in the action involving the ’759 patent, those dates are still five and four months, respectively, before any final written decision likely would issue in this proceeding.

Second, there is uncertainty about what effect the coronavirus disease 2019 (“COVID-19”) pandemic will have with respect to the trial date. *See* Pet. Prelim. Reply 7–8; PO Prelim. Sur-reply 5–6. The situation is evolving daily. Although trials currently are suspended in the Western District of Texas through May 1, 2020, it is unclear what impact that suspension or any further suspension would have on trial dates scheduled later this year and early next year. Given the substantial gap of approximately seven months between the October 5, 2020, trial date and the expected May 2021 deadline for any final written decision in this proceeding, it is unclear, based on the present record, that the trial date would be delayed to a date after a final written decision in this proceeding as a result of COVID-19.

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*

The Western District of Texas issued a claim construction order on January 3, 2020, over three months ago, although neither party requested that the court construe claim terms from the ’759 patent. *See* Prelim. Resp. 5; Pet. Prelim. Reply 8 (citing Ex. 2010 (Claim Construction Order)). Additionally, final infringement and invalidity contentions were served in January 2020, and fact discovery currently is scheduled to close on May 22,

2020. PO Prelim. Sur-reply 7 (citing Ex. 2036 (First Amended Scheduling Order)).

In *Fintiv*, the Board explained that potential delay by a Petitioner “may impose unfair costs to a patent owner if the petitioner, faced with the prospect of a looming trial date, waits until the district court trial has progressed significantly before filing a petition at the Office.” *Fintiv*, IPR2020-00019, Paper 11 at 11. Here, Petitioner contends that Patent Owner first asserted the challenged claims in its July 22, 2019 Preliminary Infringement Contentions and Petitioner promptly filed the Petition three months later. Pet. Prelim. Reply 5.

Although we do not find that Petitioner unreasonably delayed filing the Petition, we do find that the parties have invested significantly in the Western District of Texas litigation. As noted above, the district court claim construction order issued in January 2020, final infringement and invalidity contentions were served in January 2020, and fact discovery currently is scheduled to close on May 22, 2020. See PO Prelim. Sur-reply 7 (citing Ex. 2036). In addition to the dates noted above, expert discovery is scheduled to close in July 2020, followed by pretrial submissions before the trial. Ex. 2036, 2–3. In light of the present posture of the district court action, including past and future deadlines, 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. Sur-reply 7; see Prelim. Resp. 8–10 (contending that Petitioner relies upon the same references, in the same combinations, and for



the same disclosures). Patent Owner provides a “tabulation of all of Petitioner’s citations to each of these references for each limitation of Claim 1 in both the Final Invalidity Contentions and the Petition, showing that they are the same.” Prelim. Resp. 9–10 (citing Ex. 2008).

Petitioner does not disagree with Patent Owner’s argument, contending instead that “[t]he [P]etition advances only a few grounds in Intel’s contentions.” Pet. Prelim. Reply 9 (citing Ex. 2013 (Defendant Intel Corporation’s Final Invalidity Contentions (U.S. Patent No. 7,725,759)), 6–10, 33–34). Additionally, Petitioner contends that the Petition “presents unique issues” (Pet. 5), but does not identify those issues or provide any further explanation thereof in either the Petition or Preliminary Reply.

As noted above, Petitioner raises three grounds of obviousness pursuant to 35 U.S.C. § 103(a). In its first ground, Petitioner relies upon Shaffer and Lint in challenging claims 1, 2, 4, 7, 8, 13, 14, and 17 and adds Taketoshi to that combination in challenging claim 3 in its second ground. Pet. 4. In comparison, Petitioner’s Final Invalidity Contentions assert that “[c]laims 1–4, 7–8, 12, 14–15, 17–21, 24, and 26 are obvious over Shaffer in view of any one or more of Terrell, Mirov, Sheets, Lint, Taketoshi, Kiriake and/or Velasco, and further in view of Girson, Grunwald, and/or Rusu.” Ex. 2013, 30. In its third ground, Petitioner relies upon Chen and Terrell in challenging claims 1–4, 7, 8, 13–15, and 17. Pet. 4. In comparison, Petitioner’s Final Invalidity Contentions assert that “[c]laims 1–2, 7–8, 14–15, 17–18, 20–21, and 24 are obvious over Chen in view of any one or more of Terrell, Mirov, Shaffer, Sheets, Lint, Kiriake, and/or Velasco.” Ex. 2013, 30. 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

numerous other combinations of references challenging overlapping claims, *see id.* at 30–31, that difference alone does not negate that the same combinations of references asserted in the Petition are also asserted in Petitioner’s Final Invalidity Contentions.

Additionally, as noted above, Petitioner challenges other claims of the ’759 patent in IPR2020-00498, specifically, claims 12, 18–22, 24, 26, and 27. On the record before us, each of the claims challenged via petition (whether in this proceeding or IPR2020-00498) also is included in Petitioner’s Final Invalidity Contentions, with the exception of claim 13. *Compare* Paper 9 (Petitioner’s Explanation for Filing Two Petitions for *Inter Partes* Review of U.S. Patent No. 7,725,759), 2, *with* Ex. 2013, 30–31. 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. Pet. Prelim. Reply 10 n.7; PO Prelim. Sur-reply 8 (citing Pet. Prelim. Reply 10 n.7). 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 spends nearly half of its Preliminary Reply explaining what it refers to as Patent Owner's tactics to "evade" review of its patents. *See* Pet. Prelim. Reply 2–5 (asserting Patent Owner's request for discretionary denial is "part of a series of carefully orchestrated tactics aimed at avoiding adjudication of [Petitioner's] invalidity defenses"). Petitioner's contentions include that: (a) Patent Owner is a holding company created by Fortress Investment Group ("Fortress") to acquire and assert patents against Petitioner for the purpose of investment returns (*id.* at 2 (citing Ex. 1045)); (b) affiliates of Fortress have filed over 150 patent lawsuits supported by "a \$400M patent assertion fund" (*id.* (citing Ex. 1046)); (c) Patent Owner has asserted twenty-one patents with over 430 claims against Petitioner in three different U.S. jurisdictions and two different jurisdictions in China (*id.* at 2 & n.4); and (d) Patent Owner's filing of lawsuits in combination with voluntary dismissals and refileing of other suits reflects a pattern to evade effective judicial review of its patents (*id.* at 2–5).

Patent Owner responds, contending that Petitioner's arguments are irrelevant and an improper attempt to re-litigate positions that Petitioner already raised in an antitrust suit against, *inter alia*, Patent Owner in the Northern District of California. PO Prelim. Sur-reply 10 (citing, e.g., Ex. 2037 (Defendants' Joint Notice of Motion and Motion to Dismiss and to Strike Plaintiffs' Complaint)).

Even if Petitioner's contentions are true, Petitioner has not shown these contentions will "avoid[] adjudication of Intel's invalidity defenses." *See* Pet. Prelim. Reply 2. 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. Accordingly, Petitioner's arguments do not weigh against exercising our discretion to deny institution pursuant to § 314(a).

Thus, all of the *Fintiv* factors discussed above either weigh in favor of, or do not weigh against, exercising our discretion to deny institution under § 314(a).

Petitioner also asserts the "strength of the merits" of the Petition weigh in favor of institution (*see* Pet. Prelim. Reply 9 n.6), while Patent Owner asserts the merits of the Petition weigh in favor of denying institution (*see* PO Prelim. Sur-reply 9). We have reviewed the Petition and the Patent Owner Preliminary Response and determine that the merits of the Petition do not outweigh the other *Fintiv* factors. On balance, based on the facts presented, particularly the advanced stage of the Western District of Texas litigation, a currently scheduled trial date approximately seven months before the would-be deadline for a final written decision, and the overlap between the issues presented there and in the Petition, we find that it would be an inefficient use of Board, party, and judicial resources to institute the present proceeding. *See NHK*, IPR2018-00752, Paper 8 at 20; Consolidated TPG 58 (discussing balancing the relevant circumstances). Accordingly, we exercise our discretion pursuant to § 314(a) to deny institution.

#### 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 3) is *denied* as to the challenged claims of the '759 patent; and

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

IPR2020-00106  
Patent 7,725,759 B2

For PETITIONER:

Benjamin Fernandez  
Mary Sooter  
Richard Goldenberg  
Ronald Israelsen  
WILMER, CUTLER, PICKERING, HALE AND DORR LLP  
ben.fernandez@wilmerhale.com  
mindy.sooter@wilmerhale.com  
richard.goldenberg@wilmerhale.com  
greg.israelsen@wilmerhale.com

For PATENT OWNER:

Kenneth Weatherwax  
Nathan Lowenstein  
Bridget Smith  
Flavio Rose  
Edward Hsieh  
Parham Hendifar  
Patrick Maloney  
Jason Linger  
LOWENSTEIN & WEATHERWAX LLP  
weatherwax@lowensteinweatherwax.com  
lowenstein@lowensteinweatherwax.com  
smith@lowensteinweatherwax.com  
rose@lowensteinweatherwax.com  
hseh@lowensteinweatherwax.com  
hendifar@lowensteinweatherwax.com  
maloney@lowensteinweatherwax.com  
linger@lowensteinweatherwax.com

# **EXHIBIT B**

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

INTEL CORPORATION,  
Petitioner,

v.

VLSI TECHNOLOGY LLC,  
Patent Owner.

---

IPR2020-00106  
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 18, “Rehearing Request” or “Req. Reh’g”) of the Decision Denying Institution of *Inter Partes* Review (Paper 17, “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 3) 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 Patent Owner’s position that Petitioner was improperly attempting to re-litigate issues that were the subject of an antitrust suit pending in the Northern District of California. *See* Dec. 12. We further 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. *Id.* at 12–13. In light of the record at the time, we found that Petitioner’s arguments did not weigh against exercising discretion to deny institution. *Id.* at 13.

Additionally, contrary to Petitioner’s assertion, we did not ignore Petitioner’s argument that only a portion of the claims challenged in the Petition might be asserted at trial even if we did not expressly indicate our consideration of Petitioner’s position. *See* Req. Reh’g 6, 13–15. In the Preliminary Reply, Petitioner asserted that Patent Owner could not litigate

“every currently asserted claim in a time-limited trial” and that it is “likely” that Patent Owner would drop claims before trial in the Western District of Texas. Pet. Prelim. Reply 7. This argument, however, was not persuasive because it was based on speculation. 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). Dec. 9–11. In particular, at the time of our Decision, we found that “[o]n the record before us, each of the claims challenged via petition (whether in this proceeding or [related] IPR2020-00498) also is included in Petitioner’s Final Invalidity Contentions, with the exception of claim 13.” *Id.* at 11. And, we noted that Petitioner did not argue that difference as a reason not to exercise our § 314(a) discretion to deny institution. *Id.*

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 18) is *denied*.

IPR2020-00106  
Patent 7,725,759 B2

For PETITIONER:

Benjamin Fernandez  
Mary Sooter  
Richard Goldenberg  
Ronald Israelsen  
WILMER, CUTLER, PICKERING, HALE AND DORR LLP  
ben.fernandez@wilmerhale.com  
mindy.sooter@wilmerhale.com  
richard.goldenberg@wilmerhale.com  
greg.israelsen@wilmerhale.com

For PATENT OWNER:

Kenneth Weatherwax  
Parham Hendifar  
Bridget Smith  
Flavio Rose  
Edward Hsieh  
Patrick Maloney  
Jason Linger  
LOWENSTEIN & WEATHERWAX LLP  
weatherwax@lowensteinweatherwax.com  
hendifar@lowensteinweatherwax.com  
smith@lowensteinweatherwax.com  
rose@lowensteinweatherwax.com  
hseh@lowensteinweatherwax.com  
maloney@lowensteinweatherwax.com  
linger@lowensteinweatherwax.com