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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 IPR2020-00114

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 19, 2020 (Paper 15) in IPR2020-00114, attached as Exhibit A, and the Decision Denying Petitioner’s Request on Rehearing of the Decision Denying Institution of *Inter Partes* Review entered January 21, 2021 (Paper 19) in IPR2020-00114, attached as Exhibit B, and all prior and interlocutory rulings related thereto or subsumed therein.

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

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

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

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

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

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

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

Respectfully Submitted,

/John V. Hobgood/

John V. Hobgood
Registration No. 61,540

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§ 90.2(a)(1) and 104.2(a), I hereby certify that, in addition to being filed electronically through the Patent Trial and Appeal Board's End to End (PTAB E2E) system, a true and correct original version of the foregoing PETITIONER'S NOTICE OF APPEAL is being filed by Express Mail on this 18th day of February, 2021, with the Director of the United States Patent and Trademark Office, at the following address:

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

Pursuant to 37 C.F.R. § 90.2(a)(2) and Federal Circuit Rule 15(a)(1), and Rule 52(a),(e), I hereby certify that a true and correct copy of the foregoing PETITIONER'S NOTICE OF APPEAL is being filed in the United States Court of Appeals for the Federal Circuit using the Court's CM/ECF filing system on this 18th day of February, 2021, and the filing fee is being paid electronically using pay.gov.

I hereby certify that on February 18, 2021, I caused a true and correct copy of the PETITIONER'S NOTICE OF APPEAL to be served via electronic mail, as

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

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EXHIBIT A

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INTEL CORPORATION,
Petitioner,

v.

VLSI TECHNOLOGY LLC,
Patent Owner.

IPR2020-00114
Patent 6,366,522 B1

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

DANG, *Administrative Patent Judge*.

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

I. INTRODUCTION

A. Background

Intel Corporation (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 16–18, 20–22, and 36–38 (the “challenged claims”) of U.S. Patent No. 6,366,522 B1 (Ex. 1201, “the ’522 patent”). Paper 4 (“Pet.”). VLSI Technology LLC (“Patent Owner”) filed a Preliminary Response. Paper 8 (“Prelim. Resp.”). Pursuant to our authorization (Paper 9), Petitioner filed a Reply to Patent Owner’s Preliminary Response (Paper 10 (“Pet. Prelim. Reply”)) and Patent Owner filed a Sur-reply (Paper 12, “PO Prelim. Sur-reply”), each directed to whether we should exercise our discretion to deny institution pursuant to 35 U.S.C. § 314(a).

Under 37 C.F.R. § 42.4(a), the Board has authority to determine whether to institute an *inter partes* review. We may institute an *inter partes* review if the information presented in the petition filed under 35 U.S.C. § 311, and any response filed under § 313, shows that there is a reasonable likelihood that Petitioner would prevail with respect to at least one of the claims challenged in the petition. 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).

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). *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential).

B. Related Matters

Petitioner identifies the '522 patent as the subject of *VLSI Tech. LLC v. Intel Corp.*, No. 19-cv-00977-ADA (W.D. Tex.) ("Western District of Texas litigation"). Pet. 1. According to Petitioner, the '522 patent is one of the patents asserted by Patent Owner in *VLSI Tech. LLC v. Intel Corp.*, Nos. 6:19-cv-00254, -255, -256 (W.D. Tex.), 18-966-CFC (D. Del.), and 5-17-cv-05671 (N.D. Cal.), wherein the '522 patent is asserted in 19-cv-0255, "one of three parallel cases consolidated until trial in the Western District of Texas (1:19-cv-977-ADA)." Pet. 6. Petitioner also challenges claims of the '522 patent in IPR2020-00112 and IPR2020-00113.

C. The '522 Patent

The '522 patent, titled "Method and Apparatus for Controlling Power Consumption of an Integrated Circuit," issued on April 2, 2002, from an application filed November 20, 2000. Ex. 1201, code (54), (45), (22).

According to the '522 patent, a need exists for a method and apparatus that "adjust the system clock and/or the supply voltage based on the processing capabilities of an integrated circuit and the application being performed to conserve power." *Id.* at 1:45–48. Accordingly, the '522 patent relates to "controlling power consumption of an integrated circuit," which includes "processing that begins by producing a system clock from a reference clock based on a system clock control signal." *Id.* at 2:7–10. The

processing further includes “producing the system clock control signal and the power supply control signal based on a processing transfer characteristic of a computational engine and processing requirements.” *Id.* at 2:16–22.

The processing transfer characteristics of the computational engine include “propagation delays through logic circuits, slew rates of transistors within memory, logic circuits, read/write processing speed,” and the like. *Id.* at 3:50–57.

D. Illustrative Claim

Of the challenged claims, claim 16 is the independent claim. Claims 17, 18, 20–22, and 36–38 depend from claim 16. Claim 16 is illustrative.

16. An apparatus for controlling power consumption of an integrated circuit, the apparatus comprises:

a processing module; and

a memory operably coupled to the processing module, wherein the memory includes operational instructions that cause the processing module to:

produce a system clock from a reference clock based on a system clock control signal;

regulate at least one supply from at least one of: a linear regulator and a power source and an inductance based on a power supply control signal;

produce the system clock control signal and the power supply control signal based on a processing transfer characteristic of a computation engine and processing requirements associated with processing at least a portion of an application by the computation engine.

Ex. 1201, 8:36–53.

E. Asserted Grounds of Unpatentability

Petitioner challenges the patentability of claims 16–18, 20–22, and 36–38 of the ’522 patent on the following grounds (Pet. 5):

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
16–18, 20, 21, 37, 38	103 ¹	Borkar, ² Bland, ³ Wilcox, ⁴ Ackermann ⁵
18	103	Borkar, Bland, Wilcox, Ackermann, Horden ⁶
36	103	Borkar, Bland, Wilcox, Ackermann, Jones ⁷
22	103	Borkar, Bland, Wilcox, Ackermann, Hanington ⁸

Petitioner relies on the Declaration of Dr. David Choi (Ex. 1202) and the Declaration of Dr. James L. Mullins (Ex. 1203) in support of its unpatentability contentions.

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 ’522 patent has an effective filing date of November 20, 2000, which is prior to the effective date of the applicable AIA amendments, we refer to the pre-AIA version of § 103. *See* Ex. 1201, code (22).

² U.S. Patent No. 6,484,265, issued November 19, 2002, filed December 30, 1998 (Ex. 1206, “Borkar”).

³ U.S. Patent No. 5,614,869, issued March 25, 1997, filed December 20, 1995 (Ex. 1207, “Bland”).

⁴ U.S. Patent No. 5,481,178, issued January 2, 1996, filed March 23, 1993 (Ex. 1208, “Wilcox”).

⁵ U.S. Patent No. 6,137,280, issued October 24, 2000, filed January 22, 1999 (Ex. 1217, “Ackermann”).

⁶ U.S. Patent No. 5,812,860, issued September 22, 1998, filed February 12, 1996 (“Ex. 1209, “Horden”).

⁷ U.S. Patent No. 5,764,007, issued June 9, 1998, filed April 20, 1995 (Ex. 1210, “Jones”).

II. ANALYSIS – 35 U.S.C. § 314(a)

Patent Owner contends *inter partes* reviews are “intended as a ‘complete substitute’ for and an ‘alternative’ to district court litigation for assessing §§ 102/103 validity disputes over prior art patents and printed publications.” Prelim. Resp. 4–5 (citing *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1317 (Fed. Cir. 2018) (citing H. Rep. No. 112-98 at 48 (2011); S. Rep. No. 110-259 at 66–67 (2008) (“If second window proceedings are to be permitted, ***they should generally serve as a complete substitute for at least some phase of the litigation.***”)). However, according to Patent Owner, “[t]he District Court Action is already far along” with any possible Board final written decision “seven-and-a-half months later,” but there is no significant difference in Petitioner’s validity defenses in the *inter partes* and District Court forums, since “Petitioner raises the same art and arguments in both.” *Id.* at 4–5. In particular, according to Patent Owner, Petitioner does not “identify any distinction between the present matter and the District Court Action in terms of the art or arguments raised,” wherein “the District Court Action is scheduled to be tried seven-and-a-half months before [any possible Final Written Decision].” *Id.* at 6–7. Patent Owner contends that the facts presented here are the same as those presented in *NHK*, where the Board denied institution pursuant to 35 U.S.C. § 314(a). *Id.* at 5–6.

Petitioner asserts that we should not exercise our discretion to deny institution pursuant to § 314(a) because *inter partes* review is a more

⁸ *High-Efficiency Power Amplifier Using Dynamic Power-Supply Voltage for CDMA Applications*, IEEE Transactions on Microwave Theory and Techniques, Vol. 47, No. 8, at 1471–76, published August 1999 (Ex. 1215, “Hanington”).

efficient and expedient forum in which to adjudicate validity. Pet. 6–7. In particular, Petitioner contends that 1) the ’522 patent involves technical subject matter “well suited to the expertise of the specialized patent judges at the PTAB”; 2) “a jury trial is necessarily a more difficult forum for presenting a detailed obviousness case”; 3) since the multiple trials have not been consolidated, “it is unclear” if the trial for the ’522 patent will proceed on October 5, 2020; 4) “the time required for briefing and resolution of post-trial motions could easily result in a Final Written Decision before the district court’s final appealable judgment is docketed”; and 5) “Petitioner was diligent in timely filing [the] Petition.” *Id.*

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.*, IPR2016-01357, Paper 19 at 16–17).

“[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). When applying *NHK*, the Board has balanced the following non-exclusive factors (herein “*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.”⁹ Pet. Prelim. Reply 6. Patent Owner responds that Patent Owner will not stipulate to a stay (PO Prelim. Sur-reply 1), and notes that the Western District of Texas rarely grants stays pending the outcome of *inter partes* review proceedings. *Id.* at 2 (citations omitted).

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. A judge determines whether to grant a stay based on the

⁹ See Pet. Prelim. Reply 3 (referring to *VLSI Tech. LLC v. Intel Corp.*, No. 5:17-cv-05671 (N.D. Cal.)).

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.

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 on October 5, 2020. *See* Pet. 6; Prelim. Resp. 4 (citing Ex. 2006 (Agreed Scheduling Order)). Patent Owner contends that a final written decision in this matter would be due May 2021, if instituted, which is “seven-and-a-half months later.” Prelim. Resp. 4. However, Petitioner contends that, since three Western District of Texas actions are currently set for jury trials on October 5, 2020, “it is unclear which of these trials (and patents) will proceed [on that day],” and that “the time required for briefing and resolution of post-trial motions could easily result in a Final Written Decision before the district court’s final appealable judgment is docketed.” Pet. 6–7.

There are variables contributing to the uncertainty that the jury trial will occur on October 5, 2020. First, as the parties agree, there are three actions between the parties pending in the Western District of Texas, each scheduled for trial on October 5th, yet the three actions are scheduled for separate trials and have not been consolidated.¹⁰ Pet. Prelim. Reply 3, 6–7;

¹⁰ In addition to the action involving the ’522 patent (i.e., 6:19-cv-00255, consolidated as 1:19-cv-977-ADA), the other two cases pending in the Western District of Texas are Nos. 6:19-cv-00254 and -00256.

PO Prelim. Sur-reply 4–5. Thus, as of today, the evidence supports the finding that at least two of the trials will not occur on October 5th.¹¹

Patent Owner explains that its proposed trial schedule requests that the case involving the '522 patent be tried second. PO Prelim. Sur-reply 5 (citing Ex. 2031 (Proposed Scheduling Order), 4). Patent Owner further explains that Petitioner 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, for the case involving the '522 patent, two months after the first trial on October 5 (Ex. 2031, 4). PO Prelim. Sur-reply 4–5. Should trial occur December 2020 in the action involving the '522 patent, it would still be five months 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. Pet. Prelim. Reply 8; PO Prelim. Sur-reply 6. The situation is evolving daily. Although trials currently are suspended in the Western District of Texas through June 30, 2020 (Ex. 3001 (General May 8 Order)), 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 between the October 5 trial date (and the other potential dates proposed by Patent Owner) and May 2021 (the likely date for any final written decision in this proceeding), even if the trial date were moved back, it is unlikely on the present record that the date would be after a final written decision in this proceeding.

¹¹ 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.

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 four months ago, although neither party requested that the court construe claim terms from the '522 patent. *See* Prelim. Resp. 7–8; Pet. Prelim. Reply 8 (citing Ex. 2007 (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 it was diligent in timely filing the Petition three months before the statutory bar date. Pet. 7.

Although we do not find that Petitioner unreasonably delayed filing the Petition, we do find that the parties already 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 light of the present posture of the district court action, we find that this factor 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 7–9; *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 “Table 1” which shows a comparison of prior art figures relied upon in the Petition versus the “Final Invalidity Contentions.” Prelim. Resp. 10–12 (citing Exs. 2003, 2005).

Petitioner does not disagree with Patent Owner’s argument, contending instead that “[t]he [P]etition advances only a few of the grounds presented in Intel’s invalidity contentions.” Pet. Prelim. Reply 9 (citing Ex. 2013 (Defendant Intel Corporation’s Final Invalidity Contentions (U.S. Patent No. 6,366,522)), 2–4, 17).

As noted above, Petitioner raises four grounds of obviousness pursuant to 35 U.S.C. § 103(a). In its first ground, Petitioner relies upon Borkar, Bland, Wilcox and Ackermann in challenging claims 16–18, 20, 21, 37, and 38. Pet. 5. Petitioner adds Horden to the combination in challenging claim 18 in its second ground, adds Jones to the combination (of Borkar, Bland, Wilcox, and Ackermann) in challenging claim 36 in its third ground, and adds Hanington to the combination (of Borkar, Bland, Wilcox, and Ackermann) in challenging claim 22 in its fourth ground. *Id.*

In comparison, Petitioner’s Final Invalidity Contentions assert that claims 1, 3–9, 11–13, 15, 16, 18–23, 25, 28–30, 35, 36, and 38 are obvious over Borkar alone or in combination with Wilcox, Bland, Horden, Clark ’775, Clark ’086, Erickson, Jones, Stratakos, Buck References, Ackermann, Nicol, and/or Abdesselem. Ex. 2013, 18–52.

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 are also asserted in Petitioner's Final Invalidity Contentions.

Additionally, as noted above, Petitioner challenges other claims of the '522 patent in IPR2020-00112 and IPR2020-00113, specifically, claims 1–4, 6–8, 25, and 28 in IPR2020-00112, and claims 9–11, 13–15, 30, 31, and 34 in IPR2020-00113. On the record before us, each of the independent claims challenged via petition (whether in this proceeding, IPR2020-00112, or IPR2020-00113) also is included in Petitioner's Final Invalidity Contentions, along with many of the dependent claims. *Compare* Paper 3 (Petitioner's Explanation for Filing Multiple Petitions for *Inter Partes* Review of U.S. Patent No. 6,366,522), 2, *with* Ex. 2013, 18–52. Petitioner, however, does not raise the difference between the dependent claims at issue in each proceeding in its briefing 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 9 (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); (b) affiliates of Fortress have filed over 150 patent lawsuits supported by "a \$400M patent assertion fund" (*id.* (citing Exs. 1221, 1222)); (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 refiling 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 ’522 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, the balance of the *Fintiv* factors discussed above weighs in favor of 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 9–10). 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.

III. CONCLUSION

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

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition (Paper 4) is *denied* as to the challenged claims of the '522 patent; and

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

IPR2020-00114
Patent 6,366,522 B1

FOR PETITIONER:

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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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v.

VLSI TECHNOLOGY LLC,
Patent Owner.

IPR2020-00112
IPR2020-00113
IPR2020-00114
Patent 6,366,522 B1

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

DANG, *Administrative Patent Judge*.

DECISION

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

I. INTRODUCTION

Intel Corporation (“Petitioner”) filed a Request for Rehearing in IPR2020-00112 (Paper 16), IPR2020-00113 (Paper 16), and IPR2020-00114 (Paper 16) (collectively, “Rehearing Requests”) seeking “rehearing and Precedential Opinion Panel review” of our Decisions to deny institution (IPR2020-00112, Paper 15; IPR2020-00113, Paper 15; IPR2020-00114, Paper 15; collectively, “the Decisions”) of three separate petitions challenging claims of U.S. Patent No. 6,366,522 B1. Petitioner also requested review by the Board’s Precedential Opinion Panel (“POP”) in each proceeding. *See* IPR2020-00112, Paper 17 (Notification of Receipt of POP Request); IPR2020-00113, Paper 17 (Notification of Receipt of POP Request); IPR2020-00114, Paper 17 (Notification of Receipt of POP Request). POP review was denied on December 9, 2020. IPR2020-00112, Paper 18 (Order); IPR2020-00113, Paper 18 (Order); IPR2020-00114, Paper 18 (Order).

In the Decisions, we exercised our discretion pursuant to 35 U.S.C. § 314(a) to deny institution of *inter partes* review. *See* IPR2020-00112, Paper 16 at 15; IPR2020-00113, Paper 16 at 15; IPR2020-00114, Paper 16 at 15. For the reasons stated below, Petitioner’s Rehearing Requests are *denied*.

II. ANALYSIS

When rehearing a decision on petition, the Board will review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). The 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.*

Petitioner’s Rehearing Requests raise 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 if “the basic framework laid out by *Fintiv/NHK Spring* could be squared with the statute,” 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 challenged claims” in the Petition will be presented and resolved in the related district court trial. *See, e.g.*, IPR2020-00112, Paper 16 at 1–2, 6–15.¹

With respect to Petitioner’s argument that *Fintiv* and *NHK Spring* were wrongly decided and should be reviewed by the POP, the POP has considered and denied Petitioner’s requests. *See* IPR2020-00112, Paper 18.

With respect to Petitioner’s argument concerning the insufficiency of weight placed on Petitioner’s allegations, we disagree with Petitioner that we incorrectly weighed either 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). Our Decisions did indeed address Petitioner’s allegations regarding Patent Owner’s identity and conduct under

¹ For convenience, citations to the record are for papers filed in IPR2020-00112. Similar papers, however, may also be found in IPR2020-00113 and IPR2020-00114.

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, e.g.*, IPR2020-00112, Paper 15 at 14–15. We further noted that, “[e]ven if Petitioner’s contentions are true, Petitioner has not shown these contentions will ‘avoid[] adjudication of Intel’s invalidity 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.* In light of the record at the time, we found that Petitioner’s arguments in connection with *Fintiv* factor 6 did not weigh against exercising our discretion to deny institution. *Id.* at 15.

Additionally, we disagree with Petitioner’s assertions that we “fail[ed] to place sufficient weight” on Petitioner’s argument that “only a subset” of the challenged claims in the Petitions might be asserted at trial. *See, e.g.*, Paper 16 at 2, 12–15. We considered Petitioner’s arguments, set forth in its Preliminary Replies, in addressing *Fintiv* factor 4 (overlap between issues raised in the petition and in the parallel proceeding). *See, e.g.*, IPR2020-00112, Paper 15 at 11–13 (citing IPR2020-00112, Paper 10 at 9 (“the limited duration of trial will inhibit Petitioner from presenting each invalidity ground to the jury”))). Petitioner’s contention that the claims challenged in the present proceedings may not be asserted at trial in the related litigation was not persuasive as it was based on speculation. We considered the overlap between the claims challenged in each Petition and those asserted in the related litigation on the record presented and determined that “the issues raised in the Petition largely overlap with those currently raised in the Western District of Texas litigation.” *Id.* at 12.

Accordingly, having considered Petitioner's Rehearing Requests, Petitioner has not persuaded us, for the reasons discussed, that our Decisions should be modified.

III. ORDER

For the foregoing reasons, it is:

ORDERED that Petitioner's Rehearing Request in IPR2020-00112 (Paper 16) is *denied*;

ORDERED that Petitioner's Rehearing Request in IPR2020-00113 (Paper 16) is *denied*; and

FURTHER ORDERED that Petitioner's Rehearing Request in IPR2020-00114 (Paper 16) is *denied*.

IPR2020-00112, IPR2020-00113, IPR2020-00114
Patent 6,366,522 B1

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