

No. 21-

IN THE
Supreme Court of the United States

APPLE INC.,

Petitioner,

v.

OPTIS CELLULAR TECHNOLOGY, LLC, OPTIS WIRELESS
TECHNOLOGY, LLC, AND UNWIRED PLANET
INTERNATIONAL LIMITED,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Whether the U.S. Court of Appeals for the Federal Circuit may review, by appeal or mandamus, a decision of the U.S. Patent & Trademark Office denying a petition for inter partes review of a patent, where review is sought on the grounds that the denial rested on an agency rule that exceeds the PTO's authority under the Leahy-Smith America Invents Act, is arbitrary or capricious, or was adopted without required notice-and-comment rulemaking.

CORPORATE DISCLOSURE STATEMENT

Apple Inc. has no parent company, and no publicly held corporation owns 10% or more of its stock.

DIRECTLY RELATED PROCEEDINGS

United States Court of Appeals (Fed. Cir.):

A. *Apple Inc. v. Optis Cellular Technology, LLC*, No. 2021-1043 (Dec. 21, 2020).

B. *Apple Inc. v. Optis Wireless Technology, LLC*, No. 2021-1044 (Dec. 21, 2020).

C. *Apple Inc. v. Unwired Planet International Ltd.*, No. 2021-1046 (Dec. 21, 2020).

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Apple Inc. respectfully petitions for a writ of certiorari to review the judgment of the U.S. Court of Appeals for the Federal Circuit in this case.

INTRODUCTION

A decade ago, Congress recognized that the patent system had become imbalanced—patents were too easy to obtain and too hard to challenge once issued, allowing dubious patents to be used to stifle innovation and competition. In response, Congress enacted a slate of reforms to improve patent quality. One of the principal reforms was the creation of inter partes review (“IPR”), an administrative process designed to serve as a more

efficient and reliable alternative to litigation for reviewing the validity of already-granted patents.

Through a pair of actions in the past two years, the Director of the Patent and Trademark Office (“PTO”) decreed a rule that has sharply undermined access to IPR, contrary to Congress’s express design. That rule—referred to here as the *NHK-Fintiv* Rule—requires the Patent Trial and Appeal Board (“Board”) to deny institution of IPR when it determines that IPR would be inefficient in light of pending infringement litigation involving the same patent. The Board has routinely applied the *NHK-Fintiv* Rule to deny IPR petitions, including several filed by Apple.

The *NHK-Fintiv* Rule undermines the role of IPR in Congress’s effort to improve the integrity of the patent system. The Rule often forecloses the availability of IPR in precisely the circumstances when Congress thought it would be most useful: when a patent holder asserts a dubious patent in a lawsuit claiming infringement. Congress gave the PTO no authority to decline to institute IPR merely because a parallel infringement suit was pending, even though Congress did grant such authority when other types of proceedings involving the same patent are ongoing. With respect to infringement litigation, Congress imposed only one restriction—that IPR petitions be filed within one year of the complaint alleging infringement, a requirement Apple met here.

The *NHK-Fintiv* Rule also yields arbitrary results. For example, the Rule requires the Board to deny IPR petitions when it determines that IPR would be inefficient based on its speculation about when the infringement trial will conclude, even though trials are frequently rescheduled—and often not until after it is too late for the Board to correct its denial.

This petition concerns the authority of the Federal Circuit to act when the Board denies an IPR petition on a basis (like the *NHK-Fintiv* Rule) that is challenged as unlawful. Here, the Board applied the *NHK-Fintiv* Rule to deny Apple’s IPR petitions, and like other thwarted IPR petitioners, Apple appealed the denials to the Federal Circuit. And like others, Apple sought to argue that the denials were unlawful because the Rule exceeds the PTO’s authority under the Leahy-Smith American Invents Act, 125 Stat. 284 (2011) (“AIA”), is arbitrary and capricious, and was adopted without the notice-and-comment rulemaking required by the Administrative Procedure Act (“APA”). Although the Federal Circuit has jurisdiction over such appeals under the plain language of 28 U.S.C. §1295(a)(4)(A), the Federal Circuit—as it has done in all such appeals—dismissed for lack of jurisdiction based on 35 U.S.C. §314(d), and held in the alternative that mandamus relief was unavailable.

The Federal Circuit’s conclusion that §314(d) eliminates its appellate jurisdiction conflicts with this Court’s decisions in *Cuozzo Speed Technologies, LLC v. Lee*, 136 S. Ct. 2131 (2016), and *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018), which make clear that, consistent with the APA and background principles regarding the availability of judicial review, §314(d) does not bar the Federal Circuit from hearing challenges to Board decisions denying institution when review is sought on the grounds that the denial rested on a rule that exceeds the PTO’s statutory authority, is arbitrary and capricious, or was adopted without legally required procedures. Further, the Federal Circuit’s refusal to grant mandamus demonstrates the need for this Court’s guidance about the availability of mandamus relief in this context.

The Federal Circuit’s position, if not corrected, will permit the PTO to continue to constrict the availability

of IPR far beyond what Congress intended by denying IPR petitions—free from any judicial scrutiny—based on the unlawful *NHK-Fintiv* Rule or other similarly unlawful grounds. If the Federal Circuit’s position stands, no court could review the PTO’s decision even if the agency denied an IPR petition based on a coin flip or a view that *all* IPR petitions should be denied automatically. By treating such decisions as if they are immune from judicial review, the Federal Circuit’s position endangers a tool that Congress determined to be essential to the integrity of the patent system.

OPINIONS BELOW

The court of appeals’ decision (App. 1a-4a) is unpublished but available at 2020 WL 7753630. The decisions of the Patent Trial and Appeal Board (App. 5a-30a, 31a-48a, and 49a-64a) are unpublished but available at 2020 WL 5580473, 2020 WL 5539827, and 2020 WL 5413619.

JURISDICTION

The court of appeals issued its decision on December 21, 2020, and denied Apple’s rehearing petition on February 26, 2021 (App. 65a-67a). On March 19, 2020, this Court extended the deadline to file petitions for writs of certiorari to 150 days from the date of the lower court judgment or order denying rehearing. This Court has jurisdiction under 28 U.S.C. §1254(1).

STATUTORY PROVISIONS INVOLVED

Section 314 of title 35, U.S. Code, and section 1295 of title 28, U.S. Code, are reprinted in the appendix to this petition. App. 75a-79a.

STATEMENT

A. Legal Background

1. Inter partes review

A decade ago, Congress became “concerned about overpatenting and its diminishment of competition,” *Thryv, Inc. v. Click-To-Call Techs., LP*, 140 S. Ct. 1367, 1374 (2020), concluding that “questionable patents [were] too easily obtained and too difficult to challenge,” H.R. Rep. No. 112-98, at 39-40 (2011) (“House Report”). In response, Congress enacted the AIA to “establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.” House Report at 40. A centerpiece of the AIA’s reforms was IPR, an administrative process by which the Board reconsiders the patentability of a previously granted patent. 35 U.S.C. §311; *see Thryv*, 140 S. Ct. at 1370. Congress intended IPR to provide a “cost effective alternative[] to litigation” over patent validity, House Report at 40, 48, that takes advantage of “the expertise of the Patent Office on questions of patentability,” 157 Cong. Rec. S1352 (daily ed. Mar. 8, 2011) (statement of Sen. Udall); *see also, e.g.*, House Report at 40 (IPR “limits unnecessary and counterproductive litigation costs”).

Several features of IPR promote Congress’s goals by offering a more streamlined alternative to litigation. For example, in IPR, a patent may be canceled as unpatentable “only” on grounds of novelty or nonobviousness. 35 U.S.C. §311(b). IPR is governed by a strict schedule to ensure expeditious resolution. *See* 35 U.S.C. §§314(b), 316(a)(11); *see also* 37 C.F.R. §§42.100, 42.107; *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1977 (2021). Unpatentability may be shown in IPR by a preponderance of the evidence, 35 U.S.C.

§316(e), whereas in litigation invalidity must be shown by clear and convincing evidence, *Microsoft Corp. v. i4i Ltd. P'ship*, 564 U.S. 91, 95 (2011). And although patent-validity issues in infringement suits are decided by lay jurors who typically render a general verdict, IPRs are decided by administrative patent judges with “technical expertise and experience,” who “contribute to the public confidence by providing more consistent and higher quality final written decisions” on patentability. *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320, 1336 (Fed. Cir. 2019), *rev'd on other grounds*, 141 S. Ct. 1970; *see* 35 U.S.C. §§6(a), 318(a).

The IPR process begins with a petition to institute IPR, which may be filed by anyone who is not the patent's owner. 35 U.S.C. §311(a). The petition may ask the Board to cancel one or more claims of a particular patent. *Id.* §311(b). The AIA vests the Director of the PTO with the authority to grant or deny IPR petitions. *Id.* §314. The Director has delegated this authority to the Board. 37 C.F.R. §42.4(a); *see id.* §§42.2, 42.108.

“The AIA sets out prerequisites for institution.” *Thryv*, 140 S. Ct. at 1371. Several of those provisions specifically address the conduct of IPR in the face of parallel litigation involving the same patent. The AIA expressly provides that when there is a pending overlapping infringement suit, IPR “may not be instituted if the petition ... is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with” the infringement complaint. 35 U.S.C. §315(b). The AIA further specifies that the Director “may not” institute IPR if the petitioner previously “filed a civil action challenging the validity of a claim of the [same] patent,” *id.* §315(a)(1), but makes that bar inapplicable if the petitioner's previous challenge to the patent was made by counterclaim to an

infringement suit, *id.* §315(a)(3). And if the petitioner files a civil action *after* petitioning for IPR, the lawsuit is “automatically stayed”—unless and “until” the patent owner asserts an infringement claim against the IPR petitioner, at which point the stay is lifted and the infringement litigation may proceed, *id.* §315(a)(2)(B).

The AIA thus expressly recognizes that IPR may proceed in parallel with infringement litigation involving the same patent, as long as the IPR petition is filed within one year after the petitioner was served with the infringement complaint. That contrasts sharply with how the AIA handles other types of parallel proceedings, which the statute expressly entrusts to the Director’s discretion. The AIA states that “[i]n determining whether to institute [IPR], the Director may ... reject the petition ... because[] the same or substantially the same prior art or arguments previously were presented to the Office.” *Id.* §325(d). And the AIA provides that the Director “may ... stay ... or terminat[e]” IPR “if another proceeding or matter involving the [same] patent is before the Office.” *Id.* §315(d). The AIA contains no provision similarly authorizing the Director to decline to conduct IPR based on overlap with a pending infringement lawsuit.

The AIA states that the Director’s “determination ... whether to institute an inter partes review ... shall be final and nonappealable.” 35 U.S.C. §314(d).

2. The *NHK* and *Fintiv* decisions

In 2018, the Board for the first time asserted authority to deny IPR petitions based on the pendency of infringement litigation involving the same patent claims—even where the IPR petition was filed within §315(b)’s one-year limit and meets all other statutory

prerequisites. In *NHK Spring Co. v. Intri-Plex Technologies, Inc.*, the Board declared that “the advanced state of the [overlapping] district court proceeding is an additional factor that weighs in favor of denying the [IPR] Petition.” No. IPR2018-00752, 2018 WL 4373643, at *7 (P.T.A.B. Sept. 12, 2018). In that case, trial in a pending patent-infringement suit in which the IPR petitioner was defending against the infringement claims by asserting “the same prior art and arguments” as it raised in its IPR petition was “set to begin” about six months before the IPR proceeding would “conclude.” *Id.* The Board determined that conducting an IPR trial in such circumstances “would be an inefficient use of Board resources.” *Id.* As authority for denying the IPR petition based on the pending overlapping litigation, the Board cited 35 U.S.C. §314(a). *Id.* That provision states that “the Director may not” institute IPR “unless” the Director finds a “reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. §314(a).

The Board subsequently elaborated on *NHK* in *Apple Inc. v. Fintiv, Inc.*, enumerating six “factors” it would “weigh” in deciding whether to deny an IPR petition in light of pending overlapping infringement litigation, No. IPR2020-00019, 2020 WL 2126495, at *2 (Mar. 20, 2020):

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. These factors, the Board explained, “relate to 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 *3. The Board stated that each factor is “non-dispositive” and that, “in evaluating [them], the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.* at *2-3.

None of the six *Fintiv* factors appears in the AIA. As in *NHK*, the Board purported to derive authority for them from §314(a). *See Fintiv*, 2020 WL 2126495, at *1-3. The Board also cited §316(b), which provides that “[i]n prescribing regulations under [§316], the Director shall consider the effect of any such regulation on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings instituted under this chapter.” *See Fintiv*, 2020 WL 2126495, at *3.

3. The Director's adoption of the *NHK-Fintiv* Rule

“[B]y default,” Board decisions are not binding in later cases. Patent Trial and Appeal Board, Standard Operating Procedure 2 (“SOP-2”), at 3, 8-9 (rev. 10 Sept. 20, 2018). The Director, however, has authority to designate Board decisions as “precedential,” which makes them “binding” on the Board “in subsequent matters

involving similar facts or issues.” *Id.* at 11. Without providing public notice or opportunity for comment, and without providing any explanation for his action, the Director designated *NHK* “precedential” in May 2019 and did the same with *Fintiv* in May 2020, *see* 2018 WL 4373643; 2020 WL 2126495. The Director thus made those decisions binding on the Board and thereby adopted the *NHK-Fintiv* Rule, which embodies the policy that IPR petitions must be denied where the Board determines that conducting IPR would be inefficient in light of pending overlapping infringement litigation.

Since then, the Board has applied the *NHK-Fintiv* Rule to deny hundreds of IPR petitions. *See* Unified Patents, “Portal,” <https://tinyurl.com/xwmajkyx>. For example, in *Intel Corp. v. VLSI Technology LLC*, the Board denied a timely IPR petition pursuant to the *NHK-Fintiv* Rule where the trial in an infringement lawsuit involving overlapping issues was set for seven months before the IPR would have ended. No. IPR2020-00106, 2020 WL 2201828, at *6 (P.T.A.B. May 5, 2020). In *Fintiv* itself, the Board denied Apple’s timely IPR petition pursuant to the *NHK-Fintiv* Rule, explaining:

[T]rial is scheduled to begin two months before we would reach a final decision ..., the District Court has expended effort resolving substantive issues in the case, the identical claims are challenged based on the same prior art in both the Petition and in the District Court, and the defendant in District Court and the Petitioner here are the same party.

Apple Inc. v. Fintiv, Inc., No. IPR2020-00019, 2020 WL 2486683, at *3, *7 (P.T.A.B. May 13, 2020). In both cases (as in many others), after the Board denied the IPR

petitions in reliance on upcoming trial dates in the infringement suits, the trials were postponed. And had the Board instituted the IPR in *Fintiv*, the Board would have completed IPR before the district court trial occurred—indeed the trial still has not occurred.

B. Proceedings Below

This case is like numerous others that have occurred since the PTO adopted the *NHK-Fintiv* Rule. In February 2020, Apple filed three IPR petitions challenging patent claims that respondents had accused Apple of infringing in a pending lawsuit. See App. 50a-51a, 60a; App. 32a, 43a; App. 6a, 25a; Compl., *Optis Wireless Tech. LLC v. Apple Inc.*, No. 19-66, ECF No. 1 (E.D. Tex. Feb. 25, 2019).

Although Apple’s petitions were timely under §315(b), the Board denied them pursuant the *NHK-Fintiv* Rule. App. 62a-63a; App. 46a-47a; App. 29a. Stating that it was “bound by *Fintiv* and *NHK*” because they had been “designated as precedential” by the Director, the Board refused to consider Apple’s arguments that the *NHK-Fintiv* Rule exceeds the Director’s authority under the AIA, is arbitrary and capricious, and was adopted without the notice-and-comment rulemaking required by the APA. App. 61a; accord App. 44a; App. 27a.¹ Applying the Rule, the Board denied the petitions because it determined that IPR “would be an inefficient

¹ See No. IPR2020-00642, Petitioner’s Reply to Patent Owner Preliminary Response, pt.II.A, Dkt. No. 34 (P.T.A.B. July 2, 2020); No. IPR2020-00466, Petitioner’s Reply to Patent Owner Preliminary Response, pt.II.A, Dkt. No. 66 (P.T.A.B. July 2, 2020); No. IPR2020-00465, Petitioner’s Reply to Patent Owner Preliminary Response, pt.II.A, Dkt. No. 99 (P.T.A.B. July 2, 2020).

use of Board resources” given the status of the parallel lawsuit. App. 62a-63a; *accord* App. 46a-47a; App. 29a.

Apple appealed the three denials to the U.S. Court of Appeals for the Federal Circuit. *See* C.A. Dkt. 2 (order consolidating appeals).² In its notices of appeal, Apple stated its intent to argue that the Board’s denials of the IPR petitions were invalid because they rested on a rule (the *NHK-Fintiv* Rule) that “exceeded [the Director’s] statutory authority and violated the text, structure, and purpose” of the AIA, which specifically permits IPR to proceed alongside overlapping infringement litigation so long as the IPR petition is filed within §315(b)’s one-year deadline. C.A. Dkt. 1-2 at 1. Apple further stated its intent to argue that the *NHK-Fintiv* Rule violates the APA because it is arbitrary and capricious and was adopted without notice-and-comment rulemaking. *Id.* at 1-2.

Before briefing began, a motions panel of the Federal Circuit ordered Apple to show cause why its appeals should not be dismissed for lack of jurisdiction. C.A. Dkt. 10. Apple responded, first, that the court had jurisdiction under the plain language of 28 U.S.C. §1295(a)(4)(A), which authorizes the Federal Circuit to hear “‘appeal[s] from’ the Board’s ‘decision[s] ... with respect to ... inter partes review.’” C.A. Dkt. 12 at 7 (quoting §1295(a)(4)(A)). Next, Apple argued that, under this Court’s decisions in *Cuozzo* and its progeny, 35 U.S.C. §314(d) did not bar review. Apple cited this Court’s holding that “‘judicial review remains available’” despite §314(d) “‘if a party believes’ the PTO’s decision ‘exceeded its statutory bounds’ or was ‘arbitrary and capricious,’ or ‘where the grounds for attacking the decision’

² Docket citations refer to Federal Circuit Case No. 21-1043.

‘depend on statutes’ that are ‘less closely related’ to the statutes governing institution.” C.A. Dkt. 12 at 1, 8 (quoting *Cuozzo*, 136 S. Ct. at 2141-2142 (citing 5 U.S.C. §706(2)(A)-(D)), and *SAS*, 138 S. Ct. at 1359) (brackets and ellipsis omitted). Apple argued that its challenges on appeal meet those tests because Apple asserts that the denials of its IPR petitions rested on a rule that exceeds the Director’s statutory authority under the AIA, is arbitrary and capricious, and was adopted in violation of the notice-and-comment requirement of the APA (a statute unrelated to institution). C.A. Dkt. 12 at 8-16.

Alternatively, Apple argued that if the Federal Circuit concluded it lacked jurisdiction over Apple’s appeals, it should issue writs of mandamus ordering the Board to consider Apple’s IPR petitions without applying the *NHK-Fintiv* Rule or its non-statutory factors. C.A. Dkt. 12 at 21-22.

In a non-precedential order, the Federal Circuit dismissed Apple’s appeals and denied mandamus relief. App. 3a. The court stated that it lacked jurisdiction “[f]or the same reasons set forth” in a non-precedential order previously issued by a different motions panel in *Cisco Systems Inc. v. Ramot at Tel Aviv University Ltd.*, 834 F. App’x 571 (Fed. Cir. 2020), reproduced at App. 69a-73a. App. 3a.³ Like this case, *Cisco* involved appeals from Board decisions applying the *NHK-Fintiv* Rule to deny Cisco’s IPR petitions, coupled with an alternative request for mandamus relief. App. 69a. Much as Apple contends here, *Cisco* argued that the denials were invalid because the *NHK-Fintiv* Rule exceeds the Director’s authority under the AIA and violates the

³ The court also cited *Apple Inc. v. Maxell, Ltd.*, No. 20-2132, ECF No. 38 at 2 (Fed. Cir. Oct. 30, 2020), but that decision merely relied on *Cisco*.

APA because it was adopted without notice-and-comment rulemaking. *See* App. 71a.

The *Cisco* panel allowed that *Cuozzo* and its progeny “left open the possibility that §314(d) may not bar appeals that implicate constitutional questions or concerns that the agency acted outside its statutory limits,” but nonetheless concluded that the court lacked jurisdiction to hear Cisco’s appeals for two reasons. App. 72a. First, the *Cisco* panel held that *Cuozzo* and its progeny, unlike Cisco’s appeals, “involved appeals from a final written decision” issued after IPR was instituted and completed. *Id.* Second, the *Cisco* panel said that, even when the appeal “implicate[s] constitutional questions or concerns that the agency acted outside its statutory limits, ... §314(d) [still] bars review of matters ‘closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate inter partes review’”—and that Cisco’s challenges, “both procedural and substantive, rank as questions closely tied to the application and interpretation of statutes relating to the Patent Office’s decision whether to initiate review.” *Id.* (quoting *Cuozzo*, 136 S. Ct. at 2141).

The *Cisco* panel then rejected Cisco’s mandamus request because Cisco did not have “a clear and indisputable right that precludes the Board’s exercise of discretion to decline review here, including its reliance on” the *NHK-Fintiv* Rule. App. 73a (quotation marks omitted).

After Apple’s appeals were dismissed in reliance on *Cisco*, a different Federal Circuit motions panel dismissed a similar appeal, and rejected the alternative mandamus request, from another denial of an IPR petition under the *NHK-Fintiv* Rule—this time in a precedential order. *See Mylan Labs. Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375 (Fed. Cir. 2021). In

Mylan, the Federal Circuit recognized that §1295(a)(4)(A) appears to provide jurisdiction for appeals like these, but concluded that “§314(d), the more specific statute, dispels any such notion.” 989 F.3d at 1378. As in *Cisco*, the court said that the exceptions to §314(d) identified in *Cuozzo* and its progeny apply only to “an appeal from a final written decision,” for which jurisdiction is “provide[d]” by 35 U.S.C. §319. *Id.* at 1379. And the court added that “decisions denying institution are ‘committed to agency discretion’” and therefore are “unreviewable.” *Id.* (citing *Cuozzo*, 136 S. Ct. at 2140).

As for mandamus, *Mylan* held that there is no “clear and indisputable right to review of the Patent Office’s determination to apply the *Fintiv* factors or the Patent Office’s choice to apply them in this case through adjudication rather than notice-and-comment rulemaking.” *Mylan*, 989 F.3d at 1382. The court again cited *Cuozzo*’s statement that the Director’s “‘decision to deny a petition is a matter committed to the Patent Office’s discretion,’ ... combined with [§314(d)’s] prohibition on appeal of such decisions.” *Id.* (quoting *Cuozzo*, 136 S. Ct. at 2140). And the court stated that an “*ultra vires* argument cannot be a basis for granting the petition for mandamus.” *Id.* at 1382-1383.

To date, there have been several appeals to the Federal Circuit challenging denials of IPR petitions under the *NHK-Fintiv* Rule. The court has dismissed them all. *See, e.g., Apple Inc. v. Maxell, Ltd.*, No. 20-2132, -2211-2213, 2021-1033, ECF No. 38 (Fed. Cir. Oct. 30, 2020); *Google LLC v. Uniloc 2017 LLC*, No. 20-2040, ECF No. 21 (Fed. Cir. Oct. 30, 2020); *Intel Corp. v. VLSI Tech. LLC*, Nos. 21-1614, -1616-1617, -1673-1677, -1738-1741, ECF No. 21 (Fed. Cir. May 5, 2021).

REASONS FOR GRANTING THE PETITION

I. THE FEDERAL CIRCUIT’S CONCLUSION THAT IT LACKS JURISDICTION TO HEAR THESE APPEALS CONTRADICTS THIS COURT’S PRECEDENT AND IS WRONG

This Court has long applied a “strong presumption in favor of judicial review ... when ... interpret[ing] statutes, including statutes that may limit or preclude review.” *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016); *see also SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348, 1359 (2018); *Thryv, Inc. v. Click-To-Call Techs., LP*, 140 S. Ct. 1367, 1373 (2020); *Gutierrez de Martinez v. Lamagno*, 515 U.S. 417, 424 (1995). This presumption may be overcome only by “clear and convincing indications, drawn from specific language, specific legislative history, and inferences of intent drawn from the statutory scheme as a whole, that Congress intended to bar review.” *Cuozzo*, 136 S. Ct. at 2140 (quotation marks omitted); *see also, e.g., SAS*, 138 S. Ct. at 1359; *Lindahl v. Office of Pers. Mgmt.*, 470 U.S. 768, 778 (1985).

Here, the Federal Circuit has jurisdiction over Apple’s appeals under the plain language of 28 U.S.C. §1295(a)(4)(A), and §314(d) does not withdraw that jurisdiction. The Federal Circuit’s contrary view directly contradicts this Court’s decisions in *Cuozzo* and *SAS* and is unsupported by clear and convincing evidence that Congress intended to foreclose appellate review.

A. Under This Court’s Precedent, The Federal Circuit Has Appellate Jurisdiction Under §1295(a)(4)(A) Notwithstanding §314(d)

Section 1295(a)(4)(A) vests the Federal Circuit with appellate jurisdiction over any Board “decision ... with respect to ... inter partes review.” 28 U.S.C.

§1295(a)(4)(A). The Board’s denials of IPR petitions are unquestionably final decisions “with respect to” IPR. Consequently, the Federal Circuit has jurisdiction under §1295(a)(4)(A).

Section 314(d) does not withdraw that jurisdiction. In *Cuozzo*, this Court “interpret[ed]” §314(d) to “appl[y] where the grounds for attacking the decision to institute [IPR] consist of questions that are closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate inter partes review.” 136 S. Ct. at 2141; *see also Thryv*, 140 S. Ct. at 1373. Conversely, the Court stated that §314(d) does not bar appeals “that depend on other less closely related statutes.” *Cuozzo*, 136 S. Ct. at 2141.

The Court has further held that §314(d) does not bar review where an appeal claims that, in deciding whether to institute IPR, the PTO “act[ed] outside its statutory limits.” *Cuozzo*, 136 S. Ct. at 2141. Despite §314(d), the Court has explained, “judicial review remains available consistent with the Administrative Procedure Act, which directs courts to set aside agency action ‘not in accordance with law’ or ‘in excess of statutory jurisdiction, authority, or limitations,’” *SAS*, 138 S. Ct. at 1359 (quoting 5 U.S.C. §706(2)(A), (C)); *accord Cuozzo*, 136 S. Ct. at 2142. Likewise, the Court has clarified that appellate review remains available despite §314(d) over claims that the Board’s decision is “‘arbitrary and capricious’” or procedurally unlawful under the APA. *Cuozzo*, 136 S. Ct. at 2142 (quoting 5 U.S.C. §706(2)(A)-(C) and citing *id.* §706(2)(D)).

Consequently, as interpreted by this Court, §314(d) applies only where an appeal raises questions under a statute closely related to the decision whether to institute IPR; and even then, it does not remove the

appellate jurisdiction otherwise conferred by §1295(a)(4)(A) where, as here, an appeal argues that the challenged Board decision is unlawful because it relies on a rule that exceeds the agency’s statutory authority, is arbitrary and capricious, or was adopted without the notice-and-comment rulemaking required by the APA.

B. The Federal Circuit’s View That These Appeals Are Barred By §314(d) Because They Are Closely Tied To An Institution-Related Statute Contradicts This Court’s Precedent

Relying on *Cisco*, the motions panel dismissed Apple’s appeals partly on the ground that they raise “questions closely tied to the application and interpretation of” institution-related statutes and therefore are barred by §314(d). App. 72a (citing *Cuozzo*, 136 S. Ct. at 2141). That analysis contradicts this Court’s precedent in two ways.

To begin, a claim that agency action is arbitrary and capricious or violates the APA’s notice-and-comment requirements has nothing to do with the “application and interpretation” of an institution-related statute. *Cuozzo*, 136 S. Ct. at 2141. Rather, such claims require an evaluation of the substance and procedural history of the challenged rule against the relevant standards of the APA—*i.e.*, the requirements of reasoned decisionmaking and notice-and-comment rulemaking. Such claims, like those Apple raises here, therefore do not even come within §314(d)’s *prima facie* scope.

Moreover, even where an appeal does raise a matter closely tied to an institution-related statute, *Cuozzo* and *SAS* make clear that jurisdiction may still exist. Where an appeal contends that the PTO exceeded its statutory authority, the appeal falls outside §314(d)’s bar—even if

the legal authority claimed to have been exceeded is an institution-related statute. This is clear from several features of *Cuozzo* and *SAS*.

First, as just discussed, the Court in *Cuozzo* interpreted §314(d) to bar review of decisions whether to institute IPR where they are challenged on grounds closely tied to the interpretation of an institution-related statute, but to nonetheless permit review of such decisions where they are challenged on certain types of grounds, including that the PTO exceeded its statutory authority. *Cuozzo*, 136 S. Ct. at 2141-2142. The Court described these exceptions to §314(d) without suggesting that such review would be unavailable if the allegedly exceeded statute is institution-related. Indeed, if *Cuozzo*'s insistence that judicial review remains available for claims that the PTO has exceeded its statutory authority were limited to matters that are *not* closely tied to an institution-related statute, that insistence would have been completely unnecessary, because such appeals would not come within §314(d)'s *prima facie* scope anyway. *Supra* p. 17.

Second, the reasons on which this Court relied in interpreting §314(d) do not support the Federal Circuit's view. This Court first relied on the APA, noting that it functions "alongside" §314(d), *Cuozzo*, 136 S. Ct. at 2141, and broadly permits courts to set aside agency action that is "in excess of statutory jurisdiction, authority, or limitations," 5 U.S.C. §706(2)(C), *quoted in Cuozzo*, 136 S. Ct. at 2142, *and SAS*, 138 S. Ct. at 1359.

This Court also cited the background principle that statutory bars on judicial review of agency action do not apply to claims that an agency acted *ultra vires*, absent clear evidence that Congress specifically intended to foreclose such challenges. *See Cuozzo*, 136 S. Ct. at 2141-

2142 (citing *Johnson v. Robison*, 415 U.S. 361, 367 (1974)). For example, in *Lindahl*—on which *Cuozzo* relied—this Court considered the scope of a statute declaring (much like §314(d)) that the Office of Personnel Management’s “decisions ... concerning” “questions of disability ... are final and conclusive and are not subject to review.” 5 U.S.C. §8347(c); *see* 470 U.S. at 771-772, 776. Despite that language, the *Lindahl* Court held that the statute did not bar review of an OPM disability determination where the challenger asserted that OPM had violated the governing statute by misallocating the burden of proof. 470 U.S. at 776, 791. The Court explained that the bar applied to “the factual underpinnings of [the] disability determinations” but not to questions “whether there has been a substantial departure from important procedural rights, a misconstruction of the governing legislation, or some like error going to the heart of the administrative determination.” *Id.* at 776, 791 (quotation marks omitted). In *Cuozzo*, the Court stated: “Our interpretation of [§314(d)] has the same effect” as the analysis in *Lindahl*. 136 S. Ct. 2141.

Nothing in this reasoning was or could be cabined to statutes unrelated to the decisions whether to institute IPR. To the contrary, the APA and principles of judicial review on which the Court relied confirm that §314(d) does not bar review of claims that a decision to institute or not institute IPR exceeded the PTO’s authority, even where the statutory boundary the PTO is alleged to have crossed is an institution-related provision.

That conclusion is reinforced by this Court’s treatment in *Cuozzo*, *SAS*, and *Thryv* of different types of challenges to decisions whether to institute. The challenges presented in *Cuozzo* and *Thryv* were barred because they merely argued that the Board wrongly determined that an institution-related statutory requirement

for IPR was satisfied. In *Cuozzo*, the issue on appeal was whether “implicitly” challenging a patent claim satisfies the AIA’s institution requirement that IPR petitions set forth the bases for challenge “with particularity.” 136 S. Ct. at 2139 (quoting 35 U.S.C. §312(a)(3)). The Court held the appeal barred by §314(d) because the issue was “an ordinary dispute about the application of certain relevant patent statutes concerning the [PTO’s] decision to institute.” *Id.* And in *Thryv*, §314(d) similarly barred appellate review of an ordinary dispute about the application of an institution-related statute—namely, whether “a complaint dismissed without prejudice ... trigger[s] §315(b)’s one-year limit” to file an IPR petition. 140 S. Ct. at 1371, 1373-1374.

In contrast to these ordinary challenges to the Board’s application of an institution-related statute, the Court has provided examples of appeals claiming the PTO exceeded its authority under an institution-related statute that are not barred by §314(d). In *Cuozzo*, the Court hypothesized an appeal challenging a decision to institute IPR where the IPR petition sought to “cancel[] a patent claim for indefiniteness under §112,” which is an impermissible basis for IPR under 35 U.S.C. §311(b). 136 S. Ct. at 2141-2142; *see id.* at 2155 (Alito, J., concurring in part and dissenting in part) (describing hypothetical to which majority was responding). Such an appeal would raise a matter closely tied to an institution-related provision—*i.e.*, the language in §311(b) defining permissible bases for IPR. *See id.* at 2139 (maj. op.); *Thryv*, 140 S. Ct. at 1376 n.8. Yet the Court declared that such an appeal would be “properly reviewable ... under the Administrative Procedure Act.” *Cuozzo*, 136 S. Ct. at 2142.

Similarly, in *SAS*, SAS had petitioned for IPR of sixteen patent claims. 138 S. Ct. at 1354. The PTO “instituted [IPR] on only some [claims] and denied

review on the rest” pursuant to a “regulation that purported to recognize a power of ‘partial institution.’” *Id.* at 1351, 1354. SAS claimed the PTO’s partial institution exceeded its authority under an array of institution-related provisions of the AIA. *Id.* at 1354-1357. The government argued that §314(d) “foreclos[ed] judicial review of any legal question bearing on the institution of inter partes review,” but the Court rejected that view. *Id.* at 1359. Noting that *Cuozzo* “emphasize[d] that §314(d) does not enable the agency to act outside its statutory limits,” the Court determined that that was “exactly the sort of question we are called upon to decide today”: “SAS contends that the Director exceeded his statutory authority by limiting the review to fewer than all of the claims SAS challenged.” *Id.* (quotation marks omitted). Therefore, “nothing in §314(d) or *Cuozzo*,” the Court concluded, “withdraws our power” to hear SAS’s appeal, even though that appeal asserted a violation of institution-related statutory provisions. *Id.*

Finally, §314(d)’s purpose refutes the Federal Circuit’s position. As this Court explained in *Cuozzo*, §314(d) serves to ensure that final written decisions in completed IPRs cannot be “unwound” based on “some minor statutory technicality.” 136 S. Ct. at 2139-2140. The “goal” of the provision was to “prevent[] appeals that would frustrate efficient resolution of patentability.” *Thryv*, 140 S. Ct. at 1376; *see also id.* (“Congress entrusted the institution decision to the agency ... to avoid the significant costs ... of nullifying a thoroughgoing determination about a patent’s validity.”). An appeal from a non-institution decision—where there has been no IPR and no final written decision—presents no such concerns. To the contrary, allowing judicial review to ensure that the Director adheres to statutory limits and

restore access to IPR as Congress intended is fully consistent with Congress's goals. *See supra* pp. 5-7; *infra* Part III.

C. The Federal Circuit's View That §314(d)'s Exceptions Apply Only To Appeals From Final Written Decisions Cannot Be Squared With This Court's Precedent

The Federal Circuit wrongly concluded that §314(d)'s exceptions identified in *Cuozzo* and its progeny have effect only where the appeal arises from a final written decision of the Board issued after IPR has been instituted and completed. Although *Cuozzo*, *SAS*, and *Thryv* arose from final written decisions, that posture was irrelevant to this Court's analysis of §314(d). Indeed, *SAS* invoked §314(d)'s exceptions to hold the Board's *refusal* to institute IPR on certain patents reviewable.⁴

By its terms, §314(d) applies to “determination[s] ... whether to institute,” 35 U.S.C. §314(d)—*i.e.*, to determinations both *for* and *against* institution. It contains no language distinguishing between appeals arising from a final written decision and appeals arising from other PTO decisions. *Cuozzo* even rejected a suggestion that §314(d)'s scope depends on whether there was a final written decision because that would “read[] into the

⁴ The presence of a final written decision can bear on reviewability if it supplies the final agency action ordinarily required for judicial review, which is generally absent where the Board has instituted IPR but not yet issued a final written decision. *See Cuozzo*, 136 S. Ct. at 2140 (decisions to institute IPR are unreviewable irrespective of §314(d) because they are “preliminary, not final”). Decisions denying institution, in contrast, are undisputedly final agency actions.

provision a limitation ... that the language nowhere mentions.” 136 S. Ct. at 2140.

SAS makes clear that it would make no sense for the exceptions to §314(d) identified in *Cuozzo* to have effect only for appeals from final written decisions. A non-institution decision will be coupled with a final written decision only if there has been partial institution, but SAS held that partial institution is statutorily prohibited—the PTO must “either institute review or don’t” for all the claims in the IPR petition, 138 S. Ct. at 1355-1356. Thus, if the Federal Circuit’s view were correct, it would mean that Congress intended §314(d) to permit judicial review of non-institution decisions only in one narrow situation that Congress intended never to occur—*i.e.*, cases of partial institution. “Congress cannot have intended this bizarre result.” *Caron v. United States*, 524 U.S. 308, 315 (1998); *see also*, *e.g.*, *Lindahl*, 470 U.S. at 799.

The Federal Circuit has attempted to distinguish this Court’s precedent on the ground that “there was no reason [for this Court] to consider how §314(d) affects §1295(a)(4)” because 35 U.S.C. §319—which specifically makes final written decisions reviewable in the Federal Circuit—“provided jurisdiction” in this Court’s cases. *Mylan Labs. Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1379 (Fed. Cir. 2021). That is a false and irrelevant distinction. First, in *Cuozzo*, SAS, and *Thryv*, §1295(a)(4)—not §319—was invoked as the basis for jurisdiction. *See In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268, 1272 (Fed. Cir. 2015); *SAS Inst., Inc. v. ComplementSoft, LLC*, 825 F.3d 1341, 1347 (Fed. Cir. 2016); *Click-To-Call Techs., LP v. Ingenio, Inc.*, 899 F.3d 1321, 1328 (Fed. Cir. 2018). Second, nothing in the text of §314(d), §319, or §1295(a)(4)—or in this Court’s analysis of §314(d)—suggests that §314(d)’s scope differs

depending on whether §319 or §1295(a)(4) is invoked. Notably, §1295(a)(4) would have also provided jurisdiction in *Cuozzo*, *SAS*, and *Thryv* even if jurisdiction had been based on §319.

The Federal Circuit nonetheless took the view that decisions denying institution are different from final written decisions because decisions whether to institute IPR are “committed to agency discretion” and therefore, in the Federal Circuit’s view, “unreviewable.” *Mylan*, 989 F.3d at 1379 (citing *Cuozzo*, 136 S. Ct. at 2140); see also *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1977 (2021) (“Congress has committed the decision to institute inter partes review to the Director’s unreviewable discretion.”). But even when action is committed to agency discretion, agencies must exercise their discretion within statutory bounds, and courts are available to enforce those bounds. See *supra* pp. 19-20; *Utility Air Regulatory Group v. EPA*, 573 U.S. 302, 326 (2014). “[A]n agency is not free simply to disregard statutory responsibilities.” *Lincoln v. Vigil*, 508 U.S. 182, 193 (1993). An exercise of agency discretion is therefore unreviewable only in “rare circumstances where the relevant statute is drawn so that a court would have no meaningful standard against which to judge the agency’s exercise of discretion.” *Weyerhaeuser Co. v. U.S. Fish & Wildlife Serv.*, 139 S. Ct. 361, 370 (2018). Where the agency has crossed a statutory boundary, that statutory boundary itself supplies the law for the court to apply, and review remains available. Contrary to the Federal Circuit’s inference, this Court’s passing observation that decisions whether to institute IPR are committed to the PTO’s discretion did not purport to overrule these longstanding principles. To the contrary, the Court reaffirmed those principles even while acknowledging the PTO’s discretion. See *Cuozzo*, 136 S. Ct. at 2140-2142.

Section 314(d)'s bar thus is not absolute. This Court's precedent establishes that, consistent with the APA and background principles, §314(d) does not bar appeals arguing that the Board's denial of an IPR petition rested on grounds that exceed the agency's statutory authority, are arbitrary and capricious, or fail to comply with basic procedural requirements of the APA. Appeals like Apple's in this case squarely fit those exceptions, and therefore the Federal Circuit has jurisdiction to hear them.

II. THE FEDERAL CIRCUIT HAS TAKEN AN ERRONEOUS APPROACH TO MANDAMUS IN THE IPR CONTEXT

Although some Justices of this Court have commented in separate opinions on the potential availability of mandamus relief to correct egregious decisions whether to institute IPR where §314(d) bars appeal, the Court has not ruled on the issue. Without such guidance, the Federal Circuit has taken a confused and incorrect approach.

A. The Federal Circuit's Approach To Mandamus Has Been Incoherent And Wrong

This Court has not addressed the availability of mandamus in cases where §314(d) applies. In *Cuozzo*, the parties and several amici discussed whether mandamus could be used to correct an egregious decision denying an IPR petition.⁵ Justice Alito (joined by Justice

⁵ See, e.g., Tr., *Cuozzo Speed Techs., LLC v. Lee*, No. 15-446, 2016 WL 1626647, at *52-53 (U.S. Apr. 25, 2016); Reply Br. for Pet., *id.*, 2016 WL 1554733, at *19-20 (U.S. Apr. 15, 2016); Br. of Dell et al., *id.*, 2016 WL 1319652, at *32 (U.S. Mar. 30, 2016); Br. of Amicus Curiae New York Intellectual Property Law Ass'n, *id.* 2016 WL 830152, at *18-20 (U.S. Feb. 26, 2016).

Sotomayor) indicated that it could: “It is true that my interpretation leaves no apparent avenue (*short of mandamus*, at least) for judicial review of decisions not to institute inter partes review.” 136 S. Ct. at 2153 n.6 (concurring in part and dissenting in part) (emphasis added). The *Cuozzo* majority, however, did not address the issue. Then in *Thryv*, Justice Gorsuch noted that the Federal Circuit had “cast doubt on [the] possibility” of mandamus issuing “if the Patent Office gets *really* out of hand” in deciding whether to institute IPR, but as he lamented, the Court “w[ould] not say whether mandamus is available where the §314(d) bar applies.” 140 S. Ct. at 1389 (dissenting); *see id.* at 1374 n.6 (maj. op.) (“We do not decide whether mandamus would be available in an extraordinary case.”).

Absent guidance, the Federal Circuit has taken a confused and erroneous approach. The court has hypothesized that mandamus might be available to review egregious decisions whether to institute IPR, noting that “[t]he circumstances described by the Supreme Court in *Cuozzo* as illustrations of issues for which an appeal might be justified ... would be potential candidates for mandamus review as well.” *In re Power Integrations, Inc.*, 899 F.3d 1316, 1321 (Fed. Cir. 2018); *see also, e.g., Celgene Corp. v. Peter*, 931 F.3d 1342, 1357 n.11 (Fed. Cir. 2019). In practice, however, the court has invariably denied requests for such relief. *See, e.g., Cuozzo*, 793 F.3d at 1274-1275; *Power Integrations*, 899 F.3d at 1319; *Medtronic, Inc. v. Robert Bosch Healthcare Sys., Inc.*, 839 F.3d 1382, 1386 (Fed. Cir. 2016). And its decisions below and in *Cisco* and *Mylan* improperly foreclose any possibility of mandamus relief in cases like this one.

In *Mylan*, the court acknowledged that “precedent confirms the existence of our mandamus jurisdiction” to

review decisions denying institution of IPR. 989 F.3d at 1380-1381. Indeed, the court postulated that “when the Board denies institution, our mandamus jurisdiction is especially important” in light of §314(d). *Id.* at 1380. In the same breath, however, the court denied the mandamus request—in appeals claiming that the Board’s non-institution decision rested on a rule that exceeds its statutory authority and violates the APA—because (the court said) a “decision to deny a petition is a matter committed to the Patent Office’s discretion” and §314(d) “prohibit[s] ... appeal of such decisions.” *Id.* at 1382; *see also* App. 71a-73a. *But cf. supra* p. 25.

Thus, in the Federal Circuit’s view, mandamus is both theoretically available and in practice unattainable. Although the court stated that the §314(d) bar makes mandamus especially important, it simultaneously concluded that §314(d) forecloses mandamus. And the court even admitted that “it is difficult to imagine a mandamus petition that challenges a denial of institution and identifies a clear and indisputable right to relief.” *Mylan*, 989 F.3d at 1382. The Federal Circuit’s confused reasoning highlights the need for this Court’s intervention.

B. If The Federal Circuit Lacks Jurisdiction Over This Appeal, Mandamus Should Issue To Correct The PTO’s Denial Of Apple’s IPR Petitions

Like its conclusion that it lacks appellate jurisdiction, the Federal Circuit rested its rejection of mandamus relief on *Cuozzo*’s “determination” that denials of IPR petitions are “committed to agency discretion by law ... combined with [§314(d)’s] prohibition on appeal of such decisions.” *Mylan*, 989 F.3d at 1382; *see also* App. 73a. The Federal Circuit’s reasoning is unsound.

First, even if §314(d) barred appellate review of challenges such as Apple’s, that provision could not also preclude mandamus relief. Rather, the absence of an adequate alternative means of review is precisely why mandamus is appropriate and necessary in the first place. *See, e.g., Hollingsworth v. Perry*, 558 U.S. 183, 190 (2010) (“Before a writ of mandamus may issue, a party must establish that (1) no other adequate means exist to attain the relief he desires” (quotation marks and brackets omitted)).⁶

Second, Apple and other IPR petitioners harmed by the *NHK-Fintiv* Rule *do* have a clear and indisputable right: to the PTO’s compliance with the AIA’s and APA’s boundaries. The PTO may not exercise its discretion in ways that overstep statutory boundaries; agencies have no discretion to decide whether to comply with the limits that Congress sets on their authority. *Supra* p. 25. The Federal Circuit’s statement that an “ultra vires argument cannot be a basis for granting the

⁶ As the Federal Circuit noted, Apple is challenging the *NHK-Fintiv* Rule in an APA suit in district court. App. 73a; *see Apple Inc. v. Iancu*, No. 20-cv-6128, ECF No. 1 (N.D. Cal. Aug. 31, 2020). But that does not support the denial of mandamus or diminish the need for judicial review when the PTO denies an IPR petition on a basis challenged as arbitrary or ultra vires. The APA suit seeks to enjoin the PTO from applying the *NHK-Fintiv* Rule to deny IPR petitions. Unlike this case, it does not challenge any PTO denials of IPR petitions or afford any opportunity to clarify the Federal Circuit’s authority to correct such denials. Indeed, there has been no suggestion that relief from a denial could be available in the district court. To the contrary, the government has moved to dismiss the APA suit as non-justiciable, arguing that the only mechanism for reviewing PTO actions relating to IPR is an appeal to the Federal Circuit from a final written decision of the Board issued after a completed IPR. *See* Def.’s Mot. to Dismiss 9-17, *Apple Inc. v. Iancu*, ECF No. 64 (Nov. 23, 2020).

petition for mandamus,” *Mylan*, 989 F.3d at 1382-1383, is incorrect. *See, e.g., Hollingsworth*, 558 U.S. at 190-191 (holding petitioner showed likelihood of success on mandamus petition claiming that amendment to rule was statutorily unauthorized). Similarly, agencies have no discretion to disregard the APA’s requirements for notice-and-comment rulemaking where applicable, and thus claims that a rule is procedurally invalid for lack of required notice-and-comment rulemaking are always subject to judicial review. *See Lincoln*, 508 U.S. at 195-199; *Make the Road New York v. Wolf*, 962 F.3d 612, 634 (D.C. Cir. 2020); *Serrato v. Clark*, 486 F.3d 560, 569 (9th Cir. 2007).

III. THE QUESTION PRESENTED IS IMPORTANT AND RECURRING

The Federal Circuit’s position that it can never correct Board decisions denying institution—even when they rest on a ground attacked as exceeding the PTO’s statutory authority, arbitrary and capricious, or violating basic APA procedural requirements—allows the PTO to constrict access to IPR for any reason, contrary to Congress’s determination that IPR is essential to a strong patent system, *see supra* p. 5. The Federal Circuit’s position therefore threatens the patent system.

As explained, the AIA makes clear that Congress intended the advantages of IPR to be available when pending infringement litigation involves the same patent claims. *Supra* pp. 6-7. The only condition the AIA imposes on conducting IPR in parallel with infringement litigation is that the IPR petition be filed within one year of the infringement complaint’s service. 35 U.S.C. §315(b). This structure results from Congress’s deliberate choice to address the potential for “burdensome overlap between [IPR] and patent infringement

litigation,” *Thryv*, 140 S. Ct. at 1374-1375, not by precluding overlapping IPR but by “coordinat[ing]” IPR “with litigation.” 157 Cong. Rec. S1041 (daily ed. Mar. 1, 2011) (statement of Sen. Kyl). Section 315(b)’s one-year requirement reflects Congress’s balancing of the interests of accused infringers—in having sufficient time to evaluate the patent claims they are accused of infringing before deciding whether to seek IPR of them—with the interests of patent owners in avoiding misuse of IPR for harassment or unfair delay. *See* 157 Cong. Rec. S1041 (daily ed. Mar. 1, 2011) (statement of Sen. Kyl); 157 Cong. Rec. S1326 (daily ed. Mar. 7, 2011) (statement of Sen. Sessions); 157 Cong. Rec. S5429 (daily ed. Sept. 8, 2011) (statement of Sen. Kyl); *Thryv*, 140 S. Ct. at 1379 (Gorsuch, J., dissenting). Congress even considered but rejected a shorter period for filing an IPR petition when there is a parallel infringement lawsuit. 157 Cong. Rec. S5429 (daily ed. Sept. 8, 2011) (Sen. Kyl); S. 23, 112th Cong. Sec. 5(a), §315(b) (2011) (engrossed bill setting six-month limit).

The *NHK-Fintiv* Rule not only contravenes Congress’s plan that IPR be available when an infringement claim is pending, but also inevitably yields arbitrary results. For example, the Rule requires the Board to decide IPR petitions based on its speculation about the course of the parallel infringement litigation. The Rule attaches substantial weight to scheduled infringement-trial dates, even though trials are routinely rescheduled after the Board has denied the petition—and often after it is too late for the Board to reconsider that denial, *see* 37 C.F.R. §42.71(d)(2) (30 days for reconsideration). In such cases, the Rule irremediably deprives the accused infringer of the expeditious patentability review that IPR was intended to provide, for no reason.

In *Intel Corp. v. VLSI Tech. LLC*, for example, the Board relied on the scheduled trial date to deny institution even though the Board knew the judge had scheduled two other trials for same date and thus “at least two of the trials w[ould] not occur” on that date. No. IPR2020-00106, 2020 WL 2201828, at *1, *3 P.T.A.B. May 5, 2020). In *Fintiv*, the Board relied on the scheduled trial date to deny institution where the trial had “already ... been postponed by several months,” finding “no reason to believe that the jointly agreed-upon trial date ... will be postponed again,” 2020 WL 2486683, at *5 (P.T.A.B. May 13, 2020). But the trial *was* rescheduled again, after the time for rehearing had expired, for a date that would have allowed the Board to complete the IPR before trial—indeed, to this day trial has still not occurred. These examples are not anomalies. One study found that 70 percent of infringement trials in the Western District of Texas and 100 percent of trials in District of Delaware—the two busiest patent-litigation venues—were delayed after the Board had denied the corresponding IPR petition based on the original trial date. McKeown, *District Court Trial Dates Tend to Slip After PTAB Discretionary Denials* (July 24, 2020).

Moreover, the weight that the *NHK-Fintiv* Rule places on inherently unpredictable trial dates invites infringement plaintiffs to exploit the Rule to foreclose IPR altogether. Some jurisdictions are known to quickly set early trial dates in infringement suits with the expectation that they will change later. Infringement plaintiffs can shop for such forums in hopes of obtaining an early trial date, which—however provisional or unrealistic—they can then cite to persuade the Board to deny institution under the Rule.

In the short time since the Director adopted the *NHK-Fintiv* Rule, the Board has applied it to deny

hundreds of IPR petitions because of a pending infringement lawsuit involving the same patent, *see supra* p. 10, and the Federal Circuit has dismissed all resulting appeals, *supra* p. 15. Absent this Court’s intervention, the Board will be free to continue denying IPR petitions under the Rule without judicial review, thwarting Congress’s plan that IPR be available to improve the integrity of the patent system even where there is pending infringement litigation involving the same patent. And the same will remain true for denials premised on any other grounds relating to the availability of IPR. Under the Federal Circuit’s view, PTO decisions denying IPR petitions would be immune from judicial review even if based on more restrictive and arbitrary grounds, such as that a coin flip came up “tails,” that the IPR petitioner had already filed too many IPR petitions that year, or a policy that *all* IPR petitions should be denied. *Cf. Judulang v. Holder*, 565 U.S. 42, 55 (2011) (if agency decided eligibility for discretionary immigration relief “by flipping a coin ..., we would reverse the policy in an instant”).

It is thus imperative that this Court clarify that the Federal Circuit may review PTO decisions denying IPR petitions based on the *NHK-Fintiv* Rule and other ultra vires or irrational grounds, lest the PTO have free rein to constrict the availability of IPR contrary to Congress’s intent.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

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JULY 2021

APPENDICES

APPENDIX A

NOTE: This order is nonprecedential.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

2021-1043

APPLE INC.,

Appellant,

v.

OPTIS CELLULAR TECHNOLOGY, LLC,

Appellee,

ANDREI IANCU, Under Secretary of Commerce for
Intellectual Property and Director of the United States
Patent and Trademark Office,

Intervenor.

Appeal from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in No. IPR2020-
00465.

2021-1044

APPLE INC.,

Appellant,

v.

OPTIS WIRELESS TECHNOLOGY, LLC,

Appellee,

2a

ANDREI IANCU, Under Secretary of Commerce for
Intellectual Property and Director of the United States
Patent and Trademark Office,

Intervenor.

Appeal from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in No. IPR2020-
00466.

2021-1046

APPLE INC.,

Appellant,

v.

UNWIRED PLANET INTERNATIONAL LIMITED,

Appellee,

ANDREI IANCU, Under Secretary of Commerce for
Intellectual Property and Director of the United States
Patent and Trademark Office,

Intervenor.

Appeal from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in No. IPR2020-
00642.

ON MOTION

Filed December 21, 2020

Before Prost, *Chief Judge*, Lourie and Chen, *Circuit
Judges.*

ORDER

LOURIE, *Circuit Judge*:

Apple Inc. appeals from the Patent Trial and Appeal Board's decisions denying its petitions to institute *inter partes* review ("IPR") after concluding that such review would not be a proper use of resources given parallel district court proceedings. Apple alternatively seeks a writ of mandamus to review those decisions. The Director of the United States Patent and Trademark Office informs the court that he exercises the right under 35 U.S.C. § 143 to intervene, which the court construes as a motion for leave to file the notice of intervention out of time, *see* Fed. R. App. P. 15(d), and files a response urging dismissal.

In response to this court's October 29, 2020 show cause order, Apple reiterates the same arguments in favor of jurisdiction and mandamus that this court recently considered and rejected in *Apple Inc. v. Maxell, Ltd.*, No. 20-2132, slip op. at 2 (Fed. Cir. Oct. 30, 2020) and more generally in *Cisco Systems Inc. v. Ramot at Tel Aviv University Ltd.*, Appeal Nos. 2020-2047, -2049 (Fed. Cir. Oct. 30, 2020). For the same reasons set forth in those decisions, we conclude that this court lacks jurisdiction over Apple's appeals and must deny Apple's requests for mandamus.

Accordingly,

IT IS ORDERED THAT:

(1) The Director's motion to intervene is granted. The Director is added as an intervenor and the revised official captions are reflected above.

(2) The appeals are dismissed.

(3) The requests for mandamus are denied.

4a

(4) Each side shall bear its own costs.

FOR THE COURT

December 21, 2020
Date

/s/ Peter R. Marksteiner
Peter R. Marksteiner
Clerk of Court

APPENDIX B

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC., *Petitioner*,

v.

OPTIS CELLULAR TECHNOLOGY, LLC, *Patent Owner*.

IPR2020-00465

Patent 8,102,833 B2

Before KALYAN K. DESHPANDE, MICHAEL R. ZECHER, and JOHN P. PINKERTON, *Administrative Patent Judges*.

PINKERTON, *Administrative Patent Judge*.

DECISION

Denying Institution of *Inter Partes* Review
35 U.S.C. § 314(a)

I. INTRODUCTION

Apple Inc. (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 1–14 of U.S. Patent No. 8,102,833 B2 (Ex. 1001, “the ’833 patent”). Paper 3 (“Pet.”). Optis Cellular Technology, LLC (“Patent Owner”) filed a Preliminary Response. Paper 7 (“Prelim. Resp.”). Pursuant to our authorization, Petitioner filed a Reply to Patent Owner’s Preliminary Response (Paper 8 (“Pet. Reply”)), and Patent Owner filed a Sur-reply (Paper 9 (“PO Sur-reply”)), each directed to whether we should exercise our discretion to deny institution pursuant to 35 U.S.C. § 314(a). Ex.

1073, 1; Ex. 2036, 1, 3. Pursuant to our direction, Petitioner also filed a Notice of Invalidity Grounds (Paper 10 (“Pet. Notice”), and Patent Owner filed Updated Mandatory Notice (Paper 11 (“PO Updated Notice”). Ex. 2040. Each of these notices is directed to the claims of the ’833 patent asserted to be invalid, and the ground(s) of invalidity, at the trial in the U.S. District Court for the Eastern District of Texas, Marshall Division, in *Optis Wireless Technology, LLC v. Apple Inc.*, Case No. 2:19-cv-00066-JRG (E.D. Tex.) (“the underlying litigation”).¹

Under 35 U.S.C. § 314 and 37 C.F.R. § 42.4(a), we have authority to institute an *inter partes* review if “the information presented in the petition ... and any response ... shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a). Institution of an *inter partes* review is discretionary, not mandatory. *See 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.”); *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he PTO is permitted, but never compelled, to institute an IPR proceeding.”).

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

¹ As further discussed below, between August 3 and 11, 2020, a jury trial was held in the underlying litigation in the U.S. District Court for the Eastern District of Texas, Marshall Division, in which the jury rendered its verdict on August 11, 2020. *See* PO Updated Notice 1–2 (citing Ex. 2041 (Verdict Form)).

II. BACKGROUND

A. Related Matters

Patent Owner has asserted the '833 patent against Petitioner in *Optis Wireless Technology, LLC v. Apple Inc.*, No. 2:19-cv-00066-JRG (E.D. Tex.). Pet. 2; Paper 11, 1.

Patent Owner also asserted the '833 patent against Huawei Device Co. Ltd. in *Optis Wireless Tech., LLC, v. Huawei Techs. Co.*, No. 2:17-cv-00123-JRG-RSP (E.D. Tex.) (“the Huawei litigation”). Pet. 10 n.7.

Huawei Device Co., Ltd. filed a petition for inter partes review of claims 1–14 of the '833 patent in *Huawei Device Co., Ltd. v. Optis Cellular Technology, LLC*, IPR2018-00807 (PTAB) (“IPR 807”). Pet. 2 (citing Ex. 1010); Paper 6, 1. On November 5, 2018, we denied institution in IPR 807. Paper 6, 1; Ex. 1011.

B. Overview of the '833 Patent

The '833 patent, titled “Method for Transmitting Uplink Signals,” issued on January 24, 2012, and claims priority to Korean application 10-2008-0068634, filed on July 15, 2008, and U.S. Provisional Applications, Nos. (1) 60/972,244, filed on September 13, 2007; (2) 60/987,427, filed on November 13, 2007; and (3) 60/988,433, filed on November 16, 2007. Ex. 1001, codes (30), (60), 1:7–15.

The '833 patent relates generally to user equipment (UE) of a mobile communication system transmitting uplink signals, including ACK/NACK signals, control signals other than ACK/NACK signals, and data signals. Ex. 1001, code (57), 1:21–24. The '833 patent describes that control signals transmitted to the uplink

“include uplink ACK/NACK² signals for HARQ communication, channel quality indicator (CQI) information, and precoding matrix index (PMI).” *Id.* at 1:29–32. The ’833 patent specifically distinguishes ACK/NACK signals from control signals other than ACK/NACK signals and states “control signals’ will mean those other than the ACK/NACK signals.” *Id.* at 5:15–16; *see also id.* at 1:43–45 (stating “the control signals will mean those except for ACK/NACK signals”).

The ’833 patent explains that the 3GPP LTE system uses a single carrier frequency division multiplexing access (SC-FDMA) scheme for uplink signal transmission. *Id.* at 1:33–35. According to the ’833 patent, the 3GPP LTE system prescribes that data signals and control signals among the uplink signals are first multiplexed and ACK/NACK signals are transmitted to the multiplexed signals by puncturing the data or control signals when uplink ACK/NACK signal transmission is required for downlink data. *Id.* at 1:35–40. As the ’833 patent also describes, it was determined that, in 3GPP LTE systems, when the control information is multiplexed with the data information, “the control information is transmitted near a reference signal.” *Id.* at 1:45–49. The ’833 patent explains that “control signals generally require higher reliability than the data signals,” and “the ACK/NACK signals require higher reliability than other types of control signals.” *Id.* at 1:51–57.

² Petitioner’s expert, Dr. Jonathan Wells, opines that ACK/NACK signals are a type of control information or signals “sent from a UE that signifies the acknowledgment (‘ACK’) of receipt or a negative acknowledgment (‘NACK’) indicating a problem with receiving downlink data.” Ex. 1002 ¶ 35 (citing Ex. 1001, 5:3–6).

Accordingly, the '833 patent describes that, when uplink ACK/NACK signal transmission is required while all the control signals are transmitted by approximating to the reference signal, “problems occur in that the ACK/NACK signals can neither be transmitted by puncturing the control signals arranged near the reference signal nor be transmitted near the reference signal.” *Id.* at 1:54–62. Thus, the '833 patent describes a method for transmitting uplink signals by efficiently arranging ACK/NACK signals and other control signals in a resource region considering priority among them. *Id.* at 2:7–10; *see also id.* at 2:25–27 (stating that “arranging the ACK/NACK signals at both symbols near to symbols through which a reference signal is transmitted”).

The '833 patent describes transmitting information in accordance with the SC-FDMA scheme in which information sequences are transmitted using one “resource block” and one “sub-frame.” *Id.* at 5:31–40. Each sub-frame includes two slots, and each slot includes 7 SC-FDMA symbols. *Id.* at 5:40–45, cl. 3. Two of the 14 SC-FDMA symbols in each sub-frame are used as reference signals that are pilot signals. *Id.* at 5:40–43. Each resource block includes 12 OFDM (orthogonal frequency division multiple access) subcarriers and 7 SC-FDMA symbols in one slot. *Id.* at 5:37–40. The '833 patent explains that, at this time, the number of modulation symbols of the information that can be transmitted to the uplink becomes $12 \times 12 = 144$. *Id.* at 5:43–45. The '833 patent further explains that 144 information sequences can be transmitted through 12 virtual subcarriers and 12 SC-FDMA symbols, which “can be represented by a matrix structure of 12×12 called a time-frequency mapper.” *Id.* at 5:46–49.

Figure 6 of the '833 patent is reproduced below.

10a

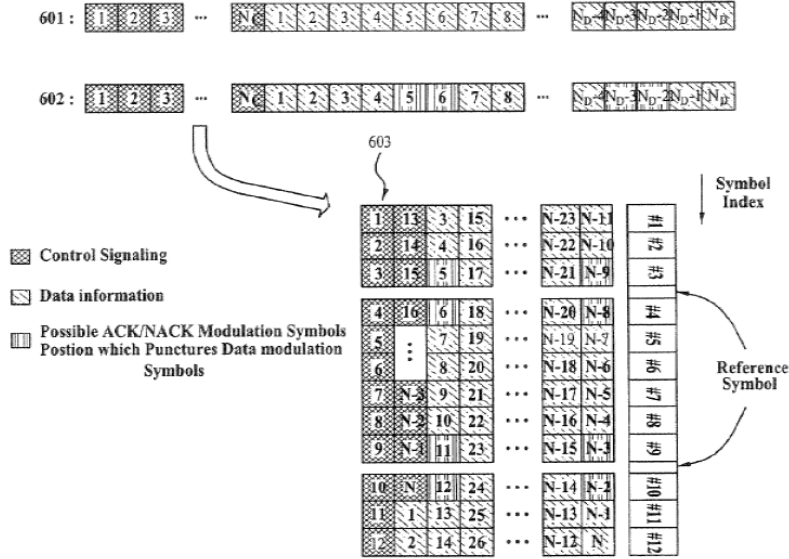


Figure 6 above is a diagram illustrating a method for transmitting uplink signals in accordance with one embodiment of the '833 patent. *Id.* at 3:33–35, 6:49–51. This figure includes three portions, arranged vertically. The top portion of Figure 6 (labeled 601) is a horizontal strip of small, square blocks representing control signals (each numbered 1 through N_C) and data signals (each numbered 1 through N_D), illustrating that control and data signals are multiplexed serially, if ACK/NACK signals are not transmitted, with control signals placed at the front (i.e., starting at the left) and data signals placed at the rear of the multiplexed signals. *Id.* at 6:60–63. The second or middle portion of Figure 6 (labeled 602) is also a horizontal strip of small, square blocks, again representing data signals and control signals multiplexed serially, with data signals placed at the front, and with ACK/NACK signals to be transmitted that “are arranged by puncturing the

multiplexed data.”³ *Id.* at 6:63–66. In this portion of Figure 6, the ACK/NACK symbols are inserted in place of data signals 5, 6, N_D-3, and N_D-2.

The third portion of Figure 6 (labeled 603), which is located at the bottom, illustrates the embodiment in which information sequences such as those shown in the second portion of Figure 6 (labeled 602) are mapped with SC-FDMA symbols according to the time-first mapping method, and then transmitted on the uplink. *Id.* at 6:52–56; 6:66–7:2. This portion of Figure 6 is a two-dimensional “time-frequency region” that independent claim 1 refers to as “a 2-dimensional resource matrix.” *Id.* at 6:66–7:2, 9:6–7. In accordance with the time-first mapping method, the multiplexed signals (such as 602) are mapped row by row to the resource matrix in which rows correspond to subcarriers and columns correspond to SC-FDMA symbols. *Id.* at 6:66–7:3; 7:6–10; 9:6–21. Resource matrix 603 shows a total of 14 SC-FDMA symbols along the time axis (the vertical axis) within one subframe—12 SC-FDMA symbols (numbered from top to bottom as #1 through #12 in a column to the right of the matrix) and two SC-FDMA symbols that carry reference signals in a part between symbol indices #3 and #4 and in a part between symbol indices #9 and #10. *Id.* at 5:37–45; 7:2–5. The ’833 patent explains that the ACK/NACK signals are set in such a manner that they overwrite the data signals on both sides of the parts to which the reference signals are transmitted (i.e., into

³ As used in the ’833 patent, “puncturing” means “overwriting” or “replacing” specific information. Ex. 1001, 6:15–21 (“overwritten” means that specific information is skipped and the corresponding region is mapped; “overwritten” also means that the length of the entire information is maintained equally even after specific information is inserted).

SC-FCMA symbols #3, 4, 9, and 10 in Figure 6). *Id.* at 7:10–14. These overwritten ACK/NACK signals are labeled N-2, N-3, N-8, and N-9 in matrix 603, the third portion of Figure 6.

C. Illustrative Claims

Challenged claims 1 and 8 are independent. Challenged claims 2–7 depend directly from claim 1; challenged claims 9–14 depend directly from claim 8. Claims 1 and 8 are illustrative of the claimed subject matter and are reproduced below (with paragraph lettering added to claim 8 consistent with claim 1):

1. A method for transmitting uplink signals comprising control signals and data signals in a wireless communication system, the method comprising:

(a) serially multiplexing first control signals and data signals in a mobile station, wherein the first control signals are placed at a front part of the multiplexed signals and the data signals are placed at a rear part of the multiplexed signals;

(b) mapping the multiplexed signals to a 2-dimensional resource matrix comprising a plurality of columns and a plurality of rows, wherein the columns and the rows of the 2-dimensional resource matrix correspond to single carrier frequency divisional multiple access (SC-FDMA) symbols and subcarriers for each SC-FDMA symbol, respectively, wherein a number of columns of the 2-dimensional resource matrix corresponds to a number of SC-FDMA symbols within one subframe except specific SC-FDMA symbols used for a reference signal, and wherein the multiplexed signals are mapped from the first column of the

first row to the last column of the first row, the first column of the second row to the last column of the second row, and so on, until all the multiplexed signals are mapped to the 2-dimensional resource matrix;

(c) mapping ACK/NACK control signals to specific columns of the 2-dimensional resource matrix, wherein the specific columns correspond to SC-FDMA symbols right adjacent to the specific SC-FDMA symbols, wherein the ACK/NACK control signals overwrite some of the multiplexed signals mapped to the 2-dimensional resource matrix at step (b) from the last row of the specific columns; and

(d) transmitting the signals mapped to the 2-dimensional resource matrix at steps (b) and (c) by column by column to a base station.

8. A mobile station for transmitting uplink signals comprising control signals and data signals in a wireless communication system, the mobile station comprising:

(a) a processor serially multiplexing first control signals and data signals, wherein the first control signals are placed at a front part of the multiplexed signals and the data signals are placed at a rear part of the multiplexed signals;

(b) the processor mapping the multiplexed signals to a 2-dimensional resource matrix comprising a plurality of columns and a plurality of rows, wherein the columns and the rows of the 2-dimensional resource matrix correspond to single carrier frequency divisional multiple access (SC-FDMA) and subcarriers for each SC-FDMA

symbol, respectively, wherein a number of columns of the 2-dimensional resource matrix corresponds to a number of SC-FDMA symbols within one subframe except specific SC-FDMA symbols used for a reference signal, and wherein the multiplexed signals are mapped from the first column of the first row to the last column of the first row, the first column of the second row to the last column of the second row, and so on, until all the multiplexed signals are mapped to the 2-dimensional resource matrix;

(c) the processor mapping ACK/NACK control signals to specific columns of the 2-dimensional resource matrix, wherein the specific columns correspond to SC-FDMA symbols right adjacent to the specific SC-FDMA symbols, wherein the ACK/NACK control signals overwrite some of the multiplexed signals mapped to the 2-dimensional resource matrix from the last row of the specific columns.

Ex. 1001, 8:65–9:32; 9:65–10:30.

D. Asserted Ground of Unpatentability

Petitioner challenges the patentability of claims 1–14 of the '833 patent based on the following ground:

Claims Challenged	35 U.S.C. §	Reference(s)
1-14	§ 103(a) ⁴	Qualcomm ⁵ in view of Cho, ⁶ Samsung, ⁷ and Qualcomm-269 ⁸

In support of its contentions, Petitioner relies on the Declaration of Dr. Jonathan Wells (Ex. 1002). Pet. 6.

III. ANALYSIS

In the Petition, which was filed on February 28, 2020, Petitioner argues that, although the trial in the underlying litigation is scheduled to begin on August 17, 2020, we should not exercise our discretion to deny institution under 35 U.S.C. § 314(a) for several reasons, including that *inter partes* review would be a more effective and efficient alternative to litigation under

⁴ The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 285–88 (2011), revised 35 U.S.C. § 103 effective March 16, 2013. Because the ’833 patent has an effective filing date prior to the effective date of the applicable AIA amendment, we refer to the pre-AIA version of § 103. See Ex. 1001, codes (22), (30), (60).

⁵ Qualcomm Europe, Draft Change Request: 36.212.v.8.0.0, Document R1-075037, published by November 9, 2007. Ex. 1006 (“Qualcomm”).

⁶ US 2006/0262871 A1, filed on May 3, 2006, and published on November 23, 2006. Ex. 1005 (“Cho”).

⁷ Samsung, *Control Signaling Location in Presence of Data in E-UTRA UL*, 3GPP TSG RAN #49 Document R1-073094, published by June 29, 2007. Ex. 1008 (“Samsung”).

⁸ Qualcomm Europe, *Rate matching details for control and data multiplexing*, 3GPP TSG-RAN #50 Document R1-073269, published by August 24, 2007. Ex. 1007 (“Qualcomm-269”).

the circumstances, Petitioner was timely in pursuing this relief, and the substantive grounds discussed in the Petition. Pet. 10 (citing *General Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19, 9–10 (PTAB Sept. 6, 2017) (precedential in relevant part); see also Pet. 7–9. In its Preliminary Response, Patent Owner asserts that the trial in the parallel district court case is scheduled to start on August 3, 2020 (Prelim. Resp. 7 (citing Ex. 2002, 1)), and argues that we should exercise our discretion under 35 U.S.C. § 314(a) to deny institution of *inter partes* review due to the advanced stage of the underlying litigation. Prelim. Resp. 6–15 (citing *Apple Inc. v. Fintiv Inc.*, IPR2020-00019, Paper 11 (PTAB, March 20, 2020) (precedential, designated May 5, 2020). According to Patent Owner, “[i]nstituting this duplicative petition would prejudice Patent Owner and waste the Board’s resources, may introduce the risk of inconsistent results from different fora, and contravenes Congressional intent for a speedy, just and inexpensive adjudication of the patent validity issues.” *Id.* at 14.

On June 25, 2020, we authorized the parties to submit supplemental briefing on the issue of discretionary denial under 35 U.S.C. § 314(a). Ex. 1073, 1. We specifically authorized Petitioner to file an 8-page Reply to Patent Owner’s Preliminary Response, and Patent Owner to file a 4-page Sur-reply, limited to “the six *Fintiv* factors the Board considers in determining whether to exercise its discretion to institute review when there is a related proceeding pending in district court.” *Id.* On July 7, 2020, after the filing of Petitioner’s Reply on July 2, 2020, we modified our prior authorization for supplemental briefing by authorizing Patent Owner to file an 8-page Sur-reply to

address the *Fintiv* factors and respond to arguments raised in Petitioner’s Reply. Ex. 2036, 1.

In determining whether to exercise our discretion under § 314(a), we are guided by the Board’s precedential decisions in *NHK*⁹ and *Fintiv*. 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 institution of an *inter partes* review under the circumstances present in that case “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). The Board’s cases considering the advanced state of a parallel proceeding “as a basis for denial under *NHK* have sought to balance considerations such as system efficiency, fairness, and patent quality.” *Fintiv*, Paper 11 at 5 (collecting cases). *Fintiv* sets forth the following factors the Board balances when determining whether to exercise its discretion to deny institution:

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;

⁹ *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential, designated May 7, 2019).

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 now consider the *Fintiv* factors to determine whether to exercise discretion to deny institution under 35 U.S.C. § 314(a). “[I]n evaluating the factors, the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.* at 6.

A. Fintiv Factor 1: Stay in the Underlying Litigation

Petitioner argues that “[b]ecause no stay has been requested in the Texas case, this factor is neutral.” Pet. Reply 1. Patent Owner argues that this factor favors discretionary denial because a stay is highly improbable in view of the advanced stage of the underlying litigation, including that a trial is scheduled to start on August 3, 2020, and Petitioner has only filed petitions for *inter partes* review against three of the six asserted patents in the litigation, thereby diminishing the chance Petitioner can get a stay before the jury trial. Prelim. Resp. 7–8; see also PO Sur-reply 1.

As discussed below, the trial in the underlying litigation already has taken place. PO Updated Notice, Paper 11, 1–2. On the present record, neither party has produced evidence that a stay of any post-trial proceedings may be requested or granted. *See generally* Pet.; Pet. Reply; Prelim. Resp.; PO sur-reply). Accordingly, this factor does not weigh in favor

of or against exercising our discretion to deny institution pursuant to § 314(a).

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

Between August 3 and August 11, 2020, a jury trial was held in the United States District Court for the Eastern District of Texas, Marshall Division, in the underlying litigation. PO Updated Notice 1–2. On August 11, 2020, the jury returned a verdict that Petitioner had not proven by clear and convincing evidence that claim 8 of the '833 patent is invalid. *Id.* at 2 (citing Ex. 2041, 5). A final written decision in this proceeding would be due in September 2021, approximately thirteen months after completion of the district court trial. *See* Prelim. Resp. 8–10. Petitioner does not directly address this issue. *See generally* Pet. 7–10; Pet. Reply.

Accordingly, in view of the thirteen-month gap between the date of the district court jury verdict and the projected due date for a final written decision in this proceeding, this factor strongly favors exercising our discretion to deny institution pursuant to § 314(a).

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

Patent Owner contends there has been immense investment in the underlying litigation. PO Prelim. Resp. 10. In particular, Patent Owner argues the district court held a *Markman* hearing in late January and issued a claim construction order on April 7, 2020. *Id.* (citing Ex. 2005). Patent Owner also argues that the parties have exchanged expert reports and they have filed dispositive and Daubert motions. *Id.* (citing Ex. 2002). Patent Owner further argues that “more

resources” will be devoted to the district court case in the coming months in preparation for the August trial, and that the parties “have already made and will continue to make in the next couple of months tremendous ‘investment in the parallel proceeding.’” *Id.* In that regard, Patent Owner states that, since the filing of the Preliminary Response, “the parties have filed oppositions to each other’s dispositive and *Daubert* motions and have agreed to file the associated replies.” PO Sur-reply 1–2. We also note that the amended docket control order set a deadline of July 17, 2020, for filing the joint pretrial order, joint proposed jury instructions, joint proposed verdict form, responses to motions in limine, updated exhibit lists, updated witness lists, and updated deposition designations, and set a deadline of July 27, 2020, for the pretrial conference. Ex. 2002, 1–2.

As Patent Owner argues, Petitioner “does not dispute any of the facts regarding *Fintiv* factor 3 presented in [Patent Owner’s Preliminary Response].” PO Sur-reply 1 (citing Pet. Reply 1–2). Instead, Petitioner argues that it exercised diligence in filing the Petition based on one ground for fourteen claims and gained no “tactical advantage for the Petition from the litigation based on the time the Petition was filed.” Pet. Reply 1–2. In response, Patent Owner argues that “diligence and tactical advantage are factors addressed under *General Plastic*.” PO Sur-reply 2.

Contrary to Patent Owner’s argument, *Fintiv* does provide that a petitioner’s diligence or delay in filing a petition may be relevant under the third *Fintiv* factor. *Fintiv*, Paper 11 at 11–12. However, in view of the undisputed evidence of the expenditure of substantial time and effort by the court and the parties in preparing for and conducting a jury trial in the district

court, we find this factor strongly favors exercising our discretion to deny institution pursuant to § 314(a) to prevent the inefficient use of Board resources.

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

The parties disagree on the extent to which the issues overlap in the Petition and the underlying litigation with respect to the '833 patent. Petitioner contends that the issues in the two proceedings do not substantially overlap. Pet. Reply 2. Petitioner argues that, at Patent Owner's request, it agreed to drop the grounds involving Qualcomm-269 and Cho in the district court case, which "mitigates concerns of duplicative efforts." *Id.* Petitioner also argues that fourteen claims are challenged in the Petition, and Patent Owner's argument about the relative amount of space in the Petition devoted to overlapping and non-overlapping claims fails because Patent Owner does not concede that the dependent claims fall with the independent claims. *Id.*

Patent Owner contends that the Petition and the district court case overlap substantially. PO Sur-reply 2-3. Patent Owner argues that Petitioner "fails to inform the Board that the ground of challenge remaining in the district court ... relies on two of the same references (Exs. 1006 and 1008) as the Petition." *Id.* at 3-4. Patent Owner also argues that Petitioner's invalidity contentions and Dr. Wells' declaration show there are numerous similarities in Petitioner's analysis of the ground remaining in the district court and the analysis in the Petition. *Id.* at 4-5 (citing Ex. 2028, 80-83, 88-91; Compare Ex. 1002 ¶¶ 76-78, 79-84, 85-94, 95-101, 102-104, 105-113, 114-119, 120-123 (Petition ground) with Ex. 2037 ¶¶ 268-270, 271-278, 279-288,

289–294, 295, 296–306, 307–312, 313–316 (Malladi ground). Patent Owner further argues that the fact there are more claims at issue in the Petition than those elected for trial does not favor institution because Petitioner’s analysis of the dependent claims relies on essentially the same evidence and argument as for the independent claims, and therefore, there is substantial overlap between this proceeding and the district court case. PO Prelim. Resp. 11–12.

This fourth *Fintiv* factor involves consideration of inefficiency concerns and the possibility of conflicting decisions. *Fintiv*, Paper 11 at 12. Therefore, “if the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.” *Id.* “Conversely, if the petition includes materially different grounds, arguments, and/or evidence than those presented in the district court, this fact has tended to weigh against exercising discretion to deny institution.” *Id.* at 12–13.

In considering issues pertaining to the claims and the prior art asserted in the Petition and in the jury trial in the underlying litigation, there are similarities and differences with respect to both. We first consider issues of overlap with respect to the claims. At the trial in the district court, Patent Owner asserted only one claim of the ’833 patent, independent claim 8. Pet. Notice 1; PO Updated Notice 1–2. The Petition, however, challenges all fourteen claims of the ’833 patent; independent claims 1 and 8, as well as dependent claims 2–7 and 9–14. Pet. 6. Independent claim 8 is directed to a mobile station for transmitting uplink signals, and independent claim 1 is directed to a method for transmitting uplink signals. *See* Ex. 1001, 8:65–67, 9:65–67. A comparison of the limitations of

claims 8 and 1 indicates that, except for the claimed processor of claim 8, the “multiplexing,” “mapping the multiplexed signals to a 2-dimensional resource matrix,” and “mapping ACK/NACK control signals” limitations of claim 8 are essentially the same as limitations (a), (b), and (c) of claim 1, respectively. We also note that in the Petition, Petitioner argues that the prior art discloses each of the limitations of claim 1 (*see* Pet. 31–65), and then for each limitation of claim 8, argues that the limitation of claim 8 is disclosed by the art cited in the section of the Petition addressing the corresponding limitation of claim 1 (*see id.* 77–79). Besides the three limitations identified above (and being a method claim), claim 1 differs from claim 8 in that it includes a “transmitting” step. *See* Ex. 1001, 9:30–32. Thus, although only claim 8 was asserted at trial, it is substantially similar to claim 1, which is also asserted in the Petition. However, none of the twelve dependent claims were asserted at trial.

Second, we consider the overlap of issues with respect to the prior art. At trial, Petitioner asserted, and Patent Owner acknowledges that Dr. Wells testified, that claim 8 of the ’833 patent was invalid for obviousness over the combination of Qualcomm, Malladi-161,¹⁰ Samsung, and Malladi-367.¹¹ Pet. Notice 1; PO Updated Notice 2. Although this combination of prior art is different from the combination asserted in the Petition—Qualcomm, Cho, Samsung, and Qualcomm-269—as Patent Owner argues, two of the references—Qualcomm and Samsung—are the same. PO Sur-reply 3 (citing Exs. 1006, 1008). Patent Owner also argues that, at trial, Petitioner replaced the

¹⁰ US 8,374,161 B2, issued on February 12, 2013. Ex. 2035.

¹¹ US 8,467,367 B2, issued June 18, 2013. Ex. 2034.

Petitioner's Qualcomm-269 (Ex. 1007) with Malladi-367 (Ex. 2034), and replaced the Petitioner's Cho (Ex. 1005) with Malladi-161 (Ex. 2035). *Id.* at 4. Patent Owner also argues, and we agree, that based on Petitioner's second amended invalidity contentions (Ex. 2038) served on March 31, 2020, in the underlying litigation, and Dr. Wells' analysis in his declaration (Ex. 1002) and in his expert report in the underlying litigation (Ex. 2037), Petitioner and Dr. Wells treat Cho interchangeably with Malladi-161, and they treat Qualcomm-926 interchangeably with Malladi-367. *Id.* (citing Ex. 2038, 80–83, 88–91; Compare Ex. 1002 ¶¶ 76–78, 79–84, 85–94, 95–101, 102–104, 105–113, 114–119, 120–123 (Petitioner ground) with Ex. 2037 ¶¶ 268–270, 271–278, 279–288, 289–294, 295, 296–306, 307–312, 313–316 (Malladi ground)). As Patent Owner also argues, and we agree, “Dr. Wells used similar language for both what the references supposedly disclosed and the reasons for combining.” *Id.*

Patent Owner also argues that, during trial, Patent Owner's expert, Dr. Madisetti, explained why the '833 patent was not rendered obvious by either a combination of Qualcomm-037 (Ex. 1006), Malladi-161 (Ex. 2035), Malladi-367 (Ex. 2034), and Samsung-094 (Ex. 1008) or a combination of Qualcomm-037 (Ex. 1006), Cho (Ex. 1005), Qualcomm-269 (Ex. 1007), and Samsung-094 (Ex. 1008). PO Update Notice 2. We are not persuaded by this argument because we do not have access to the trial record. Moreover, we agree with Petitioner that any testimony by Dr. Madisetti about additional prior art references was not part of Petitioner's invalidity case, and Patent Owner did not seek a declaration of invalidity and, therefore, could not independently introduce grounds of invalidity at trial not addressed by Petitioner's witnesses. Pet. Notice 1–2 n.1.

Thus, although the combinations of four references asserted by Petitioner at trial and in the Petition are different, two of the references, including the primary reference Qualcomm, are the same in both combinations. And, to the extent the other two references in each combination are different, Petitioner treated the respective pairs of references interchangeably.

For the above reasons, there is substantial overlap of issues concerning the prior art asserted by Petitioner at the district court trial and the prior art asserted in the Petition. There is also substantial similarity in the issues concerning independent claims 1 and 8 because of the substantial similarity of the limitations of claim 1 challenged in the Petition and claim 8 asserted at the district court trial.

However, with respect to dependent claims 2–7 and 9–14, each of which depends from claims 1 and 8, respectively, there are no specific overlapping issues because these dependent claims were not asserted at the district court trial. Although each dependent claim further limits its underlying independent claim, we note the limitations of claims 2–7, and the limitations of corresponding claims 9–14, are substantially identical.¹² *See* Ex. 1001, 9:33–64; 10:31–64. Even when we distill these twelve dependent claims down to two identical sets of six dependent claims, the specific arguments and evidence concerning the additional limitations recited in these two sets of six dependent claims necessarily would be different than the specific arguments and

¹² In other words, except for the reference to the underlying independent claim, the additional limitations of claims 2 and 9, 3 and 10, 4 and 11, 5 and 12, 6 and 13, and 7 and 14 are substantially identical.

evidence concerning the limitations of claim 8 that was asserted in the district court trial. As just one example, dependent claims 7 and 14 each recite “wherein the signals mapped to the 2-dimensional resource matrix are transmitted through a physical uplink shared channel (PUSCH).” Ex. 1001, 9:65–67, 10:62–64. Because the PUSCH channel required by dependent claims 7 and 14 is a specific type of uplink channel for transmitting multiplexed signals that is not otherwise required by independent claims 1 and 8, the specific arguments and evidence that would be required to account for this particular limitation necessarily would be different than those required or presented for the limitations of independent claims 1 and 8.

On balance, even though there is overlap in the issues raised in the Petition and tried in the district court in the underlying litigation with respect to claims 1 and 8, we would be the first tribunal to assess the patentability of the additional limitations required by dependent claims 2–7 and 9–14. Consequently, this factor does not weigh in favor of or against exercising our discretion to deny institution pursuant to § 314(a).

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

Petitioner and Patent Owner are the defendant and plaintiff, respectively, in the district court case in the underlying litigation. *See* Pet. 2; Prelim. Resp. 13. On August 11, 2020, the jury returned a verdict in Patent Owner’s favor with respect to independent claim 8. PO Updated Notice, Paper 11, 2 (citing Ex. 2041, 2). Because the jury trial in the underlying litigation has concluded, we find that this factor favors exercising our discretion to deny institution pursuant to § 314(a).

F. Fintiv Factor 6: Other Circumstances That Impact the Board's Exercise of Discretion

Under the sixth *Fintiv* factor, which takes into account any other relevant circumstances, Patent Owner argues that Petitioner unreasonably delayed in filing the Petition because the number of claims asserted by Patent Owner in the underlying litigation did not significantly affect drafting the Petition and “Ppetitioner had known about the references since at least August 19, 2019, when it served its invalidity contentions.” Prelim. Resp. 13–14 (citing Ex. 2009). Petitioner asserts it was diligent in filing the Petition. Reply 1. Petitioner argues that, although its initial invalidity contentions identified nearly 140 prior art references for the seven patents asserted in the underlying litigation, Petitioner diligently evaluated the unique strengths of each prior art reference and combination, searched for additional prior art, and ultimately filed only three petitions with the Board. *Id.* Having considered the particular factual circumstances of this case, we do not consider Petitioner’s filing of the Petition untimely.

Petitioner presents extensive policy arguments against the Board’s application of *Fintiv* and *NHK* in determining whether to exercise discretion to deny institution under 35 U.S.C. § 314(a). Pet. Reply 6–8. We do not address these arguments because we are bound by the precedential decisions in *Fintiv* and *NHK*.

Petitioner argues that the strength of its Petition weighs against discretionary denial. Pet. Reply 3–4. Rather than point out particular strengths of the obviousness ground based on the combination of Qualcomm, Cho, Samsung, and Qualcomm-269,

however, Petitioner uses its Reply to respond on the merits to some of the arguments raised by Patent Owner in the Preliminary Response. *Id.* (citing Prelim. Resp. §§ VI.A, B, C, 56–58). Patent Owner then offers its own response in its Sur-reply. PO Sur-reply 5–7. As we reminded the parties when we authorized supplemental briefing, we will not consider any arguments regarding the merits that were not raised in the Petition or Preliminary Response. *See* Ex. 2036, 1. In any event, the parties have not identified particular strengths or weaknesses (e.g., in comparison to the obviousness ground already considered by the jury in the underlying litigation) that in our view would tip the balance either for or against discretionary denial when considered as part of a balanced assessment of the *Fintiv* factors in this case. *See Fintiv*, Paper 11 at 14-15.

Petitioner also raises additional considerations under this factor that it contends favor institution. Pet. Reply 4–6. Petitioner argues that the public interest would be served if the Board addresses the patentability of the '833 patent, which Patent Owner alleges is essential to the 3GPP standard. *Id.* at 4 (citing Ex. 1064, 9). Petitioner also argues that “the Board is well suited to address complex technical subject matter” and that an in-depth analysis of the '833 patent by the Board would enhance the integrity of the patent system. *Id.* at 5–6. We do not take Petitioner’s concerns lightly, but Patent Owner correctly asserts that ample procedural safeguards exist for Petitioner to challenge the '833 patent in the district court, including the availability of an appeal to the U.S. Court of Appeals for the Federal Circuit once post-trial proceedings have been completed. PO Sur-reply 7–8.

G. Conclusion

Based on the particular circumstances of this case, we determine that instituting an *inter partes* review would be an inefficient use of Board resources. As discussed above, the trial in the underlying litigation recently concluded more than one year before we would reach a final decision in this proceeding if we instituted an *inter partes* review. Moreover, the district court and the parties expended considerable time and effort in preparing for and conducting the trial. These considerations, as discussed above in regard to *Fintiv* factors two and three, strongly favor the exercise of discretionary denial. As discussed, *Fintiv* factor five also favors discretionary denial. The other considerations, as discussed above in regard to *Fintiv* factors one, four, and six are essentially neutral and do not weigh in favor of or against exercising our discretion to deny institution. Thus, there are no considerations that override the two factors strongly favoring, and one factor favoring, the exercise of discretionary denial. In particular, we are not persuaded that the Petition's showing on the merits is so strong that it outweighs the second, third, and fifth *Fintiv* factors favoring discretionary denial in this case.

On balance, after a holistic consideration of the relevant facts and the particular circumstances of this case, we conclude that efficiency and integrity of the system are best served by denying institution. Thus, we exercise our discretion under § 314(a) to deny institution of *inter partes* review.

IV. ORDER

Accordingly, it is

ORDERED that the Petition is *denied*; and

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

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APPENDIX C

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC., *Petitioner*,

v.

OPTIS WIRELESS TECHNOLOGY, LLC, *Patent Owner*.

IPR2020-00466
Patent 8,411,557 B2

Before LYNNE E. PETTIGREW, BARBARA A. PARVIS, and JOHN P. PINKERTON, *Administrative Patent Judges*.

PARVIS, *Administrative Patent Judge*.

DECISION

Denying Institution of *Inter Partes* Review
35 U.S.C. § 314(a)

I. INTRODUCTION

Petitioner, Apple Inc., filed a Petition for *inter partes* review of claims 1–10 of U.S. Patent No. 8,411,557 B2 (Ex. 1001, “the ’557 patent”). Paper 3 (“Pet.”). Patent Owner, Optis Wireless Technology, LLC, filed a Preliminary Response. Paper 7 (“Prelim. Resp.”). Pursuant to our authorization for supplemental briefing, Petitioner filed a Reply to Patent Owner’s Preliminary Response, and Patent Owner filed a Sur-reply. Paper 8 (“Pet. Reply”); Paper 9 (“PO Sur-reply”).

Under 35 U.S.C. § 314 and 37 C.F.R. § 42.4(a), we have authority to institute an *inter partes* review if “the information presented in the petition ... and any response ... shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a). The Board, however, has discretion to deny a petition even when a petitioner meets that threshold. *Id.*; see, e.g., *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *NHK Spring Co. v. Intriplex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential, designated May 7, 2019) (“*NHK*”).

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

II. BACKGROUND

A. *Real Parties-in-Interest*

Petitioner identifies itself as a real party-in-interest. Pet. 1. Patent Owner identifies itself as a real party-in-interest and states that “PanOptis Patent Management, LLC has the right to license and assert the ’557 patent.” Paper 6, 1 (Patent Owner’s Mandatory Notices).

B. *Related Matters*

The parties identify the following pending district court proceeding related to the ’557 patent: *Optis Wireless Technology, LLC et al. v. Apple Inc.*, No. 2:19-cv-00066 (E.D. Tex.). Pet. 1; Paper 6, 1.

C. Overview of the '557 Patent

The '557 patent describes a mobile station and radio communication method for efficiently reporting control information in the RACH (Random Access Channel). Ex. 1001, 1:60–62. The method of the present invention includes selecting one of a plurality of unique code sequences as a signature, according to inputted control information. *Id.* at 2:62–65. The signature (code sequence) is then modulated to generate a RACH signal that is multiplexed and transmitted. *Id.* at 3:1–12.

D. Illustrative Claim

Challenged claims 1 and 10 are independent, and each of challenged claims 2–9 depends directly from claim 1. Claim 1 is illustrative of the claimed subject matter:

1. A mobile station apparatus comprising:
 - a receiving unit configured to receive control information;
 - a selecting unit configured to randomly select a sequence from a plurality of sequences contained in one group of a plurality of groups, into which a predetermined number of sequences that are generated from a plurality of base sequences are grouped and which are respectively associated with different amounts of data or reception qualities, wherein the predetermined number of sequences are grouped by partitioning the predetermined number of sequences, in which sequences generated from the same base sequence and having different cyclic shifts are arranged in an increasing order of the cyclic shifts; and

a transmitting unit configured to transmit the selected sequence;

wherein a position at which the predetermined number of sequences are partitioned is determined based on the control information, and a number of sequences contained in each of the plurality of groups varies in accordance with the control information.

Ex. 1001, 10:59–11:14.

E. Asserted Grounds of Unpatentability

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

Claims Challenged	35 U.S.C. §	References
1–10	103(a) ¹	Harris ² , Tan ³
1–10	103(a)	Sutivong ⁴ , Tan

III. ANALYSIS

Patent Owner contends we should exercise our discretion under 35 U.S.C. § 314(a) to deny institution

¹ The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 285–88 (2011), revised 35 U.S.C. § 103 effective March 16, 2013. Because the ’557 patent has an effective filing date prior to the effective date of the applicable AIA amendment, we refer to the pre-AIA version of § 103.

² U.S. Patent No. 8,009,637 B2, issued August 30, 2011 (Ex. 1004, “Harris”).

³ U.S. Patent Application Publication No. US 2007/0165567 A1, published July 19, 2007 (Ex. 1005, “Tan”).

⁴ International Patent Application Publication No. WO 2006/019710 A1, published February 23, 2006 (Ex. 1003, “Sutivong”).

of inter partes review due to the advanced stage of the parallel litigation in the United States District Court for the Eastern District of Texas. Prelim. Resp. 1–11 (citing *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential, designated May 5, 2020) (“*Fintiv*”). According to Patent Owner, we should exercise our discretion “to avoid duplicative efforts that waste the judicial, administrative and the parties’ resources and to avoid [a] potentially inconsistent outcome.” *Id.* at 1.

Patent Owner also contends we should exercise our discretion under 35 U.S.C. § 325(d) to deny institution of *inter partes* review because the combination of Sutivong and Tan already was considered during prosecution of the parent of the application that issued as the ’557 patent. *Id.* at 11–13. Petitioner acknowledges that during prosecution of the parent, the Examiner rejected all pending claims as anticipated by Tan, and later the Examiner finally rejected all pending claims of the parent as obvious over Tan and Sutivong. Pet. 14–16.⁵ Petitioner asserts that applicants “avoided any substantive rejections” in the application that issued as the ’557 Patent because applicants’ request to participate in the Patent Prosecution Highway (PPH) Program between the U.S. Patent and Trademark Office and the Japan Patent Office (JPO) was granted and the JPO had not considered Tan and Sutivong. Pet. 18 (citing Ex.1006, 62–63, 95–108). Patent Owner responds that “applicants noticed those references in an IDS and specifically pointed out [t]he references listed on the

⁵ The ’557 patent issued from U.S. Patent Application No. 13/333,805, which claims priority to U.S. Patent Application No. 12/293,530 (“parent”). Pet. 14.

attached Information Disclosure Statement were submitted to and/or cited by the Patent and Trademark Office in its prior application” Prelim. Resp. 12 (citing Ex. 1006, 113–116).

We begin by considering the parties’ contentions regarding whether we should exercise our discretion under 35 U.S.C. § 314(a) to deny institution of *inter partes* review.

A. 35 U.S.C. § 314(a)

In determining whether to exercise our discretion under § 314(a), we are guided by the Board’s precedential decisions in *NHK* and *Fintiv*. 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 institution of an *inter partes* review under the circumstances present in that case “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)). The Board’s cases considering the advanced state of a parallel proceeding “as a basis for denial under *NHK* have sought to balance considerations such as system efficiency, fairness, and patent quality.” *Fintiv*, Paper 11 at 5 (collecting cases). *Fintiv* sets forth the following factors the Board balances when determining whether to exercise its discretion to deny institution:

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. “[I]n evaluating the factors, the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.* at 6.

We now consider the *Fintiv* factors to determine whether we should exercise discretion to deny institution under 35 U.S.C. § 314(a) in this case. Because *Fintiv* issued and was designated precedential after the Petition was filed, we authorized the parties to file supplemental briefing to address the *Fintiv* factors. *See* Pet. Reply 1–8; PO Sur-reply 1–8. After the parties filed their supplemental briefing, the district court held a jury trial, which we address in more detail below. *See* Paper 11, 1 (Patent Owner's Updated Mandatory Notice, Aug. 19, 2020). As a result, some of the parties' arguments presented in the supplemental briefing, especially those related to uncertainty of the trial date, are no longer particularly relevant to an analysis of the *Fintiv* factors.

1. *Fintiv Factor 1: Stay in the Parallel Proceeding*

As noted, the Texas district court trial already has taken place. See Paper 11, 1. Petitioner did not move for a stay in the district court proceeding prior to trial. See Pet. Reply 1. The parties have provided no evidence regarding whether a stay of any post-trial proceedings may be requested or granted. Under these circumstances, this factor is neutral and does not affect our analysis.

2. *Fintiv Factor 2: Trial Date in the Parallel Proceeding*

A jury trial involving the '557 patent and four other patents began in the Texas district court proceeding on August 3, 2020 and concluded with a jury verdict on August 11, 2020. See Paper 11, 1; see also Paper 10, 1 (Petitioner's Notice of Claims and Grounds of Invalidity Presented at District Court Trial); Ex. 2021, 5 (jury verdict form indicating Petitioner did not prove by clear and convincing evidence that claims 1 and 10 of the '557 patent are invalid). Thus, the trial ended about one month before the statutory deadline for a decision whether to institute an *inter partes* review and about thirteen months before a final written decision would be due if we did institute an *inter partes* review.

If a court's trial date is earlier than the projected statutory deadline of a final written decision, "the Board generally has weighed this fact in favor of exercising authority to deny institution under *NHK*." *Fintiv*, Paper 11 at 9. In this case, in view of the thirteen-month gap between the date of the district court jury verdict and the projected due date for a final written decision, this *Fintiv* factor strongly favors the exercise of discretionary denial.

3. *Fintiv Factor 3: Investment by the Court and the Parties in the Parallel Proceeding*

With respect to the third *Fintiv* factor, Petitioner argues that its diligence in filing the Petition favors institution. Pet. Reply 1. Petitioner asserts, for example, that after identifying nearly 140 prior art references across seven asserted patents in its initial invalidity contentions in district court, it diligently evaluated the unique strengths of each prior art reference and combination, searched for additional prior art, and filed petitions challenging only three patents. *Id.* Petitioner also argues it obtained no tactical advantage based on the time the Petition was filed. *Id.* at 2.

Patent Owner argues that this factor weighs heavily in favor of discretionary denial due to the “tremendous” investment in the parallel proceeding by the parties and the court. Prelim. Resp. 6. At the time of the Preliminary Response, the district court had held a *Markman* hearing and issued a claim construction order, fact discovery had closed, and the parties had exchanged expert reports and conducted expert discovery. *Id.* at 5–6. By the time Patent Owner filed its Sur-reply, the parties had filed dispositive and *Daubert* motions and oppositions. PO Sur-reply 2. Responding to Petitioner’s argument, Patent Owner contends that diligence and tactical advantage are not relevant under *Fintiv* but instead are addressed under General Plastic when the Board considers whether to exercise its discretion to deny a petition challenging a patent that was the subject of another petition. *Id.*

Contrary to Patent Owner’s argument, *Fintiv* does provide that a petitioner’s diligence or delay in filing a petition may be relevant under the third *Fintiv* factor.

Fintiv, Paper 11 at 11–12. Nevertheless, under the circumstances present here, the timing of the Petition does not impact our analysis. As discussed above, the district court held a jury trial that ended with a verdict on August 11, 2020. *See supra* § III.A.2. Thus, the parties and the district court have invested substantial time and effort addressing patent validity in preparing for and conducting a trial in the parallel proceeding. Accordingly, this factor strongly favors the exercise of discretionary denial to prevent the inefficient use of Board resources, as well as duplicative costs to the parties.

4. Fintiv Factor 4: Overlap Between Issues Raised in the Petition and Parallel Proceeding

Patent Owner argues that “[t]he exact same combinations of references at issue in the Petition are also at issue in the district court.” Prelim. Resp. 6 (citing Ex. 2007, 1). Patent Owner also argues “the fact that there are more claims at issue in the Petition than the ones elected for trial does not weigh in favor of discretionary institution” because the analysis in the Petition “for the dependent claims relies on essentially the same evidence and argument as for claim 1; and Petitioner devotes the bulk of the analysis to the elected claims.” *Id.* at 7–8.

Petitioner states that at Patent Owner’s request, “and to eliminate the chance of inconsistent findings, Petitioner agreed on July 2, 2020 to drop the Harris grounds” in the district court proceeding and Petitioner “further stipulates that it will not pursue Ground 2 (Sutivong and Tan) in this IPR.” Pet. Reply 2 (citing Ex. 1045). Petitioner also asserts that “significant differences” in the proceedings favor institution including that in only the instant proceeding, Petitioner asserts the ground of obviousness over Harris and Tan

and in only the instant proceeding all claims of the '557 patent, i.e., claims 1–10 are challenged. *Id.* Petitioner also describes as “unique” the reasoning to combine in the Petition (*id.*), which includes the following: “[a] POSITA would have been motivated to use Tan’s sequences, which are generated from a plurality of base sequences, as the codes in Harris, at least because Harris incorporates the Tan Provisional by reference for the express purpose of using Tan’s sequences as the codes in Harris.” Pet. 28 (citing Ex. 1004, 4:1–11). Petitioner responds to Patent Owner’s arguments regarding the dependent claims (Prelim. Resp. 8) by asserting that “Petitioner’s analysis of non-overlapping claims is proportionate to their length.” Pet. Reply 3.

Patent Owner responds that Petitioner “cannot avoid complete overlap between the two proceedings.” PO Sur-reply 3. Patent Owner points to investment by both parties in the district court proceeding. *Id.* Patent Owner also argues that Petitioner cannot alter its Petition because the statutory deadline for filing has passed. *Id.* at 3–4.

Consistent with Petitioner’s agreement “to drop the Harris grounds” in the district court proceeding (Pet. Reply 2), Petitioner’s invalidity presentation to the jury included obviousness over Sutivong and Tan, but not obviousness over Harris and Tan. *See* Paper 10, 1; Paper 11, 1–2. The Petition, however, relies on Tan, not Harris, for certain recitations in the claims. *See, e.g.,* Pet. 27, 34. Even considering just the combination of Harris and Tan, Petitioner has not explained how its arguments relying on Tan in this proceeding differ from arguments presented to the jury regarding that same reference. *See generally* Pet. Reply. Accordingly, we do not agree that the issues in the Petition relating to obviousness over Harris and

Tan are “significantly” different from those presented in the district court proceeding.

Furthermore, we agree with Patent Owner that Petitioner cannot alter its Petition. If we institute an *inter partes* review based on obviousness over Harris and Tan, therefore, we also must institute as to all other claims and all grounds, including the ground based on Sutivong and Tan. *See SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1369–70 (2018) (holding that a decision to institute under 35 U.S.C. § 314 may not institute on fewer than all claims challenged in the petition); *PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1360 (Fed. Cir. 2018); Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019) (“TPG”), at 5 (“In instituting a trial, the Board will either (1) institute as to all claims challenged in the petition and on all grounds in the petition, or (2) institute on no claims and deny institution.”) (available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>).

As for the challenged claims, the Petition challenges independent claims 1 and 10 (Pet. 1), the same independent claims at issue in the district court proceeding. Paper 10, 1; Paper 11, 1–2; Ex. 2021, 5. Dependent claims 2–9 are challenged in the Petition (Pet. 1), but were not at issue in the district court proceeding. Paper 10, 1; Paper 11, 1–2; Ex. 2021, 5. We agree with Patent Owner, however, that the Petition’s analysis of dependent claims 2–9, which do not add materially different limitations, relies on many of the same arguments and evidence as its analysis of claim 1. *See* Pet. 37–45 (repeatedly referring back to analysis of claim 1 limitations). We, therefore, find substantial overlap in the claimed subject matter challenged in the Petition and the parallel proceeding.

This fourth *Fintiv* factor involves consideration of inefficiency concerns and the possibility of conflicting decisions. *Fintiv*, Paper 11 at 12. Therefore, “if the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.” *Id.* “Conversely, if the petition includes materially different grounds, arguments, and/or evidence than those presented in the district court, this fact has tended to weigh against exercising discretion to deny institution.” *Id.* at 12–13.

As discussed, the Petition challenges the same independent claims that were considered in the district court proceeding. The dependent claims challenged in the Petition raise similar issues as the independent claims. The Petition presents an obviousness ground based on a different combination that involves a different reasoning to combine, but the Petition also includes a ground that is the same as the ground presented to the jury and Petitioner cannot alter the Petition. Under these circumstances, we view this factor as weighing slightly in favor of denial.

5. Fintiv Factor 5: Whether Petitioner is the Defendant in the Parallel Proceeding

Petitioner here is the defendant in the district court litigation. *See* Pet. 1; Paper 6, 1. Also, the jury already has rendered a verdict in Patent Owner’s favor with respect to independent claims 1 and 10. *See supra* § III.A.2. Under these circumstances, we view this factor as weighing in favor of denial.

6. Fintiv Factor 6: Other Considerations

Under the sixth *Fintiv* factor, which takes into account any other relevant circumstances, Patent

Owner argues that Petitioner unreasonably delayed in filing the Petition. Prelim. Resp. 9. Petitioner responds that it was diligent in evaluating the unique strengths of the seven patents originally asserted in the parallel proceeding, searching for additional prior art, and ultimately filing only three petitions with the Board. Pet. Reply 1. Having considered the particular factual circumstances of this case, we do not consider Petitioner's filing untimely.

Petitioner presents extensive policy arguments against the Board's application of *Fintiv* and *NHK* in determining whether to exercise discretion to deny institution under 35 U.S.C. § 314(a). Pet. Reply 6–8. We do not address these arguments because we are bound by *Fintiv* and *NHK*, which the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office has designated as precedential decisions of the Board.

Petitioner argues that the strength of its Petition weighs against discretionary denial. Pet. Reply 3–4. Petitioner uses its Reply to respond on the merits to some of the arguments raised by Patent Owner in the Preliminary Response. *Id.* (citing Prelim. Resp. 26–37). Petitioner's arguments pertain to whether the asserted art teaches the claim limitations, not whether the arguments regarding Tan are the same as those presented to the jury. *Id.* Patent Owner then offers its own response in its Sur-reply. PO Sur-reply 4–6. As we reminded the parties when we authorized supplemental briefing, we will not consider any arguments regarding the merits that were not raised in the Petition or Preliminary Response. *See* Ex. 2016 (emails authorizing Reply and Sur-reply). In any event, the parties have not identified particular strengths or weaknesses (e.g., in comparison to the

obviousness grounds already considered by the jury in the parallel proceeding) that in our view would tip the balance either for or against discretionary denial when considered as part of a balanced assessment of the *Fintiv* factors in this case. *See Fintiv*, Paper 11 at 14-15.

With respect to Petitioner's argument that the strength of its Petition weighs against discretionary denial (Pet. Reply 3-4), we further consider the arguments and evidence presented in the Petition and the Preliminary Response. In particular, Patent Owner asserts "[o]n the merit[s], Petitioner acknowledges that neither reference discloses 'sequences generated from the same base sequence and having different cyclic shifts are arranged in an increasing order of the cyclic shifts.'" Prelim. Resp. 1 (citing Pet. 34). Consistent with Patent Owner's contention, Petitioner acknowledges that Harris lacks express teachings in that regard, and Petitioner asserts that it would have been obvious for a person having ordinary skill in the art "to arrange Tan's sequences such that the cyclically shifted sequences were in increasing order of the cyclic shifts." Pet. 34; *see also id.* at 27 (stating that Harris "does not expressly teach that the codes are generated from a 'plurality of base sequences'" and relying on Tan), 34 (referring back to page 27 of the Petition and arguing that making Petitioner's proposed modification of Tan "is the most obvious choice for a POSITA"). Upon consideration of Petitioner's arguments and evidence, we are not persuaded that the Petition's showing on the merits here supports Petitioner's argument that the strength of its Petition weighs against discretionary denial.

Petitioner also raises additional considerations under this factor that it contends favor institution. Pet. Reply 4-6. Petitioner argues that the public interest

would be served if the Board addresses the patentability of the '557 patent, which Patent Owner alleges is essential to 3GPP LTE (3rd Generation Partnership Project Long Term Evolution) telecommunications standards. Pet. Reply 4 (citing Ex. 1048, 8; Ex. 1049, Ex. 1050). Petitioner also argues that “the Board is well suited to address the complex technical subject matter” of the '557 patent and contends that a detailed analysis by the Board would enhance the integrity of the patent system. *Id.* at 5–6. We do not take Petitioner’s concerns lightly, but Patent Owner correctly asserts that ample procedural safeguards exist for Petitioner to challenge that '557 patent in federal court, including the availability of an appeal to the U.S. Court of Appeals for the Federal Circuit once post-trial proceedings have been completed.

7. Conclusion

Based on the particular circumstances of this case, we determine that instituting an inter partes review would be an inefficient use of Board resources. As discussed above, the trial in the parallel proceeding recently concluded more than one year before we would reach a final decision in this proceeding if we instituted an *inter partes* review. Moreover, the district court and the parties expended considerable effort in preparing for and conducting the trial. These considerations strongly favor the exercise of discretionary denial, other considerations favor denial, and no considerations weigh against the exercise of discretionary denial in this case.

On balance, after a holistic consideration of the relevant facts and the particular circumstances of this case, we conclude that efficiency and integrity of the

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

B. 35 U.S.C. § 325(d)

In view our determination to exercise our discretion under § 314(a) to deny institution of *inter partes* review, we need not consider the parties' arguments regarding exercising our discretion under § 325(d) to deny institution of *inter partes* review.

IV. ORDER

Accordingly, it is

ORDERED that the Petition is *denied*; and

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

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APPENDIX D

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC., *Petitioner*,

v.

UNWIRED PLANET INTERNATIONAL LIMITED, *Patent
Owner.*

IPR2020-00642
Patent 9,001,774 B2

Before LYNNE E. PETTIGREW, BARBARA A.
PARVIS, and JOHN P. PINKERTON, *Administrative
Patent Judges.*

PETTIGREW, *Administrative Patent Judge.*

DECISION

Denying Institution of *Inter Partes* Review
35 U.S.C. § 314(a)

I. INTRODUCTION

Petitioner, Apple Inc., filed a Petition for *inter partes* review of claims 6–10 of U.S. Patent No. 9,001,774 B2 (Ex. 1001, “the ’774 patent”). Paper 3 (“Pet.”). Patent Owner, Unwired Planet International Limited, filed a Preliminary Response. Paper 8 (“Prelim. Resp.”). Pursuant to our authorization for supplemental briefing, Petitioner filed a Reply to Patent Owner’s Preliminary Response, and Patent Owner filed a Sur-reply. Paper 9 (“Pet. Reply”); Paper 11 (“PO Sur-reply”).

Under 35 U.S.C. § 314 and 37 C.F.R. § 42.4(a), we have authority to institute an *inter partes* review if “the information presented in the petition ... and any response ... shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a) (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.”); *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential, designated May 7, 2019).

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

II. BACKGROUND

A. *Real Parties-in-Interest*

Petitioner identifies itself as a real party-in-interest. Pet. 2. Patent Owner identifies itself as a real party-in-interest and states that “PanOptis Management, LLC provides management support and other services in supporting of licensing, maintenance, litigation and other business activities related to the ’774 patent.” Paper 6, 1 (Patent Owner’s Mandatory Notices).

B. *Related Matters*

The parties identify the following pending district court proceeding related to the ’774 patent: *Optis*

Wireless Technology, LLC et al. v. Apple Inc., No. 2:19-cv-00066 (E.D. Tex.). Pet. 2; Paper 6, 1.

C. Overview of the '774 Patent

The '774 patent describes improvements to techniques for introducing delay diversity in orthogonal frequency division multiplexing (OFDM) networks and orthogonal frequency division multiple access (OFDMA) networks. Ex. 1001, 1:32–37, 1:47–60. In the improved method, channel estimation is performed and symbol processing parameters (i.e., delay values and gain values) are determined based on the channel estimates and mobile speed. *Id.* at 1:61–67. This method artificially introduces frequency diversity by delaying and amplifying multiple copies of the same OFDM symbol and then transmitting the delayed and amplified OFDM symbols from different transmit antennas. *Id.* at 1:67–2:6.

D. Illustrative Claim

Challenged claim 6 is independent, and each of challenged claims 7– 10 depends directly from claim 6. Claim 6 is illustrative of the claimed subject matter:

6. A method, comprising:

receiving a processing parameter for transmission of data on two antenna ports, the processing parameter including at least one of a time delay, a phase rotation and a gain determined based on a received uplink signal;

receiving a first pilot, a second pilot, a first data symbol and a second data symbol transmitted on the two antenna ports; and

demodulating the first data symbol and the second data symbol based on the processing parameter, the first pilot and the second pilot.

Ex. 1001, 10:65–11:8.

E. Asserted Ground of Unpatentability

Petitioner asserts that the challenged claims are unpatentable based on the following ground¹ (Pet. 5):

Claims Challenged	35 U.S.C. §	References
6–10	103(a) ²	Onggosanusi ³ , Kuchi ⁴

III. ANALYSIS

Patent Owner contends we should exercise our discretion under 35 U.S.C. § 314(a) to deny institution of *inter partes* review due to the advanced stage of the parallel litigation in the United States District Court for the Eastern District of Texas. Prelim. Resp. 4–12

¹ Petitioner identifies two grounds based on the combination of Onggosanusi and Kuchi—one using Patent Owner’s construction of the claim phrase “at least one of a time delay, a phase rotation and a gain,” and a second using Petitioner’s construction. Pet. 5. For purposes of this Decision, we consider obviousness based on Onggosanusi and Kuchi to be a single asserted ground of unpatentability.

² The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 285–88 (2011), revised 35 U.S.C. § 103 effective March 16, 2013. Because the ’774 patent has an effective filing date prior to the effective date of the applicable AIA amendment, we refer to the pre-AIA version of § 103.

³ U.S. Patent Application Publication No. US 2002/0114269 A1, published Aug. 22, 2002 (Ex. 1003).

⁴ U.S. Patent No. 6,542,556 B1, issued Apr. 1, 2003 (Ex. 1004).

(citing *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential, designated May 5, 2020) (“*Fintiv*”). According to Patent Owner, instituting an *inter partes* review “would prejudice Patent Owner, waste Board resources, and contravene Congressional intent for a speedy, just and inexpensive adjudication of the patent validity issues.” *Id.* at 12.

In determining whether to exercise our discretion under § 314(a), we are guided by the Board’s precedential decisions in *NHK* and *Fintiv*. 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 institution of an *inter partes* review under the circumstances present in that case “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)). The Board’s cases considering the advanced state of a parallel proceeding “as a basis for denial under *NHK* have sought to balance considerations such as system efficiency, fairness, and patent quality.” *Fintiv*, Paper 11 at 5 (collecting cases). *Fintiv* sets forth the following factors the Board balances when determining whether to exercise its discretion to deny institution:

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. “[I]n evaluating the factors, the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.* at 6.

We now consider the *Fintiv* factors to determine whether we should exercise discretion to deny institution under 35 U.S.C. § 314(a) in this case. Because *Fintiv* issued and was designated precedential after the Petition was filed, we authorized the parties to file supplemental briefing to address the *Fintiv* factors. *See* Pet. Reply 1–8; PO Sur-reply 1–6. After the parties filed their supplemental briefing, the district court held a jury trial, which we address in more detail below. *See* Paper 13, 1 (Patent Owner's Updated Mandatory Notices, Aug. 19, 2020). As a result, some of the parties' arguments presented in the supplemental briefing, especially those related to uncertainty of the trial date, are no longer particularly relevant to an analysis of the *Fintiv* factors.

A. *Fintiv Factor 1: Stay in the Parallel Proceeding*

As noted, the Texas district court trial already has taken place. *See* Paper 13, 1. Petitioner did not move for a stay in the district court proceeding prior to trial. *See* Pet. Reply 1. The parties have provided no

evidence regarding whether a stay of any post-trial proceedings may be requested or granted. Under these circumstances, this factor is neutral and does not affect our analysis.

B. Fintiv Factor 2: Trial Date in the Parallel Proceeding

A jury trial involving the '774 patent and four other patents began in the Texas district court proceeding on August 3, 2020 and concluded with a jury verdict on August 11, 2020. *See* Paper 13, 1; *see also* Paper 12, 1 (Petitioner's Notice of Claims and Grounds of Invalidity Presented at District Court Trial); Ex. 2022, 5 (jury verdict form indicating Petitioner did not prove by clear and convincing evidence that claim 6 of the '774 patent is invalid). Thus, the trial ended about one month before the statutory deadline for a decision whether to institute an *inter partes* review and about thirteen months before a final written decision would be due if we did institute an *inter partes* review.

If a court's trial date is earlier than the projected statutory deadline of a final written decision, "the Board generally has weighed this fact in favor of exercising authority to deny institution under *NHK*." *Fintiv*, Paper 11 at 9. In this case, in view of the thirteen-month gap between the date of the district court jury verdict and the projected due date for a final written decision, this *Fintiv* factor strongly favors the exercise of discretionary denial.

C. Fintiv Factor 3: Investment by the Court and the Parties in the Parallel Proceeding

With respect to the third *Fintiv* factor, Petitioner argues that its diligence in filing the Petition favors institution. Pet. Reply 1. Petitioner asserts, for

example, that after identifying nearly 140 prior art references across seven asserted patents in its initial invalidity contentions in district court, it diligently evaluated the unique strengths of each prior art reference and combination, searched for additional prior art, and filed petitions challenging only three patents. *Id.* Petitioner also argues it obtained no tactical advantage based on the time the Petition was filed. *Id.* at 2.

Patent Owner argues that this factor weighs heavily in favor of discretionary denial due to the “tremendous” investment in the parallel proceeding by the parties and the court. Prelim. Resp. 8. At the time of the Preliminary Response, the district court had held a *Markman* hearing and issued a claim construction order, fact discovery had closed, and the parties had exchanged expert reports and conducted expert discovery. *Id.* at 7–8. By the time Patent Owner filed its Sur-reply, the parties had filed dispositive and *Daubert* motions and oppositions. PO Sur-reply 1. Responding to Petitioner’s argument, Patent Owner contends that diligence and tactical advantage are not relevant under *Fintiv* but instead are addressed under *General Plastic* when the Board considers whether to exercise its discretion to deny a petition challenging a patent that was the subject of another petition. *Id.* at 1–2.

Contrary to Patent Owner’s argument, *Fintiv* does provide that a petitioner’s diligence or delay in filing a petition may be relevant under the third *Fintiv* factor. *Fintiv*, Paper 11 at 11–12. Nevertheless, under the circumstances present here, the timing of the Petition does not impact our analysis. As discussed above, the district court held a jury trial that ended with a verdict on August 11, 2020. Thus, the parties and the district

court have invested substantial time and effort addressing patent validity in preparing for and conducting a trial in the parallel proceeding. Accordingly, this factor strongly favors the exercise of discretionary denial to prevent the inefficient use of Board resources as well as duplicative costs to the parties.

D. Fintiv Factor 4: Overlap Between Issues Raised in the Petition and Parallel Proceeding

Petitioner argues that the issues raised in the Petition do not substantially overlap those raised in the parallel proceeding because Petitioner did not rely on either Onggasanusi or Kuchi—the references asserted here—in the district court trial. Pet. Reply 2; *see also* Paper 12, 1 (identifying obviousness over Murakami (WO 2005/002013) and obviousness over Murakami and Hottinen (US 2002/0012380) as the two invalidity grounds presented at trial). Patent Owner asserts that Petitioner earlier raised Onggasanusi in its district court invalidity contentions but dropped it in favor of other references when the parties agreed to limit the total number of references and claims at issue across all patents asserted and challenged in the district court. Prelim. Resp. 8 (citing Ex. 2006, 168⁵ (invalidity contentions including Onggasanusi); Ex. 2007 (narrowing of references and claims)). Furthermore, Patent Owner argues that Onggasanusi and Kuchi are similar to the references at issue in the district court because they are directed to Code Division Multiple Access (CDMA) architectures, not OFDMA, and therefore “the references are cumulative in terms of

⁵ Citations to Exhibit 2006 in this Decision are to the exhibit page numbers added by Patent Owner rather than the original pagination.

invalidity theories.” PO Sur-reply 2; *see* Prelim. Resp. 8–9. For support, Patent Owner cites several passages in Petitioner’s invalidity contentions in the parallel proceeding stating that Onggosanusi, Murakami, and Hottinen have “close similarities.” PO Sur-reply 2–3 (citing Ex. 2006, 152, 160, 170).

As for the challenged claims, Patent Owner asserts that the Petition challenges independent claim 6, the same independent claim at issue in the district court proceeding. Prelim. Resp. 9. Patent Owner notes the Petition also challenges dependent claims that are not asserted in the parallel proceeding but contends Petitioner’s analysis for those claims relies on essentially the same arguments and evidence as those for independent claim 6.⁶ *Id.* Thus, according to Patent Owner, the focus of an inter partes review, like the district court proceeding, would be on claim 6, and the fact that the Petition challenges additional claims does not weigh in favor of institution. *Id.* Petitioner contends that Patent Owner’s argument is inapposite because Patent Owner “does not concede that the dependent claims fall with the independent claims.” Pet. Reply 3.

This fourth *Fintiv* factor involves consideration of inefficiency concerns and the possibility of conflicting decisions. *Fintiv*, Paper 11 at 12. Therefore, “if the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.”

⁶ The parties’ briefs state that, among the claims challenged in the Petition, dependent claims 7–9 are not at issue in the district court case. Prelim. Resp. 9; Pet. Reply 2. Ultimately, with respect to the ’774 patent, the jury considered the validity of claim 6 only. *See* Paper 12, 1; Paper 13, 1–2; Ex. 2022, 5. Thus, dependent claims 7–10 are challenged here but not in the parallel proceeding.

Id. “Conversely, if the petition includes materially different grounds, arguments, and/or evidence than those presented in the district court, this fact has tended to weigh against exercising discretion to deny institution.” *Id.* at 12–13.

Looking first at the claims, we agree with Patent Owner that there is substantial overlap in the claimed subject matter challenged in the Petition and the parallel proceeding. Both proceedings involve independent claim 6, and the Petition’s analysis of dependent claims 7–10, which do not add materially different limitations, relies on many of the same arguments and evidence as its analysis of claim 6. *See* Pet. 45–56 (repeatedly referring back to analysis of claim 6 limitations). Also, the claim construction issues in both proceedings are the same, as the Petition proposes a construction for only one term—“at least one of a time delay, a phase rotation and a gain” recited in claim 6—which also was the only claim term in the ’774 patent at issue in the district court. *See id.* at 18–19; Ex. 1007, 17–18 (Disputed Claim Terms and Evidence); Ex. 2005, 46–49 (Claim Construction Memorandum Opinion and Order).

Regarding Petitioner’s unpatentability and invalidity contentions, both the Petition and the parallel proceeding involve obviousness grounds asserted against the ’774 patent. Petitioner’s preliminary invalidity contentions in district court included obviousness based on Onggosanusi alone or in combination with other references, but prior to trial Petitioner withdrew Onggosanusi from its list of prior art references to be asserted against the ’774 patent. *See* Paper 12, 1; Paper 13, 1–2; Ex. 2006, 148–49; Ex. 2007, 1. Thus, the Petition asserts different references than those considered by the jury during trial.

Although Patent Owner contends that the references and grounds are cumulative, we agree with Petitioner that Patent Owner does not provide adequate analysis to show substantial overlap between the obviousness arguments raised by the Petition and those presented in the district court. *See* Prelim. Resp. 8–9; PO Surreply 2–3; Pet. Reply 2. Patent Owner’s citations to Petitioner’s preliminary invalidity contentions in the district court proceeding are not sufficient to show that obviousness based on Onggosanusi and Kuchi as asserted in the Petition is substantially the same as the obviousness grounds presented to the jury based on Murakami and Hottinen, neither of which has been submitted as an exhibit in this case.

As discussed, the Petition challenges the same independent claim that was considered in the district court proceeding and raises the same claim construction issue. The dependent claims challenged in the Petition raise similar issues as independent claim 6. Nevertheless, the Petition presents an obviousness ground based on different references than those in the obviousness grounds asserted in the parallel proceeding, a fact that has tended to weigh against exercising discretion in other Board decisions. *See Fintiv*, Paper 11 at 12–13. On balance, therefore, we view this factor as weighing against the exercise of discretionary denial in this case.

E. Fintiv Factor 5: Whether Petitioner is the Defendant in the Parallel Proceeding

Petitioner here is the defendant in the district court litigation. *See* Pet. 2; Paper 6, 1. On August 11, 2020, the jury rendered a verdict in Patent Owner’s favor with respect to independent claim 6. Paper 12, 1; Paper 13, 1–2. Because the jury trial has concluded, we

view this factor as favoring the exercise of discretionary denial.

F. Fintiv Factor 6: Other Considerations

Under the sixth *Fintiv* factor, which takes into account any other relevant circumstances, Patent Owner argues that Petitioner unreasonably delayed in filing the Petition. Prelim. Resp. 10. Petitioner responds that it was diligent in evaluating the unique strengths of the seven patents originally asserted in the parallel proceeding, searching for additional prior art, and ultimately filing only three petitions with the Board. Pet. Reply 1. Having considered the particular factual circumstances of this case, we do not consider Petitioner's filing untimely.

Petitioner presents extensive policy arguments against the Board's application of *Fintiv* and *NHK* in determining whether to exercise discretion to deny institution under 35 U.S.C. § 314(a). Pet. Reply 6–8. We do not address these arguments because we are bound by *Fintiv* and *NHK*, which the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office has designated as precedential decisions of the Board.

Petitioner argues that the strength of its Petition weighs against discretionary denial. Pet. Reply 3–4. Rather than point out particular strengths of the obviousness ground based on Onggosanusi and Kuchi, however, Petitioner uses its Reply to respond on the merits to some of the arguments raised by Patent Owner in the Preliminary Response. *Id.* (citing Prelim. Resp. 13–26, 38–42, 46–47). Patent Owner then offers its own response in its Sur-reply. PO Sur-reply 3–6. As we reminded the parties when we authorized supplemental briefing, we will not consider any

arguments regarding the merits that were not raised in the Petition or Preliminary Response. *See* Ex. 2018, 1, 3 (emails authorizing Reply and Sur-reply). In any event, the parties have not identified particular strengths or weaknesses (e.g., in comparison to the obviousness grounds already considered by the jury in the parallel proceeding) that in our view would tip the balance either for or against discretionary denial when considered as part of a balanced assessment of the *Fintiv* factors in this case. *See Fintiv*, Paper 11 at 14-15.

Petitioner also raises additional considerations under this factor that it contends favor institution. Pet. Reply 4–6. Petitioner argues that the public interest would be served if the Board addresses the patentability of the '774 patent, which Patent Owner alleges is essential to the LTE telecommunications standard. *Id.* at 4 (citing Ex. 1012, 3). Petitioner also argues that “the Board is well suited to address the complex technical subject matter” of the '774 patent and contends that a detailed analysis by the Board would enhance the integrity of the patent system. *Id.* at 5–6. We do not take Petitioner’s concerns lightly, but Patent Owner correctly asserts that ample procedural safeguards exist for Petitioner to challenge that '774 patent in federal court, including the availability of an appeal to the U.S. Court of Appeals for the Federal Circuit once post-trial proceedings have been completed.

G. Conclusion

Based on the particular circumstances of this case, we determine that instituting an *inter partes* review would be an inefficient use of Board resources. As discussed above, the trial in the parallel proceeding recently concluded more than one year before we would

reach a final decision in this proceeding if we instituted an *inter partes* review. Moreover, the district court and the parties expended considerable time and effort in preparing for and conducting the trial. Against these considerations, which strongly favor the exercise of discretionary denial, we weigh the fact that Petitioner asserts a different obviousness ground here than the two obviousness grounds it presented to the jury. The obviousness ground in the Petition includes a primary reference that Petitioner earlier had included in its district court invalidity contentions but omitted when narrowing invalidity grounds for trial. We are not persuaded, however, that the Petition's showing on the merits is so strong that it outweighs the second, third, and fifth *Fintiv* factors favoring discretionary denial in this case. The remaining considerations discussed above have little or no impact on our assessment.

On balance, after a holistic consideration of the relevant facts and the particular circumstances of this case, we conclude that efficiency and integrity of the system are best served by denying institution. Thus, we exercise our discretion under § 314(a) to deny institution of *inter partes* review.

IV. ORDER

Accordingly, it is

ORDERED that the Petition is *denied*; and

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

PETITIONER:

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David L. Cavanaugh
Haixia Lin
Yu Yang

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APPENDIX E

NOTE: This order is nonprecedential.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

2021-1043

APPLE INC.,

Appellant,

v.

OPTIS CELLULAR TECHNOLOGY, LLC,

Appellee,

ANDREW HIRSHFELD, performing the functions and
duties of the Under Secretary of Commerce for
Intellectual Property and Director of the United States
Patent and Trademark Office,

Intervenor.

Appeal from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in No. IPR2020-
00465.

2021-1044

APPLE INC.,

Appellant,

v.

OPTIS WIRELESS TECHNOLOGY, LLC,

Appellee,

66a

ANDREW HIRSHFELD, performing the functions and
duties of the Under Secretary of Commerce for
Intellectual Property and Director of the United States
Patent and Trademark Office,

Intervenor.

Appeal from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in No. IPR2020-
00466.

2021-1046

APPLE INC.,

Appellant,

v.

UNWIRED PLANET INTERNATIONAL LIMITED,

Appellee,

ANDREW HIRSHFELD, performing the functions and
duties of the Under Secretary of Commerce for
Intellectual Property and Director of the United States
Patent and Trademark Office,

Intervenor.

Appeal from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in No. IPR2020-
00642.

**ON PETITION FOR PANEL REHEARING AND
REHEARING EN BANC**

Filed February 26, 2021

67a

Before Prost, *Chief Judge*, Newman, Lourie, Dyk,
Moore, Reyna, Wallach, Taranto, Chen, Hughes, and
Stoll, *Circuit Judges*.*

PER CURIAM.

ORDER

Apple Inc. filed a combined petition for panel rehearing and rehearing en banc. The petition was referred to the panel that issued the order, and thereafter the petition for rehearing en banc was referred to the circuit judges who are in regular active service.

Upon consideration thereof,

IT IS ORDERED THAT:

The petition for panel rehearing is denied.

The petition for rehearing en banc is denied.

The mandate of the court will issue on March 5, 2021.

FOR THE COURT

February 26, 2021
Date

/s/ Peter R. Marksteiner
Peter R. Marksteiner
Clerk of Court

* Circuit Judge O'Malley did not participate.

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APPENDIX F

United States Court of Appeals, Federal Circuit.

IN RE: CISCO SYSTEMS INC., Petitioner

Cisco Systems Inc., Appellant

v.

Ramot at Tel Aviv University Ltd., Appellee

Andrei Iancu, Under Secretary of Commerce for
Intellectual Property and Director of the United States
Patent and Trademark Office, Intervenor

2020-148

|

2020-2047, -2049

|

October 30, 2020

ON PETITION

ORDER

Wallach, Circuit Judge.

***572** Cisco Systems Inc. appeals from the Patent Trial and Appeal Board’s decisions denying its petitions to institute *inter partes* review (“IPR”). Cisco alternatively seeks a writ of mandamus to review those decisions. Having received the parties’ responses to the court’s show cause order, we now dismiss the appeals and deny mandamus.

I.

Ramot at Tel Aviv University Ltd. owns U.S. Patent Nos. 10,270,535 and 10,033,465. In June 2019, Ramot

filed a complaint in the United States District Court for the Eastern District of Texas, alleging that Cisco infringes the two patents. *See* Complaint at 1, *Ramot at Tel Aviv Univ. Ltd. v. Cisco Sys., Inc.*, No. 19-cv-00225 (E.D. Tex. June 12, 2019). Subsequently, in November 2019, Cisco filed petitions seeking IPR of the asserted patents.

In May 2020, the Board denied Cisco's petitions, citing its discretion under 35 U.S.C. § 314(a) not to institute review regardless of whether Cisco has met the threshold limitation of showing a reasonable likelihood of success on the merits. In doing so, the Board relied on a line of precedential Board decisions in *NHK Spring Co. v. Intri-Plex Technologies, Inc.*, No. IPR2018-00752, 2018 WL 4373643 (P.T.A.B. Sept. 12, 2018) and *Apple Inc. v. Fintiv Inc.*, No. IPR2020-00019, 2020 WL 2126495 (P.T.A.B. Mar. 20, 2020) that set forth 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.

In applying those factors here, the Board noted that trial is scheduled to begin on December 9, 2020 and that the Board may not issue a final decision in these proceedings until about six months later, *see* Cisco's Resp. (ECF No. 15 in Appeal Nos. 2020-2047, -2049) at Appx7, Appx32; that the parties spent months briefing the district court on claim construction issues and expert discovery was scheduled to be completed shortly, *see id.* at Appx8, Appx33; and that the petitions include the same parties and the same or substantially the same claims, grounds, arguments, and evidence as presented in the district court proceeding, *see id.* at Appx10–11, Appx35–36. The Board thus concluded

that “instituting would be an inefficient use of Board, party, and judicial resources.” *Id.* at Appx11, Appx36.

Cisco then filed these appeals from the Board’s decisions and alternatively petitioned for a writ of mandamus to argue that the Board’s decisions, which rely on what Cisco characterizes as the *573 “*NHK/Fintiv* rule,” are unlawful. Through those precedential decisions, Cisco contends, the Patent Office has impermissibly established a substantive rule governing institution that violates the Administrative Procedure Act and the America Invents Act because it was not promulgated by notice-and-comment rulemaking and also “contravenes Congress’s deliberate judgment that district court defendants should be able to pursue IPR alongside the infringement action, so long as they petition for IPR within one year.” Cisco’s Resp. at 2.

II.

We lack jurisdiction under 28 U.S.C. § 1295(a)(4)(A) to hear Cisco’s appeals. This court generally does not have jurisdiction to review the agency’s determination concerning whether proceedings should have been instituted. Section 314(d) of title 35 of the U.S. Code specifically provides that “[t]he determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.” That language indicates that when “the Director decides not to institute, for whatever reason, there is no review.” *St. Regis Mohawk Tribe v. Mylan Pharms. Inc.*, 896 F.3d 1322, 1327 (Fed. Cir. 2018); *see also St. Jude Med., Cardiology Div., Inc. v. Volcano Corp.*, 749 F.3d 1373, 1376 (Fed. Cir. 2014) (holding that this court’s review authority under § 1295(a)(4)(A) does not extend to appeals from non-institution decisions).

Contrary to Cisco's claims, the Supreme Court precedent in this area does not hold otherwise. Far from reviewing a decision declining to institute proceedings, the Court's decisions in *Thryv, Inc. v. Click-to-Call Technologies, LP*, — U.S. —, 140 S. Ct. 1367, 206 L.Ed.2d 554 (2020), *Cuozzo Speed Technologies, LLC v. Lee*, — U.S. —, 136 S. Ct. 2131, 195 L.Ed.2d 423 (2016), and *SAS Institute, Inc. v. Iancu*, — U.S. —, 138 S. Ct. 1348, 1356, 200 L.Ed.2d 695 (2018) all involved appeals from a final written decision after a decision to institute. Moreover, while the Court left open the possibility that § 314(d) may not bar appeals that implicate constitutional questions or concerns that the agency acted outside its statutory limits, it made clear that § 314(d) bars review of matters “closely tied to the application and interpretation of statutes related to the Patent Office's decision to initiate inter partes review.” *Cuozzo*, 136 S. Ct. at 2141.

We would not need to venture beyond that holding to reject Cisco's appeals here. At bottom, Cisco is challenging whether the Board has authority to consider the status of parallel district court proceedings as part of its decision under § 314(a) in deciding whether to deny institution. Such challenges, both procedural and substantive, rank as questions closely tied to the application and interpretation of statutes relating to the Patent Office's decision whether to initiate review, and hence are outside of our jurisdiction. *Cf. In re Power Integrations, Inc.*, 899 F.3d 1316, 1321 (Fed. Cir. 2018) (“Nothing in section 314(d) suggests that the prohibition on review applies only to the merits of the Board's non-institution decisions....”).

Cisco alternatively requests that this court take up its challenge on mandamus. But Cisco has not met the high standard for mandamus relief. Without drawing any definitive conclusions on the issue, we cannot say that Cisco has established a “clear and indisputable right that precludes” the Board’s exercise of discretion to decline review here, including its reliance on Board precedent establishing a non-exclusive set of factors relevant to deciding whether it would be a proper use of resources to conduct such review when there is a parallel district court proceeding. *574 *In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268, 1275 (Fed. Cir. 2015), *aff’d*, — U.S. —, 136 S. Ct. 2131, 195 L.Ed.2d 423 (2016). We note that Cisco is also pursuing alternative legal channels to raise its substantive and procedural arguments concerning that precedent, *see Apple Inc. v. Iancu*, No. 20-cv-6128 (N.D. Cal. Aug. 31, 2020), ECF No. 1, and clearly has a readily available alternative legal channel to raise its arguments concerning the validity of the asserted patents. While Cisco prefers to raise those arguments before the Board, it has no clear and indisputable right to do so.

Accordingly,

IT IS ORDERED THAT:

- (1) Appeal Nos. 2020-2047, -2049 are dismissed.
- (2) Cisco’s mandamus petition (ECF No. 2 in No. 2020-148) is denied.
- (3) All pending motions in the above-identified cases are denied as moot.
- (4) Each side shall bear its own costs.

APPENDIX G

STATUTORY PROVISIONS INVOLVED

28 U.S.C. § 1295

§1295. Jurisdiction of the United States Court of Appeals for the Federal Circuit

(a) The United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction—

(1) of an appeal from a final decision of a district court of the United States, the District Court of Guam, the District Court of the Virgin Islands, or the District Court of the Northern Mariana Islands, in any civil action arising under, or in any civil action in which a party has asserted a compulsory counterclaim arising under, any Act of Congress relating to patents or plant variety protection;

(2) of an appeal from a final decision of a district court of the United States, the United States District Court for the District of the Canal Zone, the District Court of Guam, the District Court of the Virgin Islands, or the District Court for the Northern Mariana Islands, if the jurisdiction of that court was based, in whole or in part, on section 1346 of this title, except that jurisdiction of an appeal in a case brought in a district court under section 1346(a)(1), 1346(b), 1346(e), or 1346(f) of this title or under section 1346(a)(2) when the claim is founded upon an Act of Congress or a regulation of an executive department providing for internal revenue shall be governed by sections 1291, 1292, and 1294 of this title;

(3) of an appeal from a final decision of the United States Court of Federal Claims;

(4) of an appeal from a decision of—

(A) the Patent Trial and Appeal Board of the United States Patent and Trademark Office with respect to a patent application, derivation proceeding, reexamination, post-grant review, or inter partes review under title 35, at the instance of a party who exercised that party's right to participate in the applicable proceeding before or appeal to the Board, except that an applicant or a party to a derivation proceeding may also have remedy by civil action pursuant to section 145 or 146 of title 35; an appeal under this subparagraph of a decision of the Board with respect to an application or derivation proceeding shall waive the right of such applicant or party to proceed under section 145 or 146 of title 35;

(B) the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office or the Trademark Trial and Appeal Board with respect to applications for registration of marks and other proceedings as provided in section 21 of the Trademark Act of 1946 (15 U.S.C. 1071); or

(C) a district court to which a case was directed pursuant to section 145, 146, or 154(b) of title 35;

(5) of an appeal from a final decision of the United States Court of International Trade;

(6) to review the final determinations of the United States International Trade Commission relating to unfair practices in import trade, made under section 337 of the Tariff Act of 1930 (19 U.S.C. 1337);

(7) to review, by appeal on questions of law only, findings of the Secretary of Commerce under U.S. note 6 to subchapter X of chapter 98 of the Harmonized Tariff Schedule of the United States (relating to importation of instruments or apparatus);

(8) of an appeal under section 71 of the Plant Variety Protection Act (7 U.S.C. 2461);

(9) of an appeal from a final order or final decision of the Merit Systems Protection Board, pursuant to sections 7703(b)(1) and 7703(d) of title 5;

(10) of an appeal from a final decision of an agency board of contract appeals pursuant to section 7107(a)(1) of title 41;

(11) of an appeal under section 211 of the Economic Stabilization Act of 1970;

(12) of an appeal under section 5 of the Emergency Petroleum Allocation Act of 1973;

(13) of an appeal under section 506(c) of the Natural Gas Policy Act of 1978; and

(14) of an appeal under section 523 of the Energy Policy and Conservation Act.

(b) The head of any executive department or agency may, with the approval of the Attorney General, refer to the Court of Appeals for the Federal Circuit for judicial review any final decision rendered

by a board of contract appeals pursuant to the terms of any contract with the United States awarded by that department or agency which the head of such department or agency has concluded is not entitled to finality pursuant to the review standards specified in section 7107(b) of title 41. The head of each executive department or agency shall make any referral under this section within one hundred and twenty days after the receipt of a copy of the final appeal decision.

(c) The Court of Appeals for the Federal Circuit shall review the matter referred in accordance with the standards specified in section 7107(b) of title 41. The court shall proceed with judicial review on the administrative record made before the board of contract appeals on matters so referred as in other cases pending in such court, shall determine the issue of finality of the appeal decision, and shall, if appropriate, render judgment thereon, or remand the matter to any administrative or executive body or official with such direction as it may deem proper and just.

35 U.S.C. § 314**§314. Institution of inter partes review**

(a) **THRESHOLD.**—The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 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.

(b) **TIMING.**—The Director shall determine whether to institute an inter partes review under this chapter pursuant to a petition filed under section 311 within 3 months after-

(1) receiving a preliminary response to the petition under section 313; or

(2) if no such preliminary response is filed, the last date on which such response may be filed.

(c) **NOTICE.**—The Director shall notify the petitioner and patent owner, in writing, of the Director's determination under subsection (a), and shall make such notice available to the public as soon as is practicable. Such notice shall include the date on which the review shall commence.

(d) **NO APPEAL.**—The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.