

APPENDICES

APPENDIX A

NOTE: This order is nonprecedential.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

Nos. 2021-1614, -1616, -1617

INTEL CORPORATION,

Appellant,

v.

VLSI TECHNOLOGY LLC,

Appellee.

ANDREW HIRSHFELD, Performing the Functions and
Duties of the Under Secretary of Commerce for Intel-
lectual Property and Director of the United States
Patent and Trademark Office,

Intervenor

Appeals from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in Nos. IPR2020-
00106, IPR2020-00158, and IPR2020-00498.

Nos. 2021-1673, -1674, -1675

INTEL CORPORATION,

Appellant,

v.

VLSI TECHNOLOGY LLC,

Appellee.

2a

ANDREW HIRSHFELD, Performing the Functions and
Duties of the Under Secretary of Commerce for Intel-
lectual Property and Director of the United States
Patent and Trademark Office,

Intervenor

Appeals from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in Nos. IPR2020-
00112, IPR2020-00113, and IPR2020-00114.

Nos. 2021-1676, -1677

INTEL CORPORATION,

Appellant,

v.

VLSI TECHNOLOGY LLC,

Appellee.

ANDREW HIRSHFELD, Performing the Functions and
Duties of the Under Secretary of Commerce for Intel-
lectual Property and Director of the United States
Patent and Trademark Office,

Intervenor

Appeals from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in Nos. IPR2020-
00141 and IPR2020-00142.

Nos. 2021-1738, -1739

INTEL CORPORATION,

Appellant,

v.

VLSI TECHNOLOGY LLC,

Appellee.

ANDREW HIRSHFELD, Performing the Functions and
Duties of the Under Secretary of Commerce for Intel-
lectual Property and Director of the United States Pa-
tent and Trademark Office,

Intervenor

Appeals from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in Nos. IPR2020-
00526 and IPR2020-00527.

Nos. 2021-1740, -1741

INTEL CORPORATION,

Appellant,

v.

VLSI TECHNOLOGY LLC,

Appellee.

ANDREW HIRSHFELD, Performing the Functions and
Duties of the Under Secretary of Commerce for Intel-
lectual Property and Director of the United States
Patent and Trademark Office,

Intervenor

Appeals from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in Nos. IPR2020-
00582 and IPR2020-00583.

Filed May 5, 2021

ON MOTION AND PETITION

Before Prost, *Chief Judge*, O'Malley and Wallach, *Circuit Judges*.

Prost, *Chief Judge*.

ORDER

Intel Corporation directly appeals from the Patent Trial and Appeal Board's decisions denying institution of *inter partes* review proceedings. VLSI Technology LLC moves to dismiss. Intel opposes the motions and alternatively seeks writs of mandamus to review the Board's decisions. The United States Patent and Trademark Office ("Patent Office") responds, urging dismissal.

Intel here challenges the Board's application of the so-called *Fintiv* factors, which are used to assess whether instituting Patent Office review would be an inefficient use of resources given parallel district court proceedings. Intel contends that the use of those factors in assessing institution exceeds the Patent Office's authority and that the "rule" encompassing those factors was adopted without the notice-and-comment rulemaking required under the Administrative Procedure Act. *See Intel's Resp. in Appeal Nos. 2021-1614 et al.* at 2.

In *Mylan Laboratories Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F. 3d 1375, 1379 (Fed. Cir. 2021), we recently confirmed that 35 U.S.C. § 314(d) bars the availability of jurisdiction under 28 U.S.C. § 1295(a)(4) to hear appeals from non-institution decisions. *Mylan* furthermore concluded that a petitioner raising the same *ultra vires* challenges that Intel raises has failed to establish the high standard necessary for mandamus relief. *Id.* at 1382-83. *Mylan* clearly controls this case.

For the same reasons, this court dismisses Intel's appeals for lack of jurisdiction and denies its requests for mandamus relief.

Accordingly,

IT IS ORDERED THAT:

- (1) The motions are granted. The appeals are dismissed.
- (2) The requests for mandamus are denied.
- (3) Each side shall bear its own costs.

FOR THE COURT

May 05, 2021
Date

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

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ISSUED AS A MANDATE: May 05, 2021

APPENDIX B

PATENT TRIAL AND APPEAL BOARD

IPR2020-00583
Patent 7,606,983 B2

INTEL CORPORATION, *Petitioner,*
v.

VLSI TECHNOLOGY LLC, *Patent Owner.*

Date: October 5, 2020

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

DECISION

Denying Institution of *Inter Partes* Review

35 U.S.C. § 314

GERSTENBLITH, Administrative Patent Judge.

I. INTRODUCTION

Intel Corporation (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 1–5, 7, 9, 11–14, and 16 (the “challenged claims”) of U.S. Patent No. 7,606,983 B2 (Ex. 1001, “the ’983 patent”). Paper 3 (“Pet.”). VLSI Technology LLC (“Patent Owner”) filed a Preliminary Response. Paper 9 (“Prelim. Resp.”).

Pursuant to our authorization (Paper 13), Petitioner filed a Reply to Patent Owner’s Preliminary Response (Paper 14 (“Pet. Prelim. Reply”)) and Patent Owner filed a Sur-reply (Paper 15, “PO Prelim. Sur-reply”), each directed to whether we should exercise our discretion to deny institution pursuant to 35 U.S.C. § 314(a). We also granted each party authorization to file a paper addressing the Memorandum issued by the Director of the U.S. Patent and Trademark Office on August 18, 2020, regarding the treatment of statements of the applicant in the challenged patent in *inter partes* reviews under 35 U.S.C. § 311.¹ Paper 16. In response, Petitioner filed Paper 18 and Patent Owner filed Paper 19.

An *inter partes* review may not be instituted “unless ... the information presented in the petition ... shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a) (2018). The Board, however, has discretion to deny a petition even when a petitioner meets that threshold. *Id.*; *see, e.g., Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *see also* Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019) (“Consolidated TPG”), 55–63, available at <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf> (identifying considerations that may warrant exercise of this discretion). In particular, 35 U.S.C. § 314(a) permits the Board to deny institution under certain circumstances. *See Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (prece-

¹The Memorandum is available at https://www.uspto.gov/sites/default/files/documents/signed_aapa_guidance_memo.pdf.

dential as to § II.B.4.i); *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential).

Having considered the parties' submissions, we determine that it is appropriate in this case to exercise our discretion to deny institution of *inter partes* review pursuant to 35 U.S.C. § 314(a).

II. BACKGROUND

A. Real Parties in Interest

Petitioner identifies Intel Corporation as the real party in interest. Pet. 1. Patent Owner identifies VLSI Technology LLC and CF VLSI Holdings LLC as the real parties in interest. Paper 5 (Patent Owner's Mandatory Notices), 1.

B. Related Matters

The parties identify the '983 patent as the subject of *VLSI Tech. LLC v. Intel Corp.*, No. 6-19-cv-00256 ("Western District of Texas litigation" or "third case"). Pet. 2; Paper 5, 1. Petitioner explains that the '983 patent is one of several patents asserted by Patent Owner in three venues: Nos. 6-19-cv-00254, -00255, -00256 (W.D. Tex.); 1-18-966-CFC (D. Del.); and 5-17-cv-05671 (N.D. Cal.). Pet. 5. Petitioner also explains that cases -254, -255, and -256 are consolidated until trial as 1-19-cv-00977. *Id.* at 2.

C. Asserted Grounds of Unpatentability

Petitioner challenges the patentability of claims 1–5, 7, 9, 11–14, and 16 of the '983 patent on the following grounds (Pet. 4–5):

Claims Challenged	35 U.S.C. §²	References/ Basis
1–3, 5, 7, 9, 11, 12, 14, 16	103	AAPA, ³ Khare ⁴
4, 13	103	AAPA, Khare, Weber ⁵

Petitioner relies on the Declaration of John D. Kubiatowicz, Ph.D. (Ex. 1002), dated February 28, 2020, in support of its unpatentability contentions.

III. ANALYSIS – 35 U.S.C. § 314(a)

Under 35 U.S.C. § 314(a), the Director has discretion to deny institution. In determining whether to exercise that discretion on behalf of the Director, we are guided by the Board’s precedential decision in *NHK*.

In *NHK*, the Board found that the “advanced state of the district court proceeding” was a “factor that weighs in favor of denying” the petition under § 314(a). *NHK*, Paper 8 at 20. The Board determined that “[i]nstitution of an *inter partes* review under these circumstances would not be consistent with ‘an objective of the AIA ...

² The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended 35 U.S.C. § 103. Because the ’983 patent has a filing date of July 31, 2006, which is prior to the effective date of the applicable AIA amendments, we refer to the pre-AIA version of § 103. *See* Ex. 1001, code (22).

³ Petitioner refers to the following portions of the ’983 patent as “AAPA”: 1:15–4:47, 5:21–27, and Figures 1 and 2. Pet. 3–4.

⁴ U.S. Patent Application Publication No. 2003/0005167 A1, pub. Jan. 2, 2003 (Ex. 1003, “Khare”).

⁵ U.S. Patent No. 7,149,829 B2, issued Dec. 12, 2006.

to provide an effective and efficient alternative to district court litigation.” *Id.* (citing *Gen. Plastic*, Paper 19 at 16–17 (precedential in relevant part)).

“[T]he Board’s cases addressing earlier trial dates as a basis for denial under *NHK* have sought to balance considerations such as system efficiency, fairness, and patent quality.” *Apple Inc. v. Fintiv Inc.*, IPR2020-00019, Paper 11 at 5 (PTAB Mar. 20, 2020) (precedential) (collecting cases). *Fintiv* sets forth six non-exclusive factors for determining “whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Id.* at 6. These factors consider:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board’s exercise of discretion, including the merits.

We discuss the parties’ arguments in the context of considering the above factors. In evaluating the factors, we take a holistic view of whether efficiency and

integrity of the system are best served by denying or instituting review. *Fintiv* at 6.

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

On the present record, neither party has produced evidence that a stay has been requested or that the Western District of Texas has considered a stay in this case. *See* Pet. Prelim. Reply 6; PO Prelim. Sur-reply 2. Thus, this factor does not weigh in favor of or against exercising our discretion to deny institution pursuant to § 314(a).

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

Both parties rely upon the proposed Third Amended Agreed Scheduling Order (Ex. 1022) as representing the most current district court schedule. *See* Pet. Prelim. Reply 6–7; PO Prelim. Sur-reply 2–4. The proposed Third Amended Agreed Scheduling Order reflects the following: (1) the three cases between the parties (No. 6:19-cv-254, -255, and -256) are consolidated for much of the pre-trial phase of the cases (*see* Ex. 1022, 1–3); (2) the three cases are scheduled to have separate trials; (3) the first case (-254) is scheduled for trial on November 16, 2020 (*id.* at 3); and (4) the trial dates for the second and third cases are “[t]o be set by the Court in each case” (*id.* at 4).

Petitioner contends that the uncertainty regarding the precise trial date for the third trial (which includes the ’983 patent) weighs against exercising discretion to deny institution. Pet. Prelim. Reply 6–7 (citing *Sand Revolution II, LLC v. Cont’l Intermodal Grp.-Trucking*

LLC, IPR2019-01393, Paper 24 at 9–10 (PTAB June 16, 2020) (informative)). In response, Patent Owner contends that even if the third trial was scheduled with the same intervening time originally proposed by Patent Owner, it would occur 112 days after the first trial, on March 8, 2021. PO Prelim. Sur-reply 3.

If an *inter partes* review was instituted, a final written decision in this matter likely would not issue until October 2021. Despite there not being a firm trial date in the Western District of Texas litigation, there is no indication that trial will occur after October 2021. Rather, the only indications of record suggest the opposite. First, the consolidation of the pre-trial phases of the three district court cases permitted the Western District of Texas litigation to move along with the -254 case, which is scheduled for trial in just over a month. Second, the proposed Third Amended Agreed Scheduling Order indicates that each of the second and third cases (-255 and -256) requires only five weeks of lead time prior to trial. *See* Ex. 1022, 4 (noting the first listing under “Amended Dates” of “5 weeks before each respective trial date”). Third, the only schedule for three trial dates previously proposed by either party reflects a spread of 112 days between the first and third trials. *See* Prelim. Resp. 13 (citing Ex. 2031 (Proposed Scheduling Order), 3–4). Thus, the evidence of record suggests that trial is likely to occur months before any final written decision in this matter.

Accordingly, on the record before us, this factor weighs slightly in favor of exercising our discretion to deny institution pursuant to § 314(a).

3. investment in the parallel proceeding by the court and the parties

Patent Owner contends there has been “immense” investment in the parallel proceeding. *See* PO Prelim. Resp. 17. Petitioner contends that the “district court’s investment in the challenged claims has been relatively limited.” Pet. Prelim. Reply 7. In particular, Petitioner asserts that the district court only construed one claim term relevant to this proceeding.

The district court issued a claim construction order on January 3, 2020, approximately nine months ago, in which the court construed the term “an indication of a/the specified order” as recited in the ’983 patent. Ex. 1005, 3. Additionally, the parties’ final infringement and invalidity contentions were served in January 2020. Ex. 1022, 2. Further, expert discovery has already closed or is about to close. *Id.* at 3. Accordingly, in light of the present posture of the district court action, we find that the district court’s and parties’ investment in that action weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

4. overlap between issues raised in the petition and in the parallel proceeding

Patent Owner contends that there is a “complete” overlap between the issues raised in the Petition and those in the Western District of Texas litigation. PO Prelim. Resp. 19–22 (contending that Petitioner relies upon the same references, in the same combinations). Patent Owner points to Petitioner’s Amended Final Invalidity Contentions (Ex. 2010) challenging the claims as obvious over AAPA, Khare, and Weber. *Id.* at 20.

Petitioner does not dispute Patent Owner’s argument, but contends that it does not “paint the full picture” be-

cause Petitioner will be required to narrow the invalidity grounds asserted in the Western District of Texas litigation and there may be no overlap thereafter. Pet. Prelim. Reply 8–9. Additionally, Petitioner explains that Patent Owner is required to reduce the number of asserted claims to six, which will result in leaving the remaining six claims (of the twelve challenged in the Petition) unadjudicated. *Id.* at 9.

At this point in the Western District of Texas litigation, Petitioner asserts the same art presented here in challenging the same claims 1–5, 7, 9, 11–14, and 16 of the '983 patent. Ex. 2010, 6. Even though not all of the challenged claims may be adjudicated in the Western District of Texas litigation, at this point, the claims overlap completely. To the extent Patent Owner seeks to pursue the claims to be dropped from the Western District of Texas litigation, Petitioner likely will have the opportunity to challenge their validity in response. Thus, the potential for claim differences alone does not negate that the same combinations of references asserted in the Petition also are asserted in the Western District of Texas litigation. On the present record, we find that there is a substantial overlap between the issues raised in the Petition and in the Western District of Texas litigation.

Accordingly, this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

5. whether the petitioner and the defendant in the parallel proceeding are the same party

Petitioner and Patent Owner are the defendant and plaintiff, respectively, in the Western District of Texas litigation. PO Prelim. Resp. 22. Therefore, we find that this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

6. other circumstances that impact the Board’s exercise of discretion, including the merits

Petitioner contends that discretionary denial would reward Patent Owner’s tactics to evade review of its patents. Pet. Prelim. Reply 1–2. Petitioner asserts that Patent Owner’s “scheme is evident: to file serial lawsuits against Intel in multiple venues asserting numerous patents and claims, to resist narrowing the number of asserted claims, and to delay adjudication of the validity of its claims.” *Id.* at 3. In particular, Petitioner reiterates that other factors should weigh more heavily toward not exercising discretion to decline institution; e.g., the Patent Owner’s identity and behavior, and the number and identity of claims ultimately asserted in each jurisdiction. *Id.* at 2–4. In particular, Petitioner contends Patent Owner is a non-practicing entity whose business model is centered on filing an unreasonably large number of patent suits against Intel in a fast-moving jurisdiction, with numerous asserted claims, to encourage a quick settlement or long-shot jury verdict and avoid *inter partes* review. *Id.* at 1–3.

Even if Petitioner’s contentions are true, the validity of the ’983 patent is at issue in the co-pending litigation, which is likely to go to trial well before the deadline for a final written decision in this proceeding. Accordingly, this argument does not weigh against exercising our discretion to deny institution pursuant to § 314(a).⁶

⁶ In a footnote, Petitioner argues that the *NHK/Fintiv* framework should not be applied because it is “inconsistent with the AIA’s purpose and creates significant practical challenges, particularly when the Petition challenges a patent subject to litigation in a ‘rocket docket’ jurisdiction.” Pet. Prelim. Reply 1 n.1. Although Petitioner’s argument may be appropriate for review in another forum, we are bound to follow the precedential *NHK/Fintiv* framework.

Patent Owner contends that other circumstances weigh in favor of exercising our discretion to deny institution. In particular, Patent Owner asserts that Petitioner relies upon AAPA as the lead reference in each ground presented in the Petition, contrary to the Director's new Memorandum on the use of AAPA in *inter partes* reviews. PO Prelim. Sur-reply 7–8 (citations omitted). The parties discuss the impact of the Memorandum in Papers 18 and 19.

For purposes of considering this *Fintiv* factor, we need not decide whether Petitioner's use of AAPA is proper because, in the best case for Petitioner, this factor weighs neutrally, assuming Petitioner's use was proper. In the worst case for Petitioner, this factor would weigh in favor of denying institution. On balance, as discussed below, the factors (whether we consider Petitioner's use of AAPA or not) weigh in favor of exercising our discretion to deny institution pursuant to § 314(a). Thus, the outcome of weighing Petitioner's use of AAPA as part of this factor does not change that result.

7. Weighing the factors

There is no dispute that the related district court litigation involves the same parties and issues as this proceeding. At this juncture, the Western District of Texas litigation is quite advanced and trial will likely be scheduled months prior to the issuance of any final written decision in this case. The district court may resolve the issues in this proceeding before we would reach a final written decision, and instituting an *inter partes* review would likely duplicate the district court's efforts and could lead to inconsistent results, undercutting the efficiency and integrity of the patent system. After weighing all of the factors and taking a holistic

view of the relevant circumstances of this proceeding, we determine that instituting an *inter partes* review would be an inefficient use of the Board's and parties' resources, and we exercise discretion to deny institution under 35 U.S.C. § 314(a).

IV. CONCLUSION

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

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition (Paper 3) is *denied* as to the challenged claims of the '983 patent; and

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

APPENDIX C

PATENT TRIAL AND APPEAL BOARD

IPR2020-00582
Patent 7,292,485 B1

INTEL CORPORATION,
Petitioner,

v.

VLSI TECHNOLOGY LLC,
Patent Owner.

Date: October 1, 2020

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

DECISION

Denying Institution of *Inter Partes* Review

35 U.S.C. § 314

GERSTENBLITH, Administrative Patent Judge.

I. INTRODUCTION

Intel Corporation (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 1–3, 5–8, and 12–14 (the “challenged claims”) of U.S. Patent No. 7,292,485 B1 (Ex. 1001, “the ’485 patent”). Paper 2 (“Pet.”). VLSI Technology LLC (“Patent Owner”) filed a Preliminary Response. Paper 9 (“Prelim. Resp.”).

Pursuant to our authorization (Paper 11), Petitioner filed a Reply to Patent Owner’s Preliminary Response (Paper 12 (“Pet. Prelim. Reply”)) and Patent Owner filed a Sur-reply (Paper 13, “PO Prelim. Sur-reply”), each directed to whether we should exercise our discretion to deny institution pursuant to 35 U.S.C. § 314(a). We also granted each party authorization to file a paper further clarifying the record as to expert testimony offered in the related district court proceeding regarding one of the references relied upon by Petitioner—Nii (Ex. 1003). Paper 16. In response, Petitioner filed Paper 17 and Patent Owner filed Paper 18.

An *inter partes* review may not be instituted “unless ... the information presented in the petition ... shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a) (2018). The Board, however, has discretion to deny a petition even when a petitioner meets that threshold. *Id.*; *see, e.g., Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *see also* Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019) (“Consolidated TPG”), 55–63, available at <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf> (identifying considerations that may warrant exercise of this discretion). In particular, 35 U.S.C. § 314(a) permits the Board to deny institution under certain circumstances. *See Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i); *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential).

Having considered the parties' submissions, we determine that it is appropriate in this case to exercise our discretion to deny institution of *inter partes* review pursuant to 35 U.S.C. § 314(a).

II. BACKGROUND

A. Real Parties in Interest

Petitioner identifies Intel Corporation as the real party in interest. Pet. 1. Patent Owner identifies VLSI Technology LLC and CF VLSI Holdings LLC as the real parties in interest. Paper 5 (Patent Owner's Mandatory Notices), 1.

B. Related Matters

The parties identify the '485 patent as the subject of *VLSI Tech. LLC v. Intel Corp.*, No. 6-19-cv-00256 ("Western District of Texas litigation" or "third case"). Pet. 2; Paper 5, 1. Petitioner explains that the '485 patent is one of several patents asserted by Patent Owner in three venues: Nos. 6-19-cv-00254, -00255, -00256 (W.D. Tex.); 1-18-966-CFC (D. Del.); and 5-17-cv-05671 (N.D. Cal.). Pet. 4. Petitioner also explains that cases -254, -255, and -256 are consolidated until trial as 1-19-cv-00977. *Id.*

C. Asserted Grounds of Unpatentability

Petitioner challenges the patentability of claims 1-3, 5-8, and 12-14, of the '485 patent on the following grounds (Pet. 4):

Claim(s) Challenged	35 U.S.C. §¹	References
1–3, 5–7, 12–14	103	Nii ²
8	103	Nii, Hamzaoglu ³

Petitioner relies on the Declaration of Vivek Subramanian, Ph.D. (Ex. 1002), dated February 26, 2020, in support of its unpatentability contentions.

III. ANALYSIS – 35 U.S.C. § 314(A)

Under 35 U.S.C. § 314(a), the Director has discretion to deny institution. In determining whether to exercise that discretion on behalf of the Director, we are guided by the Board’s precedential decision in *NHK*.

In *NHK*, the Board found that the “advanced state of the district court proceeding” was a “factor that weighs in favor of denying” the petition under § 314(a). *NHK*, Paper 8 at 20. The Board determined that “[i]nstitution of an *inter partes* review under these circumstances would not be consistent with ‘an objective of the AIA ... to provide an effective and efficient alternative to district court litigation.’” *Id.* (citing *Gen. Plastic*, Paper 19 at 16–17 (precedential in relevant part)).

¹ The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended 35 U.S.C. § 103. Because the ’485 patent has a filing date of July 31, 2006, which is prior to the effective date of the applicable AIA amendments, we refer to the pre-AIA version of § 103. See Ex. 1001, code (22).

² U.S. Patent Application Publication No. 2007/0030741 A1, pub. Feb. 8, 2007 (Ex. 1003, “Nii”).

³ U.S. Patent Application Publication No. 2006/0268626 A1, pub. Nov. 30, 2006 (Ex. 1011, “Hamzaoglu”).

“[T]he Board’s cases addressing earlier trial dates as a basis for denial under *NHK* have sought to balance considerations such as system efficiency, fairness, and patent quality.” *Apple Inc. v. Fintiv Inc.*, IPR2020-00019, Paper 11 at 5 (PTAB Mar. 20, 2020) (precedential) (collecting cases). *Fintiv* sets forth six non-exclusive factors for determining “whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Id.* at 6. These factors consider:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board’s exercise of discretion, including the merits.

We discuss the parties’ arguments in the context of considering the above factors. In evaluating the factors, we take a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review. *Fintiv* at 6.

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

On the present record, neither party has produced evidence that a stay has been requested or that the Western District of Texas has considered a stay in this case. *See* Pet. Prelim. Reply 5-6; PO Prelim. Sur-reply 3. Thus, this factor does not weigh in favor of or against exercising our discretion to deny institution pursuant to § 314(a).

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

Both parties rely upon the proposed Third Amended Agreed Scheduling Order (Ex. 1022) as representing the most current district court schedule. *See* Pet. Prelim. Reply 6; PO Prelim. Sur-reply 3. The proposed Third Amended Agreed Scheduling Order reflects the following: (1) the three cases between the parties (No. 6:19-cv-254, -255, and -256) are consolidated for much of the pre-trial phase of the cases (*see* Ex. 1022, 1-3); (2) the three cases are scheduled to have separate trials; (3) the first case (-254) is scheduled for trial on November 16, 2020 (*id.* at 3); and (4) the trial dates for the second and third cases are “[t]o be set by the Court in each case” (*id.* at 4).

Petitioner contends that the uncertainty regarding the precise trial date for the third trial (which includes the '485 patent) weighs against exercising discretion to deny institution. Pet. Prelim. Reply 6 (citing *Sand Revolution II, LLC v. Cont'l Intermodal Grp.-Trucking LLC*, IPR2019-01393, Paper 24 at 9-10 (PTAB June 16, 2020) (informative)). In response, Patent Owner contends that even if the third trial was scheduled with the

same intervening time originally proposed by Patent Owner, it would occur 112 days after the first trial, on March 8, 2021. PO Prelim. Sur-reply 3-4.

If an *inter partes* review was instituted, a final written decision in this matter likely would not issue until October 2021. Despite there not being a firm trial date in the Western District of Texas litigation, there is no indication that trial will occur after October 2021. Rather, the only indications of record suggest the opposite. First, the consolidation of the pre-trial phases of the three district court cases permitted the Western District of Texas litigation to move along with the -254 case, which is scheduled for trial in just over a month. Second, the proposed Third Amended Agreed Scheduling Order indicates that each of the second and third cases (-255 and -256) requires only five weeks of lead time prior to trial. *See* Ex. 1022, 4 (noting the first listing under “Amended Dates” of “5 weeks before each respective trial date”). Third, the only schedule for three trial dates previously proposed by either party reflects a spread of 112 days between the first and third trials. *See* Prelim. Resp. 13 (citing Ex. 2031 (Proposed Scheduling Order), 3–4). Thus, the evidence of record suggests that trial is likely to occur months before any final written decision in this matter.

Accordingly, on the record before us, this factor weighs slightly in favor of exercising our discretion to deny institution pursuant to § 314(a).

3. investment in the parallel proceeding by the court and the parties

Patent Owner contends there has been “immense” investment in the parallel proceeding. *See* PO Prelim. Resp. 17. Petitioner contends that the “district court’s investment in the challenged claims has been relatively

limited.” Pet. Prelim. Reply 6. Petitioner also asserts that because the grounds asserted in the Petition are not at issue in the district court, the relevance of the parties’ investment in the district court litigation is diminished. *Id.* at 7 (citing *Apple v. Seven Networks*, IPR2020-00266, Paper 12 at 13 (PTAB Aug. 14, 2020)).

The district court issued a claim construction order on January 3, 2020, approximately nine months ago, in which the court construed the term “capacitance structure” recited in the ’485 patent. Ex. 1008, 1. Additionally, the parties’ final infringement and invalidity contentions were served in January 2020. Ex. 1022, 2. Further, expert discovery has already closed or is about to close. *Id.* at 3. Accordingly, in light of the present posture of the district court action, we find that the district court’s and parties’ investment in that action, although diminished because of the differences in challenges raised here and at the district court,⁴ weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

4. overlap between issues raised in the petition and in the parallel proceeding

Patent Owner contends that there is a “complete” overlap between the issues raised in the Petition and those in the Western District of Texas litigation. PO Prelim. Resp. 19–23.

Petitioner contends that there is no overlap between the arguments for unpatentability in the Petition and the Western District of Texas litigation. Pet. Prelim. Reply 8. In particular, Petitioner explains that, in the district court action, it is advancing two invalidity

⁴ We discuss this issue further as part of *Fintiv* Factor 4.

grounds based on references that are not asserted in the Petition. *Id.* Petitioner notes that it initially included Nii in its district court invalidity contentions, but states that it does not intend to include Nii as an invalidating reference when it reduces the number of invalidity grounds advanced in the district court. *Id.* n.3. Petitioner explains that the district court has ordered Patent Owner to reduce the number of asserted claims and “[a] trial by the Board avoids complicated and overlapping jury issues across multiple patents, while allowing the Board to focus on invalidity issues involving only the ’485 patent.” *Id.* at 9.

In view of Petitioner’s representation that it does not intend to include Nii as an invalidating reference when it reduces the number of invalidity grounds advanced in the district court, thus leaving no grounds overlapping between the Western District of Texas litigation and the Petition, this factor weighs in favor of not exercising our discretion to deny institution pursuant to § 314(a).

5. whether the petitioner and the defendant in the parallel proceeding are the same party

Petitioner and Patent Owner are the defendant and plaintiff, respectively, in the Western District of Texas litigation. PO Prelim. Resp. 24. Therefore, we find that this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

6. other circumstances that impact the Board’s exercise of discretion, including the merits

Petitioner contends that discretionary denial would reward Patent Owner’s tactics to evade review of its patents. Pet. Prelim. Reply 1–2. Petitioner asserts that Patent Owner’s “scheme is evident: to file serial law-

suits against Intel in multiple venues asserting numerous patents and claims, to resist narrowing the number of asserted claims, and to delay adjudication of the validity of its claims.” *Id.* at 3. In particular, Petitioner reiterates that other factors should weigh more heavily toward not exercising discretion to decline institution; e.g., the Patent Owner’s identity and behavior, and the number and identity of claims ultimately asserted in each jurisdiction. *Id.* at 2–4. In particular, Petitioner contends Patent Owner is a non-practicing entity whose business model is centered on filing an unreasonably large number of patent suits against Intel in a fast-moving jurisdiction, with numerous asserted claims, to encourage a quick settlement or long-shot jury verdict and avoid *inter partes* review. *Id.* at 1–3.

Even if Petitioner’s contentions are true, the validity of the ’485 patent is at issue in the co-pending litigation, which is likely to go to trial well before the deadline for a final written decision in this proceeding. Accordingly, this argument does not weigh against exercising our discretion to deny institution pursuant to § 314(a).⁵

Patent Owner contends that other circumstances weigh in favor of exercising our discretion to deny institution. In particular, Patent Owner asserts that Nii, a reference relied upon by Petitioner in each of the two grounds presented in the Petition, does not constitute prior art to the ’485 patent because Patent Owner has

⁵ In a footnote, Petitioner argues that the *NHK/Fintiv* framework should not be applied because it is “inconsistent with the AIA’s purpose and creates significant practical challenges, particularly when the Petition challenges a patent subject to litigation in a ‘rocket docket’ jurisdiction.” Pet. Prelim. Reply 1 n.1. Although Petitioner’s argument may be appropriate for review in another forum, we are bound to follow the precedential *NHK/Fintiv* framework.

antedated the reference by proving an earlier conception and reasonable diligence in reducing the invention to practice. Prelim. Resp. 25–26; PO Prelim. Sur-reply 9. In particular, Patent Owner contends: (1) the '485 patent was filed July 31, 2006; (2) Nii was filed in the U.S. on July 25, 2006, six days earlier; (3) the inventions claimed in the '485 patent were conceived by at least July 12, 2006 as evidenced by a draft patent application with that date; (4) the applicant exercised reasonable diligence during the “critical period”—from before July 25, 2006, through the filing of the '485 patent application on July 31, 2006; and (5) testimony, in the form of a declaration, by the prosecuting patent attorney, Mr. Hill, confirms these actions and support Patent Owner's arguments. See Prelim. Resp. 26–43. Petitioner contends that it can show that Nii is prior art, but does not elaborate as to how it would do so. Pet. Prelim. Reply 10.

For the above reasons, on this record Patent Owner's evidence supporting its arguments regarding antedating Nii weighs strongly in favor of exercising our discretion to deny institution pursuant to § 314(a).⁶

7. Weighing the factors

There is no dispute that the related district court litigation involves the same parties as this proceeding. At this juncture, the related litigation is quite advanced and trial will likely be scheduled months prior to the issuance of any final written decision in this case. Although the district court may not address the grounds presented in the Petition, Patent Owner's evidence and argument suggests that Patent Owner may antedate

⁶ In so finding, we make no determination on the ultimate question whether Patent Owner has antedated Nii.

Nii, thus negating the grounds asserted here. After weighing all of the factors and taking a holistic view of the relevant circumstances of this proceeding, we determine that instituting an *inter partes* review would be an inefficient use of the Board's and parties' resources, and we exercise discretion to deny institution under 35 U.S.C. § 314(a).

IV. CONCLUSION

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

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition (Paper 2) is *denied* as to the challenged claims of the '485 patent; and

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

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APPENDIX D

PATENT TRIAL AND APPEAL BOARD

IPR2020-00526
IP20202-00527
Patent 6,633,187 C1¹

INTEL CORPORATION,
Petitioner,

v.

VLSI TECHNOLOGY LLC,
Patent Owner.

Entered: August 18, 2020

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

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

McGRAW, Administrative Patent Judge.

¹ This decision addresses issues common to each of the above proceedings and will be entered in each proceeding listed in the caption. The parties may use this style caption only if the paper includes a statement certifying that the identical paper is being filed in each proceeding listed in the caption.

I. INTRODUCTION

Intel Corporation (“Petitioner”) filed a Petition for *inter partes* review of claims 2–8, 10, and 11 of U.S. Patent No. 6,633,187 C1 (Ex. 1201, “the ’187 patent”) in IPR2020-00526. IPR2020-00526, Paper 3² (“Pet.”). Petitioner filed another Petition for *inter partes* review of claims 14–16, 19, and 20 of the ’187 patent in IPR2020-00527. IPR2020-00527, Paper 3. VLSI Technology LLC (“Patent Owner”) filed a Preliminary Response to each Petition. Paper 10 (“Prelim. Resp.”). In each proceeding, pursuant to our authorization (Paper 12), Petitioner filed a Reply to Patent Owner’s Preliminary Response (Paper 13 (“Pet. Prelim. Reply”)) and Patent Owner filed a Sur-reply (Paper 15, “PO Prelim. Sur-reply”), each directed to whether we should exercise our discretion to deny institution pursuant to 35 U.S.C. § 314(a).

An *inter partes* review may not be instituted “unless ... the information presented in the petition ... shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a) (2018). The Board, however, has discretion to deny a petition even when a petitioner meets that threshold. *Id.*; see, e.g., *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i) (recognizing the same); *NHK Spring Co. v. Intri-Plex Technologies, Inc.*,

² Unless otherwise indicated, citations to papers and exhibits refer to those filed in IPR2020-00526. Similar papers and exhibits were filed in IPR2020-00527.

IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential) (same); *see also* Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019) (“Consolidated TPG”), 55–63, available at <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf> (identifying considerations that may warrant exercise of this discretion).

Having considered the parties’ submissions, we determine that it is appropriate in these proceedings to exercise our discretion to deny institution of *inter partes* review pursuant to 35 U.S.C. § 314(a).

II. BACKGROUND

A. Real Parties in Interest

Petitioner identifies Intel Corporation as the real party in interest. Pet. 1. Patent Owner identifies “VLSI Technology LLC and CF VLSI Holdings LLC” as the real parties in interest. Paper 9 (Patent Owner’s Mandatory Notices), 1.

B. Related Matters

The parties identify the following pending matter related to the ’187 patent: *VLSI Tech. LLC v. Intel Corp.*, No. 6:19-cv-00255 (W.D. Tex.) (“Western District of Texas litigation”). Pet. 1; Paper 7, 1. According to Petitioner, the ’187 patent is one of the patents asserted by Patent Owner in *VLSI Tech. LLC v. Intel Corp.*, No. 6:19-cv-00255 (W.D. Tex.).

Petitioner also filed earlier two petitions for *inter partes* review of the ’187 patent. *See* IPR2020-00141, IPR2020-00142. The decisions denying institution under 35 U.S.C. § 314(a) are currently pending Precedential Opinion Panel review. *See Intel Corp. v. VLSI Tech. LLC*, IPR2020-00141, Paper 18 (PTAB. Aug. 17,

2020); *Intel Corp. v. VLSI Tech. LLC*, IPR2020-00142, Paper 19 (PTAB. Aug. 17, 2020).

C. The '187 Patent

The '187 patent, titled “Method and Apparatus for Enabling a Stand Alone Integrated Circuit,” originally issued on October 14, 2003, from an application filed November 20, 2000. Ex. 1201, code (22), (45), (54). A Reexamination Certificate confirming the patentability of claims 1–5, 12, 13, and 15–18 issued on November 2, 2010. *Id.*, *Inter Partes* Reexamination Certificate (0202nd), at (45).

The '187 patent explains that, to ensure that the digital circuitry on an integrated circuit (IC) functions appropriately, “it is important to delay activation of the digital circuit until the power supply [to the integrated circuit] is producing a stable supply voltage and the clock is operating properly.” *Id.* at 1:27–30. Then, “[o]nce these operating parameters are ensured, the digital circuitry may be activated.” *Id.* at 1:31–32. Figure 1 illustrates a schematic block diagram of stand-alone IC, and is reproduced below.

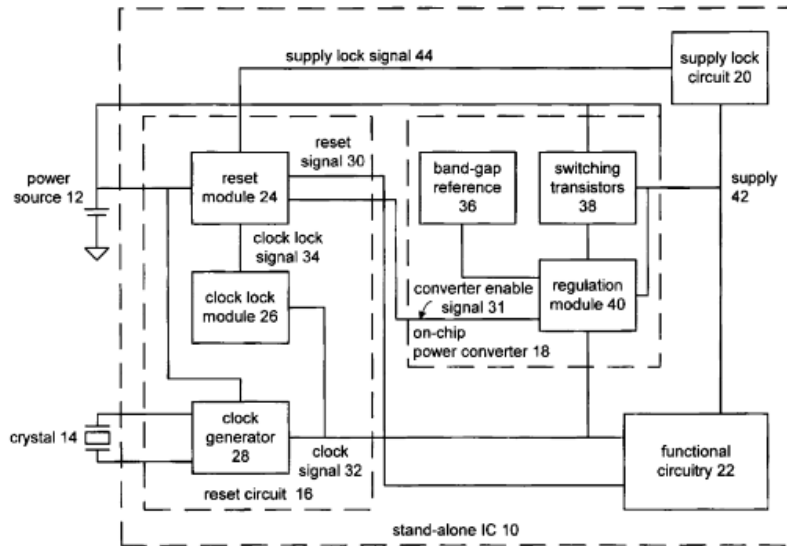


FIG. 1

Figure 1 illustrates a schematic block diagram of a stand-alone integrated circuit in accordance with the invention of the '187 patent. *See* Ex. 1201, 1:45–47.

As shown in Figure 1, stand-alone integrated circuit 10 includes reset circuit 16, on-chip power converter 18, functional circuitry 22, and supply lock circuit 20. *Id.* at 2:17–20. Reset circuit 16 includes reset module 24, clock module 26, and clock generator 28, which can produce clock signal 32. *Id.* at 2:29–33.

A logic diagram of a method for enabling a stand-alone integrated circuit is set forth in Figure 3. *Id.* at 3:51–52. The process begins by establishing an “idle state” that holds at least a portion of the stand-alone IC in a reset condition when a power source is operably coupled to the stand-alone IC. *Id.* at 3:52–56, Fig. 3. In response to a “power enable signal” (step 62), an on-chip power converter of the stand-alone IC is enabled to generate at least one supply, e.g., a voltage supply, or a current supply for powering functional circuitry from

the power source. *Id.* at 3:58–63, Fig. 3 (step 64). During step 64, a clock signal is generated when the clock has substantially reached a steady state condition, power converter regulation signals are generated based on the clock signal, and then a band-gap reference is enabled. *Id.* at 4:4–12, Fig. 3 (Steps 64-1 through 66-3). The band gap reference is used to generate the power converter regulation signals. *Id.* at 4:12–14. The functional circuitry of the stand-alone circuit is enabled when at least one supply has substantially reached a steady state condition. *Id.* at 3:66–4:3.

D. Illustrative Claims

Petitioner challenges dependent claims 2–8 and 11 of the '187 patent in IPR2020-00526 and dependent claims 14–16, 19, and 20 of the '187 patent in IPR2020-00527. Claim 2, and claim 1 from which it depends, are representative and are reproduced below.

1. A method for enabling a stand-alone integrated circuit (IC), the method comprises the steps of:
 - a) establishing an idle state that holds at least a portion of the stand-alone IC in a reset condition when a power source is operably coupled to the stand-alone IC;
 - b) receiving a power enable signal;
 - c) enabling, in response to the power enable signal, an on-chip power converter of the stand-alone IC to generate at least one supply from the power source,
wherein the enabling includes:
generating a clock signal;
generating power converter regulation signals based on the clock signal;

enabling a band-gap reference that is used in generating the power converter regulation signals; and

- d) when the at least one supply has substantially reached a steady state condition, enabling functionality of the stand-alone IC.
2. The method of claim 1, wherein the establishing the idle state further comprises enabling a reset signal for the at least a portion of the stand-alone IC.

E. Prior Art and Asserted Grounds of Unpatentability

Petitioner challenges the patentability of claims 2–8 and 11 of the '187 patent in IPR2020-00526 on the following grounds (Pet. 4–5):

Claim(s) Challenged	35 U.S.C. §	References/Basis
2–5, 7, 8	103 ³	Page, ⁴ Stratakos, ⁵ Bujanos, ⁶ LeWalter ⁷

³ The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended 35 U.S.C. § 103. Because the '187 patent has a filing date of November 20, 2000, which is prior to the effective date of the applicable AIA amendments, we refer to the pre-AIA version of § 103. *See* Ex. 1201, code (22).

⁴ US 6,980,037 B1, filed Sept. 16, 1998, issued Dec. 27, 2005 (Ex. 1206, “Page”).

⁵ Anthony John Stratakos, *High-Efficiency Low-Voltage DC-DC Conversion for Portable Applications*, Ph.D. Thesis 1998 (Ex. 1208, “Stratakos”).

⁶ US 5,949,227, issued Sept. 7, 1999 (Ex. 1215, “Bujanos”).

⁷ US 5,739,708, issued Sept. 19, 1996 (Ex. 1216, “LeWalter”).

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8	103	Page, Stratakos, Bujanos, LeWalter, Yasuda ⁸
11	103	Page, LeWalter
11	103	Page, Stratakos, LeWalter
11	103	Page, Yasuda, LeWalter
11	103	Page, Stratakos, Yasuda, LeWalter
6	103	Page, Stratakos, Bujanos, Goder ⁹
10	103	Page, Goder
10	103	Page, Yasuda, Goder
10	103	Page, Stratakos, Yasuda, Goder

Petitioner challenges the patentability of claims 14–16, 19, and 20 of the '187 patent on the following grounds (IPR2020-00527, Pet. 4):

Claim(s) Challenged	35 U.S.C. §	References/Basis
15, 16, 19	103	Page, Yamamoto ¹⁰ , LeWalter

⁸ US 5,936,443, issued Aug. 10, 1999 (Ex. 1207, “Yasuda”).

⁹ US 5,617,015, issued Apr. 1, 1997 (Ex. 1217, “Goder”).

¹⁰ US 5,778,237, issued July 7, 1998 (Ex. 1313, “Yamamoto”).

15, 16, 19	103	Yamamoto, Stratakos, LeWalter
20	103	Page, Yamamoto, LeWalter
20	103	Page, Yamamoto, Yasuda, LeWalter
20	103	Page, Yamamoto, Stratakos, LeWalter
20	103	Page, Yamamoto, Stratakos, Yasuda, LeWalter
14	103	Page, Yamamoto, Goder
14	103	Page, Yamamoto, Stratakos, Goder

III. ANALYSIS – 35 U.S.C. § 314(a)

Under 35 U.S.C. § 314(a), the Director has discretion to deny institution. In determining whether to exercise that discretion on behalf of the Director, we are guided by the Board’s precedential decision in *NHK Spring Co. v. Intri-Plex Technologies, Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018).

In *NHK*, the Board found that the “advanced state of the district court proceeding” was a “factor that weighs in favor of denying” the petition under § 314(a). *NHK*, Paper 8 at 20. The Board determined that “[i]nstitution of an *inter partes* review under these circumstances would not be consistent with ‘an objective of the AIA ... to provide an effective and efficient alternative to district court litigation.’” *Id.* (citing *Gen. Plastic, Paper* 19 at 16–17 (precedential in relevant part)).

“[T]he Board’s cases addressing earlier trial dates as a basis for denial under *NHK* have sought to balance considerations such as system efficiency, fairness, and patent quality.” *Apple Inc. v. Fintiv Inc.*, IPR2020-00019, Paper 11 at 5 (PTAB Mar. 20, 2020) (precedential) (collecting cases). *Fintiv* sets forth six non-exclusive factors for determining “whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Id.* at 6. These factors consider:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board’s exercise of discretion, including the merits.

We discuss the parties’ arguments in the context of considering the above factors. In evaluating the factors, we take a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review. *Fintiv* at 6.

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

On the present record, neither party has produced evidence that a stay has been requested or argues that a stay may be requested. *See generally* Pet.; Pet. Prelim. Reply; *see also* Prelim. Resp. 8 (noting that Petitioner does not say it will move for a stay and that Patent Owner will not agree to a stay). As such, this factor does not weigh in favor of or against exercising our discretion to deny institution pursuant to § 314(a).

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

According to the most recent scheduling order in the record, trial in the Western District of Texas involving the '187 patent currently is scheduled to start on November 26, 2020. *See* Prelim. Resp. 11 (citing Ex. 2042 (Second Amended Agreed Scheduling Order), 3); Pet. Prelim. Reply 6; PO Prelim. Sur-reply 10. If a proceeding were instituted, a final written decision in this matter likely would not issue until August 2021, approximately nine months after the scheduled trial date.

Patent Owner states that it requested the trial involving the '187 patent to begin later, on December 14, 2020. *See* Prelim. Resp. 13–14 (citing Ex. 2031 (Proposed Scheduling Order), 4); *see also* Pet. 6–7 (stating that the three infringement actions were not consolidated for purposes of trial and that is unclear which of the three trials would proceed first). Even if Patent Owner's request were granted, a final written decision would still not likely issue until approximately eight months after the scheduled trial date.

Accordingly, on the record before us, this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

3. investment in the parallel proceeding by the court and the parties

Patent Owner contends there has been “immense” investment in the parallel proceeding. *See* PO Prelim. Sur-Reply 17. The Western District of Texas issued a claim construction order on January 3, 2020, over seven months ago, although the court did not construe any claim terms from the ’187 patent. *See* PO Prelim. Sur-reply 17–18 (noting Petitioner stated no terms of the ’187 patent required construction). Additionally, the parties’ final infringement and invalidity contentions were served in January 2020. PO Prelim. Sur-reply 7 (citing Ex. 2036 (First Amended Scheduling Order)).

Petitioner does not directly address this factor. *See generally* Pet.; Pet. Prelim. Reply.

In light of the present posture of the district court action, we find that the parties’ investment in that action weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

4. overlap between issues raised in the petition and in the parallel proceeding

Patent Owner contends that there is a “complete” overlap between the issues raised in the Petition and those in the Western District of Texas litigation as Petitioner relies upon the same combination of references. *See* Prelim. Resp. 18.

Petitioner does not dispute that the present Petition relies on the same references, in the same combinations, for the same disclosures. *See generally* Pet. Pre-

lim. Reply. Rather, Petitioner argues that Patent Owner “will ultimately be required to drop claims in district court.” Pet Prelim. Rep. 10; *see also id.* at 9–10 (stating Patent Owner has asserted “133 claims of eight patents against Intel products across three cases” and that there “is no to reason to believe that [Patent Owner] will advance each of the challenged claims at trial”).

Petitioner, however, has not provided sufficient evidentiary support that any of the claims asserted in the present proceeding will not be at issue in the upcoming trial. Therefore, based on the present record, we agree with Patent Owner that there is a substantial overlap between the issues raised in the Petition and in the Western District of Texas litigation.

Accordingly, this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

5. whether the petitioner and the defendant in the parallel proceeding are the same party

Petitioner and Patent Owner are the defendant and plaintiff, respectively, in the Western District of Texas litigation. *See* Pet. Prelim. Reply 10 n.7; PO Prelim. Sur-reply 22 (stating Petitioner is both the defendant in the District Court Action and the petitioner here). Therefore, we find that this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

6. other circumstances that impact the Board’s exercise of discretion

Petitioner argues the Board should not apply the *NHK/Finitv* framework in the present proceeding because the framework is inconsistent with the AIA’s purpose, is inconsistent with Congress’ decision to allow petitioners up to one year to challenge a patent af-

ter receiving a complaint, encourages gamesmanship, will allow unpatentable claims to survive in greater numbers, and creates significant practical problems. *See* Pet. Prelim. Reply 4–5. Although, Petitioner’s arguments may be appropriate for review in another forum, we are constrained to follow the guidance provided in *NHK Spring* and the *Fintiv* Order.

Petitioner also contends Patent Owner’s litigation conduct involving the patent at issue, and other patents asserted against Petitioner, supports the Board declining to exercise its discretion to deny institution. *See* Pet. Prelim. Reply 8–9. Petitioner contends Patent Owner is a non-practicing entity whose business model is centered around filing an unreasonably large number of patent suits against Intel in a fast-moving jurisdiction, with numerous asserted claims—all to encourage a quick settlement or long-shot jury verdict and avoid IPR review. *Id.* at 9.

Even if Petitioner’s contentions are true, Petitioner has not shown these contentions will avoid adjudication of Intel’s invalidity defenses. The validity of the ’187 patent is at issue in the co-pending litigation, which is currently scheduled to go to trial well before the deadline for a final written decision in this proceeding. Accordingly, this argument does not weigh against exercising our discretion to deny institution pursuant to § 314(a).

Petitioner also asserts that if Patent Owner drops some its claims before trial, and the Board denies institution, the unasserted claims will be insulated from further challenge, as Intel will be barred from challenging those claims in future petitions. *Id.* (citing 35 U.S.C. § 315(b)). Petitioner asserts that those claims, which the petitions show to be unpatentable, will instead sur-

vive for assertion against Intel or another defendant. *Id.* This argument is too speculative as there is insufficient evidence in the record to show that the claims challenged in the present petitions will not be adjudicated at trial.

Patent Owner also argues that the fact Petitioner has brought four petitions against the '187 patent favors discretionary denial. Prelim. Resp. 22. We are not persuaded by this argument. When Petitioner filed its two earlier petitions challenging certain claims of the '187 patent (i.e., IPR2020-00141, IPR2020-00142), Patent Owner had not yet asserted infringement of the claims challenged in the present proceedings. *See* Paper 2 (Explanation for Multiple Petitions), 1. We agree with Petitioner that the staggered assertion of claims in the district court proceeding is a reason for the staggered filing of Petitions. *See id.* at 1 (Petitioner asserting that it was only after Patent Owner asserted additional claims in the copending litigation and Petitioner sought *inter partes* review of those claims). Thus, the staggered filing of the second set of petitions does not weigh in favor of exercising our discretion to deny institution of at least one of the petitions of that second set.¹¹

¹¹ Given our decision to exercise our discretion and deny institution under § 314(a), we do not reach the issue of whether two petitions are necessary to challenge all of the claims that are asserted in IPR2020-00526 and IPR2020-00527. We do note, however, that Petitioner does not provide any argument as to why a single petition challenging all of the claims filed in IPR2020-00526 and IPR2020-00527 could not have been filed. *See* Paper 2, 3–4 (stating different claims and references are asserted in each proceeding but not presenting an argument as to why these differences support the filing of two separate petitions).

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

7. Weighing the factors

There is no dispute that the related district court litigation involves the same parties and issues as this proceeding. At this juncture, the related litigation is fairly advanced and trial is scheduled for November. The district court will likely resolve the issues in this proceeding before the Board does, and instituting an *inter partes* review would likely duplicate the district court's efforts, as well as create the potential for inconsistent results, both of which undercut the efficiency and integrity of the patent system. After weighing all of the factors and taking a holistic view of the relevant circumstances of this proceeding, we determine instituting an *inter partes* review would be an inefficient use of the Board's resources, and we exercise discretion to deny institution under 35 U.S.C. § 314(a).

IV. CONCLUSION

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

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition in IPR2020-00526 and the Petition in IPR2020-00527 are *denied* as to all challenged claims of the '187 patent; and

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

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APPENDIX E

PATENT TRIAL AND APPEAL BOARD

IPR2020-000498
Patent 7,725,759 B2

INTEL CORPORATION, *Petitioner,*
v.

VLSI TECHNOLOGY LLC, *Patent Owner.*

Entered: August 19, 2020

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

DECISION

Denying Institution of *Inter Partes* Review

35 U.S.C. § 314

GERSTENBLITH, Administrative Patent Judge.

I. INTRODUCTION

Intel Corporation (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 12, 18–22, 24, 26, and 27 (the “challenged claims”) of U.S. Patent No. 7,725,759 B2 (Ex. 1101, “the ’759 patent”). Paper 4 (“Pet.”). VLSI Technology LLC (“Patent Owner”) filed

a Preliminary Response. Paper 10 (“Prelim. Resp.”). Pursuant to our authorization (Paper 12), Petitioner filed a Reply to Patent Owner’s Preliminary Response (Paper 13 (“Pet. Prelim. Reply”)) and Patent Owner filed a Sur-reply (Paper 15, “PO Prelim. Sur-reply”), each directed to whether we should exercise our discretion to deny institution pursuant to 35 U.S.C. § 314(a).

An *inter partes* review may not be instituted “unless ... the information presented in the petition ... shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a) (2018). The Board, however, has discretion to deny a petition even when a petitioner meets that threshold. *Id.*; see, e.g., *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); see also Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019) (“Consolidated TPG”), 55–63, available at <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf> (identifying considerations that may warrant exercise of this discretion). In particular, 35 U.S.C. § 314(a) permits the Board to deny institution under certain circumstances. See *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i); *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential).

Having considered the parties’ submissions, we determine that it is appropriate in this case to exercise our discretion to deny institution of *inter partes* review pursuant to 35 U.S.C. § 314(a).

II. BACKGROUND

A. Real Parties in Interest

Petitioner identifies “Intel Corporation” as the real party in interest. Pet. 1. Patent Owner identifies “VLSI Technology LLC and CF VLSI Holdings LLC” as the real parties in interest. Paper 6 (Patent Owner’s Mandatory Notices), 1.

B. Related Matters

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

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

C. Asserted Grounds of Unpatentability

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

50a

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

Petitioner relies on the Declaration of Dr. Bruce Jacob (Ex. 1102) in support of its unpatentability contentions.

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

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

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

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

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

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

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

III. ANALYSIS – 35 U.S.C. § 314(a)

Under 35 U.S.C. § 314(a), the Director has discretion to deny institution. In determining whether to exercise that discretion on behalf of the Director, we are guided by the Board’s precedential decision in *NHK*.

In *NHK*, the Board found that the “advanced state of the district court proceeding” was a “factor that weighs in favor of denying” the petition under § 314(a). *NHK*, Paper 8 at 20. The Board determined that “[i]nstitution of an *inter partes* review under these circumstances would not be consistent with ‘an objective of the AIA ... to provide an effective and efficient alternative to district court litigation.’” *Id.* (citing *Gen. Plastic*, Paper 19 at 16–17 (precedential in relevant part)).

“[T]he Board’s cases addressing earlier trial dates as a basis for denial under *NHK* have sought to balance considerations such as system efficiency, fairness, and patent quality.” *Apple Inc. v. Fintiv Inc.*, IPR2020-00019, Paper 11 at 5 (PTAB Mar. 20, 2020) (precedential) (collecting cases). *Fintiv* sets forth six non-exclusive factors for determining “whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Id.* at 6. These factors consider:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;

4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board's exercise of discretion, including the merits.

We discuss the parties' arguments in the context of considering the above factors. In evaluating the factors, we take a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review. *Fintiv* at 6.

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

On the present record, neither party has produced evidence that a stay has been requested or that the Western District of Texas has considered a stay in this case. *See* Pet. Prelim. Reply 6; PO Prelim. Sur-reply 1–2 (citations omitted). Thus, this factor does not weigh in favor of or against exercising our discretion to deny institution pursuant to § 314(a).

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

According to the most recent scheduling order in the record, trial in the Western District of Texas involving the '759 patent currently is scheduled to start on November 26, 2020. *See* Prelim. Resp. 11 (citing Ex. 2042 (Second Amended Agreed Scheduling Order), 3). If a proceeding were instituted, a final written decision in

this matter likely would not issue until August 2021, approximately nine months after the scheduled trial date.

Accordingly, on the record before us, this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

3. investment in the parallel proceeding by the court and the parties

Patent Owner contends there has been “immense” investment in the parallel proceeding. *See* PO Prelim. Resp. 16. The Western District of Texas issued a claim construction order on January 3, 2020, over seven months ago, although the court did not construe any claim terms from the ’759 patent. *See id.* at 16–17 (noting Petitioner proposed no claim terms from the ’759 patent for construction). Additionally, the parties’ final infringement and invalidity contentions were served in January 2020. *Id.* at 16.

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

In light of the present posture of the district court action, we find that the parties’ investment in that action weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

4. overlap between issues raised in the petition and in the parallel proceeding

Patent Owner contends that there is a “complete” overlap between the issues raised in the Petition and those in the Western District of Texas litigation. PO Prelim. Resp. 17–20 (contending that Petitioner relies upon the same references, in the same combinations). Patent Owner points to Petitioner’s final invalidity contentions

challenging the claims as obvious over Chen, Terrell, Kiriake, and Rusu and as obvious over Shaffer, Lint, Kiriake, and Rusu. *Id.* at 18–19 (comparing the Petition to Petitioner’s Final Invalidation Contentions (Ex. 2013)).

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

As noted above, Petitioner raises six grounds of obviousness pursuant to 35 U.S.C. § 103(a), three based on Chen and Terrell and three based on Shaffer and Lint, with each also including Kiriake and/or Rusu. In comparison, Petitioner’s Final Invalidation Contentions assert that claims 1–4, 7, 8, 12, 14, 15, 17–21, 24, and 26 are obvious, *inter alia*, over the combination of (1) Chen, Terrell, Kiriake, and/or Rusu, and (2) Shaffer, Lint, Kiriake, and/or Rusu. Ex. 2013, 33. Accordingly, we find that the issues raised in the Petition largely overlap with those currently raised in the Western District of Texas litigation. Although Petitioner’s Final Invalidation Contentions include other combinations of references challenging overlapping claims, see *id.*, that difference alone does not negate that the same combinations of references asserted in the Petition also are asserted in Petitioner’s Final Invalidation Contentions.

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

between the issues raised in the Petition and in the Western District of Texas litigation.

Accordingly, this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

5. whether the petitioner and the defendant in the parallel proceeding are the same party

Petitioner and Patent Owner are the defendant and plaintiff, respectively, in the Western District of Texas litigation. PO Prelim. Resp. 20. Therefore, we find that this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

6. other circumstances that impact the Board's exercise of discretion, including the merits

Petitioner raises three primary arguments regarding other circumstances that it asserts impact our exercise of discretion. First, Petitioner contends that discretionary denial would reward Patent Owner's tactics to evade review of its patents. Pet. Prelim. Reply 2–4. Petitioner asserts that Patent Owner's "scheme is evident: to file serial lawsuits against Intel in multiple venues asserting numerous patents and claims, to resist narrowing the number of asserted claims, and to delay adjudication of the validity of its claims." *Id.* at 3. Petitioner contends that, as part of Patent Owner's pattern of conduct, Patent Owner has refused to narrow the claims asserted in the Western District of Texas litigation because there is no deadline for claim narrowing in the schedule. *Id.* at 4 (citing Ex. 1145, 2).

Although related, Petitioner discusses the following under its "third" reason. In particular, Petitioner reiterates that other factors should weigh more heavily toward not exercising discretion to decline institution; e.g., the Patent Owner's identity and behavior, and the

number and identity of claims ultimately asserted in each jurisdiction. *Id.* at 8–10. Petitioner contends Patent Owner is a non-practicing entity whose business model is centered on filing an unreasonably large number of patent suits against Intel in a fast-moving jurisdiction, with numerous asserted claims—all to encourage a quick settlement or long-shot jury verdict and avoid IPR review. *Id.* at 8–9.

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

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

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

7. Weighing the factors

There is no dispute that the related district court litigation involves the same parties and issues as this proceeding. At this juncture, the related litigation is fairly advanced and trial is scheduled for November. The district court will likely resolve the issues in this proceeding before we would reach a final written decision, and instituting an *inter partes* review would likely duplicate the district court's efforts and could lead to inconsistent results, undercutting the efficiency and integrity of the patent system. After weighing all of the factors and taking a holistic view of the relevant circumstances of this proceeding, we determine instituting an *inter partes* review would be an inefficient use of the Board's and parties' resources, and we exercise discretion to deny institution under 35 U.S.C. § 314(a).

IV. CONCLUSION

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

V. ORDER

In consideration of the foregoing, it is hereby:

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

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

APPENDIX F

PATENT TRIAL AND APPEAL BOARD

IPR2020-00142
Patent US 6,633,187 C1

INTEL CORPORATION, *Petitioner,*
v.

VLSI TECHNOLOGY LLC, *Patent Owner.*

Entered: June 4, 2020

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

DECISION

Denying Institution of *Inter Partes* Review

35 U.S.C. § 314

McGRAW, Administrative Patent Judge.

I. INTRODUCTION

Intel Corporation (“Petitioner”) filed a Petition for *inter partes* review of claims 13, 17, and 18 of U.S. Patent No. 6,633,187 C1 (Ex. 1101, “the ’187 patent”). Paper 4 (“Pet.”). VLSI Technology LLC (“Patent Owner”) filed a Preliminary Response. Paper 8 (“Prelim. Resp.”). Pursuant to our authorization (Paper 10), Petitioner

filed a Reply to Patent Owner’s Preliminary Response (Paper 11 (“Pet. Prelim. Reply”)) and Patent Owner filed a Sur-reply (Paper 13, “PO Prelim. Sur-reply”), each directed to whether we should exercise our discretion to deny institution pursuant to 35 U.S.C. § 314(a).

An *inter partes* review may not be instituted “unless ... the information presented in the petition ... shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a) (2018). The Board, however, has discretion to deny a petition even when a petitioner meets that threshold. *Id.*; *see, e.g., Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i) (recognizing the same); *NHK Spring Co. v. Intri-Plex Technologies, Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential) (same); *see also* Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019) (“Consolidated TPG”), 55–63, available at <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf> (identifying considerations that may warrant exercise of this discretion).

Having considered the parties’ submissions, we determine that it is appropriate in this case to exercise our discretion to deny institution of *inter partes* review pursuant to 35 U.S.C. § 314(a).

II. BACKGROUND

A. Real Parties in Interest

Petitioner identifies Intel Corporation as the real party in interest. Pet. 1. Patent Owner identifies “VLSI Technology LLC and CF VLSI Holdings LLC” as the real parties in interest. Paper 7 (Patent Owner’s Mandatory Notices), 1.

B. Related Matters

The parties identify the following pending matter related to the ’187 patent: *VLSI Tech. LLC v. Intel Corp.*, No. 6:19-cv-00255 (W.D. Tex.) (“Western District of Texas litigation”). Pet. 1; Paper 7, 1. According to Petitioner, the ’187 patent is one of the patents asserted by Patent Owner in *VLSI Tech. LLC v. Intel Corp.*, No. 6:19-cv-00255 (W.D. Tex.).

Petitioner also challenges claims 1 and 12 of the ’187 patent in IPR2020-00141. *See* Pet. 1; Paper 7, 1.

C. The ’187 Patent

The ’187 patent, titled “Method and Apparatus for Enabling a Stand Alone Integrated Circuit,” originally issued on October 14, 2003, from an application filed November 20, 2000. Ex. 1001, code (22), (45), (54). A Reexamination Certificate confirming the patentability of *inter alia*, claims 1 and 12 issued on November 2, 2010. *Id.*, *Inter Partes* Reexamination Certificate (0202nd), at (45).

The ’187 patent explains that, to ensure that the digital circuitry on an integrated circuit (IC) functions appropriately, “it is important to delay activation of the digital circuit until the power supply [to the integrated circuit] is producing a stable supply voltage and the clock

is operating properly.” *Id.* at 1:27–30. Then, “[o]nce these operating parameters are ensured, the digital circuitry may be activated.” *Id.* at 1:31–32. Figure 1 illustrates a schematic block diagram of stand-alone IC, and is reproduced below..

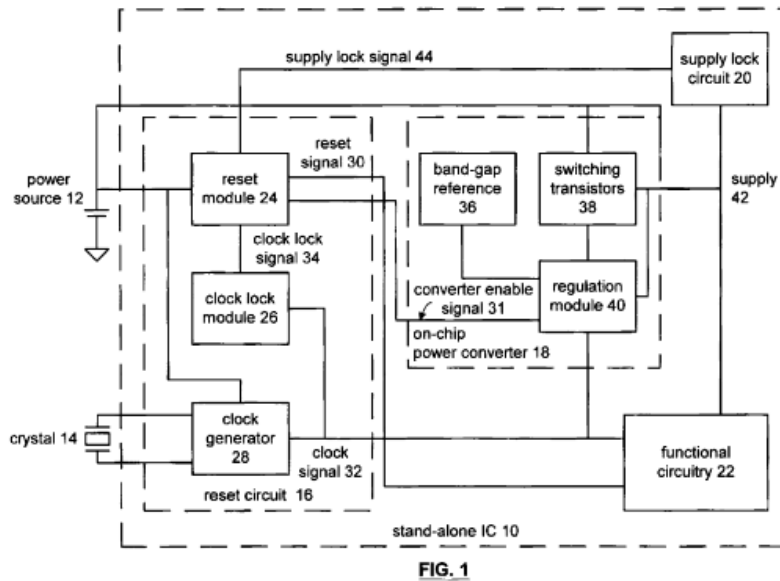


Figure 1 illustrates a schematic block diagram of a stand-alone integrated circuit in accordance with the invention of the '187 patent. *See* Ex. 1201, 1:45–47.

As shown in Figure 1, stand-alone integrated circuit 10 includes reset circuit 16, on-chip power converter 18, functional circuitry 22, and supply lock circuit 20. *Id.* at 2:17–20. Reset circuit 16 includes reset module 24, clock module 26, and clock generator 28, which can produce clock signal 32. *Id.* at 2:29–33.

A logic diagram of a method for enabling a stand-alone integrated circuit is set forth in Figure 3. *Id.* at 3:51–52. The process begins by establishing an “idle state”

that holds at least a portion of the stand-alone IC in a reset condition when a power source is operably coupled to the stand-alone IC. *Id.* at 3:52–56, Fig. 3. In response to a “power enable signal” (step 62), an on-chip power converter of the stand-alone IC is enabled to generate at least one supply, e.g., a voltage supply, or a current supply for powering functional circuitry from the power source. *Id.* at 3:58–63, Fig. 3 (step 64). During step 64, a clock signal is generated when the clock has substantially reached a steady state condition, power converter regulation signals are generated based on the clock signal, and then a band-gap reference is enabled. *Id.* at 4:4–12, Fig. 3 (Steps 64-1 through 66-3). The band gap reference is used to generate the power converter regulation signals. *Id.* at 4:12–14. The functional circuitry of the stand-alone circuit is enabled when at least one supply has substantially reached a steady state condition. *Id.* at 3:66–4:3.

D. Illustrative Claims

Claim 1, the only independent claim challenged in this proceeding, is reproduced below.

1. A method for enabling a stand-alone integrated circuit (IC), the method comprises the steps of:
 - a) establishing an idle state that holds at least a portion of the stand-alone IC in a reset condition when a power source is operably coupled to the stand-alone IC;
 - b) receiving a power enable signal;
 - c) enabling, in response to the power enable signal, an on-chip power converter of the stand-alone IC to generate at least one supply from the power source,
wherein the enabling includes:

generating a clock signal;

generating power converter regulation signals based on the clock signal;

enabling a band-gap reference that is used in generating the power converter regulation signals; and

- d) when the at least one supply has substantially reached a steady state condition, enabling functionality of the stand-alone IC.

E. Prior Art and Asserted Grounds of Unpatentability

Relying on the Declaration of David Choi, Ph.D. (Ex. 1002), Petitioner challenges the patentability of claims 13, 17, and 18 of the '187 patent on the following grounds (Pet. 4–5):

Claim(s) Challenged	35 U.S.C. §	References
13,17	103 ¹	Page, ² Yamamoto ³ Stratakos, ⁴

¹ The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended 35 U.S.C. § 103. Because the '187 patent has a filing date of November 20, 2000, which is prior to the effective date of the applicable AIA amendments, we refer to the pre-AIA version of § 103. *See* Ex. 1201, code (22).

² US 6,980,037 B1, filed Sept. 16, 1998, issued Dec. 27, 2005 (Ex. 1106, “Page”).

³ US 5,778,237, filed Dec. 14, 1995, issued July 7, 1998 (Ex. 1113, “Yamamoto”).

⁴ Anthony John Stratakos, *High-Efficiency Low-Voltage DC-DC Conversion for Portable Applications*, Ph.D. Thesis 1998 (Ex. 1208, “Stratakos”).

18	103	Page, Yamamoto, Stratakos, Bujanos, ⁵
13	103	Yasuda ⁶ , Page, and Yamamoto
17	103	Yasuda, Page, Yama- moto and Stratakos
18	103	Yasuda, Page, Yama- moto, Stratakos and Bujanos

III. ANALYSIS – 35 U.S.C. § 314(a)

Petitioner asserts that we should not exercise our discretion to deny institution pursuant to § 314(a) “because *inter partes* review would be a more effective and efficient alternative to litigation under the present circumstances, because Petitioner has been diligent in pursuing this relief, and in light of the substantive grounds” challenging the ’187 patent. *See* Pet. 5–6. Patent Owner responds we should exercise our discretion to deny this proceeding because the facts presented here are the same as those presented in *NHK Spring Co. v. Intri-Plex Technologies, Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential), where the Board denied institution pursuant to 35 U.S.C. § 314(a). *See* Prelim. Resp. 3–4.

In determining whether to exercise our discretion, we are guided by the Board’s precedential decision in

⁵ US 5,949,227, issued Sept. 7, 1999 (Ex. 1115, “Bujanos”).

⁶ US 5,936,443, filed July 3, 1996, issued Aug. 10, 1999 (Ex. 1107, “Yasuda”).

NHK. There, the Board found that the “advanced state of the district court proceeding,” in which the “same prior art and arguments” were presented by Petitioner, expert discovery was scheduled to end in less than two months, and a jury trial was scheduled to begin in six months, was a “factor that weighs in favor of denying” the petition under § 314(a). *NHK*, IPR2018-00752, Paper 8 at 20. The Board determined that “[i]nstitution of an inter partes review under these circumstances would not be consistent with ‘an objective of the AIA ... to provide an effective and efficient alternative to district court litigation.’” *Id.* (citing *Gen. Plastic*, IPR2016-01357, Paper 19 at 16–17 (PTAB Sept. 6, 2017) (precedential in relevant part)).

“[T]he Board’s cases addressing earlier trial dates as a basis for denial under *NHK* have sought to balance considerations such as system efficiency, fairness, and patent quality.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5 (PTAB Mar. 20, 2020) (designated precedential). When applying *NHK*, the Board has balanced the following non-exclusive factors (“*Fintiv* factors”):

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;

5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board's exercise of discretion, including the merits.

Id. at 5-6. We discuss the parties' arguments in the context of considering the above factors.

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

Petitioner contends that “[a]lthough the district court has not entered a stay, the parties could stipulate to a stay, so as not to use the court’s resources to litigate validity issues—just as the parties did in the California litigation.”⁷ Pet. Prelim. Reply 6. Patent Owner responds by noting that neither party has requested a stay in the Western District of Texas litigation, which is where the ’187 patent currently is asserted, and Patent Owner will not stipulate to a stay. PO Prelim. Surreply 1–2. Additionally, Patent Owner argues that the Western District of Texas rarely grants stays pending outcomes of *inter partes* review proceedings. *Id.* at 2 (citations omitted).

On the present record, neither party has produced evidence that a stay has been requested or that the Western District of Texas has considered a stay in this case. A judge determines whether to grant a stay based on the facts of each specific case as presented in the briefs by the parties. We decline to infer, based on actions taken in different cases with different facts, how the District Court would rule should a stay be requested by

⁷ See Pet. Prelim. Reply 3 (referring to *VLSI Tech. LLC v. Intel Corp.*, No. 5:17-cv-05671 (N.D. Cal.)).

the parties in the copending litigation. Thus, this factor does not weigh for or against discretionary denial in this case.

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

The parties agree that the trial in the Western District of Texas currently is scheduled to start in approximately five months, on October 5, 2020. *See* Prelim. Resp. 6 (citing Ex. 2003 (Agreed Scheduling Order)), 3); Pet. Prelim. Reply 6; PO Prelim. Sur-reply 4. Papers submitted in related proceeding IPR2020-00498, however, indicate that the trial date for the Western District of Texas litigation is now set for November 16, 2020. *See Intel Corp. v. VLSI Tech. LLC*, IPR2020-00498, Ex. 2042 (“Second Amended Agreed Scheduling Order”), 3. If a proceeding were instituted, a final written decision in this matter likely would not issue until early June 2021, approximately seven months after the scheduled trial date.

The parties also agree that there is some uncertainty as to whether trial actually will occur on the scheduled trial date. *See* Pet. Prelim. Reply 6–7; PO Prelim. Sur-reply 4–6. In particular, there are two variables contributing to that uncertainty. First, as the parties agree, there are three actions between the parties pending in the Western District of Texas, each scheduled for trial on the same date, yet the three actions are scheduled for separate trials.⁸ Pet. Prelim. Reply 6–7; PO Prelim. Sur-reply 4–5; *see also* Ex. 2030 (January

⁸ In addition to the action involving the ’187 patent (i.e., 6:19-cv-00255), the other two cases pending in the Western District of Texas are Nos. 6:19-cv-00254 and -00256.

15, 2020 Telephonic Discovery Hearing in VLSI Tech. LLC v. Intel Corp., AU-19-cv-977 (W.D. Tex.)), 4:18–21 (noting that cases 6:19-cv-00254, -255, and -256 are consolidated except for trial). Thus, as of today, the evidence supports a finding that at least two of the trials likely will not occur on November 16, 2020, including the action involving the '187 patent.⁹

Patent Owner explains that Patent Owner's proposed trial schedule requested that the case involving the '187 patent be tried second. *See* PO Sur-reply 5 (citing Ex. 2031 (Proposed Scheduling Order), 4). Patent Owner further explains that while Petitioner sought a single trial date for all three actions (*id.* at 4–5 (citing Ex. 2030, 10:11–15)), Patent Owner proposed December 14, 2020 for the case involving the '187 patent, two months after the first trial originally scheduled for October 5, 2020 (Ex. 2031, 4). PO Sur-reply 4–5. Should trial occur December 2020 in the action involving the '187 patent, it likely would still be almost six months before any written decision would likely issue in this proceeding, were we to institute.

Second, there is uncertainty about what effect the coronavirus disease 2019 (“COVID-19”) pandemic will have with respect to the trial date. *See* Pet. Prelim. Reply 8; PO Prelim. Sur-reply 5–6. The situation is evolving daily. Although trials currently are suspended in the Western District of Texas through June 30, 2020 (*see* Ex. 3001 (Western District of Texas Supplemental Order Regarding Court Operations Under the Exigent Circumstances Created by the COVID-19

⁹ It is possible that the parties may agree to hold one trial addressing all three actions. At this point, however, that is not the plan. *See* Pet. Prelim. Reply 6–7; PO Prelim. Sur-reply 4–5; Ex. 2030, 4:18–21.

Pandemic, filed May 8, 2020)), it is unclear what impact that suspension or any further suspension would have on trial dates scheduled later this year and early next year. Given the substantial gap between the currently scheduled November 16, 2020 trial date (and the even later trial dates proposed by Patent Owner) and June 2021 (the likely deadline for any final written decision in this proceeding, if trial were instituted) it is unclear, even if the trial date were moved back, whether that date would be after a final written decision in this proceeding.

Accordingly, on the record before us, this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

3. investment in the parallel proceeding by the court and the parties

Patent Owner contends there has been “immense” investment in the parallel proceeding. *See* PO Prelim. Sur-Reply 6–7. The Western District of Texas issued a claim construction order on January 3, 2020, over four months ago, although the court did not construe any claim terms from the ’187 patent. *See* PO Prelim. Sur-Reply 7 (noting Petitioner stated no terms of the ’187 patent required construction); Pet. Prelim. Reply 8; *see* Ex. 2010 (Claim Construction Order). Additionally, the parties’ final infringement and invalidity contentions were served in January 2020. PO Prelim. Sur-reply 7 (citing Ex. 2036 (First Amended Scheduling Order)).

In *Fintiv*, the Board explained that potential delay by a Petitioner “may impose unfair costs to a patent owner if the petitioner, faced with the prospect of a looming trial date, waits until the district court trial has progressed significantly before filing a petition at the Office.” *Fintiv*, IPR2020-00019, Paper 11 at 11. Here, Pe-

itioner contends that Patent Owner first asserted the challenged claims in its July 22, 2019 Preliminary Infringement Contentions and Petitioner promptly filed the Petition three months later. Pet. Prelim. Reply 5.

Although we do not find that Petitioner unreasonably delayed filing the Petition, we do find that the parties have invested significantly in the Western District of Texas litigation. As noted above, the district court claim construction order issued in January 2020, final infringement and invalidity contentions were served in January 2020. *See* PO Prelim. Sur-reply 7 (citing Ex. 2036). In light of the present posture of the district court action, we find that the parties' investment in that action weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

4. overlap between issues raised in the petition and in the parallel proceeding

Patent Owner contends that there is a “complete” overlap between the issues raised in the Petition and those in the Western District of Texas litigation. PO Prelim. Sur-reply 7; *see* Prelim. Resp. 7–10 (contending that Petitioner relies upon the same references, in the same combinations, and for the same disclosures). Patent Owner contends “Petitioner even relies on the same disclosures in the prior art references in both its petitions and in court, as tabulated in Tables 1-3 in Exhibit 2012.” Prelim. Resp. 8 (citing Ex. 2012).

Petitioner does not dispute that the present Petitioner relies on the same references, in the same combinations, for the same disclosures, contending instead that “[t]he [P]etition advances only a few grounds in Intel’s contentions” and that the limited duration of trial will inhibit Petitioner from presenting each invalidity ground to the jury. *See* Pet. Prelim. Reply 9 (citing Ex.

2005 (Defendant Intel Corporation’s Final Invalidity Contentions (U.S. Patent No. 6,633,187)), 2–4, 9–10). Accordingly, we find that the issues raised in the Petition largely overlap with those currently raised in the Western District of Texas litigation. Although Petitioner’s Final Invalidity Contentions include numerous other combinations of references challenging overlapping claims (*see id.* at 11–60), that difference alone does not negate that the same combinations of references asserted in the Petition are also asserted in Petitioner’s Final Invalidity Contentions. Thus, on the present record, we agree with Patent Owner that there is a substantial overlap between the issues raised in the Petition and in the Western District of Texas litigation.

Accordingly, this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

5. whether the petitioner and the defendant in the parallel proceeding are the same party

Petitioner and Patent Owner are the defendant and plaintiff, respectively, in the Western District of Texas litigation. Pet. Prelim. Reply 10 n.7; PO Prelim. Sur-reply 8 (citing Pet. Prelim. Reply 10 n.7). Therefore, we find that this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

6. other circumstances that impact the Board’s exercise of discretion

Petitioner spends nearly half of its Preliminary Reply explaining what it refers to as Patent Owner’s tactics to “evade” review of its patents. *See* Pet. Prelim. Reply 2–5 (asserting Patent Owner’s request for discretionary denial is “part of a series of carefully orchestrated tactics aimed at avoiding adjudication of [Petitioner’s] invalidity defenses”). Petitioner’s contentions include

that: (a) Patent Owner is a holding company created by Fortress Investment Group (“Fortress”) to acquire and assert patents against Petitioner for the purpose of investment returns (*id.* at 2); (b) affiliates of Fortress have filed over 150 patent lawsuits supported by “a \$400M patent assertion fund” (*id.* (citing Ex. 1016; Ex. 1017)); (c) Patent Owner has asserted twenty-one patents with over 430 claims against Petitioner in three different U.S. jurisdictions and two different jurisdictions in China (*id.* at 2 & n.4); and (d) Patent Owner’s filing of lawsuits in combination with voluntary dismissals and re-filing of other suits reflects a pattern to evade effective judicial review of its patents (*id.* at 2–5).

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

Even if Petitioner’s contentions are true, Petitioner has not shown these contentions will “avoid[] adjudication of Intel’s invalidity defenses.” *See* Pet. Prelim. Reply 2. The validity of the ’187 patent is at issue in the pending litigation, which is currently scheduled to go to trial well before the deadline for a final written decision in this proceeding. Accordingly, Petitioner’s arguments do not weigh against exercising our discretion to deny institution pursuant to § 314(a).

Thus, the balance of the *Fintiv* factors discussed above weighs in favor of exercising our discretion to deny institution under § 314(a).

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

IV. CONCLUSION

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

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition (Paper 4) is *denied* as to the challenged claims of the '187 patent; and

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

75a

APPENDIX G

PATENT TRIAL AND APPEAL BOARD

IPR2020-00141
Patent 6,633,187 C1

INTEL CORPORATION,
Petitioner,

v.

VLSI TECHNOLOGY LLC,
Patent Owner.

Entered: June 4, 2020

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

DECISION

Denying Institution of *Inter Partes* Review

35 U.S.C. § 314

McGRAW, Administrative Patent Judge.

I. INTRODUCTION

Intel Corporation (“Petitioner”) filed a Petition for *inter partes* review of claims 1 and 12 of U.S. Patent No. 6,633,187 C1 (Ex. 1001, “the ’187 patent”). Paper 4 (“Pet.”). VLSI Technology LLC (“Patent Owner”) filed a Preliminary Response. Paper 8 (“Prelim. Resp.”).

Pursuant to our authorization (Paper 10), Petitioner filed a Reply to Patent Owner’s Preliminary Response (Paper 11 (“Pet. Prelim. Reply”)) and Patent Owner filed a Sur-reply (Paper 13, “PO Prelim. Sur-reply”), each directed to whether we should exercise our discretion to deny institution pursuant to 35 U.S.C. § 314(a).

An *inter partes* review may not be instituted “unless ... the information presented in the petition ... shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a) (2018). The Board, however, has discretion to deny a petition even when a petitioner meets that threshold. *Id.*; *see, e.g., Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i) (recognizing the same); *NHK Spring Co. v. Intri-Plex Technologies, Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential) (same); *see also* Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019) (“Consolidated TPG”), 55–63, available at <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf> (identifying considerations that may warrant exercise of this discretion).

Having considered the parties’ submissions, we determine that it is appropriate in this case to exercise our discretion to deny institution of *inter partes* review pursuant to 35 U.S.C. § 314(a).

II. BACKGROUND

A. Real Parties in Interest

Petitioner identifies Intel Corporation as the real party in interest. Pet. 1. Patent Owner identifies “VLSI Technology LLC and CF VLSI Holdings LLC” as the real parties in interest. Paper 7 (Patent Owner’s Mandatory Notices), 1.

B. Related Matters

The parties identify the following pending matter related to the ’187 patent: *VLSI Tech. LLC v. Intel Corp.*, No. 6:19-cv-00255 (W.D. Tex.) (“Western District of Texas litigation”). Pet. 1; Paper 7, 1. According to Petitioner, the ’187 patent is one of the patents asserted by Patent Owner in *VLSI Tech. LLC v. Intel Corp.*, No. 6:19-cv-00255 (W.D. Tex.)

Petitioner also challenges claims 13, 17, and 18 of the ’187 patent in IPR2020-00142. *See* Pet. 1; Paper 7, 1.

C. The ’187 Patent

The ’187 patent, titled “Method and Apparatus for Enabling a Stand Alone Integrated Circuit,” originally issued on October 14, 2003, from an application filed November 20, 2000. Ex. 1001, code (22), (45), (54). A Reexamination Certificate confirming the patentability of, *inter alia*, claims 1 and 12 issued on November 2, 2010. *Id.*, *Inter Partes* Reexamination Certificate (0202nd), at (45).

The ’187 patent explains that, to ensure that the digital circuitry on an integrated circuit (IC) functions appropriately, “it is important to delay activation of the digital circuit until the power supply [to the integrated circuit] is producing a stable supply voltage and the clock

is operating properly.” *Id.* at 1:27–30. Then, “[o]nce these operating parameters are ensured, the digital circuitry may be activated.” *Id.* at 1:31–32. Figure 1 illustrates a schematic block diagram of stand-alone IC, and is reproduced below.

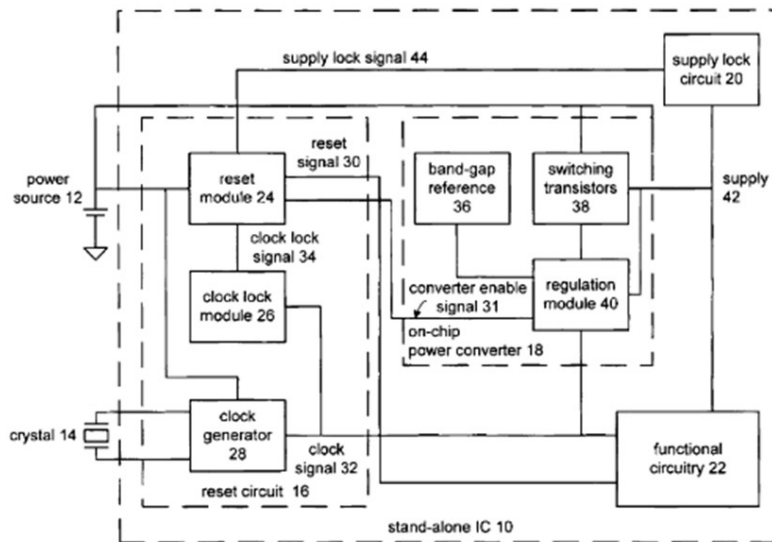


FIG. 1

Figure 1 illustrates a schematic block diagram of a stand-alone integrated circuit in accordance with the invention of the '187 patent. *See Ex. 1001, 1:45–47*

As shown in Figure 1, stand-alone integrated circuit 10 includes reset circuit 16, on-chip power converter 18, functional circuitry 22, and supply lock circuit 20. *Id.* at 2:17–20. Reset circuit 16 includes reset module 24, clock module 26, and clock generator 28, which can produce clock signal 32. *Id.* at 2:29–33.

A logic diagram of a method for enabling a stand-alone integrated circuit is set forth in Figure 3. *Id.* at 3:51–52. The process begins by establishing an “idle state” that holds at least a portion of the stand-alone IC in a reset condition when a power source is operably cou-

pled to the stand-alone IC. *Id.* at 3:52–56, Fig. 3. In response to a “power enable signal” (step 62), an on-chip power converter of the stand-alone IC is enabled to generate at least one supply, e.g., a voltage supply, or a current supply for powering functional circuitry from the power source. *Id.* at 3:58–63, Fig. 3 (step 64). During step 64, a clock signal is generated when the clock has substantially reached a steady state condition, power converter regulation signals are generated based on the clock signal, and then a band-gap reference is enabled. *Id.* at 4:4–12, Fig. 3 (Steps 64-1 through 66-3). The band gap reference is used to generate the power converter regulation signals. *Id.* at 4:12–14. The functional circuitry of the stand-alone circuit is enabled when at least one supply has substantially reached a steady state condition. *Id.* at 3:66–4:3.

D. Illustrative Claim

Claim 1, the only independent claim challenged in this proceeding, is reproduced below.

1. A method for enabling a stand-alone integrated circuit (IC), the method comprises the steps of:
 - a) establishing an idle state that holds at least a portion of the stand-alone IC in a reset condition when a power source is operably coupled to the stand-alone IC;
 - b) receiving a power enable signal;
 - c) enabling, in response to the power enable signal, an on-chip power converter of the stand-alone IC to generate at least one supply from the power source,
wherein the enabling includes:
generating a clock signal;

generating power converter regulation signals based on the clock signal;

enabling a band-gap reference that is used in generating the power converter regulation signals; and

- d) when the at least one supply has substantially reached a steady state condition, enabling functionality of the stand-alone IC.

E. Prior Art and Asserted Grounds of Unpatentability

Relying on the Declaration of David Choi, Ph.D. (Ex. 1002), Petitioner challenges the patentability of claims 1 and 12 of the '187 patent on the following ground (Pet. 4):

Claims Challenged	35 U.S.C. §	References
1, 12	103 ¹	Page, ² Stratakos, ³ Bujanos ⁴

¹ The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended 35 U.S.C. § 103. Because the '187 patent has a filing date of November 20, 2000, which is prior to the effective date of the applicable AIA amendments, we refer to the pre-AIA version of § 103. *See* Ex. 1001, code (22).

² US 6,980,037 B1, filed Sept. 16, 1998, issued Dec. 27, 2005 (Ex. 1006, “Page”).

³ Anthony John Stratakos, *High-Efficiency Low-Voltage DC-DC Conversion for Portable Applications*, Ph.D. Thesis 1998 (Ex. 1008, “Stratakos”).

⁴ US 5,949,227, filed Dec. 22, 1997, issued Sept. 7, 1999 (Ex. 1015, “Bujanos”).

III. ANALYSIS – 35 U.S.C. § 314(a)

Petitioner asserts that we should not exercise our discretion to deny institution pursuant to § 314(a) “because *inter partes* review would be a more effective and efficient alternative to litigation under the present circumstances, because Petitioner has been diligent in pursuing this relief, and in light of the substantive grounds” challenging the ’187 patent. *See* Pet. 5–6. Patent Owner responds we should exercise our discretion to deny this proceeding because the facts presented here are the same as those presented in *NHK Spring Co. v. Intri-Plex Technologies, Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential), where the Board denied institution pursuant to 35 U.S.C. § 314(a). *See* Prelim. Resp. 3–4.

In determining whether to exercise our discretion, we are guided by the Board’s precedential decision in *NHK*. There, the Board found that the “advanced state of the district court proceeding,” in which the “same prior art and arguments” were presented by Petitioner, expert discovery was scheduled to end in less than two months, and a jury trial was scheduled to begin in six months, was a “factor that weighs in favor of denying” the petition under § 314(a). *NHK*, IPR2018-00752, Paper 8 at 20. The Board determined that “[i]nstitution of an *inter partes* review under these circumstances would not be consistent with ‘an objective of the AIA ... to provide an effective and efficient alternative to district court litigation.’” *Id.* (citing *Gen. Plastic*, IPR2016-01357, Paper 19 at 16–17).

“[T]he Board’s cases addressing earlier trial dates as a basis for denial under *NHK* have sought to balance considerations such as system efficiency, fairness, and patent quality.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-

00019, Paper 11 at 5 (PTAB Mar. 20, 2020) (designated precedential). When applying *NHK*, the Board has balanced the following non-exclusive factors (“*Fintiv* factors”):

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board’s exercise of discretion, including the merits.

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

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

Petitioner contends that “[a]lthough the district court has not entered a stay, the parties could stipulate to a stay, so as not to use the court’s resources to litigate validity issues—just as the parties did in the California litigation.”⁵ Pet. Prelim. Reply 6. Patent Owner responds by noting that neither party has requested a

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

stay in the Western District of Texas litigation, which is where the '187 patent currently is asserted, and Patent Owner will not stipulate to a stay. PO Prelim. Sur-reply 1–2. Additionally, Patent Owner argues that the Western District of Texas rarely grants stays pending outcomes of *inter partes* review proceedings. *Id.* at 2 (citations omitted).

On the present record, neither party has produced evidence that a stay has been requested or that the Western District of Texas has considered a stay in this case. A judge determines whether to grant a stay based on the facts of each specific case as presented in the briefs by the parties. We decline to infer, based on actions taken in different cases with different facts, how the District Court would rule should a stay be requested by the parties in the copending litigation. Thus, this factor does not weigh for or against discretionary denial in this case.

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

The parties agree that the trial in the Western District of Texas currently is scheduled to start in approximately five months, on October 5, 2020. *See* Prelim. Resp. 6 (citing Ex. 2003 (Agreed Scheduling Order)), 3; Pet. Prelim. Reply 6; PO Prelim. Sur-reply 4. Papers submitted in related proceeding IPR2020-00498, however, indicate that the trial date for the Western District of Texas litigation is now set for November 16, 2020. *See Intel Corp. v. VLSI Tech. LLC*, IPR2020-00498, Ex. 2042 (“Second Amended Agreed Scheduling Order”), 3. If a proceeding were instituted, a final written decision in this matter likely would not issue until early June

2021, approximately seven months after the scheduled trial date.

The parties also agree that there is some uncertainty as to whether trial actually will occur on the scheduled trial date. *See* Pet. Prelim. Reply 6–7; PO Prelim. Sur-reply 4–6. In particular, there are two variables contributing to that uncertainty. First, as the parties agree, there are three actions between the parties pending in the Western District of Texas, each scheduled for trial on the same date, yet the three actions are scheduled for separate trials.⁶ Pet. Prelim. Reply 6–7; PO Prelim. Sur-reply 4–5; *see also* Ex. 2030 (January 15, 2020 Telephonic Discovery Hearing in *VLSI Tech. LLC v. Intel Corp.*, AU-19-cv-977 (W.D. Tex.)), 4:18–21 (noting that cases 6:19-cv-00254, -255, and -256 are consolidated except for trial). Thus, as of today, the evidence supports a finding that at least two of the trials likely will not occur on November 16, 2020, including the action involving the '187 patent.⁷

Patent Owner explains that Patent Owner's proposed trial schedule requested that the case involving the '187 patent be tried second. *See* PO Sur-reply 5 (citing Ex. 2031 (Proposed Scheduling Order), 4). Patent Owner further explains that while Petitioner sought a single trial date for all three actions (*id.* at 4–5 (citing Ex. 2030 10:11–15)), Patent Owner proposed December 14, 2020, for the case involving the '187 patent, two months after

⁶ In addition to the action involving the '187 patent (i.e., 6:19-cv-00255), the other two cases pending in the Western District of Texas are Nos. 6:19-cv-00254 and -00256.

⁷ It is possible that the parties may agree to hold one trial addressing all three actions. At this point, however, that is not the plan. *See* Pet. Prelim. Reply 6–7; PO Prelim. Sur-reply 4–5; Ex. 2030, 4:18–21.

the first trial originally scheduled for October 5, 2020 (Ex. 2031, 4). PO Sur-reply 4–5. Should trial occur December 2020 in the action involving the '187 patent, it likely would still be almost six months before any written decision would likely issue in this proceeding, were we to institute.

Second, there is uncertainty about what effect the coronavirus disease 2019 (“COVID-19”) pandemic will have with respect to the trial date. *See* Pet. Prelim. Reply 8; PO Prelim. Sur-reply 5–6. The situation is evolving daily. Although trials currently are suspended in the Western District of Texas through June 30, 2020 (*see* Ex. 3001 (Western District of Texas Supplemental Order Regarding Court Operations Under the Exigent Circumstances Created by the COVID-19 Pandemic, filed May 8, 2020)), it is unclear what impact that suspension or any further suspension would have on trial dates scheduled later this year and early next year. Given the substantial gap between the currently scheduled November 16, 2020 trial date (and the even later trial dates proposed by Patent Owner) and June 2021 (the likely deadline for any final written decision in this proceeding, if trial were instituted) it is unclear, even if the trial date were moved back, whether that date would be after a final written decision in this proceeding.

Accordingly, on the record before us, this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

3. investment in the parallel proceeding by the court and the parties

Patent Owner contends there has been “immense” investment in the parallel proceeding. *See* PO Prelim. Sur-Reply 6–7. The Western District of Texas issued a

claim construction order on January 3, 2020, over four months ago, although the court did not construe any claim terms from the '187 patent. *See* PO Prelim. Sur-Reply 7 (noting Petitioner stated no terms of the '187 patent required construction); Pet. Prelim. Reply 8; *see* Ex. 2010 (Claim Construction Order). Additionally, the parties' final infringement and invalidity contentions were served in January 2020. PO Prelim. Sur-reply 7 (citing Ex. 2036 (First Amended Scheduling Order)).

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

Although we do not find that Petitioner unreasonably delayed filing the Petition, we do find that the parties have invested significantly in the Western District of Texas litigation. As noted above, the district court claim construction order issued in January 2020, final infringement and invalidity contentions were served in January 2020. *See* PO Prelim. Sur-reply 7 (citing Ex. 2036). In light of the present posture of the district court action, we find that the parties' investment in that action weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

4. overlap between issues raised in the petition and in the parallel proceeding

Patent Owner contends that there is a “complete” overlap between the issues raised in the Petition and those

in the Western District of Texas litigation. PO Prelim. Sur-reply 7; *see* Prelim. Resp. 7–10 (contending that Petitioner relies upon the same references, in the same combinations, and for the same disclosures). Patent Owner contends “Petitioner even relies on the same disclosures in the prior art references in both its petitions and in court, as tabulated in Tables 1-3 in Exhibit 2012.” Prelim. Resp. 8 (citing Ex. 2012).

Petitioner does not dispute that the present Petitioner relies on the same references, in the same combinations, for the same disclosures, contending instead that “[t]he [P]etition advances only a few grounds in Intel’s contentions” and that the limited duration of trial will inhibit Petitioner from presenting each invalidity ground to the jury. *See* Pet. Prelim. Reply 9 (citing Ex. 2005 (Defendant Intel Corporation’s Final Invalidity Contentions (U.S. Patent No. 6,633,187)), 2–4, 9–10). Accordingly, we find that the issues raised in the Petition largely overlap with those currently raised in the Western District of Texas litigation. Although Petitioner’s Final Invalidity Contentions include numerous other combinations of references challenging overlapping claims (*see id.* at 11–60), that difference alone does not negate that the same combinations of references asserted in the Petition are also asserted in Petitioner’s Final Invalidity Contentions. Thus, on the present record, we agree with Patent Owner that there is a substantial overlap between the issues raised in the Petition and in the Western District of Texas litigation.

Accordingly, this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

5. whether the petitioner and the defendant in the parallel proceeding are the same party

Petitioner and Patent Owner are the defendant and plaintiff, respectively, in the Western District of Texas litigation. Pet. Prelim. Reply 10 n.7; PO Prelim. Surreply 8 (citing Pet. Prelim. Reply 10 n.7). Therefore, we find that this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

6. other circumstances that impact the Board’s exercise of discretion, including the merits

Petitioner spends nearly half of its Preliminary Reply explaining what it refers to as Patent Owner’s tactics to “evade” review of its patents. *See* Pet. Prelim. Reply 2–5 (asserting Patent Owner’s request for discretionary denial is “part of a series of carefully orchestrated tactics aimed at avoiding adjudication of [Petitioner’s] invalidity defenses”). Petitioner’s contentions include that: (a) Patent Owner is a holding company created by Fortress Investment Group (“Fortress”) to acquire and assert patents against Petitioner for the purpose of investment returns (*id.* at 2); (b) affiliates of Fortress have filed over 150 patent lawsuits supported by “a \$400M patent assertion fund” (*id.* (citing Ex. 1016; Ex. 1017)); (c) Patent Owner has asserted twenty-one patents with over 430 claims against Petitioner in three different U.S. jurisdictions and two different jurisdictions in China (*id.* at 2 & n.4); and (d) Patent Owner’s filing of lawsuits in combination with voluntary dismissals and refiling of other suits reflects a pattern to evade effective judicial review of its patents (*id.* at 2–5).

Patent Owner responds that Petitioner’s arguments are irrelevant and an improper attempt to re-litigate positions that Petitioner already raised in an antitrust suit against, *inter alia*, Patent Owner in the Northern

District of California. *See* PO Prelim. Sur-reply 10 (citing, e.g., Ex. 2037 (Defendants’ Joint Notice of Motion and Motion to Dismiss and to Strike Plaintiffs’ Complaint)).

Even if Petitioner’s contentions are true, Petitioner has not shown these contentions will “avoid[] adjudication of Intel’s invalidity defenses.” *See* Pet. Prelim. Reply 2. The validity of the ’187 patent is at issue in the pending litigation, which is currently scheduled to go to trial well before the deadline for a final written decision in this proceeding. Accordingly, Petitioner’s arguments do not weigh against exercising our discretion to deny institution pursuant to § 314(a).

Thus, the balance of the *Fintiv* factors discussed above weighs in favor of exercising our discretion to deny institution under § 314(a).

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

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exercise our discretion pursuant to § 314(a) to deny institution.

IV. CONCLUSION

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

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition (Paper 4) is *denied* as to the challenged claims of the '187 patent; and

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

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APPENDIX H

PATENT TRIAL AND APPEAL BOARD

IPR2020-00158
Patent 7,523,373 B2

INTEL CORPORATION, *Petitioner,*
v.

VLSI TECHNOLOGY LLC, *Patent Owner.*

Date: May 20, 2020

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

DECISION

Denying Institution of *Inter Partes* Review

35 U.S.C. § 314

GERSTENBLITH, Administrative Patent Judge.

I. INTRODUCTION

Intel Corporation (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 1–13, 15, and 16, (the “challenged claims”) of U.S. Patent No. 7,523,373 B2 (Ex. 1001, “the ’373 patent”). Paper 3 (“Pet.”). VLSI Technology LLC (“Patent Owner”) filed a Preliminary Response. Paper 8 (“Prelim. Resp.”).

Pursuant to our authorization (Paper 12), Petitioner filed a Reply to Patent Owner’s Preliminary Response (Paper 13 (“Pet. Prelim. Reply”)) and Patent Owner filed a Sur-reply (Paper 15, “PO Prelim. Sur-reply”), each directed to whether we should exercise our discretion to deny institution pursuant to 35 U.S.C. § 314(a).

An *inter partes* review may not be instituted “unless ... the information presented in the petition ... shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a) (2018). The Board, however, has discretion to deny a petition even when a petitioner meets that threshold. *Id.*; *see, e.g., Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *see also* Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019) (“Consolidated TPG”), 55–63, available at <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf> (identifying considerations that may warrant exercise of this discretion). In particular, 35 U.S.C. § 314(a) permits the Board to deny institution under certain circumstances. *See Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i).

Having considered the parties’ submissions, we determine that it is appropriate in this case to exercise our discretion to deny institution of *inter partes* review pursuant to 35 U.S.C. § 314(a). *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential).

II. BACKGROUND

A. Real Parties in Interest

Petitioner identifies Intel Corporation as the real party in interest. Pet. 1. Patent Owner identifies VLSI Technology LLC and CF VLSI Holdings LLC as the real parties in interest. Paper 6 (Patent Owner's Mandatory Notices), 1.

B. Related Matters

The parties identify the '373 patent as the subject of *VLSI Tech. LLC v. Intel Corp.*, No. 6-19-cv-00254 ("Western District of Texas litigation"). Pet. 1, 4; Paper 6, 1. Petitioner explains that the '373 patent is one of several patents asserted by Patent Owner in three venues: Nos. 19-cv-00254, -00255, -00256 (W.D. Tex.); 18-966-CFC (D. Del.); and 5-17-cv-05671 (N.D. Cal.). Pet. 4. Petitioner also explains that cases -00254, -00255, and -00256 are consolidated until trial as 1-19-cv-00977. *Id.*

C. Asserted Grounds of Unpatentability

Petitioner challenges the patentability of claims 1–13, 15, and 16, of the '373 patent on the following grounds (Pet. 4):

Claim(s) Challenged	35 U.S.C. §	References
1–7, 9–11, 13, 15, 16	103 ¹	Abadeer, ² Zhang ³
2, 11, 12	103	Abadeer, Zhang, Cornwell ⁴
8	103	Abadeer, Zhang, Bilak ⁵

Petitioner relies on the Declaration of Adit Singh, Ph.D. (Ex. 1002) in support of its unpatentability contentions.

III. ANALYSIS – 35 U.S.C. § 314(a)

Patent Owner contends *inter partes* reviews are “intended as a ‘complete substitute’ for and an ‘alternative’ to district court litigation for assessing §§ 102/103 validity disputes over prior art patents and printed publications.” Prelim. Resp. 4 (citing *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1317 (Fed.

¹ The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended 35 U.S.C. § 103. Because the ’373 patent has a filing date of August 30, 2006, which is prior to the effective date of the applicable AIA amendments, we refer to the pre-AIA version of § 103. *See* Ex. 1001, code (22).

² U.S. Patent Application Publication No. 2006/0259840 A1, published November 16, 2006 (Ex. 1004, “Abadeer”).

³ U.S. Patent Application Publication No. 2003/0122429 A1, published July 3, 2003 (Ex. 1005, “Zhang”).

⁴ U.S. Patent No. 7,702,935 B2, issued April 20, 2010 (Ex. 1006, “Cornwell”).

⁵ U.S. Patent Application Publication No. 2005/0188230 A1 (Ex. 1007, “Bilak”).

Cir. 2018) (citing H. Rep. No. 112-98 at 48 (2011) (“The proposed administrative review procedures, including [*inter partes* review], were intended to provide ‘quick and cost-effective **alternatives to litigation.**”); S. Rep. No. 110-259 at 66–67 (2008) (“If second window proceedings are to be permitted, **they should generally serve as a complete substitute for at least some phase of the litigation.**”). According to Patent Owner, “[t]he District Court Action is already far along” with any possible Board final written decision “seven-and-a-half months later” than the scheduled trial. *Id.* at 4. Patent Owner asserts there is no significant difference in Petitioner’s validity defenses in the *inter partes* and District Court forums, since “Petitioner raises the same art and arguments in both.” *Id.* at 5. Patent Owner contends that Petitioner “does not identify any distinction between the present matter and the District Court Action in terms of the art or arguments raised.” *Id.* at 6. Patent Owner argues that the circumstances presented here are the same as those in *NHK*, where the Board denied institution pursuant to 35 U.S.C. § 314(a). *Id.* at 5.

Petitioner asserts that we should not exercise our discretion to deny institution pursuant to § 314(a) because *inter partes* review is a more efficient and expedient forum in which to adjudicate validity. Pet. 4. In particular, Petitioner contends that (1) the ’373 patent involves technical subject matter “well-suited to the expertise of the specialized patent judges at the PTAB”; (2) “a jury trial is necessarily a more difficult forum for presenting a detailed obviousness case” compared to the PTAB; (3) each of cases -00254, -00255, and -00256 currently are scheduled for separate trials and “it is unclear” if the trial for the ’373 patent will proceed on October 5, 2020; (4) “the time required for briefing and

resolution of post-trial motions could easily result in a Final Written Decision before the district court's final appealable judgment is docketed"; and (5) "Petitioner was diligent in timely filing [the] Petition." *Id.*

In determining whether to exercise our discretion, we are guided by the Board's precedential decision in *NHK*. There, the Board found that the "advanced state of the district court proceeding," in which the "same prior art and arguments" were presented by Petitioner, expert discovery was scheduled to end in less than two months, and a jury trial was scheduled to begin in six months, was a "factor that weighs in favor of denying" the petition under § 314(a). *NHK*, IPR2018-00752, Paper 8 at 20. The Board determined that "[i]nstitution of an *inter partes* review under these circumstances would not be consistent with 'an objective of the AIA ... to provide an effective and efficient alternative to district court litigation.'" *Id.* (citing *Gen. Plastic Indus.*, IPR2016-01357, Paper 19 at 16–17).

"[T]he Board's cases addressing earlier trial dates as a basis for denial under *NHK* have sought to balance considerations such as system efficiency, fairness, and patent quality." *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5 (PTAB Mar. 20, 2020) (precedential). When applying *NHK*, the Board has balanced the following non-exclusive factors (herein "*Fintiv* factors"):

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;

3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board's exercise of discretion, including the merits.

Id. at 5-6. We discuss the parties' arguments in the context of considering the above factors.

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

Petitioner contends that “[a]lthough the district court has not entered a stay, the parties could stipulate to a stay, so as not to use the court’s resources to litigate validity issues—just as the parties did in the California litigation.”⁶ Pet. Prelim. Reply 6. Patent Owner responds that it will not stipulate to a stay, and contends that the Western District of Texas rarely grants stays pending the outcome of *inter partes* review proceedings. PO Prelim. Sur-reply 1–2 (citations omitted).

On the present record, neither party has produced evidence that a stay has been requested or that the Western District of Texas has considered a stay in this case. A judge determines whether to grant a stay based on the facts of each specific case as presented in the briefs by the parties. We decline to infer, based on actions taken in different cases with different facts, how the District Court would rule should a stay be requested by

⁶ See Pet. Prelim. Reply 3 (referring to VLSI Tech. LLC v. Intel Corp., No. 5:17-cv-05671 (N.D. Cal.)).

the parties in the parallel case here. Thus, this factor does not weigh for or against discretionary denial in this case.

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

The parties agree that the trial in the Western District of Texas currently is scheduled to start in less than six months, on October 5, 2020. *See* Prelim. Resp. 4 (citing Ex. 2008 (Agreed Scheduling Order)), 3; Pet. Prelim. Reply 6; *see also* PO Prelim. Sur-reply 4. A final written decision in this matter would not issue until approximately May 2021, seven months after trial.

The parties also agree that there is some uncertainty as to whether trial actually will occur on October 5th. *See* Pet. Prelim. Reply 6–7; PO Prelim. Sur-reply 4–6. In particular, there are two variables contributing to that uncertainty. First, as noted above, there are three actions between the parties pending in the Western District of Texas (-00254, -00255, and -00256), each of which is scheduled for trial on October 5th, yet the three actions currently are scheduled for separate trials. Pet. Prelim. Reply 6–7; PO Prelim. Sur-reply 4–5. Thus, as of today, the evidence supports a finding that at least two of the trials will not occur on October 5th.⁷

Patent Owner explains, however, that the -00254 action involving the '373 patent was the first-filed case of the three actions and that Patent Owner's proposed trial schedule requests that -00254 be tried first. PO Prelim. Sur-reply 5 (citing Ex. 2031 (APPENDIX A—Proposed

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

Scheduling Order), 4⁸). Patent Owner further explains that Petitioner appears to seek a single trial date for all three actions (*id.* (citing Ex. 2030 (Telephonic Discovery Hearing) 10:11–15)), whereas Patent Owner proposed December 14, 2020, and January 25, 2021, as trial dates for the other two actions (Ex. 2031, 4). *See* PO Prelim. Sur-reply 4–5. Should trial occur in either December 2020 or January 2021 in the action involving the ’373 patent, those dates are still five and four months, respectively, before any final written decision likely would issue in this proceeding.

Second, there is uncertainty about what effect the coronavirus disease 2019 (“COVID-19”) pandemic will have with respect to the trial date. *See* Pet. Prelim. Reply 7–8; PO Prelim. Sur-reply 5–6. The situation is evolving daily. Although trials currently are suspended in the Western District of Texas through June 30, 2020 (*see* Ex. 3001 (Western District of Texas Supplemental Order Regarding Court Operations Under the Exigent Circumstances Created by the COVID-19 Pandemic, filed May 8, 2020)), it is unclear what impact that suspension or any further suspension would have on trial dates scheduled later this year and early next year. Given the substantial gap of approximately seven months between the October 5, 2020, trial date and the expected May 2021 deadline for any final written decision in this proceeding, it is unclear, based on the present record, that the trial date would be delayed to a date after a final written decision in this proceeding as a result of COVID-19.

⁸ Patent Owner cites to page 4 of Exhibit 2031, but the actual page indicating the October 5th trial date is page 3.

Accordingly, on the record before us, this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

3. investment in the parallel proceeding by the court and the parties

The Western District of Texas issued a claim construction order on January 3, 2020, over four months ago, in which it construed one claim term from the '373 patent. *See* Prelim. Resp. 4; Pet. Prelim. Reply 8 (citing Ex. 2009 (Claim Construction Order)). Additionally, final infringement and invalidity contentions were served in January 2020, and fact discovery currently is scheduled to close on May 22, 2020. PO Prelim. Sur-reply 7 (citing Ex. 2036 (First Amended Scheduling Order)).

In *Fintiv*, the Board explained that potential delay by a Petitioner “may impose unfair costs to a patent owner if the petitioner, faced with the prospect of a looming trial date, waits until the district court trial has progressed significantly before filing a petition at the Office.” *Fintiv*, IPR2020-00019, Paper 11 at 11. Here, Petitioner contends that it was diligent in timely filing the Petition three months before the statutory bar date. Pet. 5.

Although we do not find that Petitioner unreasonably delayed filing the Petition, we do find that the parties already have invested significantly in the Western District of Texas litigation. As noted above, the district court claim construction order issued in January 2020, final infringement and invalidity contentions were served in January 2020, and fact discovery currently is scheduled to close on May 22, 2020. *See* PO Prelim. Sur-reply 7 (citing Ex. 2036). In light of the present posture of the district court action, we find that this

factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

**4. overlap between issues raised in the petition
and in the parallel proceeding**

Patent Owner contends that there is a “complete” overlap between the issues raised in the Petition and those in the Western District of Texas litigation. PO Prelim. Sur-reply 7–9; *see* Prelim. Resp. 8–10 (contending that Petitioner relies upon essentially the same references,⁹ in the same combinations, and for the same disclosures). Patent Owner asserts that Petitioner relies upon the art “in the same way.” Prelim. Resp. 10. Specifically, Patent Owner contends that in Petitioner’s invalidity contentions and the Petition, “Petitioner relies on Harris’s VDD and Vstby as the alleged two supply voltages, and Zhang [’079]’s voltage regulators to supply an alleged ‘regulated voltage’” as well as

⁹ Patent Owner explains that the sole difference in references asserted between the Petition and Petitioner’s invalidity contentions relates to Zhang. Prelim. Resp. 9 & n.4. In the Petition, Petitioner relies upon Zhang. *See* Pet. 3–4 (referring to U.S. Patent Application Publication No. 2003/0122429, published July 3, 2003, as “Zhang”); *see also* Prelim. Resp. 9 n.4 (noting the same). Patent Owner explains that Petitioner’s invalidity contentions rely upon a patent related to Zhang (i.e., U.S. Patent No. 6,948,079 B2, issued Sept. 20, 2005 (Ex. 2010, “Zhang ’079”)) with “materially the same disclosures.” Prelim. Resp. 9 n.4. Specifically, Patent Owner contends that “Zhang ’079 includes the same Figure 2C, as well as the voltage regulators 251-254, that Petitioner relies upon in Zhang.” *Id.* (citing Pet. 21, 37, 44, 57; Ex. 2010, Fig. 2C). Petitioner does not content otherwise. *See, e.g.*, Pet. Prelim. Reply 9–10 (discussing *Fintiv* factor 4). We agree with Patent Owner that the relevant disclosures from Zhang, upon which Petitioner relies, also appear to be disclosed in Zhang ’079. Accordingly, the issues raised regarding Zhang in the Petition and Zhang ’079 in Petitioner’s invalidity contentions appear to overlap.

“Abadeer’s method of determining a minimum operating voltage.” *Id.* (citing Ex. 2007, 14, 219–26).¹⁰

Petitioner does not disagree with Patent Owner’s argument, contending instead that “[t]he [P]etition advances only a few of the grounds in Intel’s contentions.” Pet. Prelim. Reply 9 (citing Ex. 2007, 5–7, 17–18).

As noted above, Petitioner raises three grounds of obviousness pursuant to 35 U.S.C. § 103(a). In its first ground, Petitioner relies upon Harris, Abadeer, and Zhang in challenging claims 1–7, 9–11, 13, 15, and 16. Pet. 4. Petitioner adds Cornwell to that combination in challenging claims 2, 11, and 12 in its second ground, and adds Bilak to the combination of Harris, Abadeer, and Zhang in challenging claim 8 in its third ground. *Id.*

In comparison, Petitioner’s Final Invalidity Contentions assert that claims 1–6, 9, 11–14, and 16 are obvious over Harris alone or in combination with any one or more of Abadeer, Bilak, Cornwell, and/or Patel, further in view of Zhang. Ex. 2007, 222. Accordingly, we find that the issues raised in the Petition largely overlap with those currently raised in the Western District of Texas litigation. Although Petitioner’s Final Invalidity Contentions include other combinations of references challenging overlapping claims, *see id.*, that difference alone does not negate that the same combinations of references asserted in the Petition also are asserted in Petitioner’s Final Invalidity Contentions.

¹⁰ Patent Owner’s citations to specific pages in Exhibit 2007 appear to be slightly off. The listing of “Obviousness Combinations” appears on page 17 and the discussion of the combination relying on essentially the same prior art as asserted in the Petition appears at pages 222 through 229 of Exhibit 2007.

Additionally, on the record before us, each of the claims challenged via petition also is included in Petitioner's Final Invalidity Contentions, with the exception of dependent claims 7, 10, and 15. *Compare* Pet. 4, *with* Ex. 2007, 4. Petitioner, however, does not raise this difference in its papers let alone argue that the difference is a reason not to exercise our § 314(a) discretion to deny institution. Thus, on the present record, we agree with Patent Owner that there is a substantial overlap between the issues raised in the Petition and in the Western District of Texas litigation.

Accordingly, this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

5. whether the petitioner and the defendant in the parallel proceeding are the same party

Petitioner and Patent Owner are the defendant and plaintiff, respectively, in the Western District of Texas litigation. Pet. Prelim. Reply 10 n.7; PO Prelim. Sur-reply 9 (citing Pet. Prelim. Reply 10 n.7). Therefore, we find that this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

6. other circumstances that impact the Board's exercise of discretion, including the merits

Petitioner spends nearly half of its Preliminary Reply explaining what it refers to as Patent Owner's tactics to "evade" review of its patents. *See* Pet. Prelim. Reply 2–6 (asserting Patent Owner's "request[] for discretionary denial [is] part of a series of carefully orchestrated tactics aimed at avoiding adjudication of [Petitioner's] invalidity defenses"). Petitioner's contentions include that: (a) Patent Owner is a holding company created by Fortress Investment Group ("Fortress") to acquire and assert patents against Petitioner for the

purpose of investment returns (*id.* at 2); (b) affiliates of Fortress have filed over 150 patent lawsuits supported by “a \$400M patent-assertion fund” (*id.* (citing Exs. 1028, 1029)); (c) Patent Owner has asserted twenty-one patents with over 430 claims against Petitioner in three different U.S. jurisdictions and two different jurisdictions in China (*id.* at 2 & n.4); and (d) Patent Owner’s filing of lawsuits in combination with voluntary dismissals and refiling of other suits reflects a pattern to evade effective judicial review of its patents (*id.* at 2–5).

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

Even if Petitioner’s contentions are true, Petitioner has not shown these contentions will “avoid[] adjudication of Intel’s invalidity defenses.” *See* Pet. Prelim. Reply 2. The validity of the ’373 patent is at issue in the pending litigation, which is currently scheduled to go to trial well before the deadline for a final written decision in this proceeding. Accordingly, Petitioner’s arguments do not weigh against exercising our discretion to deny institution pursuant to § 314(a).

Thus, the balance of the *Fintiv* factors discussed above weigh in favor of exercising our discretion to deny institution under § 314(a).

Petitioner also asserts the “strength of the merits” of the Petition weigh in favor of institution (*see* Pet. Prelim. Reply 9 n.6), while Patent Owner asserts the merits of the Petition weigh in favor of denying institution

(see PO Prelim. Sur-reply 9–10). We have reviewed the Petition and the Patent Owner Preliminary Response and determine that the merits of the Petition do not outweigh the other *Fintiv* factors. On balance, based on the facts presented, particularly the advanced stage of the Western District of Texas litigation, a currently scheduled trial date approximately seven months before the would-be deadline for a final written decision, and the overlap between the issues presented there and in the Petition, we find that it would be an inefficient use of Board, party, and judicial resources to institute the present proceeding. See *NHK*, IPR2018-00752, Paper 8 at 20; Consolidated TPG 58 (discussing balancing the relevant circumstances). Accordingly, we exercise our discretion pursuant to § 314(a) to deny institution.

IV. CONCLUSION

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

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition (Paper 3) is *denied* as to the challenged claims of the '373 patent; and

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

APPENDIX I

PATENT TRIAL AND APPEAL BOARD

IPR2020-00114
Patent 6,366,522 B1

INTEL CORPORATION,
Petitioner,

v.

VLSI TECHNOLOGY LLC,
Patent Owner.

Date: May 19, 2020

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

DECISION

Denying Institution of *Inter Partes* Review

35 U.S.C. § 314

DANG, Administrative Patent Judge.

I. INTRODUCTION

A. Background

Intel Corporation (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 16–18, 20–22, and 36–38 (the “challenged claims”) of U.S. Patent No. 6,366,522 B1 (Ex. 1201, “the ’522 patent”). Paper 4 (“Pet.”). VLSI Technology LLC (“Patent Owner”) filed

a Preliminary Response. Paper 8 (“Prelim. Resp.”). Pursuant to our authorization (Paper 9), Petitioner filed a Reply to Patent Owner’s Preliminary Response (Paper 10 (“Pet. Prelim. Reply”)) and Patent Owner filed a Sur-reply (Paper 12, “PO Prelim. Sur-reply”), each directed to whether we should exercise our discretion to deny institution pursuant to 35 U.S.C. § 314(a).

Under 37 C.F.R. § 42.4(a), the Board has authority to determine whether to institute an *inter partes* review. We may institute an *inter partes* review if the information presented in the petition filed under 35 U.S.C. § 311, and any response filed under § 313, shows that there is a reasonable likelihood that Petitioner would prevail with respect to at least one of the claims challenged in the petition. The Board, however, has discretion to deny a petition even when a petitioner meets that threshold. *Id.*; *see, e.g., Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *see also* Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019) (“Consolidated TPG”), 55–63, available at https://www.uspto.gov/sites/default/files/documents/tpg_nov.pdf (identifying considerations that may warrant exercise of this discretion). In particular, 35 U.S.C. § 314(a) permits the Board to deny institution under certain circumstances. *See Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i).

Having considered the parties’ submissions, we determine that it is appropriate in this case to exercise our discretion to deny institution of *inter partes* review pursuant to 35 U.S.C. § 314(a). *NHK Spring Co. v. In-*

tri-Plex Techs., Inc., IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential).

B. Related Matters

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

C. The '522 Patent

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

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

quirements.” *Id.* at 2:16–22. The processing transfer characteristics of the computational engine include “propagation delays through logic circuits, slew rates of transistors within memory, logic circuits, read/write processing speed,” and the like. *Id.* at 3:50–57.

D. Illustrative Claim

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

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

a processing module; and

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

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

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

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

Ex. 1201, 8:36–53.

E. Asserted Grounds of Unpatentability

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

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

¹ The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended 35 U.S.C. § 103. Because the '522 patent has an effective filing date of November 20, 2000, which is prior to the effective date of the applicable AIA amendments, we refer to the pre-AIA version of § 103. *See* Ex. 1201, code (22).

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

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

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

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

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

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

22	103	Borkar, Bland, Wilcox, Acker- mann, Haning- ton ⁸
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Petitioner relies on the Declaration of Dr. David Choi (Ex. 1202) and the Declaration of Dr. James L. Mullins (Ex. 1203) in support of its unpatentability contentions.

II. ANALYSIS – 35 U.S.C. § 314(a)

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

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

or arguments raised,” wherein “the District Court Action is scheduled to be tried seven-and-a-half months before [any possible Final Written Decision].” *Id.* at 6–7. Patent Owner contends that the facts presented here are the same as those presented in *NHK*, where the Board denied institution pursuant to 35 U.S.C. § 314(a). *Id.* at 5–6.

Petitioner asserts that we should not exercise our discretion to deny institution pursuant to § 314(a) because *inter partes* review is a more efficient and expedient forum in which to adjudicate validity. Pet. 6–7. In particular, Petitioner contends that 1) the ’522 patent involves technical subject matter “well suited to the expertise of the specialized patent judges at the PTAB”; 2) “a jury trial is necessarily a more difficult forum for presenting a detailed obviousness case”; 3) since the multiple trials have not been consolidated, “it is unclear” if the trial for the ’522 patent will proceed on October 5, 2020; 4) “the time required for briefing and resolution of post-trial motions could easily result in a Final Written Decision before the district court’s final appealable judgment is docketed”; and 5) “Petitioner was diligent in timely filing [the] Petition.” *Id.*

In determining whether to exercise our discretion, we are guided by the Board’s precedential decision in *NHK*. There, the Board found that the “advanced state of the district court proceeding,” in which the “same prior art and arguments” were presented by Petitioner, expert discovery was scheduled to end in less than two months, and a jury trial was scheduled to begin in six months, was a “factor that weighs in favor of denying” the petition under § 314(a). *NHK*, IPR2018-00752, Paper 8 at 20. The Board determined that “[i]nstitution of an *inter partes* review under these circumstances would not be consistent with ‘an objective of the AIA

... to provide an effective and efficient alternative to district court litigation.’” *Id.* (citing *Gen. Plastic Indus.*, IPR2016-01357, Paper 19 at 16–17).

“[T]he Board’s cases addressing earlier trial dates as a basis for denial under *NHK* have sought to balance considerations such as system efficiency, fairness, and patent quality.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5 (PTAB Mar. 20, 2020) (precedential). When applying *NHK*, the Board has balanced the following non-exclusive factors (herein “*Fintiv* factors”):

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board’s exercise of discretion, including the merits.

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

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

Petitioner contends that “[a]lthough the district court has not entered a stay, the parties could stipulate to a stay, so as not to use the court’s resources to litigate validity issues—just as the parties did in the California litigation.”⁹ Pet. Prelim. Reply 6. Patent Owner responds that Patent Owner will not stipulate to a stay (PO Prelim. Sur-reply 1), and notes that the Western District of Texas rarely grants stays pending the outcome of *inter partes* review proceedings. *Id.* at 2 (citations omitted).

On the present record, neither party has produced evidence that a stay has been requested or that the Western District of Texas has considered a stay in this case. A judge determines whether to grant a stay based on the facts of each specific case as presented in the briefs by the parties. We decline to infer, based on actions taken in different cases with different facts, how the District Court would rule should a stay be requested by the parties in the parallel case here. Thus, this factor does not weigh for or against discretionary denial in this case.

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

The parties agree that the trial in the Western District of Texas currently is scheduled to start on October 5, 2020. *See* Pet. 6; Prelim. Resp. 4 (citing Ex. 2006 (Agreed Scheduling Order)). Patent Owner contends

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

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

There are variables contributing to the uncertainty that the jury trial will occur on October 5, 2020. First, as the parties agree, there are three actions between the parties pending in the Western District of Texas, each scheduled for trial on October 5th, yet the three actions are scheduled for separate trials and have not been consolidated.¹⁰ Pet. Prelim. Reply 3, 6–7; PO Prelim. Sur-reply 4–5. Thus, as of today, the evidence supports the finding that at least two of the trials will not occur on October 5th.¹¹

Patent Owner explains that its proposed trial schedule requests that the case involving the ’522 patent be tried second. PO Prelim. Sur-reply 5 (citing Ex. 2031 (Proposed Scheduling Order), 4). Patent Owner further explains that Petitioner appears to seek a single trial date for all three actions (*id.* (citing Ex. 2030 (Telephonic

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

¹¹ It is possible that the parties may agree to hold one trial addressing all three actions. At this point, however, that is not the plan. Pet. Prelim. Reply 6–7; PO Prelim. Sur-reply 4–5.

Discovery Hearing) 10:11–15)), whereas Patent Owner proposed December 14, 2020, for the case involving the '522 patent, two months after the first trial on October 5 (Ex. 2031, 4). PO Prelim. Sur-reply 4–5. Should trial occur December 2020 in the action involving the '522 patent, it would still be five months before any final written decision likely would issue in this proceeding.

Second, there is uncertainty about what effect the Coronavirus disease 2019 (“COVID-19”) pandemic will have with respect to the trial date. Pet. Prelim. Reply 8; PO Prelim. Sur-reply 6. The situation is evolving daily. Although trials currently are suspended in the Western District of Texas through June 30, 2020 (Ex. 3001 (General May 8 Order)), it is unclear what impact that suspension or any further suspension would have on trial dates scheduled later this year and early next year. Given the substantial gap between the October 5 trial date (and the other potential dates proposed by Patent Owner) and May 2021 (the likely date for any final written decision in this proceeding), even if the trial date were moved back, it is unlikely on the present record that the date would be after a final written decision in this proceeding.

Accordingly, on the record before us, this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

3. investment in the parallel proceeding by the court and the parties

The Western District of Texas issued a claim construction order on January 3, 2020, over four months ago, although neither party requested that the court construe claim terms from the '522 patent. *See* Prelim. Resp. 7–8; Pet. Prelim. Reply 8 (citing Ex. 2007 (Claim Construction Order)). Additionally, final infringement

and invalidity contentions were served in January 2020, and fact discovery currently is scheduled to close on May 22, 2020. PO Prelim. Sur-reply 7 (citing Ex. 2036 (First Amended Scheduling Order)).

In *Fintiv*, the Board explained that potential delay by a Petitioner “may impose unfair costs to a patent owner if the petitioner, faced with the prospect of a looming trial date, waits until the district court trial has progressed significantly before filing a petition at the Office.” *Fintiv*, IPR2020-00019, Paper 11 at 11. Here, Petitioner contends that it was diligent in timely filing the Petition three months before the statutory bar date. Pet. 7.

Although we do not find that Petitioner unreasonably delayed filing the Petition, we do find that the parties already have invested significantly in the Western District of Texas litigation. As noted above, the district court claim construction order issued in January 2020, final infringement and invalidity contentions were served in January 2020, and fact discovery currently is scheduled to close on May 22, 2020. *See* PO Prelim. Sur-reply 7 (citing Ex. 2036). In light of the present posture of the district court action, we find that this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

4. overlap between issues raised in the petition and in the parallel proceeding

Patent Owner contends that there is a “complete” overlap between the issues raised in the Petition and those in the Western District of Texas litigation. PO Prelim. Sur-reply 7–9; *see* Prelim. Resp. 8–10 (contending that Petitioner relies upon the same references, in the same combinations, and for the same disclosures). Patent Owner provides “Table 1” which shows a comparison of

prior art figures relied upon in the Petition versus the “Final Invalidity Contentions.” Prelim. Resp. 10–12 (citing Exs. 2003, 2005).

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

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

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

Accordingly, we find that the issues raised in the Petition largely overlap with those currently raised in the Western District of Texas litigation. Although Petitioner’s Final Invalidity Contentions include other combinations of references challenging overlapping claims, *see id.*, that difference alone does not negate that the same combinations of references asserted in

the Petition are also asserted in Petitioner's Final Invalidity Contentions.

Additionally, as noted above, Petitioner challenges other claims of the '522 patent in IPR2020-00112 and IPR2020-00113, specifically, claims 1–4, 6–8, 25, and 28 in IPR2020-00112, and claims 9–11, 13–15, 30, 31, and 34 in IPR2020-00113. On the record before us, each of the independent claims challenged via petition (whether in this proceeding, IPR2020-00112, or IPR2020-00113) also is included in Petitioner's Final Invalidity Contentions, along with many of the dependent claims. *Compare* Paper 3 (Petitioner's Explanation for Filing Multiple Petitions for *Inter Partes* Review of U.S. Patent No. 6,366,522), 2, *with* Ex. 2013, 18–52. Petitioner, however, does not raise the difference between the dependent claims at issue in each proceeding in its briefing let alone argue that the difference is a reason not to exercise our § 314(a) discretion to deny institution. Thus, on the present record, we agree with Patent Owner that there is a substantial overlap between the issues raised in the Petition and in the Western District of Texas litigation.

Accordingly, this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

5. whether the petitioner and the defendant in the parallel proceeding are the same party

Petitioner and Patent Owner are the defendant and plaintiff, respectively, in the Western District of Texas litigation. Pet. Prelim. Reply 10 n.7; PO Prelim. Sur-reply 9 (citing Pet. Prelim. Reply 10 n.7). Therefore, we find that this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

6. other circumstances that impact the Board’s exercise of discretion, including the merits

Petitioner spends nearly half of its Preliminary Reply explaining what it refers to as Patent Owner’s tactics to “evade” review of its patents. *See* Pet. Prelim. Reply 2–5 (asserting Patent Owner’s request for discretionary denial is “part of a series of carefully orchestrated tactics aimed at avoiding adjudication of [Petitioner’s] invalidity defenses”). Petitioner’s contentions include that: (a) Patent Owner is a holding company created by Fortress Investment Group (“Fortress”) to acquire and assert patents against Petitioner for the purpose of investment returns (*id.* at 2); (b) affiliates of Fortress have filed over 150 patent lawsuits supported by “a \$400M patent assertion fund” (*id.* (citing Exs. 1221, 1222)); (c) Patent Owner has asserted twenty-one patents with over 430 claims against Petitioner in three different U.S. jurisdictions and two different jurisdictions in China (*id.* at 2 & n.4); and (d) Patent Owner’s filing of lawsuits in combination with voluntary dismissals and refiling of other suits reflects a pattern to evade effective judicial review of its patents (*id.* at 2–5).

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

Even if Petitioner’s contentions are true, Petitioner has not shown these contentions will “avoid[] adjudication of Intel’s invalidity defenses.” *See* Pet. Prelim. Reply 2. The validity of the ’522 patent is at issue in the co-

pending litigation, which is currently scheduled to go to trial well before the deadline for a final written decision in this proceeding. Accordingly, Petitioner's arguments do not weigh against exercising our discretion to deny institution pursuant to § 314(a).

Thus, the balance of the *Fintiv* factors discussed above weighs in favor of exercising our discretion to deny institution under § 314(a).

Petitioner also asserts the “strength of the merits” of the Petition weigh in favor of institution (*see* Pet. Prelim. Reply 9 n.6), while Patent Owner asserts the merits of the Petition weigh in favor of denying institution (*see* PO Prelim. Sur-reply 9–10). We have reviewed the Petition and the Patent Owner Preliminary Response and determine that the merits of the Petition do not outweigh the other *Fintiv* factors. On balance, based on the facts presented, particularly the advanced stage of the Western District of Texas litigation, a currently scheduled trial date approximately seven months before the would-be deadline for a final written decision, and the overlap between the issues presented there and in the Petition, we find that it would be an inefficient use of Board, party, and judicial resources to institute the present proceeding. *See NHK*, IPR2018-00752, Paper 8 at 20; Consolidated TPG 58 (discussing balancing the relevant circumstances). Accordingly, we exercise our discretion pursuant to § 314(a) to deny institution.

III. CONCLUSION

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

123a

IV. ORDER

In consideration of the foregoing, it is hereby:

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

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

125a

APPENDIX J

PATENT TRIAL AND APPEAL BOARD

IPR2020-00113
Patent 6,366,522 B1

INTEL CORPORATION,
Petitioner,

v.

VLSI TECHNOLOGY LLC,
Patent Owner.

Date: May 19, 2020

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

DECISION

Denying Institution of *Inter Partes* Review

35 U.S.C. § 314

DANG, Administrative Patent Judge.

I. INTRODUCTION

A. Background

Intel Corporation (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 9–11, 13–15, 30, 31, and 34 (the “challenged claims”) of U.S. Patent No. 6,366,522 B1 (Ex. 1101, “the ’522 patent”). Paper 4 (“Pet.”). VLSI Technology LLC (“Patent Owner”) filed

a Preliminary Response. Paper 8 (“Prelim. Resp.”). Pursuant to our authorization (Paper 9), Petitioner filed a Reply to Patent Owner’s Preliminary Response (Paper 10 (“Pet. Prelim. Reply”)) and Patent Owner filed a Sur-reply (Paper 12, “PO Prelim. Sur-reply”), each directed to whether we should exercise our discretion to deny institution pursuant to 35 U.S.C. § 314(a).

Under 37 C.F.R. § 42.4(a), the Board has authority to determine whether to institute an *inter partes* review. We may institute an *inter partes* review if the information presented in the petition filed under 35 U.S.C. § 311, and any response filed under § 313, shows that there is a reasonable likelihood that Petitioner would prevail with respect to at least one of the claims challenged in the petition. The Board, however, has discretion to deny a petition even when a petitioner meets that threshold. *Id.*; *see, e.g., Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *see also* Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019) (“Consolidated TPG”), 55–63, available at https://www.uspto.gov/sites/default/files/documents/tpg_nov.pdf (identifying considerations that may warrant exercise of this discretion). In particular, 35 U.S.C. § 314(a) permits the Board to deny institution under certain circumstances. *See Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i).

Having considered the parties’ submissions, we determine that it is appropriate in this case to exercise our discretion to deny institution of *inter partes* review pursuant to 35 U.S.C. § 314(a). *NHK Spring Co. v. In-*

tri-Plex Techs., Inc., IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential).

B. Related Matters

Petitioner identifies the '522 patent as the subject of *VLSI Tech. LLC v. Intel Corp.*, No. 19-cv-00977-ADA (W.D. Tex.) (“Western District of Texas litigation”). Pet. 1. According to Petitioner, the '522 patent is one of the patents asserted by Patent Owner in *VLSI Tech. LLC v. Intel Corp.*, Nos. 6:19-cv-00254, -255, -256 (W.D. Tex.), 18-966-CFC (D. Del.), and 5-17-cv-05671 (N.D. Cal.), wherein the '522 patent is asserted in 19-cv-0255, “one of three parallel cases consolidated until trial in the Western District of Texas (1:19-cv-977-ADA).” Pet. 6. Petitioner also challenges claims of the '522 patent in IPR2020-00112 and IPR2020-00114.

C. The '522 Patent

The '522 patent, titled “Method and Apparatus for Controlling Power Consumption of an Integrated Circuit,” issued on April 2, 2002, from an application filed November 20, 2000. Ex. 1101, code (54), (45), (22).

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

quirements.” *Id.* at 2:16–22. The processing transfer characteristics of the computational engine include “propagation delays through logic circuits, slew rates of transistors within memory, logic circuits, read/write processing speed,” and the like. *Id.* at 3:50–57.

D. Illustrative Claim

Of the challenged claims, claim 9 is the independent claim. Claims 10, 11, 13–15, 30, 31, and 34 depend from claim 9. Claim 9 is illustrative.

9. A method for controlling power consumption of an integrated circuit, the method comprises the steps of:

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

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

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

Ex. 1101, 7:53–64.

E. Asserted Grounds of Unpatentability

Petitioner challenges the patentability of claims 9–11, 13–15, 30, 31, and 34 of the '522 patent on the following grounds (Pet. 5):

Claim(s) Chal- lenged	35 U.S.C. §	Reference(s)/ Basis
9–11, 13, 14, 34	103 ¹	Borkar, ² Bland, ³ Wilcox, ⁴ Acker- mann ⁵
11	103	Borkar, Bland, Wilcox, Acker- mann, Horden ⁶
30, 31	103	Borkar, Bland, Wilcox, Acker- mann, Jones ⁷
15	103	Borkar, Bland, Wilcox, Acker-

¹ The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended 35 U.S.C. § 103. Because the ’522 patent has an effective filing date of November 20, 2000, which is prior to the effective date of the applicable AIA amendments, we refer to the pre-AIA version of §103. *See* Ex. 1101, code (22).

² U.S. Patent No. 6,484,265, issued November 19, 2002, filed December 30, 1998 (Ex. 1106, “Borkar”).

³ U.S. Patent No. 5,614,869, issued March 25, 1997, filed December 20, 1995 (Ex. 1107, “Bland”).

⁴ U.S. Patent No. 5,481,178, issued January 2, 1996, filed March 23, 1993 (Ex. 1108, “Wilcox”).

⁵ U.S. Patent No. 6,137,280, issued October 24, 2000, filed January 22, 1999 (Ex. 1117, “Ackermann”).

⁶ U.S. Patent No. 5,812,860, issued September 22, 1998, filed February 12, 1996 (“Ex. 1109, “Horden”).

⁷ U.S. Patent No. 5,764,007, issued June 9, 1998, filed April 20, 1995 (Ex. 1110, “Jones”).

Petitioner relies on the Declaration of Dr. David Choi (Ex. 1102) and the Declaration of Dr. James L. Mullins (Ex. 1103) in support of its unpatentability contentions.

II. ANALYSIS – 35 U.S.C. § 314(a)

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

⁸ *High-Efficiency Power Amplifier Using Dynamic Power-Supply Voltage for CDMA Applications*, IEEE Transactions on Microwave Theory and Techniques, Vol. 47, No. 8, at 1471–76, published August 1999 (Ex. 1115, “Hanington”).

tends that the facts presented here are the same as those presented in *NHK*, where the Board denied institution pursuant to 35 U.S.C. § 314(a). *Id.* at 5.

Petitioner asserts that we should not exercise our discretion to deny institution pursuant to § 314(a) because *inter partes* review is a more efficient and expedient forum in which to adjudicate validity. Pet. 6–7. In particular, Petitioner contends that 1) the '522 patent involves technical subject matter “well suited to the expertise of the specialized patent judges at the PTAB”; 2) “a jury trial is necessarily a more difficult forum for presenting a detailed obviousness case”; 3) since the multiple trials have not been consolidated, “it is unclear” if the trial for the '522 patent will proceed on October 5, 2020; 4) “the time required for briefing and resolution of post-trial motions could easily result in a Final Written Decision before the district court’s final appealable judgment is docketed”; and 5) “Petitioner was diligent in timely filing [the] Petition.” *Id.*

In determining whether to exercise our discretion, we are guided by the Board’s precedential decision in *NHK*. There, the Board found that the “advanced state of the district court proceeding,” in which the “same prior art and arguments” were presented by Petitioner, expert discovery was scheduled to end in less than two months, and a jury trial was scheduled to begin in six months, was a “factor that weighs in favor of denying” the petition under § 314(a). *NHK*, IPR2018-00752, Paper 8 at 20. The Board determined that “[i]nstitution of an *inter partes* review under these circumstances would not be consistent with ‘an objective of the AIA ... to provide an effective and efficient alternative to district court litigation.’” *Id.* (citing *Gen. Plastic Indus.*, IPR2016-01357, Paper 19 at 16–17).

“[T]he Board’s cases addressing earlier trial dates as a basis for denial under *NHK* have sought to balance considerations such as system efficiency, fairness, and patent quality.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5 (PTAB Mar. 20, 2020) (precedential). When applying *NHK*, the Board has balanced the following non-exclusive factors (herein “*Fintiv* factors”):

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
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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
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Id. at 5–6. We discuss the parties’ arguments in the context of considering the above factors.

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

Petitioner contends that “[a]lthough the district court has not entered a stay, the parties could stipulate to a stay, so as not to use the court’s resources to litigate validity issues—just as the parties did in the California

litigation.”⁹ Pet. Prelim. Reply 6. Patent Owner responds that Patent Owner will not stipulate to a stay (PO Prelim. Sur-reply 1), and notes that the Western District of Texas rarely grants stays pending the outcome of *inter partes* review proceedings. *Id.* at 2 (citations omitted).

On the present record, neither party has produced evidence that a stay has been requested or that the Western District of Texas has considered a stay in this case. A judge determines whether to grant a stay based on the facts of each specific case as presented in the briefs by the parties. We decline to infer, based on actions taken in different cases with different facts, how the District Court would rule should a stay be requested by the parties in the parallel case here. Thus, this factor does not weigh for or against discretionary denial in this case.

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

The parties agree that the trial in the Western District of Texas currently is scheduled to start on October 5, 2020. *See* Pet. 6; Prelim. Resp. 4 (citing Ex. 2006 (Agreed Scheduling Order)). Patent Owner contends that a final written decision in this matter would be due May 2021, if instituted, which is “seven-and-a-half months later.” Prelim. Resp. 4. However, Petitioner contends that, since three Western District of Texas actions are currently set for jury trials on October 5, 2020, “it is unclear which of these trials (and patents) will proceed [on that day],” and that “the time required

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

for briefing and resolution of post-trial motions could easily result in a Final Written Decision before the district court's final appealable judgment is docketed." Pet. 6–7.

There are variables contributing to the uncertainty that the jury trial will occur on October 5, 2020. First, as the parties agree, there are three actions between the parties pending in the Western District of Texas, each scheduled for trial on October 5th, yet the three actions are scheduled for separate trials and have not been consolidated.¹⁰ Pet. Prelim. Reply 3, 6–7; PO Prelim. Sur-reply 4–5. Thus, as of today, the evidence supports the finding that at least two of the trials will not occur on October 5th.¹¹

Patent Owner explains that its proposed trial schedule requests that the case involving the '522 patent be tried second. PO Prelim. Sur-reply 5 (citing Ex. 2031 (Proposed Scheduling Order), 4). Patent Owner further explains that Petitioner appears to seek a single trial date for all three actions (*id.* (citing Ex. 2030 (Telephonic Discovery Hearing) 10:11–15)), whereas Patent Owner proposed December 14, 2020, for the case involving the '522 patent, two months after the first trial on October 5 (Ex. 2031, 4). PO Prelim. Sur-reply 4–5. Should trial occur December 2020 in the action involving the '522 patent, it would still be five months before any final written decision likely would issue in this proceeding.

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

¹¹ It is possible that the parties may agree to hold one trial addressing all three actions. At this point, however, that is not the plan. Pet. Prelim. Reply 6–7; PO Prelim. Sur-reply 4–5.

Second, there is uncertainty about what effect the Coronavirus disease 2019 (“COVID-19”) pandemic will have with respect to the trial date. Pet. Prelim. Reply 8; PO Prelim. Sur-reply 6. The situation is evolving daily. Although trials currently are suspended in the Western District of Texas through June 30, 2020 (Ex. 3001 (General May 8 Order)), it is unclear what impact that suspension or any further suspension would have on trial dates scheduled later this year and early next year. Given the substantial gap between the October 5 trial date (and the other potential dates proposed by Patent Owner) and May 2021 (the likely date for any final written decision in this proceeding), even if the trial date were moved back, it is unlikely on the present record that the date would be after a final written decision in this proceeding.

Accordingly, on the record before us, this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

3. investment in the parallel proceeding by the court and the parties

The Western District of Texas issued a claim construction order on January 3, 2020, over four months ago, although neither party requested that the court construe claim terms from the ’522 patent. *See* Prelim. Resp. 7–8; Pet. Prelim. Reply 8 (citing Ex. 2007 (Claim Construction Order)). Additionally, final infringement and invalidity contentions were served in January 2020, and fact discovery currently is scheduled to close on May 22, 2020. PO Prelim. Sur-reply 7 (citing Ex. 2036 (First Amended Scheduling Order)).

In *Fintiv*, the Board explained that potential delay by a Petitioner “may impose unfair costs to a patent owner if the petitioner, faced with the prospect of a looming

trial date, waits until the district court trial has progressed significantly before filing a petition at the Office.” *Fintiv*, IPR2020-00019, Paper 11 at 11. Here, Petitioner contends that it was diligent in timely filing the Petition three months before the statutory bar date. Pet. 7.

Although we do not find that Petitioner unreasonably delayed filing the Petition, we do find that the parties already have invested significantly in the Western District of Texas litigation. As noted above, the district court claim construction order issued in January 2020, final infringement and invalidity contentions were served in January 2020, and fact discovery currently is scheduled to close on May 22, 2020. *See* PO Prelim. Sur-reply 7 (citing Ex. 2036). In light of the present posture of the district court action, we find that this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

4. overlap between issues raised in the petition and in the parallel proceeding

Patent Owner contends that there is a “complete” overlap between the issues raised in the Petition and those in the Western District of Texas litigation. PO Prelim. Sur-reply 7–9; *see* Prelim. Resp. 8–10 (contending that Petitioner relies upon the same references, in the same combinations, and for the same disclosures). Patent Owner provides “Table 1” which shows a comparison of prior art figures relied upon in the Petition versus the “Final Invalidity Contentions.” Prelim. Resp. 10–12 (citing Exs. 2003, 2005).

Petitioner does not disagree with Patent Owner’s argument, contending instead that “[t]he [P]etition advances only a few of the grounds presented in Intel’s invalidity contentions.” Pet. Prelim. Reply 9 (citing Ex.

2013 (Defendant Intel Corporation's Final Invalidity Contentions (U.S. Patent No. 6,366,522)), 2–4, 17).

As noted above, Petitioner raises four grounds of obviousness pursuant to 35 U.S.C. § 103(a). In its first ground, Petitioner relies upon Borkar, Bland, Wilcox and Ackermann in challenging claims 9–11, 13, 14, and 34. Pet. 5. Petitioner adds Horden to the combination in challenging claim 11 in its second ground, adds Jones to the combination (of Borkar, Bland, Wilcox, and Ackermann) in challenging claims 30 and 31 in its third ground, and adds Hanington to the combination (of Borkar, Bland, Wilcox, and Ackermann) in challenging claim 15 in its fourth ground. *Id.*

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

Accordingly, we find that the issues raised in the Petition largely overlap with those currently raised in the Western District of Texas litigation. Although Petitioner's Final Invalidity Contentions include other combinations of references challenging overlapping claims, *see id.*, that difference alone does not negate that the same combinations of references asserted in the Petition are also asserted in Petitioner's Final Invalidity Contentions.

Additionally, as noted above, Petitioner challenges other claims of the '522 patent in IPR2020-00112 and IPR2020-00114, specifically, claims 1–4, 6–8, 25, and 28 in IPR2020-00112, and claims 16–18, 20–22, and 36–38 in IPR2020-00114. On the record before us, each of the

independent claims challenged via petition (whether in this proceeding, IPR2020-00112, or IPR2020-00114) also is included in Petitioner’s Final Invalidation Contentions, along with many of the dependent claims. *Compare* Paper 3 (Petitioner’s Explanation for Filing Multiple Petitions for *Inter Partes* Review of U.S. Patent No. 6,366,522), 2, *with* Ex. 2013, 18–52. Petitioner, however, does not raise the difference between the dependent claims at issue in each proceeding in its briefing let alone argue that the difference is a reason not to exercise our § 314(a) discretion to deny institution. Thus, on the present record, we agree with Patent Owner that there is a substantial overlap between the issues raised in the Petition and in the Western District of Texas litigation.

Accordingly, this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

5. whether the petitioner and the defendant in the parallel proceeding are the same party

Petitioner and Patent Owner are the defendant and plaintiff, respectively, in the Western District of Texas litigation. Pet. Prelim. Reply 10 n.7; PO Prelim. Sur-reply 9 (citing Pet. Prelim. Reply 10 n.7). Therefore, we find that this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

6. other circumstances that impact the Board’s exercise of discretion, including the merits

Petitioner spends nearly half of its Preliminary Reply explaining what it refers to as Patent Owner’s tactics to “evade” review of its patents. *See* Pet. Prelim. Reply 2–5 (asserting Patent Owner’s request for discretionary denial is “part of a series of carefully orchestrated tactics aimed at avoiding adjudication of [Petitioner’s] in-

validity defenses”). Petitioner’s contentions include that: (a) Patent Owner is a holding company created by Fortress Investment Group (“Fortress”) to acquire and assert patents against Petitioner for the purpose of investment returns (*id.* at 2); (b) affiliates of Fortress have filed over 150 patent lawsuits supported by “a \$400M patent assertion fund” (*id.* (citing Exs. 1121, 1122)); (c) Patent Owner has asserted twenty-one patents with over 430 claims against Petitioner in three different U.S. jurisdictions and two different jurisdictions in China (*id.* at 2 & n.4); and (d) Patent Owner’s filing of lawsuits in combination with voluntary dismissals and refiling of other suits reflects a pattern to evade effective judicial review of its patents (*id.* at 2–5).

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

Even if Petitioner’s contentions are true, Petitioner has not shown these contentions will “avoid[] adjudication of Intel’s invalidity defenses.” *See* Pet. Prelim. Reply 2. The validity of the ’522 patent is at issue in the pending litigation, which is currently scheduled to go to trial well before the deadline for a final written decision in this proceeding. Accordingly, Petitioner’s arguments do not weigh against exercising our discretion to deny institution pursuant to § 314(a).

Thus, the balance of the *Fintiv* factors discussed above weighs in favor of exercising our discretion to deny institution under § 314(a).

Petitioner also asserts the “strength of the merits” of the Petition weigh in favor of institution (*see* Pet. Prelim. Reply 9 n.6), while Patent Owner asserts the merits of the Petition weigh in favor of denying institution (*see* PO Prelim. Sur-reply 9–10). We have reviewed the Petition and the Patent Owner Preliminary Response and determine that the merits of the Petition do not outweigh the other *Fintiv* factors. On balance, based on the facts presented, particularly the advanced stage of the Western District of Texas litigation, a currently scheduled trial date approximately seven months before the would-be deadline for a final written decision, and the overlap between the issues presented there and in the Petition, we find that it would be an inefficient use of Board, party, and judicial resources to institute the present proceeding. *See NHK*, IPR2018-00752, Paper 8 at 20; Consolidated TPG 58 (discussing balancing the relevant circumstances). Accordingly, we exercise our discretion pursuant to § 314(a) to deny institution.

III. CONCLUSION

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

IV. ORDER

In consideration of the foregoing, it is hereby:

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

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

141a

APPENDIX K

PATENT TRIAL AND APPEAL BOARD

IPR2020-00112
Patent 6,366,522 B1

INTEL CORPORATION,
Petitioner,

v.

VLSI TECHNOLOGY LLC,
Patent Owner.

Date: May 19, 2020

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

DECISION

Denying Institution of *Inter Partes* Review

35 U.S.C. § 314

DANG, Administrative Patent Judge.

I. INTRODUCTION

A. Background

Intel Corporation (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 1–4, 6–8, 25, and 28 (the “challenged claims”) of U.S. Patent No. 6,366,522 B1 (Ex. 1001, “the ’522 patent”). Paper 4 (“Pet.”). VLSI Technology LLC (“Patent Owner”) filed

a Preliminary Response. Paper 8 (“Prelim. Resp.”). Pursuant to our authorization (Paper 9), Petitioner filed a Reply to Patent Owner’s Preliminary Response (Paper 10 (“Pet. Prelim. Reply”)) and Patent Owner filed a Sur-reply (Paper 12, “PO Prelim. Sur-reply”), each directed to whether we should exercise our discretion to deny institution pursuant to 35 U.S.C. § 314(a).

Under 37 C.F.R. § 42.4(a), the Board has authority to determine whether to institute an *inter partes* review. We may institute an *inter partes* review if the information presented in the petition filed under 35 U.S.C. § 311, and any response filed under § 313, shows that there is a reasonable likelihood that Petitioner would prevail with respect to at least one of the claims challenged in the petition. The Board, however, has discretion to deny a petition even when a petitioner meets that threshold. *Id.*; *see, e.g., Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *see also* Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019) (“Consolidated TPG”), 55–63, available at https://www.uspto.gov/sites/default/files/documents/tpg_nov.pdf (identifying considerations that may warrant exercise of this discretion). In particular, 35 U.S.C. § 314(a) permits the Board to deny institution under certain circumstances. *See Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i).

Having considered the parties’ submissions, we determine that it is appropriate in this case to exercise our discretion to deny institution of *inter partes* review pursuant to 35 U.S.C. § 314(a). *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential).

B. Related Matters

Petitioner identifies the '522 patent as the subject of *VLSI Tech. LLC v. Intel Corp.*, No. 19-cv-00977-ADA (W.D. Tex.) (“Western District of Texas litigation”). Pet. 1. According to Petitioner, the '522 patent is one of the patents asserted by Patent Owner in *VLSI Tech. LLC v. Intel Corp.*, Nos. 6:19-cv-00254, -255, -256 (W.D. Tex.), 18-966-CFC (D. Del.), and 5-17-cv-05671 (N.D. Cal.), wherein the '522 patent is asserted in 19-cv-0255, “one of three parallel cases consolidated until trial in the Western District of Texas litigation (1:19-cv-977-ADA).” Pet. 6. Petitioner also challenges claims of the '522 patent in IPR2020-00113 and IPR2020-00114.

C. The '522 Patent

The '522 patent, titled “Method and Apparatus for Controlling Power Consumption of an Integrated Circuit,” issued on April 2, 2002, from an application filed November 20, 2000. Ex. 1001, code (54), (45), (22).

According to the '522 patent, a need exists for a method and apparatus that “adjust the system clock and/or the supply voltage based on the processing capabilities of an integrated circuit and the application being performed to conserve power.” *Id.* at 1:45–48. Accordingly, the '522 patent relates to “controlling power consumption of an integrated circuit,” which includes “processing that begins by producing a system clock from a reference clock based on a system clock control signal.” *Id.* at 2:7–10. The processing further includes “producing the system clock control signal and the power supply control signal based on a processing transfer characteristic of a computational engine and processing requirements.” *Id.* at 2:16–22. The processing transfer characteristics of the computational engine include

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

D. Illustrative Claim

Of the challenged claims, claim 1 is the independent claim. Claims 2–4, 6–8, 25, and 28 depend from claim 1. Claim 1 is illustrative.

1. A power efficient integrated circuit comprising:
 - phase lock loop operably coupled to receive a reference clock and to produce therefrom a system clock based on a system clock control signal;
 - on-chip power supply control module operably coupled to regulate at least one supply from a power source and an inductance based on a power supply control signal;
 - memory operably coupled to store at least one application; and
 - computational engine operably coupled to produce the system clock control signal and the power supply control signal based on a processing transfer characteristic of the computation engine and processing requirements associated with processing at least a portion of the at least one application.

Ex. 1001, 6:57–7:4.

E. Asserted Grounds of Unpatentability

Petitioner challenges the patentability of claims 1–4, 6–8, 25, and 28 of the '522 patent on the following grounds (Pet. 5–6):

Claim(s) Challenged	35 U.S.C. §	Reference(s)/ Basis
1–4, 6, 7, 28	103 ¹	Borkar, ² Bland, ³ Wilcox, ⁴ Ackermann ⁵
3	103	Borkar, Bland, Wilcox, Ackermann, Horden ⁶
25	103	Borkar, Bland, Wilcox, Ackermann, Jones ⁷
8	103	Borkar, Bland, Wilcox, Ackermann

¹ The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended 35 U.S.C. § 103. Because the ’522 patent has an effective filing date of November 20, 2000, which is prior to the effective date of the applicable AIA amendments, we refer to the pre-AIA version of § 103. *See* Ex. 1001, code (22).

² U.S. Patent No. 6,484,265, issued November 19, 2002, filed December 30, 1998 (Ex. 1006, “Borkar”).

³ U.S. Patent No. 5,614,869, issued March 25, 1997, filed December 20, 1995 (Ex. 1007, “Bland”).

⁴ U.S. Patent No. 5,481,178, issued January 2, 1996, filed March 23, 1993 (Ex. 1008, “Wilcox”).

⁵ U.S. Patent No. 6,137,280, issued October 24, 2000, filed January 22, 1999 (Ex. 1017, “Ackermann”).

⁶ U.S. Patent No. 5,812,860, issued September 22, 1998, filed February 12, 1996 (“Ex. 1009, “Horden”).

⁷ U.S. Patent No. 5,764,007, issued June 9, 1998, filed April 20, 1995 (Ex. 1010, “Jones”).

Petitioner relies on the Declaration of Dr. David Choi (Ex. 1002) and the Declaration of Dr. James L. Mullins (Ex. 1003) in support of its unpatentability contentions.

II. ANALYSIS – 35 U.S.C. § 314(a)

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

⁸ *High-Efficiency Power Amplifier Using Dynamic Power-Supply Voltage for CDMA Applications*, IEEE Transactions on Microwave Theory and Techniques, Vol. 47, No. 8, at 1471–76, published August 1999 (Ex. 1015, “Hanington”).

Petitioner asserts that we should not exercise our discretion to deny institution pursuant to § 314(a) because *inter partes* review is a more efficient and expedient forum in which to adjudicate validity. Pet. 6–7. In particular, Petitioner contends that 1) the '522 patent involves technical subject matter “well suited to the expertise of the specialized patent judges at the PTAB”; 2) “a jury trial is necessarily a more difficult forum for presenting a detailed obviousness case”; 3) since the multiple trials have not been consolidated, “it is unclear” if the trial for the '522 patent will proceed on October 5, 2020; 4) “the time required for briefing and resolution of post-trial motions could easily result in a Final Written Decision before the district court’s final appealable judgment is docketed”; and 5) “Petitioner was diligent in timely filing [the] Petition.” *Id.*

In determining whether to exercise our discretion, we are guided by the Board’s precedential decision in *NHK*. There, the Board found that the “advanced state of the district court proceeding,” in which the “same prior art and arguments” were presented by Petitioner, expert discovery was scheduled to end in less than two months, and a jury trial was scheduled to begin in six months, was a “factor that weighs in favor of denying” the petition under § 314(a). *NHK*, IPR2018-00752, Paper 8 at 20. The Board determined that “[i]nstitution of an *inter partes* review under these circumstances would not be consistent with ‘an objective of the AIA ... to provide an effective and efficient alternative to district court litigation.’” *Id.* (citing *Gen. Plastic Indus.*, IPR2016-01357, Paper 19 at 16–17).

“[T]he Board’s cases addressing earlier trial dates as a basis for denial under *NHK* have sought to balance considerations such as system efficiency, fairness, and patent quality.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-

00019, Paper 11 at 5 (PTAB Mar. 20, 2020) (precedential). When applying *NHK*, the Board has balanced the following non-exclusive factors (herein “*Fintiv* factors”):

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board’s exercise of discretion, including the merits.

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

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

Petitioner contends that “[a]lthough the district court has not entered a stay, the parties could stipulate to a stay, so as not to use the court’s resources to litigate validity issues—just as the parties did in the California litigation.”⁹ Pet. Prelim. Reply 6. Patent Owner responds that Patent Owner will not stipulate to a stay

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

(PO Prelim. Sur-reply 1), and notes that the Western District of Texas rarely grants stays pending the outcome of *inter partes* review proceedings. *Id.* at 2 (citations omitted).

On the present record, neither party has produced evidence that a stay has been requested or that the Western District of Texas has considered a stay in this case. A judge determines whether to grant a stay based on the facts of each specific case as presented in the briefs by the parties. We decline to infer, based on actions taken in different cases with different facts, how the District Court would rule should a stay be requested by the parties in the parallel case here. Thus, this factor does not weigh for or against discretionary denial in this case.

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

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

There are variables contributing to the uncertainty that the jury trial will occur on October 5, 2020. First, as the parties agree, there are three actions between the parties pending in the Western District of Texas, each scheduled for trial on October 5th, yet the three actions are scheduled for separate trials and have not been consolidated.¹⁰ Pet. Prelim. Reply 3, 6–7; PO Prelim. Sur-reply 4–5. Thus, as of today, the evidence supports the finding that at least two of the trials will not occur on October 5th.¹¹

Patent Owner explains that its proposed trial schedule requests that the case involving the '522 patent be tried second. PO Prelim. Sur-reply 5 (citing Ex. 2031 (Proposed Scheduling Order), 4). Patent Owner further explains that Petitioner appears to seek a single trial date for all three actions (*id.* (citing Ex. 2030 (Telephonic Discovery Hearing) 10:11–15)), whereas Patent Owner proposed December 14, 2020, for the case involving the '522 patent, two months after the first trial on October 5 (Ex. 2031, 4). PO Prelim. Sur-reply 4–5. Should trial occur December 2020 in the action involving the '522 patent, it would still be five months before any final written decision likely would issue in this proceeding.

Second, there is uncertainty about what effect the Coronavirus disease 2019 (“COVID-19”) pandemic will have with respect to the trial date. Pet. Prelim. Reply 8; PO Prelim. Sur-reply 6. The situation is evolving dai-

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

¹¹ It is possible that the parties may agree to hold one trial addressing all three actions. At this point, however, that is not the plan. Pet. Prelim. Reply 6–7; PO Prelim. Sur-reply 4–5.

ly. Although trials currently are suspended in the Western District of Texas through June 30, 2020 (Ex. 3001 (General May 8 Order)), it is unclear what impact that suspension or any further suspension would have on trial dates scheduled later this year and early next year. Given the substantial gap between the October 5th trial date (and the other potential dates proposed by Patent Owner) and May 2021 (the likely date for any final written decision in this proceeding), even if the trial date were moved back, it is unlikely on the present record that the date would be after a final written decision in this proceeding.

Accordingly, on the record before us, this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

3. investment in the parallel proceeding by the court and the parties

The Western District of Texas issued a claim construction order on January 3, 2020, over four months ago, although neither party requested that the court construe claim terms from the '522 patent. *See* Prelim. Resp. 8; Pet. Prelim. Reply 8 (citing Ex. 2007 (Claim Construction Order)). Additionally, final infringement and invalidity contentions were served in January 2020, and fact discovery currently is scheduled to close on May 22, 2020. PO Prelim. Sur-reply 7 (citing Ex. 2036 (First Amended Scheduling Order)).

In *Fintiv*, the Board explained that potential delay by a Petitioner “may impose unfair costs to a patent owner if the petitioner, faced with the prospect of a looming trial date, waits until the district court trial has progressed significantly before filing a petition at the Office.” *Fintiv*, IPR2020-00019, Paper 11 at 11. Here, Petitioner contends that it was diligent in timely filing the

Petition three months before the statutory bar date. Pet. 7.

Although we do not find that Petitioner unreasonably delayed filing the Petition, we do find that the parties already have invested significantly in the Western District of Texas litigation. As noted above, the district court claim construction order issued in January 2020, final infringement and invalidity contentions were served in January 2020, and fact discovery currently is scheduled to close on May 22, 2020. *See* PO Prelim. Sur-reply 7 (citing Ex. 2036). In light of the present posture of the district court action, we find that this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

4. overlap between issues raised in the petition and in the parallel proceeding

Patent Owner contends that there is a “complete” overlap between the issues raised in the Petition and those in the Western District of Texas litigation. PO Prelim. Sur-reply 7–9; *see* Prelim. Resp. 8–10 (contending that Petitioner relies upon the same references, in the same combinations, and for the same disclosures). Patent Owner provides “Table 1” which shows a comparison of prior art figures relied upon in the Petition versus the “Final Invalidation Contentions.” Prelim. Resp. 11–12 (citing Exs. 2003, 2005).

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

As noted above, Petitioner raises four grounds of obviousness pursuant to 35 U.S.C. § 103(a). In its first ground, Petitioner relies upon Borkar, Bland, Wilcox and Ackermann in challenging claims 1–4, 6, 7, and 28. Pet. 5. Petitioner adds Horden to the combination in challenging claim 3 in its second ground, adds Jones to the combination (of Borkar, Bland, Wilcox, and Ackermann) in challenging claim 25 in its third ground, and adds Hanington to the combination (of Borkar, Bland, Wilcox, and Ackermann) in challenging claim 8 in its fourth ground. *Id.*

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

Accordingly, we find that the issues raised in the Petition largely overlap with those currently raised in the Western District of Texas litigation. Although Petitioner’s Final Invalidity Contentions include other combinations of references challenging overlapping claims, *see id.*, that difference alone does not negate that the same combinations of references asserted in the Petition are also asserted in Petitioner’s Final Invalidity Contentions.

Additionally, as noted above, Petitioner challenges other claims of the ’522 patent in IPR2020-00113 and IPR2020-00114, specifically, claims 9–11, 13–15, 30, 31, and 34 in IPR2020-00113, and claims 16–18, 20–22, and 36–38 in IPR2020-00114. On the record before us, each of the independent claims challenged via petition (whether in this proceeding, IPR2020-00113, or

IPR2020-00114) also is included in Petitioner’s Final Invalidation Contentions, along with many of the dependent claims. *Compare* Paper 3 (Petitioner’s Explanation for Filing Multiple Petitions for *Inter Partes* Review of U.S. Patent No. 6,366,522), 2, *with* Ex. 2013, 18–52. Petitioner, however, does not raise the difference between the dependent claims at issue in each proceeding in its briefing let alone argue that the difference is a reason not to exercise our § 314(a) discretion to deny institution. Thus, on the present record, we agree with Patent Owner that there is a substantial overlap between the issues raised in the Petition and in the Western District of Texas litigation.

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Fortress Investment Group (“Fortress”) to acquire and assert patents against Petitioner for the purpose of investment returns (*id.* at 2); (b) affiliates of Fortress have filed over 150 patent lawsuits supported by “a \$400M patent assertion fund” (*id.* (citing Exs. 1021, 1022)); (c) Patent Owner has asserted twenty-one patents with over 430 claims against Petitioner in three different U.S. jurisdictions and two different jurisdictions in China (*id.* at 2 & n.4); and (d) Patent Owner’s filing of lawsuits in combination with voluntary dismissals and refileing of other suits reflects a pattern to evade effective judicial review of its patents (*id.* at 2–5).

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Thus, the balance of the *Fintiv* factors discussed above weighs in favor of exercising our discretion to deny institution under § 314(a).

Petitioner also asserts the “strength of the merits” of the Petition weigh in favor of institution (*see* Pet. Pre-

lim. Reply 9 n.6), while Patent Owner asserts the merits of the Petition weigh in favor of denying institution (*see* PO Prelim. Sur-reply 9–10). We have reviewed the Petition and the Patent Owner Preliminary Response and determine that the merits of the Petition do not outweigh the other *Fintiv* factors. On balance, based on the facts presented, particularly the advanced stage of the Western District of Texas litigation, a currently scheduled trial date approximately seven months before the would-be deadline for a final written decision, and the overlap between the issues presented there and in the Petition, we find that it would be an inefficient use of Board, party, and judicial resources to institute the present proceeding. *See NHK*, IPR2018-00752, Paper 8 at 20; Consolidated TPG 58 (discussing balancing the relevant circumstances). Accordingly, we exercise our discretion pursuant to § 314(a) to deny institution.

III. CONCLUSION

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

IV. ORDER

In consideration of the foregoing, it is hereby:

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

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

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APPENDIX L

PATENT TRIAL AND APPEAL BOARD

IPR2020-00106
Patent 7,725,759 B2

INTEL CORPORATION,
Petitioner,

v.

VLSI TECHNOLOGY LLC,
Patent Owner.

Date: May 5, 2020

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

DECISION

Denying Institution of *Inter Partes* Review

35 U.S.C. § 314

GERSTENBLITH, Administrative Patent Judge.

I. INTRODUCTION

Intel Corporation (“Petitioner”) filed a Petition for *inter partes* review of claims 1–4, 7, 8, 13–15, and 17 of U.S. Patent No. 7,725,759 B2 (Ex. 1001, “the ’759 patent”). Paper 3 (“Pet.”). VLSI Technology LLC (“Patent Owner”) filed a Preliminary Response. Paper 7 (“Prelim. Resp.”). Pursuant to our authorization (Pa-

per 11), Petitioner filed a Reply to Patent Owner’s Preliminary Response (Paper 12 (“Pet. Prelim. Reply”)) and Patent Owner filed a Sur-reply (Paper 14, “PO Prelim. Sur-reply”), each directed to whether we should exercise our discretion to deny institution pursuant to 35 U.S.C. § 314(a).

An *inter partes* review may not be instituted “unless ... the information presented in the petition ... shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a) (2018). The Board, however, has discretion to deny a petition even when a petitioner meets that threshold. *Id.*; *see, e.g., Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i) (recognizing the same); *NHK Spring Co. v. Intri-Plex Technologies, Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential) (same); *see also* Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019) (“Consolidated TPG”), 55–63, available at <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf> (identifying considerations that may warrant exercise of this discretion).

Having considered the parties’ submissions, we determine that it is appropriate in this case to exercise our discretion to deny institution of *inter partes* review pursuant to 35 U.S.C. § 314(a).

II. BACKGROUND

A. Real Parties in Interest

Petitioner identifies Intel Corporation as the real party in interest. Pet. 1. Patent Owner identifies “VLSI Technology LLC and CF VLSI Holdings LLC” as the real parties in interest. Paper 5 (Patent Owner’s Mandatory Notices), 1.

B. Related Matters

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

C. Asserted Grounds of Unpatentability

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

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

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

III. ANALYSIS – 35 U.S.C. § 314(a)

Patent Owner contends that the facts presented here are the same as those presented in *NHK Spring Co. v. Intri-Plex Technologies, Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential), where the Board denied institution pursuant to 35 U.S.C. § 314(a). *See*

¹ The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended 35 U.S.C. § 103. Because the ’759 patent has an effective filing date prior to the effective date of the applicable AIA amendments, we refer to the pre-AIA versions of § 103.

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

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

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

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

Prelim. Resp. 6. Petitioner asserts that we should not exercise our discretion to deny institution pursuant to § 314(a) because Petitioner will have a limited amount of time in the Western District of Texas trial to demonstrate invalidity and the Petition presents “unique issues.” Pet. 4–5.

In determining whether to exercise our discretion, we are guided by the Board’s precedential decision in *NHK*. There, the Board found that the “advanced state of the district court proceeding,” in which the “same prior art and arguments” were presented by Petitioner, expert discovery was scheduled to end in less than two months, and a jury trial was scheduled to begin in six months, was a “factor that weighs in favor of denying” the petition under § 314(a). *NHK*, IPR2018-00752, Paper 8 at 20. The Board determined that “[i]nstitution of an *inter partes* review under these circumstances would not be consistent with ‘an objective of the AIA ... to provide an effective and efficient alternative to district court litigation.’” *Id.* (citing *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16–17 (PTAB Sept. 6, 2017) (precedential in relevant part)).

“[T]he Board’s cases addressing earlier trial dates as a basis for denial under *NHK* have sought to balance considerations such as system efficiency, fairness, and patent quality.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5 (PTAB Mar. 20, 2020). When applying *NHK*, the Board has balanced the following non-exclusive factors (“*Fintiv* factors”):

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

2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board’s exercise of discretion, including the merits.

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

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

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

⁶ See Pet. Prelim. Reply 3 (referring to *VLSI Tech. LLC v. Intel Corp.*, No. 5:17-cv-05671 (N.D. Cal.)).

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

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

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

The parties also agree that there is some uncertainty as to whether trial actually will occur on October 5th. *See* Pet. Prelim. Reply 6–7; PO Prelim. Sur-reply 4–6. In particular, there are two variables contributing to that uncertainty. First, there are three actions between the parties pending in the Western District of Texas, each scheduled for trial on October 5th, yet the three actions are scheduled for separate trials.⁷ Pet. Prelim. Reply 6–7; PO Prelim. Sur-reply 4–5. Thus, as of today, the

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

evidence supports a finding that at least two of the trials will not occur on October 5th.⁸

Patent Owner explains, however, that the action involving the '759 patent was the first-filed case of the three actions and that Patent Owner's proposed trial schedule requests that this action be tried first. PO Prelim. Sur-reply 5 (citing Ex. 2031 (APPENDIX A—Proposed Scheduling Order), 4⁹). Patent Owner further explains that Petitioner appears to seek a single trial date for all three actions (*id.* (citing Ex. 2030 (Telephonic Discovery Hearing) 10:11–15)), whereas Patent Owner proposed December 14, 2020, and January 25, 2021, as trial dates for the other two actions (Ex. 2031, 4). *See* PO Prelim. Sur-reply 4–5. Should trial occur in either December 2020 or January 2021 in the action involving the '759 patent, those dates are still five and four months, respectively, before any final written decision likely would issue in this proceeding.

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

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

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

deadline for any final written decision in this proceeding, it is unclear, based on the present record, that the trial date would be delayed to a date after a final written decision in this proceeding as a result of COVID-19.

Accordingly, on the record before us, this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

3. investment in the parallel proceeding by the court and the parties

The Western District of Texas issued a claim construction order on January 3, 2020, over three months ago, although neither party requested that the court construe claim terms from the '759 patent. *See* Prelim. Resp. 5; Pet. Prelim. Reply 8 (citing Ex. 2010 (Claim Construction Order)). Additionally, final infringement and invalidity contentions were served in January 2020, and fact discovery currently is scheduled to close on May 22, 2020. PO Prelim. Sur-reply 7 (citing Ex. 2036 (First Amended Scheduling Order)).

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

Although we do not find that Petitioner unreasonably delayed filing the Petition, we do find that the parties have invested significantly in the Western District of Texas litigation. As noted above, the district court

claim construction order issued in January 2020, final infringement and invalidity contentions were served in January 2020, and fact discovery currently is scheduled to close on May 22, 2020. *See* PO Prelim. Sur-reply 7 (citing Ex. 2036). In addition to the dates noted above, expert discovery is scheduled to close in July 2020, followed by pretrial submissions before the trial. Ex. 2036, 2–3. In light of the present posture of the district court action, including past and future deadlines, we find that the parties’ investment in that action weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

**4. overlap between issues raised in the petition
and in the parallel proceeding**

Patent Owner contends that there is a “complete” overlap between the issues raised in the Petition and those in the Western District of Texas litigation. PO Prelim. Sur-reply 7; *see* Prelim. Resp. 8–10 (contending that Petitioner relies upon the same references, in the same combinations, and for the same disclosures). Patent Owner provides a “tabulation of all of Petitioner’s citations to each of these references for each limitation of Claim 1 in both the Final Invalidity Contentions and the Petition, showing that they are the same.” Prelim. Resp. 9–10 (citing Ex. 2008).

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

any further explanation thereof in either the Petition or Preliminary Reply.

As noted above, Petitioner raises three grounds of obviousness pursuant to 35 U.S.C. § 103(a). In its first ground, Petitioner relies upon Shaffer and Lint in challenging claims 1, 2, 4, 7, 8, 13, 14, and 17 and adds Taketoshi to that combination in challenging claim 3 in its second ground. Pet. 4. In comparison, Petitioner's Final Invalidity Contentions assert that "[c]laims 1–4, 7–8, 12, 14–15, 17–21, 24, and 26 are obvious over Shaffer in view of any one or more of Terrell, Mirov, Sheets, Lint, Taketoshi, Kiriake and/or Velasco, and further in view of Girson, Grunwald, and/or Rusu." Ex. 2013, 30. In its third ground, Petitioner relies upon Chen and Terrell in challenging claims 1–4, 7, 8, 13–15, and 17. Pet. 4. In comparison, Petitioner's Final Invalidity Contentions assert that "[c]laims 1–2, 7–8, 14–15, 17–18, 20–21, and 24 are obvious over Chen in view of any one or more of Terrell, Mirov, Shaffer, Sheets, Lint, Kiriake, and/or Velasco." Ex. 2013, 30. Accordingly, we find that the issues raised in the Petition largely overlap with those currently raised in the Western District of Texas litigation. Although Petitioner's Final Invalidity Contentions include numerous other combinations of references challenging overlapping claims, *see id.* at 30–31, that difference alone does not negate that the same combinations of references asserted in the Petition are also asserted in Petitioner's Final Invalidity Contentions.

Additionally, as noted above, Petitioner challenges other claims of the '759 patent in IPR2020-00498, specifically, claims 12, 18–22, 24, 26, and 27. On the record before us, each of the claims challenged via petition (whether in this proceeding or IPR2020-00498) also is included in Petitioner's Final Invalidity Contentions,

with the exception of claim 13. *Compare* Paper 9 (Petitioner’s Explanation for Filing Two Petitions for *Inter Partes* Review of U.S. Patent No. 7,725,759), 2, *with* Ex. 2013, 30–31. Petitioner, however, does not raise this difference in its papers let alone argue that the difference is a reason not to exercise our § 314(a) discretion to deny institution. Thus, on the present record, we agree with Patent Owner that there is a substantial overlap between the issues raised in the Petition and in the Western District of Texas litigation.

Accordingly, this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

5. whether the petitioner and the defendant in the parallel proceeding are the same party

Petitioner and Patent Owner are the defendant and plaintiff, respectively, in the Western District of Texas litigation. Pet. Prelim. Reply 10 n.7; PO Prelim. Sur-reply 8 (citing Pet. Prelim. Reply 10 n.7). Therefore, we find that this factor weighs in favor of exercising our discretion to deny institution pursuant to § 314(a).

6. other circumstances that impact the Board’s exercise of discretion, including the merits

Petitioner spends nearly half of its Preliminary Reply explaining what it refers to as Patent Owner’s tactics to “evade” review of its patents. *See* Pet. Prelim. Reply 2–5 (asserting Patent Owner’s request for discretionary denial is “part of a series of carefully orchestrated tactics aimed at avoiding adjudication of [Petitioner’s] invalidity defenses”). Petitioner’s contentions include that: (a) Patent Owner is a holding company created by Fortress Investment Group (“Fortress”) to acquire and assert patents against Petitioner for the purpose of investment returns (*id.* at 2 (citing Ex. 1045)); (b) affili-

ates of Fortress have filed over 150 patent lawsuits supported by “a \$400M patent assertion fund” (*id.* (citing Ex. 1046)); (c) Patent Owner has asserted twenty-one patents with over 430 claims against Petitioner in three different U.S. jurisdictions and two different jurisdictions in China (*id.* at 2 & n.4); and (d) Patent Owner’s filing of lawsuits in combination with voluntary dismissals and refiling of other suits reflects a pattern to evade effective judicial review of its patents (*id.* at 2–5).

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

Even if Petitioner’s contentions are true, Petitioner has not shown these contentions will “avoid[] adjudication of Intel’s invalidity defenses.” *See* Pet. Prelim. Reply 2. The validity of the ’759 patent is at issue in the pending litigation, which is currently scheduled to go to trial well before the deadline for a final written decision in this proceeding. Accordingly, Petitioner’s arguments do not weigh against exercising our discretion to deny institution pursuant to § 314(a).

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

Petitioner also asserts the “strength of the merits” of the Petition weigh in favor of institution (*see* Pet. Prelim. Reply 9 n.6), while Patent Owner asserts the merits of the Petition weigh in favor of denying institution

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

IV. CONCLUSION

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

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition (Paper 3) is *denied* as to the challenged claims of the '759 patent; and

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

APPENDIX M

NOTE: This order is nonprecedential.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

Nos. 2021-1614, 2021-1616, 2021-1617

INTEL CORPORATION,

Appellant,

v.

VLSI TECHNOLOGY LLC,

Appellee.

ANDREW HIRSHFELD, Performing the Functions and
Duties of the Under Secretary of Commerce for Intel-
lectual Property and Director of the United States
Patent and Trademark Office,

Intervenor

Appeals from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in Nos. IPR2020-
00106, IPR2020-00158, IPR2020-00498.

Nos. 2021-1673, 2021-1674, 2021-1675

INTEL CORPORATION,

Appellant,

v.

VLSI TECHNOLOGY LLC,

Appellee.

172a

ANDREW HIRSHFELD, Performing the Functions and
Duties of the Under Secretary of Commerce for Intel-
lectual Property and Director of the United States
Patent and Trademark Office,

Intervenor

Appeals from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in Nos. IPR2020-
00112, IPR2020-00113, IPR2020-00114.

Nos. 2021-1676, 2021-1677

INTEL CORPORATION,

Appellant,

v.

VLSI TECHNOLOGY LLC,

Appellee.

ANDREW HIRSHFELD, Performing the Functions and
Duties of the Under Secretary of Commerce for Intel-
lectual Property and Director of the United States
Patent and Trademark Office,

Intervenor

Appeals from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in Nos. IPR2020-
00141, IPR2020-00142.

Nos. 2021-1738, 2021-1739

INTEL CORPORATION,

Appellant,

v.

VLSI TECHNOLOGY LLC,

Appellee.

ANDREW HIRSHFELD, Performing the Functions and
Duties of the Under Secretary of Commerce for Intel-
lectual Property and Director of the United States Pa-
tent and Trademark Office,

Intervenor

Appeals from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in Nos. IPR2020-
00526, IPR2020-00527.

2021-1740, 2021-1741

INTEL CORPORATION,

Appellant,

v.

VLSI TECHNOLOGY LLC,

Appellee.

ANDREW HIRSHFELD, Performing the Functions and
Duties of the Under Secretary of Commerce for Intel-
lectual Property and Director of the United States
Patent and Trademark Office,

Intervenor

Appeals from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in Nos. IPR2020-
00582, IPR2020-00583.

Filed August 26, 2021

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

174a

Before Moore, *Chief Judge*, Newman, Lourie, Dyk,
Prost, O'Malley, Reyna, Wallach¹, Taranto, Chen,
Hughes, and Stoll, *Circuit Judges*.

PER CURIAM.

ORDER

Intel Corporation filed a combined petition for panel rehearing and rehearing en banc. Responses to the petition was invited by the court and filed separately by VLSI Technology LLC and the Director of the United States Patent and Trademark Office. The petition was referred to the panel that heard the appeal, 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 rehearing en banc is denied.

FOR THE COURT

August 26, 2021
Date

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

¹ Circuit Judge Evan J. Wallach participated only in the decision on the petition for panel rehearing.

APPENDIX N

RELEVANT STATUTORY PROVISIONS

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.