

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY, LTD. AND
TSMC NORTH AMERICA CORP.

Petitioner

v.

ZOND, LLC
Patent Owner

U.S. Patent No. 7,147,759
Claims 22-33, 37, 46, 48, 50

Inter Partes Review Case No. 2014-00782

PATENT OWNER'S OPPOSITION TO MOTION FOR JOINDER

I. Introduction and Summary of Argument

Zond LLC (“Zond”) is not opposed to joinder per se. It merely wants a more global solution to the enormous, unprecedented number of petitions filed against Zond, which currently total 117 and counting. Zond is clearly under siege as accused infringers file multiple requests for *inter partes* review against every one of its asserted patents. This is not what Congress had in mind when it created *inter partes* review. In fact, Congress specifically warned that the new post grant proceedings were “**not to be used as tools for harassment** or a means to prevent market entry **through repeated** litigation and **administrative attacks on validity** of a patent.”¹ Thus, pursuant to 35 U.S.C. §315, Congress granted the Board the authority to manage such situations through various procedural powers (e.g., stay, transfer, consolidation or termination), in part to protect patent owners from harassment and in part for the Board to manage its own workload.

For the reasons stated below, Zond respectfully submits that any joinder should only be granted if TSMC, by agreement or by order of the Board, is

¹ Excerpt from Committee Report 112-98, section “Post-Grant Proceedings,” attached at page 7.

barred from filing more petitions against the '759 patent: TSMC's proposal does not come close to solving the current problem, because its reserves for TSMC the option to file additional petitions against the patent at issue, thereby adding to the problem. Nor does it address the parallel petitions filed by Gillette, Renesas Electronics Corp. and others against the patent, and the additional petitions that are expected to arrive shortly. Therefore, TSMC's petition and proposed joinder create only the illusion of simplification. As explained below, TSMC's petition and motion serve only TSMC's objective of procuring an immediate stay of Zond's infringement action against TSMC.

II. The Motion Does Not Consider Risk of Harassment By Other Petitions Contemplated By TSMC Against the '759 Patent

As explained below, TSMC copied Intel's petition for the sole purpose of obtaining an immediate stay of Zond's infringement litigation against TSMC in civil action number 1:13-cv-11634. TSMC therefore insists on reserving the option to file additional petitions in the coming months against the '759 patent with its own arguments and new art.

TSMC is a defendant in an infringement suit before Judge Young. This is not the suit mentioned in TSMC's motion, in which Intel is the defendant before a different judge. That suit was stayed three months ago in view of Intel's petitions for *inter partes* review. In the infringement action against

TSMC, Judge Young initially denied TSMC's motion to stay because TSMC had at that time not filed any petition for *inter partes review*: "The motion to stay is denied as premature."² Judge Young made it quite clear that if TSMC wanted a stay, it would have to file its own petitions:

THE COURT: So the ruling's the same, it's denied because it is premature. Once they notify the court that it's filed – once it's filed then --- as soon as that happens, my stay will go into effect ...

MR FITZPATRICK: The IPRs are already pending. Intel has already filed IPRs.

THE COURT: You're not Intel.³

Judge Young said that in the meantime, he was prepared to rule on Markman issues⁴ and take the case to trial and verdict by December 2014.⁵

And so the flood of copied petitions began, which led to Judge Young's order to stay the litigation. But the present petition was copied just for purposes of procuring this stay. TSMC wants the option to file its own

² Hearing Transcript, page 11 (attached below)

³ Hearing Transcript, page 14, 17(attached below) .

⁴ Hearing Transcript, page 6, 18 (attached below).

⁵ Hearing Transcript, page 10 (attached below).

petitions against the '759 with new arguments and art in the coming months. For this reason, TSMC's proposal to join the Intel proceedings but to keep open the option of filing even more petitions against Zond, is an abuse of the IPR proceedings that Congress urged the patent office to address with its expanded procedural authority:

[T]he changes made ... are **not to be used** as tools **for harassment** or a means to prevent market entry **through repeated** litigation and **administrative attacks on validity** of a patent. Doing so would frustrate the purpose of the section as providing quick and cost effective alternatives to litigation.....as such, **the committee intends for the USPTO to address potential abuses and current inefficiencies under its expanded procedural authority.**⁶

Accordingly, joinder should only be allowed if TSMC is precluded from filing additional petitions against the same patent, and if any such joinder takes into consideration the many other petitions that have been filed against the '142 patent as explained below.

⁶ Excerpt from Committee Report 112-98 , section "Post-Grant Proceedings," attached at page 7.

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