UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LG DISPLAY CO., LTD.,
Petitioner

v.

SOLAS OLED, LTD.,
Patent Owner

Case IPR2020-01055
U.S. Patent No. 7,907,137

PATENT OWNER'S PRELIMINARY RESPONSE SUR-REPLY

PATENT OWNER'S EXHIBIT LIST

Ex.	Description
2001	Scheduling Order, *Solas OLED Ltd. v. LG Display Co., Ltd., LG Electronics, Inc., and Sony Corporation*, Case No. 6:19-cv-236-ADA (*"Solas v. LG"*), Dkt. 59 (W.D. Tex., Dec. 21, 2019)
2002	Solas's preliminary infringement contentions cover pleading in *Solas v. LG* served on November 26, 2019
2003	Defendants' preliminary invalidity contentions cover pleading and exhibit charts C1 and C3 in *Solas v. LG* served on January 24, 2020
2004	Order Setting Jury Selection and Trial, *Solas v. LG*, Dkt. 86 (W.D. Tex. Aug. 20, 2020)
2005	Defendants' final invalidity contentions cover pleading and exhibit charts C1 and C3 in *Solas v. LG* served on July 31, 2020
2006	Law360 Article: West Texas Judge Says He Can Move Faster Than PTAB
2007	Joint Claim Construction Statement, *Solas v. LG*, Dkt. 76 (W.D. Tex. May 1, 2020)
2008	Defendant LG Display's initial disclosures in *Solas v. LG* served May 29, 2020
2009	WDTex Divisional Standing Order Regarding Trials in Waco dated August 18, 2020
2010	Proof of Service, *Solas v. LG*, Dkt. 29 (W.D. Tex., Aug. 27, 2019)
2011	Defendants' proposed constructions in *Solas v. LG* served on February 21, 2020
2012	Transcript of May 22, 2020 *Markman* Hearing in *Solas v. LG*
2013	Solas's Second Supplemental Responses to Defendants' First Set of Interrogatories in *Solas v. LG* served October 15, 2020 (excerpts)

Petitioner could have filed this IPR months earlier but delayed so that it could (1) assert indefiniteness district court *Markman* proceedings and (2) avoid taking IPR positions that might undermine those assertions. Only after the district court issued its *Markman* ruling did Petitioner file this IPR. This timing is procedurally unfair to Patent Owner and inefficient for the parties and the court. Under a balanced assessment of § 314(a) and the *Fintiv* factors, institution should be denied.

***Fintiv* Factor 1:** Factor 1 weighs against institution because the specific facts of *this* case undermine a potential stay. POPR at 3. In the WDTex case, Defendants waited until after the *Markman* order to file IPRs on two of the three asserted patents (the '137 and '068 patents), and the institution decisions won't arrive until after expert reports. *Id.*; IPR2020-01238. Petitioner doesn't dispute these facts but argue that the '068 patent might be stayed if an ITC action is instituted. But this is speculative—at least because the WDTex case and ITC action involves different asserted claims for the '068 patent and different issues. Ex. 2002 at 2 (claims 1, 5, 10, 12, 13, 17 in WDTex); Ex. 1023 at 40 (claims 13–17 in the ITC).

***Fintiv* Factors 2 & 5:** Petitioner doesn't dispute that the parties are the same, so Factor 5 weighs against institution. As to Factor 2, there is *still* no evidence that the March 2021 WDTex trial will be postponed. Judge Albright recently started and completed a patent jury trial due to a "meaningful decline" in new COVID-19 cases around the Waco division. *See* Ex. 2009 (Order Resuming Jury Trials).

Indeed, this WDTex trial is more certain than the trials at issue in *Fintiv* and *Sand*. In *Fintiv*, the trial had already been postponed by several months because of

COVID-19. *Fintiv ID.* at 13. And in *Sand*, there were significant adjustments to the scheduling order and the calendared trial date included the qualifier "or as available." *See* IPR2019-01393, Paper 24 at 9. Here, there have been no significant adjustments to the case schedule, nor any qualifications about the trial date.

Fintiv* Factor 3:** Petitioner unduly delayed in filing this Petition in June 2020—9.5 months after being served with a complaint in August 2019. Ex. 2010 (POS). Contrary to Petitioner's argument, this was seven months after being notified of the asserted claims. Ex. 2002. Petitioner's reference to other exchanges ***after the Petition was filed (Reply at 4) are irrelevant and cannot support diligence.

Indeed, Petitioner could and should have filed the Petition in February 2020, when it already proposed constructions for the '137 patent. Ex. 2011. Instead, Petitioner waited until after the *Markman* order to take two bites at invalidity apple—first indefiniteness in district court and, if unsuccessful, obviousness at the PTAB. *See* POPR at 8–9. The Reply doesn't even dispute that this timing was strategically motivated and operated to unfairly prejudice Patent Owner.

Petitioner's argument that waiting for the *Markman* ruling on indefiniteness "cuts the other way" (Reply at 3) is frivolous. The Board has ***never*** approved such a rationale—especially where, as here, the parties were "faced with the prospect of a looming trial date." *Fintiv* Order at 11; Ex. 2001. To the contrary, the Board's rules encourage petitioners to file petitions as expeditiously as possible and to adopt consistent constructions between district court and the PTAB.

As to level of investment, Petitioner attempts to minimize all work by drawing

artificial, fine-grain distinctions. Reply at 3–4. But Factor 3 looks at the overall work *in the parallel litigation* by the court and parties, including work on the patent. *Fintiv* Order at 9–10. It isn't limited to work on a particular issue or by a particular party. Regardless, under any measure, the relevant investments are substantial.

First, the parties' claim construction work on seven disputed terms of the '137 patent ***alone*** constitutes substantial investment. POPR at 5 (citing hundreds of pages of briefing, expert declarations, expert depositions, technology tutorials, and hearing slides). Contrary to Petitioner's assertion, the proper constructions of the '137 claims is directly relevant to invalidity. The Court's investment in construing seven terms was also substantial. It carefully reviewed the parties' submissions, and the intrinsic and extrinsic evidence, to determine that the terms aren't indefinite or limited to Defendants' narrow proposals. The *Markman* hearing was nearly three hours long and spans 112 pages of transcript. Ex. 2012. The Court also indicated that it plans to issue a more detailed claim construction memorandum. Ex. 1024 at 2.

Second, by the time of the institution decision, the parties will have completed all fact discovery and expert reports in the WDTex case, including on the '137 patent. Solas has already invested work addressing invalidity in written discovery. Ex. 2013 (55-pages of rog responses on invalidity). And because Defendants haven't expressly waived any invalidity theories, the same IPR invalidity arguments in play for expert reports. Defendants may well raise the same/similar arguments in its November 6, 2020 invalidity report. And Patent Owner will be required to address them and all invalidity in its December 4, 2020 rebuttal report.

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