Paper No. __
Filed: October 15, 2021

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TIANMA MICROELECTRONICS CO. LTD.,
Petitioner,

v.

JAPAN DISPLAY INC.,
Patent Owner.

Case No. IPR2021-01029
U.S. Patent No. 9,310,654

PETITIONER'S PRE-INSTITUTION REPLY

A holistic evaluation of the *Fintiv* factors favors institution. Petitioner's diligence filing the present and six related IPRs, *Sotera*-type stipulation, and the petition's strong merits outweigh other applicable factors, including the date of the district court trial, which must still go through a substantial narrowing process.

Trial is currently set in the district court for February 2022, and thus before the Board's anticipated statutory deadline for final written decision (factor 2). But as recognized by Patent Owner, and ordered by the district court, not all 15 asserted patents and 135 claims will go to trial. Ex. 1015, 3 (October 12, 2021, order granting Patent Owner's proposal to limit, by October 25, the asserted claims to no more than eight claims from each patent and no more than a total of thirty-five claims). Thus, by the expected institution date, it is entirely possible that the '654 patent will be withdrawn from the district court, rendering factor 2 moot. At the same time, should the challenged patent or claims be withdrawn before trial, Patent Owner could still assert them against others, making it in the public interest for the Board to address the patentability of the challenged patent and claims here.

In any case, the district court trial date is not determinative. *Samsung Electronics Co., Ltd., v. Acorn Semi, LLC*, IPR2020-01183, Paper 17 at 38-39, 47 (PTAB Feb. 10, 2021) (instituting review with over ten months between district court trial and final written decision dates); *R.J. Reynolds Vapor Company v. Philip Morris Products S.A.*, IPR2021-00585, Paper 10 at 11, 14 (PTAB Sept. 13, 2021)

(same by five months); *Boston Scientific Corp., and Boston Scientific Neuromodulation Corp., v. Nevro Corp.*, IPR2020-01562, Paper 14 at 18-20, 25 (PTAB March 16, 2021) (same by five months); *see also id.* at 20 ("we consider all factors holistically and do not rely upon [] factor [2] in isolation."). Patent Owner cites pre-2021 Board decisions (POPR, 8), but they are distinguishable because they do not involve *any* stipulation—much less a *Sotera*-type stipulation like here (and in the cases cited above).

Under factor 3, the Board first considers Petitioner's timing in filing the petition. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, 11 (PTAB Mar. 20, 2020) (precedential). If a petitioner, "faced with the prospect of a looming trial date, waits until the district court trial has progressed significantly before filing a petition," that decision "may impose unfair costs to a patent owner." *Id.* On the other hand, "[i]f the evidence shows that the petitioner filed the petition expeditiously, such as promptly after becoming aware of the claims being asserted, this fact has weighed against exercising the authority to deny institution." *Id.*

Here, Petitioner moved with speed and diligence in bringing the present—and six related IPRs—approximately five months after Patent Owner served its infringement contentions. Preparing an IPR petition requires substantial effort even after the references and basic theories have been identified. This is particularly true in cases like this, where Patent Owner refused to narrow the number of claims and

issues until service of its infringement contentions (Ex. 1020)—and even then, Patent Owner still asserted 135 claims from 15 patents against more than 2,400 accused products, imposing a vastly greater burden on Petitioner to assess the dispute and evaluate which patents to request IPR. *Samsung*, Paper 17 at 39-40. Contrary to Patent Owner's assertion, Petitioner did not "benefit[] from a 90-day extension from its original answer deadline" (POPR, 11) because the extension pre-dated service of Patent Owner's infringement contentions. And unlike Patent Owner's cited *Next Caller* decisions (*id.*), any purported delay here is reasonably explained based on the large number of asserted patents and claims. Pet., 22-24. Also, the *Next Caller* cases did not involve *any* stipulations.

The Board also considers, under factor 3, "the amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision." *Fintiv*, Paper 11 at 9. Here, by the expected institution date, the district court's substantive investment regarding the patentability of the challenged patent will be nominal. The district court has issued a claim construction order (Ex. 1014), but it has no impact on the present IPR as no '654 claim term was construed in the order.

Although by the expected institution date of the petition there will have been additional investment by the parties in the district court, a substantial portion of work and trial is yet to come after institution. Moreover, the parties' investment is not

determinative nor weighed in isolation. Instead, it must be considered in light of the nominal substantive investment by the district court, petitioner's diligence bringing the challenge, and in concert with the other applicable factors. *See, e.g.*, *Samsung*, Paper 17, 39-40, 47 (instituting review after close of fact and expert discovery, service of expert reports, dispositive motions and responses, and Daubert motions and responses); *R.J. Reynolds*, Paper 10 at 12, 14 (instituting review after completion of fact and expert discovery, pre-trial conference, dispositive motion practice, and exchanging of witness and exhibit lists and deposition designations). Patent Owner cites pre-2021 Board decisions (POPR, 10), but they are distinguishable as not involving *any* stipulation—much less a *Sotera*-type stipulation like here.[1] POPR, 9.

Indeed, Petitioner's broad *Sotera*-type stipulation (factor 4) that if the Board institutes, it will not pursue any grounds that were raised or reasonably could have been raised in the '654 IPR in the related district court proceeding strongly favors institution. By stipulating to accept full IPR estoppel upon institution, Petitioner removes any "concerns of duplicative efforts between the district court and the Board, as well as concerns of potentially conflicting litigation." *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 19 (PTAB Dec. 1, 2020). Moreover, by the expected institution date, the number of claims (and potentially patents) in the

[1] IPR2020-00498, Paper 16, issued on August 19, 2020 (not 2021).

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