Paper No. __
Filed: November 8, 2021

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TIANMA MICROELECTRONICS CO. LTD.,
Petitioner,

v.

JAPAN DISPLAY INC. and PANASONIC LIQUID CRYSTAL DISPLAY CO., LTD.,
Patent Owner.

Case No. IPR2021-01060
U.S. Patent No. 10,330,989

PETITIONER'S PRE-INSTITUTION REPLY

A holistic evaluation of the *Fintiv* factors favors institution. Petitioner's diligence in 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 is still going 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, not all 15 asserted patents and 135 claims will go to trial. Indeed, Patent Owner recently narrowed the number of patents and claims. Ex. 1017, 3; Ex. 1018, 1. And the district court expects further narrowing. Ex. 1019, 8-20; Ex. 1020, 2 (court ordering the parties to submit a joint notice by November 10 "re: efforts to resolve or narrow outstanding claims and patents in the case."). Thus, by the expected institution date, it is entirely possible that the '989 patent (or claims) will be withdrawn from the district court, rendering factor 2 moot. At the same time, should they be withdrawn before trial, Patent Owner could still assert them against others, making it in the public interest for the Board to address patentability here.

In any case, the 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 with over ten months between district court trial and final written decision dates); *Roku, Inc., v. Flexiworld Tech., Inc.*, IPR2021-00715, Paper 18 at 11, 15 (PTAB Oct. 26, 2021) (same by six months); *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."). Patent Owner's cited pre-2021 Board decisions (POPR, 7-8) are distinguishable because they do not involve a *Sotera*-type stipulation like here. The same is true for its previous sur-reply decisions. IPR2021-01028, Paper 10, 2-3; IPR2021-01029, Paper 9, 2-3 (citing *Samsung Elecs. Col., Ltd. v. Clear Imaging Research LLC*, IPR2020-01551, Paper 12 (PTAB Feb. 17, 2021); *Cisco Systems, Inc. v. Oyster Optics, LLC*, IPR2021-00319, Paper 9 (PTAB June 8, 2021)).

Under factor 3, the Board considers Petitioner's timing in filing the petition. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, 11 (PTAB Mar. 20, 2020) (precedential). Here, Petitioner moved with speed and diligence in bringing the present—and six related IPRs—five months after Patent Owner served its infringement contentions. Preparing an IPR petition requires substantial time and effort. And 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. 1012)—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 for which patents to request IPR.

Samsung, Paper 17 at 39-40; *Roku, Inc.*, Paper 18 at 12-13. Further, Patent Owner did not respond to Petitioner's invalidity contentions before the petitions were filed. *Roku, Inc.*, Paper 18 at 12. And unlike Patent Owner's cited *Next Caller* decisions, any purported delay here is reasonably explained based on the number of asserted patents and claims. Also, the *Next Caller* cases did not involve *any* stipulation.

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 institution, the district court's investment regarding the patentability of the challenged '989 patent will be nominal. The court has issued a claim construction order (Ex. 1021), but it construed no '989 claim term. Although by the expected institution date there will have been additional investment by the parties, a substantial portion of work and trial is yet to come after institution. Moreover, the parties' investment is neither determinative nor weighed in isolation. It must be considered in light of the district court's nominal substantive investment, petitioner's diligence, and other applicable factors. *See, e.g.*, *Samsung*, Paper 17, 39-40, 47 (instituting 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 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's cited pre-

2021 Board decisions (POPR, 9) are distinguishable as not involving *any* stipulation.

Indeed, Petitioner's broad *Sotera*-type stipulation (factor 4) strongly favors institution by mitigating concerns of duplicative efforts between the district court and the Board, as well as potentially conflicting decisions. *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 23-24 (PTAB Dec. 1, 2020); *see also Samsung*, Paper 17 at 38, 47 (instituting less than two months before district court trial, finding that "Petitioner's stipulation has minimized any overlap with the parallel district court litigation such that both the duplication of efforts and the potential for conflicting decisions are minimized. Although the parties have invested in the litigation, Petitioner filed this proceeding on a timely basis after learning which of the eighty-four claims were being asserted. Accordingly, we conclude that the minimization of overlap and the strength of the merits of the first challenge outweigh the upcoming trial date."). In its IPR2021-01028, -01029 sur-replies, Patent Owner states that "Petitioner's invalidity case [for five of the seven patents] involves alleged prior art products in combination with the same references asserted in the respective petitions." IPR2021-01028, Paper 10, 5; IPR2021-01029, Paper 9, 5. But the '989 is not one of those patents. Factor 4 weighs strongly against denial.

Finally, factor 6 strongly favors institution because the merits of the present IPR are strong. While Patent Owner alleges *Abe* and *Kurahashi* are excluded under 35 U.S.C. § 103(c)(1), the evidence Patent Owner provides does not establish this.

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