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 CRYSTALDISPLAY CO., LTD.,
Patent Owner

Case IPR No: IPR2021-01060

Patent No. 10,330,989

PATENT OWNER JAPAN DISPLAY INC. AND PANASONIC LIQUID CRYSTAL DISPLAY CO., LTD.'S PRE-INSTITUTION SUR-REPLY

Contrary to Petitioner's argument, "[a] holistic evaluation of the *Fintiv* factors," which would weigh all six *Fintiv* factors, favors discretionary denial. Paper 8 at 1 ("Reply"). Petitioner has never argued, nor could it, that factor 5 ("whether the petitioner and the defendant in the parallel proceeding are the same party") weighs in favor of institution. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 8 (P.T.A.B. May 13, 2020). In its Reply, Petitioner appears to have abandoned its argument that factor 1 ("whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted") "is, at best, neutral" given that its motion to transfer was denied. *Id.* at 7; Paper 2 at 6 ("Petition"); *see also* Ex. 2002 (Order denying transfer motion). Further, an analysis of *Fintiv* factors 2, 3, 4, and 6 demonstrates why Petitioner's argument should be rejected.

Fintiv Factor 2 considers the proximity of the court's trial date to the projected statutory deadline for the Board's final written decision. *See Fintiv,* Paper 11 at 9. Petitioner recognizes that the district court trial date will precede the Board's statutory deadline for a final written decision, Reply at 1, but ignores the **eleven full months** between the district court trial date (February 7, 2022) and the Board's final written decision (January 8, 2023). To evade this reality, Petitioner cites *Samsung Electronics Co., Ltd., v. Acorn Semi, LLC*, IPR2020-01183, Paper 17 at 38-39, 47 (P.T.A.B. Feb. 10, 2021) as a single example in which the Board instituted review despite a ten-month gap between the district court trial and the final written decision dates in the IPR. But Petitioner's reliance is misplaced because the two *Fintiv* factors that supported institution in *Samsung* swing the other way here. First, the Board found that the *Samsung* Petitioners' *Sotera*-like stipulation preventing overlap of

arguments between the Board and district court weighed in favor of institution under *Fintiv* Factor 4. *Id.* at 43. But more recent cases establish that these types of stipulations are not always dispositive of institution, and, as Patent Owner explains in detail below, Petitioner's stipulation here does not appreciably simplify the district court case. Second, the Board found that the *Samsung* Petitioners had presented "a strong unpatentability challenge to every challenged claim" under *Fintiv* Factor 6. *Id.* at 46. But here, as Patent Owner explains in its preliminary response (Paper 7 at 16-49), Petitioner has only presented weak challenges to every challenged claim. Third, the *Samsung* decision made no mention of (1) an extensive prior art products invalidity defense like the one put forward by Petitioner in the district court proceeding, which will require the district court to analyze the same prior art references asserted in the petitions, or (2) an order granting Petitioner permission to add prior art references from the Petition in the district court case. *See* Ex. 2012 at 9-16 (Defendant's Preliminary Invalidity Contentions); Ex.2004.

Additionally, a more recent Samsung decision, *Samsung Elecs. Co., Ltd. v. Clear Imaging Research LLC*, IPR2020-01551, Paper 12 at 13 (P.T.A.B. Feb. 17, 2021) ("*Samsung II*"), denied institution when the trial was scheduled to begin more than ten months before the due date of the final written decision, and is more closely aligned with the facts here. *Id.* at 13. In *Samsung II*, the Board noted that the original trial date had never changed and was unlikely to ever be delayed. *Id.* at 11-14. The Board agreed with the Patent Owner that this factor weighed heavily in favor of denying institution, quoting *Fintiv*, Paper 11 at 9 (emphasis added) ("If the court's **trial date** is earlier than the projected statutory deadline, the Board generally has

weighed this fact in favor of exercising authority to deny institution under *NHK*."). *Id.* at 13. *See also Cisco Systems, Inc. v. Oyster Optics, LLC*, IPR2021-00319, Paper 9 at 10-12 (P.T.A.B. June 8, 2021) (finding that trial date seven months before Board's written decision due date favored denial of petition). Such is also the case here—the judge in the district court has made clear his preference to maintain the current trial date. *See* Ex. 2001 (First Amended Docket Control Order).

Petitioner speculates that "it is entirely possible" that Factor 2 may be rendered moot due to the district court's order to narrow asserted claims. Reply at 1. This inappropriate speculation should be accorded little weight because it attempts to take advantage of Petitioner's extreme delay in filing its Petition and the late stage of the parallel district court case. Petitioner is trying to have its cake and eat it, too—on the one hand, Petitioner complains about the scope of the district court case and demands the court there to force Patent Owner to narrow to a tiny fraction of the original case, then on the other, argues that the Board should rely on that narrowing demand to broaden Petitioner's IPR case. This blatant gamesmanship is an attempt to waste the Board's resources and should not be rewarded.

Fintiv Factor 3 considers the timing of the petition and the investment in the proceeding by the court and the parties. Petitioner claims it "moved with speed and diligence" by filing the IPRs five months after Patent Owner served its infringement contentions. Reply at 2. Petitioner wrongly complains that Patent Owner "refused to narrow the number of claims and issues until service of its infringement contentions," *id.*, ignoring that (1) Petitioner had been on notice of its infringement since at least August 31, 2020, and (2) Patent Owner served infringement

contentions at the time specified by the district court's docket control order. In any event, the relevant date is the date of filing the complaint, not the serving of infringement contentions. 35 U.S.C. §315(b). This Petition was filed on June 21, 2021, nearly ten months after the complaint was filed. Further, this Petition was filed nearly four months after Petitioner served its invalidity contentions in the district court case. This cuts against Petitioner's claim of "speed and diligence."

Fintiv factor 3 also considers "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," including whether "the district court has issued substantive orders related to the patent at issue in the petition, this fact favors denial," and notes that "more work completed by the parties and court in the parallel proceeding tends to support the argument that the parallel proceeding is more advanced, a stay may be less likely, and instituting would lead to duplicative costs." *Fintiv*, Paper 11 at 9-10. Petitioner's statement that "[h]ere, by institution the court's investment regarding the patentability of the '989 patent will be nominal" is a gross understatement. Reply at 3. Petitioner recognizes that the district court has already expended resources addressing the parties' claim construction positions and issuing a claim construction order.[1] *Id.* But in arguing merely that "a substantial portion of work and trial is yet

[1] Petitioner states that the district court's "construed no '989 claim term," Reply at 3, but in its expert report, Petitioner advocated for a specific construction of the term "common layer" as excluding a "counter line" like that shown in Ohta (a prior art reference asserted in the Petition). *See* Ex.2013 at 5-7 (Flasck *Daubert* Motion, Dkt. 196). To the extent Petitioner's untimely claim construction proposal is allowed, Patent Owner has requested additional claim construction briefing that will impact Petitioner's prior-art mappings. *See id.*

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