UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLIED MATERIALS, INC.,
Petitioner

v.

OCEAN SEMICONDUCTOR LLC,
Patent Owner

IPR2021-01348
U.S. Patent No. 6,836,691

PATENT OWNER'S AUTHORIZED SUR-REPLY
IN SUPPORT OF PATENT OWNER'S PRELIMINARY RESPONSE

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Patent Trial and Appeal Board
U.S. Patent and Trademark Office
P.O. Box 1450
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Submitted Electronically via PTAB E2E

It is undisputed that: (1) the parallel actions are set for trial months before the FWD date with no stay sought by anyone; (2) there is a ***complete overlap***[1] of the issues and prior art and (3) an immense investment on invalidity issues in those actions; and (4) the defendants there have rejected being bound by this Petition. Extreme speculation about alternative outcomes cannot overcome these facts.

I. *FINTIV I* FACTOR 1: THERE IS NO BASIS TO THINK THAT A STAY MAY BE ENTERED IN ANY, MUCH LESS ALL, OF THE EDTX/WDTX ACTIONS

The granting of a ***temporary*** stay in the DMASS actions pending IPR institution decisions for the various patents asserted there does not tip the scale of this factor away from denial. As the court there noted (Exs. 2033 and 2034), whether a stay is warranted depends on the Board's institution decision. Nothing in the court's order impacts the WDTX or EDTX proceedings, nor is it predictive of what those courts will decide should a stay motion ever be filed. Petitioner's reference to the DMASS actions is also a red herring because, ***as a non-party, it can never move for a stay in any of the WDTX, EDTX, or DMASS cases***. While Petitioner cites to *Juniper Networks v. WSOU Inv.*, that case is inapposite because the case did not involve: (1) a non-party Petitioner; and (2) a temporary stay. At best, this factor is neutral. *See* IPR2021-00929, Paper 13 at 9-10 (P.T.A.B. Nov. 16, 2021); IPR2021-00864, Paper 13 at 9-10 (P.T.A.B. Nov. 16, 2021).

[1] Unless otherwise indicated, all emphasis in this Sur-reply has been added.

II. *FINTIV I* FACTOR 2: THE TRIAL DATES ARE MONTHS BEFORE THE DEADLINE FOR A FINAL WRITTEN DECISION

Petitioner's contention that the EDTX cases have no trial date (Reply at 1) is unavailing because ***there will almost certainly be a trial long before an FWD***. That the EDTX schedule does not contain an exact trial date does not alter the fact that the Final Pretrial Conference is set ***six months before*** any FWD here and the court's established practice is to hold trial within three weeks thereafter. (Paper 9 at 1-2, 12-14.) Even if trial slips several weeks, it will still occur ***over five months*** before a FWD. (Petitioner also misleadingly states that the WDTX trial dates are "tentative" (Reply at 1) when they have been set. (*See* Ex. 2001-2007 at 4.)

Petitioner's assertion that "overlapping trial dates [with unrelated actions] will necessarily result in rescheduling at least some of those trials" (Reply at 1) is unavailing as the Court has not even hinted at the possibility that the December 7, 2022, trial date will be altered. The Board also need not entertain this line of arguments by Petitioner because the Board generally takes courts' trial schedules at "face value." IPR 2020-00019, Paper 15 at 13 (informative). In two pending IPRs involving Patent Owner and the WDTX actions, the Board took this exact position with respect to this factor and rejected the petitioner's invitation to speculate trial delay. *See* IPR2021-00929, Paper 13 at 11; IPR2021-00864, Paper 13 at 11.

Finally, the fact that Petitioner is not a party to the parallel actions is of no moment. Petitioner's cited cases recognize as much. *Bose Corp. v. Koss Corp.*,

IPR2021-00680, Paper 15 at 15 (P.T.A.B. Oct. 13, 2021) ("Given that the trial is currently scheduled for . . . approximately ***five months*** before the final decision, the efficiency and system integrity concerns that animate the *Fintiv* analysis are present . . . ."); *Dish Network v. Broadband iTV*, IPR2020-01359, Paper 15 at 14 (Feb. 12, 2021) (finding that a trial date "likely to happen prior to the Board's final written decision . . . [is] in favor of exercising our discretion to deny the Petition."); *Western Digital v. Kuster*, IPR2020-01391, Paper 10 at 9-10 (P.T.A.B. Feb. 16, 2021) (finding "uncertainty" in the trial date that is not present here).

III. *FINTIV I* FACTOR 3: THERE HAS BEEN CONSIDERABLE "INVESTMENT IN THE PARALLEL PROCEEDINGS"

Petitioner's assertion of "no apparent relation" (Reply at 2-3) seems to improperly interpret this factor as the degree of investment only in the context of invalidity issues. But even so, Petitioner has ignored, in wholesale, the court's and the parties' immense resources expended in connection with patent (in-)eligibility (e.g., a 101 motion pending in *Ocean Semiconductor LLC v. Renesas Electronics Corp., et al.*, No. 6:20-cv-01213-ADA, Dkt. 15 (W.D. Tex. Apr. 26, 2021)) as well as anticipation/obviousness contentions set forth in the defendants' preliminary/ final invalidity contentions served in the EDTX and WDTX proceedings. Also, as the WDTX Court has already issued a claim construction order for the present patent (Ex. 2033)—a major milestone—this factor favors discretionary denial. *Fintiv II* at 13-14 (holding, *inter alia*, that the issuance of a claim construction

order "weighs somewhat in favor of discretionary denial . . . .").

IV. *FINTIV I* FACTOR 4: THERE IS COMPLETE "OVERLAP BETWEEN ISSUES RAISED"

Petitioner's contention that the court actions involve additional prior art is a red herring—this fact ***has no impact on the complete overlap between references raised in the IPR and the co-pending litigations***. Also, while, as in *Bose* (Reply at 3), there are additional challenged claims here—most of which are dependent—the Board has nonetheless repeatedly found a "substantial overlap" between the issues in an IPR and co-pending litigation that weighed in favor of discretionary denial in very similar circumstances. *See, e.g., Apcon, Inc. v. Gigamon Inc.*, IPR2020-01579, Paper 9 at 19, 26 (P.T.A.B. Mar. 16, 2021) ("Although Petitioner has challenged. . . additional dependent claims. . . , we do not determine including these additional claims to weigh in favor of or against institution. . . . [T]he art appears substantially the same, and no stipulation has been filed by Petitioner agreeing not to assert the same art"); *Satco Productions, Inc. v. The Regents of the Univ. of Cal.*, IPR2021-00661, Paper 14 at 24 (P.T.A.B. Nov. 8, 2021) (same).

V. *FINTIV I* FACTOR 5: WHETHER PETITIONER IS A DEFENDANT

Petitioner's purported distinction over *Apple* and *Mylan* is unavailing because the petitioners in those two cases, like Petitioner here, also are not defendants in the underlying litigation. Also, nothing prevents Petitioner from filing a declaratory judgment action "to litigate the ['691] patent claims' validity in

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