

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Request for Comments on Discretion to Institute Trials Before the Patent Trial and Appeal Board

Docket No. PTO-C-2020-0055

COMMENTS BY INTEL CORPORATION

AND

DELL INC.

December 3, 2020

I. Introduction and Executive Summary

Intel Corporation (“Intel”) and Dell Inc. (“Dell”) appreciate this opportunity to provide comments on the Patent and Trademark Office’s (“PTO”) proposed rules concerning the Director’s discretion to institute post-grant proceedings under the American Invents Act in cases involving serial or multiple petitions, or parallel proceedings.

Prior to the enactment of the AIA, frequent patent defendants had limited—and largely undesirable—options to challenge bad patents. The AIA helped solve that problem by rejuvenating an administrative process that allows technically and legally trained administrative patent judges to take a second look at patents and consider whether an issued claim meets statutory requirements. Unlike the pre-AIA legal regime—where defendants in patent litigation remained in limbo for years pending rulings in the trial courts or ex parte review proceedings—post-grant proceedings are streamlined, require relatively low output of resources as compared with district court litigation, and guarantee a decision within a year to a year-and-a-half following institution.

In recent years, however, the PTO’s rules on whether to institute proceedings on a petition for review have strayed from Congress’s goals in enacting the AIA, created uncertainty about the proper standard for institution, and presented the specter that manufacturers and other frequent patent defendants will be forced to return to the undesirable pre-AIA world. In particular, the PTO has taken the problematic view—in cases like *General Plastic* and *Finity*—that the mere presence of other petitions or cases raising the same issue as a different petition for post-grant proceedings weighs heavily against institution.

This approach cannot be squared with the text or congressional purpose of the AIA. It also creates bad outcomes, both by making it more difficult for parties with strong merits

arguments to employ the AIA’s streamlined process for getting rid of weak patents and by forcing patent defendants into a race to the PTO’s doors in order to get their petition on file first—no matter the cost in quality to the underlying legal and factual arguments.

The PTO’s rules, which put a thumb on the scale against instituting review on patents which have been challenged, should be rejected. Instead, the PTO should promulgate a rule that the mere existence of other proceedings raising similar issues beyond the one under review—e.g., petitions filed in the past, petitions that are currently pending, or cases filed in front of a district court or the ITC—should not affect the decision to institute, absent a substantial showing that the patent owner is being harassed by the proceeding or other unusual circumstances. Any such rule should expressly supplant the current PTO precedent discussed in the Request For Comments, including *General Plastic*, *Fintiv*, and their progeny.

II. Commenters’ Interest

Intel is one of the world’s largest chipset manufacturers and a technology leader. Intel spends between \$11 billion and \$15 billion annually on R&D and are consistently among the top ten R&D spenders in the world. Intel was granted over 3,000 US patents in 2019, making it one of the top five US patent recipients in 2019. Intel is perennially among the top worldwide patent filers and patent recipients, with over 90,000 patent assets worldwide. Intel has seen invalid patents being asserted against our company and thus has used the post-grant review processes to efficiently remove wrongly granted patents. Intel believes that a balanced patent system that protects valid patents but rids the system of invalid patents promotes and protects US innovation.

As both a leading innovator and a company frequently subjected to abusive patent owner behaviors, Intel has a strong interest in encouraging even-handed rules that are fair to patent

owners and petitioners alike. Intel accordingly values both the patent system and the PTO's function of issuing patents that meet the statutory requirements of patentability.

Dell is likewise one of the world's largest technology companies. The Dell family of businesses innovates across devices, ecosystems, and services to design solutions specifically for the way people work—from award-winning thin clients, tablets, and laptops to powerful workstations and rugged devices. Dell's products include personal computers, servers, enterprise storage systems, and computer and network security products. Dell and its affiliates own nearly 30,000 patents and applications worldwide, and are consistently recognized for the quality and quantity of their patent holdings. Dell has also invested billions of dollars each year to research and development. Dell recognizes the importance of protecting valid intellectual property rights, and has participated in patent litigation both as a plaintiff and a defendant. Dell is committed to furthering an effective patent system through the issuance and confirmation of quality patents rather than ones embodying conventional or obvious ideas.

III. The AIA's Statutory Guardrails Already Protect Patent Owners From Harassment And Ensure Efficient Review Of Patent Validity

The AIA was drafted to maintain a careful balance between the interests of patent owner and patent challengers, including avoiding the harassment of the former and ensuring the efficient review of challenges brought by the latter. As the relevant House Report explains, the law sought to quash the “growing sense that questionable patents are too easily obtained and are too difficult to challenge” while also ensuring that patent owners would not be subject to improper repeated challenges to the validity of their intellectual property based on slightly different legal theories or brought by different parties. *See* H.R. Rep. No. 112-98, pt. 1, at 39-45 (2011); *see also id.* at 47 (discussing the AIA's new estoppel provisions).

This balance is reflected in the guardrails laid out in the broader statutory scheme. For example, the AIA places strict deadlines on when a petitioner can challenge an existing patent, 35 U.S.C. §§ 311, 321 and requires petitioners to make a threshold showing regarding likelihood of success (or at least establish that the petition raises a novel or unsettled issue) before proceedings can even be instituted, *id.* §§ 314(a), 324(a)-(b).

The AIA also limits the classes of parties that are even permitted to file petitions. For example, the AIA bars petitions from a party (or the associates of a party) that has already filed an action in district court challenging the validity of the patent—or even simply waits more than a year after being sued for infringement. 35 U.S.C. §§ 315(a)(1), (b), 325(a)(1). Relatedly, a party (and its associates) are barred from filing a petition if it includes arguments that could have been raised in a prior PTO proceeding that resulted in a final written decision. *See* 35 U.S.C. §§ 315(e)(1), 325(e)(1). Indeed, once a ground has been raised—or reasonably could have been raised—in a proceeding that went to a final written decision, a patent defendant is barred from raising those arguments in a civil action or ITC proceeding. *Id.* §§ 315(e)(2), 325(e)(2).

Finally, the AIA gives the Director substantial authority to deal with a situation where petitions raise similar issues beyond simply denying institution. For example, the Director may join newly filed petitions with ongoing proceedings that implicate the same patent. 35 U.S.C. §§ 315(c), 325(c). And, more broadly, the Director has the power to “determine the manner in which” proceedings involving a patent already under review advance. *Id.* §§ 315(d), 325(d).

Even beyond these statutory guardrails, moreover, the PTO already has a structure in place for dealing with harassment or other bad behavior by petitioners. A party that submits papers to the PTO “certif[ies]” that “[t]he paper is not being presented for any improper purpose, such as to harass someone or to cause unnecessary delay or needless increase in the cost of any

proceeding before the Office.” 37 C.F.R. § 11.18(b)(2). The sanctions available for such bad behavior include “[t]erminating the proceedings in the Office.” *Id.* § 11.18(c). Similarly, the PTO has provided for sanctions for any “party ... misconduct, including ... abuse of process[] or [a]ny other improper use of the proceedings, including actions that harass or cause unnecessary delay or an unnecessary increase in the cost of the proceeding.” *Id.* § 42.12(a)(6)-(7).

The Request for Comments identifies certain aspects of the AIA that, in the PTO’s view, provides support for its position that the Director has broad discretion to deny institution in cases involving serial petitions, multiple petitions, or parallel proceedings. None of the cited authorities, however, gives the PTO the power to promulgate rules like those in *General Plastic* and *Fintiv* that improperly put a thumb on the scale against institution—or give the PTO the power to otherwise contradict or undermine Congress’s intent. Rather, the cited provisions provide targeted grants of discretion that are necessarily cabined by the AIA and congressional purpose.

As an example, 35 U.S.C. §§ 314(a) and 324(a) simply provide the Director with discretion to determine whether a particular petitioner has established that the petition has a reasonable likelihood of success (or that the petition presents a sufficiently novel question) sufficient to permit institution. The Federal Circuit, moreover, has already held that 35 U.S.C. § 2(b)(2)(A) authorizes the PTO only to make “procedural” rules—not establish substantive standards like the grounds for denying institution. *See Cooper Techs. Co. v. Dudas*, 536 F.3d 1330, 1335-1336 (Fed. Cir. 2008) (“A rule is substantive when it effects a change in existing law or policy which affects individual rights and obligations.” (internal quotation marks and citation omitted)). And the PTO’s powers under 35 U.S.C. §§ 315(d) and 325(d) to determine the manner in which “multiple proceedings” involving the same patent “may proceed” cannot

logically be so broad as to render nugatory other provisions of the AIA (e.g., the rules that permit joinder of similar petitions and that permit patent defendants to file a petition up to one year after the infringement suit is filed).

In any event, whatever discretion the AIA might confer upon the Director to deny institution, the Director must exercise that discretion within statutory bounds. *See Utility Air Regulatory Grp. v. EPA*, 573 U.S. 302, 326 (2014); *see also Tokyo Kikai Seisakusho, Ltd. v. United States*, 529 F.3d 1352, 1361 (Fed. Cir. 2008) (“An agency cannot, for example, exercise its inherent authority in a manner that is contrary to a statute.”). As explained above, interpreting the AIA to give the Director unbounded discretion to deny institution would be contrary to the carefully calibrated guardrails embodied in the AIA.

In sum, the PTO has identified no authority that allows it to put a thumb on the scale in favor of denying institution out of the theoretical concern that a patent owner might face harassment or for mild efficiency concerns. Absent a substantial showing of actual harassment or other unusual circumstances, the statutory guardrails that were enacted by Congress and signed into law by the President should govern. Given that—as explained in more detail below—there is no indication that petitioners have routinely abused the system by filing parallel or serial petitions, there is no need to artificially expand the Director’s power to deny institution. Indeed, such an action would ill-serve the careful balance of considerations that the AIA contemplates will control the exercise of discretion—particularly in deciding to decline to institute proceedings.

IV. Responses To Specific Questions

A. Serial Petitions (Questions 1 and 2)

Concerns about serial petitions are overblown; there is no need for the PTO to promulgate regulations that would encourage denial of institution on this basis.

First, serial petitions are rare. According to data presented by the PTO earlier this year, the vast majority of challenged patents have only been the subject of one or two petitions for review. *See* Tierney & Saindon, *Boardside Chat: New developments* 19 (June 11, 2020) (92% of all patents challenged in post-grant proceedings are the subject of one or two petitions). This was the case even prior to the *General Plastic* decision. *Id.* (84% of all patents challenged in post-grant proceedings prior to *General Plastic* subject to only one or two petitions). Indeed, the Chief Judge for the Patent Trial and Appeal Board (“PTAB”) explained in the same year that *General Plastic* was issued that it was “very unusual” for a patent to be challenged by a large number of petitions and that such scenarios were “[d]riven by extreme conditions.” *See* Ruschke & Saindon, *Chat with the Chief: An Analysis of Multiple Petitions in AIA Trials* 37 (Oct. 24, 2017).

Second, serial petitions generally do not raise true harassment concerns because they are almost invariably filed where the *patent owner* has repeatedly asserted the patent against a number of different parties, or where the patent involves an unusually large amount of claims. *See, e.g.*, Ruschke & Saindon, *Chat with the Chief* at 37 (large number of petitions driven by “[l]arge numbers of claims [and/or] defendants”). Challenging a patent in the PTO that is the subject of litigation in another forum, like a trial court, cannot reasonably be understood as harassment. Not only is the patent owner the aggressor in that scenario, but the AIA expressly contemplates that patent defendants will use PTO proceedings as a forum to simplify ongoing litigation (so long as they do so within a year of when the lawsuit is filed). *See* 35 U.S.C. § 315(b).

In any event, as discussed above, the PTO already has rules governing sanctions that protect against harassment or other abuse of the legal process. There is no need to promulgate new, expansive rules that risk sacrificing the AIA’s goals of efficiency and eliminating bad patents in exchange for more authority to deal with what is effectively a non-issue. To the contrary, the interests of the AIA are best served by focusing primarily not on the number of petitions filed but whether the patent being challenged satisfies statutory standards.

Beyond these fundamental problems with the PTO’s approach to serial petitions, the specific *General Plastic* factors are problematic, as they do not account for the AIA’s core purpose of making it easier to get rid of patents which never should have issued in the first place. Indeed, *none* of the factors consider the merits of the petition. Equally troubling, because the factors are both non-exclusive and (individually) non-dispositive, they provide scant guidance to potential petitioners and patent owners alike over whether a particular serial petition will be denied institution.

Factor 1, which asks whether the same petitioner previously filed a petition directed to the same claim of the patent, is often (but not always) dispositive. This provision effectively forecloses filing a new petition with new or different prior art in order to respond to points raised by the patent owner in prior or parallel proceedings. In other words, it makes challenging a bad patent more difficult without even weighing whether the petitioner has presented strong evidence of invalidity.

Factor 2, which asks whether—at the time of the filing of the first petition—the petitioner knew of the prior art or should have known it, raises similar concerns as Factor 1. The broad “should have known” language will in most cases bar a petitioner from filing a second petition regardless of whether such a petition presents strong evidence for cancellation. This is

fundamentally unnecessary in light of the AIA’s estoppel provisions, which already squarely bar this kind of follow-on petitions after a final written decision has issued. *See supra* pp. ___.

Moreover, this rule is problematic because, under *Fintiv*, petitioners are incentivized to file early (to avoid having institution denied in light of related trial proceedings); doing so runs the risk that they will miss prior art that they “should” have been able to locate had they had more time.

If the Director is concerned that a specific petition constitutes harassment, the proper way to address that concern is via the sanction mechanisms discussed above—not at the expense of allowing a bad patent to stand.

As far as Commenters are aware, the Board has not found Factors 3 or 4 (i.e., (3) whether at the time of the filing of the second petition, the petitioner had already received the patent owner’s response or a decision on institution and (4) the length of time that elapsed between when the petitioner learned of the prior art used in the second petition and the filing of the second petition) to be dispositive in any proceeding. Given their apparent unimportance, their inclusion in the *General Plastic* factors is hard to understand and only increases the uncertainty for petitioners who are weighing whether to file a follow-on petition. It is also notable that both considerations assume that the reason for a second petition is to correct an error *by the petitioner* in the original petition. This basic premise is flawed. The PTO identifies no reason why the reason for a second petition could not spring from an error by the *patent owner* (e.g., a misrepresentation or omission in their original response to the petition that leads the Board to improperly deny institution) or even the Board itself (if, for example, the Board misunderstands part of the petitioner’s argument).

We are also not aware of a case where Factor 5 (i.e., whether the petitioner provided an adequate explanation for the amount of time that elapsed between filing two petitions attacking

the same claims) has been dispositive. For that reason, it raises the same uncertainty concerns as Factors 3 and 4. Relatedly, the phrasing of Factor 5 is difficult to parse—particularly because there is essentially no case law to go by. Whether or not an explanation is “adequate” is a subjective judgment, with a result that could vary based on the reader. And regardless, it is not clear why the quality of the explanation should matter. For example, a petitioner who takes the effort to sift through the prior art in some detail presumably would have a better claim to more time to file than a petitioner who had to quickly throw together a petition in order to avoid denial of institution under *Fintiv*.

Finally, Factors 6 and 7—which consider the “finite resources of the Board” and the AIA’s requirement to issue a final written decision in a set amount of time laid out under 35 U.S.C. § 316(a)(11)—should carry little to no weight in the institution analysis. With regards to Factor 6, the PTO already requires petitioners to pay sufficient fees to cover the cost of review. *See, e.g.*, 85 Fed. Reg. 46,932, 46,932, 46,945-46,946 (Aug. 3, 2020) (revising fees to “provide the Office with a sufficient amount of aggregate revenue to recover the aggregate costs of patent operations in future years”); 37 C.F.R. § 42.15(a)(2). In other words, there is no danger that if any given petition is instituted, the PTO will run out of funds to see it through.

Factor 7 is similarly of limited relevance in light of the AIA’s statutory guardrails discussed above. In particular, Section 315(e)(1) already prevents petitioners (or their associates) from filing a petition on “any ground” that the petitioner could have raised in an earlier proceeding that ended in a final written decision. In other words, regardless of whether Factor 7 is part of the analysis, there would still be limits that prevent a petitioner from unduly spacing out its petitions. And in any event, such behavior could potentially be deemed abuse of process, which would be punishable by sanctions.

In sum, serial petitions are relatively rare and serve important purposes—such as giving each entity accused of patent infringement the opportunity to file its own case explaining why the underlying patent claims are invalid. In any event, the factors laid out under *General Plastic* run counter to the purposes of the AIA and only increase uncertainty about when institution will be denied. The PTO should abandon this flawed framework and deny serial petitions only in the rare instance where there is a substantial showing of harassment or some other unusual circumstance.

B Parallel Petitions (Questions 3 and 4)

As a general matter, it is not appropriate to decline to institute a petition simply because another, similar petition is filed at roughly the same time. Rather, petitions that satisfy the merits threshold required for institution should be denied only if there is a substantial showing of harassment or some other abuse of process. A contrary rule would mean that the PTO is failing to perform its duty to ensure that only valid patents are recognized and undermines Congress’ intent to ensure that post-grant proceedings be available to “weed out bad patent claims.” *See Thryv, Inc. v. Click-To-Call Techs., LP*, 140 S. Ct. 1367, 1374 (2020).

Almost all parallel petitions stem from one of two circumstances. *First*, multiple petitions are often filed simply because the PTO sets limits regarding the contents and length of petitions. The PTO’s own rules require a petition to include a “full statement of the reasons for the relief requested, including a detailed explanation of the significance of the evidence including material facts, and the governing law, rules, and precedent.” 37 C.F.R. § 42.22(a)(2). At the same time, petitions are limited to anywhere ranging from 14,000 to nearly 19,000 words, depending on the type of proceeding. 37 C.F.R. § 42.24(a)(1). Because of some patents’

complexity or numerous claims, it is often impossible to adequately present all legitimate grounds for cancellation in a single petition—filing parallel petitions is the only solution.

Second, multiple petitions are often filed because—once again—of the actions of the *patent owner* who decided to accuse multiple parties of infringing the patent. When more than one party is accused of infringement, each of the accused may understandably want to separately ask the PTO to cancel the patent in order to present different prior art or articulate distinct views on the patent’s validity. This is, at root, no different than co-defendants in a civil lawsuit filing their own individual briefs seeking to dismiss the case for different reasons and with different explanations. The fact that a petitioner is faster to file says nothing about the quality or completeness of their arguments. To the contrary, time pressure may increase the chances of a crucial error or omission that dooms the petition. It is precisely such concerns that led Congress to allow an accused infringer one year to petition for *inter partes* review. 35 U.S.C. § 315(b); *see also* 157 Cong. Rec. S5,429 (daily ed. Sept. 8, 2011) (statement of Sen. Jon Kyl) (one-year period “afford[s infringement] defendants a reasonable opportunity to identify and understand the patent claims that are relevant to the litigation” before having to file IPR petition).

The PTO is mistaken that instituting additional petitions “may place a substantial and unnecessary burden on the Board and the patent owner.” RFC at 13. To the contrary, allowing parallel petitions to proceed poses no real harm to either the PTO or patentees. The PTO can offset any burden by the fees it charges, which are computed to reflect the expected cost to the PTO of conducting a full trial. To the extent the petitions’ arguments overlap, the PTO can consolidate the proceedings and deal with both petitions at once. Any burden on the patent owner is a primarily byproduct of the patent owner’s own decisions—either in drafting an overly complex patent with a large number of claims or accusing multiple parties of infringing the same

claim. To the extent that patent owners suffer any “burden” at all, it is no more than the burden Congress intended when it provided for post-grant proceedings.

C Proceedings In Other Tribunals (Questions 5 and 6)

The Board’s *Fintiv* framework should also be rejected as a grounds for denial of institution, as it both exceeds the Director’s statutory authority and poses numerous practical problems.

1. The Director cannot logically have plenary authority to deny IPR petitions based on proceedings in district court. This is because, as discussed above, Section 315(b)’s plain language makes clear that Congress intended IPR to be available for at least a year when parallel litigation is pending. And because statutorily defined time limitations inherently “take[] account of delay,” other “case-specific circumstances”—like the *Fintiv* factors—“cannot be invoked to preclude adjudication of a claim ... brought within the [statutory] window.” *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 572 U.S. 663, 667, 677-680, 685 (2014).

While Section 314(a) allows the Director to decide whether “there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged,” this language does not give the Director the power to override the AIA’s other statutory provisions. Section 314(a)’s use of the word “may” to describe the Director’s authority does not change that conclusion. Read in context, the statute is actually limiting the Director’s authority to institute unless there is a reasonable likelihood on the merits. *See* 35 U.S.C. § 314(a) (“The Director *may not* authorize an *inter partes* review to be instituted *unless* the Director determines that” there is a “reasonable likelihood” the petitioner will prevail. (emphases added)).

Indeed, Section 314(c) makes clear that, at a minimum, the Director has an obligation to “determin[e]” whether there is a reasonable likelihood that the petitioner will prevail and then

notify the parties of that determination. *Compare* 35 U.S.C. § 314(a) (“The Director may not authorize an *inter partes* review to be instituted unless the Director *determines* that the information presented in the petition ... shows that there is a reasonable likelihood that the petitioner would prevail[.]” (emphasis added)), *with id.* § 314(c) (“The Director *shall* notify the petitioner and patent owner, in writing, of the Director’s *determination under subsection (a)*[.]” (emphases added)).

The AIA’s structure and purpose confirm the conclusion that Congress did not give the Director the authority to deny institution based on a parallel proceeding before another body. As discussed above, various AIA provisions lay out how the Director should handle parallel proceedings. For example, Section 315(a)(1) bars a party from filing a petition against a particular patent if they (or their associate) have already filed a civil suit challenging the validity of any one of the patent’s claims. Similarly, Section 315(a)(2) provides that—unless certain conditions are met—a civil suit that is filed after an AIA petition is “automatically stayed.” Neither of these provisions—nor any other in the AIA—suggest that a petition should be denied simply a district court proceeding is pending. To the contrary, they show that Congress “knew how to draft the kind of statutory language that [the Director] seeks to read into” the AIA and had it intended to give the Director discretion to deny institution based solely on the existence of parallel proceedings, it “would have said so.” *State Farm Fire & Cas. Co. v. United States ex rel. Rigsby*, 137 S. Ct. 436, 443-444 (2016).

The *Fintiv* framework also contravenes the AIA’s central purpose of providing a streamlined mechanism to eliminate bad patents at a relatively low cost. *See supra* pp. ___. Indeed, by stating in Section 315(b) that patent defendants have one year following the start of the suit to file a petition and encouraging those same defendants in Section 311(a) to make their

strongest possible arguments in their petition (in order a reasonable likelihood of success on the merits), Congress effectively embraced the idea that there would be some overlap between AIA and proceedings in district court. *See, e.g.*, 157 Cong. Rec. S5429 (daily ed. Sept. 8, 2011) (statement of Sen. Jon Kyl) (noting the importance of “afford[ing patent] defendants a reasonable opportunity to identify and understand the patent claims that are relevant to the litigation” before having to file an IPR petition and accordingly set a one-year limitations period).

Nor is there any reason to believe Congress intended the PTAB to have broad discretion to decline to review invalid patents. The PTO is the administrative agency charged with granting statutory monopolies for inventions. Congress was well aware that such monopolies must be carefully tailored to ensure they promote rather than inhibit innovation. In light of the Congressional intent to rid the patent system of bad patents, it defies common sense to believe that Congress also intended the PTAB to have unfettered discretion to allow those very same bad patents to remain in force. It did not. Congress deliberately set a bright-line one-year limitation period, and the PTO lacks discretion to override this Congressional judgment.

2. Even if the PTO has the authority to adopt the *Fintiv* framework, it should not do so for three reasons: (1) *Fintiv* does not actually encourage efficient resolution of whether patents should be cancelled, (2) *Fintiv* produces unpredictable—and sometimes irrational—outcomes, and (3) *Fintiv*’s factors are so vague and malleable as to actually *increase* uncertainty about whether institution will be denied based on a parallel proceeding.

First, the *Fintiv* framework does not actually promote efficient evaluation of whether a patent is invalid. Rather, the rule actually makes it more challenging to get rid of bad patents by encouraging patent defendants to rush to file petitions (in order to avoid a finding that the advanced stage of litigation precludes institution) and giving patentees a tool to block AIA

proceedings altogether by filing in a rocket docket with an average short time to trial. It also engenders significant uncertainty because it is generally difficult to predict trial dates at the outset of litigation and, in any event, trial dates often change even after they have been set. Indeed, a recent study found that in two of the most prominent patent venues in the country (the Western District of Texas and the District of Delaware), the vast majority of patent trials were pushed back only after the Board denied institution based on the existing trial dates.¹

Second, the *Fintiv* rule requires the PTO to engage in guesswork about how a parallel case will proceed, which in turn may lead to similarly situated petitioners receiving dramatically different rulings. For example, one *Fintiv* factor asks the PTO to consider whether, if a stay has not already been entered, “one may be granted” if IPR is instituted. *Fintiv*, Paper 11 at 6. It is difficult to imagine how the PTO can approach such a speculative determination in a reasoned and predictable way. Indeed, when faced with similar facts, different PTAB panels have come to disparate conclusions. *Compare LG Elecs., Inc. v. Bell N. Research, LLC*, No. IPR2020-00319, 2020 WL 3454962, at *8 (P.T.A.B. June 23, 2020) (likelihood of a stay favored denying institution), *with Apple Inc. v. Maxell, Ltd.*, No. IPR2020-00199, 2020 WL 3401272, at *6 (P.T.A.B. June 19, 2020) (likelihood of a stay was a neutral factor).

Finally—and relatedly—the *Fintiv* factors are as a general matter so shapeless that different Board panels may arrive at dramatically different conclusions regarding whether institution is appropriate. To take just one example, one panel has stated that an overlap between proceedings *avored* institution (because the trial was in the distant future) while another panel applied the exact same factors to decide that case decided that overlap *disavored* institution

¹ McKeown, *District Court Trial Dates Tend to Slip After PTAB Discretionary Denials*, ROPES & GRAY (July 4, 2020), <https://www.patentspostgrant.com/district-court-trial-dates-tend-to-slip-after-ptab-discretionary-denials/>.

(because the trial was near). *Compare Medtronic, Inc. v. Teleflex Innovations S.à.r.l.*, No. IPR2020-00135, 2020 WL 3053201, at *16 (P.T.A.B. June 8, 2020), with *Cisco Sys., Inc. v. Ramot at Tel Aviv Uni. Ltd.*, No. IPR2020-00122, 2020 WL 2511246, at *3-4 (P.T.A.B. May 15, 2020).

Similarly, one panel has held that—even though petitioner’s pending trial would not occur until after the final written decision issued—the fact that another trial involving a *different* defendant and venue would occur before the final written decision weighed in favor of denial. *See Fitbit v. Philips N. Am. LLC*, No. IPR2020-00828, 2020 WL 6470312, at *4 (P.T.A.B. Nov. 3, 2020) (“The fact that the trial in the *Garmin* case will likely take place several months prior to the final decision weighs in favor of invoking our discretion to deny institution.”). Just two weeks earlier, however, another panel reached the opposite conclusion on similar facts. *See Dolby Laboratories, Inc. v. Intertrust Techs. Corp.*, No. IPR2020-00662, 2020 WL 6107204, at *4-5 (P.T.A.B. Oct. 15, 2020) (fact that Texas trial involving patentee and three different defendants would begin seven months prior to deadline to issue final written decision did not weigh in favor of denying institution, as “Dolby is not a party to the Texas Actions”).

3. The *Fintiv* rule makes even less sense in the context of ITC proceedings, as an ITC ruling carries “no preclusive effect in other forums.” *See Texas Instruments, Inc. v. Cypress Semiconductor Corp.*, 90 F.3d 1558, 1568-1569 (Fed. Cir. 1996); *see also Nichia Corp. v. Lighting Science Group Corp.*, No. IPR2019-01259, 2020 WL 259578, at *11 (P.T.A.B. Jan. 15, 2020) (noting that “ITC decisions do not preempt issues addressed in an *inter partes* review proceeding”). In other words, an adverse decision for one party in the ITC would—as a matter of statute—not decide the issue of validity in either the PTAB or district court. This means that

even after an ITC investigation concludes, the winning party would have to relitigate the issue before the PTAB or in court to conclusively resolve validity.

This is not a *pro forma* distinction. The ITC applies a more stringent standard when reviewing validity than the Board does in AIA proceedings, meaning that—just as a defendant might prevail in a criminal case but lose in a civil suit based on the same facts—a patentee might prevail in the ITC but have the same patent declared invalid by the Board. *Compare Linear Tech. Corp. v. ITC*, 566 F.3d 1049, 1066 (Fed. Cir. 2009) (at the ITC, “party asserting invalidity [must] prove it with facts supported by clear and convincing evidence”), with 35 U.S.C. § 316(e) (petitioner has “the burden of proving a proposition of unpatentability by a preponderance of the evidence”) and *id.* § 326(e) (same). Indeed, prior to *Fintiv*’s issuance earlier this year, a number of PTAB panels relied on the unique characteristics of an ITC case in granting institution despite a pending ITC proceeding. *See Nichia Corp.*, 2020 WL 259578, at *11; *Samsung Elecs. Co. v. BitMicro, LLC*, No. IPR2018-01411, 2019 WL 325870, at *6-7 (P.T.A.B. Jan. 23, 2019); *Wirtgen Am., Inc. v. Caterpillar Paving Prods.*, No. IPR2018-01201, 2019 WL 137630, at *4-5 (P.T.A.B. Jan. 8, 2019).