

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE

SAMSUNG DISPLAY CO., LTD.,

Petitioner,

v.

PICTIVA DISPLAYS INTERNATIONAL LTD.,

Patent Owner.

IPR2024-00855
Patent 8,314,547 B2

Before DERRICK BRENT, *Acting Under Secretary of Commerce for
Intellectual Property and Acting Director of the United States Patent and
Trademark Office.*

DECISION

Initiating Director Review, Modifying the Decision Denying Institution, and
Denying Institution

I. INTRODUCTION

On May 7, 2024, Samsung Display Co., Ltd. (“Petitioner”) filed a Petition requesting *inter partes* review of claims 1–5 and 8–14 of U.S. Patent No. 8,314,547 B2 (“the ’547 patent”). Paper 1 (“Pet.”). Pictiva Displays International Ltd. (“Patent Owner”) filed a Preliminary Response. Paper 7 (“Prelim. Resp.”). Petitioner also filed an authorized Reply to the Preliminary Response (Paper 8, “Reply”), and Patent Owner filed a corresponding Sur-Reply (Paper 9, “Sur-Reply”). Patent Owner filed supplemental briefing on the issue of claim interpretation (Paper 10), and Petitioner filed a response to Patent Owner’s supplemental briefing on claim construction (Paper 11).

On November 19, 2024, the Board issued a decision denying institution of *inter partes* review. Paper 12 (“Denial Decision” or “Denial Dec.”). In its Denial Decision, the Board exercised its discretion under 35 U.S.C. § 314(a) to deny institution in view of the pending district court action between the parties based on its weighing of the factors articulated in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”). I have reviewed the Board’s Denial Decision, the relevant papers, and the exhibits of record in this proceeding. I determine that *sua sponte* Director review of the Board’s Denial Decision is appropriate to address the Board’s consideration of *Fintiv* Factor 6—“other circumstances that impact the Board’s exercise of discretion, including the merits.” *See* 37 C.F.R. § 42.75(b) (“The Director, on the Director’s own initiative, may initiate sua sponte Director Review of a decision...”). Having reviewed the Board’s Denial Decision, the relevant papers, and the exhibits of record in this proceeding, I *modify* the Board’s analysis of *Fintiv* Factor 6, but otherwise *affirm* the Board’s Denial Decision.

II. ANALYSIS

The Board found *Fintiv* Factors 2, 4, and 5 weighed in favor of denial, Factor 1 was neutral, and Factor 3 weighed against denial. Denial Dec. 8–20. The Board found that Petitioner did not show compelling merits of unpatentability in its Petition. *Id.* at 12–17. I see no abuse of discretion in those determinations, so I affirm that portion of the Board’s analysis. However, the Board also weighed, among the “other considerations” under *Fintiv* Factor 6, Patent Owner’s allegations that “three of the grounds asserted in the Petition implicate a ‘swear-behind analysis’ relevant to whether Igarashi^[1] qualifies as prior art.” *Id.* at 18 (citing Prelim. Resp. 92). In particular, the Board noted that “Patent Owner . . . submits that a trial in this forum will implicate the testimony of ‘inventors who are all based in Germany’ and over whom ‘Patent Owner does not have access.’” *Id.* (citing Prelim. Resp. 92). Petitioner argued that the Igarashi grounds do not involve a swear-behind analysis “because the asserted prior art qualifies under 35 U.S.C. § 102(b).” Reply 5 n.1.

The Board determined that it was “not persuaded . . . that Petitioner’s view of the law is so unassailably correct that Patent Owner would be precluded, during a trial phase in this forum, from pursuing international discovery of the inventors or presenting a swear-behind analysis.” Denial Dec. 18 (citing Reply 5 n.1). The Board noted that “Patent Owner raises arguments, refuting Petitioner’s view of the applicable legal authority, which may be novel but are not definitively meritless on this record.” *Id.* (citing Prelim. Resp. 8–56; Sur-reply 1–2; Reply 1–2). The Board agreed with

¹ U.S. Patent Application Publication No. 2007/0023734 A1, filed Jul. 27, 2006, published Feb. 1, 2007 (Ex. 1004).

Patent Owner that “the factual circumstances surrounding the swear-behind issue in this case [are] ‘complicated.’” *Id.* at 18–19 (citing Prelim. Resp. 92, 8–56).

The Board explained that:

Under the particular and unique circumstances presented on this record, we determine that the issues surrounding the prior art status of Igarashi may be better suited for resolution by the District Court, where live testimony is the norm. Any swear-behind analysis likely would turn on witness credibility, and live witness testimony may be a particularly effective tool for fleshing out those credibility issues, without the “compressed timeline” or “word limit” constraints applicable in our forum.

Id. (citing Prelim. Resp. 92). The Board found that this particular determination supported denying institution. *Id.* at 19.

I find that the Board erred in its analysis for two independent reasons. First, the law surrounding pre-AIA² § 102(b) is not uncertain. Pre-AIA § 102(b) states:

A person shall be entitled to a patent unless –

...

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to *the date of application for patent in the United States*.

35 U.S.C. § 102(b) (2010) (emphasis added). The ’547 patent issued from a Patent Cooperation Treaty (PCT) application. *See* Ex. 1001, Codes (22),

² The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended § 102, and has an effective date of March 13, 2013. The ’547 patent claims priority to an application filed before the effective date of the AIA, so the pre-AIA versions of §§ 102 and 363 apply.

(86), (87). Pre-AIA 35 U.S.C. § 363 provides the effect of an international application designating the United States, and states (in relevant part):

[a]n international application designating the United States shall have the effect, *from its international filing date* under article 11 of the treaty, of a national application for patent regularly filed in the Patent and Trademark Office....”

35 U.S.C. § 363 (2010) (emphasis added).

“Statutory interpretation begins with the words of the statute.”

Mulder v. McDonald, 805 F.3d 1342, 1345 (Fed. Cir. 2015). Here, pre-AIA § 102(b) unambiguously provides that a prior art reference that published more than one-year before the U.S. filing date of a challenged patent is prior art under § 102(b). Pre-AIA § 363 is also unambiguous, providing that it is the international filing date under Article 11 of the PCT treaty, not the foreign priority date under Article 8—as Patent Owner contends (Sur-Reply 1–2)—that has the same effect as the U.S. filing date. *See Broadcast Innovation L.L.C. v. Charter Commc’ns, Inc.*, 420 F.3d 1364, 1368 (Fed. Cir. 2005) (noting that “under 35 U.S.C. § 363, the international filing date of a PCT application is also the U.S. filing date for the corresponding national stage application”). In this case, Igarashi published on February 7, 2007 (Ex. 1004, Code (43)), which is more than one-year before the international filing date of the ’547 patent, which is August 4, 2008 (Ex. 1001, Code (22)). Thus, Igarashi is prior art under pre-AIA § 102(b). The Board’s suggestion that pre-AIA § 102(b) and pre-AIA § 363 are somehow unclear is incorrect.

The Manual of Patent Examining Procedure (“MPEP”) supports this understanding of the relevant statutes. As the MPEP explains, under pre-AIA § 102(b), “[t]he 1-year time bar is measured from the U.S. filing date.” MPEP § 2133. The MPEP further provides, “[t]he effective filing

date for claims subject to pre-AIA 35 U.S.C. § 102 is not the filing date of the foreign priority document. . . .” MPEP § 2139.01. The fact that ’547 patent issued from a PCT application does not change this analysis. As the MPEP explains, “the one-year grace period in pre-AIA 35 U.S.C. § 102(b) is measured from only the filing date of the earliest application filed in the United States (directly or through the PCT).” MPEP § 2152; *see also* MPEP § 1810 (describing “international filing date”); MPEP § 2151 (“Under pre-AIA 35 U.S.C. 102(b), the one-year grace period is measured from the filing date of the earliest application filed in the United States (directly or through the PCT) and not from the dates of earlier filed foreign patent applications.”). This Office examination resource is consistent with the plain statutory language, supporting that Igarashi is prior art under pre-AIA § 102(b).

Second, the Board’s reasoning that the issues regarding priority of invention were “better suited for the district court,” as a matter of course, was incorrect.

The Board has rules and the tools available in proceedings that provide flexibility to provide appropriate fact-finding and due process. Notably, the Board can, and has, allowed live testimony in AIA trials where witness credibility is crucial, as the Board suggested was needed here.³ *See*,

³ To the extent the Board was concerned that it could not compel the appearance at the oral hearing for live testimony of any uncooperating German witnesses, a district court would apparently face limitations on compelling the appearance of a foreign witness at a court hearing in the United States. *See* 28 U.S.C. § 1783; *see also United States v. Filippi*, 918 F.2d 244, 246 n.2 (1st Cir. 1990) (stating that, even in criminal cases, U.S. statutes only provide for serving subpoenas on U.S. nationals or residents located in foreign countries, and do not provide for subpoenas of foreign nationals located abroad).

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e.g., *Fidelity Info. Servs., LLC v. Groove Digital, Inc.*, IPR2019-00050, Paper 51 (PTAB Jan. 9, 2020) (order granting testimony), Papers 61 and 62 (trial testimony); *MPOWERD Inc. v. LuminAID Lab, LLC*, IPR2018-01524, Paper 40 (PTAB Nov. 1, 2019), Paper 43 (trial testimony); *K-40 Elecs., LLC v. Escort, Inc.*, IPR2013-00203, Paper 34 (PTAB May 21, 2014) (precedential) (order granting testimony), Paper 44 (trial testimony). Indeed, the Consolidated Trial Practice Guide expressly contemplates live testimony in cases “where the Board considers demeanor of a witness critical to assessing credibility,” and notes that one instance where the Board has allowed such testimony was where “an inventor who provided declaration testimony to antedate the reference relied on by the petitioner to challenge patentability.” *See* Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 21, 2019), 31–32.⁴ Moreover, the Board can authorize parties to seek subpoenas for testimony in the United States. *See* 35 U.S.C. § 24 (subpoenas); 37 C.F.R. § 42.53(b)(2) (requesting depositions). In addition, the Board can adjust word counts and deadlines if the requesting party shows good cause. *See* 37 C.F.R. §§ 42.5(b) (allowing Board to waive or suspend rules), 42.5(c)(2) (allowing Board to alter times). Indeed, the statute and rules even allow for up to a six-month extension of the one-year deadline for Final Written Decisions. *See* 35 U.S.C. § 316(a)(11); 37 C.F.R. § 42.100(c) (noting one-year deadline may be extended). Thus, the Board’s finding or suggestion that the district court “may be better suited,” as a matter of course, than the Board for resolving a priority dispute does not consider the available PTAB procedures and tools, and is corrected here. Denial Decision 19.

⁴ Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

Notwithstanding these two points, reviewing the totality of the Board's weighing of the *Fintiv* factors, the above noted errors related to *Fintiv* Factor 6 do not alter the Board's holistic determination of this case with regard to discretionary denial. Accordingly, I *affirm* the Board's determination to exercise its discretion to deny institution under § 314(a).

III. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that *sua sponte* Director Review of the Board's Decision Denying Institution is initiated;

FURTHER ORDERED that the Board's Decision is *affirmed* as *modified in this decision*; and

FURTHER ORDERED that the Petition is *denied* and no trial is instituted.

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