

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NXP USA, INC.,
Petitioner,

v.

IMPINJ, INC.,
Patent Owner.

IPR2021-01556
Patent 10,776,198 B1

Before KEN B. BARRETT, ROBERT J. WEINSCHENK, and
KEVIN C. TROCK, *Administrative Patent Judges*.

TROCK, *Administrative Patent Judge*.

DECISION

Denying Petitioner's Request on Rehearing of Decision
Denying Institution of *Inter Partes* Review
37 C.F.R. § 42.71(d)

I. INTRODUCTION

On May 20, 2022, Petitioner NXP USA, Inc. filed a Rehearing Request (Paper 11 (“Request” or “Req. Reh’g”)), along with Exhibits 1016–1018. Petitioner’s Request seeks reconsideration of our decision (Paper 10, “Decision” or “Dec.”) denying institution of *inter-partes* review of claims 1–20 of U.S. Patent No. 10,776,198 B1 (“the ’198 patent”).

In the Decision, we exercised discretion under 35 U.S.C. § 314(a) to deny institution of an *inter partes* review based on the record before us at that time. Dec. 2. In its Preliminary Response, Patent Owner argued that an analysis of the *Fintiv*¹ factors weighed in favor of denying institution. *See* Paper 9, 36–43. Petitioner did not address *Fintiv* or our discretion to deny institution under 35 U.S.C. § 314(a) in the Petition. *See* Paper 1, *passim*. Importantly, Petitioner did not request leave to file a reply brief to address Patent Owner’s *Fintiv* arguments or our discretionary authority under Section 314(a). *See* 37 C.F.R. § 42.108(c) (“A petitioner may seek leave to file a reply to the preliminary response in accordance with §§ 42.23 and 42.24(c).”). After considering the evidence of record and the arguments before us that addressed the six factors set forth in *Fintiv*, we explained in

¹ *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential). *See also* Interim Procedure for Discretionary Denials in AIA Post Grant Proceedings with Parallel District Court Litigation (June 21, 2022), https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf.

the Decision that the balance of those factors weighed in favor of discretionarily denying the Petition under 35 U.S.C. § 314(a). Dec. 6–11.

Petitioner now asserts in its Request that we “misapprehended the proximity of the District Court’s trial date relative to the Final Written Decision deadline,” and that we “overlooked the fact that only three of the nine patents asserted by Patent Owner will be included in the February 2023 trial.” Req. Reh’g 1, 4. Petitioner also argues that Patent Owner’s statements in the Preliminary Response cited by the Board in the Decision denying institution are “inaccurate.” *Id.* at 2, 5. Petitioner also now advises us that it has “submitted a stipulation agreeing that, should trial be instituted in this case, Petitioner will not pursue any grounds based on the [three primary prior art] references relied on in this IPR matter.” *Id.* at 6 (citing Ex. 1018).

As we explain below, we have considered the arguments presented by Petitioner in its Request, but we discern no reason to modify our Decision. As a result, we *deny* Petitioner’s Request for Rehearing.

II. LEGAL STANDARDS

A party requesting rehearing bears the burden of showing that the decision should be modified. 37 C.F.R. § 42.71(d). “The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.” *Id.* When rehearing a decision on a petition, we review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). “An abuse of discretion may be indicated if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment

in weighing relevant factors.” *Huawei Device Co., Ltd., v. Optis Cellular Tech., LLC*, IPR2018-00816, Paper 19, 3 (PTAB Jan. 8, 2019) (precedential) (citations omitted). Further, “[a]bsent a showing of ‘good cause’ . . . , new evidence will not be admitted” in connection with a request for rehearing. Patent Trial and Appeal Board Consolidated Trial Practice Guide 90 (Nov. 2019), <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf> (citing *Huawei Device Co.*, IPR2018-00816, Paper 19 at 4). Thus, a request for rehearing is not generally an opportunity to present new arguments or evidence.

III. ANALYSIS

A. *Petitioner has not Directly Addressed “Good Cause”*

“Ideally, a party seeking to admit new evidence with a rehearing request would request a conference call with the Board prior to filing such a request so that it could argue ‘good cause’ exists for submitting the new evidence. Alternatively, a party may argue ‘good cause’ exists in the rehearing request itself.” *Huawei Device Co.*, IPR2018-00816, Paper 19 at 4; *see also* Consolidated Trial Practice Guide at 90 (quoting the same).

Along with its Rehearing Request, Petitioner submitted Exhibit 1016 (Markman Hearing Transcript, held Feb. 10, 2022, prepared Feb. 28, 2022); Exhibit 1017 (Joint Notice of Agreed Date to Disclose Election of Patents for Trial, dated March 23, 2022); and Exhibit 1018 (Counsel’s Letter from M. Hendershot to D. Keese, dated May 19, 2022). Petitioner relies on these documents to support its arguments in the Request. Petitioner, however, did not request a conference call with the Board in order to argue “good cause” prior to submitting these documents as new evidence. Moreover, Petitioner does not expressly address the issue of “good cause” in its Rehearing

Request. Petitioner, however, does make an argument regarding “the interests of justice” in the Request that could be interpreted as an argument to establish “good cause.”

Petitioner argues in a footnote that “it is in the interests of justice for the Panel to consider the entirety of [the district court] record, particularly docket document 63, submitted herewith as Exhibit 1017, noting that only three of the nine asserted patents will be included in the trial scheduled for February 2023.” Req. Reh’g 1, n.1. Petitioner also cites to Exhibit 1016, a district court Markman hearing transcript, to support this argument. *Id.* at 1.

The problem with Petitioner’s argument, however, is that these documents both *predate* the Decision denying institution of *inter partes* review.² If Petitioner believed that it was important for the Board to consider these documents in rendering its Decision, Petitioner could have requested leave to file a reply brief in order to submit these documents to the Board and also respond to Patent Owner’s arguments in the Preliminary Response. Petitioner, however, made no such request.

B. Petitioner’s Lack of Diligence Weighs Against Finding Good Cause

As noted above, Petitioner did not address *Fintiv* in the Petition, nor did Petitioner address our discretion to deny institution under 35 U.S.C. § 314(a). *See Pet. passim.* Petitioner did not request leave to file a reply brief to address Patent Owner’s arguments in the Preliminary Response directed to *Fintiv* or our discretionary authority. Nor did Petitioner request

² The Decision denying institution issued on April 21, 2022. Paper 10. Exhibit 1016, the Markman hearing transcript, was prepared on February 28, 2022. Ex. 1016, 56. Exhibit 1017, the Joint Notice, was filed in district court on March 23, 2022. Ex. 1017, 3.

leave to submit Exhibits 1016 or 1017 as evidence for our consideration prior to the Decision on institution, even though both documents were available to Petitioner. It was not until *after* the Decision denying institution of *inter partes* review issued that Petitioner decided to address the issue of *Fintiv*, our discretionary authority, and to submit documents for the record as new evidence.

For example, the district court Markman hearing transcript now relied on by Petitioner (Ex. 1016) was prepared on February 28, 2022, approximately two months *prior* to the Decision denying institution of *inter-partes* review. Petitioner could have, but did not, request leave to file a reply brief to respond to Patent Owner’s arguments in the Preliminary Response that addressed the issue Petitioner now brings up in the Request, i.e. that “Patent Owner’s assertion [in the Preliminary Response] that the ’198 patent’s ‘current [trial] date is well before the Board’s projected deadline’ is inaccurate.” *Id.* at 2, 4–5.

In the Request, Petitioner does not explain why it did not seek leave to file a reply brief to respond to Patent Owner’s arguments in the Preliminary Response or to provide the Board with a copy of the district court Markman hearing transcript when it first became available. Petitioner provides no explanation why it waited until *after* we issued the Decision denying institution to submit a copy of the district court Markman hearing transcript when it was available two months *prior* to our Decision denying institution. Petitioner’s lack of diligence in not approaching the Board earlier when it had the opportunity to address these issues and to submit these documents prior to the Decision on institution, undermines Petitioner’s argument in the Request and weighs against a finding of “good cause.”

C. Petitioner's Arguments Lack Explanation and are Based on Speculation

In its Request, Petitioner argues that the “Panel misapprehended the proximity of the District Court’s trial date relative to the Final Written Decision deadline.” Req. Reh’g 4–5. This section of the Request, however, does not explain *how* we misapprehended this timing. Another section of the Request argues that “in denying institution, the Panel overlooked the fact that only three of the nine patents asserted by Patent Owner will be included in the February 2023 trial.” *Id.* at 1. The Request, however, does not explain *how* we “overlooked” information not of record at the time of our Decision, but instead cites to Exhibit 1016, the district court Markman hearing transcript submitted by Petitioner along with the Request, which transcript was not part of the record at the time of the institution decision.

The Request also argues that “Patent Owner’s assertion that the ’198 patent’s ‘current [trial] date is well before the Board’s projected deadline’ is inaccurate.” *Id.* at 2. Petitioner’s argument that Patent Owner’s statement concerning the district court trial date is inaccurate, however, is based on speculation. In the Request, Petitioner calculates that “there is only a one-out-of-three chance that the ’198 Patent will be included” in the district court trial. *Id.* at 5. But, as Petitioner acknowledges in the Request, “whether or not the ’198 Patent is included in the first trial is entirely under Patent Owner’s control.” *Id.* at 4. Petitioner presents no evidence that Patent Owner has decided *not* to include the ’198 patent in the district court trial. Thus, Petitioner’s argument that Patent Owner’s statement “is inaccurate” is based on Petitioner’s speculation as to what Patent Owner will, or will not, do.

D. Petitioner's Post-Denial Stipulation is Unpersuasive

Petitioner now informs us in the Request that “[t]o mitigate any remaining *Fintiv* Factor 4 concerns, Petitioner has submitted a stipulation agreeing that, should trial be instituted in this case, Petitioner will not pursue any grounds based on the [three primary prior art] references relied on in this IPR matter.” *Id.* at 6.

In the Decision denying institution of *inter-partes* review, we noted that the Petition did not address overlap of the issues between the Petition and the district court proceeding. Decision 9. We also noted that “[b]ecause the Petition challenges all of the ’198 patent claims asserted in the parallel proceeding, and also asserts the same prior art combinations in both proceedings, this factor weighs in favor of discretionary denial.” *Id.* at 10.

We acknowledge that in some cases the Board has considered the effect of post-institution stipulations in requests for rehearing. Petitioner argues, for example, that in *SharkNinja Operating LLC v. iRobot Corporation* (IPR2021-00544, Paper 13, 7–12), the Board “found that ‘Petitioner’s stipulation (*regardless of its timing*) promotes efficiency by eliminating duplication between proceedings, and thus promotes one of the Board’s primary interests in determining whether to discretionarily deny institution.’” Request, 7–8. In that case, however, the Board considered a revised, full-estoppel stipulation in conjunction with a finding that the Board had erred as to the applicable ITC date, neither of which circumstance is present here.

Other than to purportedly “mitigate any remaining *Fintiv* Factor 4 concerns,” Petitioner has not offered any explanation or justification as to why its stipulation is being offered so late in this proceeding. Our case law

on this subject, *Sotera Wireless, Inc. v. Masimo Corporation*, IPR2020-01019, Paper 12 (Dec. 1, 2020) and *Sand Revolution II, LLC v. Continental Intermodal Group – Trucking LLC*, Case IPR2019-01393, Paper 24 (June 16, 2020), was designated precedential and informative (respectively) long before the Petition in this case was filed. If Petitioner had wanted to “mitigate” any “*Fintiv* Factor 4 concerns,” as it now argues, Petitioner could have offered this stipulation prior to the Board’s *Fintiv* analysis in the Decision. Petitioner, however, chose not to do so.

IV. CONCLUSION

For the foregoing reasons, Petitioner has not demonstrated that we abused our discretion in not instituting an *inter partes* review of the challenged claims of the ’198 patent.

V. ORDER

Accordingly, it is

ORDERED that Petition’s Request for Rehearing is *denied*.

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