

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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INTEL CORPORATION,  
Petitioner,

v.

TELA INNOVATIONS, INC.,  
Patent Owner.

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IPR2019-01220  
Patent 7,943,966 B2

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Before JO-ANNE M. KOKOSKI, KRISTINA M. KALAN, and  
WESLEY B. DERRICK, *Administrative Patent Judges*.

KALAN, *Administrative Patent Judge*.

DECISION  
Denying Institution of *Inter Partes* Review  
35 U.S.C. § 314

## I. INTRODUCTION

Intel Corporation (“Petitioner”) filed a Petition (Paper 2, “Pet.”) requesting *inter partes* review of claims 2, 31–33, and 35 (the “challenged claims”) of U.S. Patent No. 7,943,966 B2 (Ex. 1001, “the ’966 patent”). Petitioner concurrently filed two other petitions requesting *inter partes* review of the challenged claims, in IPR2019-01221 (“the 1221 IPR”) and IPR2019-01228 (“the 1228 IPR”). *Intel Corp. v. Tela Innovations, Inc.*, IPR2019-01221, Paper 2 (PTAB June 20, 2019); *Intel Corp. v. Tela Innovations, Inc.*, IPR2019-01228, Paper 2 (PTAB June 20, 2019).

Tela Innovations, Inc. (“Patent Owner”) filed a Preliminary Response to the Petition (Paper 11, “Prelim. Resp.”). Patent Owner does not substantively address the merits of Petitioner’s challenge, but contends review by the Board would be improper in view of, among other things, Petitioner’s multiple petitions challenging the same claims of the ’966 patent. *See generally* Prelim. Resp. We authorized additional briefing on the issues set forth in the Preliminary Response. Paper 14 (“Briefing Order”). Petitioner filed a Reply to Patent Owner’s Preliminary Response (Paper 16, “Reply”) and Patent Owner filed a Sur-Reply to Petitioner’s Reply (Paper 18, “Sur-Reply”).

Additionally, as authorized by our Order (Paper 13, “Notice Order”), Petitioner filed a Notice Ranking Petitions (Paper 15, “Notice”), and Patent Owner filed a Response (Paper 17). Petitioner ranked the 1228 IPR petition above the instant Petition and sought to withdraw the 1221 IPR petition. Notice 2. In an Order (1221 IPR, Paper 19), we allowed Petitioner to file a motion to dismiss the 1221 IPR petition. Petitioner filed a Motion to Dismiss the 1221 IPR petition (1221 IPR, Paper 20), and we dismissed

the 1221 IPR petition (1221 IPR, Paper 21). We are instituting *inter partes* review in the 1228 IPR. IPR2019-01228, Paper 19.

We have authority to determine whether to institute *inter partes* review. 35 U.S.C. § 314(a); 37 C.F.R. § 42.4(a). For the reasons that follow, we exercise our discretion under 35 U.S.C. § 314(a) to deny institution of *inter partes* review.

*A. Related Proceedings*

The parties state that the '966 patent is at issue in an International Trade Commission ("ITC") investigation, Inv. No. 337-TA-1148. Pet. 2; Paper 4, 1. The parties also state that the '966 patent is at issue in the following civil action: *Intel Corp. v. Tela Innovations, Inc.*, Case No. 3:18-cv-02848 (N.D. Cal.). Pet. 3; Paper 4, 2. The parties identify further civil actions involving the '966 patent, to which Petitioner is not a party. *Id.* The parties further state that two other petitions have been filed for the '966 patent, namely, IPR2019-01221 and IPR2019-01228. *Id.*

*B. The Asserted Grounds of Unpatentability*

Petitioner contends claims 2, 31–33, and 35 of the '966 patent are unpatentable on the following grounds:

Reference(s)	Basis	Claim(s) Challenged
Yano <sup>1</sup>	§ 103	2
Yano and Kitabayashi <sup>2</sup>	§ 103	31, 32, 33, 35

In support of its unpatentability arguments, Petitioner relies on the declaration testimony of Dr. Stanley Shanfield. Ex. 1002.

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<sup>1</sup> US 7,538,368 B2, issued May 26, 2009 (Ex. 1011).

<sup>2</sup> US 7,200,831 B2, issued Apr. 3, 2007 (Ex. 1016).

## II. ANALYSIS

In its Preliminary Response, faced with three petitions challenging the same claims of the '966 patent, Patent Owner argues that we should exercise our discretion under 35 U.S.C. § 314(a) to deny at least some of the multiple petitions. Prelim. Resp. 33–41.

As explained above, we issued a Notice Order requiring Petitioner to provide a ranking of the petitions challenging the '966 patent that identifies the order in which it wishes the Board to consider the merits. Notice Order 2–3. We further required Petitioner to provide a succinct explanation of the differences among the petitions, why the issues addressed by the differences are material, and why the Board should exercise its discretion to institute additional petitions if it identifies one petition that satisfies Petitioner's burden under 35 U.S.C. § 314(a). *Id.* at 3. Also, as explained above, all the challenged claims in this proceeding are subject to *inter partes* review in the 1228 IPR based on the 1228 IPR petition that Petitioner ranked above the Petition here. Notice 2; IPR2019-01228, Paper 19.

Under § 314(a), the Director has discretion to deny institution of *inter partes* review. See 37 C.F.R. § 42.4(a) (“The Board institutes the trial on behalf of the Director.”); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1356 (2018) (“[Section] 314(a) invests the Director with discretion on the question whether to institute review . . . .” (emphasis omitted)); *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he PTO is permitted, but never compelled, to institute an IPR

proceeding.”). In this context, the Consolidated Trial Practice Guide (“CTPG”)<sup>3</sup> states:

There may be other reasons besides the “follow-on” petition context where the “effect . . . on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings,” 35 U.S.C. § 316(b), favors denying a petition even though some claims meet the threshold standards for institution under 35 U.S.C. § 314(a), and 324(a) . . . . Based on the Board’s experience, one petition should be sufficient to challenge the claims of a patent in most situations. Two or more petitions filed against the same patent at or about the same time . . . may place a substantial and unnecessary burden on the Board and the patent owner and could raise fairness, timing, and efficiency concerns. *See* 35 U.S.C. § 316(b). In addition, multiple petitions by a petitioner are not necessary in the vast majority of cases.

CTPG 58–59; *see also* Office Patent Trial Practice Guide, July 2019 Update (“July 2019 TPG Update”), 25–26.

Petitioner contends that both the 1228 IPR petition and this Petition merit consideration, and argues that we should institute *inter partes* review on this Petition because there are material differences between the 1228 IPR petition, which relies on Ichiryu, and this Petition, which relies on Yano and Kitabayashi. Notice 2.

Petitioner sets forth the material differences between the two petitions as including: (1) that in the 1228 IPR, Ichiryu is relied on as a single reference to render obvious all claims, and that in the 1220 IPR, Yano is relied on in combination with Kitabayashi to render obvious some claims; (2) that with respect to transistors of a “first transistor type” and a “second

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<sup>3</sup> Available at <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf?MURL=>

transistor type” in claim 2, Yano explicitly describes PMOS and NMOS transistors formed over p-type and n-type diffusion regions, respectively, while “Ichiryu Figure 11 depicts transistors formed over diffusion regions of different sizes”; and (3) that with respect to unoccupied gridlines in the claimed first metal layer in claim 32, Kitabayashi expressly teaches adding dummy structures to fill all gridlines, while “Ichiryu’s express teaching of dummy structures is for the gate layer” and that “it would have been obvious to apply that teaching to add dummy structures to the 1D metal layers.” *Id.* at 2–3.

Petitioner also contends that denial of either petition based on the July 2019 TPG Update, which provides for the ranking of multiple petitions, would be unfair, because these petitions were filed prior to its issuance. Notice 3–4. Petitioner argues that it “might have structured its petitions differently,” and that the Board, in similarly situated cases with a pair of parallel petitions filed prior to the July 2019 TPG Update, has considered the merits of both petitions. *Id.* at 4. Petitioner contends that the Board’s decisions declining Patent Owner’s requests for discretionary denial in *Facebook, Inc. v. Blackberry Ltd.*, IPR2019-00516, Paper 7 (PTAB Aug. 5, 2019), and IPR2019-00528, Paper 8 (PTAB Aug. 5, 2019), and *Emerson Electric Co. v. Sipco, LLC*, IPR2019-00545, Paper 16 (PTAB Aug. 30, 2019), and IPR2019-00547, Paper 15 (PTAB Aug. 30, 2019), support instituting *inter partes* review of both the 1228 IPR petition and this Petition. Notice 5. Petitioner contends that the 1220 IPR and 1228 IPR Petitions “are strong on the merits, rely on different references, and address certain claim limitations . . . in different ways.” *Id.* at 5. Petitioner contends, thus, that “[t]wo Petitions are warranted because of word count limit and material differences detailed above.” *Id.*

As noted above, the Director has always possessed statutory discretion whether to institute *inter partes* review based on a petition, both before and after promulgation of the July 2019 TPG Update. *See* 35 U.S.C. § 314(a). Also, as explained above and in the Notice Order, in exercising the discretion to institute more than one petition, we consider that “[t]wo or more petitions filed against the same patent at or about the same time . . . may place a substantial and unnecessary burden on the Board and the patent owner.” Notice Order 2 (quoting July 2019 TPG Update, 26).

Petitioner’s identification of purported differences between the grounds falls short of establishing that the burden of conducting *inter partes* review in this case is necessary. As to Yano being relied on in combination with Kitabayashi in the 1220 IPR, as opposed to the single-reference reliance on Ichiryu in the 1228 IPR, Petitioner fails to identify any issue grounded on the use of two references here rather than one there. Additionally, in each Petition, Petitioner relies on a single reference alone to challenge the sole independent claim at issue. Petitioner’s argument is thus, in effect, only that the grounds to some extent rely on different references.

As to Yano explicitly describing PMOS and NMOS transistors formed over p-type and n-type diffusion regions, respectively, Petitioner also states that “Ichiryu Figure 11 depicts transistors formed over diffusion regions of different sizes.” Notice 3. Thus, Petitioner appears to argue that both references teach these limitations, but differ in how they teach these limitations. Again, Petitioner’s argument is in effect only that the grounds rely on different references.

As to the argument that Kitabayashi, relied upon in this Petition, expressly teaches adding dummy structures vis-à-vis claim 32, Petitioner fails to explain why Kitabayashi’s express teaching of the limitation is

germane to whether to institute *inter partes* review based on Ichiryu. Petitioner argues that Ichiryu lacks such an express teaching, but nevertheless that “it would have been obvious to apply that teaching to add dummy gate structures to the 1D metal layers of Ichiryu as well.” Here, too, Petitioner appears to argue that both references teach these limitations in their own way, a variation on the argument that the grounds rely on different references. *Id.*

The Board decisions on which Petitioner relies are distinguishable on this record. In *Facebook*, the Board was required to issue decisions on institution without the benefit of the additional briefing the July 2019 TPG Update prescribes, due to time constraints<sup>4</sup> and because the petitions included different unpatentability arguments to account for different claim interpretations. *See, e.g., Facebook*, IPR2019-00516, Paper 7, at 35. In this case, we have the benefit of the additional briefing in Petitioner’s Notice ranking parallel petitions (Paper 15), and Patent Owner’s Response (Paper 17). This provided Petitioner the opportunity to make its case that both petitions are necessary, although we determine it has failed to do so.

In *Emerson*, the Board declined to exercise its discretion to deny institution “[u]nder the circumstances particular to [the] two IPRs” because “the Board’s familiarity with the issues” allowed it to recognize, without requiring an explanation of differences by the parties, that “[t]he two petitions rely on different base references which address certain claim limitations in different ways.” *Emerson*, IPR2019-00545, Paper 16, at 15–16. The particular circumstances in *Emerson* included that the Board,

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<sup>4</sup> The decisions issued August 5, 2019, following the publication of the July 2019 TPG Update on July 16, 2019.



having issued a final written decision relying on the same base references against nearly identical limitations in a related case, had a “familiarity with the issues.” *Id.* In this case, contrary to *Emerson*, Petitioner does not establish that there is an appreciable difference in how the base references address the claim limitations. For example, Petitioner sets forth in its Notice that each of Yano, Kitabayashi, and Ichiryu teach 1D gridded layouts on gate and metal layers. Notice 2–3. Also contrary to *Emerson*, the Board does not have the “familiarity with the issues” that comes with a completed trial proceeding with a final written decision relying on the same base references against nearly identical limitations at this stage of these and various other related proceedings that might lessen the burden of a second *inter partes* review of the same patent. *Emerson*, Paper 16, at 15–16.

On this record, *inter partes* review on the instant Petition would be inconsistent with the efficient administration of the Office, because Petitioner has failed to establish sufficient differences between the grounds of the two petitions. As such, it is within the Director’s statutory discretion under 35 U.S.C. § 314, delegated to the Board under 37 C.F.R. § 42.4(a), to deny institution of a second petition. Petitioner does not direct us to any authority to the contrary where Petitioner has been provided an opportunity to provide a ranking and explanation why a second petition should be instituted. *See generally* Notice.

In view of the foregoing, we exercise our discretion under 35 U.S.C. § 314(a) to deny institution of review in this proceeding.

### III. CONCLUSION

For the foregoing reasons, based on a balanced assessment of the circumstances of this case, we exercise our discretion under 35 U.S.C. § 314

IPR2019-01220  
Patent 7,943,966 B2

to deny the instant Petition requesting institution of *inter partes* review of the '966 patent.

#### IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is denied, and no trial is instituted in this case.

IPR2019-01220  
Patent 7,943,966 B2

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