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**Subject:** Precedential Opinion Panel Request - IPR2020-00754  
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**Attachments:** [IPR2020-00754 - Request for Rehearing \(11-19-20\) .pdf](#)

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Dear Board,

I write on behalf of Petitioners Garmin International, Inc., Garmin USA, Inc., Garmin LTD. (“Garmin”) and Fitbit, Inc. (“Fitbit”) to request Precedential Opinion Panel (“POP”) review of the Board’s panel decision in *Garmin International, Inc., et al. v. Koninklijke Philips N.V.*, IPR2020-00754, Paper 11 (PTAB October 27, 2020) (hereafter “Panel Decision”).

### **I. Basis for POP Review**

Based on my professional judgment, I believe this case requires an answer to the following precedent-setting question of exceptional importance: whether *Apple v. Fintiv* IPR2020-00019, Paper 11 (PTAB March 20, 2020) (precedential) should apply to *inter partes* review proceedings involving parallel ITC investigations.

The Panel’s decision denying institution makes it effectively impossible to satisfy the *Fintiv* factors with respect to IPRs filed in response to an ITC investigation, regardless of the strength of the merits or diligence in filing. Indeed, under the panel’s flawed analysis, the six *Fintiv* factors could never be satisfied with a parallel ITC investigation, thus essentially eliminating all discretion to institute:

- Factor 1 – A petitioner would never be able to satisfy the stay question of Factor 1. Given the strict statutory mandate to move expeditiously, the ITC almost never grants a stay of its investigation pending an IPR (nor did it grant one here).
- Factor 2 – A petitioner would never be able to satisfy the time to trial analysis of Factor 2. Given the statutory mandate under 19 U.S.C. § 1337(b)(1), a final ITC decision comes in less than 15 months and will almost always pre-date the Board’s final written decision. Here, Petitioners filed their petition promptly; the Board itself credited the “diligence in filing [the] Petition in a short time (less than three months), after the ITC proceeding was instituted.” (Decision Denying Institution of *Inter Partes* Review (I.D.), Paper 11, at 14). Nevertheless, the Board found this factor weighed against Institution. That this factor will always weigh against a petitioner is now abundantly clear given the recent decision in *Philip Morris Products, S.A. v. RAI Strategic Holdings, Inc.*, IPR2020-00919, Paper 9 (PTAB Nov. 16, 2020), where the petitioner filed within *one month* of an ITC complaint yet was still denied institution under *Fintiv*.
- Factor 3 – A petitioner would never be able to satisfy the analysis of respective resource investment between and ITC investigation and an IPR under Factor 3. The investment by the ITC will always be greater than in the IPR by the time

of institution given the ITC's speed to trial. Moreover, ITC investigations are widely recognized as the single most resource-intensive forum for litigating patent disputes. It would be practically impossible for petitioners to file an IPR petition early enough to negate the application of this factor as favoring denial. *See Philip Morris*, IPR2020-00919, Paper 9 (denying under *Fintiv* despite filing within one month of the complaint).

- Factor 4 – A petitioner would almost never be able to satisfy the overlap considered in Factor 4 to outweigh the other factors. There was little substantive overlap between the ITC and IPR. The Panel noted the challenges in the petition were directed towards “substantively different claims” than those in the ITC and “present[ed] argument regarding claims 4-7 and 9-11 that are not at issue in the ITC proceeding.” I.D., Paper 11, at 16-17. In fact, the overlap was even less because, prior to institution, Philips dismissed two additional claims against Petitioners leaving only one sole claim for the ITC to consider. In any event, the '228 Patent is incredibly simple with only 3 figures, two columns of discussion, and 11 total claims (two of which are independent). Ex. 1001. The issues for the Board would have been undeniably simple.
- Factor 5 – A petitioner will never be able to satisfy the question of similarity of parties in Factor 5. The petitioner and/or its privies will *always* be the same party named in the ITC investigation.
- Factor 6 – A petitioner would virtually never be able to present additional evidence under Factor 6 to outweigh the other factors under *Fintiv*. Here, the challenged patent is offensively invalid. Every foreign patent office that has examined a foreign counterpart to the '228 Patent found it invalid based on the same art presented here. Paper 11, at 16 (noting both the Japanese and European Patent Offices rejected “substantively identical claims to claims 1-11 of the '228 Patent with the same art”); *Reply*, Paper 8, at 7 (noting the French and German Patent Offices used the same art to invalidate other Philips patents with nearly identical claims to the '228 Patent). Despite the Panel's acknowledgment that “the merits of [Garmin's] asserted ground are strong,” the Panel nonetheless exercised its discretion to deny institution. I.D., Paper 11, at 16.

It is hard to envision any scenario with a more compelling set of facts against discretionary denial under *Fintiv* than those presented here. Nevertheless, the Panel denied institution under *Fintiv* and deferred to a tribunal that lacks the ability to actually invalidate a claim. *Texas Instr. Inc. v. Cypress Semiconductor Corp.*, 90 F.3d 1558, 1569 (Fed. Cir. 1996). This denial, along with others, would effectively portend the end of IPRs when there is a parallel ITC investigation, an issue the Precedential Opinion Panel (“POP”) should affirmatively address. Indeed, a review of all PTAB institution decisions involving parallel ITC investigations filed since August 2019 is telling. Of those IPRs that have reached institution decision, one was a denial on the merits that did not address *Fintiv* and only two found *Fintiv* did not bar institution (directly conflicting with the facts presented here). Every single other IPR petition has been denied under *Fintiv* due to the ITC's rapid hearing date. This is why it is critical for the POP to answer the question of whether *Fintiv* should apply to *inter partes* reviews involving parallel ITC investigations

The POP must act to prevent the application of *Fintiv* in these situations (including the current Petition). As noted above, nearly every panel decision since August 2019 addressing institution with a parallel ITC investigation has denied under *Fintiv* due to the hearing date. Meanwhile, the ITC has been seeking (but not receiving) the PTAB's guidance on invalidity. The ITC itself has acknowledged that the PTAB as "the lead agency in assessing the patentability, or validity, of proposed or issued claims." See *In the Matter of Certain Unmanned Aerial Vehicles & Components Thereof*, USITC Inv. No. 337-TA-1133, Comm'n Op., 2020 WL 5407477 (Sep. 8, 2020). There simply is no legitimate reason the PTAB should be deferring to a tribunal that lacks the ability to cancel claims. The POP should reverse the current policy of effective deference to the ITC on questions of invalidity despite the ITC's inability to actually cancel claims, and bring its policy into line with the ITC (and Congress) by recognizing the PTAB is the only forum equipped in these situations to fully and finally resolve questions of invalidity. The only way this will happen is if the POP takes this matter up and clearly states *Fintiv* shall not apply to IPRs involving parallel ITC investigations and reverse the Panel Decision's application of *Fintiv* in the current Petition. If the POP intends to make IPRs unavailable in cases involving parallel ITC investigations, then the public deserves a clear statement from the PTAB making this position clear and justifying this policy change in direct contravention of the statutory scheme for IPRs.

Based on my professional judgment, I believe the POP extended its precedential *Fintiv* ruling to matters involving parallel ITC investigation without factual support. In *Fintiv*, the POP noted "[w]e recognize that ITC final invalidity determinations do not have preclusive effect, but, as a practical matter, it is difficult to maintain a district court proceeding on patent claims determined to be invalid at the ITC." *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, 8-9 (PTAB Mar. 20, 2020). Respectfully, the Board's belief on how difficult it would be to maintain an action is speculative, and ignores evidence on how cases actually proceed in the face of an adverse ITC ruling. The POP in *Fintiv* did not have, or simply misapprehended, the fact that an ITC ruling merely "tests the waters" for most patent owners before moving to district court litigation.

For example, in *Hyosung TNS, Inc. v. Diebold Nixdorf, Inc.*, the district court litigation continued for 18 months after the court denied a motion to dismiss based on the Federal Circuit's invalidation of a patent from an appeal of an ITC ruling. 2019 WL 6684138 (N.D.Tex. Dec. 5, 2019). In *Technology Properties Limited LLC v. Barnes & Noble, Inc.*, the plaintiff continued to litigate its district court case for over a year after a finding of noninfringement at the ITC. 2015 WL 12977074 (N.D.Cal., May 31, 2015). And in *In re Convertible Rowing Exerciser Patent Litigation*, the district court refused to grant summary judgment after an invalidity finding at the ITC and allowed the district court litigation to proceed for 5 more years before it reached a conclusion. 721 F. Supp. 596, 599 (D. Del. 1989). Other examples abound.

These all-too-common scenarios show, counter to *Fintiv*'s assumption, that district court proceedings are routinely maintained on patent claims determined to be invalid or not infringed at the ITC. In each of the above cases, the PTAB, through an IPR, would have reached a conclusion long before the resolution of the district court litigation saving the courts and the parties millions of dollars and years of time. The POP, in forcing panels to apply *Fintiv* to IPRs involving overlapping ITC matters overlooked these critical facts and misapprehended the impact of ITC opinions being merely advisory.

Finally, based on my professional judgment, there is significant disagreement and

inconsistency among the panels at the PTAB that must be clarified by the POP. Excluding two denials on the merits, there have been nine institution decisions applying *Fintiv* to overlapping ITC investigations since August 2019. On nearly identical facts, two decisions found *Fintiv* was no bar to institution while seven have applied their discretion and denied under *Fintiv* due almost entirely to the speed of the ITC proceeding. *Compare Apple Inc., et al. v. Neodron Ltd.*, IPR2020-00778, -779, Paper 10 (PTAB Sept. 14, 2020), with *Philip Morris Products, S.A. v. RAI Strategic Holdings, Inc.*, IPR2020-00919, Paper 9 (PTAB Nov. 16, 2020); *Comcast Cable Communications, LLC v. Rovi Guides, Inc.*, IPR2020-00800, -801, -802, Paper 10 (PTAB Oct. 22, 2020); *Fitbit, Inc., et al. v. Koninklijke Philips N.V.*, IPR2020-00771, -772, Paper 14 (PTAB Oct. 19, 2020) (*Fintiv* denial of two IPRs filed “less than three months after the ITC proceeding was instituted” and where the panel “credit[ed] the apparent strength of the prior art”); and *Garmin International Inc., et al. v. Koninklijke Philips N.V.*, IPR2020-00754, Paper 11 (PTAB Oct. 27, 2020). The POP should intervene to protect the integrity of the system by providing clarity to the panels to avoid inconsistent decisions on nearly identical facts.

## II. Conclusion

By deferring the question of invalidity to an administrative body that cannot invalidate patents, both the public and petitioners are harmed. Resources will be duplicated and wasted. But most importantly, the public will question the integrity of a system that allows patent owners to continue to assert invalid patents, and a Patent Office that defers validity questions to a tribunal that lacks authority to invalidate a patent. The POP has the power to avoid this scenario by making clear that the *Fintiv* decision does not apply in cases involving parallel ITC actions, and it should do so here. For these reasons and those in the concurrently filed Request for Rehearing, a copy of which is attached, the POP should review the Panel Decision and institute this IPR for which the strength of the merits are not in dispute.

Respectfully submitted,

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