

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,
Petitioner,

v.

ECOFACOR, INC.,
Patent Owner.

IPR2020-00968
Patent 8,423,322

Before WESLEY B. DERRICK, JEFFREY W. ABRAHAM, and
SCOTT B. HOWARD, *Administrative Patent Judges*.

DERRICK, *Administrative Patent Judge*.

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

INTRODUCTION

Petitioner Google LLC filed a Petition (Paper 1, “Pet.”) requesting *inter partes* review of claims 1–14 of U.S. Patent No. 8,423,322 B2 (“the ’322 patent”). Patent Owner EcoFactor, Inc., filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). As authorized, Petitioner also filed a Pre-Institution Reply (Paper 8, “Reply”) and Patent Owner, in turn, also filed a Pre-Institution Sur-Reply (Paper 9). Patent Owner does not substantively address the merits of Petitioner’s challenge, but contends review by the Board would be improper under the Board’s precedent. *See generally* Prelim. Resp.; Sur-Reply.

We have authority to determine whether to institute an *inter partes* review. 35 U.S.C. § 314 (2018); 37 C.F.R. § 42.4(a) (2019). The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a), which provides that an *inter partes* review may not be instituted “unless the Director determines . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” Section 314(a) does not require the Director to institute an *inter partes* review. *See 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.”). Rather, a decision whether to institute is within the Director’s discretion, and that discretion has been delegated to the Board. *See* 37 C.F.R. § 42.4(a); *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.”).

The Petition is denied under 35 U.S.C. § 314 in the exercise of the Patent Office’s discretion.

BACKGROUND

A. Real Parties in Interest

Petitioner and Patent Owner both identify itself, respectively, as the real party-in-interest. Pet. 5; Paper 4, 1.

B. Related Matters

The parties identify four stayed district court cases and one active ITC proceeding as pending related matters: *EcoFactor, Inc., v. Google, LLC*, No. 1:19-cv-12322-DJC (D. Mass. Nov. 12, 2019); *EcoFactor, Inc., v. Alarm.com Inc.*, No. 1:19-cv-12323-LTS (D. Mass. Nov. 12, 2019); *EcoFactor, Inc., v. Ecobee, Inc.*, No. 1:19-cv-12325-LTS (D. Mass. Nov. 12, 2019); *EcoFactor, Inc., v. Vivint, Inc.*, No. 1:19-cv-12327-FDS (D. Mass. Nov. 12, 2019); and *Smart HVAC Systems, and Components Thereof*, ITC Inv. No. 337-TA-1185 (Int’l Trade Commission). Pet. 5–6; Prelim. Resp. 4; Paper 4, 2; Reply 1; *see also* Sur-Reply 1, 7 (referring to one (1) active ITC proceeding and four stayed (4) district court cases). Two (2) further district court cases are identified as having been filed, but subsequently dismissed: *EcoFactor, Inc., v. Daikin Industries, Ltd.*, 1-19-cv-12324 (D. Mass. Nov. 12, 2019) (dismissed May 5, 2020); and *EcoFactor v. Schneider Electric USA, Inc.*, 1-19-cv-12326 (D. Mass. Nov. 12, 2019) (dismissed June 24, 2020). Reply 1; *see also* Prelim. Resp. 4 (omitting the dismissed cases in Patent Owner’s discussion of parallel proceedings).

C. The ’322 Patent (Ex. 1001)

The ’322 patent is titled “System and Method for Evaluating Changes in the Efficiency of an HVAC System,” and issued on April 16, 2013, from an application filed on September 12, 2011. Ex. 1001, at [22], [45], [54]. The ’322 patent identifies related applications, including a provisional application—the earliest filed—that was filed on September 17, 2007. *Id.* at

[60], [63], 1:5–15. The '322 generally relates to heating and cooling systems (“HVAC systems”), and more specifically to systems and methods for evaluating changes in their operational efficiency that relies on obtaining temperature measurements from locations conditioned by the HVAC systems and the use of processors to receive outside temperature measurements and comparing temperature measurements to determine the HVAC systems’ operational efficiency. *Id.* at [57].

The '322 patent describes a server that uses measurements of inside temperature, outside temperature, and other factors to predict the building’s thermal characteristics and the performance of the HVAC system. Ex. 1001, 2:52–67, 8:63–9:9, 11:10–19. As to calculations of operational efficiency, the '322 patent further discloses that thermal properties of a temperature controlled building—including the operational efficiency of an HVAC system—can be calculated using internal and external thermal properties and other variables (e.g., building square footage, insulation, renovations, etc.). *Id.* at 4:15–37, 5:4–23, 10:57–11:19, 11:14–19, 11:48–57.

D. Illustrative Claims

The '322 patent contains 14 claims, of which claims 1 and 8 are independent.

1. A system for evaluating changes in the operational efficiency of an HVAC system over time comprising:
 - at least one HVAC control system associated with a first structure that receives temperature measurements from at least a first structure conditioned by at least one HVAC system, and receives status of said HVAC system;
 - one or more processors that receive measurements of outside temperatures from at least one source other than said HVAC system and compare said temperature measurements from said first structure, wherein said one or more processors compares the inside temperature of

said first structure and the outside temperature over time;
and

one or more databases that store at least said temperature measurements obtained from said first structure over time, wherein said one or more processors compares an inside temperature recorded inside the first structure with an inside temperature of said first structure recorded at a different time to determine whether the operational efficiency of the HVAC system has decreased over time.

Ex. 1001, 13:30–49.

8. A system for detecting and correcting for anomalous behavior in HVAC control systems comprising:

a first HVAC control system that receives temperature measurements from at least a first structure conditioned by at least one HVAC system, and receives status of said HVAC system;

at least a second HVAC control system that obtains temperature measurements from at least a second structure conditioned by a second HVAC system, and status of said second HVAC system;

one or more processors that receive measurements of outside temperatures from at least one source other than said first and second HVAC systems and compare said temperature measurements from said first HVAC system and said second HVAC system and said outside temperature measurements over time to determine the efficiency of the first HVAC system and the second HVAC system; and

one or more databases that store said temperature measurements from said first and second HVAC systems.

Id. at 14:14–33, Certificate of Correction.

E. Prior Art Relied Upon

Petitioner relies on the references listed below (Pet. 13, 40, 75):

Reference	Date	Exhibit No.
Oswald et al., US 2005/0171645 A1	Aug. 4, 2005	1004
Ehlers et al., US 6,216,956 B1	Apr. 17, 2001	1008
Rosen, US 6,789,739 B2	Sep. 14, 2004	1010

The status of these references as prior art printed publications is not contested by Patent Owner. *See generally* Prelim. Resp.

F. The Asserted Grounds of Unpatentability

Petitioner challenges the patentability of the claims on the following grounds, relying on the Declaration from Mr. Rajendra Shah (Ex. 1002).

Pet. 6, 13–79.

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1, 4, 7	102	Oswald
1, 3–8, 10–14	103	Oswald, Ehlers
2, 9	103	Oswald, Ehlers, Rosen

DISCRETIONARY DENIAL UNDER 35 U.S.C. § 314(A)

Patent Owner argues that we should exercise discretion under 35 U.S.C. § 314 and deny institution. *See generally* Prelim. Resp.; Sur-Reply. Patent Owner relies on the involvement of the '322 patent as the subject of a pending ITC proceeding that is at an advanced stage and involves the same parties, overlapping claims, and the same prior art. Prelim. Resp. 2–14 (citing *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”)). Patent Owner argues for discretionary denial of institution of *inter partes* review, more particularly, on the basis that: the ITC has not granted and is not likely to

grant a stay; the ITC proceeding is at an advanced stage; the investment by the parties in the ITC proceeding is large; there is significant overlap between the challenges raised in the Petition and the ITC proceeding; and the Petitioner is a respondent in the ITC proceeding. *Id.*; Sur-Reply 1–7. In arguing for discretionary denial, Patent Owner also relies on the pending, parallel district court cases being stayed pending resolution of the ITC investigation. Prelim. Resp. 4, 7.

Petitioner argues against discretionary denial of institution on the basis that “the ITC cannot fully decide issues of invalidity” and that the *Fintiv* factors weigh in favor of institution. Reply 2–7.

The exercise of discretion under 35 U.S.C. § 314(a) as to instituting *inter partes* review is guided by Board’s precedential decision in *NHK Spring Co. v. Intri-Plex Techs, Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential). *See also Cuozzo*, 136 S. Ct. at 2140 (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *SAS*, 138 S. Ct. at 1356 (“[Section] 314(a) invests the Director with discretion on the question whether to institute review” (emphasis omitted)); *Harmonic*, 815 F.3d at 1367 (“[T]he PTO is permitted, but never compelled, to institute an IPR proceeding.”).

In *NHK*, the Board found that the “advanced state of the district court proceeding” was a “factor that weighs in favor of denying” the petition under § 314(a). *NHK*, Paper 8 at 20. The Board determined that “[i]nstitution of an *inter partes* review under these circumstances would not be consistent with ‘an objective of the AIA . . . to provide an effective and efficient alternative to district court litigation.’” *Id.* (citing *Gen. Plastic Indus. Co., Ltd. v. Canon Kabushuki Kaisha*, IPR2016-01357, Paper 19, 16–17 (PTAB Sept. 6, 2017) (precedential in relevant part)).

In *Fintiv*, the Board set forth six factors to be considered in determining whether the discretion to deny institution due to the advanced state of parallel litigation should be exercised:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board's exercise of discretion, including the merits.

Fintiv, Paper 11 at 6. *Fintiv* identifies these factors as “relat[ing] to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Id.* *Fintiv* further instructs that “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review” is to be taken in evaluating the *Fintiv* factors. *Id.* (citing Patent Trial and Appeal Board Consolidated Trial Practice Guide 58 (November 2019), <https://www.uspto.gov/TrialPracticeGuideConsolidated>).

Discussion of the *Fintiv* factors as they apply to this case follows.

Factor 1: Whether a Stay Exists or Is Likely to Be Granted if a Proceeding is Instituted

As noted above, there are four district court cases and one ITC proceeding involving the '322 patent currently pending. As acknowledged by both parties, each of the pending district court cases have been stayed pending resolution of the ITC investigation. Prelim. Resp. 4; Reply 1. As to

the ITC investigation, Patent Owner contends that “there will be no stay” because the parties have agreed to proceed to trial, with a hearing scheduled for November 16–19 and 23, 2020. Sur-Reply 1 (citing Joint Motion to Amend Procedural Schedule, filed in ITC Inv. No. 337-TA-1185, Doc. ID 719585 (Sept. 14, 2020)), 3; *see also* Prelim. Resp. 6 (asserting that a stay in the ITC action is “unlikely” given the advanced stage of the ITC investigation). Patent Owner contends that the target date for the completion of the final determination by the ITC is presently set for March 15, 2021.¹ Prelim. Resp. 2. As of the filing date of the Preliminary Response, Patent Owner further contends that fact and expert discovery in the ITC investigation had closed, and that the parties had already exchanged witness statements, exhibit lists, and deposition designations. *Id.* at 4–5. Patent Owner also contends that “the fact that the parallel district court cases are stayed in the context of concurrent ITC litigation is unremarkable,” and that “*Fintiv* suggests that the PTAB should deny institution when district court cases are stayed in light of an ITC investigation,” and that this “makes sense because instituting this IPR will not promote efficiency by causing any currently pending cases to be stayed.” *Id.* at 7.

In that regard, Patent Owner argues that “[t]he *Fintiv* factors are not limited to district court proceedings and are ‘factors related to a parallel, co-pending petition,’ which includes parallel ITC proceedings.” Prelim. Resp. 5. Patent Owner asserts that “parties expend enormous resources in ITC

¹ We note that the final determination target date in the ITC proceeding has been extended to August 20, 2021, following the cancellation and rescheduling of, *inter alia*, the hearings rescheduled to November 16–19, and 23, 2020. ITC Inv. No. 337-TA-1185, Order 22 (dated Nov. 2, 2020), 3–4.

investigations, and the ITC is a forum where parties can litigate their disputes fully and fairly.” *Id.* As a result, “the same considerations of Board, party, and judicial economy apply” to ITC and district court proceedings. *Id.*

Patent Owner further contends that

Fintiv recognizes that even though “ITC final invalidity determinations do not have preclusive effect,” it explains that denial of institution can nonetheless be sensible since “it is difficult to maintain a district court proceeding on patent claims determined to be invalid at the ITC.” *Fintiv Order* at 8-9. As a practical matter, the parties’ validity disputes as to the ‘322 patent are likely to carry over to the district court cases.

Id. at 5–6; *see also* Sur-Reply 3–4 (stating that “once the ITC case makes a determination regarding invalidity as to a particular patent versus a particular prior art, neither side is likely to maintain the same assertion in district court”).

Petitioner argues that this factor weighs in favor of institution because “all active infringement lawsuits are stayed pending the outcome of the ITC action.” Reply 4. Petitioner notes that *Fintiv* did not involve a co-pending ITC investigation (*id.*), and asserts that “[t]he stayed district court cases are . . . a more appropriate benchmark for measuring the timing of parallel proceedings” because the ITC cannot hold claims invalid with binding effect, and, therefore, “whatever the result before the ITC—validity will be litigated again in various district court actions” (*id.* at 2). Petitioner also argues that because the ITC investigation involves only claims 1, 2, and 5 of the ‘322 patent, the remaining non-elected claims will be litigated in the district court actions regardless of the outcome at the ITC. *Id.* at 5.

We disagree with Petitioner’s assertion that the district court actions are the “more appropriate benchmark” to consider for purposes of analyzing

the *Fintiv* factors in this case, such that the ITC investigation can, in effect, be ignored. As noted by Patent Owner, *Fintiv* expressly addresses ITC investigations, and the Board has considered ITC investigations in weighing whether or not to exercise its discretion under 35 U.S.C. § 314. *Fintiv*, Paper 11 at 8 (“[E]ven though the Office and the district court would not be bound by the ITC’s decision, an earlier ITC trial date may favor exercising authority to deny institution under *NHK* if the ITC is going to decide the same or substantially similar issues to those presented in the petition.”); *Garmin Int’l, Inc. v. Koninklijke Philips N.V.*, IPR2020-00754, Paper 11 (PTAB Oct. 27, 2020); *Comcast Cable Commc’ns, LLC v. Rovi Guides, Inc.*, IPR2020-00800, Paper 10 (PTAB Oct. 22, 2020).

Specifically with regard to Factor 1, there is no evidence here that Petitioner has requested a stay of the ITC investigation, and we agree with Patent Owner that a stay of the ITC investigation is unlikely given that the above-mentioned hearing in the ITC investigation is scheduled to begin on November 16, 2020. Accordingly, we determine that this factor weighs in favor of not instituting this proceeding.

Factor 2: Proximity of the Court’s Trial Date to the Board’s Projected Statutory Deadline

Patent Owner argues this factor weighs strongly against institution based on the schedule in the ITC proceeding that sets November 16–19 and 23, 2020, hearing dates and a March 15, 2021, “target date” for the final ITC determination.² Prelim. Resp. 2, 8; Sur-Reply 4–5. As Patent Owner highlights, the trial and final determination target dates for the ITC

² We again note the extension of the final determination “target date” to August 20, 2021. ITC Inv. No. 337-TA-1185, Order 22, 3–4.

proceeding are months earlier than the deadline for a final written decision if an *inter partes* review were to be instituted. Prelim. Resp. 8; Sur-Reply 4–5.

Petitioner again focuses on the stayed district court cases, noting that no trial date has been scheduled, and contending that these cases “are a more appropriate benchmark for comparing relative timing.” Reply 6.

As discussed above in conjunction with Factor 1, we reject Petitioner’s position that our analysis should focus on the district court cases and, in effect, ignore the ITC investigation. *See Fintiv*, Paper 11 at 8–9; *Garmin*, Paper 11; *Comcast*, Paper 10. Also as discussed above, the current ITC schedule has an evidentiary hearing set for November 2020, the same month as this decision on institution, with a final determination target date that falls months before the Board’s final written decision. These facts weigh against institution of an *inter partes* review.

Factor 3: Investment in the Parallel Proceeding by the Court and Parties

Patent Owner argues that the parties have already invested, and will continue to invest, an enormous amount of effort in the ITC proceeding. Prelim. Resp. 9–10. Specifically, Patent Owner contends that the parties have already concluded fact and expert discovery, exchanged witness statements, exhibit lists, exhibits, and deposition designations, and by November 20, 2020, the projected date of the institution decision, the parties will have concluded all pre-trial disclosures and motion *in limine* briefing. *Id.*

Petitioner argues that this factor weighs in favor of institution because “[w]hile the parties have invested a significant amount in the ITC proceedings, they have invested very little in the district court proceedings, and it is only in district court that a dispositive ruling on invalidity could be

rendered, absent this *IPR*.” Reply 6 (citing *Nichia Corp. v. Lighting Sci. Grp. Corp.*, IPR2019-01259, Paper 21, 28 (PTAB Jan. 15, 2020)).

After considering the parties’ arguments and evidence of record, we determine that this factor weighs against institution. The parties agree that they have invested heavily in the ITC investigation, and Patent Owner has provided evidence of the specific resources the parties have expended therein. Prelim. Resp. 9–10; Sur-Reply 5; Reply 6. Petitioner’s argument that the parties have invested very little in the district court proceedings is unavailing, as the fact that these additional proceedings exist does not detract from the considerable resources already invested in the ITC proceeding. *See* Sur-Reply 5.

Factor 4: Overlap Between Issues Raised in the Petition and in the Parallel Proceeding

Patent Owner argues that this factor weighs against institution because of overlapping claims, prior art, and invalidity theories in the ITC investigation and the Petition. Prelim. Resp. 10–12; Sur-Reply 6 (“All three references at issue in the Petition are also at issue in the ITC case, and will be at issue in the November 2020 trial in the ITC.”). Patent Owner argues that Petitioner (and the other Respondents) could have chosen different references or agreed not to assert these references in their recent prior art election in the ITC investigation. Sur-Reply 6. Patent Owner also contends that the majority of the Petition focuses on independent claim 1, which is one of the claims at issue in the ITC action, and, therefore, “there is substantial overlap in *issues* between the Petition and the ITC case when looking at the overlap of claims.” *Id.*

Petitioner argues that only claims 1, 2, and 5 are at issue in the ITC investigation, and, therefore, even if the ITC finds them invalid, Patent

Owner could still pursue claims 3, 4, and 6–14 in district court. Reply 6–7; *see also id.* at 5 (arguing the “*Fintiv* consideration loses force” in view of the fact that “only one-quarter of the claims at-issue this IPR could be held invalid by the ITC”). Petitioner also argues that “[w]hile the same prior art references, as well as Ground 1 of the petition, *are* at-issue before the ITC, the specific combinations of Grounds 2 and 3 are not.” *Id.* at 7.

Because the ITC proceeding involves only claims 1, 2, and 5, the ITC proceeding will not directly resolve the dispute concerning the patentability of other claims challenged by Petitioner, claims 3, 4, and 6–14. Our review of dependent claims 3, 4, 6, 7, and 9–14 indicates that these claims recite limitations that need not be addressed in the ITC proceeding. *See* Ex. 1001, 13:54–56 and 14:38–41 (claims 3 and 10 requiring temperature measurements to be obtained from a programmable thermostat), 14:1–3 and 14:42–44 (claims 4 and 11 requiring processors to communicate using a network that includes an electricity meter), 14:9–11 and 14:45–49 (claims 6 and 13 requiring temperature measurements at a first location occur at only one physical location), 14:12–13 and 14:53–55 (claims 7 and 14 requiring the monitored status of the HVAC system to include whether it is “on” or “off”). This weighs in favor of institution.

We recognize that independent claim 8 is not in front of the ITC, and that it requires “at least a second HVAC control system” and a comparison of temperatures from the first and second HVAC systems with an outside temperature, while independent claim 1 only requires “at least one HVAC system.” Nonetheless, we also recognize that the prior art relied on in the ITC proceeding includes the same art that Petitioner maintains is sufficient to establish the obviousness of independent claim 8. While Petitioner contends that the specific combinations of Grounds 2 and 3 are not now at

issue before the ITC, Petitioner fails to provide any basis of how or why the grounds that remain, including those relying on Ehlers alone, or in part, do not raise the same issues as to the use of a second HVAC control system and comparison of temperatures of a first and second HVAC system. For instance, Petitioner provides no explanation how the limitation of “at least one HVAC control system” cannot also be met by relying on the disclosure of two, as contended for Ehlers, and that such disclosure and teachings by Ehlers will not be the basis relied on for a determination in the ITC proceeding. Moreover, even if the ITC proceeding was somehow limited to a single HVAC system, it does not follow that the determinations made at the ITC would not nonetheless weigh against institution. In effect, in the main, the difference between claims 1 and 8 is that claim 1 requires at least one HVAC control system and claim 8 requires at least two, and it is not manifest that this difference is such that a determination as to one HVAC control system would not reasonably inform the relevant determination as to at least two. *See, e.g., In re Harza*, 274 F.2d 669, 671 (CCPA 1960) (“It is well settled that the mere duplication of parts has no patentable significance unless a new and unexpected result is produced.”). Thus, despite claim 8 not being a part of the ITC investigation, on this record, there is no sound basis to expect that the determinations as to claim 1 will not substantially address the issues that must be addressed as to claim 8. The same is true as to dependent claims 9 and 12, which recite limitations similar to those in claims 2 and 5, respectively. Ex. 1001, 13:50–53, 14:4–8, 14:34–36, 14:45–49.

On balance, based on the fact that the Petition is directed to some substantively different claims than those before the ITC, we determine this factor weighs slightly in favor of institution.

Factor 5: Whether the Petitioner and the Defendant in the Parallel Proceeding Are the Same Party

The parties in the ITC proceeding and this proceeding are the same. Petitioner does not dispute this fact. Accordingly, this factor weighs against institution. *Fintiv*, Paper 11 at 6.

Petitioner states that it is the defendant in only one of the co-pending, stayed district court proceedings, and is only one of several ITC Respondents. Reply 7. Petitioner, however, never explains how or why these facts are relevant to our consideration of this *Fintiv* factor.

Factor 6: Other Circumstances that Impact the Board's Exercise of Discretion, Including the Merits

Neither Patent Owner nor Petitioner direct us to any “other circumstances” that impact our exercise of discretion. For example, Patent Owner states that “there are no other circumstance[s] that favor[] institution.” Prelim. Resp. 13. Petitioner contends that the large number of cases filed by Patent Owner “suggests that fears of overburdening the Patent Owner are unjustified, and that the public interest would be served by having the claims evaluated by the PTAB.” Reply 7. Petitioner, however, fails to explain adequately how “unjustified” fears of overburdening Patent Owner weigh against the exercise of authority to deny institution in view of an earlier trial date in a parallel proceeding, or how the public interest would be served by having certain claims and issues evaluated by both the PTAB and the ITC. *See Fintiv*, Paper 11 at 6. In view of the foregoing, we consider this factor to be neutral.

Balancing the Fintiv Factors

We have considered the circumstances and facts before us in view of the *Fintiv* factors. Our analysis is fact driven and no single factor is

determinative of whether we exercise our discretion to deny institution under 35 U.S.C. § 314(a).

Here, Factors 1, 2, 3, and 5 weigh against institution. The ITC will evaluate Petitioner's assertions regarding invalidity, which include contentions relying on each of the three references cited in the Petition, alone or in combination, and the ITC is scheduled to hold an evidentiary hearing this month—November 2020—and complete its proceeding several months before this matter will reach a final written decision. It is also undisputed that the parties have made a significant investment in the ITC investigation, and that, in view of the advanced stage of the ITC proceeding, a stay is unlikely.

Factor 4 weighs somewhat in favor of institution because the overlap between the asserted claims in the ITC and this proceeding is not complete. Nevertheless, there remains some overlap between the prior art and arguments raised in the ITC action and this proceeding that suggest it may be inefficient to proceed because the ITC will likely resolve key issues raised in the petition. *Fintiv*, Paper 11 at 13. For example, as discussed above, although independent claim 8 is not included in the ITC action, claim 1 is, and Petitioner fails to set forth how the ITC will not likely resolve all the key issues necessary for a determination as to independent claim 8 in addressing claim 1. Additionally, with respect to the dependent claims challenged in this proceeding but not at the ITC, Petitioner does not address the additional limitations included in the non-overlapping dependent claims or whether those limitations result in the petition including “materially different grounds, arguments, and/or evidence than those presented” in the ITC action. *Fintiv*, Paper 11 at 12–13.

Factor 6 weighs neither in favor of nor against institution.

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Thus, based on the arguments and evidence of record, and in the exercise of the Director's discretion under 35 U.S.C. § 314(a), *inter partes* review is not instituted.

ORDER

It is:

ORDERED that, pursuant to 35 U.S.C. § 314(a), the Petition is *denied*.

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