

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SK INNOVATION CO., LTD., and
SK BATTERY AMERICA, INC.,
Petitioner,

v.

LG CHEM, LTD.,
Patent Owner.

IPR2020-00981
Patent 7,771,877 B2

Before JON B. TORNQUIST, JEFFREY W. ABRAHAM, and
MICHELLE N. ANKENBRAND, *Administrative Patent Judges*.

ABRAHAM, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314, 37 C.F.R. § 42.4

I. INTRODUCTION

SK Innovation Co., Ltd., and SK Battery America, Inc. (collectively, “Petitioner”) filed a Petition (Paper 3, “Pet.”) requesting an *inter partes* review of claims 1–7, 18, 20, 21, and 23–26 of U.S. Patent No. 7,771,877 B2 (Ex. 1001, “the ’877 patent”). LG Chem, Ltd. (“Patent Owner”) filed a Preliminary Response to the Petition (Paper 8, “Prelim. Resp.”). After receiving authorization from the Board (Paper 10), Petitioner filed a Reply to the Preliminary Response (Paper 11, “Reply”), and Patent Owner filed a Sur-Reply (Paper 12, “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.”).

After considering the Petition, Preliminary Response, Reply, Sur-Reply, and evidence of record, for the reasons explained below, we exercise our discretion under § 314(a) and deny institution of an *inter partes* review.

A. Related Proceedings

The parties state that the '877 patent is at issue in International Trade Commission (“ITC”) Investigation No. 337-TA-1181 and in a civil action in the United States District Court for the District of Delaware, *LG Chem, Ltd. v. SK Innovation Co., Ltd.*, Case No. 1:19-cv-1805 (D. Del.). Pet. 73; Paper 6, 2.

B. The '877 Patent

The '877 patent, titled “Electrode Active Material Powder with Size Dependent Composition and Method to Prepare the Same,” issued on August 10, 2010. Ex. 1001, code (45), (54). The '877 patent relates to “powderous electrode active material” used in an electrochemical cell, such as a rechargeable lithium battery. Ex. 1001, 1:11–19. The '877 patent aims to “provide an electrode active material, which combines high volumetric and gravimetric energy density with high cycling stability and safety at low cost.” Ex. 1001, 4:10–13. To do so, the '877 patent describes a “non-uniform approach” involving a powder having particles that vary in size and composition. Ex. 1001, 4:14–21, 4:60–67. In particular, the '877 patent discloses that the

powderous electrode active material of the present invention comprises particles of lithium transition metal oxide, wherein the composition of transition metal varies with the size of the particles, for example, the larger particles having a composition . . . more allowable for fast bulk diffusion, and the smaller particles having a composition ensuring high safety.

Ex. 1001, 5:33–39. The '877 patent further discloses that the lithium transition metal oxide has the formula $\text{Li}_a\text{M}_b\text{O}_2$, where $0.9 < a < 1.1$, $0.9 < b < 1.1$, and M is predominantly comprised of transition metals selected from the group consisting of Mn, Co, and Ni. Ex. 1001, 4:14–18.

C. Illustrative Claim

Petitioner challenges claims 1–7, 18, 20, 21, and 23–26 of the '877 patent. Claims 1 and 5 are the only independent claims challenged. Claim 1 is illustrative, and is reproduced below:

1. A powderous electrode active material comprising a lithium transition metal oxide $\text{Li}_a\text{M}_b\text{O}_2$,
where $0.9 < a < 1.1$, $0.9 < b < 1.1$ and M is a mixture of at least two transition metals selected from the group consisting of Mn, Co and Ni,
said material having particles with a distribution of sizes,
where the content of Mn, Co and Ni in M varies with the size of the particles.

Ex. 1001, 13:21–28.

D. The Asserted Unpatentability Challenges

Petitioner asserts that claims 1–7, 18, 20, 21, and 23–26 would have been unpatentable based on the following challenges:

Basis	35 U.S.C. §	Claims Challenged
Maekawa, ¹ Yamazaki ²	103	1–7, 18, 20, 21, 23–26
Lampe-Onnerud ³	103	1–7, 18, 25, 26
Lampe-Onnerud, MacNeil ⁴	103	20, 21, 23, 24
Lampe-Onnerud, Fujiwara ⁵	103	20, 21, 23, 24

In support of its unpatentability arguments, Petitioner relies on the declaration testimony of Dr. Menahem Anderman. Ex. 1003.

¹ JP 2003-272618, published Sept. 26, 2003 (Ex. 1005).

² JP 2000-82466, published Mar. 21, 2000 (Ex. 1007).

³ US 2002/0192552 A1, published Dec. 19, 2002 (Ex. 1006).

⁴ MacNeil, et al., Structure and Electrochemistry of $\text{Li}[\text{Ni}_x\text{Co}_{1-2x}\text{Mn}_x]\text{O}_2$ ($0 \leq x \leq \frac{1}{2}$), *J. Electrochem. Soc.*, 149 (10) A1332–A1336 (2002) (Ex. 1008).

⁵ JP H8-138670, published May 31, 1996 (Ex. 1009).

II. DISCRETION TO INSTITUTE UNDER 35 U.S.C. § 314(A)

Patent Owner argues that we should exercise discretion under 35 U.S.C. § 314 and deny institution, because the '877 patent is the subject of a pending ITC proceeding “involving the same parties, the same patent, and the same issues” that “will outpace a proceeding on Petitioners’ . . . Petition by nearly *five months*.” Prelim. Resp. 1 (citing *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”). Petitioner disagrees, arguing that “because the ITC does not have the authority to invalidate a patent, any decision by the ITC will not resolve the issues, particularly in view of the stayed district court litigation.” Pet. 72. Petitioner also argues that evaluating the factors set forth in *Fintiv* demonstrates we should *not* exercise discretion to deny institution of an *inter partes* review. *See generally* Reply.

A. Parallel Proceedings

As previously described, Patent Owner has asserted the '877 patent against Petitioner in both a district court proceeding and an ITC investigation. Pet. 73; Paper 6, 2. The district court proceeding has been stayed pending resolution of the ITC investigation. Pet. 73; Prelim. Resp. 4.

A hearing in the ITC investigation is scheduled to begin on December 10, 2020. Ex. 2002, 5. The ITC’s Initial Determination is due on March 19, 2021, and the “target date” for completion of the investigation is July 19, 2021. Ex. 2002, 5. As of the filing date of the Preliminary Response, fact discovery was complete, and the ITC had set a schedule requiring the completion of expert discovery and the filing and/or exchange of several substantive papers and trial preparation documents prior to the deadline for issuing an institution decision in this proceeding, including exhibit lists,

summary determination motions, deposition transcripts, pre-hearing statements and briefs, and motions *in limine*. Ex. 2002, 4–5.

B. Analysis

The Board’s precedential decision in *NHK Spring Co. v. Intri-Plex Techs, Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential) guides us in determining whether to exercise discretion to deny institution on behalf of the Director. In *NHK*, the Board found that the “advanced state of [a] 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)).

The Board’s precedential decision in *Fintiv* sets forth six factors that we consider when determining whether to use our discretion to deny institution due to the advanced state of a parallel proceeding:

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. “These factors relate 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.* In evaluating these factors, we take “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.* (citing Patent Trial and Appeal Board Consolidated Trial Practice Guide 58 (November 2019), available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>).

We discuss the parties’ arguments below in the context of considering the above factors.

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

Patent Owner contends the *Fintiv* factors apply to ITC investigations, and that this factor weighs in favor of denial. Prelim. Resp. 3–4. In particular, Patent Owner notes that when discussing the Director’s institution discretion under § 314(a), the Consolidated Trial Practice Guide indicates “[d]enial . . . may be appropriate given ‘events in other proceedings related to the same patent, either at the Office, in district courts, or the ITC.’” Prelim. Resp. 3 (emphasis added by Patent Owner). Patent Owner further notes that the Board in *Fintiv* explained 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.” Prelim. Resp. 6 (quoting *Fintiv*, Paper 11 at 8–9).

With regard to this factor, Patent Owner notes that Petitioner has not requested a stay of the ITC investigation and, even if Petitioner had requested a stay, it is unlikely the ITC would grant a stay in view of the advanced stage of the ITC investigation, noting the December hearing date and July target date in the ITC. Prelim. Resp. 4–5.

Petitioner contends that Patent Owner's application of the Board's decision in *Fintiv* to the ITC investigation is misplaced, because *Fintiv*'s statement that "it is difficult to maintain a district court proceeding on patent claims determined to be invalid at the ITC" is mere dicta, and it is well established that ITC decisions have no preclusive effect in other forums. Reply 3. Petitioner contends this factor weighs in favor of instituting, because the related district court proceeding has been stayed, and the ITC investigation is not duplicative of an *inter partes* review, because the ITC does not have the authority to invalidate a patent, unlike the district court. Reply 2.

In its Sur-Reply, Patent Owner contends that *Fintiv* is precedential in its entirety, and points out that in *Fintiv* the Board addressed Petitioner's arguments regarding ITC proceedings in weighing the factors relating to exercising discretion under § 314(a). Sur-Reply 2–3 (citing *Fintiv*, Paper 11 at 8–9). In particular, Patent Owner notes the Board's statement in *Fintiv* that "even 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." Sur-Reply 2–3 (quoting *Fintiv*, Paper 11 at 8–9).

As Patent Owner notes, *Fintiv* expressly addresses ITC investigations, and the Board has considered ITC investigations in evaluating whether or not to exercise its discretion under 35 U.S.C. § 314. *Fintiv*, Paper 11 at 8–9 ("[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) (exercising discretion to deny institution under § 314(a) in view of an ITC proceeding); *Comcast Cable Commc'ns, LLC v. Rovi Guides, Inc.*, IPR2020-00800, Paper 10 (PTAB Oct. 22, 2020) (exercising discretion to deny institution under § 314(a) in view of an ITC proceeding). Accordingly, we consider the ITC investigation relevant to our consideration of the *Fintiv* factors.

Specifically with regard to Factor 1, Petitioner has not requested a stay of the ITC investigation, and we agree with Patent Owner that a stay of the ITC investigation is unlikely given the hearing in the ITC investigation is scheduled to begin on December 10, 2020. The pending stay in the district court does not change the fact that the ITC investigation addressing the validity of the challenged patent is likely to proceed as scheduled. For these reasons, we determine that this factor weighs against institution.

2. *Factor 2: Proximity of the Court's Trial Date to the Board's Projected Statutory Deadline*

Patent Owner contends this factor also weighs in favor of denial based on the ITC's scheduled December 10, 2020 hearing date, the March 19, 2021 Initial Determination date, and the July 19, 2021 target date for a Final Determination. Prelim. Resp. 7. Patent Owner notes that the target date will occur roughly five months before the Board's projected December 4, 2021 date for issuing a final written decision in the present proceeding. Prelim. Resp. 7. Patent Owner further contends the facts of the present proceeding compare favorably to both *NHK* and *Fintiv*, in which the Board ultimately denied institution. Prelim. Resp. 8 (citing *NHK*, Paper 8 at 20; *Fintiv*, Paper 15 at 13).

Petitioner contends this factor favors institution, arguing that “[f]inding this factor [weighs] in favor of denial would effectively prevent ITC litigants from pursuing IPR” because of the ITC’s average 18-month pendency. Reply 5. According to Petitioner, “even if an ITC litigant filed its petition on the day the ITC instituted the investigation, the ITC’s [Final Determination] would always be projected to occur around the time of [a Final Written Decision by the Board]. Particularly given that the ITC’s decision is not binding, this factor does not weigh in favor of denial.” Reply 5. Petitioner also cites to several cases in which the Board has instituted review where its final written decision was expected several months after the initial determination or final determination in the ITC. Reply 5.

In its Sur-Reply, Patent Owner disputes Petitioner’s argument that finding this factor weighs in favor of denial “would effectively prevent ITC litigants from pursuing IPR.” Sur-Reply 5. In particular, Patent Owner argues that this factor is not dispositive in isolation, and the Board’s *Fintiv* analysis “takes a *holistic* view of whether efficiency and integrity of the system are best served by denying or instituting review.” Sur-Reply 5 (citing *Fintiv*, Paper 11, 6). Patent Owner also notes that the cases Petitioner relies upon issued months before the Board designated *Fintiv* as precedential. Sur-Reply 5–6.

The current ITC schedule has an evidentiary hearing set for December 10, 2020, just days after the due date for this Decision, with a final determination set to pre-date the Board’s due date for a final written decision by several months. These facts weigh against instituting this proceeding.

We disagree with Petitioner that finding this factor favors denial will “effectively preclude ITC litigants from pursuing IPR.” Reply 4–5. As

Patent Owner points out, this one factor is not dispositive. Rather, we consider this factor in connection with several other factors in determining whether to exercise our discretion under § 314(a). As to Petitioner's cited Board decisions, those decisions are not precedential and pre-date the Board's precedential *Fintiv* decision, which is binding on us.

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

Patent Owner contends this factor favors denial. Prelim. Resp. 9. According to Patent Owner, the ITC has already resolved claim construction in its investigation, and by the time of projected institution of the present proceeding, the parties "will have already expended the overwhelming majority of total resources dedicated to the investigation," as "the parties will have finalized contentions and expert reports on validity, filed summary determination motions and pre-hearing briefs, presented direct witness testimony through witness statements, and prepared witnesses for cross-examination at the remote hearing." Prelim. Resp. 9; *see also* Sur-Reply 6 (noting Petitioner does not dispute the assertion that the parties will have already expended the "overwhelming majority" of resources at the ITC by the time of the Institution Decision).

Petitioner contends this factor weighs in favor of institution, primarily because the ITC does not have the authority to invalidate a patent, meaning instituting this *inter partes* review would not render this proceeding duplicative or waste resources. Reply 6. Petitioner further contends that because the district court proceeding has been stayed, instituting this *inter partes* review would be an efficient alternative to the district court litigation with little to no duplication of effort. Reply 6.

It is undisputed that the ITC and the parties have made substantial investments in the ITC proceeding, in the form of addressing claim construction and completing fact discovery, and in view of the hearing scheduled for December 10, 2020. *See* Ex. 2002, 5; Prelim. Resp. 9; Reply 6; Sur-Reply 6. We are not persuaded by Petitioner’s arguments based on the ITC’s lack of authority to invalidate a patent. Reply 6. As discussed above, *Fintiv* expressly addresses ITC investigations, and the Board has considered ITC investigations in evaluating whether or not to exercise its discretion under 35 U.S.C. § 314. *Fintiv*, Paper 11 at 8; *Garmin Int’l*, Paper 11; *Comcast Cable Commc’ns*, Paper 10. Thus, we determine that the third *Fintiv* factor weighs against institution.

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

Patent Owner contends this factor favors denial because there is “extensive overlap” between the validity issues raised in the Petition and in the related ITC investigation, because “[t]he prior art references and combinations advanced in Grounds 1–4 of the Petition are an *identical* subset of those put forward in Petitioners’ ITC invalidity contentions.” Prelim. Resp. 9–10; *see* Sur-Reply 8–9. Patent Owner notes that nearly all challenged claims in the Petition are asserted and alleged to be invalid in the related ITC investigation, with only claims 1, 3, and 7 challenged in the Petition but not asserted in the ITC.⁶ Prelim. Resp. 10. Patent Owner argues

⁶ At the time Patent Owner filed its Preliminary Response, these were the only claims challenged in the Petition but not asserted in the ITC investigation. Thus, the parties’ arguments are directed to only these three claims. On November 24, 2020, however, we received an email from the parties indicating that the parties narrowed the claims at issue in the ITC investigation, such that now, in addition to claims 1, 3, and 7, claims 2, 4, 6,

that many claims asserted in the ITC investigation depend from claim 1, and that “[t]his dependency guarantees that all validity issues relating to base claim 1 will be addressed during the investigation.” Prelim. Resp. 10.

Patent Owner further contends that Petitioner “worsened the problem” of duplicating efforts by expressly incorporating the Petition into the ITC investigation. Prelim. Resp. 10.

Petitioner contends this factor weighs in favor of institution because there is not complete overlap between the present proceeding and the ITC investigation. Reply 7–8. Petitioner argues that three claims challenged in the Petition are not at issue in the ITC, and that two of those claims, dependent claims 3 and 7, recite limitations that are not present in any claim asserted in the ITC investigation. Reply 7.

Petitioner further contends “Patent Owner conflates validity (the advisory issue before the ITC) with patentability (the issue before the Board). The ITC’s invalidity determination affects only whether the ITC will issue an exclusion order and is not binding in any other forum.” Reply 7. Additionally, Petitioner argues that “even assuming that the ITC could ‘resolve’ the invalidity of the asserted claims, Petitioner[] still must separately litigate the additional limitations of claims 3 and 7” in the district court. Reply 7.

In its Sur-Reply, Patent Owner notes that Petitioner does not identify any “material differences that distinguish the challenged unasserted claims from those at issue in the ITC investigation.” Sur-Reply 8–9. Nevertheless,

21, 24, and 25 are challenged in the Petition, but not asserted in the ITC. Ex. 3001. The increased number of claims challenged only in this IPR does not affect the substance of Patent Owner’s arguments, which, for the reasons discussed below, we determine to be persuasive.

Patent Owner stipulates, contingent upon our denial of institution here, that “any Challenged Claims presented for the district court trial will not extend beyond those addressed in the ITC’s Final Determination for Investigation No. 337-TA-1181.” Sur-Reply 9 (internal footnotes omitted). Patent Owner contends that this contingent stipulation removes any concern about a district court having to litigate the additional limitations in dependent claims 3 and 7, and further strengthens its arguments that this factor favors denying institution. Sur-Reply 9.

With regard to this factor, “if the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial” because “concerns of inefficiency and the possibility of conflicting decisions [are] particularly strong.” *Fintiv*, Paper 11 at 12. Here, it is undisputed that the same grounds, arguments, and evidence are presented in the Petition and the parallel ITC investigation. Prelim. Resp. 10–12; Reply 7–8; Sur-Reply 8–9; *compare* Pet. 15, *with* Ex. 2006, 95–96, 103–104. We recognize that there is not complete overlap between the claims challenged in the Petition and those at issue in the ITC investigation, with claims 1–4, 6, 7, 21, 24, and 25 being challenged in this proceeding but not asserted in the ITC. We agree with Patent Owner, however, that the ITC investigation will necessarily address the validity issues relating to base claim 1 because Patent Owner has asserted in the ITC investigation at least one claim that depends from claim 1 (claim 20), and, therefore, contains all of the limitations recited in claim 1. Prelim. Resp. 10. And even though Petitioner contends that claims 3 and 7 contain additional limitations not at issue in the ITC investigation (Reply 7), Petitioner does not address the substance of those limitations, or argue that they result in the Petition including “materially different grounds,

arguments, and/or evidence than those presented in” the ITC investigation. *Fintiv*, Paper 11 at 11–12.

Additionally, Patent Owner’s stipulation that it will not present for the district court trial any claims challenged in the Petition but not addressed in the ITC’s final determination⁷ further minimizes “concerns of inefficiency and the possibility of conflicting decisions.” *Fintiv*, Paper 11 at 11.

In view of the foregoing, we determine that the fourth *Fintiv* factor weighs against institution.

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

Patent Owner asserts that the same parties involved in the present proceeding are also involved in the ITC investigation. Prelim. Resp. 12; Sur-Reply 9. Petitioner does not address this factor. *See generally* Reply. Accordingly, this factor weighs against institution.

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

Patent Owner contends this factor favors denial because the Petition is “deeply flawed on the merits.” Prelim. Resp. 12. Patent Owner further contends “other circumstances compel the same result, including the continuing opportunity for Petitioners to utilize Patent Owner’s arguments in the ITC investigation as a roadmap for navigating this proceeding.” Prelim. Resp. 12. According to Patent Owner, Petitioner created this opportunity by

⁷ Although at the time Patent Owner filed its Sur-reply, only claims 1, 3, and 7 were challenged in the Petition but not in the ITC, Patent Owner clearly indicated that the stipulation applied to “any Challenged Claims,” referring to claims 1–7, 18, 20, 21, and 23–26. Sur-reply 9 n.1. In view of this, we consider Patent Owner’s stipulation to apply to claims 2, 4, 6, 21, 24, and 25, as well as claims 1, 3, and 7.

delaying its filing of the Petition and pursuing identical invalidity arguments in separate forums. Prelim. Resp. 13.

Petitioner contends this factor weighs in favor of institution. Specifically, Petitioner asserts that “[t]o the extent the *Fintiv* factors apply and the Board concludes that any weigh in favor of discretionary denial, they are outweighed by the merits.” Reply 8. Petitioner further disputes Patent Owner’s contention that Petitioner unfairly gained a “roadmap” from Patent Owner’s preliminary validity contentions in the ITC investigation, noting that the “roadmap” concern the Board expressed relating to follow-on petitions is not applicable here. Reply 9 (citing *General Plastic*).

As to the merits, Petitioner presents a reasoned argument, supported with documentary evidence, as to why one of ordinary skill in the art would have combined the disclosures of Maekawa and Yamazaki to arrive at the inventions set forth in the challenged claims. Pet. 26–34. Petitioner also provides a reasoned explanation as to why the disclosures of Lampe-Onnerud would have taught or suggested to one of ordinary skill in the art the subject matter of the challenged claims. Pet. 45–66. Thus, there is some strength to the merits of Petitioner’s challenges. That said, it appears there are several factual issues with respect to these arguments that are best resolved on a full trial record. This includes, for example, whether Maekawa’s disclosure of a “uniform coating” indicates that the coating is of a generally consistent thickness on all core particles, as Petitioner asserts, or whether this disclosure indicates that the coating has a uniform composition, as Patent Owner asserts. Pet. 31; Prelim. Resp. 20.

As to Patent Owner’s “roadmap” argument, we agree with Petitioner that it derives from the *General Plastic* factors, which primarily concern follow-on petitions filed by the same petitioner, and which are generally not

applicable in the case of a related proceeding. *See* Reply 8–10. Accordingly, we are not persuaded that this argument weighs in favor of denying institution.

Thus, on balance, we determine that the facts underlying this sixth *Fintiv* factor weigh slightly in favor of institution under § 314.

7. *Conclusion on the Fintiv Factors*

We determine that *Fintiv* factors 1–5 weigh against institution. We determine that *Fintiv* factor six weighs slightly in favor of institution. Accordingly, based on the facts and circumstances of this case, we determine that the *Fintiv* factors, on balance, weigh against institution. For these reasons, we exercise our discretion to deny institution under § 314(a).

III. CONCLUSION

For the reasons set forth above, we determine that the factors and circumstances, on balance, weigh against institution in this proceeding. Accordingly, we exercise our discretion to deny institution under 35 U.S.C. § 314(a).

IV. ORDER

In consideration of the foregoing, it is hereby:

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

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Patent 7,771,877 B2

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