Trials@uspto.gov
571-272-7822

Paper 14
Date: November 30, 2020

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.

IPR2020-00991 (Patent 8,012,626 B2)
IPR2020-00992 (Patent 8,012,626 B2)[1]

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

TORNQUIST, *Administrative Patent Judge*.

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

---

[1] These cases have not been joined or consolidated. Rather, because these cases involve the same common issues, we issue one Decision to be entered in each proceeding. The parties shall not employ this heading style.

I. INTRODUCTION

SK Innovation Co., Ltd. and SK Battery America, Inc. (collectively, "Petitioner") filed petitions in IPR2020-00991 and IPR2020-00992 requesting an *inter partes* review of U.S. Patent No. 8,012,626 B2 (IPR2020-00991, Ex. 1001, "the '626 patent"). IPR2020-00991, Paper 3 ("Pet."); IPR2020-00992, Paper 3 (collectively, "Petitions"). In IPR2020-00991, Petitioner challenges claims 1–7, 18, 20, 21, and 23–26 of the '626 patent and in IPR2020-00992 Petitioner challenges claims 1–7, 25, and 26 of the '626 patent. IPR2020-00991, Paper 3, 15; IPR2020-00992, Paper 3, 14. LG Chem, Ltd. ("Patent Owner") filed Preliminary Responses to the Petitions. IPR2020-00991, Paper 8 ("Prelim. Resp."); IPR2020-00992, Paper 8.

With our prior authorization, Petitioner filed a Reply (IPR2020-00991, Paper 11 ("Reply"); IPR2020-00992, Paper 11) and Patent Owner filed a Sur-reply (IPR2020-00991, Paper 12 ("Sur-reply"); IPR2020-00992, Paper 12) in each proceeding addressing the issue of discretionary denial under 35 U.S.C. § 314.[2]

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 institution 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

[2] Petitioner filed similar papers, including replies and sur-replies, addressing discretionary denial under § 314 in IPR2020-00991 and IPR2020-00992. Therefore, unless otherwise noted, hereinafter we cite to the record in IPR2020-00991.

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 parties' arguments and evidence, and for the reasons explained below, we exercise our discretion under § 314(a) and deny institution of an *inter partes* review in IPR2020-00991 and IPR2020-00992.

II. BACKGROUND

A. Real Parties in Interest

Petitioner identifies SK Innovation Co., Ltd., SK Battery America, Inc., and SK IE Technology Co. as the real parties in interest. Pet. 72.

Patent Owner identifies LG Chem, Ltd. as the real party in interest in these proceedings. Paper 6, 2.

B. Related Matters

The parties identify *LG Chem, Ltd. v. SK Innovation Co. Ltd.*, No. 1:19-cv-01805 (D. Del.) ("district court proceeding") and *Lithium-Ion Battery Cells, Battery Modules, Battery Packs, Components Thereof, and Products Containing the Same*, No. 337-TA-1181 (Int'l Trade Comm'n) ("ITC proceeding") as related matters. Pet. 73; Paper 6, 2; Prelim. Resp. 3.

Patent Owner also identifies as related matters IPR2020-00981 and IPR2020-00982, which Petitioner filed challenging claims 1–7, 18, 20, 21,

and 23–26 (IPR2020-00981) and 1–7 and 25–26 (IPR2020-00982) of U.S. Patent No. 7,771,877 ("the '877 patent").[3] Prelim. Resp. 3–4. The parties agree that the '877 patent is related to the '626 patent.[4] *Id.*; *see* Reply 1.

C. The '626 Patent

The '626 patent discloses a powderous electrode active material for use in an electrochemical cell, particularly a rechargeable lithium battery. Ex. 1001, 1:18–26. The '626 patent explains that commercial rechargeable lithium batteries almost exclusively apply $LiCoO_2$ as a cathode active material. *Id.* at 1:40–41. The '626 patent further explains that when this material is charged to 4.4V or higher, it "is the superior material" with respect to reversible capacity and gravimetric and volumetric energy, but suffers from "high capacity fading, low safety," and electrolyte reactivity (electrolyte oxidation). *Id.* at 1:34–38.

The '626 patent notes that "[c]oating of $LiCoO_2$ particles" had been "suggested to protect the surface from unwanted reactions between electrolyte and the charged" or delithiated Li_xCoO_2, but contends that in most cases such coatings "accounted for less than 2–5% of the weight of the cathode active material." *Id.* at 1:51–53, 2:35–36. Thus, "[t]he stoichiometry of the total cathode active material is only marginally changed" and the coated active materials are basically "uniform" materials. *Id.* at 2:36–41 (noting that in "uniform" materials "the composition of large and small particles is similar, and the composition of inner and outer bulk is basically the same").

[3] We refer to the IPRs challenging the '877 patent collectively as the '877 IPRs.
[4] The '626 patent is a continuation of the '877 patent. Ex. 1001, code (63).

To provide an electrode active material with high volumetric and gravimetric energy density and high cycling stability and safety, the '626 patent discloses a "non-uniform approach" wherein the composition of larger particles may be selected to allow for fast bulk diffusion and the composition of smaller particles may be selected to ensure an acceptable safety profile. *Id.* at 4:63–66, 6:58–67.

In one embodiment of the '626 patent, seed particles with the formula $LiMO_2$, wherein $M=Mn_xNi_yCo_{1-x-y}$ and $x<0.25$ and $y<0.9$, are selected. *Id.* at 8:43–49. A precipitation reaction then coats each particle with a uniform layer of precipitate. *Id.* at 8:52–56. "The amount of the precipitated layer is significant, so that the averaged (transition) metal composition of the particles is significantly different from that of the seed particle." *Id.* at 8:56–59. The '626 patent explains that because "[t]he thickness of the precipitated layer typically is uniform," "the average composition of small particles differs from the composition of large particles, yielding the desired size-composition distribution." *Id.* at 8:59–62.

After precipitation, a source of lithium is added and the particles are heat treated. *Id.* at 9:23–25. During this heat treatment, "a lithium transition metal phase with layered crystal structure phase is formed" and a "diffusion reaction between layer and seed occurs, relaxing the transition metal compositional gradient." *Id.* at 9:25–30. According to the '626 patent, the averaged composition of the resulting particles varies with particle size and, "[p]referably," the composition of the bulk also "varies between inner bulk and outer bulk and surface." *Id.* at 9:45–48.

D. Illustrative Claim

Claims 1 and 5 of the '626 patent are independent. Claim 1 is representative of the challenged claims and is reproduced below:

1. A powderous electrode active material comprising:

a lithium transition metal oxide $Li_aM_bO_2$,

where $0.9<a<1.1$, $0.9<b<1.1$ and M comprises $Mn_xNi_yCo_{1-x-y}$, $0 \leqq y \leqq 1$, $0 \leqq x \leqq 1$, said material having particles with a distribution of sizes, and

where the content of Mn, Co and Ni in M varies with the size of the particles

Ex. 1001, 13:25–31.

E. Prior Art and Asserted Grounds

Petitioner contends the challenged claims of the '626 patent are unpatentable in view of the following grounds:

IPR2020-00991		
Claims Challenged	**35 U.S.C. §**	**Reference(s)/Basis**
1–7, 18, 20, 21, 23–26	103	Maekawa,[5] Yamazaki[6]
1–7, 18, 25, 26	103	Lampe-Onnerud[7]
20, 21, 23, 24	103	Lampe-Onnerud, MacNeil[8]
20, 21, 23, 24	103	Lampe-Onnerud, Fujiwara[9]

[5] Maekawa, JP 2003-272618, published September 26, 2003 (Ex. 1005).
[6] Yamazaki, JP 2000-82466, published March 21, 2000 (Ex. 1007).
[7] Lampe-Onnerud, US 2002/0192552 A1, published December 19, 2002, (Ex. 1006).
[8] D.D. MacNeil, et al., Structure and Electrochemistry of $Li[_{Nix}Co_{1-2x}Mn_x]O_2$ ($0 \leq x \leq 1/2$), *Journal of The Electrochemical Society*, 149 (10) A1332–A1336 (2002) (Ex. 1008).
[9] Fujiwara, et al., JPH8-138670, published May 31, 1996 (Ex. 1009).

IPR2020-00992		
Claims Challenged	**35 U.S.C. §**	**Reference(s)/Basis**
1–7, 25, 26	103	Yoshida[10]
1, 3, 4, 25	103	Hosoya-217[11]
2, 5, 26	103	Hosoya-217
6, 7	103	Hosoya-217, Yoshida

Petitioner relies on the testimony of Dr. Menahem Anderman in support of its unpatentability arguments in both proceedings. Ex. 1003; IPR2020-00992, Ex. 1003.

III. DISCRETION TO INSTITUTE UNDER 35 U.S.C § 314

A. Parallel Proceedings

Patent Owner has asserted the '626 patent and the '877 patent against Petitioner in the district court proceeding. Pet. 73. The district court proceeding is stayed pursuant to 28 U.S.C. § 1659 pending the resolution of the ITC proceeding. *Id.*

Patent Owner asserts the '877 patent, but not the '626 patent, in the ITC proceeding. Pet. 73; Prelim. Resp. 3. Patent Owner represents that claims 1–7, 18, 20, 21, and 23–26 of the '877 patent were initially asserted in the ITC proceeding, but both parties agree that claims 1, 3, and 7 of the '877 patent are no longer at issue in that proceeding. Prelim. Resp. 7 n.3, 12; Reply 8 ("Further, 3 claims (1, 3, and 7) of the '877 patent are no longer at issue in the ITC."). Further, on November 24, 2020, Petitioner informed the Board that the parties narrowed the asserted claims of the '877 patent in the ITC proceeding to claims 5, 18, 20, 23, and 26. Ex. 3001. Thus, claims

[10] Yoshida, JP H11-162466, published June 18, 1999 (IPR2020-00992, Ex. 1005).
[11] Hosoya, WO2003/049217 A1, published June 12, 2003 (IPR2020-00992, Ex. 1006).

corresponding to claims 1–4, 6, 7, 21, 24, 25 of the '877 patent are challenged in the Petitions but are not asserted in the ITC proceeding. *Id.*

A hearing in the ITC proceeding is scheduled to begin on December 10, 2020. Ex. 2002, 5; Prelim. Resp. 9. The Initial Determination is due on March 19, 2021, and the target date for completion of the investigation is July 19, 2021. Ex. 2002, 5; Prelim. Resp. 9. Fact discovery is complete and the ITC has 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 December 10, 2020 hearing date, including exhibit lists, summary determination motions, deposition transcripts, pre-hearing statements and briefs, and motions *in limine*. Ex. 2002, 4–5; Prelim. Resp. 6.

B. Analysis

Patent Owner contends we should exercise our discretion under 35 U.S.C. § 314(a) to deny institution of the Petitions in these proceedings in view of the co-pending ITC proceeding, which Patent Owner contends involves "the same parties," "substantially similar" patents, and "substantially the same issues." Prelim. Resp. 1; IPR2020-00992, Paper 8, 1. According to Patent Owner, the ITC proceeding "will outpace" these proceedings by nearly five months and failure to exercise discretion to deny the Petitions "runs the risk of injecting inconsistent findings between two patents and potentially between the Board and the ITC." Prelim. Resp. 1, 5; IPR2020-00992, Paper 8, 1, 5.

Petitioner contends the facts do not support exercising discretion because, *inter alia*, the '626 patent is not asserted in the ITC proceeding, "the ITC does not have the authority to invalidate a patent," and at least

three claims of the '877 patent that are similar to the claims challenged in the Petitions are not asserted in the ITC proceeding. *See* Reply 1–2; IPR2020-00992, Paper 11, 1–2.

Under 35 U.S.C. § 314(a), the Director has discretion to deny institution. In determining whether to exercise discretion on behalf of the Director, we look to the guidance provided in *NHK Spring Co. v. Intri-Plex Technologies, Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential), and *Apple Inc. v. Fintiv Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) ("*Fintiv*").

Fintiv sets forth six non-exclusive factors for determining "whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date" in a parallel proceeding. *Fintiv*, Paper 11 at 6. These factors consider:

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 recognizes that there is some overlap between the identified factors and that some facts may be relevant to more than one factor. *Fintiv*, Paper 11 at 6. "Therefore, in evaluating the factors, the Board takes a

holistic view of whether efficiency and integrity of the system are best served by denying or instituting review." *Id.*

1. Fintiv Factor 1

Fintiv Factor 1 considers whether a court has granted a stay or indicated that a stay would be granted if a proceeding is instituted. *Fintiv*, Paper 11 at 6–7. A stay weighs against exercising discretion to deny institution because it "allays concerns about efficiency and duplication of efforts." *Id.* at 7.

"One particular situation in which stays arise frequently is during a parallel district court *and* ITC investigation involving the challenged patent." *Fintiv*, Paper 11 at 8. "In such cases, the district court litigation is often stayed under 28 U.S.C. § 1659 pending the resolution of the ITC investigation." *Id.* Although the Office and the district court would not be bound by the ITC's final determination, *Fintiv* notes that "as a practical matter, it is difficult to maintain a district court proceeding on patent claims determined to be invalid at the ITC." *Id.* at 8–9. Thus, a pending ITC proceeding may weigh against institution if the claims at issue in the petition are asserted in the parallel ITC proceeding. *Id.*

Patent Owner argues that Petitioner has not requested a stay of the ITC proceeding and a stay would likely not be granted if requested because "the Board's Final Written Decision will trail the ITC's target completion date by almost *five months*." Prelim. Resp. 7. According to Patent Owner, "[i]nstitution of yet another proceeding at the PTAB," co-pending with the district court and ITC proceedings, "would result in duplicative efforts and wasted resources." *Id.* at 9.

Petitioner contends we should not exercise discretion under § 314 because the ITC is not considering the validity of the '626 patent, *Fintiv*'s observation that "it is difficult to maintain a district court proceeding on patent claims determined to be invalid at the ITC" is "dicta," the Board and ITC apply different "evidentiary burdens of proof," and, unlike the district court, the ITC does not have the authority to invalidate a patent. Reply 2–3.

Contrary to Petitioner's arguments, *Fintiv* requires that we consider the status of the parallel ITC proceeding when evaluating whether to exercise discretion under § 314. *Fintiv*, Paper 11 at 8–9. Petitioner has not requested a stay of the ITC proceeding and we agree with Patent Owner that a stay is unlikely given the advanced state of that proceeding.
Prelim. Resp. 6–7. Moreover, as discussed in more detail below with respect to *Fintiv* Factor 4, Patent Owner represents that resolution of the validity challenges for the asserted claims of the '877 patent in the ITC proceeding will effectively resolve the issues set forth in the Petitions with respect to the challenged claims of the '626 patent. *Id.* at 3–5, 12–13. In view of this representation, we consider the co-pending ITC proceeding to be of some relevance here, despite the fact that the '626 patent is not asserted in that proceeding. Accordingly, we find *Fintiv* Factor 1 weighs slightly in favor of exercising our discretion to deny the Petitions. *See Fintiv*, Paper 11 at 8 (noting that Factor 1 may favor exercising discretion to deny a petition if the ITC will resolve the same or substantially the same issues as are set forth in the Petition).

2. Fintiv Factor 2

Fintiv Factor 2 looks to the "proximity of the court's trial date to the Board's projected statutory deadline." *Fintiv*, Paper 11 at 9.

Patent Owner contends this factor weighs in favor of exercising discretion because the ITC is scheduled to render a Final Determination with respect to the '877 patent roughly five months before the statutory date for entering a final written decision in this case. Prelim. Resp. 9. Petitioner contends that a finding that this factor weighs in favor of denial "would effectively prevent ITC litigants from pursuing IPR" because the ITC's average 18-month pendency "is the same amount of time the Board projects for reaching a final written decision." Reply 5 ("[E]ven 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 [the] [final written decision]."). Petitioner also cites to several cases in which the Board has instituted review when a final written decision was expected several months after the initial determination or final determination in the ITC. *Id.* at 5–6.

In its Sur-Reply, Patent Owner disputes that a finding that this factor weighs in favor of denial "would effectively prevent ITC litigants from pursuing IPR." Sur-Reply 5–6. Patent Owner notes that this factor is not dispositive in isolation and that 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." *Id.* at 6 (citing *Fintiv*, Paper 11 at 6).

Fintiv requires that we consider the proximity of the ITC's target date for a final determination to the Board's projected statutory deadline for filing a final written decision. *Fintiv*, Paper 11 at 9; *see Garmin Int'l, Inc. v. Koninklijke Philips N.V.*, IPR2020-00754, Paper 11 at 12 (PTAB Oct. 27, 2020) (exercising discretion to deny institution under § 314(a) in view of a co-pending ITC proceeding); *Comcast Cable Commc'n, LLC v. Rovi Guides,*

Inc., IPR2020-00800, Paper 10 at 12–13 (PTAB October 22, 2020) (same). When the target date in the parallel ITC proceeding "is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution." *Fintiv*, Paper 11 at 9. Here, Patent Owner represents that the ITC proceeding will effectively resolve the same issues set forth in the Petitions, and there is a five month differential between the projected target date for a Final Determination in the ITC and the Board's projected statutory deadline to issue a final written decision. Prelim. Resp. 9, 12–13. Accordingly, *Fintiv* Factor 2 weighs at least slightly in favor of exercising discretion to deny the Petitions under § 314(a).[12]

3. Fintiv Factor 3

Fintiv Factor 3 considers the "investment in the parallel proceeding by the court and parties," and looks in particular to whether "substantive orders related to the patent at issue in the petition" have been issued in the parallel proceeding. *Fintiv*, Paper 11 at 9–10.

Patent Owner contends this factor weighs in favor of denial because the ITC has already issued a claim construction order and, by the time of the institution decision, "the parties will have finalized contentions and expert reports on validity, filed summary determination motions and pre-hearing briefs, presented direct witnesses through witness statements, and prepared witnesses for cross-examination at the remote hearing." Prelim. Resp. 11.

[12] We disagree with Petitioner that finding this factor favors denial will "effectively preclude ITC litigants from pursuing IPR." Reply 5. As Patent Owner points out, this one factor is not dispositive. Sur-reply 6. Rather, we consider all the *Fintiv* factors as a whole when determining whether to exercise our discretion under § 314(a).

Petitioner argues that because the '626 patent is not part of the ITC investigation and the district court proceeding has been stayed, "instituting the IPR would be an efficient alternative to the stayed district court litigation" and would result "in little to no duplication of efforts." Reply 7.

The ITC is scheduled to conduct its hearing on December 10, 2020, and to date the parties have already expended considerable resources towards resolving the issues presented in the ITC proceeding. Prelim. Resp. 11. Although the '626 patent is not at issue in the ITC proceeding, as discussed below, Patent Owner represents that resolution of the validity challenges for the asserted claims of the '877 patent in the ITC proceeding will effectively resolve the issues set forth in the Petitions with respect to the challenged claims of the '626 patent.. *Id.* at 12–13. In view of this, we consider the parties' substantial investments in the ITC proceeding to be of some relevance here. Accordingly, on the specific facts of this case, we find *Fintiv* Factor 3 weighs slightly in favor of exercising our discretion to deny the Petitions under § 314.

4. Fintiv Factor 4

Fintiv Factor 4 considers whether "the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding." *Fintiv*, Paper 11 at 12. Even when the same claims are not presented in the petition and the parallel proceeding, *Fintiv* explains that this factor may still weigh in favor of exercising discretion to deny institution if the claims challenged in the parallel proceeding are sufficiently similar to the claims challenged in the petition. *Id.* at 13; *see also id.* at 8 ("[A]n earlier ITC trial date may favor exercising

authority to deny institution . . . if the ITC is going to decide the same or substantially similar issues to those presented in the petition.").

Patent Owner argues that *Fintiv* Factor 4 supports exercising discretion to deny the Petitions because "the invalidity issues between the '877 and '626 patent will be resolved via the ITC's invalidity determinations." Prelim. Resp. 12–13 (citing Ex. 2006, 82–83). In support of these arguments, Patent Owner represents that the claims of the '877 and '626 patents "are substantially similar" and the "prior art references and combinations advanced" in the Petitions "are an identical subset of those put forward in Petitioners' ITC invalidity contentions."[13] *Id.* at 3–5. Patent Owner also contends that the dependency of many of the asserted claims on independent claim 1 "guarantees that all validity issues relating to base claim 1 will be addressed during the investigation," and that the overlapping application of prior art with respect to claims 2 and 6 of the '877 patent "means that inclusion of unasserted claims 3 and 7 does not distinguish the Petition from issues concurrently litigated at the ITC." *Id.* at 12–13.

Petitioner argues that the facts do not support discretionary denial because the claims of the '877 and '626 patent are different, and claims 1, 3, and 7 of the '877 patent must still be litigated before the district court, regardless of the outcome in the ITC proceeding. *Id.* at 7–8 (citing *Samsung Elecs. Co., Ltd. v. Dynamics, Inc.*, IPR2020-00499, Paper 41 at 13–14 (PTAB Aug. 12, 2020)).

[13] Patent Owner provides a substantially similar analysis in IPR2020-00992, explaining why the arguments based on Yoshida and Hosoya-217 in the ITC proceeding will effectively resolve the same issues set forth in the petition in IPR2020-00992. *See* IPR2020-00992, Paper 8 at 5, 11–14.

In its Sur-reply, Patent Owner stipulates that, contingent upon the denial of the Petitions, "any Challenged Claims presented for the district court trial will not extend beyond those claims that correspond to the claims addressed in the ITC's Final Determination . . . for the '877 patent."[14] Sur-reply 9–10.

Although the claims of the '626 patent are not asserted in the ITC proceeding, the precedential order in *Fintiv* requires that we consider whether "the patentability disputes before the ITC will resolve all or substantially all of the patentability disputes between the parties." *Fintiv*, Paper 11 at 8–9, 13 (noting that a key question is "the similarity of the claims challenged in the petition to those at issue" in the parallel proceeding). The issues disputed for purposes of institution are whether the overlapping limitations of claims 1 and 5 are disclosed in the prior art, whether there would have been a reason to combine Maekawa and Yamazaki, whether Lampe-Onnerud discloses the limitation "where the content of Mn, Co and Ni in M varies with the size of the particles," as recited in claims 1 and 5, and whether one of ordinary skill in the art would have combined Lampe-Onnerud with MacNeil or Fujiwara (grounds challenging claims 20, 21, 23, and 24). Prelim. Resp. 19–28. Petitioner's Reply does not persuasively dispute that the ITC will resolve these issues when addressing the validity challenges to claims 5, 18, 20, 23, and 26 of the '877 patent. *See, e.g.*, Reply 7 (noting that Petitioner is arguing before the ITC that the asserted claims of the '877 patent "are invalid for obviousness-

[14] Patent Owner explains that "Challenged Claims" refers to claims 1–7, 18, 20, 21, and 23–26 of the '626 patent. Sur-reply 9 n.1.

type double patenting in view of" the '626 patent); Ex. 2006, 84. [15] Nor does Petitioner's recent communication to the Board suggest otherwise. *See* Ex. 3001. Further, we hold Patent Owner to its stipulation that it will only assert claims of the '626 patent in the district court that correspond to the claims addressed in the ITC Final Determination for the '877 patent. Sur-Reply 9–10. Accordingly, the increased number of claims challenged only in the '877 IPRs ultimately does not change the substance of Patent Owner's arguments. Based on the foregoing facts and circumstances, we find that *Fintiv* Factor 4 weighs in favor of exercising our discretion to deny the Petitions under § 314(a).

5. Fintiv Factor 5

Fintiv Factor 5 looks to "whether the petitioner and the defendant in the parallel proceeding are the same party." *Fintiv*, Paper 11 at 14.

The parties in the above-captioned proceedings are the same as the parties in the ITC proceeding and, although the '626 patent is not asserted in the ITC proceeding, Patent Owner represents that the issues set forth in the Petitions are the same as, or substantially similar to, those presented in the ITC proceeding. Accordingly, *Fintiv* Factor 5 weighs at least slightly in favor of exercising our discretion under § 314.

---

[15] Petitioner presents evidence that at least one district court has declined to consider ITC findings directed to a related patent. Reply 2 (citing *Knowles Elecs., LLC v. Analog Devices Inc.*, No 11 C 6804, 2013 WL 870595, at *4–5 (N.D. Ill. Mar. 7, 2013)). In contrast to the facts in *Knowles*, however, in the present proceeding *Patent Owner* represents that the ITC's determinations with respect to the validity of the challenged claims of the '877 patent will effectively resolve any disputes regarding the '626 patent and stipulates to narrow the district court litigation. *Id.* at *4.

6. Fintiv Factor 6

Fintiv Factor 6 looks to whether "other circumstances" exist that might "impact the Board's exercise of discretion, including the merits." *Fintiv*, Paper 11 at 14.

Patent Owner contends the Petition is "deeply flawed on the merits" and instituting review would provide an "open and continuing opportunity for Petitioners to utilize Patent Owner's arguments in the ITC investigation as a roadmap for navigating this proceeding." Prelim. Resp. 14.

Petitioner contends the "Petition presents a strong case of unpatentability" and that Patent Owner's "roadmap" theory is not applicable to the facts of this case because it is based on concerns related to follow-on petitions, not parallel proceedings. Reply 9 (discussing *General Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 15–16 (PTAB Sept. 6, 2017) (precedential)).

We agree with Petitioner that the "roadmap" concerns expressed by Patent Owner relate to follow-on petitions, not parallel proceedings. Reply 9. 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. *Id.* at 45–66. Thus, there is some strength to the merits of Petitioner's challenges. That said, it appears there are several factual issues the parties raise 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. Thus, we find that *Fintiv* Factor 6 slightly weighs against exercising discretion to deny under § 314.

7. Holistic Analysis of the Fintiv Factors

For the reasons discussed above, particularly in view of Patent Owner's representation that the ITC will resolve the same or substantially the same issues as presented in the Petitions, and Patent Owner's stipulation that it will only assert in district court claims of the '626 patent that correspond to the claims of the '877 patent that the ITC will address in the Final Determination, *Fintiv* Factors 1, 2, 3, 4, and 5 all favor, at least somewhat, discretionary denial. *Fintiv* Factor 6 slightly favors institution. Accordingly, we find the *Fintiv* factors, when considered as a whole, weigh in favor of exercising our discretion to deny the Petitions under 35 U.S.C. § 314.

IV. CONCLUSION

For the reasons set forth above, we determine that the factors and circumstances, on balance, weigh in favor of discretionary denial in the above-captioned proceedings. Accordingly, we exercise our discretion to deny institution under 35 U.S.C. § 314(a) in both proceedings.

V. ORDER

It is:

ORDERED that, pursuant to 35 U.S.C. § 314(a), the Petitions in IPR2020-00991 and IPR2020-00992 are *denied.*

For PETITIONER:

Gasper LaRosa
Anthony Insogna
David Cochran
Jihong Lou
JONES DAY
gjlarosa@jonesday.com
aminsogna@jonesday.com
dcochran@jonesday.com
jlou@jonesday.com

For PATENT OWNER:

Timothy Riffe
Hyun In
Dorothy Whelan
Lauren Degnan
Kenneth Darby
Kim Leung
FISH & RICHARDSON P.C.
riffe@fr.com
in@fr.com
whelan@fr.com
degnan@fr.com
kdarby@fr.com
leung@fr.com