

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LG DISPLAY CO., LTD.,
Petitioner,

v.

SOLAS OLED LTD.,
Patent Owner.

IPR2020-01238
Patent 7,573,068 B2

Before SALLY C. MEDLEY, JESSICA C. KAISER, and JULIA HEANEY,
Administrative Patent Judges.

MEDLEY, *Administrative Patent Judge.*

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

I. INTRODUCTION

LG Display Co., Ltd. (“Petitioner”) filed a Petition for *inter partes* review of claims 1, 5, 9–13, and 17 of U.S. Patent No. 7,573,068 B2 (Ex. 1001, “the ’068 patent”). Paper 2 (“Pet.”). Solas OLED Ltd. (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). In accordance with Board authorization, Petitioner filed a Reply to the Preliminary Response (Paper 8, “Pet. Reply”) and Patent Owner filed a Sur-Reply (Paper 9, “PO Sur-Reply”).

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

A. Related Matters

The parties indicate that the ’068 patent is or has been the subject of, or relates to, the following proceedings: *Solas OLED Ltd. v. LG Display Co., Ltd., et al.*, Case No. 6:19-cv-00236-ADA (W.D. Tex.) (“the underlying litigation”); *Solas OLED Ltd. v. Apple Inc.*, Case No. 6:19-cv-00537-ADA (W.D. Tex.); and *Solas OLED Ltd. v. HP Inc. f/k/a Hewlett-Packard Co.*, Case No. 6:19-cv-00631-ADA (W.D. Tex.). Pet. 2; Paper 3, 2. The ’068 patent also is the subject of IPR2020-01546, but a determination whether to institute *inter partes* review has not yet been made.

In the underlying litigation, Patent Owner has asserted two other patents in addition to the ’068 patent: U.S. Patent Nos. 7,432,891 B2 (“the ’891 patent”) and 7,907,137 B2 (“The ’137 patent”). Petitioner has challenged the ’891 patent in IPR2020-00177, and the panel instituted *inter*

partes review in that case.¹ Petitioner challenged the '137 patent in IPR2020-01055, but the panel exercised discretion under 35 U.S.C. § 314(a) to deny institution of *inter partes* review.

B. The '068 Patent

The Specification of the '068 patent describes a transistor array substrate having a plurality of transistors which supply current to light-emitting elements. Ex. 1001, 1:16–20. A stated object of the invention is “to satisfactorily drive a light-emitting element while suppressing any voltage drop and signal delay.” *Id.* at 2:39–41. The '068 patent describes achieving this objective by patterning thick feed interconnections. *Id.* at 3:60–4:3.

C. Illustrative Claim

Petitioner challenges claims 1, 5, 9–13, and 17 of the '068 patent. Claims 1 and 13 are independent claims. Claim 1 is reproduced below.

1. A transistor array substrate comprising:
 - a substrate;
 - a plurality of driving transistors which are arrayed in a matrix on the substrate, each of the driving transistors having a gate, a source, a drain, and a gate insulating film inserted between the gate, and the source and drain;
 - a plurality of signal lines which are patterned together with the gates of said plurality of driving transistors and arrayed to run in a predetermined direction on the substrate;
 - a plurality of supply lines which are patterned together with the sources and drains of said plurality of driving transistors and arrayed to cross said plurality of signal lines via the gate insulating film, one of the source and the drain of each of the

¹ We note that in IPR2020-00177 Patent Owner did not file a preliminary response.

- driving transistors being electrically connected to one of the supply lines; and
- a plurality of feed interconnections which are formed on said plurality of supply lines along said plurality of supply lines, respectively.

Ex. 1001, 32:39–57.

D. Asserted Grounds of Unpatentability

Petitioner asserts that claims 1, 5, 9–13, and 17 are unpatentable based on the following grounds (Pet. 4):

Claim(s) Challenged	35 U.S.C §	Reference(s)/Basis
1, 5, 10, 11, 13	102(e) ²	Shin ³
13	103(a)	Shin
1, 5, 9–13, 17	103(a)	Shin, Hector ⁴

II. DISCUSSION

Institution of *inter partes* review is discretionary. *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he [Office] is permitted, but never compelled, to institute an [*inter partes* review] proceeding.”); 35 U.S.C. § 314(a) (“The Director may not authorize an *inter partes* review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood

² The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended 35 U.S.C. §§ 102 and 103. Because the ’068 patent has an effective filing date before the effective date of the applicable AIA amendments, we refer to the pre-AIA versions of 35 U.S.C. §§ 102 and 103.

³ WO 2004/090853 A1, published Oct. 21, 2004 (Ex. 1005, “Shin”).

⁴ WO 03/079442 A1, published Sept. 25, 2003 (Ex. 1006, “Hector”).

that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.”).

Patent Owner contends we should exercise our discretion to deny institution under 35 U.S.C. § 314(a). Prelim. Resp. 1; PO Sur-reply 1. Petitioner argues against discretionary denial based on § 314(a). Pet. 16; Pet. Reply 1. For the reasons provided below, we exercise our discretion to deny institution under 35 U.S.C. § 314(a).

The Board has identified a non-exclusive list of factors to determine whether efficiency, fairness, and the merits favor discretionary denial in view of parallel district court litigation. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”).

Those factors include:

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 5–6. In evaluating the factors, we take a holistic view of whether efficiency and integrity of the patent system are best served by denying or instituting review. *Id.* at 6.

A. Stay in the Underlying Litigation

According to the parties, the underlying litigation has not been stayed, and neither party indicates Petitioner has sought a stay. Prelim. Resp. 6–8; Pet. Reply 2; PO Sur-reply 1–2. Patent Owner argues that the presiding judge in the underlying litigation “rarely grants stays pending IPR.” Prelim. Resp. 7. Patent Owner also argues that by the institution decision deadline, the parties will be less than a month from trial and it is “highly unlikely” that the presiding judge in the underlying litigation would entertain a stay at such a late juncture. *Id.* Petitioner argues that factor 1 is neutral. Pet. Reply 2.

In the absence of any specific statements from the district court about its amenability to stay the underlying litigation, we decline to speculate about the presiding judge’s inclinations. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (PTAB May 13, 2020) (informative) (“We decline to infer, based on actions taken in different cases with different facts, how the District Court would rule should a stay be requested by the parties in the parallel case here.”). Thus, we find this factor is neutral.

B. The Trial Date in the Underlying Litigation

A jury trial is scheduled to begin in the parallel district court proceeding on March 29, 2021. Prelim. Resp. 2 (citing Ex. 2004), 8. Patent Owner argues that “[t]he statutory deadline for this FWD is March 1, 2022” such that “the district court trial will start almost a full year before the FWD deadline.” *Id.* at 8. Patent Owner further argues that there are no “non-speculative reasons to believe that the WDTex trial will be postponed in view of the COVID-19 pandemic,” and that it is unaware “of any orders

continuing jury trials in the Waco Division of the Western District of Texas.” *Id.* at 8–9.

Petitioner argues that the trial date “cannot be accurately predicted given (1) the WDTX’s congested docket, (2) rising COVID rates, and (3) the Court having invited LG to revisit the trial date.” Pet. Reply 2 (citing Exs. 1027–1031, 1034, 1035). We have considered Petitioner’s arguments and evidence. Petitioner, however, does not direct us to sufficient evidence that the presiding judge in the underlying litigation would be persuaded by any of these factors. As pointed out by Patent Owner in its Sur-reply, per a December 9, 2020 order, the presiding judge reiterated that the “Trial remains set for 3/29/21 at 9:00am.” PO Sur-reply 2 (citing Ex. 2015). The presiding judge so indicated, despite Petitioner’s August 31, 2020 filing with the court that it had a conflict with the trial date. Ex. 1035 ¶ 6.

Despite the scheduled trial date in the underlying litigation, Petitioner argues that Patent Owner has asserted the ’068 patent against other defendants and that the most efficient way to resolve the “duplicative disputes is through this single IPR proceeding.” Pet. Reply. 1–2. We agree with Patent Owner that Petitioner’s argument is not particularly relevant to the facts of this case, as none of the identified defendants is “involved in this IPR or the underlying WDTex litigation.” PO Su-reply 1. In any event, Patent Owner directs us to evidence that at least with respect to some of the

“other defendants,” an agreement likely will lead to the dismissal of cases involving some of these “other defendants.” *Id.* (citing Ex. 2012).

For the above reasons, this factor favors the exercise of discretionary denial.

C. Investment by the Court and the Parties in the Underlying Litigation

Patent Owner argues that at the time of the institution decision (March 1, 2021), “the parties will have completed all fact discovery, expert reports, expert discovery, summary judgment and *Daubert* briefing, and the bulk of pretrial disclosures.” Prelim. Resp. 10 (citing Ex. 2005, 2–3). Patent Owner further contends “the court and parties have *already* invested heavily in the ’068 patent through extensive *Markman* proceedings disputing six terms from the ’068 patent (*see* Ex. 2006), and completing all disclosures and fact discovery.” *Id.* at 12.

Petitioner acknowledges that claim construction is complete, but argues that the “Court and the parties have made little relevant investment.” Pet. Reply 3. Petitioner also minimizes the investment related to invalidity contentions as having been borne primarily by Petitioner, not Patent Owner. *Id.* at 3–4.⁵

This factor considers investment by both parties. *Fintiv*, Paper 11 at 9–10. Thus, contrary to Petitioner’s arguments (Pet. Reply 3–4), we do consider Petitioner’s own efforts in the underlying litigation, including its

⁵ Petitioner also argues that had the Board acted more swiftly in docketing this IPR, our “Institution Decision would have issued December 2 or 6 . . . well before the close of discovery, dispositive motions, etc.” Pet. Reply 4 (citing Ex. 2005). Petitioner’s argument is speculative and not particularly relevant here to the timing of the underlying litigation events and the institution due date here.

work on invalidity contentions, for example. Notwithstanding, we also consider whether the alleged investment in the underlying litigation is tethered to the merits of the parties' validity positions in that litigation and, by extension, their patentability positions here. *See Sand Revolution II, LLC v. Continental Intermodal Group–Trucking LLC*, IPR2019-01393, Paper 24 at 10–11 (June 16, 2020) (informative) (“*Sand Revolution*”).

Certain work underway or already completed in the underlying litigation has relevance to issues in the Petition. We note that Petitioner filed final invalidity contentions in the underlying litigation (Ex. 2010), along with its expert report (Ex. 2018). The vast majority of the work on the remaining tasks in the underlying litigation will likely be completed by the time this Decision issues. Exs. 2005, 2015. We additionally note that the court has completed claim construction. Ex. 2003. We have considered Petitioner's argument that the summary nature of the court's claim construction order does not exhibit the same level investment as detailed claim construction orders in other cases. Pet. Reply 3. Petitioner, however, overlooks the extensive court conducted hearing on claim construction with argument from both parties that led to oral claim construction rulings that were later finalized per written order. Ex. 1037. We determine that the claim construction hearing is additional case development relevant to the issues here. Taken together, we find that the court and the parties' investment in the underlying litigation weighs in favor of exercising discretion to deny institution.

We also consider whether Petitioner unreasonably delayed in filing the Petition in this case. *See Fintiv*, Paper 11 at 11–12. Petitioner argues that the Petition was filed “less than seven weeks after learning the Court's unexpected claim constructions, which expanded the number of relevant

prior art preferences and made plainer the invalidity of the '068 patent.” Pet. 16–17. Petitioner further argues that Shin could not have been identified sooner because it discloses the claimed “signal lines” and “feed interconnections” features apparent under the Court’s broad construction and not under the constructions for those terms that Petitioner asserted. *Id.* at 17; Pet. Reply 1. Nonetheless, Petitioner argues that the fact that it filed the Petition after learning of the claim construction in the underlying litigation, “weighs, at most, only ‘moderately’ in favor of denial.” Pet. Reply 3.

Patent Owner argues that Petitioner was aware of the asserted claims in November 2019, and that Petitioner served invalidity contentions in January 2020, but Petitioner nonetheless waited to file the Petition until July 2020. Prelim. Resp. 13; PO Sur-reply 3. Patent Owner also argues that the Petition followed closely after the court completed claim construction in May 2020 and, thus, was not filed “expeditiously,” causing prejudice to Patent Owner. Prelim. Resp. 13–14 (citing *Fintiv*, Paper 11 at 11). Patent Owner further contends that Petitioner’s justification for delay should be rejected because Petitioner’s invalidity contentions are based in part on Patent Owner’s infringement contentions and not limited to any construction, and Petitioner had notice of the court’s claim construction at least since receiving Patent Owner’s proposed constructions. *Id.* at 14; PO Sur-reply 3.

Patent Owner identified its asserted claims in the underlying litigation on November 26, 2019. Ex. 2001. Petitioner served its preliminary invalidity contentions in the underlying litigation on January 24, 2020. Ex. 2016. The court conducted a claim construction hearing on May 22, 2020,

and issued a claim construction order on June 9, 2020. Ex. 1037; Ex. 2003. The Petition was filed July 8, 2020.⁶

Petitioner acknowledges that it waited to file the Petition until after the court's claim construction ruling. Pet. 16–17. We agree with Patent Owner, however, that Petitioner was made aware of Patent Owner's proposed construction (which the court adopted) for “signal lines” in February 2020. Prelim. Resp. 14. We further agree with Patent Owner that the court's construction for “feed interconnections” was not wholly unexpected, as the construction is consistent with the claim language that the feed interconnections are “formed on along” supply lines, implying that the interconnections and supply lines are in different layers. *Id.* at 14–16. Petitioner does not respond to Patent Owner's arguments in that regard. *See generally* Pet. Reply. Thus, we agree with Patent Owner that Petitioner fails to explain adequately why it could not have found Shin or Hector earlier through reasonable diligence. PO Sur-reply 4.

For all of these reasons, we determine that Petitioner has not explained sufficiently why it did not file the Petition earlier, further favoring the exercise of discretionary denial.

D. Overlap of Issues

Petitioner contends that (1) claims 1, 5, 10, 11, and 13 are unpatentable as anticipated by Shin, (2) claim 13 would have been obvious based on Shin, and (3) claims 1, 5, 9–13, and 17 would have been obvious based on Shin in view of Hector. Pet. 4. In the underlying litigation, Petitioner challenges the validity of claims 1, 5, 10, 12, 13, and 17.

⁶ We understand that the 35 U.S.C. § 315(b) statutory bar date in this case was August 26, 2020. Thus, the Petition was filed seven weeks from the statutory bar date. *See* IPR2020-01055, Ex. 2010.

Ex. 2010, 1. Petitioner lists Shin and Hector as asserted prior art references in the underlying litigation. *Id.* at 41, 44.

Regarding overlap of issues, Petitioner argues that it “agrees to not pursue in court any specific ground that the Board instituted for challenging the ’068 patent.” Pet. 18; Pet. Reply 4 (citing Ex. 1033). Petitioner also argues that the Petition challenges additional claims that are not at issue in the underlying litigation. Pet. 18; Pet. Reply 4.⁷

Patent Owner argues that Petitioner’s stipulation is narrow and contends that it “only ‘mitigates to some degree’ concerns about duplicative issues.” Prelim. Resp. 19–20. Patent Owner further argues that “Defendants’ invalidity expert report substantially overlaps with the Petition, asserting that claims 1, 5, 10, and 13 are anticipated by Shin (Ground 1) and that claim 13 is rendered obvious by Shin (Ground 2).” PO Sur-reply (4 (citing Ex. 2017; Ex. 2018)). Patent Owner contends that Petitioner’s narrow stipulation “is entitled to less weight here because of its late timing” as “[o]verlapping issues are guaranteed to remain in the WDTex case until a month before trial.” *Id.* Patent Owner also argues that the additional dependent claims challenged here are similar to the independent claims at issue in the underlying litigation and implicate the same issues. *Id.* (citing *Fintiv*, Paper 11 at 13 & 13 n.25 (citing *Next Caller, Inc. v. TRUSTID, Inc.*, IPR2019-00961, Paper 10 at 14 (PTAB Oct. 16, 2019) (denying institution because petitioner does not argue that the non-overlapping claims differ

⁷ Despite Petitioner’s final invalidity contentions listing claims 1, 5, 10, 12, 13, and 17 of the ’068 as involved in the underlying litigation (Ex. 2010, 1), the parties appear to agree that claim 12 is not involved in the underlying litigation. Prelim. Resp. 18, 21; Pet. Reply 4; PO Sur-reply 4. Thus, we assume for purposes of this decision that dependent claims 9, 11, and 12 involved here are not involved in the underlying litigation.

significantly in some way or argue whether it would be harmed if institution of the non-overlapping claims is denied)).

We agree with Patent Owner that Petitioner's stipulation is similar to the one in *Sand Revolution* insofar as it focuses on the same grounds challenged in the Petition. Thus, it "mitigates to some degree the concerns of duplicative efforts between the district court and the Board, as well as concerns of potentially conflicting decisions." *Sand Revolution*, Paper 24 at 12 & n.5. Further, Petitioner is correct that three claims challenged here are not challenged in the underlying litigation. Pet. Reply 4. Thus, given Petitioner's stipulation and the differences in asserted claims, we find this fact favors institution.

E. Whether Petitioner is Unrelated to the Defendant in the Underlying Litigation

"If a petitioner is unrelated to a defendant in an earlier court proceeding, the Board has weighed this fact against exercising discretion." *Fintiv*, Paper 11 at 13–14. Both parties acknowledge that Petitioner here is the defendant in the underlying litigation. Prelim. Resp. 22–23; Pet. Reply 4; PO Sur-reply 2. Thus, this factor does not weigh against exercising discretionary denial.

F. Other Considerations

As indicated in *Fintiv*, a balanced assessment of factors may include consideration of the merits. *Fintiv*, Paper 11 at 14–15. Here, the parties make arguments related to the merits of Petitioner's unpatentability challenges. Pet. 19–20; Prelim. Resp. 24–25; Pet. Reply 4–5; PO Sur-reply 5. The decision whether to exercise discretion to deny institution under § 314(a) is based on "a balanced assessment of all relevant circumstances in the case, including the merits." Patent Trial and Appeal

Board Consolidated Trial Practice Guide 58 (Nov. 2019) (“Consolidated Trial Practice Guide”), *available at* <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf>. We have reviewed Petitioner’s unpatentability arguments in the Petition and Reply, and Patent Owner’s arguments in the Preliminary Response and Sur-reply. Based on the limited record before us, we do not find that the merits outweigh the other *Fintiv* factors.

III. CONCLUSION

Based on the particular circumstances of this case, we determine that instituting an *inter partes* review would be an inefficient use of Board resources. As discussed above, the trial in the parallel district court proceeding is currently scheduled for March 29, 2021, which is several months before we would reach a final decision in this proceeding. The court and parties have expended considerable time and effort in preparing for the upcoming trial and Petitioner has not explained adequately why it filed the Petition long into the development of the underlying litigation. Moreover, we note that the merits of the vast majority of Petitioner’s unpatentability contentions here are already being considered as part of its invalidity case in the underlying litigation. On balance, after a holistic consideration of the relevant facts, we conclude that efficiency and integrity of the system are best served by denying institution. Thus, we exercise our discretion under § 314(a) to deny institution of *inter partes* review.

IV. ORDER

Accordingly, it is:

ORDERED that the Petition is *denied*; and

FURTHER ORDERED that no *inter partes* review is instituted.

IPR2020-01238
Patent 7,573,068 B2

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