

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

STANLEY BLACK & DECKER, INC.,
and
BLACK & DECKER (U.S.) INC.,
Petitioner,

v.

ZIRCON CORPORATION,
Patent Owner.

IPR2020-01572
Patent 6,989,662 B2

Before THOMAS L. GIANNETTI, CHARLES J. BOUDREAU, and
WESLEY B. DERRICK, *Administrative Patent Judges*.

DERRICK, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. §§ 314, 325

INTRODUCTION

Stanley Black & Decker, Inc., and Black & Decker (U.S.) Inc., (collectively “Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting *inter partes* review of claims 1, 2, 6–17, 19, and 20 of U.S. Patent No. 6,989,662 B2 (Ex. 1001, “the ’662 patent”). Patent Owner Zircon Corporation filed a Preliminary Response. Paper 5 (“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, “Sur-Reply”). Patent Owner does not address the merits of Petitioner’s challenge, but contends that the Board should exercise its discretion under both 35 U.S.C. § 314 and 35 U.S.C. § 325(d) not to institute review. *See generally* Prelim. Resp.

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.”).

For the reasons that follow, we exercise our discretion to deny the Petition under 35 U.S.C. § 314.

BACKGROUND

A. Real Parties in Interest

Petitioner and Patent Owner identify themselves as the real parties in interest. Pet. 1; Paper 4.

B. Related Matters

The parties identify one stayed district court case and one active ITC proceeding as pending related matters: *Zircon Corporation v. Stanley Black & Decker, Inc.*, 4:19-CV-08044 (N.D. Cal.) and *Certain Electronic Stud Finders, Metal Detectors and Electrical Scanners*, Inv. No. 337-TA-1221 (Int'l Trade Commission). Pet. 1; Paper 4; Prelim. Resp. 1–2 (referring to instituted ITC proceeding), 1 n.2 (referring to stay of district court case in favor of the ITC action), 6 (referring to district court case being stayed in favor of ITC proceeding), Reply 1 (stating “[t]he California litigation is stayed”); Ex. 2008 ¶ 4. (citing Ex. 2001, ITC Complaint).

C. The '662 Patent (Ex. 1001)

The '662 patent is titled “Sensor Auto-Recalibration,” and issued on January 24, 2006, from an application filed on April 29, 2004. Ex. 1001, at codes (22), (45), (54). The '662 patent generally “relates to sensors that detect objects, such as studs, behind a wall covering, such as sheetrock, and more particularly to sensors that detect and correct a miscalibration.” *Id.* at 1:6–9. In particular, the sensor is able to detect a miscalibration, such as when it was calibrated over an object such as a stud, and automatically recalibrate without operator intervention, so that the calibration value is set

to a value representing the wall covering alone without hidden objects behind it. *Id.* at code (57), 2:3–33.

D. Illustrative Claims

The '662 patent contains 20 claims, of which claims 1, 12, and 17–20 are independent. Claim 1 is representative of claims directed to methods of recalibrating the subject stud sensing device. Claim 12 is representative of claims directed to the stud sensing device itself.

1. A method of recalibrating a stud sensing device for finding a location of a stud positioned behind a surface, the method comprising the acts of:
 - holding the stud sensing device at a first location on the surface;
 - placing the stud sensing device in an calibration mode;
 - sensing a first density at the first location in the calibration mode;
 - setting a calibration value based on the first sensed density;
 - placing the stud sensing device in an operating mode;
 - moving the stud sensing device to a second location on the surface;
 - sensing a second density at the second location;
 - setting a second density value based on the second sensed density;
 - the stud sensing device determining if it was calibrated over or near a stud; and
 - the stud sensing device recalibrating itself if it determined that the stud sensing device was calibrated over or near the stud.

Ex. 1001, 7:49–8:3.

12. A stud sensing device capable of automatically recalibrating if it has erroneously been calibrated at a location over or near a stud, the stud sensing device comprising:
- a first memory adapted to hold a calibration value;
 - a second memory adapted to hold a sensed value;
 - a sensor adapted to be applied to a surface, thereby determining a density behind the surface and providing the sensed value, wherein the sensor is operationally coupled to the second memory;
 - a comparator adapted to compare the first memory location to the second memory location, thereby determining if the calibration value represents a value sensed over or near the stud, wherein the comparator is operationally coupled to the first and second memories, and
 - an updater adapted to update the first memory with an updated calibration value, wherein the updater is operationally coupled to an output of the comparator.

Id. at 8:56–9:5.

E. Prior Art Relied Upon

Petitioner relies on the references listed below (Pet. 7–8):

Reference	Date	Exhibit No.
US 5,619,128 (“Heger”)	Apr. 8, 1997	1003
DE 101 59 336 A1 (“DE336”)	Dec. 5, 2002	1004 & 1005 (English Translation)
US 6,593,754 B1 (“Steber”)	Apr. 1, 1999 ¹ Mar. 29, 2000 ² July 15, 2003 ³	1006
US 2001/0010460 A1 (“Miller”)	Aug. 2, 2001	1008

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 William Messner, Ph.D. (Ex. 1009). *Pet. passim*.

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1, 2, 6–17, 19, 20	103	Steber, DE336
1, 2, 6, 7, 9–17, 19	103	Steber, Miller
1, 2, 6–17, 19, 20	103	Steber, Miller, DE336
2, 17	103	Steber, DE336, Heger
2, 17	103	Steber, Miller, Heger
2, 17	103	Steber, Miller, DE336, Heger

¹ Contended § 102(e) date based on provisional application 60/127,322 (Ex. 1007). *Pet.* 7–8.

² Contended § 102(e) date based on actual filing date. *Pet.* 8.

³ Contended § 102(a) date. *Pet.* 8.

DISCRETIONARY DENIAL UNDER 35 U.S.C. § 314

Patent Owner argues that we should exercise discretion under 35 U.S.C. § 314(a) and deny institution. Prelim. Resp. 1–5, 6–21; Sur-Reply. Patent Owner relies on the involvement of the '662 patent as the subject of a pending ITC investigation that is at an advanced stage and involves the same parties, overlapping claims, the same prior art, and the same arguments. Prelim. Resp. 2–5; Sur-Reply. Patent Owner contends that the ITC case is set to go to trial starting on June 28, 2021. Sur-Reply 1, 3 n.3. Patent Owner also relies on an ITC Procedural Schedule setting an initial determination date of October 7, 2021, and a target date for completion of the investigation by February 7, 2022.⁴ Prelim. Resp. 2 (citing Ex. 2005).

Petitioner argues against discretionary denial of institution on the basis of the ITC proceeding, contending that “the Petition challenges 3 claims that are not at issue in the ITC case,” namely, claims 10, 11, and 14; that “the ITC can neither award damages for infringement nor hold claims invalid with binding effect” (Reply 1); and that the *Fintiv* factors weigh in favor of institution (*id.* at 1–5 (citing *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential))).

Our exercise of discretion under 35 U.S.C. § 314(a) as to instituting *inter partes* review is guided by the 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

⁴ The ITC Procedural Schedule, issued Nov. 2, 2020, had set the trial hearing to start on June 21, 2021 (Ex. 2005, 2), but Patent Owner reports that the schedule was adjusted as an accommodation following the death of a member of Complainant’s expert’s family. Sur-Reply 3 n.3.

agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348, 1356 (2018) (“[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. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 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 is one district court case and one ITC investigation involving the '662 patent currently pending. As acknowledged by both parties, the district court case has been stayed pending resolution of the ITC investigation. Prelim. Resp. 1 n.2, 6; Reply 1. As to the ITC investigation, Patent Owner contends that Petitioner has not asked for a stay and that it is unlikely the ITC would grant a stay even if an IPR were instituted. Prelim. Resp. 9, 11; Sur-Reply 3. Patent Owner argues that a stay of the ITC proceeding would not likely be granted if requested because “Judge Lord will be issuing a claim construction ruling shortly, and a full schedule through the target date of this investigations [sic] has been set with full knowledge of [Petitioner’s] IPR petitions which [Petitioner] incorporated by reference into its response to the ITC complaint.” Prelim. Resp. 11. Patent Owner also argues that “the November 2019 Patent Trial and Appeal Board Consolidated Trial Practice Guide (‘Consolidated Trial Guide’) specifically identifies parallel ITC proceedings as an example of a proceeding that favors denying a petition, because of their ‘effect . . . on the

economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings.” *Id.* at 10 (citing *Regeneron Pharma Inc. v. Novartis Pharma AG*, IPR2020-01317, Paper 15 at 13 (Jan. 15, 2021)) (quoting Consolidated Trial Guide 46). Patent Owner similarly relies on *Garmin International, Inc. v. Koninklijke Philips N.V.*, IPR2020-00754, Paper 11 (PTAB Oct. 27, 2020), as supporting the exercise of 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.” *Id.*

Petitioner discounts the effect of the ITC proceeding and then argues that this factor weighs in favor of institution because the district court litigation is stayed. Reply 1–3. Petitioner argues, in particular, that “the ITC can neither award damages for infringement nor hold claims invalid with binding effect.” *Id.* at 1 (citing *Texas Instruments Inc. v. Cypress Semiconductor Corp.*, 90 F.3d 1558, 1569 (Fed. Cir. 1996)). Petitioner further argues that “[b]ecause the ITC cannot finally decide issues of invalidity, PTAB panels have declined to deny IPR petitions as a discretionary matter in view of parallel ITC proceedings,” citing, as examples, *Samsung Electronics Co. v. Dynamics, Inc.*, IPR2020-00499, Paper 41 (PTAB Aug. 12, 2020), and *3Shape A/S v. Align Technology, Inc.*, IPR2020-00223, Paper 12 (PTAB May 26, 2020). Reply 1–2; *see also id.* at 2–3 (citing *Samsung*, Paper 41 at 11–12; *3Shape*, Paper 12 at 33–34).

We disagree with Petitioner’s argument that the existence of the ITC investigation can, in effect, be dismissed. *Fintiv* expressly addresses ITC investigations, and the Board has, under appropriate circumstances, 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*, Paper 11 at 9–11 (considering ITC proceeding in weighing if exercising discretion is warranted, and finding *Fintiv* factors applicable); *Comcast Cable Commc’ns, LLC v. Rovi Guides, Inc.*, IPR2020-00800, Paper 10 at 10–14 (PTAB Oct. 22, 2020) (considering ITC proceeding in weighing if exercising discretion is warranted, and finding *Fintiv* factors applicable).

Petitioner cites the *Samsung* and *3Shape* decisions as examples of where “PTAB panels have declined to deny IPR petitions as a discretionary matter in view of parallel ITC proceedings.” Reply 1–2. Those decisions, however, are not contrary to the exercise of discretion to deny review here in view of concerns about inefficiency and duplication of efforts. In *Samsung*, the Board declined to exercise its discretion not to institute an *inter partes* review after determining, in respect to *Fintiv* Factor 4, that claim limitations at issue before the Board were not at issue in the ITC proceeding. *Samsung*, Paper 41 at 13–14. Similarly, in *3Shape*, the Board likewise determined that the ITC investigation would not resolve all claims at issue in that *inter partes* review proceeding. *3Shape*, Paper 12 at 33–34. In *3Shape*, however, Patent Owner did not address the lack of overlap (IPR2020-00223, Paper 11, 35–36), while Patent Owner in this case does, highlighting the nature of further limitations of the omitted claims as directed to “additional ‘indicator’ or ‘indicating’ elements” (Sur-Reply 4).

In sum, there is no evidence here that Petitioner has requested, or will request, a stay of the ITC investigation, and we agree with Patent Owner that a stay of the ITC investigation is unlikely given its advanced state, including

that the above-mentioned hearing in the ITC investigation is scheduled to begin on June 28, 2021. Moreover, we do not see here the lack of overlapping issues and other factors that have led panels to decline to exercise discretion under § 314(a) in view of parallel ITC proceedings. *See* discussion *infra*. Accordingly, despite the stay of the district court litigation, we determine this factor weighs against institution.

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 fact that, if an *inter partes* review is instituted, “the ITC investigation will have been complete in its entirety (hearing, appeal to the commission and commission decision) almost three months before the Board’s projected statutory deadline for a final written decision.” Prelim. Resp. 12 (emphasis omitted). Patent Owner relies on a date for the Initial Determination of October 7, 2021, and for the final commission determination of February 7, 2022, coming well before the projected due date for a final written decision of about April 28, 2022. *Id.*; *see also id.* at 16 (setting forth the Hearing date, Initial Determination due date, and target date for completion of investigation, in reproducing the procedural schedule in the ITC investigation); Ex. 2005 (ITC Investigation, Order No. 4 (Procedural Schedule)). Patent Owner also relies on the ITC case being “set to go to hearing on June 28–July 2nd, 2021.” Sur-Reply 3.

Petitioner contends that “[a] final written decision will be issued long before any District Court trial (and possibly before it even recommences)” and argues that “[t]his weighs against denying institution” because “the Petition challenges 3 claims that are not at issue in the ITC case and [Patent

Owner] has not withdrawn its allegations with respect to those claims in the District Court case.” Reply 3 (emphasis omitted).

As discussed above in conjunction with Factor 1, we are not persuaded by Petitioner’s position focusing narrowly on the district court case and not the ITC investigation. *See Fintiv*, Paper 11 at 8–9; *Garmin*, Paper 11 at 9–11; *Comcast*, Paper 10 at 10–14. The fact that the entire ITC investigation will be complete by February 7, 2022, over two months before the expected date of a Final Written Decision if we were to institute an *inter partes* review, weighs at least slightly against institution. As to the import of delay at the district court in addressing the three claims challenged in the IPR petition not at issue in the ITC proceeding, it is limited by the degree of overlap between the various proceedings, and is addressed below in respect to Factor 4.

Accordingly, taking into account both the district court and ITC proceeding, we determine this factor weighs at least slightly against institution.

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. 14–17; Sur-Reply 4. Specifically, Patent Owner relies on the procedural schedule in the ITC investigation and contends that “the parties will be heavily preparing for the hearing by the time the Board issues any institution decision.” Prelim. Resp. 17 (emphasis omitted) (citing Ex. 2005). Patent Owner highlights that “fact and expert discovery will be completed” by the time of this institution decision “and the hearing will be upcoming

very soon thereafter.”⁵ *Id.* Patent Owner further contends that the facts in this case “are almost identical to those of *Regeneron*,” including as to the “time between the conclusion of the ITC investigation and the issuance of any final decision,” and relies on the reasoning in *Regeneron* that “[t]he amount and type of work already completed in the parallel ITC Investigation at the time of the institution decision weighs somewhat in favor of exercising our discretion to deny institution.” *Id.* (emphasis omitted) (citing *Regeneron*, Paper 15 at 15).

Petitioner argues that this factor “weighs against exercising discretion to deny institution” because the Petition was timely filed and “no substantive orders related to the ’662 Patent have been issued by the ITC.” Reply 3 (citing *Fintiv*, Paper 11 at 9–10).

After considering the parties’ arguments and evidence of record, we determine that this factor weighs against institution. It is not disputed that the parties have invested heavily in the ITC Investigation, which only reasonably follows given the procedural schedule in the investigation. Prelim. Resp. 14–17; Reply 4; Sur-Reply 4. The procedural schedule set a *Markman* hearing for February 25, 2021, and a fact discovery cutoff date of March 15, 2021. Ex. 2005, 2. We have not been advised of any postponement of the *Markman* hearing to a future date or that fact discovery is not yet complete. Accordingly, we agree with Patent Owner that much of the heavy investment in this case has already been incurred by the parties.

⁵ The Sur-Reply sets forth additional statements detailing completed, or soon to be completed, work indicating the heavy investment in the ITC case. Sur-Reply 4. While citing “*Id.*” as support, there is no valid citation to an exhibit, nor was any further exhibit filed that evidences at least certain of the facts set forth. *Id.*

In light of these facts, Petitioner’s argument, relying on *Fintiv*, that a lack of “substantive orders related to the ’662 patent hav[ing] been issued by the ITC” “weighs against exercising discretion to deny institution” is not persuasive. Reply 4 (citing *Fintiv*, Paper 11 at 9–10). In *Fintiv*, the Board was specifically addressing whether “the district court has issued substantive orders related to the patent at issue in the petition,” in stating that “this fact favors denial.” *Fintiv*, Paper 11 at 9–10. *Fintiv* explains that issuance of substantive orders “tends to support arguments that the parallel proceeding is more advanced, a stay may be less likely, and instituting would lead to duplicative costs.” *Id.* at 10. Petitioner fails to convincingly address here, however, the substantial investments that have already been made, focusing instead on the absence of a substantive order by the ITC. Reply 3. As discussed above in regard to Factor 1, Petitioner offered no argument why a stay of the ITC proceeding was likely, possible, or would even be sought, despite Patent Owner contending at length that there was no basis to expect a stay of the ITC proceeding. Prelim. Resp. 9–11. Further, while a lack of substantive orders may, in some cases, tend to indicate less investment by a court, that is not the case here, given the ITC’s procedural schedule. Petitioner does not contend that the investment by the parties, and by the ITC, has not already been substantial. *See generally* Reply. For these reasons, this factor favors exercising our discretion not to institute.

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 significant overlap between the claims challenged and that Petitioner “is raising the identical prior art references, patentability grounds (§ 103 obviousness), and arguments in the ITC investigation as it is in [the]

Petition.” Prelim. Resp. 18–19; Sur-Reply 4–5. Patent Owner highlights that the references and combinations alleged to invalidate all claims of the ’662 patent are “the identical references and combinations cited by Petitioner in this IPR.” Prelim. Resp. 18 (emphasis omitted); *see id.* at 3–4 (citing Ex. 2002 (October 20, 2020, Response to the ITC Complaint), 48). Patent Owner further highlights that the entire Petition in this proceeding was incorporated by reference into the Response to the ITC Complaint. *Id.* at 18 (citing Ex. 2002, 48 n.7). As to overlap of claims and grounds between the IPR and ITC proceeding, the sole difference is that the IPR proceeding also includes claims 10, 11, and 14 in addition to the claims common to both proceedings—claims 1, 2, 6–9, 12, 13, 15–17, 19, and 20—in the challenges over the combination of Steber and DE336, the combination of Steber and Miller, and the combination of Steber, Miller, and DE336. *See, e.g.*, Sur-Reply 1–2.

Petitioner contends that “the Petition was ‘directed to some substantively different claims than those before the ITC,’” quoting *Ecofactor*, and that this weighs in favor of institution. Reply 4 (citing *Google LLC v. EcoFactor, Inc.*, IPR2020-00968, Paper 10 at 15 (PTAB Nov. 18, 2020)). Petitioner argues that the ITC will not address the validity of claims 10, 11, and 14 and that, for the claims addressed, “the ITC will apply a more stringent standard than applied in an IPR.” *Id.* (citing *Samsung*, Paper 41 at 13–14; *3Shape*, Paper 12 at 33–34). Petitioner further argues an inefficiency in not addressing claims 10, 11, and 14 in an *inter partes* review because, it contends, those claims will ultimately need to be addressed once the stayed district court proceeding resumes. *Id.* at 4–5.

Because claims 10, 11, and 14 have been terminated from the ITC investigation, that proceeding will not directly resolve the dispute

concerning the patentability those claims challenged in the Petition. Our review indicates that these claims recite further limitations that need not be addressed in the ITC proceeding. *See* Ex. 1001, 8:50–52 (claim 10 requiring “indicating to a user when the stud sensing device is recalibrated”), 8:53–55 (claim 11 requiring that “the act of indicating [such recalibration] includes providing both an audible and visible indication to the user”), and 9:9–12 (claim 14 requiring “an indicator adapted to indicate to a user when the first memory [adapted to hold a calibration value⁶] changes, wherein the indicator is operationally coupled to the output of the comparator”).

The grounds of invalidity in the ITC investigation, however, include those in the Petition, as it is incorporated by reference, and the Petition sets forth teachings from Steber as sufficient to reach the further limitations of claims 10, 11, and 14, that are the same as the teachings set forth as sufficient for limitations of independent claims 1 and 12, still at issue before the ITC. Pet. 17–26; Ex. 2002, 48 n.7. Specifically, in addressing the preamble of claim 1, the Petition relies on Steber disclosing an initial calibration process in which an LED indicates calibration is complete and that the device could be programmed to flash LEDs or beep a buzzer to indicate that the user should start over (Pet. 17–18 (citing Ex. 1006, 4:1–29, 4:34–39)) and, in addressing the further limitations of claims 10, 11, and 14, relies on the same or equivalent disclosures, relating to the same LED indicators (*id.* at 22–23 (citing 3:49–58, 4:5–10), 26 (citing Ex. 1006, 4:5–10)). In effect, Petitioner relies on Steber’s lights and audible indicators providing a signal that the device is calibrated in its challenge of claims 1

⁶ Ex. 1001, 8:59 (portion of claim 12 reciting “a first memory adapted to hold a calibration value”).

and 12 and providing a signal that the device is recalibrated in its challenge of claims 10, 11, and 14. Thus, while Petitioner contends that claims 10, 11, and 14 are substantively different than those before the ITC, quoting *Ecofactor*, this bare contention falls short in this circumstance, given the apparent overlap of issues.

On balance, based on these circumstances, we determine this factor weighs slightly against 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. Reply 5; Sur-Reply 5. Accordingly, we determine this factor weighs against institution. *Fintiv*, Paper 11 at 6.

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

Patent Owner contends that institution will “give rise to substantial duplication of efforts” and that the “identical issues will be resolved in the parallel ITC case.” Prelim. Resp. 19; Sur-Reply 5. Patent Owner also highlights that Petitioner has “stipulated to claim constructions for the ’662 patent” that are “limited to use in the ITC Investigation between the parties” and argues that this gives Petitioner, and any of its experts or witnesses, “the opportunity [to] take inconsistent positions concerning the claim constructions and interpretation of the ’662 patent.” Prelim. Resp. 19–20 (citing Ex. 2009 (ITC Stipulation Regarding Agreed Claim Construction Terms)). Patent Owner further argues that the opportunity to take inconsistent positions “will likely . . . create confusion and inconsistent rulings in this IPR proceeding on the same patent and claims.” *Id.* at 20.

Petitioner contends that “[t]he Petition sets forth a strong case for . . . obviousness of the challenged claims” and that Patent Owner “has offered no response on the merits.” Reply 5. Petitioner does not address Patent Owner’s contentions related to the taking of inconsistent positions.

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, we determine that a holistic assessment of the *Fintiv* factors weighs in favor of exercising our discretion to deny institution under § 314(a).

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.

DISCRETIONARY DENIAL UNDER 35 U.S.C. § 325

Patent Owner argues that we should exercise discretion under 35 U.S.C. § 325(d) and deny institution of *inter partes* review in this case because art and arguments are substantially the same arguments as what the Examiner considered during prosecution, and Petitioner fails to establish any error by the Examiner. Prelim. Resp. 5–6, 22–26; Sur-Reply. As we deny institution based on 35 U.S.C. § 314(a), however, we need not reach this issue, and decline to do so.

ORDER

It is:

ORDERED that, pursuant to 35 U.S.C. § 314(a), the Petition is *denied* and no trial is instituted.

IPR2020-01572
Patent 6,989,662 B2

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