

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.

IPR2020-01701
Patent 8,604,771 B2

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

BOUDREAU, *Administrative Patent Judge*.

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

I. INTRODUCTION

Stanley Black & Decker, Inc. and Black & Decker (U.S.), Inc. (collectively “Petitioner”) filed a Petition requesting *inter partes* review of claims 1–3, 5, 9–11, 13–15, and 17–24 of U.S. Patent No. 8,604,771 B2 (Ex. 1001, “the ’771 patent”). Paper 1 (“Pet.”). Zircon Corporation (“Patent Owner”) filed a Preliminary Response. Paper 5 (“Prelim. Resp.”). In addition, with prior authorization from the Board, Petitioner filed a Reply to the Preliminary Response (Paper 8, “Reply”), and Patent Owner filed a Sur-reply (Paper 9, “Sur-Reply”). We have jurisdiction under 35 U.S.C. § 314 and 37 C.F.R. § 42.4(a).

Institution of an *inter partes* review is discretionary. Section 314(a) of title 35 of the United States Code provides that “[t]he Director may not authorize an *inter partes* review to be instituted unless the Director determines that the information presented in the petition . . . and any response . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” The Supreme Court has explained that, because § 314 includes no mandate to institute review, “the agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.” *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016); *see also Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (explaining that under § 314(a), “the PTO is permitted, but never compelled, to institute an IPR proceeding”). The Director has delegated his authority under § 314(a) to the Board. 37 C.F.R. § 42.4(a) (“The Board institutes the trial on behalf of the Director.”).

As the November 2019 Consolidated Trial Practice Guide¹ (“CTPG”) noted, the Leahy-Smith America Invents Act (“AIA”) was “designed to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.” CTPG at 56 (quoting H.R. Rep. No. 112-98, pt. 1, at 40 (2011), 2011 U.S.C.C.A.N. 67, 69 (stating that post grant reviews were meant to be “quick and cost effective alternatives to litigation”)) (citing S. Rep. No. 110-259, at 20 (2008)). The Board has recognized these goals of the AIA, but also has made clear that the Board may exercise discretion not to institute a trial before the Board in light of the advanced state of ongoing, parallel litigation. *See NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential) (“*NHK*”) and *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”); *see also Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 (PTAB May 13, 2020) (informative) (denying institution in light of an ongoing, parallel district court proceeding).

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

II. BACKGROUND

A. Real Parties in Interest

The parties identify themselves as the only real parties in interest. Pet. 1; Paper 4, 1 (Mandatory Notices of the Patent Owner).

¹ Available at <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf>.

B. Related Matters

The parties identify *Zircon Corp. v. Stanley Black & Decker, Inc.*, No. 4:19-cv-0844 (N.D. Cal.) and *Certain Electronic Stud Finders, Metal Detectors and Electrical Scanners*, Inv. No. 337-TA-1221 (Int’l Trade Commission) as related matters. Pet. 1; Paper 4, 1. Petitioner also filed a petition for *inter partes* review of a second patent involved in those related proceedings, U.S. Patent No. 6,989,662 B2 (“the ’662 patent), several weeks prior to filing the instant Petition. IPR2020-01572, Paper 1.

C. The ’771 Patent

The ’771 patent, titled “Hand Tool Having a Pivot Grip for Sensing a Measurement Behind a Target Surface,” issued on December 10, 2013, from an application filed December 12, 2008. Ex. 1001, codes (22), (45), (54). The ’771 patent relates to “[a]n implementation of a system and method for a hand tool having a pivot grip.” Ex. 1001, code (54).

D. Illustrative Claims

Of the challenged claims, claims 1, 13, and 17 are independent. Claims 1 and 17, reproduced below, are illustrative of the challenged claims.

1. A hand tool for sensing a measurement behind a target surface, the hand tool comprising:
 - a housing;
 - a sensor coupled in the housing; and
 - a grip having a pair of three-dimensional concave finger holds positioned at opposite sides of the grip to provide an axis of rotation.

Ex. 1001, 6:31–37.

17. A method for using a hand tool against target surfaces, wherein the hand tool comprises a grip having a pair of three-dimensional concave finger holds positioned on the grip to provide an axis of rotation, the method comprising:

- providing the hand tool;
- holding the hand tool with a thumb at a first three-dimensional concave finger hold of the pair of three-dimensional concave finger holds and with a finger at a second three-dimensional finger hold of the pair of three-dimensional concave finger holds;
- positioning the hand tool against a first target surface; and
- rotating the hand tool about the axis of rotation relative to the finger and thumb.

Ex. 1001, 7:28–8:8. Challenged claims 2, 3, 5, and 9–11 depend directly or indirectly from claim 1; claims 14 and 15 depend from claim 13, and claims 18–24 depend from claim 17. *Id.* at 6:38–43, 6:46–49, 6:59–67; 7:22–25, 8:9–31.

E. Asserted Grounds

Petitioner asserts that claims 1–3, 5, 9–11, 13–15, and 17–24 are unpatentable on the following grounds:

Claim(s) Challenged	35 U.S.C. §²	Reference(s)/Basis
1–3, 5, 9–11, 13–15, 22, 23	103	Murray, ³ Long ^{4,5}

² The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (September 16, 2011) (“AIA”), included revisions to 35 U.S.C. §103 that became effective on March 16, 2013. Because the ’771 patent issued from an application filed before March 16, 2013, we apply the pre-AIA version of the statutory basis for unpatentability.

³ Murray, US 2005/0078303 A1, published April 14, 2005 (Ex. 1005).

⁴ Long et al., US 2004/0103490 A1, published June 3, 2004 (Ex. 1004).

⁵ Petitioner contends that “[c]laims 1–3, 5, 9–11, and 13–15 are obvious over Murray and Long” but that “[c]laims 22–23 are obvious over Long and Murray.” Pet. 7. We ascribe no importance to the order of references. *See In re Bush*, 296 F.2d 491, 496 (CCPA 1961) (explaining that the order in which prior art references are cited is of no significance, but merely a matter of exposition).

Claim(s) Challenged	35 U.S.C. §²	Reference(s)/Basis
1–3, 5, 9–11, 13–15	103	Murray, Long, AAPA ⁶
1, 5, 9, 10, 13–15	102	GB432 ⁷
1–3, 5, 9–11, 13–15, 22, 23	103	GB432, Long ⁸
17–21, 24	102	Long
17–21, 24	103	Long

Pet. 7. Petitioner relies on the Declaration of Matthew Ponko (Ex. 1006) in support of its contentions.

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

Citing *Fintiv*, Patent Owner argues that we should exercise discretion under 35 U.S.C. § 314(a) and deny institution. Prelim. Resp. 1–19; Sur-Reply. Patent Owner relies on the involvement of the ’771 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. 1–3; Sur-Reply. Patent Owner contends that the ITC case is set to go to trial starting on June 28, 2021. Sur-Reply 1, 4 n.4. Patent Owner also relies on an ITC Procedural Schedule setting an initial determination date of October 7, 2021, and a target date for

⁶ Applicant-admitted prior art, specifically Figure 1 and accompanying description in the ’771 patent (Ex. 1001, 1:24–41, 3:8–23, Fig. 1).

⁷ Douglas et al., GB 2,188,432 A, published September 30, 1987 (Ex. 1003).

⁸ Petitioner contends that “[c]laims 2–3 and 11 are obvious over GB432 and Long,” that “[c]laims 1–3, 5, 9–11 and 13–15 are obvious over GB432 and Long,” and that “[c]laims 22–23 are obvious over Long and GB432.” Pet. 7. As stated in note 5 above, we ascribe no importance to the order of references.

completion of the investigation by February 7, 2022.⁹ 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 9 claims that are not at issue in the ITC case,” namely, claims 2, 3, 11, 17–21, and 24; 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).

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*. See also *Cuozzo*, 136 S. Ct. at 2140 (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *SAS 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*

⁹ 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 4 n.4.

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 ’771 patent currently pending. As acknowledged

by both parties, the district court case has been stayed pending resolution of the ITC investigation. Prelim. Resp. 4; 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. 6, 8; 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. 8. 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 7 (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 1–2 (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 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 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, for example, that the non-overlapping claims have certain similar claim elements to claims now before the ITC and that “even for the [non-overlapping] claims, Petitioner is utilizing the identical prior art here as . . . in the ITC” (Sur-Reply 4–5).

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. 8–9 (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 13 (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 for hearing from June 28–July 2nd, 2021.” Sur-Reply 4.

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 9 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 nine 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. 10–14; Sur-Reply 4. Specifically, Patent Owner relies on procedural schedule in the ITC investigation and contends that “the parties will be heavily into preparations for the ITC hearing by the time the Board issues any institution decision.” Prelim. Resp. 13 (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.”¹⁰ *Id.* at 13–14. 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.* at 14 (citing *Regeneron*, Paper 15 at 15).

¹⁰ 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.*

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 ’771 Patent have been issued by the ITC.” Reply 3–4 (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. 10–14; Reply 3–4; 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.

In light of these facts, Petitioner’s argument, relying on *Fintiv*, that a lack of “substantive orders related to the ’771 patent hav[ing] been issued by the ITC” “weighs against exercising discretion to deny institution” is not persuasive. Reply 3–4 (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 substantive orders by the ITC. Reply 3–4. 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. 6–8. 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 heavily against institution because “the issues raised here are identical to the ITC (and the ITC is more comprehensive).” Prelim. Resp. 14–17. Patent Owner highlights that the references and combinations alleged to invalidate the challenged claims are “the identical references and . . . combinations of the same (and others) . . . also cited in the ITC.” *Id.* at 15. Patent Owner further highlights that the entire Petition in this proceeding was incorporated by reference into the Response to the ITC Complaint. *Id.* (citing Ex. 2002, 50 n.8 (October 20, 2020, Response to the ITC Complaint)).

In reply, Petitioner contends that the ITC terminated the investigation with respect to claims 2, 11, 17–21, and 24 of the ’771 patent in an Order dated March 16, 2021, and that “[t]here is now much less overlap between the claims being investigated by the ITC and those petitioned for review by the Board.” Reply 4.¹¹ Petitioner quotes *Google LLC v. EcoFactor, Inc.*,

¹¹ A copy of the ITC’s March 16, 2021, Order has been entered as Exhibit 1013 and reflects that the investigation also has been terminated with respect to dependent claim 3 of the ’771 patent.

IPR2020-00968, Paper 10 at 15 (PTAB Nov. 18, 2020), contending that “the Board found that because the Petition was ‘directed to some substantively different claims than those before the ITC,’ as is the case here, ‘[factor 4] weighs slightly in favor of institution.’” *Id.* Petitioner argues that the ITC will not address the validity of the terminated claims and that, “for the claims that are 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 the terminated claims 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.

Patent Owner responds in the Sur-Reply that, notwithstanding the termination of certain claims from the ITC investigation, “the *identical* prior art and substantially the same claims are still at issue in the ITC.” Sur-Reply 4. Patent Owner points out that “Petitioner will be litigating the validity of claims 1, 5, 9–10, 13–15, and 22–23 of the ’771 patent in view of the *Murray*, *Long*, *AAPA*, and *GB432* references at the ITC.” *Id.* Patent Owner further argues that “[t]he one independent claim (and certain dependent claims) that was dropped at the ITC, still has certain similar claim elements to the other independent claims and will not benefit from adjudication in two different forums.” *Id.* at 4–5. Because “Petitioner is utilizing the identical prior art here as it is in the ITC” “even for the dropped claims,” Patent Owner contends, “the positions taken by the parties, their experts and the ALJ’s findings on summary judgment or at trial will be highly relevant and persuasive to any parallel district court proceedings,” “[e]ven if . . . not collaterally binding.” *Id.* at 5.

Because claims 2, 3, 11, 17–21, and 24 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, e.g.*, Ex. 1001, 6:38–41 (claim 2 reciting that “each of the pair of three-dimensional concave finger holds comprises a first concave arch in a first dimension and a second concave arch in a second dimension orthogonal to the first dimension”), 6:42–43 (claim 3 further reciting that the first concave arch of claim 2 “provides an arch of a constant radius”), 6:63–67 (claim 11 reciting substantially the same limitation as claim 2 and further reciting the first concave arch in the first dimension “intersecting with” the second concave arch in the second dimension).

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 Long as sufficient to reach the further limitations of claims 2, 3, and 11, that are the same as the teachings set forth as sufficient for limitations of independent claim 1, still at issue before the ITC. *See, e.g.*, Pet. 23–28, 30–31; Ex. 2002, 50 n.8. Specifically, in addressing the “grip having a pair of three-dimensional concave finger holds positioned at opposite sides of the grip to provide an axis of rotation” recited in claim 1, the Petition relies on Figure 4 of Long and accompanying text as illustrating contoured thumb rests on each side of a device for grasping the device comfortably during use with either hand (Pet. 25 (citing Ex. 1004, ¶ 40, Fig. 4)) and, in addressing the further limitations of claims 2, 3, and 11, relies on the same figure (*id.* at 26–28, 30–31 (citing Ex. 10, Fig. 4)). Thus, while Petitioner contends that claims 2, 3, and 11 are substantively different

than those before the ITC, quoting *Ecofactor*, this bare contention falls short in this circumstance, given the apparent overlap of issues.

Further, although independent claim 17 has been terminated from the ITC investigation, certain claims dependent from it remain in the investigation, i.e., claims 22 and 23, and the parties and the ITC will, accordingly, need to address each of the limitations of claim 17 in order to adjudicate the validity of those dependent claims, mitigating to some extent the lack of complete overlap in challenged claims.

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. 17; Sur-Reply 5. Patent Owner also highlights that Petitioner has “stipulated to claim constructions for the ’771 patent” that are “limited to use in the ITC proceedings.” Prelim. Resp. 18 (citing Ex. 2009 (ITC Stipulation Regarding Agreed Claim Construction Terms)). Patent Owner further argues that “[t]he likelihood of inconsistent positions, rulings, testimony, and expert testimony concerning the interpretation of the ’771 patent compared to the same prior art in these proceedings is thus a very real possibility and will likely create confusion

and inconsistent rulings in this IPR proceeding on the same patent and claims.” *Id.*

Petitioner contends that “[t]he Petition presents a strong case for anticipation and obviousness of the challenged claims” and that Patent Owner “has offered little 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.

IV. CONCLUSION

For the foregoing reasons, we exercise our discretion under § 314(a) to deny institution of *inter partes* review.

V. ORDER

In consideration of the foregoing, it is hereby:

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

IPR2020-01701
Patent 8,604,771 B2

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