

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD.,
Petitioner

v.

ACORN SEMI, LLC,
Patent Owner

Case No. IPR2020-01264
Patent No. 8,766,336

PATENT OWNER'S PRELIMINARY SURREPLY

TABLE OF CONTENTS

TABLE OF AUTHORITIES	ii
I. <i>FINTIV</i> FACTOR 1 FAVORS DISCRETIONARY DENIAL.....	1
II. <i>FINTIV</i> FACTOR 2 FAVORS DISCRETIONARY DENIAL.....	1
III. <i>FINTIV</i> FACTOR 4 FAVORS DISCRETIONARY DENIAL.....	3
IV. <i>FINTIV</i> FACTOR 6 FAVORS DISCRETIONARY DENIAL.....	4

TABLE OF AUTHORITIES

Cases

<i>Emerson Elec. Co. v. SIPCO, LLC</i> , IPR2019-00545, Paper 14 (July 30, 2019)	4
<i>Google LLC v. AGIS Software Development, LLC</i> , IPR2020-00870, Paper 16 (Nov. 25, 2020)	2
<i>Google LLC v. Parus Holdings, Inc.</i> , IPR2020-00846, Paper 12 (Nov. 20, 2020)	3
<i>Seven Networks, LLC v. Apple Inc.</i> , No. 2:19-cv-00115, Dkt. 312 (E.D. Tex. Sept. 22, 2020)	1
<i>Sotera Wireless, Inc. v. Masimo Corp.</i> , IPR2020-00967, Paper 13 (Nov. 24, 2020)	3
<i>Teradata Corp. v. SAP SE</i> , IPR2020-00939, Paper 12 (Nov. 25, 2020)	4

Regulations

37 C.F.R. § 42.108(c)	4
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Other Authorities

85 Fed. Reg. 37,728 (May 27, 2020)	4
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The preliminary reply (Paper 13) addresses four of the six *Fintiv* factors. The reply does not address factor 3 (the significant investment by the parties and the court in the related litigation) or factor 5 (the identity of the parties in this IPR and the related litigation). Acorn responds to the other factors as follows.

I. FINTIV FACTOR 1 FAVORS DISCRETIONARY DENIAL.

The reply cites *Seven Networks v. Apple*, No. 2:19-cv-00115, Dkt. 312 (E.D. Tex. Sept. 22, 2020), arguing that it indicates that Judge Gilstrap will stay the related litigation if IPR trials are instituted. *See* Reply at 1. In *Seven*, he *sua sponte* split the case into two (claims subject to IPR and claims not subject to IPR) and stayed the former. The reply speculates that he would do the same in this case but presents no reasoning to support that speculation. No similarities between this case and *Seven* are noted. Nothing in the terse *Seven* opinion signals that he would do the same in this case. Rather, doing so would be contrary to *Intellectual Ventures*, *Oyster Optics*, and *Solas OLED*, analogous cases discussed in the preliminary response. *See* Paper 9 at 18-21. The reply does not – and cannot – distinguish those cases.

II. FINTIV FACTOR 2 FAVORS DISCRETIONARY DENIAL.

The reply argues that the court has multiple trials slated to begin on April 5, 2020. *See* Reply at 1-3 (citing Ex. 1153). That is unremarkable. That is what courts do because a very high percentage of cases settle or otherwise resolve before trial. Statistically, only one of those cases is expected to go to trial. And, the reply presents

no evidence – just speculation – that the trial in this case will not begin as scheduled. That is why the Board “generally take[s] courts’ trial schedules at face value absent some strong evidence to the contrary.” *Fintiv II* at 13. That is exactly what the Board has recently done with the same trial date in the same court:

[T]he only persuasive *facts* that we have regarding the proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision is an Order by the District Court that sets trial for April 5, 2021, which will require “good cause” to be changed, and our projected statutory deadline, which would be toward the end of November 2021. While we appreciate that the trial date is susceptible to change if and when the District Court determines good cause exists to do so, we decline to speculate whether such a contingency will occur. Instead, we must base our evaluation on the existing facts supported by the evidence of record. This factor, therefore, significantly favors the exercise of discretionary denial.

Google v. AGIS Software Dev., IPR2020-00870, Paper 16 at 11 (Nov. 25, 2020).

The reply states that the court has continued all trials scheduled before March 1, 2020. *See* Reply at 3 (citing Ex. 1154). But, the court has *not* delayed or rescheduled the trial in this case. In fact, the related litigation has been advancing on schedule as if trial will start on April 5, 2021 because the trial *is* still scheduled to start April 5, 2021. It would be pure speculation to believe otherwise.

Even if there is a delay, the court trial will still occur well before the FWD because it is already scheduled to conclude *nine months* before the FWD. “A trial

set to occur soon after the institution decision is fairly likely to happen prior to the Board's final decision, even if the trial date were postponed due to intervening circumstances.” *Google v. Parus Holdings*, IPR2020-00846, Paper 12 at 8 (Nov. 20, 2020). Thus, even assuming *arguendo* that the court trial is delayed a few months while coronavirus vaccines are rolled out, the court trial will still finish well before the IPR trial, leaving the Board to waste its precious resources re-hashing the same arguments, risking inconsistent results, unfairly burdening Acorn with an IPR trial partially overlapping with the court trial, and giving the petitioner an unfair second opportunity to try again to invalidate the '336 Patent. Thus, factor 2 continues to strongly favor denial.

III. FINTIV FACTOR 4 FAVORS DISCRETIONARY DENIAL.

The reply expands the petition's stipulation. *Compare* Pet. at 71 (“[I]f the Board institutes this petition, Petitioner will promptly cease asserting Jammy, Kim, and Chang as prior art references to the challenged claims in the Acorn Litigation.”) with Reply at 3-4 (“[I]f the Board institutes review in either IPR2020-01264 or IPR2020-01204, Samsung will promptly cease asserting the prior art references relied upon in both petitions in the Acorn Litigation.”). But, the stipulation is still too narrow to be meaningful. *See Sand Revolution II* at 12 n. 5; *see also Sotera Wireless v. Masimo*, IPR2020-00967, Paper 13 at 19 (Nov. 24, 2020) (“Petitioner's broad stipulation ensures that an *inter partes* review is a ‘true alternative’ to the

district court proceeding.”); *Teradata v. SAP*, IPR2020-00939, Paper 12 at 19 (Nov. 25, 2020) (same). Overall, factor 4 still strongly favors discretionary denial.

IV. *FINTIV* FACTOR 6 FAVORS DISCRETIONARY DENIAL.

The reply uses *Fintiv* factor 6 to make unauthorized merits arguments. The Board’s Nov. 13, 2020 email did not authorize merits arguments, which should be disregarded. *See Emerson Elec. v. SIPCO*, IPR2019-00545, Paper 14 at 3 (July 30, 2019) (“[W]e will . . . disregard or give no weight to arguments and evidence that we deem to be beyond the authorized scope” of a preliminary reply). Acorn nonetheless responds out of caution.

37 C.F.R. § 42.108(c) is not a broad directive to view all factual issues in the light most favorable to the petitioner for purposes of institution but instead applies only to “genuine issue[s] of material fact” specifically “created by such [owner’s pre-institution] testimonial evidence.” *But see* 85 Fed. Reg. 37,728-32 (May 27, 2020) (proposing repeal of that rule). In this case, the rule does not apply to any of the merit arguments in the reply, as they concern points that Dr. Goodnick did not address in his declaration (Ex. 2043).

The reply does not actually dispute any of the merits criticisms made by the preliminary response. *See* Paper 9 at 37-54. Instead, the reply simply cites again to Dr. Schubert’s testimony. *See* Reply at 4-5. But that testimony is flawed.

First, the reply asserts that paragraphs 87-94 of Dr. Schubert’s declaration

establish a motivation to combine Jammy and Kim. However, Dr. Schubert does not address the fact that Jammy's quantum conductive barrier "acts to prevent or inhibit diffusion of dopants from the studs to the diffusions and further into substrate 60," Jammy at 4:21-23, whereas Kim relies on diffusion of the titanium-tungsten stud into the silicon to form an ohmic contact. *See* Paper 9 at 38-44.

Second, the reply asserts that the same paragraphs establish that Kim teaches a layer of TiO₂. However, Dr. Schubert fails to account for the disclosure in Kim that the necessary SiO₂ reactant would not actually be present to form TiO₂. *See id.* at 46-51. He also assumes without support that the process in Kim would result in a distinct *layer* of TiO₂. *See id.* at 44-45.

Third, the reply asserts that Dr. Schubert establishes that the combination would reduce the Schottky barrier height per limitation [f]. However, neither Jammy nor Kim mention that. Dr. Schubert's testimony, which goes far beyond what a POSITA as defined by him would have known, is prohibited gap-filling.

Finally, the reply does not refute other points that support denial under factor 6, such as the unfair advantages in terms of the size and timing that IPR trials would confer on the petitioner, the interplay of factor 6 with the multiple petitions filed against the same claims of the '336 Patent, or the limited remaining term of the '336 Patent. Overall, factor 6 still favors denial.

Date: 2020 Dec. 4

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CERTIFICATE OF SERVICE

I hereby certify that on December 4, 2020, copies of the foregoing PATENT OWNER'S PRELIMINARY SURREPLY and all documents filed with it were served via electronic mail, as agreed to by counsel, upon the following counsel for the Petitioner:

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