UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROCHIP TECHNOLOGY INCORPORATED; AND
MICROSEMI CORPORATION,

Petitioners

v.
BELL SEMICONDUCTOR, LLC,
Patent Owner.

Case No. IPR2021-00191
U.S. Patent No. 7,221,173

PETIONERS' REPLY BRIEF

CURRENT LIST OF EXHIBITS

1001	Bachman et al., U.S. Patent No. 7,221,173 ("the '173 patent")
1002	Prosecution History File Wrapper of the '173 patent
1003	U.S. Patent Publication No. 2003/0094966 ("*Fang*")
1004	U.S. Patent No. 6,869,809 ("*Yu*")
1005	U.S. Patent No. 7,235,412 ("*Mardi*")
1006	U.S. Patent No. 6,765,228 ("*Lin*")
1007	U.S. Patent Publication No. 2003/0173667 ("*Yong*")
1008	Declaration of Dr. Stanley Shanfield, Ph.D.
1009	*Curriculum vitae* of Dr. Stanley Shanfield, Ph.D.
1010	U.S. Patent No. 5,550,480 ("*Nelson*")
1011	U.S. Patent No. 6,744,067 ("*Farnworth*")
1012	U.S. Patent No. 6,597,187 ("*Eldridge*")
1013	Waizman et al., U.S. Patent No. 6,392,301 ("*Waizman*")
1014	Hsu et al., U.S. Patent Application Publication 2005/0037601 ("*Hsu*")
1015	Declaration in Support of Motion to Appear Pro Hac Vice for Brian C. Banner
1016	Defendants' Motion For Intra-District Transfer, *Bell Semiconductor, LLC v. Microchip Technology, Inc.*, No. 6:20-cv-0296 (W.D. Tex.)
1017	Plaintiff's Notice of Non-Opposition, *Bell Semiconductor, LLC v. Microchip Technology, Inc.*, No. 6:20-cv-0296 (W.D. Tex.)
1018	Minute Entry of *Markman* Hearing, *Bell Semiconductor, LLC v. Microchip Technology, Inc.*, No. 6:20-cv-0296 (W.D. Tex.)
1019	Fourteenth Supplemental Order Regarding Court Operations
1020	Order cancelling second *Markman* hearing, *Bell Semiconductor, LLC v. Microchip Technology, Inc.*, No. 6:20-cv-0296 (W.D. Tex.)

Pursuant to the Order entered April 2, 2021 (Paper 10), Petitioners reply to Patent Owner's Preliminary Response (Paper 8) to address updated circumstances and arguments related to *Fintiv* factors 4, 2, 3, and 6.

I. *FINTIV* FACTOR 4

This *Fintiv* factor weighs strongly against discretionary denial because Petitioners previously stipulated "not to pursue in the district court any ground raised or that could have been reasonably raised in an IPR (*i.e.*, under §§102 or 103 on the basis of prior art patents or printed publications alone) if this IPR is instituted." Paper 2, 83. Citing the pending Request for Comments on Discretion to Institute Trials Before the Patent Trial and Appeal Board, Petitioners "reserve[d] the right to revoke or amend the stipulation if the precedent or governing law changes." *Id*. Patent Owner challenges the sufficiency of Petitioners' stipulation. POPR, 77.

Because there have been no changes to governing law regarding discretionary denial under § 314(a), Petitioners seek to simplify the issues and now hereby withdraw all reservations and expressly stipulate as follows if this IPR is instituted:

> Petitioners will not pursue in district court any ground raised or that could have been reasonably raised in an *inter partes* review, that is, any ground that could have been raised under 35 U.S.C. §§ 102 or 103 on the basis of prior art patents or printed publications.

This stipulation "mitigates any concerns of duplicative efforts between the district court and the Board." *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01015, Paper 12, 18 (PTAB Dec. 1, 2020) (precedential).

There are differences between this IPR and the district court proceedings. Petitioners challenge the validity of ***all claims*** in this IPR, whereas only a subset of asserted claims are at issue in the district court. Petitioners rely on additional prior art in the district court that is not at issue here. Petitioners' stipulation prevents overlap and duplication of effort on invalidity issues in the two forums.

Accordingly, *Fintiv* factor 4 weighs strongly against discretionary denial and is relevant to the other factors. *See Sotera*, Paper 12, 18; *Med-El Elektromedizinische Geräte Ges.m.b.h. v. Sonova Ag*, IPR2021-00023, Paper 10, 15 (PTAB. Apr. 6, 2021) ("[W]e view factors 3 and 4—like factors 2 and 4—as interrelated.").

II. *FINTIV* FACTOR 2

Fintiv factor 2 is neutral because the district court trial is scheduled to occur proximate the Board's statutory deadline for issuing a final written decision. Here, the district court trial is scheduled for April 25, 2022 and the final written decision deadline is June 22, 2022—just eight weeks later. A recent Board decision confirms this factor is neutral where a final written decision was expected three and a half months after the expected trial date. *See Western Digital Corp. v. Kuster,* IPR2020-01410, Paper 13, 10–11 (PTAB Feb. 17, 2021). At only eight weeks, the final written decision here is more proximate than in *Western Digital*.

Further, there is uncertainty associated with the district court trial date. The Board in *Western Digital* correctly considered that the ongoing COVID pandemic creates some uncertainty on the district court trial date, even in Judge Albright's court where the parallel district court case is pending. *Western Digital*, Paper 13, 11. On November 18, 2020 (after Petitioners filed their petition), Petitioners moved to

transfer the district court case to the Austin Division. Ex. 1016. Two days later, Patent Owner filed a notice of non-opposition to Petitioner's motion. Ex. 1017. If granted, Petitioners' motion to transfer could delay trial because civil trials in the Austin Division are still delayed due to the pandemic. Ex. 1019. Today, the district court canceled the second *Markman* hearing "until further order of the court," which could create uncertainty with other case deadlines. Ex. 1020.

III. *FINTIV* FACTOR 3

Fintiv factor 3 weighs against discretionary denial because Petitioners expeditiously filed their petition and considerable invalidity work remains in the parallel district court proceedings. *See Google LLC v. Parus Holdings, Inc.*, IPR2020-00846, Paper 9, 15–18 (PTAB Oct. 21, 2020) (weighing the timing of the Petition and the investment in the parallel proceeding); *Med-El*, Paper 10, 13–16.

Here, Petitioners filed their IPR petition "expeditiously," within six weeks of receiving infringement contentions and three weeks before serving invalidity contentions. *See Google*, Paper 9, 16 ("filing a petition 'expeditiously' includes 'promptly after becoming aware of the claims being asserted' and at 'around the same time as the service of its initial invalidity contentions'"). Patent Owner does not contest that Petitioners filed their IPR expeditiously.

Substantial work remains in the district court after the institution deadline of June 22, 2021. Specifically, fact discovery will only have been open for two

months,[1] the opening expert report deadline will be more than five months away, and substantive motions are not due until January 2022. Ex. 2002, 4–5. Much of the remaining work relates to invalidity and therefore any work the district court may have performed by institution "weighs only marginally, if at all in favor of exercising discretion." *Google*, Paper 9, 18 (noting a *Markman* order issued but "much work remain[ed] in the district court case as it relates to invalidity: fact discovery [was] still ongoing, expert reports [were] not yet due, and substantive motion practice [was] yet to come."). The district court's *Markman* orders will have minimal relevance here as neither party proposes terms for construction in this IPR. *See id*.

Because Petitioners acted expeditiously, there is minimal risk of overlap with the district court proceedings (factor 4 *supra*), and much invalidity work remains in the district court, this factor weighs against discretionary denial. *See Med-El*, Paper 10, 13–16 (finding factor 3 weighs against discretionary denial even though "the parties have served final invalidity and infringement contentions, the district court held a technology tutorial and *Markman* hearing, and issued a *Markman* Order" because petitioner did not delay their IPR and much invalidity work remained).

IV. *FINTIV* FACTOR 6

Patent Owner fails to identify "other circumstances" that implicate *Fintiv* factor 6 to rebut Petitioners' showing that this factor weighs against discretionary denial. *See* Paper 2, 84 (analyzing factor 6). Patent Owner argues "Petitioners are

[1] Patent Owner recently agreed to delay the opening of fact discovery by one week to April 19 because the Court delayed one of the *Markman* hearings. Ex. 1018.

pursuing a strategy of the serial use of government resources" via this IPR and the parallel proceeding in the district court. POPR, 79. However, as noted above, Petitioners' stipulation addresses any concerns regarding duplicative efforts and potentially conflicting decisions, and ensures an *inter partes* review functions as a true alternative to litigation for invalidity grounds that could be at issue in an *inter partes* review. *Sand Revolution II*, IPR2019-01393, Paper 24, 12 n.5. Thus, institution of this IPR would not be a serial use of government resources.

V. CONCLUSION

Discretionary denial is unwarranted because *Fintiv* factors 3, 4, and 6 weigh against discretionary denial and factor 2 is neutral. *See Med-El*, Paper 10, 7–20 (applying "a holistic view" of the factors and declining to deny institution when only factors 3, 4, and 6 weighed against discretionary denial).

Dated: April 9, 2021

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies the above-captioned Reply and Exhibits 1016–1020 were served in its entirety on April 9, 2021, upon the following parties by sending a copy via email to the following addresses:

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