

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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BENTLEY MOTORS LIMITED AND BENTLEY MOTORS, INC.,  
Petitioner,

v.

JAGUAR LAND ROVER LIMITED,  
Patent Owner.

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IPR2019-01539  
Patent RE46,828 E

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Before BARRY L. GROSSMAN, KEVIN W. CHERRY, and  
BRENT M. DOUGAL, *Administrative Patent Judges*.

GROSSMAN, *Administrative Patent Judge*.

DECISION

Denying Petitioner's Request for Rehearing of  
Decision Denying Institution of *Inter Partes Review*  
37 C.F.R. § 42.71(d)

Bentley Motors Limited and Bentley Motors, Inc. (“Petitioner”) filed a petition (Paper 1, “Pet.”) to institute an *inter partes* review of claims 21, 24, 30, 32–34, 37, 39, 41–43, 45, and 46 (collectively the “challenged claims”) of U.S. Patent No. RE46,828 E (Ex. 1001, “the ’828 patent”). Jaguar Land Rover Limited (“Patent Owner”) timely filed a Preliminary Response. Paper 7 (“Prelim. Resp.”). In its Preliminary Response, Patent Owner requested that the Board apply its discretion under 35 U.S.C. § 314(a) to deny institution of the requested proceeding due to the advanced state of a parallel district court litigation<sup>1</sup> in which the same issues have been presented. Prelim. Resp. 49–52 (citing *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential, designated May 7, 2019)).

The Board denied institution pursuant to 35 U.S.C. § 314(a). Paper 9 (Mar. 10, 2020) (Decision Denying Institution or “DDI”). When the Decision Denying Institution was entered, a jury trial was scheduled for October 13, 2020. DDI, 14. The trial date was five months before a PTAB Final Decision would have issued if we had instituted trial. *Id.* In our Decision Denying Institution, we found that the factors weighing most in favor of discretionary denial were (1) substantial overlap in patent claims challenged in the Virginia District Court litigation; (2) overlap in the obviousness theories and references that Petitioner is pursuing here and in the Virginia District Court litigation; (3) the advanced stage of the Virginia

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<sup>1</sup> *Jaguar Land Rover Limited v. Bentley Motors Limited and Bentley Motors, Inc.*, Civ. No. 2:18-cv-320 (E.D. Va.) (“the Virginia District Court litigation”).

District Court litigation; and (4) the significant investment by the Court and parties into the Virginia District Court litigation. *Id.* at 15.

Petitioner filed a Request for Rehearing of the Denial Decision. Paper 10 (“Req. Reh’g” or “Request for Rehearing”). Concurrently therewith, Petitioner requested that the Board’s Precedential Opinion Panel (“POP”) reconsider the Denial Decision. Paper 11; Ex. 3002 (“POP Request”). The issue submitted for POP review was “whether under 35 U.S.C. Section 314(a) and *NHK Spring*, the state of a parallel district court action involving a common invalidity dispute can be the sole or primary basis for denying institution.” Ex. 3002, 2.

On June 16, 2020, the POP declined to review Petitioner’s POP Request. Paper 12. We now consider Petitioner’s Request for Rehearing.

By an e-mail dated June 19, 2020 (*see* Ex. 3003), Petitioner contacted the Board to “call to the Board’s attention” a June 16, 2020 decision in *Sand Revolution II, LLC v. Continental Intermodal Group – Trucking LLC*, IPR2019-01393, Paper 24 (PTAB, June 16, 2020), wherein the parties were provided an opportunity to address the factors relevant to a discretionary denial discussed in *Apple Inc. v. Fintiv Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020 (designated Precedential May 5, 2020)). Our Decision Denying Institution in the proceeding before us was mailed on March 10, 2020, which was *before* the *Apple v. Fintiv* proceeding was decided or designated precedential.

Petitioner’s e-mail (Ex. 3003) also informed us that the status of the related Virginia District Court litigation] “has changed since the Board’s original decision,” stating only that “the October 13, 2020 trial date has now been rescheduled for February 23, 2021.” Ex. 3003. The trial date was

changed based on a Joint Motion to Extend Deadlines filed by the parties seeking “to extend the currently pending deadlines set in the September 25, 2019 Scheduling Order (ECF No. 55, ‘Scheduling Order’), and other currently pending deadlines, by sixty (60) to ninety (90) days . . . in light of complications related to the coronavirus disease (COVID-19) outbreak.”

Ex. 1064. The Court granted the Joint Motion and issued an “Agreed Order” revising the Scheduling Order due dates, with a new trial date “TBD.”

Ex. 3004. On May 5, 2020, the Court issued an Order stating the new trial date is February 23, 2021. Ex. 3005.

We determined that supplemental briefing of the Request for Rehearing was warranted on the application of *Apple v. Fintiv* to the facts of this case. Paper 13. The parties filed supplemental rehearing briefs. Paper 14 (Petitioner's Supplemental Rehearing Brief) (“Pet. Suppl. Reh’g. Br.”); Paper 15 (Patent Owner’s Supplemental Rehearing Response) (“PO Suppl. Reh’g. Resp.”)).

We now consider Petitioner’s Request for Rehearing of our Decision Denying Institution.

## I. ANALYSIS

### A. *Request for Rehearing*

When rehearing a decision on institution, the Board reviews the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion may arise if the decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if an unreasonable judgment is made in weighing relevant factors. *Star Fruits S.N.C. v. U.S.*, 393 F.3d 1277, 1281 (Fed. Cir. 2005); *Arnold P’ship v.*

*Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004); *In re Gartside*, 203 F.3d 1305, 1315–16 (Fed. Cir. 2000).

The burdens and requirements of a request for rehearing are stated in 37 C.F.R. § 42.71(d):

(d) Rehearing. . . . The burden of showing a decision should be modified lies with the party challenging the decision. The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.

Petitioner asserts that “under *NHK Spring*, the Board here abused its § 314(a) discretion because it lacked an independent reason for denying review beyond the existence of a related district court action.” Req. Reh’g 3. According to Petitioner, “*NHK Spring* does not give the Board authority to deny institution solely or primarily because a related district court action could potentially resolve the overlapping invalidity disputes before a final decision by the Board.” *Id.* We disagree. Petitioner has provided no persuasive authority supporting its interpretation of *NHK Spring*. Binding precedent, discussed below, is contrary to Petitioner’s argued interpretation.

The Board determines whether to institute a trial on behalf of the Director. 37 C.F.R. § 42.4(a). The Director “possesses broad discretion in deciding whether to institute review.” *Saint Regis Mohawk Tribe v. Mylan Pharm. Inc.*, 896 F.3d 1322, 1327 (Fed. Cir. 2018), *cert. denied*, 139 S. Ct. 1547 (2019) (citing *Oil States Energy Services v. Greene’s Energy Group, LLC*, 138 S. Ct. 1365, 1371 (2018)); *see also 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.”). “If the

Director decides not to institute, *for whatever reason*, there is no review. In making this decision, the Director has *complete discretion* to decide not to institute review.” *Saint Regis Mohawk Tribe*, 896 F.3d at 1327 (emphases added) (citing *Oil States*, 138 S. Ct. at 1371) (“The decision whether to institute inter partes review is committed to the Director’s discretion.”). “The Director bears the political responsibility of determining which cases should proceed. While he has the authority not to institute review on the merits of the petition, he could deny review for other reasons such as administrative efficiency” (*id.*) or because a related district court action will resolve overlapping patentability disputes before a final decision by the Board. *See Apple v. Fintiv*, IPR2020-00019, Paper 11, 5–6 (identifying six factors to be considered when a patent owner raises an argument for discretionary denial due to the advanced state of a parallel district court proceeding). In evaluating these factors, “the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.* at 6. We address below the *Apple v. Fintiv* factors based on the evidence and arguments of the parties.

1. *Whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted*

The District Court has not granted a stay. We have not been directed to any evidence that either party requested a stay.

Petitioner states “Petitioner will move immediately for a stay of the district court action if the Board institutes this IPR.” Pet. Suppl. Reh’g.

Br. 4. Whether the Court would grant a stay is unknown.

On the record before us, the parties fail to show persuasively that the District Court would, or would not, grant a stay. Accordingly, *Fintiv*

factor 1 weighs evenly for each party. *See Apple Inc. v. Seven Networks, LLC*, IPR2020-00506, Paper 11 at 7 (PTAB Sept. 1, 2020).

2. *Proximity of the Court's trial date to the Board's projected statutory deadline for a final written decision*

The Court amended the original trial date and reset the trial date for February 23, 2021. Ex. 3005. This revised trial date was in light of a Joint Motion of the parties to extend due dates because of complications related to the COVID-19 pandemic. Ex. 1064.

Assuming we were to institute an *inter partes* review in this proceeding in October, 2020, our Final Decision would be due in October, 2021. This would be about eight months after the February 23, 2021, trial date.

When a district court's trial date occurs before the projected statutory deadline, the Board generally weighs this factor in favor of exercising authority to deny institution under § 314(a). *Fintiv*, Paper 11 at 9. However, other variables here contribute to the uncertainty that the jury trial will occur on February 23, 2021, as currently scheduled. *See* Ex. 3005. The coronavirus pandemic already disrupted the trial date once, and the situation continually evolves. The parties' previous Joint Motion to extend District Court scheduling order dates (*see* Ex. 1064 (District Court Order granting the Joint Motion to Extend Deadlines because of the COVID-19 pandemic)) and uncertainty as to whether the trial will actually go forward on February 23, 2021, the presently scheduled date, diminishes the extent to which this factor weighs in favor of exercising discretion to deny institution. *See Sand Revolution II, LLC v. Continental Intermodal Group – Trucking LLC*, IPR2019-01393, Paper 24 at 9–10 (June 16, 2020) (informative) (“because of the number of times the parties have jointly moved for and the district

court agreed to extend the scheduling order dates . . . and the uncertainty that continues to surround the scheduled trial date, we find that this factor weighs marginally in favor of not exercising discretion to deny institution under 35 U.S.C. § 314(a)").

Given the substantial gap of almost eight months between the trial date and the final written decision deadline in this proceeding, assuming we granted rehearing and instituted a trial in October, 2020, it is unlikely, based on the present record, that the trial date would be delayed to a date after a final written decision in this proceeding as a result of COVID-19.

Therefore, given that the District Court's currently scheduled trial date falls about eight months before the projected statutory deadline for a final written decision, but accounting for the uncertainty as to whether the trial actually will start on the currently scheduled date, *Fintiv* factor 2 weighs moderately in favor of exercising our discretion to not institute a trial. See *Apple v. Seven Networks*, IPR2020-00506, Paper 11 at 7–9.

3. *Investment in the parallel proceeding  
by the Court and the parties*

We discussed this factor in our Decision Denying Institution under the heading "Stage of the Litigation." DDI, 12–15. Since our Decision, the District Court and the parties have continued to invest significant time and resources in getting this case ready for trial. See, e.g., Ex. 3009, which is an excerpt of the District Court docket for the last 90 days as of October 1, 2020. The Court held a remote Markman hearing on May 21, 2020 via ZoomGov and has remained very active since that time. Ex. 1065 (transcript), Ex. 3006, Ex. 3009.

As explained in the *Apple v. Fintiv* Order, "[t]his investment factor is related to the trial date factor, in that more work completed by the parties

and the court in the parallel proceeding tends to support the arguments that the parallel proceeding is more advanced, a stay may be less likely, and instituting would lead to duplicative costs.” *Apple v. Fintiv*, Paper 11 at 10.

Based on the existing District Court PACER docket and the current schedule and trial date (*see* Ex. 1064, 3005), *before* we would institute an *inter partes* review in this case, which likely would be by the end of October, 2020 (assuming we determine to institute), the District Court and the parties will have invested significant time and resources in getting this case ready for trial:

- The Court issued an Opinion and Order denying a motion to dismiss under 35 U.S. § 101 (31 pages – analyzing the patented technology, the claims, and other evidence and concluding claims were patent-eligible);
- Fact discovery closed on January 17, 2020;
- Claim construction has been fully briefed and a Markman hearing was held on May 21, 2020 (Ex. 1065, 3006);
- Opening, Responsive, and Rebuttal Expert Reports were due by September 24, 2020 (Ex. 1064);
- Expert discovery closes on October 14, 2020 (Ex. 1064);
- Dispositive motions are due October 21, 2020 (Ex. 1064).

In this case, the substantial work already completed by the parties and the Court in the parallel proceeding are facts that collectively weigh strongly in favor of denying institution and avoiding duplication of efforts at PTAB.

Moreover, if we were to institute a proceeding, the following additional investment of time and resources by the District Court and the

parties will occur after institution but before our final decision in October, 2021 (again, assuming we institute a proceeding in October ,2020):

- Pretrial disclosures are due November 24, 2020 (Ex. 1064);
- Attorney’s pre-trial conference will be held January 29, 2021 (Ex. 3005);
- Final Pretrial Conf. will be held February 5, 2021(Ex. 3005);
- Voir Dire and Jury Instructions will be filed on February 16, 2021 (Ex. 3005); and
- The trial will begin February 23, 2021.

These additional facts also collectively weigh strongly in favor of denying institution.

4. *Overlap between issues raised in the petition and in the parallel proceeding*

In our Decision Denying Institution, we discussed the overlap of issues between this IPR proceeding and the District Court case. DDI 9–12 (discussing overlap of claims and overlap of references on the issue of patentability/validity). We found there is substantial duplication between the claims at issue in this IPR proceeding and the claims at issue in the District Court. *Id.* at 11. We also found we find there is duplication between the evidence and grounds of unpatentability in this IPR proceeding and the evidence and grounds of invalidity asserted in the District Court. DDI, 12. We determined these findings weigh in favor of discretionary denial. *Id.* at 11, 12. These facts have not changed. This factor continues to weigh in favor of discretionary denial of an *inter partes* review.

5. *Whether the petitioner and the defendant in the parallel proceeding are the same party*

The parties in the IPR proceeding before us (Bentley Motors Limited and Bentley Motors Inc. as Petitioners, and Jaguar Land Rover Limited, as Patent Owner) are identical to the parties in the District Court.

Accordingly, this factor weighs in favor of discretionary denial.

6. *Other circumstances that impact the Board's exercise of discretion, including the merits.*

The factors considered in the exercise of discretion are part of a balanced assessment of all the relevant circumstances in the case, including the merits. *Apple v. Fintiv*, IPR2020-00019, Paper 11, 14. For example, if the merits of a ground raised in the petition seem particularly strong on the preliminary record, this fact has favored institution. *Id.* at 14–15. By contrast, if the merits of the grounds raised in the petition are a closer call, then that fact has favored denying institution when other factors favoring denial are present. *Id.* at 15. Here, we determine that Petitioner does not have a particularly strong merits argument.

In a related Petition in IPR2019-01502, Petitioner herein challenged the same claims of the same patent as are challenged in the proceeding before us. See IPR2019-01502, Paper 10 (the “1502 IPR”). The prior art asserted, and the arguments made, in the 1502 IPR are substantially similar to those in the proceeding before us. We determined that the prior art in the 1502 IPR failed “to describe a vehicle control system ‘arranged to control a plurality of vehicle subsystems,’ as recited in” all the challenged claims. *Id.* at Paper 10, 11. Our preliminary analysis of the merits here indicates the same problem with Petitioner’s case.

The fact that the merits of this proceeding are not strong favors discretionary denial.

Petitioner argues that other identified real parties in interest in this IPR proceeding, Volkswagen AG, Volkswagen Group of America, Inc. (“Volkswagen”), Dr. Ing. h.c.F. Porsche AG (“Porsche”), and Audi AG (“Audi”), are not defendants in the District Court. Pet. Suppl. Reh’g. Br. 6–7<sup>2</sup>. While this stated fact is true, it is irrelevant to our determination of whether we exercise discretion to deny a petition.

Our rules require that parties to a proceeding provide certain mandatory notices, including identification of the “real parties-in-interest.” 37 C.F.R. § 42.8(b)(1). One of the core functions of the “real party-in-interest” requirement is to assure proper application of the statutory estoppel provisions. Consol. Trial Practice Guide 12–13 (Nov. 2019); *see also* 35 U.S.C. § 315(e) (stating that estoppel applies only when the IPR proceeding “results in a final written decision under section 318(a).”). If we do not institute an IPR proceeding, there is no final written decision.

Petitioner also argues “the real parties in interest are now time-barred from filing another IPR petition.” Pet. Suppl. Reh’g. Br. 7. This Petition was filed on August 24, 2019, and these parties were time-barred days later on August 30, 2019 based on the one-year time bar established in 35 U.S.C. § 315(b) (“An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.”). *See* Ex. 1070 (Affidavit of

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<sup>2</sup> *See* Ex. 2035, identifying Bentley, Porsche, and Audi as part of the Volkswagen corporate family.

Service on Petitioner, Bentley Motors, Inc., on August 30, 2018). This proceeding does not concern the other identified real parties, and therefore, this argument is not persuasive towards the duplication of effort at PTAB based on the parallel district court proceeding.

## 7. Conclusion

Under *Fintiv*, the Board takes “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Fintiv*, Paper 11 at 6. *Fintiv* factor 1 weighs evenly for each party. *Fintiv* factor 2 weighs moderately in favor of exercising our discretion to not institute a trial. *Fintiv* factor 3 weighs strongly in favor of denying institution and avoiding duplication at PTAB of discovery and other work by the parties and the Court. *Fintiv* factor 4 weighs in favor of discretionary denial of an *inter partes* review. *Fintiv* factor 5 weighs in favor of discretionary denial. *Fintiv* factor 6 favors discretionary denial. Thus, based on this analysis, we determine under the particular circumstances of this case, the interests of efficiency and integrity of the patent system tilt toward invoking our discretionary authority under § 314(a) to deny institution of the Petition.

Based on our analysis, Petitioner has not shown that we abused our discretion in denying the Petition. Accordingly, the request for rehearing is denied.

## II. ORDER

For the reasons given, it is:

ORDERED that the request for rehearing is *denied*.

IPR2019-01539  
Patent RE46,828 E

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