

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INNOLUX CORPORATION,
Petitioner,

v.

PHENIX LONGHORN LLC,
Patent Owner.

IPR2025-00043
Patent 7,233,305 B1

Before KEVIN F. TURNER, MICHAEL J. STRAUSS, and
DAVID C. MCKONE, *Administrative Patent Judges*.

TURNER, *Administrative Patent Judge*.

DECISION

Denying Petitioner's Request on Rehearing of Institution Decision
37 C.F.R. § 42.71(d)

I. INTRODUCTION

On May 15, 2025, we issued an Institution Decision, denying institution on the Petition (Paper 1) asserting that claims 1–5 and 8–14 of U.S. Patent No. 7,233,305 B1 (Ex. 1001, “the ’305 Patent”) were unpatentable. Paper 10 (“Dec.” or “Decision”). On June 6, 2025, Innolux Corporation (“Petitioner”), filed a Request for Rehearing (Paper 11, “Reh’g Req.”) under 37 C.F.R. § 42.71(d) to seek reconsideration of the Decision. For reasons discussed below, the Request for Rehearing is *denied*.

II. STANDARD OF REVIEW

When rehearing a decision on institution, we do not review the merits of the decision *de novo*, but instead review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion occurs when a “decision was based on an erroneous conclusion of law or clearly erroneous factual findings, or . . . a clear error of judgment.” *PPG Indus., Inc. v. Celanese Polymer Specialties Co.*, 840 F.2d 1565, 1567 (Fed. Cir. 1988) (citations omitted). The party requesting rehearing has the burden to show that the decision should be modified. 37 C.F.R. § 42.71(d). Additionally, the request for rehearing “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.” *Id.*

In the Decision, we applied the factors put forth in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5 (PTAB Mar. 20, 2020) (precedential), where both parties asserted their arguments according to the six non-exclusive factors (“*Fintiv* Factors”) for determining “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.* at 6.

III. ANALYSIS

In the Request for Rehearing, Petitioner:

A. asserts that we erred in not finding the merits sufficiently strong under *Fintiv* Factor 6 to weigh against discretionary denial by overlooking critical arguments and evidence (Reh’g Req. 3–10);

B. asserts that we misapplied *Fintiv* Factor 2 by giving dispositive effect to a speculative district court trial date (Reh’g Req. 10–12);

C. asserts that we inadequately considered the substantial weight against discretionary denial provided by Petitioner’s *Sotera* stipulation under *Fintiv* Factor 4. (Reh’g Req. 13–14); and

D. asserts that a holistic reassessment of the *Fintiv* Factors demonstrates that institution is warranted.

We address these arguments, in turn.

A.

Petitioner contends that we overlooked key aspects of Petitioner’s arguments and evidence, demonstrating a reasonable likelihood of success, related to *Fintiv* Factor 6. Reh’g Req. 3–4. Petitioner asserts that we provided no reason for not adopting Petitioner’s proposed claim construction, and used that proposed construction “as a basis for denying institution.” *Id.* at 4. Petitioner acknowledges that we previously construed the claim term “multiplexer” in a prior proceeding (*Wistron Corporation v. Phenix Longhorn, LLC*, IPR2018-01255, Paper 14 (PTAB filed June 19, 2018, Terminated Jan. 24, 2019); “Wistron DDI;” Ex. 1014), but that Petitioner argued that the prior construction “should not apply here.” *Id.* (citing Pet. 20–22). Petitioner argues that we failed to engage with Petitioner’s substantive arguments, arguing that the prior claim construction “was too narrow and

inconsistent with the '305 Patent's own disclosures," and that Patent Owner agreed to a broader construction of "multiplexer" in district court litigation. *Id.* at 4–5.

We do not agree with Petitioner's arguments. Our rule relating to claim construction provides that "[a]ny prior claim construction determination concerning a term of the claim in a civil action . . . that is timely made of record in the *inter partes* review proceeding will be considered." 37 C.F.R. § 42.100(b). Although the prior claim construction was not determined in a civil action, we determine that consideration of the prior claim construction requires some deference, even if a different panel of the Board made the determination. In opposition to Petitioner's arguments, our Decision cites to the decision from the prior panel (Dec. 13–14) and indicates consideration of the analysis contained therein, as well as consideration of both Petitioner's and Patent Owner's arguments (*id.*, citing Pet. 20–22; Prelim. Resp. 46). The fact that the Decision did not enumerate all of the arguments does not mean or imply that they were not considered; in fact, given the prior analysis, we are not persuaded that additional analysis was needed. Nonetheless, later in the Decision, we agreed with Patent Owner that "Petitioner is attempting to introduce new constructions for the terms for features that the Board found to be lacking, and placing a burden on the Board to 'examine issues it has already resolved.'" Dec. 14–15 (citing Prelim. Resp. 53). Overall, we are persuaded that we did not misapprehend or overlook the parties' arguments in finding deference to the prior claim construction.

Petitioner also argues that we misapprehended how to assess Nakata at the institution stage in view of a disputed priority date for the '305 Patent. Reh'g Req. 6. Petitioner argues that we erred by characterizing the Nakata-

based grounds as inherently not strong because of the priority dispute, and that we should have then evaluated the substantive strength of Nakata's disclosures on their merits. *Id.* Additionally, Petitioner asserts that our analysis "improperly conflates the existence of a factual priority dispute with the substantive strength of Nakata's disclosure for institution purposes." *Id.* at 7.

Petitioner's arguments demonstrate that it does not consider whether certain aspects, such as whether an unpatentability ground's is valid, should be used in making a determination of a reasonable likelihood of prevailing under 35 U.S.C. § 314(a). If a particular patent could be assumed to have *no* priority whatsoever, *arguendo*, it seems likely that many "strong" references could be applied against claims in an *inter partes* review. Many references might have strong "technical merits" compared to issued claims, but only if those references have sufficient priority can they be applied against the claims. Unpatentability grounds that utilize references that are clearly prior art are necessarily "stronger" than such grounds where the references' statuses as prior art are uncertain. If the substantive merits based on Nakata are strong, yet Nakata is unable to be actually asserted against the instant claims, the strength of those grounds is weak. We are not persuaded that taking into account the relative likelihood that a reference can be applied as prior art as a factor in a reasonable likelihood to prevail analysis is faulty, nor that we misapprehended or overlooked some aspect of Petitioner's ground.

Additionally, Petitioner asserts that we misapprehended or overlooked the substantive contribution to Yamazaki in curing deficiencies identified in the Wistron DDI. *Reh'g* Req. 9. Petitioner also argues that the "Board's dismissal of Yamazaki's contribution based on its 'secondary' label, without

assessing its merits in addressing these specific prior deficiencies, was an oversight.” *Id.* at 9–10.

We are not persuaded by Petitioner’s arguments. The Decision states “even if Yamazaki were to teach or suggest the challenged claims, its reliance only to support or augment the other references does not exhibit a strength of the grounds of unpatentability of the instant Petition.” Dec. 15. The determination we made under *Fintiv* Factor 6 was made with respect to “other circumstances that impact the Board’s exercise of discretion, including the merits” (*Fintiv*, Paper 11 at 6), where in the instant proceeding, we are making a determination of the strengths of the presented grounds of unpatentability. As such, our Decision did not determine that Yamazaki could not cure the deficiencies of the grounds presented in the Wistron DDI, but rather accesses the strength of such a ground. Although it is clear that the combination of a large number of references, by itself, does not weigh against a holding of obviousness (*In re Gorman*, 933 F.2d 982, 986 (Fed. Cir. 1991)), the more references applied in a combination, the more that is required to uphold that combination. The statement in the Decision merely reflects that reality, i.e., the strength of the ground, which is all that is required under *Fintiv* Factor 6.

B.

Petitioner also contends that we gave undue weight to the district court trial date under *Fintiv* Factor 2. Reh’g Req. 10. Petitioner relates that we determined that the four-month gap, between the trial date and the statutory deadline for a Final Written Decision, weighed in favor of discretionary denial, but asserts that our analysis “overlooked the unreliability of the trial date,” and was an abuse of discretion. *Id.* at 11–12. Petitioner concludes that

“[t]his oversight of material arguments led to an undue inflation of Factor 2’s weight in favor of denial, thereby tainting the holistic *Fintiv* assessment.” *Id.* at 12.

We do not agree with Petitioner. We noted in the Decision that Petitioner had argued that “the trial dates [were] uncertain,” and also noted from Patent Owner’s response that “the median time-to-trial statistics [used by Petitioner are] based on the complaint service date rather than the filing date.” Dec. 9. In asserting the four-month gap, we agreed with Patent Owner that its asserted trial date of February 17, 2026, is *likely* to be correct. *Id.* (“We agree with Patent Owner that its asserted trial date of February 17, 2026, would likely occur approximately 4 months before the latest date on which a final decision can be issued in this proceeding (June 12, 2026).”). We did not determine definitively a specific date. *Fintiv* dictates that “[i]f the court’s trial date *is at or around* the same time as the projected statutory deadline,” (*Fintiv*, Paper 11 at 9 (emphasis added)), such that we are not persuaded that *Fintiv* requires us to determine a definite date of trial.

C.

Petitioner also contends that although we correctly determined that *Fintiv* Factor 4 weighed against discretionary denial due to Petitioner’s *Sotera* stipulation, we “misapprehended the proper weight and holistic significance this finding should have carried in its overall *Fintiv* analysis.” Reh’g Req. 13. Petitioner continues that “[w]here a *Sotera* stipulation effectively nullifies any risk of overlap, the rationale for denying institution based on other factors, such as the trial schedule (Factor 2), is substantially weakened.” *Id.* at 13–14 (citing *Tianma Microelectronics Co. Ltd. v. Japan Display Inc.*, IPR2021-01028, Paper 14 at 15–17 (PTAB Dec. 14, 2021); *CoolIT Systems, Inc. v.*

Asetek Danmark A/S, IPR2021-01195, Paper 10 at 11–13 (PTAB Dec. 28, 2021)).

We are not persuaded that we inadequately considered the weight provided by Petitioner’s *Sotera* stipulation. We acknowledged that “the purpose of this factor is not to necessarily obviate all need for a proceeding in a district court” (Dec. 12), but still noted Patent Owner’s arguments that Petitioner’s invalidity arguments in district court are “more expansive” as they include unpublished system prior art, and that other defendants, in other district court cases involving the same patent, are not subject to Petitioner’s stipulation or bound to this proceeding’s results. *Id.* Patent Owner’s arguments point to several rationales as to why the presentation of a *Sotera* stipulation and *Fintiv* Factor 4 are not completely determinative of the overall analysis and why we consider all six Factors and make an overall, holistic assessment of all of the *Fintiv* Factors. Although the importance of the other Factors might be lessened through the use of a *Sotera* stipulation, they are not eliminated. We continue to determine that *Fintiv* Factor 4 weighs against the exercise of our discretion to deny institution, but do not determine that a *Sotera* stipulation negates the other Factors.

D.

Petitioner asserts that a holistic reassessment of the *Fintiv* factors compels the conclusion that discretionary denial was an abuse of discretion and that institution of *inter partes* review is warranted. Reh’g Req. 14. Petitioner asserts as well that “[t]he Board’s denial, predicated on misapprehensions of *Fintiv* Factor 2 and Factor 6, and underweighting of Factor 4, therefore constituted an abuse of discretion.” *Id.* at 15. As discussed above, we are not persuaded that we misapprehended or overlooked

the arguments regarding the *Fintiv* Factors, nor are we persuaded that we did not correctly weigh the *Fintiv* Factors in finding that discretionary denial was appropriate.

IV. ORDER

For the reasons given, it is:

ORDERED that Patent Owner's Request for Rehearing is *denied*.

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