

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

I. INTRODUCTION

Innolux Corporation (“Petitioner”) filed a Petition, Paper 1 (“Pet.”), to institute an *inter partes* review of claims 1–5 and 8–14 (the “challenged claims”) of U.S. Patent No. 7,233,305 B1 (Ex. 1001, “the ’305 Patent”). Phenix Longhorn LLC (“Patent Owner”) timely filed a Preliminary Response, Paper 6 (“Prelim. Resp.”).

On March 18, 2025, we responded to a request from Petitioner to respond to arguments provided in the Preliminary Response, specifically addressing issues regarding the *Fintiv* factors under 35 U.S.C. § 314(d), the priority date of ’305 Patent, and whether certain, newly cited references are cumulative with references already reviewed by the USPTO. Per that response, we authorized both parties to file supplemental briefings, with Petitioner filing a Reply (“Pet. Reply,” Paper 8), and Patent Owner filing a Sur-reply (“PO Sur-reply,” Paper 9), addressing the noted issues.

An *inter partes* review may not be instituted “unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a). Institution of *inter partes* review, however, is discretionary. *See Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he PTO is permitted, but never compelled, to institute an IPR proceeding.”). For the reasons discussed below, we exercise discretion under 35 U.S.C. § 314(a) not to institute *inter partes* review.

II. BACKGROUND

A. Real Party in Interest

Petitioner identifies itself as the only real party in interest. Pet. 1. Patent Owner identifies itself as the only real party in interest. Paper 3, 1.

B. Related Proceedings

According to the parties, the '305 Patent is the subject of the following actions: *Phenix Longhorn, LLC v. Innolux Corp.*, No. 2:23-cv00478-RWS-RSP (E.D. Tex.); and *Phenix Longhorn, LLC v. AU Optronics Corp. et al.*, No. 2:23-cv-00477-RWS-RSP (E.D. Tex.) (“Texas Litigation”). Pet. 1–2; Paper 3, 1. Petitioner also cites to terminated proceedings (Pet. 1–2), including *Wistron Corporation v. Phenix Longhorn, LLC*, IPR No. 2018-01255 (PTAB filed June 19, 2018, Terminated Jan. 28, 2019), with the Decision Denying Institution (“Wistron DDI,” Ex. 1014) in that latter case included in the record.

C. The '305 Patent

The '305 Patent is titled “Gamma Reference Voltage Generator.” Ex. 1001, Title. Petitioner explains that the brightness versus input voltage curve for a display’s image does not match those of a human’s vision and establishes a non-linear behavior called “gamma.” Pet. 4–5 (citing Ex. 1003 ¶ 43). Due to this mismatch, the curve needs to be adjusted using gamma correction. *Id.* at 5 (citing Ex. 1010, 1:10–60; Ex. 1003 ¶ 44). The '305 Patent indicates gamma correction has been a problem for Thin Film Transistor (TFT) flat panel displays. Ex. 1001, 1:19–21. Often, each display has a different response to the gamma correction reference voltages,

which results in a need to generate specific gamma reference voltages for each display's model. *Id.* at 1:22–25.

Traditionally, this problem has been solved using Select-On-Test Resistors, allowing reference voltages to be fine-tuned to the display's requirements using specific resistors. Ex. 1001, 1:27–34, 1:46–2:3, Fig. 1. However, this process prohibits automatic assembly and testing and requires resistors to be tested, selected, and mounted manually. *Id.* at 1:31–34. The '305 Patent's invention is “a programmable buffer integrated circuit which can be programmed to output a set of gamma correction reference voltages to be used in Liquid Crystal Displays (LCDs).” *Id.* at 2:16–19; *see also id.* at 2:45–51, Figs. 2–3. The described invention includes “automated assembly of an entire PC board” (*id.* at 2:29–30), “automated test and gamma adjustment” (*id.* at 2:30–31, 3:38–41, Fig. 2), and reprogramming gamma characteristics using gamma reference controllers (e.g., 210 and 220) (*id.* at 2:32–33, 3:41–47, Fig. 2).

The '305 Patent further states that the integrated circuit can store and retrieve reference voltages' banks using address inputs B0, B1, and B2. Ex. 1001, 5:50–53, 6:41. These inputs allow gamma voltages to be changed and can be used to switch between different gamma settings. *Id.* at 5:53–62, Fig. 6. “Having bank switching capability ensures that the optimum gamma curve is used for each individual display and eliminates the need for re-work due to display manufacturing process variations.” *Id.* at 7:9–12.

D. Challenged Claims

Claim 1 is illustrative of the challenged claims:

1. [0] An integrated circuit for producing voltage signals on a plurality of outputs comprising:

[1] a plurality of non-volatile storage cells;

[2] circuits for programming coupled to a multiplexer for addressing and programming said storage cells, wherein the addressing is based on a plurality of inputs;

[3] drivers connected to said multiplexer for addressing said storage cells; and

[4] the plurality of inputs connected to said multiplexer for addressing said storage cells; wherein said voltage signals are gamma reference voltage signals for determining actual driving voltages of columns of a display,

[5] wherein said non-volatile storage cells are organized into two or more banks of cells wherein each bank contains a predetermined gamma reference voltage signal display condition; and

[6] means to switch between the banks based on one or more external signals is provided on said integrated circuit.

Ex. 1001, 7:45–62. (bracketing added by Petitioner; *see* Pet. vii).

E. Asserted Challenges to Patentability

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1–5, 8–14	103	Nakata ¹
1–5, 8–14	103	Nakata, Tsai ²
1–5, 8–14	103	Petropoulos ³
1–5, 8–14	103	Petropoulos, Tsai
1–5, 8–14	103	Nakata, Tsai, Yamazaki ⁴
1–5, 8–14	103	Petropoulos, Yamazaki
1–5, 8–14	103	Petropoulos, Tsai, Yamazaki

III. ANALYSIS

Under 35 U.S.C. § 314(a), the Director has discretion to deny institution. In determining whether to exercise that discretion on behalf of the Director, we are guided by the Board’s precedential decision in *NHK Spring Co., Ltd. v. Intri-Plex Technologies, Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential).

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*

¹ U.S. Pub. No. 2004/0090409 A1, published May 13, 2004 (Ex. 1005).

² U.S. Pat. No. 5,974,528, issued Oct. 26, 1999 (Ex. 1007).

³ U.S. Pat. No. 6,760,068 B2, issued Jul. 6, 2004 (Ex. 1006).

⁴ U.S. Pat. No. 6,335,716 B1, issued Jan. 1, 2002 (Ex. 1008).

Indus. Co., Ltd. v. Canon Kabushiki Kaisha, IPR2016-01357, Paper 19 at 16–17 (precedential in relevant part)).

“[T]he Board’s cases addressing earlier trial dates as a basis for denial under NHK have sought to balance considerations such as system efficiency, fairness, and patent quality.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5 (PTAB Mar. 20, 2020) (precedential). *Fintiv* sets forth six non-exclusive 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. These factors are reproduced below:

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.

Id. at 5–6. We take “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review” when evaluating these factors. *Id.* at 6.

Patent Owner contends that we should exercise our discretion to deny the Petition under *Fintiv*. Prelim. Resp. 56–61; PO Sur-reply 1–6. Petitioner contends that we should not exercise our discretion to deny the

Petition. Pet. 29–30; Pet. Reply 1–4. We consider the *Fintiv* Factors below, based on the parties’ arguments, and determine that it is proper to exercise our discretion in this proceeding.

1. Likelihood of a Stay

The existence of a district court stay pending Board resolution of an *inter partes* review has weighed strongly against discretionary denial, while a denial of such a stay request sometimes weighs in favor of discretionary denial. *Fintiv*, Paper 11 at 6–8.

The parties agree that no motion for a stay of the Texas Litigation has been filed, although Petitioner indicates that Petitioner intends to file a stay motion upon institution. Pet. 29; Prelim. Resp. 56–57. Patent Owner argues that this factor weighs in favor of denial because “even if Petitioner was to seek a stay, that motion would almost certainly be denied,” and argues that even post-institution, the District Court judge is unlikely to stay the case absent agreement from the parties. Prelim. Resp. 57.

On this record, it is unclear how the District Court Judge would proceed, and we decline to speculate regarding whether the district court will grant a stay if this proceeding is instituted. Accordingly, the facts underlying this factor are neutral.

2. Proximity of Trial Date to Projected Statutory Deadline

When a district court’s trial date will occur before the projected statutory deadline for the final written decision, the Board generally weighs this factor in favor of exercising discretion to deny institution. *Fintiv*, Paper 11 at 9. “If the court’s trial date is at or around the same time as the projected statutory deadline or even significantly after the projected statutory deadline, the decision whether to institute will likely implicate other factors

discussed herein, such as the resources that have been invested in the parallel proceeding.” *Id.*

Patent Owner asserts that jury selection for the trial in the Texas Litigation is set to begin on February 17, 2026, four months before the anticipated FWD date, which Patent Owner estimates to be no later than June 12, 2026. Prelim. Resp. 58 (citing 35 U.S.C. §314(b); 35 U.S.C. §316(a)(11); Ex. 2008).

Petitioner argues that the short gap between the trial and FWD deadline dates does not compel denial, with the trial dates being uncertain, and Petitioner asserts that given the average time to trial of 23 months in the District, the expected trial date would actually occur in May or June of 2026. Pet. Reply 2. Patent Owner responds that Texas Litigation will go to trial on February 17, 2026, and that Petitioner is misleadingly characterizing the median time-to-trial statistics based on the complaint service date rather than the filing date that is used to compute that time, where a correct calculation would yield an estimate of a September 2025 trial. PO Sur-reply 2–3.

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), and that is the metric we should use to determine the proximity of trial date to the projected statutory deadline. Accordingly, the facts underlying this factor weigh in favor of denial.

3. Investment in the Parallel Proceeding

If, at the time of the institution decision, the District Court has issued substantive orders related to the challenged patent, such as a claim construction order, this fact weighs in favor of denial. *See Fintiv*, Paper 11

at 9–10. On the other hand, if the District Court has not issued such orders, this fact weighs against discretionary denial. *Id.* at 10. However, we also consider Petitioner’s diligence in filing the Petition in weighing this factor. *Fintiv*, Paper 11 at 11 (“If the evidence shows that the petitioner filed the petition expeditiously, such as promptly after becoming aware of the claims being asserted, this fact has weighed against exercising the authority to deny institution under *NHK*.”).

Petitioner argues that it “has been ‘exceptionally diligent’ in filing,” with the instant Petition being filed “less than eight weeks after receiving infringement contentions.” Pet. 29 (citing *Micron Tech., Inc. v. Godo Kaisha IPR Bridge 1*, IPR2020-01007, Paper 15 at 15-16 (PTAB Dec. 7, 2020)).

Patent Owner argues that discovery has begun and the parties have exchanged infringement and invalidity contentions. Prelim. Resp. 58 (citing Ex. 2008, 3). Patent Owner also argues that by the time of the expected institution decision, “the parties will have exchanged proposed claim terms and preliminary claim constructions, prepared a joint claim constructions statement, and completed claim construction discovery.” *Id.* at 58–59 (citing Ex. 2008). Patent Owner argues that significant substantive work will have already been completed in the Texas Litigation by the expected time of the institution decision, thus favors the exercising discretion. *Id.* at 59.

Petitioner responds that the District Court case remains in its early stages, with key events having yet to occur and no substantive orders have been entered, and reasserts its diligence in filing the instant Petition. Pet. Reply 2–3. Patent Owner responds again that by the anticipated date of the Board’s institution decision, the parties will have already conducted claim

construction discovery and will be in the process of submitting their claim construction briefing to the District Court, and that Petitioner “likely was aware of the litigation” prior to the service of the complaint, such that this factor strongly favors denial. PO Sur-reply 3–4.

The parties’ arguments indicate that some work has been done in the Texas litigation, but significant work still remains to be done. *See* Ex. 2008. Moreover, we agree that Petitioner filed the Petition expeditiously. *See* Pet. 29. Accordingly, the facts underlying this factor weigh against exercising our discretion to deny institution.

4. Overlap of Issues

“[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.” *Fintiv*, Paper 11 at 12. “Conversely, if the petition includes materially different grounds, arguments, and/or evidence than those presented in the district court, this fact has tended to weigh against exercising discretion to deny institution under *NHK*.” *Id.* at 12–13.

Patent Owner argues that there is substantial overlap between the invalidity positions advanced in the Petition and before the District Court, with Nakata, Petropoulos, Tsai, and Yamazaki—all relied on for the grounds of unpatentability proffered in this Petition—are identified and charted in Petitioner’s invalidity contentions. Prelim. Resp. 59 (citing Ex. 2009, 33–39).

Subsequently, Petitioner noticed a *Sotera* stipulation in its Updated Mandatory Notices (Paper 7), and argues that this stipulation demonstrates that there will be no overlap of issues between this proceeding and the Texas Litigation. Pet. Reply 3. Petitioner asserts that this factor weighs strongly

against denial. *Id.* (citing *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, at 18–19 (PTAB Dec. 1, 2020) (precedential as to § II.A.)).

Patent Owner responds that Petitioner’s invalidity arguments in District Court are “more expansive” as they include unpublished system prior art, which Petitioner’s stipulation would not moot because the invalidity positions as to the system prior art could still be raised in the district court proceeding. PO Sur-reply 4 (citing *Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205-08, Paper 19 at 4–5 (PTAB March 28, 2025)). Patent Owner also argues that Petitioner’s joint invalidity contentions were created in cooperation with defendants in other district court cases involving the same patent, where those other defendants are not subject to Petitioner’s stipulation or bound to this proceeding’s results, thereby undercutting the entire purpose of the stipulation itself. *Id.*

Although we acknowledge Patent Owner’s contentions, the purpose of this factor is not to necessarily obviate all need for a proceeding in a district court. Given the nature of *inter partes* proceedings, some types of invalidity contentions are outside of the permissible scope, and must always be pursued in a district court. Rather, this factor seeks to determine if the petition includes materially different grounds, arguments, and/or evidence than those presented in the district court, and Petitioner’s stipulation minimizes the overlap of issues. Petitioner stipulates that, if we institute *inter partes* review in this proceeding, it will not pursue in the Texas Litigation an invalidity defense “based on grounds that were raised or reasonably could have been raised” during this proceeding. Paper 7, 1.

Accordingly, the facts underlying this factor weigh against exercising our discretion to deny institution.

5. Identity of Parties

“If a petitioner is unrelated to a defendant in an earlier court proceeding,” this fact has weighed against exercising discretion to deny institution. *Fintiv*, Paper 11 at 13–14.

There is no dispute that the parties in this proceeding are identical to the parties in the Texas litigation. Thus, the facts underlying this factor are neutral.

6. Other Considerations, Including the Merits

With respect to this factor, the parties’ arguments going to the relative merits of the grounds of unpatentability provided in the instant Petition are determinative for this factor, as well as for application of our discretion overall. Petitioner asserts that “[t]he Petition presents strong invalidity grounds, meeting the reasonable likelihood standard.” Pet. Reply 3. Patent Owner argues that “substantially the same art and arguments in the Petition were previously presented to the Patent Office,” but the claims were deemed allowable, and the merits of Petitioner’s arguments are weak. Prelim. Resp. 60–61 (*see also* PO Sur-reply 5–6 referencing those arguments). Patent Owner points out that several grounds rely on “a primary reference that is not prior art to the ’305 Patent,” other grounds rely on references previously found to be deficient, and that Yamazaki fails to disclose the claimed “multiplexer” and “means to switch between the banks.” *Id.* We generally agree with Patent Owner.

In our preliminary analysis of the merits of this case, we do not find Petitioner’s claim challenges particularly strong. All of the grounds asserted in the Petition rely, in part, on a supposition that the Board’s prior construction of “multiplexer” is incorrect, and that Patent Owner agreed to a

“proper” construction. Pet. 20–22 (citing Wistron DDI, 13). Patent Owner disagrees with Petitioner, agrees with the Board’s prior construction, and asserts that Petitioner has not demonstrated that the prior construction, involving the identical patent, is not suitable for the instant proceeding. Prelim. Resp. 46. We agree with Patent Owner, although we need not determine specific claim constructions in this decision.

With respect to Nakata, that reference only becomes applicable if we agree that claims of the ’305 Patent, which was filed on December 23, 2003, and claims priority through Provisional Application No. 60/477,680, filed on June 11, 2003, are not supported by that provisional application because of an error in the latter’s filing. Pet. 13–15. Patent Owner responds that the claims of the ’305 Patent are entitled to a priority date at least as early as August 27, 2003, through allegations of earlier conception and reasonable diligence in reducing to practice. Prelim. Resp. 63 (citing *Perfect Surgical Techniques, Inc. v. Olympus Am., Inc.*, 841 F.3d 1004, 1007 (Fed. Cir. 2016)). Even if Patent Owner’s allegations are incorrect, it still points out the speculative nature of the grounds relying on Nakata and does not indicate that they are strong grounds.

With respect to Petropoulos and Tsai, Petitioner has acknowledged that both references were previously asserted in the prior Board proceeding (Wistron DDI, 6), where we denied institution based on the sufficiency of the underlying grounds. Pet. 28. Petitioner asserts that the instant Petition “Cures the Deficiencies of the Prior Petition in IPR2018-01255,” citing subsequent litigation and conflicts over the meaning of the term “multiplexer.” *Id.* at 25–28. We determine, however, that Patent Owner’s arguments are more persuasive, where Patent Owner asserts 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.” Prelim. Resp. 53 (citing *Roku, Inc. v. Universal Elecs., Inc.*, IPR2019-01619, Paper 17 at 10–13 (PTAB May 25, 2021)). Although we are not specifically evaluating the instant Petition under 35 U.S.C. § 325(d), the overlap in the references and grounds of unpatentability, which were previously denied, does demonstrate a weakness of the instant grounds.

Lastly, with respect to Yamazaki, that reference is relied upon only as a secondary reference, and should not be relied upon to demonstrate a relative strength of the instant grounds. In other words, 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. Thus, overall, we do not deem the grounds of the instant Petition to be particularly strong, and determine that this factor weighs in favor of exercising our discretion to deny institution.

7. Holistic Assessment of the Fintiv Factors

On this record, after weighing all of the factors and taking a holistic view, we determine that the facts in this case that weigh against exercising discretion do not outweigh the facts that favor exercising discretion. Accordingly, we determine that the circumstances presented weigh in favor of exercising our discretion under 35 U.S.C. § 314(a) to deny institution of *inter partes* review based on the Texas litigation.

IV. ORDER

In consideration of the foregoing, it is:

ORDERED that Patent Owner's Request for Discretionary Denial is *granted*; and

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

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