

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re	: <i>Ex parte</i> reexam of	Art Unit	: 3992
	Patent No. 7,039,033	Examiner	: Charles R. Craver
Serial No.	: 90/013,925	Conf. No.	: 1027
Filed	: March 24, 2017	Cert Issued	: February 1, 2018
Title	: SYSTEM, DEVICE AND COMPUTER READABLE MEDIUM FOR PROVIDING A MANAGED WIRELESS NETWORK USING SHORT-RANGE RADIO SIGNALS		

**Mail Stop Petition**

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

PETITION TO THE DIRECTOR UNDER 37 CFR 1.181

Apple Inc. (“Apple” or “Petitioner”) respectfully petitions the Director to withdraw the reexamination certificate issued in the above-referenced *ex parte* reexamination (“the ’925 Reexam”) of U.S. Patent No. 7,039,033 (“the ’033 patent”) and remand the reexamination proceeding to the Central Reexamination Unit (“CRU”) for proper consideration of the following issues.

In the ’925 Reexam, the examiner failed to conduct an analysis of the patentable distinction of claims added and amended during the ’925 Reexam, despite the cancellation of facially-similar claims during a prior *inter partes* review of the ’033 patent.<sup>1</sup> The estoppel provisions of 37 CFR 42.73(d)(3)(i) require the examiner to complete this analysis prior to issuance of the reexamination certificate. Without performing this analysis, the examiner cannot fulfill the statutory prerequisite for issuing a reexamination certificate that any claims added or amended during reexamination be “determined to be patentable.”<sup>2</sup>

Similarly, independent prior art searching was not conducted by the examiner before issuance of the reexamination certificate, despite the addition and amendment of several claims

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<sup>1</sup> To the extent the described actions are properly attributed to both the primary examiner and the two conferring examiners in the ’925 Reexam, the term “examiner” in the present paper collectively refers to all three examiners.

<sup>2</sup> See 35 U.S.C. § 307(a).

by Patent Owner IXI IP, LLC (“Patent Owner” or “IXI”).<sup>3</sup> Without searching for readily available and relevant prior art, the examiner again cannot fulfill the statutory prerequisite for issuing a reexamination certificate that any claims added or amended during reexamination be “determined to be patentable.”<sup>4</sup> Such a determination requires that the examiner actually search for prior art, consistent with original examination practice.

Because patentable distinction was not considered and a prior art search was not performed, the new and amended claims added during the ’925 Reexam were not properly “determined to be patentable” by the examiner prior to the issuance of the reexamination certificate. As the relevant statute (35 U.S.C. § 307(a)) requires such a determination, the issuance of the reexamination certificate represents an improper *ultra vires* action by the examiner. Accordingly, Apple respectfully requests that the Director withdraw the reexamination certificate issued in the ’925 Reexam and remand the proceeding to the CRU for proper consideration of these issues.

#### **I. Statement of Facts under 37 CFR 1.181(b)**

The ’033 patent issued on May 2, 2006 from an application filed May 7, 2001. On October 2, 2014, IXI filed suit against Apple in the Southern District of New York alleging infringement of, among others, the ’033 patent. *See IXI Mobile (R&D) Ltd. et al v. Apple, Inc.*, Case No. 1-14-cv-07954 (S.D.N.Y. 2014). This case was transferred to the Northern District of California on August 6, 2015. *See id.* at Paper 71; *see also IXI Mobile (R&D) Ltd. et al v. Apple, Inc.*, Case No. 4:15-cv-03755-HSG (ND Cal. 2015). Apple filed an IPR Petition on June 19, 2015, alleging unpatentability and requesting cancellation of the certain claims of the ’033 patent. *Apple Inc. et al. v. IXI IP, LLC*, IPR2015-01444, Paper 2 (PTAB June 19, 2015) (the “1444 IPR”). The litigation was stayed pending IPR on November 12, 2015. *IXI Mobile (R&D) Ltd. et al v. Apple, Inc.*, Case No. 4:15-cv-03755-HSG, Paper 122 (ND Cal. 2015).

The PTAB instituted an IPR proceeding on December 30, 2015. *Id.* at Paper 8, p. 26. On December 21, 2016, the PTAB issued a final written decision finding “claims 1, 4–7, 12, 14, 15,

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<sup>3</sup> Related entity IXI Mobile (R&D) Ltd. was also named in Patent Owner’s suit against Apple. For convenience, IXI IP, LLC and IXI Mobile (R&D) Ltd. will be referred to collectively as “Patent Owner” or “IXI.”

<sup>4</sup> *See* 35 U.S.C. § 307(a).

22, 23, 25, 28, 34, 39, 40, 42, and 46 of the '033 patent ... unpatentable.” *Id.* at Paper 27, p. 42. This decision is currently on appeal before the Federal Circuit; oral argument is scheduled for April 4, 2018. *See IXI IP LLC v. Apple Inc. et al.*, Case No. 17-1665 (Fed. Cir. 2017).

Just three months after the PTAB issued its final written decision, Patent Owner filed a request for *ex parte* reexamination of claims 48 and 56 of the '033 patent. The reexamination request presented amendments to claims 48 and 56, along with a significant number of newly-presented claims (49-55, and 57-129).<sup>5</sup> Ex. C (Excerpts from '925 Reexam File History), pp. 155-221, 273-293. Patent Owner argued in the reexamination request that the amended and new claims were patentable over the prior art combinations presented in the IPR proceeding. *Id.* at pp. 161-162. The examiner subsequently found that a substantial new question of patentability was raised “over issued claims 48-56,” and ordered a reexamination proceeding “on the basis of the claims as amended” and added by Patent Owner’s request. *Id.* at 144.

On September 7, 2017, the examiner issued a non-final Office Action confirming the patentability of new claims 88, 89, 91, 95, 96, 98-104, 106 and 110-114. *See id.* at p. 146. In doing so, the examiner acknowledged the similarities between these newly-presented claims and those found unpatentable in the '1444 IPR. *See id.* at pp. 122-124. For example, the examiner “noted that instant claim 104 is based on issued claim 34” of the '033 patent “which was found by the [Patent Trial and Appeal] Board to be obvious over the combination of Marchand in view of Nurmman, Vilander and the JINI Specification” in the '1444 IPR. *See id.* at p. 123. The examiner stated claim 104 “further adds that the handheld device comprises an 802.11 signal transmitter/receiver, and provides and establishes a short distance wireless network with a terminal using said 802.11 transmitter/receiver, and provides a network management component including a disconnect terminal function that forces disconnection from a specific terminal.” *Id.*

The examiner then found claim 104 (and its dependent claims) to be patentable over the art provided by Patent Owner in its request and the art originally considered during prosecution of the '033 patent:

While the combination of Marchand, Nurmman, Vilander and JINI discloses a handheld device creating a short-distance network with a terminal and provides software components for doing so, Marchand, Nurmman, Vilander and JINI do not disclose a network management component including a disconnect terminal function that forces disconnection from a specific terminal, nor do they disclose

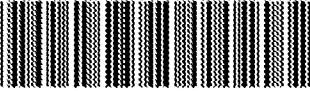
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<sup>5</sup> Patent Owner did not seek to add or amend claims during the IPR proceeding.

802.11 communications. Other references asserted by the Requestor/Patent Owner in the instant reexamination proceeding do not disclose these features either. References of record in the original prosecution disclose 802.x communication (see, for example, US Pat 6,763,012 to Lord), however such fails to further disclose using such in the network with the features claimed. Claims 106 and 110-114 are patentable based on a dependence on claim 104.

*Id.* at pp. 123-124 (emphasis added). Other new and amended claims were confirmed with similar analysis of minor, new claim features that were absent from original examination (e.g., “a speaker, a microphone, and a touchscreen,” “software applications including a telephony application, a personal information manager application including emails, and a location application for providing a current location,” etc.). *See id.* at pp. 122-124.

The examiner thus considered only the prior art references provided by the Patent Owner with its reexamination request and those identified during original prosecution when confirming the patentability of the new and amended claims. *See id.* at pp. 21, 154 (search notes indicating no new search performed); pp. 9-20, 122-124 (confirming patentability of new and amended claims over only the art provided by Patent Owner and the art from the '033 file history). Notably, as shown in the below search notes, the examiner did not perform an additional search for prior art teaching these additional features. *Id.* (showing “CPC – SEARCHED”, “CPC COMBINATION SETS – SEARCHED,” and “US CLASSIFICATION SEARCHED” left completely blank).

<b>Search Notes</b> 	<b>Application/Control No.</b> 90013925	<b>Applicant(s)/Patent Under Reexamination</b> 7039033
	<b>Examiner</b> CHARLES CRAVER	<b>Art Unit</b> 3992

CPC- SEARCHED		
Symbol	Date	Examiner

CPC COMBINATION SETS - SEARCHED		
Symbol	Date	Examiner

US CLASSIFICATION SEARCHED			
Class	Subclass	Date	Examiner

\* See search history printout included with this form or the SEARCH NOTES box below to determine the scope of the search.

SEARCH NOTES		
Search Notes	Date	Examiner
updated file hist search	5/5/2017	cc
PTAB search/IPR	5/5/2017	cc
updated file hist srch	11/10/2017	cc
PTAB search/IPR	11/10/2017	cc

Additionally, the record is without any indication that the examiner compared the new and amended claims against the previously-cancelled claims to determine whether a patentable distinction exists between the two claim sets, as required by 37 CFR 42.73(d)(3)(i).

## II. Relief Requested under 37 CFR 1.181(b)

Petitioner requests that the reexamination certificate in Reexam No. 90/013,925 be withdrawn and the proceeding remanded to the CRU (1) for performance of a prior art search to address the features allegedly added to the newly-presented and amended claims; and (2) for consideration of whether the new and amended claims are patentably distinct from the claims previously cancelled in IPR No. 2015-01444. Alternatively, Petitioner requests that the Director

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