Paper No. 11

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

OMNI MEDSCI, INC.,
Patent Owner.

Inter Partes Review No. IPR2019-00913

Petitioner Apple Inc.'s Reply to Board Order (Paper No. 10)

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I. Introduction

In the Board's Order (Paper No. 10) (the "Order"), the Board requested Apple to submit a brief on whether the Board should exercise its discretion under § 314 to deny the petition because the trial in the Eastern District of Texas involving the challenged patent would occur in February 2020 but and the Board's final written decision ("FWD") would not issue until October 2020.

This issue is now moot because there will not be a trial in the Eastern District of Texas in February 2020. On August 14, 2019, the Eastern District of Texas granted Apple's motion to transfer the district court case to the Northern District of California.[1] Ex. 1058, 9. As a result, all pending deadlines in the Texas action were suspended and the February 2020 trial date was vacated. Ex. 1057. The transfer of this case is still pending. Once it is docketed in the Northern District, the assigned judge will hold a status conference and request the parties to propose a schedule.[2] These steps alone will likely take several months. Consequently, while it is not possible to predict when a trial might occur, it will not be in February of 2020.

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[1] Apple informed the Board of the transfer in Updated Mandatory Notices, filed on August 23, 2019. Paper No. 9, 1.

[2] A related action was transferred and assigned to Judge Gonzalez Rogers.

The Board's final written decision in this IPR thus will resolve issues that otherwise would need to be litigated in district court. If the Board finds the claims unpatentable, it may be dispositive or will serve to simplify the issues to be addressed by a jury if any claims remain.

II. The Board's Finding of Facts

In addition to the 11 facts identified by the Board in the Order (Paper No. 10) at 3-5, the following facts are also relevant.

1. Apple filed a Motion to Transfer on October 24, 2018.
2. On March 15, 2019, Omni amended its infringement contentions to add claim 3 of the '040 Patent and claim 15 of the '533 Patent.
3. Both parties fully briefed the Motion to Transfer and a hearing was held on April 18, 2019.
4. The Eastern District of Texas granted Apple's Motion to Transfer to the Northern District of California on August 14, 2019.
5. The Eastern District of Texas granted a Joint Motion to Stay pending transfer to the Northern District of California on August 16, 2019.
6. The Northern District of California has not yet docketed the case.

III. Analysis of the First Set of Factors Identified by the Board

In its Order, the Board sought additional information about several factors relating to whether it should institute. Most factors focus on whether a decision by

the District Court will resolve unpatentability issues before the Board issues its final written decision. That will not occur. Accordingly, all relevant factors weigh against the Board denying institution under § 314(a) as further explained below.

A. The merits of Petitioner's challenge

The Board should only consider whether Petitioner met its burden to establish "a reasonable likelihood of success in prevailing with respect to at least 1" challenged claim. 35 U.S.C. § 314 (a). Petitioner met this burden as shown in its Petition, *see* Paper 1. This factor weighs against the Board denying institution.

B. Differences between the claims challenged in the District Court and the Petition

Every claim being asserted in the litigation has been challenged in the petition. This factor weighs against denying institution because a final written decision finding the challenged claims unpatentable could resolve the dispute between the parties and obviate a need for a trial.

C. The time between the District Court's expected findings on validity and any expected Board findings on patentability

If the Board decides to institute, Petitioner plans to move to stay the district court proceedings until the IPRs are completed. The Northern District of California stays litigation after institution of an IPR about 62% of the time. Ex. 1059, 1. Consequently, the Board likely would be the first to determine if the challenged claims are unpatentable. This factor weighs against the Board denying institution.

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