

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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APPLE, INC.,  
Petitioner,

v.

OMNI MEDSCI, INC.,  
Patent Owner.

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IPR2019-00916  
Patent 9,651,533 B2

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Before GRACE KARAFFA OBERMANN, JOHN F. HORVATH, and  
SHARON FENICK, *Administrative Patent Judges*.

HORVATH, *Administrative Patent Judge*.

DECISION  
*Denying Patent Owner's  
Request on Rehearing of Institution Decision  
37 C.F.R. § 42.71(d)*

## I. INTRODUCTION

Apple, Inc. (“Petitioner”) filed a Petition challenging claims 5, 7–10, 13, and 15–17 (“the challenged claims”) of U.S. Patent No. 9,651,533 B2 (Ex. 1001, “the ’533 patent”) as obvious over the combination of Carlson<sup>1</sup> and Lisogurski<sup>2</sup>, and claims 8, 9, 16, and 17 as obvious over the combination of Carlson, Lisogurski, and Mannheimer.<sup>3</sup> Paper 1 (“Pet.”), 3. Omni MedSci, Inc. (“Patent Owner”) filed a Preliminary Response (Paper 10, “Prelim. Resp.”).

In its Preliminary Response, Patent Owner argued that we should exercise our discretion to deny institution under 35 U.S.C. § 314(a) because a related case in the Eastern District of Texas was set to go to trial and “Petitioner is challenging the validity of the ‘533 Patent as obvious over . . . the **same references** asserted in this proceeding.” Prelim. Resp. 5 (citing Ex. 2101, 2).<sup>4</sup> Therefore, Patent Owner argued, we should deny the Petition because “the district court will determine the validity of the ‘533 Patent[] using the same claim construction standard, and over the same art in February 2020,” eight months before any final decision would issue in this

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<sup>1</sup> US 2005/0049468 A1

<sup>2</sup> US 9,241,676 B2

<sup>3</sup> US 5,746,206

<sup>4</sup> We note that Exhibit 2101 is “Apple Inc.’s Final Election of Asserted Prior Art.” Ex. 2101, 1. As such, it only identifies the prior art Apple intends to assert against the ’533 patent in district court. *Id.* at 2–3. It does not identify Apple’s invalidity contentions, i.e., how Apple contends particular claims are invalid over particular combinations of prior art.

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proceeding. *Id.* at 5–6 (citing *NHK Spring Co. v. Intri-Plex Tech., Inc.*, IPR2018-00752, Paper 8 at 20 (PTAB, Sept. 12, 2018) (Precedential)).

Given Patent Owner’s discretionary denial argument, we authorized the parties to brief the facts and factors the Board should consider when deciding how to exercise discretion under § 314(a). *See* Paper 12, 3.

Specifically, we asked the parties to brief

whether, and to what extent, the Board should consider (a) the merits of Petitioner’s challenge; (b) the amount of time between the District Court’s expected findings on validity and any expected Board findings on patentability; (c) any differences between the claims challenged in the District Court and the Petition; (d) any differences between the grounds raised in the District Court and the Petition, where a ground challenges the validity/patentability of an identified claim over identified prior art; and (e) any delay between the filing of Petitioner’s invalidity contentions in the District Court and the filing of the Petition.

Paper 12, 5. Petitioner filed a Reply (Paper 13, “Pet. Reply”) and Patent Owner filed a Sur-Reply (Paper 15, “PO Sur-Reply”).

In its Reply, Petitioner alleged that “[e]very claim being asserted in the litigation has been challenged in the petition,” and that “Petitioner’s challenges in the district court action include, but are not limited to, the prior art used in the grounds of the Petition.” Pet. Reply 3–4.<sup>5</sup> Therefore, Petitioner argued that “address[ing] the prior art in the grounds of the

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<sup>5</sup> Notably, Petitioner’s Reply does not identify Petitioner’s district court invalidity contentions, i.e., how particular claims are alleged to be invalid over particular combinations of prior art. Nor does Petitioner’s Reply aver that Petitioner’s district court invalidity contentions are the same as or substantially similar to the Petition’s unpatentability contentions.

Petition . . . would simplify and narrow the dispute in district court.” *Id.* at 4. Moreover, Petitioner argued that Patent Owner’s reason for requesting discretionary denial was moot because “the Eastern District of Texas granted [Petitioner’s] motion to transfer the district court case to the Northern District of California” and “all pending deadlines in the Texas action were suspended and the February 2020 trial date was vacated.” *Id.* at 1.

In its Sur-Reply, Patent Owner argued that, although the district court case had been transferred to the Northern District of California and no trial date had been set there, the Petition should nonetheless be denied on discretionary grounds because the district court case was *likely* to go to trial “in the second quarter of 2020 and certainly no later than June 2020.” PO Sur-Reply 2–3. Patent Owner further argued that the Petition should be denied because the prior art identified in the Petition and district court case “overlaps significantly—[Petitioner] combines the ‘pre-existing system’ prior art [identified in district court] with the same references that it uses in the IPR combinations, as confirmed by [Petitioner’s] Final Election of Prior Art (Ex. 2101).” *Id.* at 5.<sup>6</sup>

We instituted review of the ’533 patent based on the papers filed by the parties. *See* Paper 16 (“Dec. Inst.”), 58–59. In doing so, we declined to

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<sup>6</sup> Notably, like Petitioner’s Reply, Patent Owner’s Sur-Reply does not identify Petitioner’s district court invalidity contentions, i.e., how particular claims are alleged to be invalid over particular combinations of prior art. Nor does Patent Owner’s Sur-Reply allege that Petitioner’s district court invalidity contentions are the same as or substantially similar to the Petition’s unpatentability contentions.

exercise our discretion to deny the Petition because “the validity of the claims challenged in the Petition over the art raised in the Petition will not be determined in the related district court proceeding until a jury makes that determination after a trial on the merits” for which no date had been set, and because we were not inclined to deny the Petition based on Patent Owner’s speculation that the district court case was *likely* to go to trial by June 2020. *Id.* at 55.

Patent Owner subsequently filed a Request for Rehearing of our Institution Decision and further requested its consideration by the Precedential Opinion Panel. Paper 18 (“Reh’g Req.”), 10–11. The Precedential Opinion Panel declined to consider the rehearing request. Paper 22, 2. For the reasons discussed below, Patent Owner’s Request for Rehearing is *denied*.

## II. ANALYSIS

Under 37 C.F.R. § 42.71(c), a panel “rehearing a decision on petition . . . will review the decision for an abuse of discretion.” 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). A 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.” 37 C.F.R. § 42.71(d). The burden of showing a

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