

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.

**REMBRANDT WIRELESS TECHNOLOGIES, LP,**

Patent Owner.

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Case IPR2020-00033

U.S. Patent No. 8,023,580

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**PETITIONER'S REPLY TO PATENT OWNER'S  
PRELIMINARY RESPONSE**

Petitioner demonstrated a reasonable likelihood that at least one challenged claim is unpatentable. PO's plea for the Board to exercise discretion under §325(d) and §314(a) should be rejected because PO mischaracterizes the record and places undue reliance on a single factor in multi-factor balancing tests. Trial Practice Guide (Nov. 2019) ("TPGU"), 58 (When considering and exercising discretion in instituting IPR, the Board conducts a "balanced assessment of all relevant circumstances in the case, including the merits.").

## **I. PO'S CONFLICTING POSITIONS DEMAND REVIEW**

PO's §325(d) arguments mischaracterize the record. POPR 40-45. No reference at issue in this IPR was addressed by the Examiner during prosecution. To insist otherwise, PO wrongly contends that "Siwiak '398 *expressly describes* the very aspects of Siwiak '306 that Petitioner relies on including, *e.g.*, the 'different types' of modulation." POPR 43. Contrary to PO, Siwiak '398 does ***not*** describe the FSK and QAM modulations taught by Siwiak '306, and, in fact, PO represented as much to the Examiner to secure allowance of its claims. Pet. 7.

As PO explained in litigation and reexamination, to overcome a rejection based on Siwiak '398 during the original prosecution, Applicant amended the claims to require different "types" of modulation, and identified "the FSK family" and "the QAM family" as examples. *Rembrandt v. Apple*, 19-cv-00025, D.I. 73 at 9 (E.D. Tex. Oct. 21, 2019); Ex. 1010, 756-758; Ex. 1002, 140. PO represented to the district

court that this amendment distinguished Siwiak '398's disclosure of FM and OFDM because those are “‘different’ modulation methods of the *same frequency ‘type.’*” *Rembrandt*, 19-cv-00025, D.I. 73 at 6. Thus, to secure allowance during prosecution, PO represented that Siwiak '398 does not teach “different types”—such as FSK and QAM. *Id.* But now, to avoid IPR, PO argues the opposite—that, by incorporating Siwiak '306 by reference, Siwiak '398 does teach “different types” of modulation methods, including FSK and QAM. POPR 43; *see* Pet. 55-60. Far from justifying §325(d) discretionary denial, PO's contradictory positions underscore the importance of institution.

Moreover, balancing *all* the *Becton* factors weighs in favor of institution. IPR2017-01586, Paper 8. Here, unlike in *NHK*, there are no §325(d) issues based on art previously considered by the Office. Four of the five references were not cited at all (Pet. 7), and as discussed above, the critical disclosures of FSK and QAM in Siwiak '306 were not addressed during examination nor the basis of a rejection. PO has put forth no credible basis for suggesting that the art advanced by Petitioner is cumulative of the art of record. Indeed, as with Siwiak '306, Briancon (incorporating Leitch by reference) expressly discloses two “different types” of modulation, FSK and QAM, whereas Siwiak '398 does not. Pet. 26-27.

## II. §314(a) DISCRETION IS NOT WARRANTED

PO ignores critical differences between the IPR grounds and claim construction issues asserted here and in the district court, and fails to demonstrate that instituting IPR would result in a waste of judicial resources.

PO fails to tell the Board that it has requested *new claim constructions* here on terms it previously told the district court “do not require construction.” *Compare* POPR 23-31 *with* Ex. 2009, 7. Moreover, Ground 2 here relies on US 5,521,926 to Ayerst, while the court contentions rely on a different Ayerst patent with a different disclosure, US 5,644,568. Pet. 51-55; Ex. 2007, ¶¶78-80. Both parties rely on different experts here and in the litigation. And the district court case includes multiple grounds of invalidity including §§101 and 112, and unique grounds under §§102 and 103 not at issue here, potentially enabling limited trial time to focus on different invalidity defenses. Ex. 2007, *e.g.*, 91-177. Given all of these significant differences between the IPR and litigation, §314(a) does not warrant denial.

Further, there is no guarantee the court will actually get to final judgment before the FWD. IPR2019-01044, Paper 17, \*14 (“District court litigation is not subject to fixed, immutable deadlines for final disposition”). Additionally, the pending mandamus petition to stay or transfer the litigation may ultimately be granted, delaying the time to trial. *In re: Apple Inc.*, 2020-112 (Fed. Cir.). Thus, the time to trial (in the context of all of the other factors outlined in *General Plastic* and

*Becton*) does not weigh in favor of discretionary denial.

Consideration of discretion under §314(a) requires a “balanced assessment of all relevant circumstances in the case, including the merits.” TPGU, 58. Contrary to PO’s arguments, while the *NHK* case permits the Board to consider the stage of a parallel district court litigation, it “should do so in the context of *all the other factors*, such as those outlined in *General Plastic...and Becton, Dickinson*.” IPR2018-01354, Paper 8, \*36. Here, GP factors 1-5 and 7 favor institution, as this is Petitioner’s first petition challenging this patent. In addition, there has been no ruling in the co-pending litigation giving Petitioner a road map on how to improve its case, and PO identifies none. Finally, where the Petition presents a strong case of patentability, as here, the stage of the litigation should not outweigh the merits. *See, e.g.*, IPR2019-01000, Paper 10, \*40-49 (“we determine that the merits of the challenges presented in the Petition strongly outweigh any concerns about inefficient use of resources”).

Contrary to PO’s argument (POPR 40), Petitioner did not delay and secured no unfair benefit from the timing of its filing. *See id.*, \*47-48. The Petition was filed well within the statutory framework. IPR2018-01689, Paper 15, \*59 (filing within §315(b) period “presumptively proper”). Petitioner had no pre-suit notice and worked diligently from the time of filing to review the long history of the ’580 patent (*see* Pet. 12-14), understand PO’s infringement contentions, identify prior art, and

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