

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

APPLE INC.,  
Petitioner,

v.

MAXELL, LTD.,  
Patent Owner.

---

IPR2020-00200  
Patent 10,084,991 B2

---

Before MICHAEL R. ZECHER, KEVIN C. TROCK, and  
JOHN A. HUDALLA, *Administrative Patent Judges*.

TROCK, *Administrative Patent Judge*.

DECISION

Denying Patent Owner's Request for Rehearing  
*37 C.F.R. § 42.71(d)*

Apple Inc. ("Petitioner") filed a Petition (Paper 1, "Pet.") requesting an *inter partes* review ("IPR") of claims 1–5 and 8–12 ("the challenged claims") of U.S. Patent No. 10,084,991 B2 (Ex. 1001, "the '991 patent"). Patent Owner, Maxell, Ltd. ("Patent Owner"), filed a Preliminary Response (Paper 6, "Prelim. Resp."). Petitioner also filed a Reply (Paper 8, "Pet. Reply") and Patent Owner filed a Sur-Reply (Paper 10, "PO Sur-reply")

addressing whether we should exercise our discretion to deny institution under 35 U.S.C. § 314(a).

On July 15, 2020, we entered a Decision on Institution (Paper 11, “Decision” or “Dec.”) that instituted *inter partes* review on all claims and all grounds presented in the Petition. As part of the Decision, we considered Patent Owner’s arguments that we should exercise our discretion to deny institution under 35 U.S.C. § 314(a) based on the duplicative nature and advanced stage of the related case styled *Maxell, Ltd. v. Apple Inc.*, No. 5:19-cv-00036 (E.D. Tex. Mar. 15, 2019) (“the underlying litigation”). Dec. 10–25. We based our discretionary denial analysis on the Board’s precedential decision in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”). After weighing the factors identified in *Fintiv*, we declined to exercise our discretion under 35 U.S.C. § 314(a) to deny *inter partes* review. Dec. 25.

Patent Owner filed a Request for Rehearing (Paper 13, “Req. Reh’g”) seeking reconsideration of our analysis of the *Fintiv* factors and our decision not to exercise discretion to deny institution.<sup>1</sup> For the reasons stated below, we *deny* the Request for Rehearing.

## I. ANALYSIS

When reconsidering a decision on institution, we review the decision for an abuse of discretion. *See* 37 C.F.R. § 42.71(c). An abuse of discretion

---

<sup>1</sup> Patent Owner also requested rehearing by the Precedential Opinion Panel (“POP”) to “clarify the date from which *Fintiv* Factor 4 should be analyzed, namely, the Petition’s filing date.” Req. Reh’g 1; Ex. 3002. On October 27, 2020, POP denied Patent Owner’s request for review. Paper 19.

IPR2020-00200  
Patent 10,084,991 B2

may be determined if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors. *See Star Fruits S.N.C. v. United States*, 393 F.3d 1277, 1281 (Fed. Cir. 2005); *Arnold P'ship v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004); *In re Gartside*, 203 F.3d 1305, 1315–16 (Fed. Cir. 2000). The party requesting rehearing has the burden of showing the decision should be modified, which includes specifically identifying all matters the party believes were misapprehended or overlooked. *See* 37 C.F.R. § 42.71(d).

In our Decision on Institution, we found that *Fintiv* Factor 4, i.e., overlap between issues raised in the Petition and in the underlying litigation, weighed against exercising our discretion to deny institution. Dec. 15–22. Specifically, we considered the parties' efforts to narrow the issues at trial and determined that there was a material distinction between the claims being asserted at trial and the claims being challenged in this proceeding. *Id.* at 16–17. We also determined that there were significant differences between the references being asserted at trial and the references being relied on in this proceeding. *Id.* at 18–22. In weighing all of the *Fintiv* factors, we determined that “the differences in the claims being considered in this proceeding and the underlying litigation, as well as the differences in the prior art being applied, counsels against exercising discretionary denial.” *Id.* at 25. Thus, we declined to exercise our discretion under 35 U.S.C. § 314(a) to deny *inter partes* review. *Id.*

Patent Owner contends our weighing of the *Fintiv* factors—particularly with regard to Factor 4—represents an unreasonable judgment. *See* Req. Reh'g 3–9. In particular, Patent Owner argues that we should have

considered the overlap only at the time the Petition was filed and that we should not have considered any developments affecting the overlap arising thereafter. *Id.* Patent Owner argues that there was complete overlap with the underlying litigation at the time the Petition was filed. *Id.* at 4, 7.

According to Patent Owner, our consideration of post-filing developments “necessarily leads to gamesmanship, allowing petitioners to assert positions in the district court and the petition and then switch positions when it suits their purpose.” *Id.* at 1.

We do not agree with Patent Owner that our analysis of *Fintiv* Factor 4 must be constrained to the facts as they existed when the Petition was filed. For example, in the Board’s informative decision in *Sand Revolution II, LLC v. Continental Intermodal Grp.—Trucking LLC*, IPR2019-01393, Paper 24 (PTAB June 16, 2020) (informative) (“*Sand Revolution*”), the panel considered and gave weight to Petitioner’s stipulation to withdraw certain prior art references from a related litigation if *inter partes* review was instituted. *Sand Revolution* at 11–12. Importantly, the stipulation in *Sand Revolution* arose long after the Petition was filed. Compare IPR2019-01393, Paper 1, 88 (petition with July 25, 2019, filing date), with IPR2019-01393, Ex. 1015 (stipulation to withdraw prior art dated April 13, 2020). Here, we also considered the parties’ more recent efforts in the underlying litigation to narrow the issues at trial, which reduced concerns of duplicative efforts between the District Court and the Board and minimized the potential for conflicting decisions. *See, e.g.*, Dec. 16. This is consistent with the policy considerations underlying Factor 4 in *Fintiv*, namely, “concerns of inefficiency and the possibility of conflicting decisions.” *Fintiv* at 12.

Patent Owner also contends that “the Board failed to weigh Factor 4 properly,” and that “far too much emphasis was placed on Factor 4.” Req. Reh’g 4–5. Patent Owner argues that “[t]he Board required complete overlap in claims and prior art in its analysis of Factor 4, leading to an unreasonable balancing of the *Fintiv* factors.” *Id.* at 5, *see also id.* at 12 (arguing the same). The Decision, however, does not state, imply, or use a “complete overlap” standard in its analysis of Factor 4 as Patent Owner argues. Rather, the Decision’s analysis considers the claims and prior art that would overlap, as well as the claims and prior art that would not, in determining what weight to give Factor 4. For example, the Decision notes that, while the Petition challenges the patentability of claims 1–5 and 8–12, Patent Owner was only asserting claim 4 in the underlying litigation. Dec. 17. The Decision also notes that “[i]n this proceeding, Petitioner is relying on Asmussen, Bear, Marley, DeFazio, and Lindstrom, whereas in the [underlying litigation], Petitioner is relying on Asmussen and Allen only.” Dec. 18. Thus, the Decision considers and weighs the similarities, as well as the differences, in the claims and the prior art between the two proceedings, and does not require “complete overlap” as Patent Owner contends.

As to the weight afforded Factor 4, the Decision makes clear that:

A few of the *Fintiv* factors weigh in favor of exercising our discretion to deny institution, including the court’s current trial date, and the investment in the underlying litigation, including the court’s completion of claim construction. Against this, however, the differences in the claims being considered in this proceeding and the underlying litigation, as well as the differences in the prior art being applied, counsels against exercising discretionary denial. Considered as a whole, the differences between the two proceedings and Petitioner’s relatively strong preliminary showing of unpatentability outweigh these other factors.

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.