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Paper 12
Entered: August 11, 2020

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

MAXELL, LTD.,
Patent Owner.

IPR2020-00407
Patent 6,748,317 B2

Before LYNNE E. PETTIGREW, MINN CHUNG, and JOHN A. HUDALLA, *Administrative Patent Judges*.

PETTIGREW, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

Petitioner, Apple Inc., filed a Petition for *inter partes* review of claims 1–3, 5, 10–15, 17, and 18 of U.S. Patent No. 6,748,317 B2 (Ex. 1001, "the '317 patent"). Paper 1 ("Pet."). Patent Owner, Maxell, Ltd., filed a Preliminary Response. Paper 6 ("Prelim. Resp."). Pursuant to our authorization for supplemental briefing, Petitioner filed a Reply to Patent

Owner's Preliminary Response, and Patent Owner filed a Sur-reply. Paper 8 ("Pet. Reply"); Paper 10 ("PO Sur-reply"); *see* Paper 7, 4 (authorizing reply and sur-reply).

Under 35 U.S.C. § 314 and 37 C.F.R. § 42.4(a), we have authority to institute an *inter partes* review if "the information presented in the petition . . . and any response . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." 35 U.S.C. § 314(a). The Board, however, has discretion to deny a petition even when a petitioner meets that threshold. *Id.*; *see, e.g.*, *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) ("[T]he agency's decision to deny a petition is a matter committed to the Patent Office's discretion."); *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential, designated May 7, 2019).

Having considered the parties' submissions, and for the reasons explained below, we exercise our discretion under 35 U.S.C. § 314(a) to deny institution of *inter partes* review.

II. BACKGROUND

A. Related Matters

The parties identify the following pending district court proceeding related to the '317 patent: *Maxell, Ltd. v. Apple Inc.*, No. 5:19-cv-00036 (E.D. Tex., filed Mar. 15, 2019) ("the underlying litigation"). Pet. 6; Paper 4, 1 (Patent Owner's Mandatory Notices). The parties also identify an earlier proceeding in which the Board denied institution of *inter partes* review of claims 1–3, 6–8, 10, 15–17, and 20 of the '317 patent: *ZTE Corp.*

v. Maxell, Ltd., IPR2018-00235, Paper 9 (PTAB June 1, 2018). Pet. 6; Paper 4, 1.

Petitioner also has filed petitions in IPR2020-00409 and IPR2020-00408 respectively challenging claims of U.S. Patent No. 6,580,999 B2 ("the '999 patent"), which is the parent of the '317 patent, and U.S. Patent No. 6,430,498 B1, which is the parent of the '999 patent. *See* Ex. 1001, code (63).

B. Overview of the '317 Patent

The '317 patent describes "a portable terminal provided with the function of walking navigation, which can supply location-related information to the walking user." Ex. 1001, 1:16–18. According to the '317 patent, conventional navigation systems at the time of the invention were unsuitable for walking navigation because they were too large to be carried by a walking user. *Id.* at 1:31–38. At the same time, maps provided by conventional map information services could not be displayed clearly on the small screens of portable telephones. *Id.* at 1:46–52. The invention of the '317 patent purportedly addressed these problems by providing a portable terminal that can "supply location information easier for the user to understand during walking." *Id.* at 2:53–54.

The portable terminal described in the '317 patent obtains location information and direction information of the terminal (i.e., the direction of the tip of the terminal). *Id.* at code (57), 2:66–3:4. Based on this terminal information, the portable terminal obtains and displays information such as route guidance for reaching a destination or neighborhood guidance relating to entertainment, businesses, and restaurants. *Id.* at code (57), 3:5–42. In addition, the portable terminal displays the direction of a destination with an

indicating arrow that always points in the direction of the destination. *Id.* at code (57), Fig. 1.

C. Illustrative Claims

Challenged claims 1 and 10 are independent. Challenged claims 2, 3, 5, 15, and 17 depend directly or indirectly from claim 1; challenged claims 11–14 and 18 depend directly or indirectly from claim 10. Claims 1 and 10 are illustrative of the claimed subject matter:

> 1. A portable terminal, comprising:
>
> a device for getting location information denoting a [p]resent place of said portable terminal;
>
> a device for getting a direction information denoting an orientation of said portable terminal;
>
> an input device for inputting a destination; and
>
> a display,
>
> wherein
>
> > said display displays positions of said destination and said present place, and a relation of said direction and a direction from said present place to said destination, and
> >
> > said display changes according to a change of said direction of said portable terminal orientation for walking navigation.
>
> 10. A portable terminal, comprising:
>
> a device for getting location information denoting a present place of said portable terminal;
>
> a device for getting direction information denoting an orientation of said portable terminal;
>
> a device for getting a location information of another portable terminal from said another terminal via connected network; and
>
> a display,
>
> wherein

> said display displays positions of said destination and said present place, and a relation of said direction and a direction from said present place to said destination,
>
> and said display changes according to a change of said direction of said portable terminal orientation for walking navigation.

Ex. 1001, 10:42–57, 11:34–51.

D. Asserted Grounds of Unpatentability

Petitioner asserts that the challenged claims are unpatentable based on the following grounds (Pet. 5):

Claims Challenged	35 U.S.C. §	Reference(s)
1–3, 5, 15, 17	103(a)[1]	Hayashida[2,3]
1–3, 5, 10–15, 17, 18	103(a)	Hayashida, Abowd[4]

In support of its contentions, Petitioner relies on the Declaration of Dr. Michael D. Kotzin (Ex. 1003).

III. ANALYSIS

Patent Owner contends we should exercise our discretion under 35 U.S.C. § 314(a) to deny institution of *inter partes* review due to the advanced stage of the underlying litigation in the United States District Court for the Eastern District of Texas. Prelim. Resp. 2–24; PO Sur-reply 1–10. According to Patent Owner, instituting an *inter partes*

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[1] The Leahy-Smith America Invents Act ("AIA"), Pub. L. No. 112-29, 125 Stat. 284, 285–88 (2011), revised 35 U.S.C. § 103 effective March 16, 2013. Because the '317 patent has an effective filing date prior to the effective date of the applicable AIA amendment, we refer to the pre-AIA version of § 103.
[2] U.S. Patent No. 6,067,502, issued May 23, 2000 (Ex. 1004).
[3] Petitioner presents this ground as obviousness over Hayashida and the knowledge of a person of ordinary skill in the art. Pet. 5.
[4] Gregory D. Abowd et al., *Cyberguide: A mobile context-aware tour guide*, Wireless Networks 3 (1997) 421–33 (Ex. 1005).

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