

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.

MAXELL, LTD.,  
Patent Owner

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**Case: IPR2020-00408**

**U.S. Patent No. 6,430,498**

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**PATENT OWNER'S AUTHORIZED PRELIMINARY SUR-REPLY**

Mail Stop **Patent Board**  
Patent Trial and Appeal Board  
U.S. Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450

## PATENT OWNER'S UPDATED EXHIBIT LIST

Description	Exhibit #
5/31/19 Scheduling Order from District Court Action	2001
3/10/15 Letter from Apple to Maxell	2002
5/15/15 Letter from Apple to Maxell	2003
5/17/18 Letter from Maxell to Apple	2004
Maxell's Infringement Contentions from District Court Action	2005
Apple's Invalidity Contentions from District Court Action	2006
<i>Hayashida</i> Chart from Apple's Invalidity Contentions	2007
<i>Hayashida</i> Chart from Apple's Expert Report from District Court Action	2008
<i>Abowd</i> Chart from Apple's Expert Report from District Court Action	2009
Apple's Final Election of Prior Art	2010
1/8/20 Minute Order	2011
8/28/19 Minute Order	2012
9/18/19 Minute Order	2013
<i>Markman</i> Decision from District Court Action	2014
4/20/20 Scheduling Order from District Court Action	2015
Declaration of Tiffany A. Miller	2016
5/8/20 Notices of Compliance	2017
Decision denying Apple's Motion to Stay	2018
'498 IPR Preliminary Response	2019
'498 IPR Petition (ASUS)	2020
Getting Heading and Course Information	2021
Getting the Heading and Course of a Device	2022
Wayback Machine excerpts	2023
<b>COVID Standing Order</b>	<b>2024</b>
<b>March 6, 2017 Scheduling Order from Maxell v. ZTE</b>	<b>2025</b>
<b>June 5, 2018 Scheduling Order from Maxell v. ZTE</b>	<b>2026</b>
<b>Docket from District Court Action</b>	<b>2027</b>
<b>Maxell's Notice of Compliance Regarding Rebuttal Expert</b>	<b>2028</b>

<b>Reports</b>	
<b>June 3, 2020 Order in District Court Action</b>	<b>2029</b>

## I. INTRODUCTION

Every *Fintiv* factor favors denial of Apple’s Petition. Apple knows this, which is why it spends the majority of its Reply attacking the Board’s precedential *Fintiv* decision. But it is well settled that “the Director has complete discretion to decide not to institute review.” *Saint Regis Mohawk Tribe v. Mylan Pharms. Inc.*, 896 F.3d 1322, 1327 (Fed. Cir. 2018); *see also 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.”). Indeed, the Board has already rejected Apple’s policy arguments. *Apple v. Fintiv*, IPR2020-00019, Paper 15 at 11-12 (May 13, 2020).

The *NHK* and *Fintiv* line of cases recognize discretionary denial is appropriate for precisely the situation present here, where one of the largest companies in the world uses the IPR process, not as a less-expensive alternative to litigation, but as an overall gambit to litigate without end. Apple’s perverse attempt to cast itself as a martyr if the Board denies institution here ignores that Apple was entirely in control of when its IPR Petition was filed. Apple purposefully chose to delay filing its Petition, and elected to litigate in the District Court rather than focus on preparation of its Petition. *See* Paper 6 at 15-17. These facts remain un rebutted.

The District Court Action is set for trial beginning October 26, 2020. Ex. 2001. Apple has known about the trial date since May 31, 2019, over six months prior to filing its Petition. *Id.* An oral hearing will not occur until about May 2021, and a Final Written Decision is expected August 12, 2021—ten months after trial. These were the facts when Apple filed its Petition; these are the facts now. Apple’s statistical speculation on whether a trial date may be continued does not change these facts, nor should it persuade the Board to ignore sound precedent.

## II. THE *FINTIV* FACTORS OVERWHELMINGLY FAVOR DENIAL

Here, the *Fintiv* factors overwhelmingly favor denial of institution.

### A. Factor 1: The District Court Denied Apple’s Motion to Stay

On April 27, 2020, the Court denied Apple’s motion to stay, noting that “Apple has not sufficiently explained its delay in filing the [IPR] petitions. Apple filed its first wave of petitions nine months after Maxell filed suit and six months after Maxell served its initial infringement contentions.” Ex. 2018 at 4-5. The Court concluded that “The case is not in its infancy and is far enough along that a stay would interfere with ongoing proceedings.” *Id.* at 4. Though the Court denied the motion without prejudice, it presaged that “[t]he late stage of the proceedings will certainly weigh against granting a stay” because the last institution decisions will only be complete on September 25, 2020, one month prior to trial.

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