

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

MAXELL, LTD.,
Patent Owner.

IPR2020-00409
Patent 6,580,999 B2

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

CHUNG, *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 1–6 (the “challenged claims”) of U.S. Patent No. 6,580,999 B2 (Ex. 1001, “the ’999 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) (“*NHK*”).

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 '999 patent: *Maxell, Ltd. v. Apple Inc.*, No. 5:19-cv-00036 (E.D. Tex., filed Mar. 15, 2019) (“the underlying litigation”). Pet. 7; Paper 4, 1 (Patent Owner’s Mandatory Notices).

Petitioner also has filed petitions in IPR2020-00407 and IPR2020-00408 respectively challenging claims of U.S. Patent No. 6,748,317 B2, which is a continuation of the '999 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 '999 Patent

The '999 patent describes “a portable terminal provided with the function of walking navigation, which can supply location-related information to the walking user.” Ex. 1001, 1:13–16. According to the '999 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 1:28–32. 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 1:44–47. The invention of the '999 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 2:49–50.

The portable terminal described in the '999 patent obtains location information and direction information of the terminal (i.e., the direction of the tip of the terminal). *Id.* at code (57), 2:62–67. 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), 3:1–37. 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 Claim

Challenged claims 1, 5, and 6 are independent. Challenged claims 2–4 depend directly from claim 1. Claim 1 is illustrative of the claimed subject matter:

1. A portable terminal with the function of walking navigation, 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; and
 - a device for getting the location information of another portable terminal, wherein
 - a direction from said present place to the location of said another portable terminal is displayed with the distance information between said locations to supply route guidance information as said walking navigation information.

Ex. 1001, 10:38–50.

D. Prior Art and Declaration Evidence

Petitioner cites the following references in its challenge to patentability:

U.S. Patent No. 6,067,502, issued May 23, 2000 (Ex. 1004, “Hayashida”); and

Gregory D. Abowd et al., *Cyberguide: A mobile context-aware tour guide*, *Wireless Networks* 3 (1997) 421–433 (Ex. 1005, “Abowd”).

Petitioner supports its challenge with a declaration from Dr. Michael D. Kotzin (Ex. 1003).

E. Asserted Ground of Unpatentability

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

Claims Challenged	35 U.S.C. §	References
1–6	103(a) ¹	Hayashida, Abowd

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. 2–18; PO Sur-reply 1–10. According to Patent Owner, instituting an *inter partes* review “would needlessly duplicate” the district court action and “unnecessarily waste the Board’s resources.” Prelim. Resp. 4–5 (citing *NHK*, Paper 8 at 20 (denying institution)).

After Patent Owner filed its Preliminary Response, we authorized the parties to submit supplemental briefing on the issue of discretionary denial under 35 U.S.C. § 314(a). Paper 7, 4. We specifically authorized the parties

¹ The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011), amended 35 U.S.C. §103 effective March 16, 2013. Because the ’999 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.

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