UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.
Petitioner

v.

MAXELL, LTD.
Patent Owner

Case IPR2020-00597
U.S. Patent No. 8,339,493

PETITIONER'S REPLY TO
PATENT OWNER PRELIMINARY RESPONSE

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Apple submits this reply pursuant to the authorization of the Board to address the *Fintiv* factors, Maxell's *Hulu* argument, as well as the material differences between this proceeding and IPR2020-00203. Ex. 1056 (Board's Email).

The POPR urges denying the petition under § 314(a) based on misapplying the *Fintiv* factors and unduly focusing on the time between the current trial date in the district court litigation ("Texas case") and an expected Final Written Decision ("FWD"). Other factors favor institution, including Petitioner's strong showing on the merits, a lack of overlap in prior art between the Petition and the Texas case, and the complexities of litigation. A balanced weighing of the factors shows that the patent system would best be served by instituting review.

I. THE *FINTIV* FACTORS SUPPORT INSTITUTING IPR

A. Factor 1: Lack of Evidence of Stay Renders This Factor Neutral

On April 27, 2020, the Texas Court denied Apple's request for a stay without prejudice to re-filing the motion. Ex. 1052. The Board, "in the absence of specific evidence, [] will not attempt to predict how the district court in the related district court litigation will proceed because the court may determine whether or not to stay any individual case, including the related one, based on a variety of circumstances and facts beyond [its] control and to which the Board is not privy." *Sand Revolution II, LLC v. Continental Intermodal Group-Trucking LLC*, IPR2019-01393, Paper 24 at 7 (June 16, 2020) (Informative). Thus, this factor is neutral.

B. Factor 3: Apple Was Diligent And Had No Tactical Advantage

It is not the case that Apple "purposefully chose to delay filing its petition," (POPR at 21) and any suggestion that some tactical purpose drove its timing is without merit. Indeed, Maxell was the one that gained a tactical advantage by placing an undue burden on Apple's IPR preparation from asserting 90 claims for 10 patents early in the litigation (Ex. 1057 at 2) and only narrowing them after the bar date.

Maxell originally asserted '493 Patent claims 1, 3-6, 10 and 11 in the litigation. *Id.* Claim 1 includes a narrow limitation not found in any other independent claims. Specifically, claim 1 requires that "N is equal to or greater than three times a number of effective scanning lines M." Ex. 1001 at 17. This forced Apple to search for this narrow limitation in the prior art—a search that extended to October 2019. Apple then needed more time to locate witnesses and documentary proof to establish public availability. Petition, 10-12. But on the eve of the bar date, Maxell reduced its asserted claims to only claims 5 and 6, *neither of which include the narrow limitation of claim* 1. Ex. 1053. Had Maxell not forced Apple to search for the narrow concept in Claim 1, this petition would have been filed much earlier. And, in order to avoid burdening the Board with multiple petitions, Apple carefully sought to locate and narrow its prior art selection such that it could file a single petition challenging the asserted claims of the '493 Patent. *See Med-El Elek. Geräte GES.M.B.H v. Advanced Bionics AG*, IPR2020-00190, Paper 15 at 13-14 (June 3,

2020); *see also Apple v. Maxell*, IPR2020-0020, Paper 11 at 20 ("Petitioner's explanation is consistent with the AIA's legislative history as to the one-year statutory bar under § 315(b)."") (July 15, 2020). It is disingenuous to suggest Apple delayed its filing for a strategic advantage when it was Maxell who strategically benefited from dropping claim 1 at the IPR bar date. Thus, this factor favors Apple.

C. Factor 4: There Is No Issue Overlap

This factor strongly favors Apple because the subject matter that the Board will consider does not overlap with the litigation. First, Maxell cannot dispute that Apple seeks IPR on wholly different grounds of invalidity here than it does in the Texas Case, as outlined below. Ex. 1047 (Apple's Final Election of Prior Art):

	Grounds	Claims	Unique Issues
Texas Case	Juen + Anderson Juen + Anderson + Misawa Sony MVC-FD83/FD88 Sony MVC + Misawa	5 6 5 6	-- Is the Sony MVC system prior art? -- Does the Sony MVC anticipate and teach mixing and culling?
IPR	Casio + Juen Casio + Juen + Takase Casio + Juen + Misawa	1, 3, 5, 10 4 6, 11	-- Is the Casio manual a printed publication? -- Does Juen disclose mixing and culling?

Second, as noted above, claim 1 has a materially different scope from the other claims. This material difference in the proceedings will not be one addressed in the Texas Case. In addition, the IPR presents unique issues relating to the mixing and

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