UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner

v.

SCRAMOGE TECHNOLOGY LTD.,
Patent Owner

IPR2022-00573
Patent 7,825,537

PATENT OWNER'S PRELIMINARY RESPONSE SUR-REPLY

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The district court case concerns the same parties, patent, claims, and invalidity references. On balance, the *Fintiv* factors weigh against institution. Institution should be denied.

A. Factor 1: It is undisputed that a stay is unlikely to be granted.

Petitioner does not dispute that the district court is unlikely to grant a stay in the event the Petition is instituted. Petitioner does not present any argument or evidence that the district court is likely to grant a stay, and instead argues that this factor is neutral without "specific evidence" relating to this case. To the contrary, Patent Owner provides specific evidence, including of the stage of the litigation, to reasonably conclude that a stay is unlikely under the applicable law. *See Samsung Elecs. Co. Ltd. v. Evolved Wireless LLC*, IPR2021-00950, Paper 10 at 10–11 (PTAB Nov. 29, 2021) ("*Evolved*"). Moreover, Petitioner has not moved for a stay and has not indicated that it intends to so move. Factor 1 weighs against institution.

B. Factor 2: The district court trial will occur before the deadline for a final decision in this proceeding.

Petitioner does not dispute that the district court case is scheduled for trial on July 31, 2023, well before the September 16, 2023 final written decision deadline. Instead, Petitioner relies upon the PTO Director's June 21, 2022 Memo and recent time-to-trial statistics to assert that the trial date "for purposes of *Fintiv*" is January 2024. In doing so, Petitioner misconstrues the Memo, which does not dictate that

the trial date "for purposes of *Fintiv*" should be based on recent time-to-trial statistics, but rather cautions that the "court's scheduled trial date … is not ***by itself*** a good indicator of whether the district court trial will occur before the statutory deadline." Memo at 8 (emphasis added). Judge Albright has set a trial date and "will not move the trial date ***except in extreme situations***." Ex. 2006 at 9 (emphasis added). Patent Owner relied on more than just the scheduled trial date to indicate that the trial will precede the final written decision deadline.

While Petitioner relied on the statistics as suggested by the Memo, its approach is also incongruous with the Memo, which dictates the PTAB should also consider additional factors "such as the number of cases before the judge in the parallel litigation and the speed and availability of other case dispositions." Memo at 9. Petitioner, in addition to ignoring Patent Owner's evidence, does not cite to anything other than the statistics. Petitioner could have cited statistics or examples that Judge Albright allows scheduled trial dates to slip, but did not do so. The only reasonable inference is that none exist and there is no reasonable basis to conclude that anything other than the scheduled trial date should be considered in the analysis of Factor 2.

Finally, Petitioner argues that the gap between trial date and final written decision deadline is so short that discretionary denial is not warranted. Yet the Board has exercised that discretion and denied institution under nearly identical

circumstances. *See, e.g., Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 7–8, at 13 (PTAB May 13, 2020) ("Fintiv II"); *Evolved* at 13; *Immersion Systems LLC v. Midas Green Techs., LLC*, IPR2021-01176, Paper 16 at 12–13 (PTAB Jan. 6, 2022) ("*Midas*"). Petitioner's cited cases are inapposite. Each of them was issued during the first half of 2021 while the COVID pandemic was still creating significant trial date uncertainty. Under the present circumstances, the uncertainty surrounding COVID has passed and the Court has issued a firm trial date. *See* Ex. 2002 at 5. Factor 2 weighs against institution.

C. Factor 3: There has been significant investment in the litigation.

Petitioner asserts that the Board should simply ignore both the parties' and the district court's significant investment in the district court litigation because some of the work done in that case does not directly relate to invalidity issues. This is contrary to the Board's decisions finding that "substantive orders related to the patent at issue," including claim construction orders entered by the district court, favor discretionary denial. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 9–10 (PTAB Mar. 20, 2020) (precedential, designated May 5, 2020) ("*Fintiv I*"). In *Midas*, for example, the Board found that, although much was left to occur in the case, the expended effort in early discovery and claim construction was "not insubstantial" and denied institution. *Midas* at 13–14. The same reasoning applies here. Claim construction briefing will be completed in a matter of days, discovery

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