UNITED STATES PATENT AND TRADEMARK OFFICE

PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

CPC PATENT TECHNOLOGIES PTY, LTD.,
Patent Owner.

Case IPR2022-00601
U.S. Patent No. 9,269,208

SUR-REPLY OF PATENT OWNER CPC PATENT TECHNOLOGIES PTY, LTD.

I. *Fintiv* Factor 1

Apple cites the *Interim* Guidance regarding "parallel litigation," which Apple supposes must involve the same parties and the same patent. However the *Interim* Guidance does not say that. It would be counterintuitive to exclude from consideration a district court proceeding involving virtually identical subject matter (such as here), simply because a different defendant and a different patent, albeit with an identical claim limitation, is involved. Apple does not dispute the relatedness between the '208 Patent and the '705 Patent, which is the subject of the *HMD* litigation. In fact, Apple itself proves the related nature of those patents by positing ***identical*** characterizations of the alleged strengths of its challenges to the '208 Patent (Paper 8 at 5) and the '705 Patent (IPR2022-00602, Paper 8 at 5).

Apple argues that CPC's dismissal of its infringement claim for the '208 Patent does not warrant discretionary denial of institution. Contrary to Apple's characterization, CPC makes no such argument. And, to Apple's argument that CPC could simply refile such claim, thereby time-barring Apple from petitioning for *inter partes* review, the doctrine of claim preclusion would prohibit such gamesmanship:

> [C]laim preclusion prevents parties from raising issues that could have been raised and decided in a prior action—even if they were not actually litigated. If a later suit advances the same claim as an earlier suit between the same parties, the earlier suit's judgment 'prevents litigation of all grounds for, or defenses to, recovery that were previously available to the parties, regardless of whether they were asserted or determined in the prior proceeding.' Suits involve the same claim (or 'cause of action') when they ***'aris[e] from the same transaction,' or involve a 'common nucleus of operative facts.'***

Lucky Brand Dungarees, Inc. v. Marcel Fashions Group, Inc., __ U.S. __, 140 S. Ct. 1589, 1594-95 (2020) (emphasis added) (internal citations omitted).

II. *Fintiv* Factor 2

Apple challenges the applicability of the co-pending *HMD* litigation. Apple's principal argument against considering that case is that such consideration would deprive "petitioners of their ability to control how it chooses to challenge validity of patents, including the art, experts, and counsel." Paper 8 at 2. Apple identifies no daylight between what HMD purports to argue about the cited prior art to the '705 Patent and what Apple argues in the Petition regarding the '208 Patent.

More to the point is that Apple's suggestion that it is at the "mercy of" HMD, represented by a premier patent litigation firm in the district court action, is specious. Indeed, Apple's reasoning would preclude the Board from ever denying institution based upon prior unsuccessful invalidity challenges by other parties simply because the newest challenger wants to take its own whack at invalidating the same patent. Apple's suggestion that it ***may*** see something different about the prior art does not warrant ignoring the obvious inefficiencies of having two different forums consider the same prior art combination.

Apple takes CPC to task for referencing the scheduled trial date in the *HMD* litigation. Paper 8 at 2. However, CPC also cites to the "median time-to-trial" in the Western District of Texas, which the *Interim* Guidance deems the most relevant

metric under this factor. Paper 7 at 7. That time to trial is approximately two years from the filing of the complaint, which, in the co-pending *HMD* litigation, would mean a trial date in February 2023 – some seven months before any final written decision in this proceeding. *See id.* at 8.

After invoking the *Interim* Guidance, Apple proceeds to ignore it by citing to the actual trial date in a single case, rather than the median time-to-trial. Paper 8 at 3, *citing* Ex. 1085 (Order continuing *Fintiv* trial). Apple also cites to a recent order in the *HMD* case "extending the previously scheduled dates by 'about four months.'" *Id., citing* Ex. 1086. Apart from being inapplicable to the median time-to-trial in the Western District of Texas, this single-case extension still results in the HMD trial occurring some four months before any written decision.

Apple also cites to a litany of statistics regarding Judge Albright's docket without explaining how those statistics impact the median time-to-trial in the Western District of Texas. *Interim* Guidance at 9 ("[w]here the parties rely on ***time-to-trial statistics***, the PTAB will also consider additional supporting factors such as the number of cases before the judge in the parallel litigation . . ." (emphasis added)). In any event, Apple argues only that Judge Albright's statistics suggest "no weight should be given to the HMD trial date." Paper 8 at 4. Even so, Apple cannot dispute that the median time-to-trial in the Western District of Texas is well before the scheduled final written decision in the instant proceedings.

III. *Fintiv* Factor 4

Apple characterizes CPC's position on the *HMD* litigation as dependent upon "speculation" as to whether HMD will actually assert the subject prior art combination at trial. Paper 8 at 4. It is Apple who relies on speculation, namely that HMD, in challenging the validity of the related '705 Patent, will jettison the sole prior art combination upon which Apple chose to rely in challenging the '208 Patent in this proceeding, implying that better prior art combinations are out there, but Apple did not find them, or opted not to rely on them in this proceeding.

IV. *Fintiv* Factor 6

Apple's analysis regarding claim element 1(d1) is hardly "compelling," despite its assertion. That claim element requires a "duration" with respect to each signal in a series of ***biometric*** signals. Paper 7 at 14. As Apple recognizes, *Anderson* makes a distinction "between a digitizer pad and fingerprint sensor," the former of which does not generate a biometric signal at all. Paper 8 at 5. Yet, Apple relies solely on the former as satisfying the "duration" requirement of element 1(d1). Paper 7 at 14. As such, *Anderson* fails to teach the claimed "duration" for a ***biometric*** signal. *Id.*

Apple's single-sentence response on this point is that "CPC ignores the extensive motivations to combine." Paper 8 at 5. The point, which Apple misses, is that even if *Anderson* were combined with one or more of the other cited references,

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