Trials@uspto.gov
571-272-7822

Paper: 11
Date: January 4, 2023

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

AIRE TECHNOLOGY LIMITED,
Patent Owner.

IPR2022-01137
Patent 8,581,706 B2

Before JEFFREY S. SMITH, BRIAN J. McNAMARA, and MIRIAM L. QUINN, *Administrative Patent Judges.*

SMITH, *Administrative Patent Judge*.

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

A. Background and Summary

Petitioner, Apple Inc., filed a Petition (Paper 2, "Pet.") requesting *inter partes* review of claims 1–3, 11, 12, 16, 18, and 20 of U.S. Patent No. 8,581,706 B2 (Ex. 1001, "the '706 patent") pursuant to 35 U.S.C. § 311(a). Patent Owner, Aire Technology Ltd., filed a Preliminary Response (Paper 6, "Prelim. Resp.") pursuant to 35 U.S.C. § 313. With our email authorization of October 13, 2022 (Ex. 1024), Petitioner filed a Reply (Paper 9, "Reply") and Patent Owner filed a Sur-Reply (Paper 10, "Sur-Reply") directed solely to an issue regarding whether we should exercise our discretion to deny the Petition under 35 U.S.C. § 314(a).

Pursuant to 35 U.S.C. § 314(a), the Director may not authorize an *inter partes* review unless the information in the petition and preliminary 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." For the reasons that follow, we institute an *inter partes* review as to claims 1–3, 11, 12, 16, 18, and 20 of the '706 patent on all grounds of unpatentability asserted in the Petition.

II. REAL PARTIES-IN-INTEREST

Petitioner identifies itself (Apple, Inc.) as its sole real party-in-interest. Pet. 90. Patent Owner identifies itself (Aire Technology Ltd.) as its sole real party-in-interest. Paper 4, 2.

III. RELATED MATTERS

The Petition states that the '706 patent is the subject of the following proceedings:

> *Aire Technology Ltd. v. Google LLC*, No. 6-21-01104, W.D. Tex., filed Oct. 25, 2021;

Aire Technology Ltd. v. Apple, Inc., No. 6-21-01101, W.D. Tex., filed Oct. 22, 2021 ("the Apple litigation");

Aire Technology Ltd. v. Samsung Electronics co, Ltd. et al., No. 6-21-00955 W. D. Tex., filed Sep. 15, 2021;

Samsung Electronics Co., Ltd. v. Aire Technology Ltd., IPR2022-00876 (PTAB, May 2, 2022)

Aire Technology Ltd. v. Garmin International, Inc., No. 8-22-01027, C.D. Ca., filed May 20, 2022.

Pet. 68. Patent Owner identifies the following additional proceedings as "related current and/or former proceedings involving the patent at issue." Paper 4, 2–3.

Samsung Electronics Co., Ltd. v. Aire Technology Ltd., IPR2022-00874 (PTAB April 22, 2022);

Samsung Electronics Co., Ltd. v. Aire Technology Ltd., IPR2022-00875 (PTAB April 22, 2022);

Samsung Electronics Co., Ltd. v. Aire Technology Ltd., IPR2022-00877 (PTAB May 2, 2022);

Apple Inc. v. Aire Technology Ltd., IPR2022-01135 (PTAB June 15, 2022);

Apple Inc. v. Aire Technology Ltd., IPR2022-01136 (PTAB June 15, 2022).

IV. EXERCISE OF DISCRETION

In the Preliminary Response, Patent Owner contends that we should exercise our discretion to deny the Petition in favor of the parallel Apple litigation identified above taking place in the U.S District Court for the Western District of Texas ("the Texas court"). Prelim. Resp. 1–10. The Board has held that the advanced state of a parallel district court action is a

factor that may weigh in favor of denying a petition under § 314(a). *See NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 20 (PTAB Sept. 12, 2018) (precedential); Trial Practice Guide, 58 & n.2. We consider the following factors to assess "whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding":

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board's exercise of discretion, including the merits.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5–6 (PTAB Mar. 20, 2020) (precedential) ("*Fintiv*"). In evaluating these factors, we "take[] a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review." *Id.* at 6. We consider each of these factors below.

On June 21, 2022, the Director of the USPTO issued several clarifications concerning the application of the *Fintiv* Factors. *See Interim Procedure For Discretionary Denials In AIA Post-Grant Proceedings With Parallel District Court Litigation,* issued June 21, 2022 ("Guidance Memo)[1].

[1] Available at https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf.

The Director's memo states that "the precedential impact of *Fintiv* is limited to the facts of that case." Guidance Memo 2. Under the Guidance Memo "the PTAB will not rely on the *Fintiv* factors to discretionarily deny institution in view of parallel district court litigation where a petition presents compelling evidence of unpatentability." Guidance Memo 2.

> Compelling, meritorious challenges will be allowed to proceed at the PTAB even where district court litigation is proceeding in parallel. Compelling, meritorious challenges are those in which the evidence, if unrebutted in trial, would plainly lead to a conclusion that one or more claims are unpatentable by a preponderance of the evidence."

Guidance Memo 4.

> The Guidance memo further states,
>
> [c]onsistent with *Sotera Wireless, Inc.*, the PTAB will not discretionarily deny institution in view of parallel district court litigation where a petitioner presents a stipulation not to pursue in a parallel proceeding the same grounds or any grounds that could have reasonably been raised before the PTAB.

Guidance Memo 7–8. *See Sotera Wireless, Inc. v. Masimo Corp.,* IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential as to§ II.A).

> The Guidance memo also states,
>
> when considering the proximity of the district court's trial date to the date when the PTAB final written decision will be due, the PTAB will consider the median time from filing to disposition of the civil trial for the district in which the parallel litigation resides.

Guidance Memo 8–9[2]. With these factors and guidance in mind, we consider the parties' contentions.

[2] *See* https://www.uscourts.gov/statistics-reports/analysis-reports/federal-court-management-statistics.

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.