PUBLIC VERSION

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.
Petitioner

v.

MAXELL, LTD.
Patent Owner

Case No. IPR2020-00201
U.S. Patent No. 7,116,438

PETITIONER'S REQUEST FOR REHEARING
UNDER 37 C.F.R. § 42.71(D)

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I. INTRODUCTION

In response to the Decision Denying Institution of *Inter Partes* Review entered June 19, 2020, (Paper 11, "Decision") and pursuant to 37 C.F.R. § 42.71(d), Petitioner Apple Inc. hereby respectfully requests the Patent Trial and Appeal Board reconsider its decision denying institution of *inter partes* review of claims 1-7 (the "Challenged Claims") of U.S. Patent No. 7,116,438 (Ex. 1001).

The Board rejected Petitioner's proposed Ground 1 of unpatentability (which challenged both independent claims 1 and 4), finding Petitioner did not articulate a sufficient motivation to modify Nagano (Ex. 1004) with the user authentication teachings of Balfanz (Ex. 1005). (Decision at 23-35). Petitioner respectfully requests rehearing because the Board overlooked or misapprehended Petitioner's arguments in the Petition.

First, for both the location-limited authentication limitation and the conditional communication limitation, Petitioner argued *both* that Nagano taught the limitation in question and, *in the alternative*, that Nagano in view of Balfanz would render the limitation obvious. *See* Petition at 40-46, 47-54. The Board's Decision never addresses Petitioner's primary contention that Nagano itself teaches each limitation. Properly crediting Nagano's authentication teachings renders moot whether there was adequate motivation to combine Balfanz's authentication teachings—the primary subject of criticism in the Decision.

Second, in analyzing Petitioner's articulated motivation to combine, the Decision dissects the stated motivation into two pieces and assessed each in isolation. (Decision at 26-35). The resulting analysis overlooked the motivation as a whole. In particular, Petitioner argued the modification provided the benefit of *coupling* high speed communications *with* location-limited security. (Petition at 25-26). The Decision concluded the modified system would be no faster than a system that *did not include* location-limited security, ignoring that the stated benefit is the combination of both speed and security. (Decision at 27-30).

Finally, in analyzing the security benefits, the Decision misapprehended the source of the security benefits associated with location-limited authentication, concluding no benefit would be gained because the proposed combination failed to incorporate the entirety of Balfanz's protocol. (Decision at 30-35). This missed that security benefits do in fact result from incorporating only the first part of Balfanz's protocol.

Properly evaluated, *any one of these three arguments* would result in institution. Accordingly, Petitioner requests rehearing and institution of trial in this matter.

This request is timely under 37 C.F.R. § 42.71(d)(2) because it was filed within thirty days of the Board's decision denying institution.

II. APPLICABLE STANDARDS

"A party dissatisfied with a decision may file a request for rehearing, without prior authorization from the Board." 37 C.F.R. § 42.71(d). "The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply." *Id*. The Board reviews a decision for an abuse of discretion. 37 C.F.R. § 42.71(c).

The Board has granted requests for rehearing and instituted a previously denied *inter partes* review proceeding after determining that it had misapprehended and/or overlooked evidence that was relied upon by the Petitioner. *See, e.g., Merial Limited v. Virbac* IPR2014-01279, Paper 18 at 7 (Apr. 15, 2015) (granting rehearing and ordering institution, finding: "Petitioner emphasizes the 'optional' nature of the cosolvent, a matter we overlooked in entering our order declining to institute an *inter partes* review trial."); *Daicel Corp. v. Celanese International Corp.* IPR2015-00171, Paper 13 at 3-4 (Jun. 26, 2015) (granting rehearing and ordering institution, determining that it had "misapprehended the significance of this argument in the Petition, and overlooked the fact that Mr. Cooper's opinion is also based on his own calculations and data in two published articles").

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