

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC. and GOOGLE LLC¹,
Petitioner,

v.

SPACETIME3D, INC.,
Patent Owner

IPR2023-00343
Patent 9,304,654

**PETITIONER’S OPPOSITION TO PATENT OWNER’S MOTION TO
STAY *EX PARTE* REEXAMINATION**

¹ Google LLC has been joined as a petitioner in this proceeding.

LIST OF EXHIBITS

APPLE1001	U.S. Patent No. 9,304,654 to Ezra E. Bakhsh (“the ’654 Patent”)
APPLE1002	U.S. Patent No. 9,304,654 Prosecution History (“the Prosecution History”)
APPLE1003	Declaration of Dr. Henry Fuchs
APPLE1004	Complaint, <i>SpaceTime3D, Inc. v Apple Inc.</i> , 6-22-cv-00149, (W.D. Tex.), Feb. 10, 2022
APPLE1005	Apple Opening Claim Construction Brief, <i>SpaceTime3D, Inc. v Apple Inc.</i> , 6-22-cv-00149, (W.D. Tex.), Sept. 1, 2022
APPLE1006	US Patent Pub. No. 2005/0088447 (“Hanggie”)
APPLE1007	US Patent Pub. No. 2005/0091596 (“Anthony”)
APPLE1008	US Patent Pub. No. 2006/0107229 (“Matthews”)
APPLE1009	RESERVED
APPLE1010	Dictionary of Electrical & Computer Engineering, McGraw-Hill, 2004
APPLE1011	US Patent Pub. No. 2012/0053926 (“Satpute”)
APPLE1012	US Patent No. 5,664,896 (“Blumberg”)
APPLE1013	US Patent No. 7,536,676 (“Baker”)
APPLE1014-APPLE1019	RESERVED

- APPLE1020 U.S. District Courts–Combined Civil and Criminal Federal Court Management Statistics (June 30, 2022) | United States Courts (uscourts.gov), https://www.uscourts.gov/sites/default/files/fcms_na_distprofile0630.2022_0.pdf (last visited December 9, 2022)
- APPLE1021 Memorandum, Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation (USPTO June 21, 2022) (“Interim Procedure”)
- APPLE1022 Order Cancelling Markman Hearing, *SpaceTime3D, Inc. v. Apple Inc.*, 6-22-cv-00149, (W.D. Tex.)
- APPLE1023 Apple’s Opposed Motion to Stay Pending Transfer, *SpaceTime3D, Inc. v. Apple Inc.*, Case No.:6:22-cv-00149 (WDTX)
- APPLE1024 Scheduling Order, *SpaceTime3D, Inc. v. Apple Inc.*, Case No.:6:22-cv-00149 (WDTX)
- APPLE1025 Order Resetting *Markman* Hearing, *SpaceTime3D, Inc. v. Apple Inc.*, Case No.:6:22-cv-00149 (WDTX)
- APPLE1026 Stipulation by Apple, *SpaceTime3D, Inc. v. Apple Inc.*, Case No.:6:22-cv-00149 (WDTX)
- APPLE1027 Transcript of Conference Call of May 23, 2023
- APPLE1028 Stipulation by Apple dated May 24, 2023, *SpaceTime3D, Inc. v. Apple Inc.*, Case No.:6:22-cv-00149 (WDTX)
- APPLE1029 Merriam-Webster’s Collegiate Dictionary, Tenth Edition, Merriam-Webster, Inc., 1999
- APPLE1030 US Patent No. 10,936,270 (“Xu”)

APPLE1031	Transcript of the Deposition of Dr. Schaefer taken on January 9, 2024
APPLE1032	SpaceTime's Opposition to LG's Motion to Dismiss, <i>SpaceTime3D, Inc. v. LG Electronics Inc., et al.</i> , Case No.: 2:22-cv-00049 (EDTX)
APPLE1033	Supplemental Declaration of Dr. Henry Fuchs
APPLE1034	Petitioner's Oral Hearing Demonstratives
APPLE1035	<i>Ex Parte</i> Reexamination Order mailed March 25, 2024, Re-exam application No. 90/019,351

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All emphasis in this brief is added unless otherwise indicated

I. INTRODUCTION

Patent Owner's Motion (Paper 41 or "Mot.") to immediately stay the concurrent *ex parte* reexamination of the '654 patent ("the '654 Reexamination"), pending resolution of this *inter partes* review proceeding ("the '654 IPR") fails to establish good cause for the requested relief.

Patent Owner casts a smattering of routine panel decisions as allegedly representative of the Board "routinely find[ing] that good cause exists where the claim(s) between a reexamination proceeding and an IPR overlap." Mot. at 3. But none of these prior panel decisions involved a non-routine fact pattern like this one, where the Board will resolve the '654 IPR with a Final Written Decision (FWD) before a first action on the merits in the '654 Reexamination. Incidentally, Patent Owner is itself responsible for creating the specific fact pattern here because Patent Owner did not move for a stay or file mandatory notices, as it should have, after becoming aware of the '654 Reexamination several months ago.

The unique scenario in these proceedings calls for a unique solution. Instead of rotely staying the '654 Reexamination, as Patent Owner would have it, the Board should determine whether a stay is warranted based on the FWD outcome. If, and only if, the Board finds all of the '654 patent's claims unpatentable, would reexamination be moot and a stay warranted. Given that the Office has already done

its job in the '654 Reexamination for the time being, there is no harm to either party in waiting for conclusion of the '654 IPR to rule on a stay.

II. ARGUMENT

A. The Board's Eight-Factor Framework Supports a Post-Final Written Decision Stay

The Board considers the following eight factors when deciding whether to stay a reexamination:

1. whether the claims challenged in the IPR are the same as or depend directly or indirectly from claims at issue in the reexamination;
2. whether the same grounds of unpatentability or the same prior art are at issue in both the IPR and the reexamination;
3. whether simultaneous conducting the reexamination and IPR will duplicate efforts within the Office;
4. whether the reexamination could result in inconsistent results between proceedings;
5. whether amending the claim scope in one proceeding would affect the claim scope in another proceeding;
6. the respective timeline and stage of each proceeding;
7. the statutory deadlines of the reexamination and IPR; and
8. whether a decision in one proceeding would likely simplify issues in the concurrent parallel Office proceeding or render it moot.

84 Fed. Reg. 16654, 16,657 (Apr. 22, 2019). As shown below, applying this eight-factor framework to the unique facts and relative timelines at issue yields rejection of Patent Owner's request for stay and supports a post-FWD stay if, and only if, the Board finds all of the '654 patent's claims unpatentable. The analysis for factors 1 and 3-8 is substantially similar to the analysis in IPR2023-00242 ('048 Patent IPR).

1. Factors 1 & 2: Limited Overlapping Issues Support a Stay After the Final Written Decision, Not Before

Both parties agree that the '654 patent's claims are subject to parallel reexamination and that the *inter partes* review presents challenges based on *different* prior art references. See Mot. at 5 (“[T]he prior art applied in this IPR and in the '654 Reexamination *admittedly is not identical*”). In fact, the '654 IPR and the '654 Reexamination have no common prior art references. Compare Pet. at 4 with EX2021 (EPRx Req.) at 17-27, 31. As the CRU aptly put it, , the prior art in the two proceedings “*is not based on the same or substantially the same prior art or arguments as previously presented to the Office.*” EX1035 (EPRx Order) at 29.

Despite their materially different prior art references and combinations, Patent Owner alleges that the '654 IPR and the '654 Reexamination share some overlapping issues such as issues related to the construction of: (1) the “order” feature, specifically “an order based on a last time that said user one of (i) opened said first application and interacted with said first object, (ii) opened said second application

and interacted with said second object, and (iii) opened said third application and interacted with said third object,” and (2) the “replacing” feature. Mot. at 5. There are several logical fallacies in Patent Owner’s allegations.

First, Patent Owner makes an incorrect logical leap that similar construction issues means the prior art in the ’654 IPR and the ’654 Reexamination proceedings are the same. Specifically, Patent Owner’s allegation of similarities in the ’654 IPR and the ’654 Reexamination relies on the flawed assumption that because the claims were understood similarly by the CRU Examiner and Petitioners, Apple and Google, this means the prior art in the ’654 IPR and the ’654 Reexamination are the same or similar. Mot. At 5 (“both the Petition and the Request argue that the prior art teaches [the ‘order’ feature] ... Patent Owner argued that the phrase ‘a last time that said user *one of* [A and B]’ *should be construed* to mean ‘a last time that said user [A *or* B].’ Paper 33 at 3-8. *Not only does this illustrate the similarity between the prior art ...*”). Incorrect. The prior art is indisputably different, and not a single one of the prior art references in the ’654 Reexamination provides, for example, a 3D timeline, like in the Anthony-Hanggie combination at issue in the IPR proceeding.

This distinction is important because Factor 2 is directed to whether the *same grounds* of unpatentability or the *same prior art* are at issue in both the IPR and the reexamination, not whether the *same constructions* are at issue. Patent Owner has

to, at a minimum, rely on falsely equating “prior art” and “constructions,” as noted above, to turn factor 2 in its favor.²

Second, not only does the similarity in claim interpretation taken by the CRU Examiner and IPR Petitioners not support a stay as Patent Owner argues, it actually supports the *denial* of Patent Owner’s motion. For example, the consistent interpretations of the “order” and “replacing” features taken by the CRU Examiner (an impartial third party), the Petitioners, and even the Board preliminarily in its Institution Decision strongly suggest that there should not be any dispute regarding construction of the “order” and “replacing” features. The similar construction positions minimize the odds of different constructions being used in the two proceedings. Indeed, the similar construction positions adopted *by all*, but the Patent Owner, indicates that Petitioners’ understanding of the claims is correct and

² Patent Owner has a pattern of mischaracterizing construction issues. For instance, Patent Owner has previously argued that the *SuperGuide* case should be used as a guide to construe the “order” limitation while failing to acknowledge that the claims at issue in *SuperGuide* recited “at least one of” whereas the claims in the ’654 patent omit “at least.” Paper 40, 29:1-11. Then and now, Patent Owner’s positions are not grounded in the language and grammar of the issued claims.

supported by the specification whereas Patent Owner's construction position is simply an untenable position taken to avoid the proper application of a plethora of prior art in multiple proceedings against the '654 patent claims.

Notably, as of the time of this opposition, no such claim construction issue actually exists in the '654 Reexamination record because Patent Owner has not advanced such construction in the '654 Reexamination. Indeed, Patent Owner appears to be signaling (without confirmation) that Patent Owner will adopt its asserted IPR constructions in the re-examination proceeding. Thus, Patent Owner is effectively demanding that the Board issue an order on the motion to stay by relying on the *assumption* that Patent Owner will take the same construction positions in the '654 Reexamination even before the Patent Owner's Optional Statement is submitted. Patent Owner cannot impose such an improper burden on the Board.

Ultimately, any alleged similarities of construction issues are not relevant to factors 1 and 2 and do not support Patent Owner's request for an immediate stay. Rather, the similarities effectively serve as supporting evidence for the Board to determine that the prior art teaches the "order" and "replacing" features. If and when the Board's FWD confirms this point and finds the '654 patent's claims unpatentable, staying the '654 Reexamination will be the appropriate course. Absent that circumstance, and particularly given the CRU's strong endorsement of the

proposed rejections, the '654 Reexamination should proceed “with special dispatch within the Office,” as statutorily prescribed. 35 U.S.C. § 305.

2. Factors 3 & 4: Patent Owner Fails to Establish That Concurrent Proceedings Before the Final Written Decision Will Duplicate Efforts Within the Office or Promote Inconsistent Results

As Patent Owner concedes, “no Office Action has issued in the '654 Reexamination” and “the Patent Owner’s statement will be due no later than May 25, 2024.” Mot. at 8. The CRU will not issue an action before the preliminary statement deadline in May. *See* 37 C.F.R. §§ 1.530(b), 1.550(a), MPEP § 2249; APPLE1035 (EPRx Order) at 1-3. Additionally, if Patent Owner files the preliminary statement, the third-party requester will have a two-month window to reply, pushing the first action beyond July. *See* 37 C.F.R. § 1.535, MPEP § 2249. Patent Owner fails to establish any credible possibility of the CRU issuing a first action in the '654 Reexamination before the Board’s FWD, due, by statute, no later than June 16, 2024. What’s more, given that the CRU is aware of the Board’s imminent Decision, the issuance of a first action beforehand seems particularly unlikely. APPLE1035 at 29 (noting the parallel '654 IPR).

With little chance of an intervening action from the CRU, and the probability of different constructions (offered under different claim construction standards) used in the IPR and reexamination proceedings being substantially low the risk of

duplicative effort and/or inconsistent decisions by the Office is minimal. There is no legitimate reason to disturb the statutorily prescribed “special dispatch” treatment of the ’654 Reexamination until and unless such a risk arises, as it would if the Board finds all claims unpatentable in the ’654 IPR. Reexamination would, of course, be unnecessarily duplicative if the ’654 patent’s claims were canceled.

3. Factor 5: Proposed Amendments in the Parallel Reexamination Will Not Impact the Board’s Final Written Decision

Patent Owner has not submitted a proposed amendment in the ’654 Reexamination or the ’654 IPR. Indeed, the time for amendments has long since passed in the latter. As for the ’654 Reexamination, Patent Owner does not indicate that it will actually pursue any amendments before the CRU. *See* Mot. 7-8. To the contrary, Patent Owner’s desire to immediately stay that proceeding signals a lack of aspiration to seek amendments there. That Patent Owner has no plans to amend the ’654 patent’s claims also makes sense given the upcoming jury trial in the parallel district court litigation. *See SpaceTime3D, Inc. v. Apple Inc.*, Case No.:6:22-cv-00149 (WDTX), Dkt. 210 (setting “Jury Selection/Trial” for “9/9/24”)

Regardless, even if Patent Owner were to propose an amendment in its optional preliminary statement, it would not impact the Board’s FWD in June. Proposed amendments in a reexamination are just that—proposed. *See* 37 C.F.R. § 1.530(k). Such amendments have no legal effect until the Office issues a

reexamination certificate, which would be long after the Board's Decision. *Id.*

4. Factors 6-8: The Respective Timelines and Statutory Deadlines Support a Post-Final Written Decision Stay

The procedural posture of this case is atypical. It is rare for the CRU to grant reexamination so near the resolution of a concurrent *inter partes* review. None of the prior panel decisions on which Patent Owner relies presents a fact pattern like this one where the *inter partes* review is so far along. The relative timing between the '654 Reexamination and the '654 IPR is such that the CRU will not issue an action on the merits before the Board's FWD. And once the Board issues its FWD, the stay question will be axiomatic. Because the parties' disputes center on the independent claims, a FWD in Petitioner's favor would find all of the '654 patent's claims unpatentable, which would moot the trailing '654 Reexamination and warrant a stay. By contrast, a FWD for Patent Owner leaving the claims intact would maintain the CRU's statutory mandate to complete the '654 Reexamination based on different prior art combinations and a different claim construction standard than is before the Board. Thus, no stay is warranted. On these facts, the wait-and-see approach strikes the right balance between conducting the granted '654 Reexamination with "special dispatch" and promoting efficiency and consistency throughout the Office.

B. Neither Party Is Prejudiced by a Post-Final Written Decision Stay

As Patent Owner points out, Petitioner Apple confirmed during the meet-and-confer process that it will not be prejudiced by staying the '654 Reexamination. Apple was not (and is not) involved in the '654 Reexamination in any way and first became aware of that proceeding upon receipt of the Board's March 28, 2024 email. *See* Paper 41 (Pet'r M. Notices).

By contrast, Patent Owner complains that if it files a statement in the '654 Reexamination, the issues raised will likely be affected by the FWD in the IPR. Mot. at 8. But this complaint has no basis in any statute, regulation, or guidance from the Board and, therefore, does not support an immediate stay. While Patent Owner is entitled to "file a statement on [the substantial new] question [of patentability]" recognized in the '654 Reexamination, it has no right or cognizable legal interest in possessing the Board's FWD in the '654 IPR before doing so. 35 U.S.C. § 305. Nor is it routine for a patentee facing reexamination to possess such a decision from the Board when preparing a preliminary statement. Patent Owner fails to explain why it deserves special treatment. The fact is, it does not.

For all these reasons, the Board should deny Patent Owner's request for an immediate stay and instead stay the '654 Reexamination if, and only if, the Board's FWD finds all of the '654 patent's claims unpatentable.

Respectfully submitted,

Date: April 30, 2024

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CERTIFICATE OF SERVICE

Pursuant to 37 CFR § 42.6(e)(4), the undersigned certifies that on April 30, 2024, a complete and entire copy of this Opposition was provided by email to Patent Owner by serving the email correspondence addresses of record as follows:

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