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Paper 46
Entered: May 29, 2024

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC. and GOOGLE LLC[1],
Petitioner,

v.

SPACETIME3D, INC.,
Patent Owner.

IPR2023-00343
Patent 9,304,654 B2

Before DAVID C. McKONE, SHEILA F. McSHANE, and FREDERICK C. LANEY, *Administrative Patent Judges*.

McKONE, *Administrative Patent Judge*.

ORDER
Granting Motion to Stay *Ex Parte* Reexamination of
U.S. Patent No. 9,304,654
37 C.F.R. § 42.5

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[1] Google LLC was joined as Petitioner to IPR2023-00343 via the granting of a motion for joinder filed in IPR2023-00579. *See* Paper 14.

I. INTRODUCTION

Apple Inc. ("Petitioner") filed a Petition (Paper 2, "Pet.") requesting *inter partes* review of claims 1–19 of U.S. Patent No. 9,304,654 B2 (Ex. 1001, "the '654 patent"). SpaceTime3D, Inc. ("Patent Owner") filed a Preliminary Response (Paper 6). Petitioner also filed a Preliminary Reply (Paper 7) and Patent Owner filed a Preliminary Sur-reply (Paper 8). On Aug. 7, 2023, we instituted *inter partes* review as to all challenged claims of the '654 patent. *See* Paper 11.

Since institution, Patent Owner filed a Response (Paper 19), Petitioner (Apple Inc., joined by Google LLC (Paper 14)) filed a Reply (Paper 26), and Patent Owner filed a Sur-reply (Paper 33). A hearing was held on April 17, 2024. *See* Paper 40. The statutory due date for a final decision is July 6, 2024.

On December 27, 2023, a third-party Requester filed a Request for *Ex Parte* Reexamination of claims 1–19 of the '654 patent ("the Reexamination Request"). Ex. 2021. On March 25, 2024, this request was granted in Reexamination Control No. 90/019,351 ("the '351 Reexamination Proceeding"). Ex. 1035.

By email of March 28, 2024, the Board notified the parties that it had been made aware of the '351 Reexamination Proceeding. *See* Ex. 3003, 2–3. In a response email received on April 5, 2024, Patent Owner stated that it "seeks the Board's authorization to file a motion to request an immediate stay of the reexaminations." Ex. 3003, 1. Petitioner stated, *inter alia*, that it "does not oppose SpaceTime3D's request to file a motion to stay if Apple is similarly authorized to submit an opposition to that motion consistent with

37 C.F.R. §§ 42.23 and 42.24." *Id*. Based on the foregoing, we granted Patent Owner's request for authorization to file a motion to request an immediate stay of the reexaminations and we granted Petitioner's request to submit an opposition to that motion consistent with 37 C.F.R. §§ 42.23 and 42.24. Paper 38. We also permitted Patent Owner to file a reply. *Id*. Subsequently,

- Patent Owner filed a Motion to Stay *Ex Parte* Reexamination 90/019,351 (Paper 41, "Motion");
- Petitioner filed an Opposition to the Motion (Paper 43, "Opp."); and,
- Patent Owner filed a Reply to the Opposition (Paper 44, "Reply").

The Board has authority to stay a reexamination involving a patent challenged in an *inter partes* review. 37 C.F.R. § 42.122(a) (2019); *see* also 35 U.S.C. § 315(d) (2012).

For the reasons discussed below, we determine it is appropriate to stay the '351 Reexamination Proceeding pending resolution of IPR2023-00343 ("the '343 IPR").

II. ANALYSIS

The Board may enter an order staying a reexamination proceeding where good cause exists. 37 C.F.R. § 42.122(a); *see also* 35 U.S.C. § 315(d); 37 C.F.R. § 42.3(a). "[T]he Board ordinarily will stay a [reexamination] where good cause exists." *Notice Regarding Options for Amendments by Patent Owner Through Reissue or Reexamination During a Pending AIA Trial Proceeding*, 84 Fed. Reg. 16654, 16,656 (Apr. 22, 2019) ("Notice"). The Notice outlines factors the Board considers in AIA trials in

deciding whether to stay a parallel reexamination involving the same patent. Notice, 16,657. We discuss each of those factors below.

A. Whether the claims challenged in the IPR are the same as or depend directly or indirectly from claims at issue in the reexamination

The record supports Patent Owner's contention that "the same claims (i.e., Claims 1–19) are being challenged in both proceedings." Mot. 4; Pet. 1; Ex. 1035, 4. *See* also Opp. 3 ("Both parties agree that the '654 patent's claims are subject to parallel reexamination . . . ").

This factor favors a stay.

B. Whether the same grounds of unpatentability or the same prior art are at issue in both the IPR and the reexamination

There is no dispute that the two proceedings raise different grounds of unpatentability.

Patent Owner argues that, although not identical, the prior art applied in the IPR and the Reexamination Proceeding are "substantially similar." Mot. 5. "This substantial similarity is evident from the identical arguments that have been made in both proceedings." *Id*.

Patent Owner asserts that, with respect to the order in which images are displayed in 3D space and the claimed "replacing" feature, similar arguments are made in the two proceedings. As to the former, "both the Petition and the Request argue that the prior art teaches an order based on 'a last time that the user opened and interacted with each window and its corresponding object.'" Mot. 5 (quoting Ex. 2021, 82). As to the latter, "[t]he Petition argued that ***maximizing*** a window in 3D space would constitute the claimed 2D space." *Id*. (citing Pet. 26–27). "The same

'maximizing' arguments are also presented in the Request." *Id*. at 6 (citing Ex. 2021, 91–92).

As further evidence of substantial similarity, Patent Owner points out that the Reexamination Request "relies on the Board's institution decision in support of its grounds for obviousness." Mot. 6 (citing Ex. 2021, 92).

Petitioner argues that "[t]he prior art is indisputably different, and not a single one of the prior art references in the '[351] Reexamination [Proceeding] provides, for example, a 3D timeline, like in the Anthony-Hanggie combination at issue in the IPR proceeding." Opp. 4. According to Petitioner, "Patent Owner makes an incorrect logical leap that similar construction issues means the prior art in the '[343] IPR and the '[351] Reexamination [Proceeding] are the same." *Id*. According to Petitioner, the question under this factor is "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." *Id*.

Patent Owner replies that "while the prior art cited in the two proceedings is different, there are substantially similarities as to the features that are disclosed therein. This can be seen by the *identical* invalidity arguments set forth in both proceedings." Reply 2.

The parties agree that the prior art are at issue in both the IPR and the reexamination are not the same but that there are similar issues over whether the prior art teaches the claimed subject matter.

This factor is neutral.

C. Whether simultaneously conducting the reexamination and IPR will duplicate efforts within the Office

Patent Owner argues that

> Claims 1–19 are at issue in both proceedings and both will need to address issues that are critical to patentability, including (1) construing "***2D space***" and "***3D space***," (2) determining the required chronological order of images in 3D space (i.e., whether and how "***a last time that said user one of***" modifies the contents of (i), (ii) and (iii) that follows) (i.e., one of A <u>and</u> B should be construed as A <u>or</u> B), (3) construing the term "***image***" (e.g., whether a 2D window can be both an image in 3D space and an object in 2D space), and (4) construing the phrase "***in response to***" with respect to the claimed "replacing said plurality of images . . . *in response to* said interaction [with an image]."

Mot. 7.

Petitioner argues, *inter alia*, that "Patent Owner fails to establish any credible possibility of the CRU issuing a first action in the '[351] Reexamination [Proceeding] before the Board's Final Written Decision, due, by statute, no later than June 16, 2024 [sic, July 6, 2024]." Opp. 7. According to Petitioner,

> With little chance of an intervening action from the CRU ["Central Reexamination Unit"], and the probability of different claim 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 '[351] Reexamination [Proceeding] until and unless such a risk arises, as it would if the Board finds all claims unpatentable in the '[343] IPR.

Id. at 7–8. Petitioner states that "[t]he CRU will not issue an action before the preliminary statement deadline in May." *Id*. at 7 (citing 37 C.F.R. §§ 1.530(b), 1.550(a), MPEP § 2249).

Petitioner makes a reasonable argument that action from the CRU is not likely to occur before a final decision issues in this IPR. But in preparing an action, the CRU may consider issues that would duplicate the Board's efforts in settling similar issues. As Patent Owner explains, there are claim construction issues relevant to both cases. Allowing both proceedings to proceed concurrently could potentially cause the CRU to duplicate the Board's efforts in that regard, notwithstanding that the CRU may not *issue* an action before a final decision issues in this IPR.

This factor slightly favors a stay.

D. Whether the reexamination could result in inconsistent results between proceedings

Patent Owner argues that there is an "overlap in the claims, claim construction issues, and prior art" and therefore "a potential for inconsistent results between the proceedings." Mot. 7.

Petitioner's arguments as to this factor are the same as those made for factor C., discussed above. Opp. 7–8.

For the reasons discussed with respect to factor C., this factor slightly favors a stay.

E. Whether amending the claim scope in one proceeding would affect the claim scope in another proceeding

The time for amending the claims in the '343 IPR has passed and an action from the CRU to which Patent Owner may respond by amending the claim scope is not likely to occur before a final decision issues in this IPR.

This factor is neutral.

F. The respective timeline and stage of each proceeding and statutory deadlines

This proceeding is subject to a statutory deadline that requires a final decision within one year of institution, absent a good cause extension. 35 U.S.C. § 316(a)(11) (2012). The deadline is July 6, 2024.

The '351 Reexamination Proceeding is required to be "conducted with special dispatch," but is not subject to a specific deadline. 35 U.S.C. § 305 (2012). The CRU has not yet issued a first action in the '351 Reexamination Proceeding.

Patent Owner contends that "the timelines and stages of the proceedings supports granting the stay" because, *inter alia*, the "instant IPR is in a significantly more advanced stage compared to the '[351] Reexamination [Proceeding]." Mot. 8.

Petitioner argues that "[t]he relative timing between the '[351] Reexamination [Proceeding] and the '[343] IPR is such that the CRU will not issue an action on the merits before the Board's FWD [("Final Written Decision")]." Opp. 9. According to Petitioner, "the wait-and-see approach strikes the right balance between conducting the granted '[351] Reexamination [Proceeding] with 'special dispatch' and promoting efficiency and consistency throughout the Office." *Id*.

Patent Owner replies that "if the Patent Owner does not file a statement, a first Office Action [in the '351 Reexamination Proceeding] could issue any time after May 25 - ***more than <u>six weeks</u> before the July 6 statutory deadline for a FWD*** [in the '343 IPR]." Reply 4.

While Petitioner reasonably argues that action from the CRU is not likely to occur before a final decision issues in this IPR, the possibility still exists, as Patent Owner argues. During this brief period until a final decision is rendered, the CRU may be duplicating the Board's efforts in considering similar issues as it works towards issuing a first action. Staying the '351 Reexamination Proceeding would conserve those efforts. Once a final decision in the '343 IPR is rendered, the CRU can then proceed consistent with that decision. The period the CRU has to wait before a final decision is brief, and will not impact the requirement that the '351 Reexamination Proceeding be "conducted with special dispatch." 35 U.S.C. § 305 (2012).

This factor is slightly in favor of a stay.

G. Whether a decision in one proceeding would likely simplify issues in the concurrent parallel Office proceeding or render it moot.

Considering the current stages of the '343 IPR and the '351 Reexamination Proceeding it is unlikely the latter would simplify or render moot the former. A final determination in this IPR regarding the patentability of the challenged claims of the '654 patent could simplify issues in the '351 Reexamination Proceeding given the same claims are involved and the two proceeding share similar issues.

This factor favors a stay.

III. CONCLUSION

After considering all the factors, for the foregoing reasons, we find that Patent Owner has shown good cause for staying the '351 Reexamination Proceeding pending resolution of the '343 IPR. *See* Notice at 16,656 ("Good cause for staying a case may exist if, for example, an ongoing AIA

proceeding, which is subject to statutory deadlines, is addressing the same or overlapping claims of a patent at issue in a parallel Office proceeding.”).

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Petitioner’s Motion to Stay *Ex Parte* Reexamination of U.S. Patent No. 9,304,654 B2 is granted;

FURTHER ORDERED that Reexamination Control No. 90/019,351 is stayed, pending the termination or completion of IPR2023-00343;

FURTHER ORDERED that all time periods for filing further papers in Reexamination Control No. 90/019,351 are tolled for the duration of the stay, and no further papers shall be filed in the reexamination while this stay remains in place; and

FURTHER ORDERED that the time periods for filing further papers in Reexamination Control No. 90/019,351 will be restarted when the stay is lifted.

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