

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC. and GOOGLE LLC
Petitioners

v.

SPACETIME3D, INC.
Patent Owner

Case IPR2023-00344*
Patent 9,696,868

**PATENT OWNER'S MOTION TO STAY *EX PARTE* REEXAMINATION
90/019,352 UNDER 35 U.S.C. § 315(d)**

* Google LLC, which filed a petition in IPR2023-00578, has been joined as a petitioner in this proceeding.

I. STATEMENT OF RELIEF REQUESTED

Patent Owner Spacetime 3D, Inc. (“Patent Owner”) requests that the Board stay the *Ex Parte* Reexamination of U.S. Patent No. 9,696,868 (“the ’868 Patent”), Control No. 90/019,352 (“the ’868 Reexamination”), pending resolution of this *Inter Partes* Review (“IPR”) of the ’868 Patent. In an Order dated April 10, 2024, the Board authorized the Patent Owner to file this motion, Petitioner to submit an opposition to the same, and Patent Owner to submit a reply. Paper 38 at 4.

In that same Order, the Board stated that it “ordinarily will stay a [reexamination] where good cause exists,” where, as is the case here, an IPR proceeding addresses the same claims at issue in the reexamination. *Id.* at 2-3. The Board identified eight factors for the existence of “good cause,” which individually and collectively overwhelmingly favor staying the Reexamination, including compelling facts that both proceedings (a) involve the same claims, (b) require duplicative efforts in construing the same claim terms, (c) risk inconsistent results, and (d) result in a limited stay and prejudice (if any) as the IPR will be decided within the next two months. Coupled with the Petitioners’ admissions that they are not prejudiced by a stay, the Board should stay the ’868 Reexamination until a Final Written Decision (“FWD”) has been issued in the IPR.

II. PROCEDURAL HISTORY

A. The Instant IPR of the '868 Patent

On December 13, 2022, Petitioner filed this IPR challenging Claims 1-20 of the '868 Patent. Paper 2. On July 17, 2023, the Board instituted this proceeding on all challenged claims. Paper 11. Patent Owner filed its Response to the Petition on November 10, 2023 (Paper 19), Petitioner filed its Reply on January 18, 2024 (Paper 26), and Patent Owner filed its Sur-Reply on March 1, 2024 (Paper 33). An oral hearing was held on March 18, 2024, with a FWD due by July 17, 2024.

B. The '868 Reexamination

On December 27, 2023, the same counsel that represents Google in the IPR filed a Request for *Ex Parte* Reexamination of the '868 Patent ("Request") challenging Claims 1-20. The '868 Reexamination was ordered on March 25, 2024 on all challenged claims. To date, no Office Action has issued. A Patent Owner's preliminary statement, if filed, would be due before the FWD, *i.e.*, by May 25, 2024.

III. LEGAL STANDARD

When another matter involving the same patent is pending before the United States Patent and Trademark Office ("PTO"), the Board may "... stay, transfer, consolidat[e], or terminat[e] [] any such matter or proceeding." 35 U.S.C. § 315(d); *see also* 37 C.F.R. §§ 42.122(a), 42.3(a). As stated in the April 10, 2024 Order, "the Board ordinarily will stay a [reexamination] where good cause exists." Paper 38, 2.

The Board routinely finds that good cause exists where the claim(s) between a reexamination proceeding and an IPR overlap. *See, e.g., Fox Factory, Inc.*, IPR2017-01440, Paper 32 at 3; *Gnosis S.P.A., et al. v. Merck & CIE*, IPR2013-00117, Paper 10 at 2-3 (April 3, 2013); *CBS Interactive v. Helferich Patent Licensing*, IPR2013-00033, Paper 15 at 2 (Nov. 6, 2012). The Board also considers whether “[c]onducting the reexamination concurrently with the [IPR] proceeding ... would duplicate efforts within the Office and could potentially result in inconsistencies between the proceedings.” *Id.* Additionally, the Board finds good cause if the stay does not prejudice the nonmoving party. *See, e.g., Google Inc., v. Summit 6 LLC*, IPR2015-00806, Paper 26 at 5 (Oct. 7, 2015).

In deciding whether to grant a stay of a parallel proceeding involving the same patent within the Office, the Board may consider a number of factors, including:

- Whether the claims challenged in the AIA proceeding are the same as or depend directly or indirectly from claims at issue in the concurrent parallel Office proceeding (Factor 1);
- Whether the same grounds of unpatentability or the same prior art are at issue in both proceedings (Factor 2);
- Whether the concurrent parallel Office proceeding will duplicate efforts within the Office (Factor 3);

- Whether the concurrent parallel Office proceeding could result in inconsistent results between proceedings (*e.g.*, whether substantially similar issues are presented in the concurrent parallel Office proceeding) (Factor 4);
- Whether amending the claim scope in one proceeding would affect the claim scope in another proceeding (Factor 5);
- The respective timeline and stage of each proceeding (Factor 6);
- The statutory deadlines of the respective proceedings (Factor 7); and
- Whether a decision in one proceeding would likely simplify issues in the concurrent parallel Office proceeding or render it moot (Factor 8).

84 F.R. 16,654, 16656-57 (April 22, 2019) (citations omitted); Paper 38 at 3.

IV. THE '868 REEXAMINATION SHOULD BE STAYED

As demonstrated below, the relevant factors, individually and collectively, weigh heavily in favor of granting a stay of the pending '868 Reexamination.

Factor 1: The same claims (*i.e.*, Claims 1-20) are being challenged in both proceedings. The Board routinely grants motions to stay where, as here, the same claim(s) are at issue in the reexamination and the IPR. Paper 38 at 3 (“Good cause for staying a case may exist if, for example, an on-going [IPR] proceeding, which is subject to statutory deadlines, is addressing the same or overlapping claims of a patent at issue in [the reexamination].”); *see also Pfizer Inc.*, IPR2018-01219, Paper

13 at 2-3 (granting stay based on overlapping claims); *Sienna Biopharms., Inc. v. Rice University*, IPR2017-00045, Paper 22 at 3 (June 23, 2017) (same reasoning as *Pfizer*). This factor strongly favors granting the motion to stay the Reexamination.

Factor 2: While the prior art applied in this IPR and in the '868 Reexamination admittedly is not identical, it is substantially similar. This substantial similarity is evident from the identical arguments that have been made in both proceedings. For example, with respect to the order in which images are displayed in 3D space, 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.” EX2022 at 85 (emphasis added); Paper 26 at 11-12. In contrast, 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 3-7. Not only does this illustrate the similarity between the prior art but how a stay pending a FWD would simplify issues in the reexamination and prevent inconsistent results.

Similar arguments have also been made with respect to the claimed “replacing” feature. The Petition argued that *maximizing* a window in 3D space would constitute the claimed 2D space. Paper 2 at 25-26. Patent Owner argued that (1) if the maximizing button was active, the window is not the claimed image, (2) the maximized window would still be within a 3D space (not a 2D space), and (3) is

not “one of said first, second, and third objects” (from which the image was generated). Paper 33 at 19-21.

The same “maximizing” arguments are also presented in the Request. *See, e.g.*, EX2022 at 94-95 (“Mastering Windows teaches this limitation by describing the use of a Maximizing button on a window”) (“A POSITA would have been motivated to provide this functionality to the system of Miller ‘542 to allow a user to select and maximize a 3D window.”). In fact, the references are so similar, the Request relies on the Board’s institution decision in support of its grounds for obviousness. *See, e.g., id.* at 95 (“Further, in the institution decision of the Apple IPR, the Board has also determined similar disclosures [*i.e.*, clicking on the maximize button] ‘meet the claim language of the ‘replacing’ limitation.”).

As such, a stay of the ‘868 Reexamination pending a FWD would simplify issues in the reexamination, prevent duplicative efforts within the Office, and avoid inconsistent results with respect to substantially similar prior art and arguments. In fact, the Board routinely stays pending reexaminations even when the prior art is different. *See, e.g., Lumondi Inc. v. Lennon Image Tech., LLC*, IPR2013-00432, Paper 7 at 3 (Aug. 6, 2013) (“Further, while we recognize that the challenge in the instant proceeding is based on different prior art than that presented in the reexamination and was filed by a different party, these facts do not weigh in favor of concurrent Office proceedings given the fact that claims 1–7, 14– 17, and 19 of

the '843 patent are being challenged in both proceedings.”); *see also Goertek, Inc. v. Knowles Elecs., LLC*, IPR2013-00614, Paper 11 at 3 (May 13, 2013).

Factor 3: Staying the '868 Reexamination is in the best interest of judicial economy and avoid duplicative efforts within the Office. Claims 1-20 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 and B should be construed as A or 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].”

In fact, the Board routinely stays reexamination proceedings to prevent such duplicative efforts. *Fox Factory, Inc.*, IPR2017-01440, Paper 32; *Google Inc.*, IPR2015-00806, Paper 26; *Pfizer Inc.*, IPR2018-01219, Paper 13; *CBS Interactive*, IPR2013-00033, Paper 15 at 2; *Lumondi*, IPR2013-00432, Paper 7 at 2-3. As such, this factor weighs heavily in favor of staying the Reexamination.

Factor 4: As noted, because of the overlap in the claims, claim construction issues, and prior art, there is a potential for inconsistent results between the proceedings. Accordingly, this factor weighs in favor of staying the Reexamination.

Factor 5: Because the same claims are at issue in both proceedings and require several of the same claim terms to be construed in both proceedings, the resulting claim interpretation may result in the scope of the claims in one proceeding being different than in the other proceeding. For example, “the Patent Owner could amend the independent claims or other claims in the reexamination which in turn could change the scope of the challenged claims while the Board is conducting its review.” *CBS Interactive v. Helferich Patent Licensing*, IPR2013-00033, Paper 15 at 2 (Nov. 6, 2012). Thus, this factor weighs in favor of staying the Reexamination.

Factor 6: The instant IPR is in a significantly more advanced stage compared to the '868 Reexamination. This IPR has been fully briefed and argued and a FWD will issue in less than three months. While no Office Action has issued in the '868 Reexamination proceedings, the Patent Owner's statement will be due no later than May 25, 2024. Patent Owner's decision to file a statement and, if it does, the issues raised in such a statement will likely be affected by the FWD in the IPR. As such, the timelines and stages of the proceedings support granting the stay.

Factor 7: As noted, the FWD will issue within the next three months. There is no statutory deadline in the Reexamination that would be affected by a stay until the FWD issues. For this reason, this factor favors a stay.

Factor 8: As the foregoing claim construction issues will have to be raised in the Reexamination, staying the Reexamination until after the FWD issues and the

Board has addressed these claim construction issues likely will simplify issues or potentially render the Reexamination arguments moot. Failure to stay the pending Reexamination also may lead to a first, non-final Office Action that is essentially moot in light of the Board's FWD, requiring the Office to issue a second, non-final Office Action to address Reexamination in light of the claim construction issues decided in the FWD. As such, a stay would strongly support judicial economy.

Finally, neither party will be prejudiced if the Reexamination was stayed. During the Parties' meeting and conferring on this issue, Petitioners stated that they would not suffer any prejudice other than the generic purported prejudice to the public of delaying the proceedings. However, where, as here, there is no prejudice to the non-moving party, the Board has stayed pending reexamination proceedings. *Google Inc.* IPR2015-00806, Paper 26 at 5. Indeed, Petitioner claims to have no involvement in the Reexamination and any impact on Petitioner "does not outweigh the compelling factors weighing in favor of a stay." *Id.*

V. CONCLUSION

Having multiple proceedings involving overlapping claims, overlapping claim constructions, and substantially similar prior art, taking place at the same time is inconsistent with the Board's rules designed to "secure the just, speedy, and inexpensive resolution of every proceeding." 37 C.F.R. § 42.1(b); *see also* 37 C.F.R. § 42.122(a). Thus, the Board should stay the pending '868 Reexamination.

Dated: April 19, 2024 Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on April 19, 2024, I caused a true and correct copy of the foregoing Patent Owner's Motion to Stay Ex Parte Reexamination to be served via electronic mail on the Petitioners at the following correspondence addresses of record for the '344 IPR:

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