

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 REPLY TO 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. INTRODUCTION

Petitioner’s primary argument against staying the *Ex Parte* Reexamination of U.S. Patent No. 9,696,868 (“the ‘868 Patent”) is that “the Board will resolve the ‘868 IPR with a Final Written Decision (FWD) before a first action on the merits in the ‘868 Reexamination.” Petitioner’s Opposition to Motion (“Oppo”) at 1. This is not correct. A first Office Action in the ‘868 Reexamination could issue any time after May 25, 2024, seven and a half weeks before the statutory deadline for a FWD.

As discussed in Patent Owner’s Motion, all eight factors weigh in favor of staying the ‘868 Reexamination pending a FWD, where the same claims are at issue in both proceedings and granting a stay would not only simply issues in the concurrent parallel Office proceeding but would prevent duplicative efforts and substantially reduce the likelihood of inconsistent results.

Petitioner does not dispute the foregoing. Instead, it arguments all hinge on the assumption that the Central Reexamination Unit (“CRU”) is “aware of the Board’s imminent Decision,” making “the issuance of a first action beforehand seems particularly unlikely.” Oppo at 7. While there is no assurance on how the CRU will proceed absent a stay, this argument actual illustrates the requisite good cause for staying the reexamination to avoid duplicative efforts and inconsistent results associated with issuing a first Office Action *prior* to a FWD. This coupled with Petitioner’s admission that it would suffer no prejudice (Oppo at 10) and the

prejudice to Patent Owner of proceeding without the Board's ruling on several potentially dispositive and overlapping issues, supports staying the reexamination.

II. ALL EIGHT FACTORS FAVOR THE REQUESTED STAY

A. Factors 1 and 2 Strongly Favor a Stay

As discussed in Patent Owner's Motion, the first and second factors strongly favor a stay. With respect to the first factor, Petitioner does not dispute that the claims at issue in the IPR are *identical* to the claims at issue in the reexamination.

As to the second factor, while the prior art cited in the two proceedings is different, there are substantial similarities as to the features that are disclosed therein. This can be seen by the *identical* invalidity arguments set forth in both proceedings. In other words, different references but identical features disclosed therein. Patent Owner's Motion to Stay the '868 Reexamination ("Mot.") at 5-6.

Petitioner argues that "Patent Owner makes an incorrect logical leap that similar construction issues means the prior art in the '868 IPR and the '868 Reexamination proceedings are the same." Oppo at 4. While the overlapping claim construction issues support a stay, that was not Patent Owner's argument with respect to the second factor. The second factor focuses on the grounds of unpatentability, which are substantially similar in both proceedings. For example, in both proceedings it was argued that *maximizing* a window in 3D space would constitute the claimed 2D space. Mot. at 5-6.

It is this substantial similarity coupled with the fact that identical claims are at issue in both proceedings that provides good cause to stay the ‘868 Reexamination.

B. Factors 3 and 4 Strongly Favor a Stay

Given this substantial similarity and identical claims, failure to stay the ‘868 Reexamination would clearly result in duplicative efforts and has the potential for inconsistent results, particularly with respect to claim construction. If Patent Owner elects not to file a statement, a first Office Action could issue any time after May 25, which is *seven and a half weeks* before the July 17 statutory deadline for the FWD.

Petitioner’s speculation that “the issuance of a first action beforehand seems particular unlikely” (Oppo at 7) is based on the CRU’s understanding that doing so *would result in duplicative efforts* within the Office and *could lead to inconsistent results*. This argument illustrates the requisite good cause to stay the ‘868 Reexamination pending a FWD. Petitioner’s “wait-and-see approach” (Oppo at 9), where the CRU is left to fend for itself and delay office actions (on its own accord) until a FWD, would all but eviscerate 35 U.S.C. § 315(d) and the need to stay parallel proceedings to prevent duplicative efforts and potential inconsistent results.

With respect to claim construction, Petitioner argues that “[t]he similar construction positions [taken by Petitioner in the IPR and the third-party requester in the reexamination] minimize the odds of different constructions being used in the two proceedings.” Oppo at 5. This argument merely illustrates the overlapping

nature of the two proceedings and the need to stay the reexamination to prevent duplicative efforts and potential inconsistent results.

C. Factor 5 Strongly Favor a Stay

With respect to factor 5, Petitioner argues that “Patent Owner does not indicate that it will actually pursue any amendments before the CRU.” Oppo at 8. This is pure conjecture and illustrates the prejudice to Patent Owner if there is no stay. As Patent Owner has not had an opportunity to address the Order Granting the Request for *Ex Parte* Reexamination let alone make amendments, this factor weighs in favor of staying the reexamination. *CBS Interactive v. Helferich Patent Licensing*, IPR2013-00033, Paper 15 at 2 (Nov. 6, 2012) (“[T]he 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.”).

D. Factors 6-8 Strongly Favor a Stay

In addressing factors 6, 7, and 8, Petitioner argues, incorrectly, that “the CRU will not issue an action on the merits before the Board’s Final Written Decision.” Oppo at 9. As discussed above, if the Patent Owner does not file a statement, a first Office Action could issue any time after May 25—*seven and a half weeks before the July 17 statutory deadline for a FWD*. Thus, the stages of the two proceedings (with one ending and the other just beginning) strongly favor staying the reexamination.

With respect to factor 8, Petitioner suggests that a FWD would not simplify issues in the concurrent parallel Office proceeding as there is “different prior art combinations and a different claim construction standard than is before the Board.” Oppo at 9. First, as discussed above, there are substantial similarities between the grounds at issue in both proceedings. Second, Petitioner’s admission that identical claim construction arguments were made in both proceedings (Oppo at 5-6) illustrates that a stay would simplify issues during the reexamination and prevent potential inconsistent results. As such, factors 6-8 strongly favor granting the stay.

III. A STAY WOULD NOT PREJUDICE THE NON-MOVING PARTY

The Board routinely finds good cause if the stay does not prejudice the non-moving party. *See, e.g., Google Inc., v. Summit 6 LLC*, IPR2015-00806, Paper 26 at 5 (Oct. 7, 2015). Here, “Petitioner Apple confirmed during the meet-and-confer process that it would not be prejudiced by staying the ‘868 Reexamination.” Oppo at 10. Given the lack of prejudice, and the fact that each of the eight factors weighs in favor of a stay, the Board should stay the ‘868 Reexamination pending a FWD.

Dated: May 9, 2024

Respectfully submitted,

/s/ Todd E. Fitzsimmons
Todd E. Fitzsimmons, Reg. No. 44,683
Fitzsimmons IP Law, P.C.
P.O. Box 199
Gardena, CA 90248
Tel: (571) 210-8000
todd@fitziplaw.com

CERTIFICATE OF SERVICE

I hereby certify that on May 19, 2024, I caused a true and correct copy of the foregoing Patent Owner's Reply to 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:

Fish & Richardson P.C.
60 South Sixth St., Suite 3200
Minneapolis, MN 55402

W. Karl Renner, Reg. No. 41,265
Andrew B. Patrick, Reg. No. 63,471
Kenneth Wayne Darby, Jr., Reg. No. 65,068
Usman A. Kahn, Reg. No. 70,439
Email: IPR50095-0110IP1@fr.com

Respectfully submitted,

/s/ Todd E. Fitzsimmons
Todd E. Fitzsimmons, Reg. No. 44,683
Fitzsimmons IP Law, P.C.
P.O. Box 199
Gardena, CA 90248
Tel: (571) 210-8000