

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

SPEIR TECHNOLOGIES LTD.,
Patent Owner.

IPR2023-00543
Patent 7,765,399 B2

Before BARBARA A. PARVIS, SHEILA F. McSHANE, and
SCOTT RAEVSKY, *Administrative Patent Judges*.

RAEVSKY, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

Apple Inc. (“Petitioner”) filed a Petition (Paper 2, “Pet.”) requesting *inter partes* review of claims 12, 13, and 15–18 of U.S. Patent No. 7,765,399 B2 (Ex. 1001, “the ’399 patent”). Pet. 1. Speir Technologies Ltd. (“Patent Owner”) filed a Preliminary Response (Paper 7, “Prelim. Resp.”).

Under 35 U.S.C. § 314(a), an *inter partes* review may not be instituted unless it is determined that there is a reasonable likelihood that the petitioner would prevail with respect to at least one of the claims challenged in the petition. For the reasons given below, upon consideration of the Petition, the Preliminary Response, and the supporting evidence, we exercise our discretion under 35 U.S.C. § 314 and deny institution of an *inter partes* review.

II. BACKGROUND

A. Related Matters

The parties identify the following related matters: *Speir Technologies Ltd. v. Apple Inc.*, No. 6:22-cv-00077 (W.D. Tex. Jan. 20, 2022) (“the Texas litigation”); *Speir Technologies Ltd. v. Apple Inc.*, No. 5:23-cv-00095 (N.D. Cal. Jan. 9, 2023). Pet. 81; Paper 4, 2.

Inter partes review has also been requested in *Apple Inc. v. Speir Technologies Ltd.*, IPR2023-00542, which challenges claims 1–7, 9 and 10 of the ’399 patent. *Apple Inc. v. Speir Technologies Ltd.*, IPR2023-00543; *see id.*, Paper 2 (PTAB, filed Feb. 1, 2023) (“the ’542 petition”).

B. Real Parties-in-Interest

Apple identifies itself as the only real party-in-interest (RPI). Pet. 81. Patent Owner identifies itself as the sole RPI. Paper 3, 2.

C. The '399 patent

The '399 patent describes a mobile computing system that forms a bridge between a secure user processor and a non-secure user processor. Ex. 1001, code (57) (Abstract). Figure 3, reproduced below, depicts an embodiment of this system:

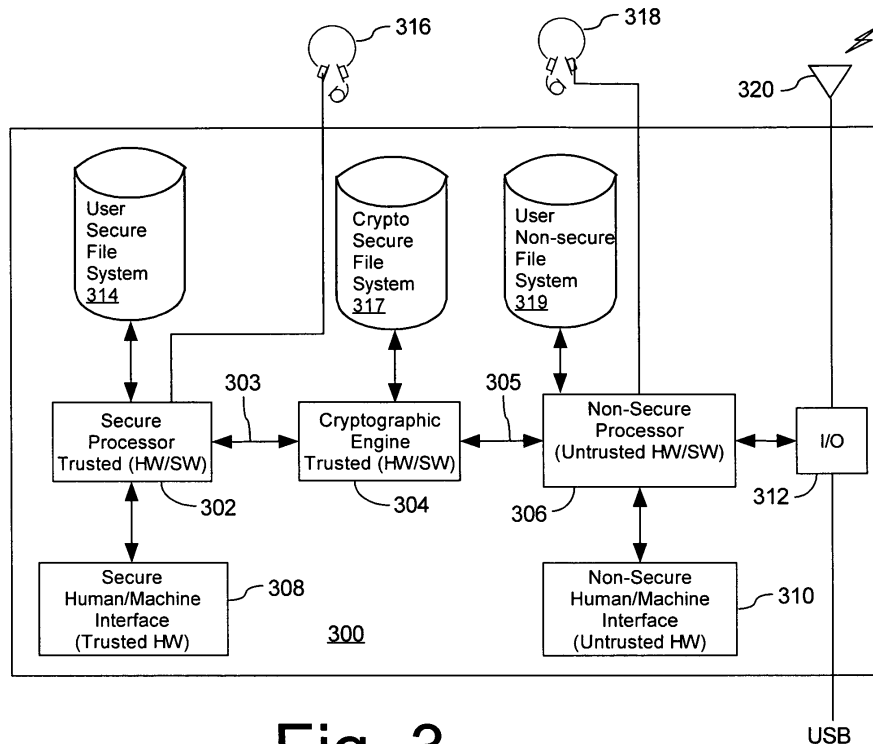


Fig. 3

Id. at 3:36–38.

Figure 3 depicts mobile PDA (personal digital assistant) computer system 300. *Id.*, code (57), 1:12–13. System 300 includes non-secure processor 306, which includes an untrusted microprocessor and an untrusted operating system executing on the untrusted microprocessor. *Id.*, code (57). The system also includes secure processor 302, which includes a trusted microprocessor and a trusted operating system executing on the trusted microprocessor. *Id.* Cryptographic engine 304 is provided for encrypting

and decrypting data. *Id.* First data communication link 303 communicates data between secure processor 302 and cryptographic engine 304. *Id.* Second data communication link 305 communicates data between non-secure processor 306 and cryptographic engine 304. *Id.* In this way, cryptographic engine 304 forms a bridge between secure user processor 302 and non-secure user processor 306.

D. Challenged Claims

Claim 12 below is illustrative of the challenged claims. We have added the Petition's labeling for ease in referencing the claim limitations.

12. A method for managing classified and unclassified data on a portable mobile computing device of a computer system, comprising:
 - [a] processing said classified data exclusively using a secure processor of said portable mobile computing device,
 - [b] said secure processor comprising a trusted microprocessor and a trusted operating system executing on said trusted microprocessor;
 - [c] processing unclassified data exclusively using a non-secure processor of said portable mobile computing device,
 - [d] said non-secure processor comprising an untrusted microprocessor and an untrusted operating system executing on said untrusted microprocessor;
 - [e] communicating encrypted and decrypted classified data between said secure processor and a cryptographic engine of said portable mobile computing device using a first data communication link;
 - [f] communicating data from said secure processor and said cryptographic engine to said non-secure processor exclusively in an encrypted form using a second data communication link between said cryptographic engine and said non-secure processor;
 - [g] communicating classified information to and from said secure processor using a secure human/machine interface that is configured for enabling bi-directional communication of classified information exclusively between a user and said secure processor; and

[h] communicating unclassified information to and from said non-secure processor using a non-secure human/machine interface that is distinct from said secure human/machine interface and configured for enabling bi-directional communication of unclassified information exclusively between said user and said non-secure processor.

Ex. 1001, 12:53–13:19.

E. Asserted Ground of Unpatentability

Petitioner asserts the following ground of unpatentability (Pet. 2), supported by the declaration of Dr. Sandeep Chatterjee (Ex. 1003):¹

Claim(s) Challenged	35 U.S.C. § ²	Reference(s)/Basis
12, 13, 15–18	103	Marek, ³ Skarine ⁴

III. ANALYSIS

Petitioner filed two parallel petitions for *inter partes* review of the '399 patent, including the '542 petition mentioned above. Pursuant to our Consolidated Trial Practice Guide (“Trial Practice Guide” or CTPG),⁵ Petitioner submits a Notice Ranking Petitions that ranks these two petitions as follows:

Rank	Petition	Challenged Claims
1	IPR2023-00542	1–7, 9, 10

¹ Patent Owner has not submitted declaration testimony at this stage.

² The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 285–88 (2011), revised 35 U.S.C. § 103 effective March 16, 2013. The '399 patent was filed prior to March 16, 2013. Ex. 1001, code (65). We therefore apply the pre-AIA version of § 103.

³ U.S. Patent No. 7,716,720 B1 to Marek, issued May 11, 2010 (Ex. 1004).

⁴ U.S. Publication No. 2005/0190159 A1 to Skarine, published Sept. 1, 2005 (Ex. 1005).

⁵ Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

Rank	Petition	Challenged Claims
2	IPR2023-00543	12, 13, and 15–18

Paper 3, 1.

Petitioner also submits that both petitions are meritorious and should be instituted. *Id.* Petitioner’s reasons for submitting parallel petitions include that (1) each petition is directed to a mutually exclusive set of claims (“system” claims in the ’542 petition and “method” claims in this Petition); and (2) despite an overlap in grounds between the two petitions, word count constraints prevent Petitioner from presenting all challenges in one petition, as the claims recite different elements. *Id.* at 2. Petitioner further asserts that any additional burden on the Board and parties “would not be extraordinary” due to the similarity of the asserted grounds and there could be efficiencies gained by setting the cases on the same schedule and conducting a consolidated oral hearing. *Id.* at 4.

Petitioner also points to the Trial Practice Guide’s explanation that “there may be circumstances in which more than one petition may be necessary, including, for example, when the patent owner has asserted a large number of claims in litigation.” *Id.* (citing CTPG 59). Petitioner notes that Patent Owner has asserted claims 1–7 and 9 in the co-pending district court case but that “Patent Owner has provided no assurance that it will not assert additional claims.” *Id.* at 4–5. “Accordingly, Petitioner challenges certain of the currently non-asserted claims in its second petition.” *Id.* at 5.

Patent Owner asserts that we should exercise our discretion under 35 U.S.C. § 314(a) to deny *inter partes* review under the factors set forth in *General Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357,

Paper 19 at 16 (PTAB Sept. 6, 2017) (precedential as to Section II.B.4.i). Prelim. Resp. 3–9. In *General Plastic*, the Board articulated a list of non-exclusive factors to be considered in determining whether to exercise discretion under § 314(a) to deny a follow-on petition:

1. whether the same petitioner previously filed a petition directed to the same claims of the same patent;
2. whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it;
3. whether at the time of filing of the second petition the petitioner already received the patent owner’s preliminary response to the first petition or received the Board’s decision on whether to institute review in the first petition;
4. the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition;
5. whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;
6. the finite resources of the Board; and
7. the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.

General Plastic, Paper 19 at 16.

Patent Owner first concedes that “Factor 1 relates to successive petitions filed by the same petitioner, which is not precisely at issue here because petitioner filed simultaneous petitions that are directed against closely related claims of the same patent.” Prelim. Resp. 4. Patent Owner argues that factor 2 weighs against institution because Petitioner “relies upon the same combination of the same two references—Marek and Skarine—in both petitions.” *Id.* at 5. Thus, Patent Owner contends, “Petitioner plainly

knew of the prior art asserted in the first petition when it filed the second petition.” *Id.* Patent Owner also concedes that Factors 3–5 and 7 are neutral because both petitions were simultaneously filed. *Id.*

Factor 6, “the finite resources of the Board,” weighs heavily against institution, according to Patent Owner. *Id.* at 6–8. Patent Owner cites the Trial Practice Guide’s discussion of parallel petitions and asserts that a second petition is not necessary, as Patent Owner has asserted only 8 claims in litigation, which is not a “large number of claims.” *Id.* at 6 (citing CTPG 59). Finally, Patent Owner contends that “[t]hese petitions are remarkably similar, as petitioner acknowledges.” *Id.* at 8. “Although the claims of the ’399 patent are patentably distinct,” Patent Owner argues, “there are numerous common elements that preclude a reasonable justification for the substantial and unnecessary burdens on the Board and the patent owner, let alone the fairness and efficiency concerns that multiple petitions raise.” *Id.*

Turning to our analysis, we note at the outset that *General Plastic* is inapplicable here because Petitioner filed parallel, not serial, petitions. *See General Plastic*, Paper 19 at 10 (“Applying these factors to the *follow-on* petitions, we conclude that the circumstances do not warrant institution of *inter partes* reviews.” (emphasis added)). Although our discretion to institute under 35 U.S.C. § 314(a) is at play, the more appropriate inquiry here is explained in the Trial Practice Guide as follows:

Parallel Petitions Challenging the Same Patent. Based on the Board’s experience, one petition should be sufficient to challenge the claims of a patent in most situations. Two or more petitions filed against the same patent at or about the same time (e.g., before the first preliminary response by the patent owner) may place a substantial and unnecessary burden on the Board and the patent owner and could raise fairness, timing, and

efficiency concerns. *See* 35 U.S.C. § 316(b). In addition, multiple petitions by a petitioner are not necessary in the vast majority of cases. To date, a substantial majority of patents have been challenged with a single petition.

Nonetheless, the Board recognizes that there may be circumstances in which more than one petition may be necessary, including, for example, when the patent owner has asserted a large number of claims in litigation or when there is a dispute about priority date requiring arguments under multiple prior art references. In such cases two petitions by a petitioner may be needed, although this should be rare.

CTPG 59. The Trial Practice Guide further states that when submitting parallel petitions, Petitioner should submit a notice ranking petitions along with a succinct explanation of their differences, why the issues addressed by those differences are material, and why the Board should exercise its discretion to institute additional petitions. *Id.* at 60.

As noted above, Petitioner ranks the '542 petition first and this Petition second. As such, and based on the '542 petition meeting the standard for institution, we are concurrently instituting *inter partes* review based on the '542 petition. However, Petitioner's reasons for filing this second Petition are lacking. Petitioner essentially argues that each petition is directed to different claims requiring additional word count—"method" claims here versus "system" claims in the '542 petition. Paper 3, 2–3. But the claims are more similar than Petitioner suggests. For example, claim 1 (at issue in the '542 petition) recites a secure user processor, a non-secure user processor, a cryptographic engine, first and second data communication links, and secure and non-secure human/machine interfaces. Ex. 1001, 9:51–10:25. Claim 12 (at issue here) similarly recites processing and communicating data using secure and non-secure processors,

communicating with a cryptographic engine using first and second data communication links, and communicating using secure and non-secure human/machine interfaces. *Id.* at 12:53–13:19. There is also a high degree of overlap between the grounds in each petition, as each Petition relies on the combination of Marek and Skarine for the independent claims. Pet. 2; ’542 Petition 2.

Petitioner does not persuade us that Patent Owner has asserted a large number of claims in litigation. At most, Petitioner argues that although Patent Owner has asserted eight claims in the co-pending district court case, Petitioner filed this Petition just in case Patent Owner asserts additional claims. *See* Paper 3, 4–5. The parties also do not raise a priority date dispute that would require arguments under multiple prior art references. Accordingly, these petitions do not fall under either example circumstance supporting the need for parallel petitions set forth in the Trial Practice Guide. *See* CTPG 59. Although these circumstances are not exhaustive, Petitioner provides no further explanation that would warrant granting institution of a second petition.

As such, considerations of fairness, efficiency, and maintaining consistency between these cases counsel against instituting here. *See id.* (“Two or more petitions filed against the same patent at or about the same time . . . may place a substantial and unnecessary burden on the Board and the patent owner and could raise fairness, timing, and efficiency concerns.”). Accordingly, we exercise our discretion to deny institution of this Petition.

IV. CONCLUSION

For the reasons explained above, based on the circumstances of this case, we exercise our discretion under 35 U.S.C. § 314, and deny the instant Petition requesting institution of *inter partes* review of the challenged claims of the '399 patent.

V. ORDER

It is, therefore,

ORDERED that, pursuant to 35 U.S.C. § 314(a), institution of *inter partes* review is *denied*.

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