

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

SPEIR TECHNOLOGIES LTD.,
Patent Owner.

Case IPR2023-00543
Patent 7,765,399

**PETITIONER'S REQUEST FOR
REHEARING BY THE DIRECTOR**

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I. Overview and Relief Requested

The Institution Decision asserts that “considerations of fairness, efficiency, and maintaining consistency between these cases counsel against instituting here.” Paper 8 at 10. As support, the Institution Decision cites the Consolidated Trial Practice Guide and related Board decisions, which similarly describe “burden on the Board and the patent owner” and “fairness, timing, and efficiency concerns” as the policy justifications for the Board’s general preference against multiple parallel petitions challenging the same patent. Consolidated Trial Practice Guide (“Trial Practice Guide” or CTPG)¹ at 59. The CTPG and the Board’s related precedent detail fact patterns where multiple petitions *may* raise concerns of fairness, timing, and efficiency. *See* Section II, *infra*. However, it does not follow that multiple petitions *always* raise such concerns, and indeed, the two petitions challenging the ’399 Patent do not.

To the contrary, the Institution Decision exclusively highlights facts that demonstrate why this particular petition places no additional burden on either the Board or the Patent Owner. For example, the Board acknowledges that that both IPR2023-00542 and IPR2023-00543—the two petitions challenging the ’399 Patent—present only a single ground against each of the distinct sets of challenged claims and that the grounds presented have a “high degree of overlap.” Paper 8 at

¹ Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

9-10. By instituting in IPR2023-00542, the Board is already undertaking the burden of considering grounds with a “high degree of overlap” as the grounds at issue here in IPR2023-00543. Moreover, by denying institution on these claims, the Institution Decision emboldens the Patent Owner to attempt to assert these unchallenged claims against Petitioner or other parties, giving rise to the very inefficiencies the Board’s policy seeks to avoid. *See* Section III, *infra*.

By failing to appreciate how the facts of this case relate to any “burden on the Board and the patent owner” or “fairness, timing, and efficiency concerns,” the Institution Decision represents an abuse of discretion. *See* “Revised Interim Director Review Process” available at <https://www.uspto.gov/patents/ptab/decisions/revised-interim-director-review-process>. Accordingly, Petitioner respectfully requests reconsideration of the Institution Decision and institution of this proceeding.

II. The Board’s Trial Practice Guide and Related Precedent Focus on Burdens and Inefficiencies Not Present In This Case

As cited in the Institution Decision, the CTPG explains that “[t]wo 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.” CTPG at 59². The CTPG cites as support for this proposition 35 U.S.C. § 316(b), which prescribes that “the Director shall consider the effect of any such regulation on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings instituted under this chapter.” 35 U.S.C. § 316(b).

These policy concerns regarding multiple challenges to a patent have their roots in the Board’s *Liberty Mutual* decision, which focused on the analogous situation of a burdensome number of challenges presented in a single petition. *Liberty Mutual Insurance Co. v. Progressive Casualty Insurance Co.*, CBM-2012-00003, Paper 7 at 2-3 (PTAB Oct. 25, 2012). In *Liberty Mutual*, the Board cited 35 U.S.C. § 326(b)—the PGR equivalent of § 316(b)—in holding that “multiple grounds, which are presented in a redundant manner by a petitioner who makes no meaningful distinction between them, are contrary to the regulatory and statutory mandates, and therefore are not all entitled to consideration.” *Liberty Mutual*, Paper 7 at 2. Thereafter, it became common for the Board to exercise its discretion to limit the number of grounds per claim “for reasons of administrative necessity to ensure timely completion of the instituted proceeding.” *See, e.g., The Gillette Co. v. Zond, LLC*, IPR2014-00580, Paper 11 at 45-46 (PTAB Oct. 10, 2014); *Böhler-Edelstahl*

² Emphasis added throughout, unless otherwise noted.

GMBH & Co. Kg. v. Rovalma, S.A., IPR2015-00150, Paper 14 at 18-19 (PTAB Apr. 22, 2015).

The Board extended this discretion both “to grounds asserted in a single petition, as well as to those asserted in parallel petitions ***challenging the same claims of the same patent.***” *Alarm.com Inc. v. Vivint, Inc.*, IPR2015-01967, Paper No. 12 at 20-21 (PTAB Mar. 30, 2012) (citing 37 C.F.R. § 42.108(b); *Asustek Comput. Inc. v. Exotablet, Ltd.*, IPR2015-00043, Paper 6 at 9–10 (PTAB Apr. 23, 2015)). “Thus, for example, [the Board may] determine not to institute on grounds in [a] Petition that have not been shown to be necessary to address all of the challenged claims or to be superior to other grounds, upon which we instituted review in [a] parallel proceeding.” *Id.* As in *Liberty Mutual*, the Board determined that assertion of multiple “redundant” grounds against the same claims would negatively impact the Board’s ability to secure a “just, speedy, and inexpensive resolution of *every* proceeding,” as it would require the adjudication of multiple, distinct grounds raised against each individual claim. *Id.* at 19 (emphasis in original).

Yet, instead of imposing a bright line rule against multiple grounds, the Board recognized that “the question of complete or partial institution rests on the facts and circumstances of each case.” *See, e.g., Intex Recreation Corp. v. Bestway Inflatables & Material Corp.*, IPR2016-00180, Paper 13 at 10 (PTAB Jun. 6, 2016). For example, in one relevant case, the Board recognized that “[w]here the Board grants

review of some of the challenged claims and not others, the validity of claims for which the Board does not institute *inter partes* review can still be litigated in district court.” *Id.* at 8-9 (internal quotations and citations omitted). “In other words, a partial institution could very well result in a serial or parallel process where the Board reviews some claims of the challenged patent and the district court reviews other claims.” *Id.* at 9. The Board rightly recognized that “[t]aking a claim-by-claim approach in two different fora, however, **would negate the efficiency** of ‘forc[ing] a party to bring all of [its] claims in one forum . . . and therefore to eliminate the need to press any claims in other fora.’” *Id.* (citing *Synopsys, Inc. v. Mentor Graphics Corp.*, 814 F.3d 1309, 1332 (Fed. Cir. 2016) (Newman, J., dissenting)).

While the Supreme Court’s *SAS* decision³ ultimately overruled partial institution of grounds presented in a single petition, the Board nonetheless continued scrutinizing the assertion of “excessive” grounds. *See, e.g., Adaptics Ltd. v. Perfect Co.*, IPR2018-01596, Paper 20 at 17-18 (PTAB Mar. 6, 2019) (“where a petition contains voluminous or excessive grounds, Office guidance indicates ‘[t]he panel will evaluate the challenges and determine whether, in the interests of efficient administration of the Office and integrity of the patent system (*see* 35 USC § 316(b)), the entire petition should be denied under 35 USC § 314(a).’”). However, even where the Board exercised its discretion to deny these challenges, it often (if not

³ *SAS Institute Inc. v. Iancu*, 138 S.Ct. 1348 (2018).

always) set forth explicit justifications for how the institution of a second petition would negatively impact the “efficient administration of the Office and integrity of the patent system.” *See* 35 U.S.C. § 316(b).

For example, in *Valve II*, the Board explained that there was already “an ongoing proceeding that includes [the petitioner] and that ***will address all claims*** of the [challenged] patent.” *Valve Corp. v. Electronic Scripting Products, Inc.*, IPR2019-00064, Paper 10 at 16 (PTAB May 1, 2019). The Board further highlighted that addressing multiple distinct challenges to the claims on separate procedural schedules “is an inefficient use of resources.” *Id.* Notably, even though the *Valve II* decision dealt with serially filed petitions (which are arguably more burdensome than the parallel petitions at issue here), the Board was careful to note that the petitioner was still being afforded the right to challenge all claims of the patent. *Id.*; *see also NVIDIA Corp. v. Samsung Electronics Co., Ltd.*, IPR2016-00134, Paper 9 at 7-8 (PTAB May 4, 2016) (“Petitioner cannot expect automatic acceptance of multiple petitions for consideration, ***if they are against the same claims of the same patent*** and filed so long apart that Petitioner received the benefit of having studied Patent Owner’s Preliminary Response in the first petition or the Board’s decision on whether to institute review in the first petition, prior to filing the second petition.”).

With the issuance of the CTPG, the Board has provided no indication that it intends to stray from these policy roots. To the contrary, like these previous

decisions, the CTPG continues to cite to the same “burden . . . fairness, timing, and efficiency concerns” that animated the original *Liberty Mutual* decision and subsequent applications of the Board’s discretion to limit multiple challenges to a patent’s claims. *See* CTPG at 59. In fact, where the Board has exercised its discretion to deny parallel petitions under the rationale set forth in the CTPG, the Board’s decisions have often continued to highlight that exercise of discretion is not affecting petitioners’ ability to challenge all claims of the asserted patent. *See, e.g., Comcast Cable Communications, LLC v. Rovi Guides, Inc.*, IPR2019-01376, Paper 9 at 8 (PTAB Feb. 10, 2020) (noting that petitioner’s other instituted petition included “at least one ground challenging each of the claims challenged in this Petition, *so no claim in the ’319 patent goes unchallenged*”); *Solaredge Technologies Ltd. v. SMA Solar Technology, AG*, IPR2020-00966, Paper 9 at 9-11 (PTAB Jan. 11, 2021) (specifically noting that “*none of the claims of the ’630 patent goes unchallenged*” by granting two petitions but denying a third). Such decisions stand to reinforce that the foundation of the Board’s concerns were and continue to be unjustifiably redundant challenges to the same claims.

III. The Facts Here Not Only Demonstrate a Lack of Burden, But Further Demonstrate That Denial Encourages the Inefficiencies the Board Seeks to Avoid

The present case stands distinctly apart from these deeply rooted policy considerations. Indeed, beyond conclusory quotations of language from the Trial

Practice Guide, the Institution Decision fails to identify any specific burdens on the Board or Patent Owner or any fairness, timing, or efficiency concerns grounded in the facts of this case. *See* Paper 8 at 9-10.

The Institution Decision acknowledges that instituted IPR2023-00542 challenges claims 1–7, 9, 10 of the ’399 Patent and the present petition challenges claims 12, 13, and 15–18; two completely non-overlapping sets of claims. Paper 8 at 5-6. The Institution Decision also acknowledges that these petitions were filed in “parallel”—indeed, they were filed on exactly the same day (February 1, 2023). *See* Paper 8 at 5. And the Institution Decision acknowledges that both petitions present only a single ground against each of the distinct sets of claims. *See* Paper 8 at 10. Significantly, the Institution Decision actually stresses that “[t]here 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.” *Id.* The Institution Decision rightly recognizes that this is due to various similarities in the claims themselves. *See id.* at 9-10.

Under these facts, there is no basis for concern that institution of both petitions would “place a substantial and unnecessary burden on the Board and the patent owner [or] could raise fairness, timing, and efficiency concerns,” as alleged in the Institution Decision. Paper 8 at 10. In fact, the Federal Circuit has recently encouraged the filing strategy adopted by Petitioner, noting that, in order to deal with

word limits, a petitioner may “file multiple petitions where each petition focuses on a separate, manageable subset of the claims to be challenged—as opposed to subsets of grounds.” *Intuitive Surgical, Inc. v. Ethicon LLC*, 25 F. 4th 1035, 1041-42 (Fed. Cir. 2022).

Having rightly instituted IPR2023-00542, both Patent Owner and the Board will already be considering the patentability of “similar” claims based on grounds that the Institution Decision acknowledges have a “high degree of overlap” with the grounds advanced in this Petition. Paper 8 at 9-10. If anything, by instituting both IPR2023-00542 and the present petition, the Board would be ensuring itself additional resources to consider these “similar” and “overlapping” challenges through the provision of Petitioner’s post-institution fees in two proceedings, as opposed to one. *See* 37 C.F.R. § 42.15(a)(2). Further, because the petitions were filed and the institution decisions were issued on the same day, there would not have been any concerns of timing. It is therefore unsurprising that the Institution Decision provides no explanation as to how institution of this proceeding in parallel with IPR2023-00542 would raise any fairness, timing, or efficiency concerns.

Paradoxically, the Institution Decision increases the likelihood that Petitioner or future parties will be saddled with the very fairness, timing, and efficiency concerns that the CTPG seeks to avoid. As Petitioner previously explained and Patent Owner acknowledged, Patent Owner has asserted claims 1–7 and 9 of the

'399 Patent in parallel litigation. *See* Paper 8 at 6, 8. While these asserted claims are challenged in IPR2023-00542, nothing prevents Patent Owner from later asserting—against Petitioner or another party—the “similar” method claims that were challenged here in IPR2023-00543. By acknowledging this in passing without consideration (*see* Paper 8 at 10), the Institution Decision overlooks or misapprehends that its denial of institution “could very well result in a serial or parallel process where the Board reviews some claims of the challenged patent and the district court reviews other claims”—an outcome that would “negate the efficiency” of IPRs intended by the AIA. *See Intex Recreation*, Paper 13 at 10 (PTAB Jun. 6, 2016). Worse yet, the Institution Decision stands to undermine the integrity of the patent system by opening the door to a determination that claims 1–7, 9, and 10 of the '399 Patent are unpatentable in instituted IPR2023-00542 while allowing Patent Owner to retain the threat and unjustified monopoly inherently presented by “similar” claims 12, 13, and 15–18, when it has the opportunity to hold them equally unpatentable over grounds with a “high degree of overlap.”

IV. Conclusion

For these reasons, denying institution in this case does not prevent “substantial and unnecessary burden on the Board and the patent owner” or alleviate “fairness, timing, and efficiency concerns,” as the CTPG and the Board’s long line of related precedent intended. To the contrary, the Board’s decision actually invites conduct

that would raise concerns of fairness, timing, and efficiency by allowing Patent Owner to shield “similar” claims from consideration and unjustly retain the threat and monopoly of these claims in the face of a potentially contrary final written decision in instituted IPR2023-00542. For at least these reasons, the Institution Decision represents an abuse of discretion. Accordingly, Petitioner respectfully requests reconsideration of the Institution Decision and institution of this proceeding.

Respectfully submitted,

Dated September 7, 2023

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CERTIFICATE OF SERVICE

Pursuant to 37 CFR § 42.6(e)(4), the undersigned certifies that on September 7, 2023, a complete and entire copy of this Petitioner's Request for Rehearing was provided by email to Patent Owner by serving the email correspondence addresses of record as follows:

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