

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.

Petitioner,

v.

TOGAIL TECHNOLOGIES LTD.,

Patent Owner.

Case IPR2023-00720

Patent 10,791,502

PATENT OWNER’S PRELIMINARY RESPONSE SUR-REPLY

Mail Stop “PATENT BOARD”
Patent Trial and Appeal Board
U.S. Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

TABLE OF AUTHORITIES

Cases

<i>Applications in Internet Time, LLC v. RPX Corp.</i> , 897 F.3d 1336 (Fed. Cir. 2018)	3
<i>General Plastic Indus. Co. v. Canon Kabushiki Kaisha</i> , IPR2016-01357, Paper 19 (Sept. 6, 2017) (precedential)	1, 2, 3, 4
<i>Key Constructors, Inc. v. Harnett Cty.</i> , 315 F.R.D. 179 (E.D.N.C. 2016)	3
<i>Mercedes-Benz USA, LLC v. Carucel Investments, LP</i> , IPR2019-01404, Paper 12 (Jan. 22, 2020)	2
<i>NetApp v. Realtime Data</i> , IPR2017-01195, Paper 9 (Oct. 12, 2017)	1
<i>Netflix, Inc. and Hulu, LLC, v. DivX, LLC</i> , IPR2020-00052, Paper 42 (May 14, 2020)	2
<i>Unified Patents, LLC v. Memoryweb, LLC</i> , IPR2021-01413, Paper 76 (May 22, 2023)	1, 2
<i>Valve Corp. v. Elec. Scripting Prods., Inc.</i> , Case IPR2019-00062, -00063, -00084, Paper 11 (Apr. 2, 2019)	1, 3

Statutes

35 U.S.C. § 314(a)	1
35 U.S.C. § 315	1, 4

PATENT OWNER'S EXHIBIT LIST

Exhibit No.	Description
2001	Complaint, <i>Togail Technologies Ltd. v. Apple Inc.</i> , Case No. 6:22-cv-00326-ADA, Dkt. No. 1 (W.D. Tex. Mar. 28, 2022)
2002	Proof of Service, <i>Togail Technologies Ltd. v. Apple Inc.</i> , Case No. 6:22-cv-00326-ADA, Dkt. No. 6 (W.D. Tex. Apr. 4, 2022)

Patent Owner Togail Technologies Ltd. (“Patent Owner”) submits this authorized sur-reply in support of its preliminary response to Petitioner Apple Inc.’s (“Petitioner”) Petition for *inter partes* review of U.S. Patent No. 10,791,502 (“the ’502 Patent”). In its reply, Petitioner asserts that the Director’s Decision in *Unified Patents, LLC v. Memoryweb, LLC*, IPR2021-01413, Paper 76 (May 22, 2023) (“*Memoryweb*”), is irrelevant to this proceeding because it was directed to a real-party-in-interest determination in analyzing estoppel under 35 U.S.C. § 315. Petitioner is incorrect. The real-party-in-interest analysis is directly relevant to determining whether Petitioner and Unified Patents have the type of relationship such that the first *General Plastic* factors weighs against institution.

35 U.S.C. § 314(a) gives the Board discretion to deny instituting “follow on” petitions, *General Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (Sept. 6, 2017) (precedential), including denial of institution of a subsequent petition against a previously challenged patent where the subsequent petition is filed by a new petitioner. *See, e.g., NetApp v. Realtime Data*, IPR2017-01195, Paper 9 at 10 (Oct. 12, 2017). Under these circumstances, the Board “consider[s] any relationship between those petitioners when weighing the *General Plastic* factors.” *Valve Corp. v. Elec. Scripting Prods., Inc.*, Case IPR2019-00062, -00063, -00084, Paper 11 at 2, 9 (Apr. 2, 2019) (“*Valve I*”). The real-party-in-interest determination is germane to establishing the relationship

between Petitioner and Unified Patents and, consistent with the Director’s guidance that the “Board can and should make [such] a determination ... in any proceeding in which that determination *may impact the underlying proceeding*,” *Memoryweb* at 5, is directly relevant to the first *General Plastic* factor.

Petitioner notes that the real-party-in-interest analysis has not been applied in a *General Plastic* analysis, but that does not mean that it can’t be applied there in light of the Director’s recent guidance. Petitioner’s main assertion, however, is that the relationship between Petitioner and Unified Patents is of the variety that cannot be adjudged in favor of discretionary denial for the first *General Plastic* factor. To that end, Petitioner relies on *Mercedes-Benz USA, LLC v. Carucel Investments, LP* (“*Carucel Investments*”) and *Netflix, Inc. and Hulu, LLC, v. DivX, LLC* (“*DivX*”). In *Carucel Investments*, the Board found that petitioner’s corporate parents’ “memberships in Unified [Patents] [did not] amount to a relationship that justifies discretionary denial in light of the other *General Plastic* factors.” IPR2019-01404, Paper 12 at 12 (Jan. 22, 2020). The Board’s statement is an overall conclusion from consideration of the entirety of the *General Plastic* factors, not that Unified Patent’s relationship with its members cannot justify the first *General Plastic* factor weighing in favor of discretionary denial.

In *DivX*, the Board relied on the fact that there was no “business relationship involving the accused products or technology” between Unified Patents and

petitioners, with one of the co-petitioners, Hulu, not being subscribed to the relevant Unified Patents technology zone, to conclude that the first *General Plastic* factor weighed against discretionary denial. IPR2020-00052, Paper 42 at 10, 11-12, 13 (May 14, 2020). In effect, the Board concluded that the first *General Plastic* factor weighed against denial because the circumstances for Netflix and Hulu did not match those in *Valve I*. By doing so, the Board limited *Valve I*'s directive to “consider ***any relationship***” between the different petitioners, *Valve I*, at 2, 9 (emphasis added), to consideration of only a “***business relationship involving the accused products or technology***.” *DivX*, at 10. Under the present circumstances, the Board should not construe the holding of *Valve I* so narrowly that it per se excludes Unified Patents.

In *Applications in Internet Time, LLC v. RPX Corp.*, the Federal Circuit identified the foundational basis for the real-party-in-interest analysis, noting that “[t]he ‘negative’ function of the rule governing who is a real party in interest enables a defendant to present defenses he has against the real party in interest to protect the defendant against a subsequent action by the party actually entitled to relief ...” *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1349-50 (Fed. Cir. 2018) (“*AIT*”) (citing Wright & Miller § 1543 n.3 and *Key Constructors, Inc. v. Harnett Cty.*, 315 F.R.D. 179, 183 (E.D.N.C. 2016) (a real party in interest is “a person authorized to bring a suit in his own name without

joining his beneficiaries.”)). The Court importantly concluded that “[t]his notion applies with equal force in the IPR context—a patent owner dragged into an IPR by a petitioner ... should not be forced to defend against later ... attacks on the same or related grounds by a party that is so closely related to the original petitioner as to qualify as a real party in interest.” *Id.*, 897 F.3d at 1350. This notion is as applicable in the *General Plastic* discretionary denial context as it is in the § 315 estoppel context, even if it may not be dispositive with respect to the *General Plastic* factors.

For the foregoing reasons, Petitioner is incorrect. The real-party-in-interest determination is applicable with respect to *General Plastic* discretionary denial.

Respectfully submitted,

/Brett Cooper/

Brett Cooper, Reg. No. 55,085
Lead counsel for Patent Owner

Date: August 21, 2023

CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e))

The undersigned hereby certifies that the above document was served on August 21, 2023, by filing this document through the Patent Trial and Appeal Case Tracking System as well as delivering a copy via electronic mail upon the following attorneys of record for the Petitioner:

Scott T. Jarratt (Reg No. 70,297)
scott.jarratt.ipr@haynesboone.com
Andrew S. Ehmke (Reg No. 50,271)
andy.ehmke.ipr@haynesboone.com
Samuel Drezdzon (Reg. No. 67,085)
samuel.drezdzon.ipr@haynesboone.com
Clint Wilkins (Reg. No. 62,448)
clint.wilkins.ipr@haynesboone.com
HAYNES AND BOONE, LLP
2323 Victory Ave. Suite 700
Dallas, TX 75219
Phone: (972) 739-8663
Fax: (214) 200-0853

Date: August 21, 2023

/Brett Cooper/

BC Law Group, P.C.
200 Madison Avenue, 24th Floor
New York, NY 10016
(212) 951-0100

Brett Cooper
Reg. No. 55,085
Attorney for Patent Owner