

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

PROXENSE, LLC,
Patent Owner.

Case IPR2024-00233¹

Patent No. 8,886,954

AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST

¹ IPR2024-01334 has been joined to this proceeding (“the ’954 IPR”).

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Exhibit	Description
Ex. 1001	U.S. Patent No. 8,886,954 (“the ’954 Patent”).
Ex. 1002	File History of U.S. Patent No. 8,886,954.
Ex. 1003	Declaration of Stephen Gray (Decl.).
Ex. 1004	Curriculum Vitae of Stephen Gray.
Ex. 1005	U.S. Patent No. 7,188,110 to Ludtke (“Ludtke”).
Ex. 1006	U.S. Patent Application Publication No. 2002/0046336 to Kon et al. (“Kon”).
Ex. 1007	<i>Samsung Electronics America, Inc. v. Proxense, LLC</i> , IPR2021-01444, Paper 11 (PTAB Feb. 28, 2022).
Ex. 1008	<i>Proxense, LLC v. Google LLC</i> , Case No. 6:23-cv-00320, Dkt. No. 31, Scheduling Order (W.D. Tex Aug. 18, 2023).
Ex. 1009	<i>Proxense, LLC v. Samsung Electronics Co., Ltd.</i> , Case No. 6-21-cv-00210, Dkt. No. 43, Claim Construction Order (W.D. Tex. Jan. 18, 2022).
Ex. 1010	<i>Proxense, LLC v. Samsung Electronics Co., Ltd.</i> , Case No. 6-21-cv-00210, Dkt. No. 149, Memorandum in Support of Claim Construction Order (W.D. Tex. Dec. 28, 2022).
Ex. 1011	U.S. Patent Application Publication No. 2003/0023882 to Udom (“Udom”).
Ex. 1012	U.S. Patent Application Publication No. 2002/0019811 to Lapsley et. al (“Lapsley”).
Ex. 1013	<i>Proxense, LLC v. Google LLC</i> , Case No. 6-23-cv-00320, Dkt. No. 1, Complaint (W.D. Tex. May 2, 2022).
Ex. 1014	Preliminary infringement contentions for <i>Proxense, LLC v. Google LLC</i> , Case No. 6-23-cv-00320.
Ex. 1015	<i>CERTIFICATION REPORT No. P165: Sony FeliCa Contactless Smart Card RC-S860</i> , UK IT Security Evaluation and Certification Scheme (March 2002).
Ex. 1016	U.S. Patent Application Publication No. 2002/0049806 to Gatz et al. (“Gatz”).
Ex. 1017	U.S. Patent Application Publication No. 2006/0034492 to Siegel et al. (“Siegel”).
Ex. 1018	U.S. Patent Application Publication No. 2001/0036297 to Ikegami et al. (“Ikegami”).
Ex. 1019	<i>Proxense, LLC v. Google LLC</i> , Case No. 6-23-cv-00320, Dkt. No. 45, Proxense’s Responsive Claim Construction Brief (W.D. Tex. Dec. 1, 2023).

Exhibit	Description
Ex. 1020	<i>Proxense, LLC v. Google LLC</i> , Case No. 6:23-cv-00320, Dkt. No. 45, Proxense’s Expert Transcript (W.D. Tex. Dec. 18, 2023).
Ex. 1021	<i>Proxense, LLC v. Google LLC</i> , Case No. 6:23-cv-00320, Dkt. No. 50, Proxense’s Sur-Reply Claim Construction Brief (W.D. Tex. Jan. 5, 2023).
Ex. 1022	U.S. District Courts—National Judicial Caseload Profile, <i>available at</i> https://www.uscourts.gov/sites/default/files/data_tables/fcms_na_dis_tcomparison0930.2023.pdf (retrieved Jan. 15, 2024).
Ex. 1023	RESERVED
Ex. 1024	Final Rejection, Ex Parte Reexamination No. 90/015,053 (Mar. 4, 2024).
Ex. 1025	Correspondence to Proxense, dated May 20, 2024
Ex. 1026	Reply Declaration of Stephen Gray (“Reply Decl.”)
Ex. 1027	Confidential Settlement Agreement (BOARD AND PARTIES ONLY)
Ex. 1028	Petitioner’s Trial Hearing Demonstratives
Ex. 1029	Reserved.
Ex. 1030	Reserved.
Ex. 1031	Docket Sheet for <i>Proxsense, LLC v. Apple Inc.</i> , Case No. 6-24-cv-00143-ADA (W.D. Tex.) (accessed May 7, 2025).

I. INTRODUCTION

Petitioner Apple Inc. submits this Response opposing Patent Owner Proxense, LLC's Request for Director Review ("Request") of the Final Written Decision ("Decision") finding claims of U.S. 8,886,954 ("954 Patent," EX1001) unpatentable. Proxense's Request should be denied for the reasons below.

II. ARGUMENT

A. Proxense Fails To Follow the Standard for Director Review.

Director Review is not available for all final decisions by the Board. Instead, requests for Director Review "*shall be limited* to decisions presenting (a) an abuse of discretion, (b) important issues of law or policy, (c) erroneous findings of material fact, or (d) erroneous conclusions of law." Director Review Process § 2.B (emphasis added). Proxense does not follow the framework for Director Review. Request. Instead, Proxense argues—without citing to any provision in the framework—that the Board's Decision violates the Administrative Procedure Act ("APA") by failing to provide a reasoned explanation for reaching an inconsistent result with a prior determination by the Central Reexamination Unit ("CRU") in *Ex Parte* Reexamination Appl. No. 90/015,052 ("052 EPR"), reexamining U.S. 8,352,730 ("730 Patent"). Even assuming *arguendo* that the Request might be interpreted to raise any of the limited issues for which Director Review is appropriate, the Request should be denied because Proxense's arguments fail.

B. The Board’s Decision Is Not Inconsistent With the ’052 EPR.² The

Board’s Decision is not inconsistent with the ’052 EPR because the current results of both proceedings are the same. In the ’052 EPR, the CRU issued an Office Action on May 20, 2025 finding the ’730 Patent claims, even as amended, are unpatentable over the prior art. Exhibit 3003. Even if the current results were different—which they are not—any differences would be justified because they are based on different patents, different claim language, and different factual records and evidence. The Decision concerns the ’954 Patent, whereas the ’052 EPR relates to the ’730 Patent. The CRU’s determinations in the ’052 EPR refer only to the ’730 Patent and proposed amendments to its claims. Contrary to Proxense’s assertions, the CRU never made any determinations that such proposed amendments would render those claims substantially identical to any of the ’954 claims. Nor has the CRU made any determination regarding the ’954 claims. Likewise, the records before the Board and the CRU are different. As discussed *infra*, Proxense failed to provide the CRU in the

² Although Proxense claims to have raised concerns regarding alleged inconsistent results between the IPRs and the ’052 EPR (Request, 4), tellingly, at no point during any of the IPRs, including the ’954 IPR, did Proxense ever seek or request that the Board stay the ’052 EPR pending the completion of any IPR. In fact, Proxense was opposed to any stay of the ’052 EPR. EX2037, at 3.

'052 EPR with the same evidence considered by the Board in the '954 IPR, including the claim constructions and expert analysis regarding Ludtke's teachings and what a POSITA would have understood from the same. It is "unsurprising that different records may lead to different findings and conclusions" as between the Board and the CRU. *See Novartis AG v. Noven Pharms. Inc.*, 853 F.3d 1289, 1294 (Fed. Cir. 2017). Thus, the fact that the Board may have reached different findings and conclusions regarding Ludtke's disclosures as to a different patent and different claims based on a different record does not establish that the Board's Decision and the CRU's determinations are inconsistent.

C. The Board's Decision Provides a Reasoned Analysis Supported by Substantial Evidence. The Board has not acted arbitrarily or capriciously, nor did the Board commit clear error. The Board conducted a full trial on the merits, considered the evidence on a complete record, and determined that the challenged '954 claims were unpatentable over the asserted grounds. Decision, 2-45. The Board's findings rest on substantial evidence and were the result of thorough consideration of the '954 IPR record. *Id.* Furthermore, contrary to Proxense's assertions, the Board was not dismissive of the CRU's examination in the '052 EPR. Instead, just the opposite occurred. The Board devotes an entire section, spanning almost four pages, to considering and analyzing the '052 EPR and the CRU's determinations, noting repeatedly that the CRU "did not accept Patent Owner's

argument.” Decision, 41-44. And because the Board’s Decision and the CRU’s determinations in the ’052 EPR are not inconsistent, as already discussed, there was no need for the Board to provide an explanation for an “inconsistent result.”

While Proxense asserts that the Examiner withdrew a final rejection in the ’052 EPR because she had “determined the amended [’730] claims are patentable over Ludtke” (Request, 12), that is not accurate. Rather, as MPEP 706.07(e) provides, the final rejection was withdrawn “for the purpose of entering a new ground of rejection... where a new reference either fully meets at least one claim or meets it except for differences which are shown to be completely obvious.”

Proxense’s assertions in the Request amount to nothing more than its disagreement with the Board’s factual findings and legal conclusions in the Decision. Mere disagreement with the Board’s factual findings and legal conclusions, without more, is insufficient to warrant Director Review. Nor does Proxense’s disagreement make the Board’s Decision arbitrary, capricious, or erroneous, such that there has been a violation of the APA.

D. The Board Never Ceded Jurisdiction to the CRU. As the Board noted, “[t]hese arguments are untimely, and we give them no weight.” Decision, 43-44. The Board unequivocally has jurisdiction over the ’954 Patent and the authority under the AIA to determine the facts and the law. And the Board is granted the authority to review the factual and legal determinations of examiners. PTAB Guide,

August 30, 2019 (Board “hears appeals from adverse examiner decisions in... reexamination proceedings”). Thus, the findings of the examiners are *never* binding precedent on the Board. In contrast, while the CRU has jurisdiction over the ’730 Patent in the ’052 EPR, the CRU never had any jurisdiction over the ’954 Patent as part of that proceeding or in the ’954 IPR.

E. Proxense Should Not Be Rewarded for Its Gamesmanship and Violations of the Rules. It is disingenuous for Proxense to complain about inconsistent results between the ’954 IPR and the ’052 EPR. The records of both proceedings clearly show that Proxense failed to timely notify the Board in the ’954 IPR about material developments in the ’052 EPR in violation of 37 C.F.R. §42.8(a)(3). As the Board noted during the Hearing: “[T]he concern that we had was that papers were being issued in the ’052 re-exam that you now, and probably at the time thought were relevant, and yet we were not getting mandatory notices about that.” Paper 35, 57:11-15. Likewise, it is clear from the records that Proxense failed to disclose to the CRU in the ’052 EPR all information known to be material to patentability—including expert testimony and analysis and the Board’s Decision in the ’954 IPR—in violation of Proxense’s duty of candor under 37 C.F.R. §1.56. For this additional reason, Proxense’s Request should be denied.

III. CONCLUSION

Accordingly, Patent Owner’s Request for Direct Review should be denied.

Respectfully submitted,

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CERTIFICATION OF SERVICE

The undersigned hereby certifies that a complete and entire copy of the foregoing AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST was served electronically on July 11, 2025, on counsel of record for the Patent Owner as follows:

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