

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORPORATION,
Petitioner

v.

INTERDIGITAL PATENT HOLDINGS, INC.
Patent Owner

Case No. IPR2024-00306
U.S. Patent No. 9,173,054

**PATENT OWNER'S SUR-REPLY IN SUPPORT OF
PATENT OWNER'S PRELIMINARY RESPONSE**

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Patent Trial and Appeal Board
U.S. Patent and Trademark Office
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TABLE OF EXHIBITS

Exhibit	Description
2001	Declaration of George Edwards
2002	June 21, 2022 Memorandum from Director Vidal to the Members of the Patent Trial and Appeal Board regarding Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation
2003	Case Management Order, <i>InterDigital, Inc. et al. v. Lenovo Group Limited et al.</i> , Case No. 5:23-CV-493-FL, Dkt. No. 33 (E.D.N.C. Nov. 30, 2023)
2004	Respondents' Invalidity Contentions in <i>Certain Electronic Devices, Including Smartphones, Computers, Tablet Computers, and Components Thereof</i> , Investigation No. 337-TA-1373 (ITC Nov. 28, 2023)
2005	Appendix 1 to Respondents' Invalidity Contentions in <i>Certain Electronic Devices, Including Smartphones, Computers, Tablet Computers, and Components Thereof</i> , Investigation No. 337-TA-1373 (ITC Nov. 28, 2023)
2006	Defendants' Preliminary Invalidity Contentions, <i>InterDigital, Inc. et al. v. Lenovo Group Limited et al.</i> , Case No. 5:23-CV-493-FL (E.D.N.C. Jan. 18, 2024)
2007	iOS 7: What's new, https://web.archive.org/web/20130918185729/https://www.apple.com/ios/whats-new/
2008	OS X: How to use AirDrop, https://support.apple.com/en-us/HT203106
2009	Use AirDrop on your iPhone, iPad, or iPod touch, https://support.apple.com/en-us/HT204144
2010	RESERVED

2011	About Bluetooth, Wi-Fi, and cellular on your iPhone, iPad, or iPod touch, https://support.apple.com/en-us/HT204681
2012	Use AirDrop on your Mac, https://support.apple.com/en-us/HT203106
2013	Compare iPhone models, https://www.apple.com/iphone/compare/?modelList=iphone-14-pro,iphone-15-pro,iphone-15 .
2014	Apple Platform Security, AirDrop security, https://support.apple.com/guide/security/airdrop-security-sec2261183f4/1/web/1
2015	How to use AirDrop on your iPhone or iPad, https://support.apple.com/en-us/HT204144
2016	How to use AirDrop on your iPhone or iPad, IDG1373_0003864–3866
2017	InterDigital Form 8-K, filed by InterDigital, Inc. with the Securities and Exchange Commission on October 2, 2022
2018	InterDigital Form 10-K, filed by InterDigital, Inc. with the Securities and Exchange Commission on February 13, 2023
2019	Mike Dano, <i>InterDigital inks seven-year, \$938M patent deal with Apple</i> , Light Reading, https://www.lightreading.com/5g/interdigital-inks-seven-year-938m-patent-deal-with-apple#close-modal
2020	Apple Unveils iOS 7, https://www.apple.com/newsroom/2013/06/10Apple-Unveils-iOS-7/ .
2021	RESERVED
2022	RESERVED
2023	Brian Hall, <i>How iOS 7's AirDrop Could Transform the Way We Share</i> , ReadWrite, June 28, 2013, https://readwrite.com/ios-7s-airdrop-has-the-potential-to-dramatically-change-how-we-share-

	content/
2024	Lucy Hattersley, <i>AirDrop Review</i> , Macworld, Sept. 29, 2013, https://www.macworld.com/article/667098/airdrop-review.html
2025	Adrian Kingsley-Hughes, <i>5 Thing Apple Needs to Fix in iOS, OS X and iCloud</i> , Forbes, Apr. 17, 2013, https://www.forbes.com/sites/adriankingsleyhughes/2013/04/17/5-things-apple-needs-to-fix-in-ios-os-x-and-icloud/?sh=5fc4eb5b49c0
2026	Georgi Zarkov, <i>With Samsung's Answer to AirDrop, You Can Even Send Files to Your Fridge</i> , Phone Arena, Jan. 24, 2020
2027	Chris Hoffman, <i>AirDrop 101: Easily Send Content Between Nearby iPhones, iPads, and Macs</i> , How-To-Geek, Jan. 31, 2015, https://www.howtogeek.com/208143/use-airdrop-to-wirelessly-send-content-between-nearby-iphones-ipads-and-macs/
2028	Catherine Shu, <i>Google to Close Bump and Flock, Its Recently Acquired File Sharing Apps</i> , Tech Crunch, Jan. 1, 2014, https://techcrunch.com/2013/12/31/google-to-close-bump-and-flock-its-recently-acquired-file-sharing-apps/
2029	Padla Rei, <i>Android Beam API Being Deprecated by Google</i> , Android Community, Dec. 20, 2018, https://androidcommunity.com/android-beam-api-being-deprecated-by-google-20181220/
2030	Pratik Ghone, <i>How to Nearby Share? Apple has AirDrop; Android has Nearby Share</i> , Exhibit.tech, Feb. 20, 2024, https://www.exhibit.tech/trending-tech-news/how-to-nearby-share-apple-has-airdrop-android-has-nearby-share
2031	Tomio Geron, <i>Google Acquires Bump Mobile App</i> , Forbes, September 16, 2013, https://www.forbes.com/sites/tomiogeron/2013/09/16/google-acquires-bump-mobile-app/?sh=30f58b322975
2032	Charles Arthur, <i>Google Buys Smartphone File-Swapping App Bump as Sharing Grows</i> , The Guardian, Sept. 17, 2013,

	https://www.theguardian.com/technology/2013/sep/17/google-bump-smartphone-apple-airdrop
2033	Anthony Wing Kosner, <i>Apple Has Developers (Mostly) Convinced that iOS 7 Will Make Them More Money</i> , Forbes, June 12, 2013, https://www.forbes.com/sites/anthonykosner/2013/06/12/apple-has-developers-mostly-convinced-that-ios-7-will-make-them-more-money/?sh=299b3ced71d7
2034	Christopher de Looper, <i>Android's Nearby Share Just Can't Compete with AirDrop</i> , DigitalTrends, Feb. 9, 2021, https://www.digitaltrends.com/mobile/android-nearby-share-stacks-up-against-apple-airdrop/
2035	Jacob Kastrenakes, <i>Google's Files Go App is Kind of Like AirDrop for Android</i> , The Verge, Nov. 7, 2017, https://www.theverge.com/2017/11/7/16617380/google-files-go-app-android-airdrop-file-management
2036	Tom Warren, <i>Windows 10's Version of AirDrop Lets You Quickly Share Files Between PCs</i> , The Verge, Nov. 8, 2017, https://www.theverge.com/2017/11/8/16625130/microsoft-windows-10-airdrop-near-share-feature
2037	Mishaal Rahman, <i>Google's Fast Share is an Upcoming AirDrop-like File Sharing Tool for Android</i> , XDA Developers, June 29, 2019, https://www.xda-developers.com/fast-share-android-beam-airdrop-android/
2038	Aamir Siddiqui, <i>Fast Share, Google's Upcoming AirDrop-like Service, Gets Renamed to Nearby Sharing Ahead of Release</i> , XDA Developers, Jan. 13, 2020, https://www.xda-developers.com/fast-share-google-upcoming-airdrop-service-renamed-nearby-sharing/
2039	Richard Nieva, <i>Android is Finally Getting Its Version of Apple's AirDrop</i> , CNet, Aug. 4, 2020, https://www.cnet.com/tech/mobile/android-is-finally-getting-its-version-of-apples-airdrop-called-nearby-share/
2040	David Pierce, <i>Google's AirDrop Competitor, Nearby Share, is Reportedly Getting a Big Upgrade</i> , The Verge, Apr. 19, 2022,

	https://www.theverge.com/2022/4/19/23032545/google-nearby-share-airdrop-update-android
2041	Max Weinbach, <i>Quick Share is Samsung's Alternative to AirDrop for Galaxy Phones</i> , XDA Developers, Jan. 23, 2020, https://www.xda-developers.com/quick-share-samsung-alternative-airdrop-galaxy-phones/
2042	Lisa Eadicicco, <i>Samsung just added 2 of the iPhone's most-coveted features to its new Galaxy S20 phones</i> , Bus. Insider, Feb. 12, 2020, https://www.businessinsider.com/samsung-galaxy-s20-apple-iphone-best-features-airdrop-facetime-2020-2
2043	Steven Musil, <i>Samsung Reportedly Working on Quick Share, an AirDrop-like Sharing Feature</i> , CNet, Jan. 23, 2020, https://www.cnet.com/tech/mobile/samsung-reportedly-working-on-quick-share-an-airdrop-like-sharing-feature/
2044	Chris Welch, <i>Samsung Confirms its AirDrop-like 'Quick Share' is Launching on the Galaxy S20</i> , The Verge, Feb. 11, 2020, https://www.theverge.com/2020/2/11/21133825/samsung-galaxy-s20-quick-share-airdrop-easy-sharing-feature
2045	Nelson Aguilar, <i>AirDrop for Windows? Check Out Android's New File-Sharing Tool for the PC</i> , CNet, July 20, 2023, https://www.cnet.com/tech/services-and-software/airdrop-for-windows-check-out-androids-new-file-sharing-tool-for-the-pc/
2046	Aisha Malik, <i>Google and Samsung are merging Nearby Share and Quick Share into a singular cross-Android solution</i> , Tech Crunch, Jan. 9, 2024, https://techcrunch.com/2024/01/09/google-and-samsung-are-merging-nearby-share-and-quick-share-into-a-single-sharing-solution/
2047	<i>Google announces AirDrop-like feature called Quick Share for Pixel phones; Know how it will work</i> , The Bus. Standard, Feb. 1, 2024, https://www.tbsnews.net/tech/google-announces-airdrop-feature-called-quick-share-pixel-phones-know-how-it-will-work-785766

2048	Order No. 18: Initial Determination Granting-in-Part Joint Motion to Amend the Procedural Schedule and Extend the Target Date by One Month, <i>Certain Electronic Devices, Including Smartphones, Computers, Tablet Computers, and Components Thereof</i> , Investigation No. 337-TA-1373 (ITC Dec. 20, 2023)
2049	Microsoft Support, Sharing things with nearby devices in Windows, https://support.microsoft.com/en-us/windows/share-things-with-nearby-devices-in-windows-0efbfe40-e3e2-581b-13f4-1a0e9936c2d9
2050	Microsoft Support, Fix problems with nearby sharing in Windows, https://support.microsoft.com/en-us/windows/fix-problems-with-nearby-sharing-in-windows-e6f5db3a-48c3-04f6-13d6-84db6f821455
2051	Windows Experience Blog, What's new in the Windows 10 April 2018 Update, https://blogs.windows.com/windowsexperience/2018/04/30/whats-new-in-the-windows-10-april-2018-update/
2052	Kevin Parrish, <i>How to Use Nearby Share on Android Devices</i> , DigitalTrends, Feb. 26, 2021, https://www.digitaltrends.com/mobile/how-to-use-nearby-share-on-android/
2053	Ed Bott, <i>Windows 10 Tip: Use Nearby Sharing to Transfer Files, Photos, and More</i> , ZDNet, July 14, 2018, https://www.zdnet.com/article/windows-10-tip-use-nearby-sharing-to-transfer-files-photos-and-more/
2054	Michael Muchmore, <i>How to Use Nearby Sharing in Windows 10</i> , PCMag, May 4, 2018, https://www.pcmag.com/how-to/how-to-use-nearby-sharing-in-windows-10

The arguments presented by Petitioner in its Reply (Paper 10) are unpersuasive and institution should be denied for the reasons identified in Patent Owner's Preliminary Response (POPR) (Paper 9). Petitioner has filed four IPR petitions that cite a total of 25 grounds and rely on prior art asserted in both parallel district court and ITC proceedings. Paper 9, 1. Rather than simplifying or streamlining existing proceedings, Petitioner is seeking to offer its RPI, Lenovo, four distinct opportunities to challenge the claims of these patents (once at the ITC, once in district court, and in two separate Petitions before this tribunal).

“Congress designed the America Invents Act (AIA) post-grant proceedings ‘to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.’” Ex. 2002, 1 (citing H.R. Rep. No. 112- 98, pt. 1, at 40 (2011), 2011 U.S.C.C.A.N. 67, 69; *see* S. Rep. No. 110- 259, at 20 (2008)). Instituting Petitioner's multiple IPR petitions is directly contrary to Director Vidal's goal. This is because “[p]arallel district court and AIA proceedings involving the same parties and invalidity challenges can increase, rather than limit, litigation costs.” *Id.*

Petitioner ignores **Factor 1**, likely because its RPI, Lenovo, has not requested a stay of the district court case. Moreover, petitions for IPR have not been filed challenging the other video CODEC patents referenced in Petitioner's Reply (Paper 10, 2), so it is unlikely that a stay would be granted. Thus, **Factor 1**, rather than

being neutral, weighs against institution.

Petitioner's arguments concerning **Factor 2** are unconvincing. Petitioner admits that no trial date has been set, but then invites the Board to adopt the very sort of speculation against which the Board has been cautioned. The Patent Office has stated that "scheduled trial dates are unreliable and often change" and that "[a] court's scheduled trial date, therefore, is not by itself a good indicator of whether the district court trial will occur before the statutory deadline for a final written decision." Ex-2002, 8. Here, while the court in the Eastern District of North Carolina has not yet set a trial date, Petitioner has not provided any evidence, other than mere speculation, as to when that trial date will fall, and the Board should thus consider this factor to be neutral.

Factor 3 weighs against institution. As noted in the POPR, and despite Petitioner's suggestions to the contrary, there continues to be substantial investment in the underlying district court litigation. That case is proceeding, without stay, toward claim construction, and fact discovery is open and ongoing. The purpose of the IPR process is to be an alternative to litigation, yet the district court case continues to move forward—*regardless* of whether terms from the '054 Patent are to be construed by the court. In this instance, instituting two IPR petitions challenging the claims of the '054 Patent will have the same outcome as the *single* district court case (upholding validity or invalidating the patents) and will

dramatically increase the litigation costs of the parties. Conspicuously absent from Petitioner's Reply is any denial that the same references asserted in the two petitions challenging the claims of the '054 Patent are also being asserted in the district court case. *See also* Ex-1081, 3 ("Further, regardless of the PTAB's institution decisions, Lenovo reserves the right to pursue all other invalidity grounds disclosed in its invalidity contentions."). Petitioner's IPR petitions fall short of "streamlining."

With respect to **Factor 4**, Petitioner has filed a *Sand Revolution* style stipulation in the district court case, suggesting that it will not pursue the same grounds in the district court litigation. Reply, 3. But the Board has held that *Sand Revolution* stipulations, and even hybrid stipulations, which extend beyond the scope of *Sand Revolution* stipulations, yet fall short of full *Sotera* stipulations, do not eliminate the concerns regarding duplicative proceedings and may be insufficient to merit institution. *Samsung Electronics Co., Ltd. v. Mojo Mobility Inc.*, IPR2023-01092, Paper 11 at 15-17 (PTAB Jan. 8, 2024) (Although the new stipulation is somewhat broader than that in *Sand Revolution*, the concerns discussed in *Sand Revolution* remain. Accordingly, for the reason given here and in *Sand Revolution*, this factor weighs only slightly against discretionary denial.). The same concerns are present here. As in *Samsung*, "the relevant art appears to include multiple references that disclose the same basic concepts" ... such that "even with Petitioner's stipulation, Petitioner could raise substantially the same arguments in district court

using prior art references that did not ‘form[] the basis of any instituted ground.’” *Samsung*, Paper 11, 17. Thus, as in *Samsung* (which included a broader stipulation than that offered by Petitioner in this case), Petitioner’s stipulation weighs, at best, only slightly against discretionary denial of institution. *Id.*

It is uncontested that **Factor 5** weighs against institution. Paper 9, 16-17.

Concerning **Factor 6**, Petitioner questions the nexus between the proffered evidence (the mapping of Apple AirDrop to the Challenged Claims) and commercial success and industry praise for the unique characteristics of the claimed invention. Paper 10, 4. But this argument is belied by the evidence presented in the POPR. Patent Owner has provided exhaustive evidence showing that technology developed by Apple (AirDrop), as well as by other industry entities—including *Petitioner Microsoft*—include the very same inventive features claimed in the ’054 Patent, and that industry praise and commercial success are tied to those features. Paper 9, 20-58. That evidence shows that Apple’s competitors, including Petitioner Microsoft, have tried for years to come up with competing technologies but had to fall back on the inventive features of the ’054 Patent in order to compete in the marketplace. Paper 9, 49-50 (noting industry praise that Microsoft’s Nearby Sharing is considered “a Windows 10 take on Apple’s Airdrop” that met with success because “[n]ow Windows users can enjoy the same convenience” of Bluetooth device detection and Wi-Fi data transfer). Thus, **Factor 6** also weighs against institution.

Dated: April 29, 2024

Respectfully submitted,

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CERTIFICATION OF SERVICE

The undersigned hereby certifies that the above-captioned **PATENT OWNER'S SUR-REPLY IN SUPPORT OF PATENT OWNER'S PRELIMINARY RESPONSE** is being served on counsel for petitioner via electronic mail on, in its entirety on the following counsel of record for Petitioner:

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