

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

THL HOLDING COMPANY, LLC,
Patent Owner.

U.S. Patent No. 11,350,246

IPR Case No.: IPR2024-00399

REQUEST FOR REHEARING PURSUANT TO 37 C.F.R. § 42.71(d)

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Pursuant to 37 C.F.R. § 42.71(d), Patent Owner THL Holding Company, LLC (“Patent Owner”) requests rehearing of the Board’s Decision Granting Institution (“DI”) of Inter Partes Review (“IPR”) under 35 U.S.C. § 314 in this IPR, and in related IPR2024-00400, both of which concern U.S. Patent No. 11,350,246 (“the ’246 Patent”). In view of its statutory disclaimer disclaiming all claims deemed likely unpatentable in those decisions on institution, Patent Owner respectfully requests rehearing pursuant to 37 C.F.R. § 42.71(d), and denial of this IPR pursuant to 35 U.S.C. § 314(a).

I. Background

In IPR2024-00399, Apple Inc. (“Petitioner”) requested review of claims 1-19 of the ’246 Patent. (IPR2024-00399, Paper 1, p. 1.) In parallel IPR2024-00400, Petitioner, requested review of claims 20-27 of the ’246 Patent. Petitioner has not requested review of claims 28-30 of the ’246 Patent in any IPR proceeding.

A. Decision on Institution in IPR2024-00399

In this IPR, the Board determined that Petitioner had demonstrated a reasonable likelihood that it would prevail in its challenge to at least independent claim 1 of the ’246 Patent as unpatentable based on obviousness over Kalliola, Turunen, Oswald, Vauclair, and Kalayjian, which was sufficient for the Board’s institution under 35 U.S.C. § 314(a). (DI, Paper 8, pp. 14-23.)

With respect to independent claim 11, however, the Board determined that Petitioner had failed to demonstrate that the proposed combination of prior art rendered obvious the claim limitation requiring a processor configured to “determine direction . . . based on . . . rotation of the mobile communication device detected by the orientation sensor.” (*Id.*, pp. 23-25.)

While the Board did not directly address the merits of the Petition with respect to dependent claims 12-19, those claims depend from claim 11. The Petition relies on the same prior art reference (Kalliola), and the same analysis, to teach or suggest the “determine direction . . . based on . . . rotation of the mobile communication device detected by the orientation sensor” limitation of independent claim 11 from which claims 12-19 depend. (*Id.*, Paper 1, pp. 64-68, 80, 85.) Thus, for the same reasons the Board determined Petitioner failed to establish that claim 11 is unpatentable, Petitioner too failed to establish that dependent claims 12-19 are unpatentable.

B. Decision on Institution in IPR2024-00400

In related IPR2024-00400, which also concerns the ‘246 Patent, the Board determined that Petitioner had demonstrated a reasonable likelihood that it would prevail in its challenge of at least independent claim 20 as unpatentable based on obviousness over Sweeney, Kalliola, Turunen, Mohammadian, Kalayjian, and

Vauclair, which was sufficient for the Board’s institution under 35 U.S.C. § 314(a). (IPR2024-00400, DI, Paper 7, pp. 15-24.)

II. Patent Owner’s Disclaimer Following the Decision on Institution

Following the Board’s guidance in the DI in this IPR, and the DI in IPR2024-00400, and pursuant to 37 C.F.R. § 42.107(e), § 1.321(a), and 35 U.S.C. § 253(a), the Patent Owner disclaimed and dedicated to the public claims 1-10 and 20-27 of the ‘246 Patent (the “Disclaimer”). (Ex. 2001, August 7, 2024 Disclaimer and Receipt.) Claims disclaimed under § 253(a) are treated as though they never existed. *See Vectra Fitness, Inc. v. TWNK Corp.*, 162 F.3d 1379, 1383 (Fed. Cir. 1998) (“This court has interpreted the term ‘considered as part of the original patent’ in section 253 to mean that the patent is treated as though the disclaimed claims never existed.”); *Guinn v. Kopf*, 96 F.3d 1419, 1422 (Fed. Cir. 1996) (“A statutory disclaimer under 35 U.S.C. § 253 has the effect of canceling the claims from the patent and the patent is viewed as though the disclaimed claims had never existed in the patent.”)

The Disclaimer leaves intact in the ‘246 Patent only (i) claims 11-19, which the Board in this IPR indicated were not unpatentable for the reasons explained above, and (ii) claims 28-30, which Petitioner did not challenge in any IPR proceeding.

III. The Board Should Consider the Disclaimer and Deny Institution

Good cause exists for the Board to consider the Patent Owner's Disclaimer (Ex. 2001) filed following, and in view of, the Board's guidance in the DI. *See Huawei Device Co., Ltd. v. Optis Cellular Tech., LLC*, Case IPR2018-00816, slip op. at 4 (PTAB Jan. 8, 2019) (Paper 19) (precedential) ("a party may argue 'good cause' exists in the rehearing itself"). Pursuant to 37 C.F.R. § 42.107(e), "[n]o inter partes review will be instituted based on disclaimed claims." By disclaiming all claims the Board determined in the DI were likely unpatentable, Patent Owner has heeded the Board's guidance and thereby streamlined issues in the parallel district court action from which this IPR proceeding arose.

Because no claims currently remain in the '246 Patent for which Petitioner has demonstrated a reasonable likelihood that it will prevail in its IPR challenge, the Board should deny institution. *See General Elec. Co. v. United Techs. Corp.*, IPR2017-00491, Paper 9 (PTAB July 6, 2017) (precedential, denying institution following disclaimer); *Daiichi Sankyo, Inc. et al. v. Seagen Inc.*, PGR2021-00030, Paper 31 (PTAB July 15, 2022) (granting request for rehearing and denying institution based in part on disclaimer).

While "[t]he agency's decision to deny a petition is a matter committed to the Patent Office's discretion," *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131,

2140 (2016), the statutory “threshold” for institution of an IPR requires the likely invalidity of “at least 1 of the claims challenged in the petition.”

THRESHOLD.—

The Director may not authorize an *inter partes* review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

35 U.S.C. § 314(a).

Here, the Patent Owner has disclaimed the claims of the ‘246 Patent the Board determined were likely unpatentable in IPR2024-00399 and IPR2024-00400. And the Petitioner “may not submit new evidence or argument in reply that it could have presented earlier, *e.g.* to make out a *prima facie* case of unpatentability.” U.S. Patent Trial and Appeal Board, Consolidated Trial Practice Guide 73 (Nov. 2019).

Continuing with the IPR would unnecessarily consume the resources of the Patent Owner, the Petitioner and the Board, and unnecessarily delay the progress of the parallel district court action, which is presently stayed in view of the IPR. *See* 35 U.S.C. § 316(b) (requiring the Board to consider “the efficient

administration of the Office, and the ability of the Office to timely complete proceedings”); *see also* Consolidated Trial Practice Guide (“CTPG”) at 5.

For these reasons, Patent Owner requests rehearing of the DI in view of the Disclaimer pursuant to 37 C.F.R. § 42.71(d), and denial of the Petition for IPR pursuant to 35 U.S.C. § 314(a).

Dated: August 8, 2024

Respectfully submitted,

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Certificate of Service

The undersigned hereby certifies that on August 8, 2024, a complete and entire copy of REQUEST FOR REHEARING PURSUANT TO 37 C.F.R. § 42.71(d), was served via electronic mail to the attorneys listed below:

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