UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORPORATION,
Petitioner,

v.

PROXENSE, LLC,
Patent Owner.

Case IPR2024-00846
Patent 8,886,954

PETITIONER'S MOTION TO STAY THE *EX PARTE* REEXAMINATION

OF US PATENT NO. 8,352,730

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Microsoft requests the Board stay the *ex parte* reexamination (Apl No. 90/015,052, or the "730 EPR") of US Patent No. 8,352,730 (the "730 patent") until a final decision is issued in IPR2024-00846 ("this proceeding" or "954 IPR") challenging the 730 patent and US Patent No. 8,886,954 (the "954 patent", a continuation of the 730 patent) due to the unique circumstances created by Proxense's actions to preserve validity of both the 730 and 954 patents.

I. Introduction

On May 20, 2025, the Examiner for the 730 EPR issued a non-office action advancing new art rejections almost identical to the invalidity grounds in Microsoft's IPR IPR2024-00775[1], which challenged the 730 patent, and this proceeding. In reply ("NFOA Reply"), Proxense raised arguments similar to its arguments in the 954 IPR. In light of these highly unusual circumstances, Microsoft requests that the Board stay the 730 EPR until a final decision is issued in the 954 IPR. A stay would: (1) reduce the risk of inconsistent outcomes in the 730 EPR and 954 IPR; (2) promote judicial efficiency; and 3) prevent circumvention of the Board.

II. A Stay Would Avoid Inconsistencies Between IPR and EPR Proceedings

The grounds now at issue in the 730 EPR have converged with those of 954

[1] Proxense had this proceeding terminated by seeking and obtaining Adverse Judgement. *See* IPR2024-00775, Papers 14 and 15.

IPR except that 1) the 730 EPR advances a ground based on Burger as a 102 ground rather than a 103 ground; and 2) the 954 IPR has an additional Burger-Orsini ground. Proxense's responsive arguments are also highly similar. For example, in both proceedings, Proxense argues the construction/understanding of a "third party trusted authority," specifically that "the claims require the 'third-party trusted authority' be a third-party with respect to a user and an application being accessed." NFOA Reply, 8; POR, 1. Proxense also argues that Burger does not disclose the claimed access message in both proceedings. NFOA Reply 8, 11-42; POR, 7-12, 20-22. Proxense's subsidiary arguments are also similar in both proceedings (e.g., Proxense argues that Burger's Network Server 114 is the application being accessed). NFOA Reply, 13; POR, 19.

Because similar claims, art, rebuttal arguments, and construction issues are being simultaneously addressed in parallel 730 EPR and 954 IPR proceedings, there is a serious risk of inconsistent decisions being issued by different entities (CRU and PTAB) of the same agency (USPTO). Indeed, if the Examiner finds differently than the Board regarding even one claim term, argument, and/or prior art reference, inconsistent decisions may be reached. This was highlighted by the FWD (Paper 35) in IPR2024-00233 (the "Apple 954 IPR") in which the Board found Ludtke-based prior art grounds rendered the challenged '954 patent claims invalid, whereas the 730 EPR Examiner previously indicated allowability over

Ludke of similar claims. *See* Reply, Interview Summary of 1/27/25 in the 730 EPR.

Given the similarities between the 730 EPR and 954 IPR proceedings, it is highly likely that the Board and the Examiner will make findings regarding Burger's teachings. Therefore, irrespective of BRI and any indication by Proxense to avoid overlap through amendment, there is a strong likelihood of inconsistencies arising between the Board's and Examiner's interpretation of Burger, which Proxense would be able to leverage to appeal any adverse decision.

To the extent there is any inconsistency, Proxense has already demonstrated that it will likely raise (here or on appeal) APA violation concerns and attempt to bind the Board. Apple 954 IPR, Paper 35, 43-44 ("Patent Owner argued that we are bound, under the Administrative Procedures Act, to follow this 'final determination' by the Examiner, that we 'cannot overrule the Examiner,' and that we allegedly 'ceded jurisdiction to the Examiner' and 'lack[] jurisdiction' over the '052 reexamination.") During the Apple 954 IPR oral hearing, Proxense stated its intention to use the Examiner's statements as leverage in the IPRs.

- JUDGE MCKONE: Are you trying to get in a new argument that the claims of the [Apple 954 IPR] are patentable because of what the examiner said in the [730 EPR]? Is what where you're trying to go?
- MR. HECHT: I think that is. I mean, I think that's the whole point here because that sort of moots this proceeding, saves everyone a lot of time, at least with respect to '730.

IPR2024-00233, Paper 35, 44:25-45:4 A stay would avoid inconsistent outcomes. After a final decision issues in the IPR proceeding, the Examiner can, if needed, continue prosecution and adopt positions that are consistent with the IPR record.

Lastly, Proxense's actions have increased the likelihood of inconsistent findings. Proxense conducted an *ex parte* Examiner Interview (May 27) and filed a response (June 2) within 2 weeks of receiving the NFOA (May 20th), while fully being aware that the Board will later issue a decision on largely the same arguments. This suggests a disregard of potential inconsistencies or, worse, a desire to draw out such inconsistencies for use in an appeal.

III. A Stay Would Promote Judicial Efficiency

Arguing the same issues and art in parallel proceedings is not an efficient use of judicial resources. A stay would be the most judicially efficient outcome here. Significant resources have been invested in the IPR. The best course of action would be to stay the EPR until the 954 IPR decision is final (at least until the FWD, but more efficiently until all appeals conclude).

IV. A Stay Would Prevent Circumvention of the Board

The Board has not been persuaded by PO's arguments in the IPRs involving the '730 and '954 patents and recently held all the challenged claims in IPR2024-00232 and IPR2024-00233 unpatentable. Having failed to get traction with the Board, Proxense now advances largely the same arguments of IPR2024-00846 and

IPR2024-00775 in the 730 EPR, inviting the CRU to conclude differently. Indeed, J. McKone and Mr. Hecht's exchange above confirms the same. With Proxense's NFOA Reply already submitted, findings and conclusions in the EPR could be used to pressure the Board under threat of appeal from issuing a decision that deviates in any way from the CRU's decision. As noted above, Proxense has already advanced this same type of argument in the IPR2024-00232/00233 oral hearing. A stay of the 730 EPR, therefore, will prevent circumvention of the Board. Indeed, the parties and the Board have invested significant resources and it would not be in the interest of justice for similar resources to be consumed at the CRU or to address the same issues at another forum, thereby sidestepping the Board.

V. The Patents Claim Substantively Related Subject Matter

The '954 patent is a continuation of the '730 patent, and the claims are almost identical. The Board and the parties involved in post-grant proceedings for these patents have consistently treated the claims across the two patents similarly, and scheduling and hearings have been combined accordingly. IPR2024-00232 (Pap. 35), IPR2024-00233 (Pap. 31). And in seeking an adverse judgment before PTAB for the 730 patent, Proxense agreed not to pursue patentably indistinct subject matter. *See* 37 CFR 42.73(d)(3) ("in any patent"). So in these specific circumstances, the Board should not be inhibited to stay the 730 EPR even though it involves a different patent number.

Respectfully submitted,

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CERTIFICATE OF SERVICE

Pursuant to 37 CFR § 42.6(e), the undersigned certifies that on June 23, 2025, a complete and entire copy of this Petitioner's Motion to Stay the Ex Parte Reexamination of US Patent No. 8,352,730 was provided by email to the Patent Owner by serving the correspondence addresses of record as follows:

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