

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,

Petitioner,

v.

S.M.R INNOVATIONS LTD and Y.M.R TECH LTD,

Patent Owners.

IPR2024-01048

U.S. Patent 10,547,648

PATENT OWNERS' PRELIMINARY RESPONSE

37 C.F.R. § 42.107(a)

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PATENT OWNERS' EXHIBIT LIST

Exhibit Number	Description
2001	Second Amended Complaint, Civil Action No. 6:23-cv-479-ADA (W.D. Tex.)
2002	Notices of Deposition of Petitioner's Witnesses in Civil Action No. 6:23-cv-479-ADA (W.D. Tex.)
2003	Notices of Deposition of Patent Owners' Witnesses in Civil Action No. 6:23-cv-479-ADA (W.D. Tex.)
2004	Docket Sheet for Civil Action No. 6:23-cv-479-ADA (W.D. Tex.)
2005	Patent Owners' Preliminary Infringement Contentions in Civil Action No. 6:23-cv-479-ADA (W.D. Tex.)
2006	Petitioner's Invalidity Contentions in Civil Action No. 6:23-cv-479-ADA (W.D. Tex.)

2007	Scheduling Order in Civil Action No. 6:23-cv-479-ADA (W.D. Tex.)
2008	Joint Claim Construction Statement in Civil Action No. 6:23-cv-479-ADA (W.D. Tex.)

Plaintiffs S.M.R Innovations LTD and Y.M.R Tech LTD respectfully submit this Preliminary Response pursuant to 37 C.F.R. § 42.107(a).

I. Introduction

S.M.R Innovations and Y.M.R Tech are wholly owned by Oded Shmueli and Benny Yehezkel, respectively, the inventors of the patents-in-suit. EX2001 [Second Amended Complaint], ¶¶2-3. Professor Shmueli received a Ph.D. in Applied Mathematics from Harvard University and is an Emeritus Professor of Computer Science at the Technion University in Israel. *Id.*, ¶8. He is an inventor of more than 55 U.S. patents and has held positions at leading research laboratories such as IBM Research, AT&T Bell Labs, and MCC. He has co-founded several start-up companies, including an artificial-intelligence company where he serves as Chief Scientist. *Id.*, ¶¶9-10. Mr. Yehezkel holds a degree in Computer Science from the Technion University and an MBA from the Tel Aviv University. He has held executive positions with various technology companies, including now serving as CEO of a company in the customer engagement and CX domain. *Id.*, ¶¶12-13.

The patents-in-suit trace back to a conversation between Professor Shmueli and Mr. Yehezkel in October 2000 born out of the widespread use of cellular phones juxtaposed with their limited capabilities. *Id.*, ¶14. The state of affairs regarding handheld devices was then notably primitive. Mobile communication devices were emerging, but the idea of streaming media was still years away. Cellular phones could not accept streaming data or route a received stream to another electronic

device. *Id.*, ¶15. As described in the patents-in-suit, Professor Shmueli and Mr. Yehezkel recognized that “it would be highly advantageous to provide the user with the ability to select a target device, based on the type of multimedia content, and furthermore to choose a device for play or storage of the content independently of the initially targeted or originating device.” *Id.*, ¶18. Using the solutions of the patents-in-suit, for example, someone can route a call directed to his or her smartphone to a nearby computer or watch that is wirelessly linked with the smartphone. As another illustration, someone can be prompted by, for example, a watch that there is an incoming call via an associated smartphone. *Id.*, ¶21.

The inventors attempted to discuss their inventions with Apple in 2006. After reaching out to Steve Jobs, the inventors spoke with the assistant to Apple’s then-Senior Vice President with responsibility for the iPod (Jon Rubinstein), who instructed them to send Mr. Rubinstein a presentation regarding their technology and pending patent application. *Id.*, ¶205. The inventors suggested to Mr. Rubinstein that they hold a discussion regarding the benefits their technology would provide to Apple. While they received an email from an Apple employee indicating that Apple had received the presentation, Apple did not respond with any interest in licensing the inventors’ technology. *Id.*

II. Definition of a Person of Ordinary Skill in the Art

Patent Owners propose that a POSITA would have had a Bachelor’s degree in Computer Science, Computer Engineering, Electrical Engineering, or a related field

in computing technology, and at least two years' experience in wireless communication and mobile devices including multimedia streaming, or equivalent education, research, experience, and knowledge.

III. The Proposed Combinations Do Not Render the Challenged Claims Obvious

A. Ground 1

1. Claim 1

Claim 1(b) of the '648 patent recites, *inter alia*, “identifying one or more available devices compatible to handle the media content and connected to the LAN.” Claim 1(d) recites “wirelessly signaling *the one or more available devices* indicating an availability of a media content at the mobile device.” Thus, claim 1(d)’s reference to “one or more available devices” relies on claim 1(b) for antecedent basis. This means that the one or more available devices that are wirelessly signaled in claim 1(d) are the same one or more available devices identified in claim 1(b).

Petitioner’s proposed combination does not teach or suggest at least claim 1(d). The Petition asserts that Zhang teaches both claim 1(b) and claim 1(d). In setting out its assertion, Petitioner states that “*Zhang’s* mobile device performs the following key steps:

(1) Device discovery: The handheld device identifies the nearby helper servers.

(2) Service query: The handheld device queries the identified helper servers to determine if they are capable of providing the helper service.

(3) Request transfer: The handheld device selects a helper server and delegates the task to it.

(4) Remote control: The helper server returns a remote control interface description to the handheld device.

Petition, 22 (citing *Zhang*, 3:44-56, 6:40-44).

With respect to claim 1(b), Petitioner asserts that Zhang’s mobile device satisfies this claim element based on information it receives from helper servers in Zhang’s steps 2 and 3. In particular, Petitioner relies on a helper server’s *response* to a service request in Zhang’s step three in asserting that Zhang teaches claim 1(b):

In Zhang’s third step, “request transfer,” a helper server responds the service query, indicating its availability to handle the requested service. Specifically, in response to the service query¹, the helper “server makes the admission decision S648 and informs the client whether its service request can be granted right away, has to be queued[,], or is denied (e.g. not enough total resource on the server or

¹ Petitioner incorrectly refers to a “service query” in this passage—in *Zhang*, a “service query” refers to the process of discovering whether a particular device offers a particular service. This service query is performed before a service request is made. Petitioner’s error is clear from the two passages it cites (*Zhang* at 7:22-25 and 7:58-60). This is expressly indicated in Petitioner’s quotation of 7:58-60: “Once a **service request** is accepted by a helper server S650, the client is notified S610 and can start transferring service data to the server S612.” Petition, 15 (quoting *Zhang*, 7:58-60) (emphasis added).

authentication failure) S646.” Zhang, 7:22-25, 7:58-60 . . .

In sum, Zhang’s mobile device performs this process to identify helper servers (devices) that are both available and compatible to handle the media content.

Petition at 15-16 (emphasis added). Thus, in Petitioner’s mapping, the proposed combination completes claim 1(b) only ***after*** the helper device responds to the mobile device’s service request (Zhang’s step three) by providing information about the helper device’s availability.

Petitioner argues that claim 1(d) is met by the service request itself that is sent by a mobile device to a helper device during Zhang’s step 3:

In general, Zhang teaches several “essential steps” the mobile device takes to interact with helper servers. First, the mobile device performs device discovery and “identifies the nearby helper servers.” Zhang, 3:44-48. Second, Zhang performs a “service query,” where the mobile device “queries the identified helper servers to determine if they are capable of providing the helper service.” Zhang, 3:49-51. Zhang teaches that if a located helper server “does offer the needed helper service, the handheld device requests the helper service S404.” Zhang, 4:1-8.

Regarding wirelessly signaling a helper server indicating an availability of a media content at the mobile device, Zhang teaches transmitting a service request to a helper server, and when a server accepts, a session is set up between a “helper client” (mobile device) and helper server using TCP. ***A POSITA would have understood that wirelessly signaling a service request would have indicated the availability of media content at the mobile device.***

'648 Petition at 23 (emphasis added).

In sum, Petitioner argues that claim 1(b) is satisfied when Zhang's helper server responds to a service request and that claim 1(d) is met by Zhang's mobile device sending a service request. Thus, the action that Petitioner relies on for claim 1(d) is performed *prior to* an action Petitioner relies on for step 1(b).

That does not work because (as discussed above) in claim 1(d), the devices that are wirelessly signaled are those that were already identified in claim 1(b). Thus, claim 1(d) cannot be performed before claim 1(b) is performed. Petitioner's argument is that Zhang wirelessly signals "the one or more *available* devices" before actually determining if they are available. This cannot be. Since the mobile device has not identified an available device before sending the service request, the service request itself cannot (as Petitioner argues) constitute "wirelessly signaling the one or more *available* devices indicating an availability of a media content at the mobile device," as recited in claim 1(d).

The prosecution history makes this even clearer. The claim originally recited "wirelessly signaling *the* one or more devices." The Examiner rejected the claim under 35 U.S.C. § 112, asserting that it was not clear whether this phrase referred to "the *one or more available devices* [recited earlier in the claim] or different one or more devices." EX1002, 240 [Feb. 6, 2019, Office Action at 7]. In response, the inventors noted that the Examiner stated that it was "not clear whether the claimed '*one or more devices*' indicates the one or more available devices or different one or

more devices.” EX1002, 262 [June 6, 2019, Amendment at 7]. They then addressed the Examiner’s concern by stating that they “amended the claim to recite ‘*one or more available devices*’ and not ‘*one or more devices.*’” *Id.* Thus, the inventors confirmed that the language in this claim element referred to the one or more available devices identified in the preceding step. This makes clear that the device(s) that are wirelessly signaled in claim 1(d) are those that were identified as available in claim 1(b). Petitioner’s proposed combination does not satisfy this requirement of claim 1(d).

For the foregoing reasons, Petitioner’s proposed combination fails.

2. Claim 5

Claim 5 depends from claim 1. Petitioner’s proposed combination fails for the reasons discussed regarding claim 1.

3. Claim 6

Claim 6 depends from claim 1. Petitioner’s proposed combination fails for the reasons discussed regarding claim 1.

4. Claim 15

Claim 15(b) recites, *inter alia*, “a controller adapted to identify one or more available devices connected to a local area network (LAN) and compatible to handle the media content.” Claim 15(d) recites, “wherein the controller is adapted to wirelessly signal[] the one or more available devices indicating an availability of the media content at the mobile device.” Petitioner’s purported ground of unpatentability

for claim 15(d) fails for the same reason discussed regarding the similar language of claim 1.

5. Claim 18

Claim 18 depends from claim 15. Petitioner's proposed combination fails for the reasons discussed regarding claim 15.

B. Ground 2

1. Claim 7

Claim 7 depends from claim 1. Petitioner's proposed combination fails for the reasons discussed regarding claim 1.

2. Claim 11

Claim 11 depends from claim 1. Petitioner's proposed combination fails for the reasons discussed regarding claim 1.

3. Claim 16

Claim 16 depends from claim 15. Petitioner's proposed combination fails for the reasons discussed regarding claim 15.

4. Claim 19

Independent claim 19 is written from a different perspective than the '648 patent's other independent claims. For example, whereas claim 15 is directed to a "mobile apparatus for informing a device about an availability of media content," claim 19 is directed to "a device for informing a user about an availability of media content at a mobile device." In other words, claim 15 focuses on a mobile device

(e.g., a mobile phone) that informs another device about an availability of media content at the mobile device. Claim 19, on the other hand, focuses on the (secondary) device that is informed about availability of media content at a different device (the mobile device) and, in turn, informs the user of the secondary device about such media content.

When claim 19 speaks of informing a user about the availability of media content at the mobile device, it indicates that the media content is available to be rerouted from the mobile device to the user's device. This is reflected, for example, in claim 19(b), which recites that the device includes instructions for “communicating information to an intermediate routing device connected to a local area network (LAN) for indirectly receiv[ing] messages or media content routed from one or more available devices connected to the LAN via the intermediate routing device.” In other words, the user's device communicates information to an intermediate routing device that allows the device to receive media content routed from another device (e.g., the mobile device) connected to the LAN. This is consistent with the specification, which is largely devoted to discussion of routing media content from one device (e.g., the mobile device recited in claim 19) to another device (e.g., the user's device recited in claim 19), as illustrated by the following exemplary passages of the '648 patent:

Abstract: The apparatus is for association with electronic equipment and allows for routing the data to a device regarded as the most convenient

for playing the media. The apparatus comprises an announcer device for indicating to surrounding equipment that associated equipment is available for rerouting, thereby to enable receipt of rerouted communications therefrom, and a scout device for scanning surroundings of the associated equipment to find out about compatible equipment in the vicinity, thereby to reroute communications thereto.

1:22-26: The present invention relates to routing of data including multimedia between electronic devices, and more particularly but not exclusively to rerouting of incoming communications that may or may not include multimedia to devices other than the initial receiving device.

4:26-46: The capability of routing of multi-media content (possibly including media transformation and multiplication, i.e. cloning) from one device to another may dramatically upgrade media playing quality, and grant the user the liberty to play the content on any device he wishes, preferably the most suitable device available, regardless of the origin of the content or the device to which the content may initially have been directed, or at which the content originates. Furthermore, by rerouting to a more capable device, a user's satisfaction level may be increased in comparison to having to remain with a device that say is limited by inferior data rate, processing power, memory capacity or input/output facilities. For example, a cellular communication device such as a mobile telephone is such a limited capability device which is typically the initial recipient of a communication. Such an initial recipient, or originator, is referred to hereinafter as the routing-source device.

9:46-50: Either kind of rerouting through the available network

infrastructure may be useful, for example for rerouting of an incoming phone call from a cellular telephone to a colleague in another room within the same organization.

Claim 19(c) recites instructions allowing the user's device to receive a signal from the mobile device indicating an availability of a media content at the mobile device. Claim 19(d), in turn, recites instructions by which the device informs its user about availability of media content at the mobile device.

Since the user of the (secondary) device is informed about *availability* of media content at the mobile device, it means that the media content has not yet been rerouted to the user's device from the mobile device. It is *available* for rerouting to the user's device, but it has not yet been rerouted. This arrangement affords the device's user the opportunity to choose whether to accept the media content. This is consistent with the specification, including, for example, the following embodiment:

6. Option C:

- a. [A] call is automatically routed to an available nearby phone
- b. The person is notified of the routing on the cell phone display
- c. In parallel, the nearby phone uses a loudspeaker to announce the call by calling out Smith's name
- d. The nearby phone rings, or flashes to indicate the rerouted call

7. The person receives the call on the available/chosen land/fixed line phone.

'648 patent at 12:1-10. Thus, in this example, when a call comes into a cell phone (corresponding to the mobile device recited in claim 19), the nearby phone

(corresponding to the user's device recited in claim 19) rings to indicate that a call is coming into the cell phone. The '648 patent also specifically discloses that such an arrangement allows the user of the secondary device the choice to accept media content (e.g., audio content comprising a phone call): "As a further example, an incoming phone call directed at a land/fixed line may be rerouted to a mobile device, thus, effectively using the mobile as a cordless phone. Such a technique may ease *acceptance of a phone call* in a hotel lobby, at a colleague's office, at a restaurant and in many other settings." *Id.* at 5:18-23 (emphasis added). Thus, the user of the secondary device is notified about the call coming into the mobile device (e.g., by the secondary device ringing) and has the option to accept the phone call at the secondary device, with acceptance resulting in the audio content being routed to the secondary device.

Petitioner's proposed combination involves four references. None of them seeks to inform the user of a device about media content (such as a phone call) that is available for rerouting from another device. Thus, it is not surprising that the proposed combination—created by stitching together cherry-picked passages—does not actually achieve the claimed invention.

Petitioner's proposed combination relies on Zhang as its base reference. In Zhang, the helper device (**not a user**) makes the decision on whether to admit, deny, or queue a service request. This is reflected in the Petition:

In Zhang's third step, "request transfer," a helper server responds the

service query, indicating its *availability* to handle the requested service. Specifically, in response to the service query, the helper “server makes the admission decision S648 and informs the client whether its service request can be granted right away, has to be queued[,], or is denied (e.g. not enough total resource on the server or authentication failure) S646.” Zhang, 7:22-25, 7:58-60 (“Once a service request is accepted by a helper server S650, the client is notified S610 and can start transferring service data to the server S612.”).

Petition, 15.

Zhang does not disclose routing a phone call to a helper device, so Petitioner proposes modifying Zhang based on Pasanen (which it asserts does disclose routing a phone call from a mobile device to a wireless audio interface). EX1006, 4:31-34. But Petitioner points to nothing in Pasanen teaching that a user can *accept or decline* a call via the wireless audio interface. (In fact, the sum total of Pasanen’s supposed disclosure relating to routing a phone call amounts to the three lines at 4:31-34.) Nor does Petitioner argue that Zhang should be modified based on Pasanen’s disclosure to permit a user to accept a call at the wireless audio interface. Thus, Pasanen does not impact the proposed combination’s use of Zhang’s technique, under which the helper server decides whether to accept a service request.

Petitioner acknowledges that Zhang does not disclose claim 19(e)’s recitation of “third program instructions executable by the processor to inform the user of said device about an availability of a media content at the mobile device with one or more of the following: flash light, ring, and play a loudspeaker sound.” Instead, Petitioner

argues it would have been obvious to modify Zhang based on Skinner to achieve this claim element.

Skinner teaches using a sensor to “detect[] the occurrence of an event and notifying a user of the event as well as the nature of the event.” Skinner, Abstract. For example, the detected event could be “the receipt of a signal (as for example, a telephone ring signal).” Skinner at 4:13-20, 4:38-42. Skinner teaches that the message could be sent to other communication devices by a controller associated with the sensor. Skinner at 5:9-31, 5:63-6:6. The messages can be presented to the communication devices by, for example, the following means: “audible (such as a series of beeps or audible speech); visual (such as a text message or a flashing light); mechanical (such as vibrations); and electrical (ESD) sensory-based.” Skinner, 6:34-39. Thus, Skinner teaches using a sensor to detect that a phone has rung, but Petitioner points to nothing in Skinner disclosing that a phone call will still be available at the original phone when the notification is received by a communication device. Skinner certainly does not teach routing a phone call from a device that originally received the call to another device. Thus, Skinner’s notification does not teach that a phone call is available at the original phone for routing to another communication device.

Accordingly, in the proposed combination, when Zhang’s mobile device sends a service request to a helper device asking it to accept routing of a phone call, the helper device would make the decision to accept, deny, or queue that request. The

Petition does not state otherwise. Thus, any flashing or ringing at the helper device (per Skinner’s teaching) would not notify a user that media content is currently *available* at the mobile device, thereby allowing the user to choose whether to accept rerouting of the media content to the device (e.g., accepting a phone call such that audio content comprising the phone call would be routed to the secondary device). Rather, in the proposed combination, the flashing or beeping would be notifying the user that the phone call had *already been accepted by the user’s device*. In other words, at that point, the media content would no longer be available at the mobile device—it would have been routed to the user’s device. Similarly, if the helper device denied the request, any flashing or beeping would not notify the user of the availability of the phone call because the device would have already turned down the service request and the phone call would no longer be available to the helper device.

Thus, the proposed combination does not teach or suggest “third program instructions executable by the processor to inform *the user of said device about an availability* of a media content at the mobile device.” This failure arises because none of the combination’s references seeks to provide the user of the secondary device with the ability to choose whether to accept, for example, a phone call to the primary (mobile) device at the secondary device (and thereby have the media content rerouted from the mobile device that originally received the phone call). Nor does Petitioner propose modifying Zhang or the other references to provide this capability.

C. Ground 3

1. Claim 8

Claim 8 depends from claim 1. Petitioner’s proposed combination fails for the reasons discussed regarding claim 1.

2. Claim 10

Claim 10 depends from claim 1. Petitioner’s proposed combination fails for the reasons discussed regarding claim 1.

D. Ground 4

1. Claim 13

Claim 13 depends from claim 1. Petitioner’s proposed combination fails for the reasons discussed regarding claim 1.

IV. Discretionary Denial Under 35 U.S.C. § 314(a) is Appropriate Under *Fintiv*

The Board has recognized that “the advanced state of [a parallel] district court proceeding” can provide grounds for the Board to deny institution of postgrant proceedings under § 314(a). *NHK Spring Co., Ltd. v. Intrix-Plex Tech., Inc.*, IPR2018-00752, Paper 8 at 20; *Apple Inc. v. Fintiv, Inc.*, IPR2020-0019, Paper 15 at 7 (precedential). In *Fintiv*, the Board articulated several factors that “balance considerations of system efficiency, fairness, and patent quality when a patent owner raises an argument for discretionary denial due to the advanced state of a parallel proceeding.” *Fintiv*, Paper 15 at 7. Under circumstances similar to this matter, the Board has denied institution when the analysis of these factors reveals that deciding otherwise would be an inefficient use of Board resources.

The *Fintiv* factors include (1) whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted; (2) proximity of the court's trial date to the Board's projected statutory deadline for a final written decision; (3) investment in the parallel proceeding by the court and the parties; (4) overlap between issues raised in the petition and in the parallel proceeding; (5) whether the petitioner and the defendant in the parallel proceeding are the same party; and (6) other circumstances that impact the Board's exercise of discretion, including the merits. *See id.* at 7-8. Application of the *Fintiv* factors to the present circumstances suggests that discretionary denial is appropriate and will serve the interests of administrative efficiency and conserve the Board's resources.

A. Apple has Not Sought a Motion to Stay the Case in the Western District of Texas

Apple has neither filed a motion to stay the district court litigation nor indicated to the district court that it intends to request a stay of the proceedings pending the Board's decision whether to institute review. This factor strongly favors denial of institution.

B. The Court's Trial Date is Set for More Than Two Months Before the Board's Projected Statutory Deadline

The Board considers the proximity of the court's trial date in the parallel proceeding to the Board's projected statutory deadline for a final written decision. *Fintiv*, Paper 11 at 6. "If the court's trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to

deny institution under NHK.” *Id.* at 9. In *Fintiv*, the jury trial was set to begin “approximately two months before a final written decision would be due in [that] proceeding,” and the Board found that this proximity weighed in favor of discretionary denial. *Fintiv*, Paper 15 at 13.

In the parallel court proceeding here, the current Scheduling Order sets the trial date for November 17, 2025. EX2007, 4. In this proceeding, the Final Written Decision would be expected by January 30, 2026. Thus, trial is expected to begin and conclude more than two months before the statutory deadline. While Petitioner suggests that schedule changes are likely, this is based only on its speculation.

C. The Court and Parties have Invested Significantly in the Parallel Proceeding

The Board considers investment in the parallel proceeding by the court and the parties in determining whether to exercise discretionary denial under § 314(a). *See Fintiv*, Paper 11 at 6. “Specifically, if, at the time of the institution decision, the district court has issued substantive orders related to the patent at issue in the petition, this fact favors denial.” *Id.* at 9-10. Notably, “district court claim construction orders may indicate that the court and parties have invested sufficient time in the parallel proceeding to favor denial.” *Id.* at 10. In *Fintiv*, the Board noted that even though claim construction was complete, “fact discovery [was] in its early stages, with document production ongoing and depositions just getting underway, expert reports [were] not yet due, and substantive motion practice [was] yet to

come.” *Fintiv*, Paper 15 at 14. Even so, the Board in *Fintiv* determined that this “factor weigh[ed] somewhat in favor of discretionary denial.” *Id.*

The parties here have invested significant resources in the district-court litigation. Patent Owners have deposed six of Petitioner’s employees and one of its expert witnesses. EX2002 [Deposition Notices of Petitioner’s Employees and Expert]. Petitioner has deposed both of Patent Owners’ principals. EX2003 [Deposition Notices of Plaintiffs]. The parties have extensively briefed issues relating to venue, as well as a motion to compel discovery. EX2004, Dkt. Nos. 18, 26, 28, 31, 32, 35, 37, 39, 53, 56, 58, 60 [Docket Sheet]. Additionally, Patent Owners have served infringement contentions (EX2005), and Petitioner has served invalidity contentions (EX2006). The parties have also each submitted opening and reply claim-construction briefs, including expert declarations submitted on behalf of each party. EX2004, Dkt. Nos. 70, 72, 75, 76 [Docket Sheet]. The district court is set to conduct a claim construction hearing on November 8, 2024. EX2007, 2 [Scheduling Order].

In sum, the district court and the parties have invested significant resources in the parallel proceeding, so this factor weighs in favor of discretionary denial.

D. There is Complete Overlap Between Issues Raised in the Petition and in the Parallel Proceeding

The Board considers overlap between issues raised in the petition and in the parallel proceeding in deciding whether to exercise its discretion to deny institution.

See Fintiv, Paper 11 at 6. “Accordingly, if the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.” *Id.* at 12. As in *Fintiv*, the same claims are challenged here as in the district court. *See Fintiv*, Paper 15 at 14-15. Petitioner’s invalidity contentions in the district court include the same references that form the bases for this petition. *See* EX2006, 3 [Apple’s Invalidity Contentions]; Petition, 3-4, 72. While Petitioner indicates that if review is instituted, it “stipulates not to assert in the litigation (1) the Proposed Grounds of invalidity presented here nor (2) any grounds utilizing *Zhang* and *Pasanen* for the Challenged Claims,” this falls well short of a *Sotera* stipulation. *See NXP USA, Inc. v. Impinj, Inc.*, Paper 13 at 4, IPR2021-01556. Thus, the complete overlap in asserted references weighs in favor of denying institution.

E. Petitioner and Defendant in the Parallel Proceeding are the Same Party

The Board considers whether the petitioner is a defendant in the parallel proceeding, and, if it is, this fact weighs in favor of denying institution. *See Fintiv*, Paper 11 at 13-14. Apple is the defendant in the parallel district court litigation and the Petitioner in this proceeding, so this factor weighs in favor of discretionary denial. *See id.* at 15.

F. Other Circumstances, Including the Lack of Merit in Petitioner’s Arguments, Favor Denial of Institution

The Board also considers the merits of both petitioners’ and patent owners’

arguments. *See id.* As discussed above, Petitioner’s proposed combination fails to account for at least one limitation in each challenged independent claim. This renders all of Petitioner’s grounds unpersuasive, or, at the very least, does not show that Petitioner’s “case [is] a close call.” *Id.* at 16. The Petition certainly does not constitute a “compelling unpatentability challenge,” which is a higher standard than the institution standard. *Commscope Technologies LLC v. Dali Wireless, Inc.*, Paper 23 at 3, IPR2022-01242.

With this glaring hole in every ground of Petitioner’s argument, the merits of this case “tip the balance” in favor of Patent Owners, and institution should be denied. *See Fintiv*, Paper 15 at 15.

V. Conclusion

For the foregoing reasons, the Board should deny institution.

Dated: October 30, 2024

Respectfully submitted,

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CERTIFICATE OF WORD COUNT

Pursuant to 37 C.F.R. § 42.24(d), Patent Owners certify that the foregoing Patent Owners' Preliminary Response contains 5,010 words, excluding the portions exempted by 37 C.F.R. § 42.24(a)(1), as measured by the word-processing software used to prepare the document.

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§ 42.6(e) and 42.105(a) and (b), I certify that on the date indicated below, a true and accurate copy of the foregoing document was served on the following counsel for Petitioner via e-mail, pursuant to Petitioner's consent to e-mail service:

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