Paper 9

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,

Petitioner

v.

SMITH INTERFACE TECHNOLOGIES, LLC

Patent Owner

IPR2024-01086
10,656,754

PATENT OWNER'S RESPONSE TO
PETITIONER'S NOTICE RANKING FOR
***INTER PARTES* REVIEW OF UNITED STATES PATENT NO. 10,656,754**

I. Introduction

Petitioner contends its multiple petitions are "necessary" "when the patent owner has asserted a large number of claims in litigation." Petitioner's Notice, Paper 3 ("Ranking"), 2 (quoting Consolidated Trial Practice Guide ("CTPG"), 59). Petitioner continues that this is such a necessary case as "Patent Owner is asserting 166 of the '754 Patent's 365 claims." *Id.* But this argument stretches the guidance in the Trial Practice Guide beyond its limits:

> the Board recognizes that there may be circumstances in which more than one petition ***may be*** necessary, including, for example, when the patent owner has asserted a large number of claims in litigation or when there is a dispute about priority date requiring arguments under multiple prior art references. In such cases two petitions by a petitioner may be needed, although this ***should be rare***. Further, based on prior experience, the ***Board finds it unlikely that circumstances will arise*** where three or more petitions by a petitioner with respect to a particular patent will be appropriate.

CTPG, 59 (emphasis added).

Contrary to Petitioner's assertions, the Trial Practice Guide does not convey that Petitioner is entitled to file ***seven*** petitions against the same patent whenever a large number of claims are asserted in litigation. *See id.* "Rather, the operative phrase [in the Trial Practice Guide] is 'may be needed, although this should be rare.'" *Square, Inc. v. Canada Inc.*, IPR2019-01630, Paper 13 at 9 (PTAB Apr. 2, 2020)

(quoting CTPG, 59). While this may be one of the "rare" situations that requires "two petitions," this is not such an "unlikely … circumstance[]" that three petitions are appropriate, let alone the seven petitions asserted here.

Further, while Petitioner alleges that 166 of the '754 Patent's claims are asserted in litigation, Petitioner only challenges just over half (87) of these 166 claims across its seven petitions. Thus, Petitioner challenges an average of just 13 claims per petition.

Fewer than thirteen (13) claims per petition, on average, is well below that of typical petitions and does not present such "unlikely … circumstances" that the Board should institute seven petitions. *Apple Inc. v. Koss Corp*., IPR2021-00679, Paper 14 at 12 (Oct. 12, 2021) ("The Board routinely receives petitions challenging more than 18 claims."); *Fitbit, Inc. v. Koninklijke Phillips N.V*., IPR202000772, Paper 14 at 26 & n.8 (Oct. 19, 2020) (In fiscal year 2019, there were about 16 challenged claims per challenged patent.); *See* 37 C.F.R. § 42.15(a)(1), (3) (basic filing fee for IPR contemplates challenging up to 20 claims). Thus, given the admitted overlap in arguments, Petitioner should have easily been able to challenge all claims in four or fewer petitions (averaging fewer than 22 claims per petition). However, as discussed below, the lack of any material differences supports denial of all but two IPRs.

II. Petitioner Fails to Identify Any Material Difference Compelling Institution of Multiple Petitions

In determining whether more than one petition is necessary, Petitioner should provide "a succinct explanation of the differences between the petitions, why the issues addressed by the differences are material, and why the Board should exercise its discretion to institute additional petitions." CTPG, 60. Yet, Section II (entitled "Material Differences …") of Petitioner's Notice fails to identify any differences and, instead, admits that there is "significant overlap across the petitions" that is required to accommodate "repeating arguments." Ranking, 2. For example, Petitioner admits that each petition includes over 8,000 words of identical text that "cover no actual Challenged Claim." *Id.*, 3. Rather than identifying material differences as requested by the Trial Practice Guide, Petitioner bemoans that the length of its own introductions and discretionary arguments leave it with little room to challenge the claims. However, Petitioner's failure to organize and draft its arguments in a succinct manner is not a reason to institute additional petitions. *See* CTPG, 59-60.

As explained further below, the seven petitions largely repeat the same handful of arguments that could have been distilled into only a few petitions. Nothing in the petitions shows that Petitioner attempted to organize or consolidate its arguments to efficiently challenge the claims. For example, comparing sections III, IV, V, and VI.A.1-3 of IPR2024-01119 (Rank 1) to IPR2024-01116 (Rank 2)

reveals that Petitioner used 6,366 words in these sections of the 1119 IPR and 7,251 words in the 1116 IPR. That is, while complaining about the excessive number of claims and shrinking word count, Petitioner was able to subtract nearly 1,000 words when it suited Petitioner's prerogative. *See e.g.,* 1116 IPR Pet., 3-5 (adding multiple pages of text to discuss the disclosure of the '754 patent).

These inefficiencies are only exacerbated in the other petitions.

In the 1116 IPR Petition, Petitioner challenges claim 27—which it alleges is required to be repeated across five petitions—despite that Petition not challenging any claims that depend from claim 27.

In the 01115 IPR Petition (3rd ranked), Petitioner argues Chaudhri '842 describes a "fade in" and "fade out" functionality and that it was known to combine blur with other "focus and context" techniques in disputing the patentability of claim 37. 1115 Pet., 42-43. Petitioner incorporates this argument into other portions of the Petition and then redundantly repeats large swaths of this incorporated argument, verbatim. *See* 1115 Pet., at 44 (claim 58), 52 (Claim 64), 56 (Claim 67), 57-58 (Claim 68), 65 (Claim 71 – partial repetition). In all, Petitioner spends over 1,100 of its self-inflicted "5,650 words per petition" (Ranking, 3) repeating the same incorporated sentences.

In the 01114 IPR Petition (4th ranked), almost all of the substantive arguments simply repeat text from the higher ranked petition. For example, Petitioner concedes

the mappings to claim 2 and 27 are identical (Ranking, 3-4) and the only major difference in a majority of the challenged claims is the replacement of the claim element identifier and the quoted claim language. When comparing the content for all the dependent (i.e., non-repeated) claims that are challenged in the 01114 IPR Petition, at least 2,188 words are repeated, verbatim, from the -01116 and -01115 Petitions. Together with the 8,350 words repeated to "lay the foundation" (Rank, 3), over 10,500 words of the 1114 Petition (> 75%) is repeated text. Thus, it appears that the only new material in the petition is related to three claims: 36, 57, and 59. Petitioner provides no reasoning as to why these repeated arguments could not have been condensed and incorporated into the higher ranked petitions. Further, although Petitioner indicates the claims as being "verbose," only four of the challenged dependent claims—claims 25, 65, 186 and 208—span more than one paragraph. In fact, independent claim 2—which Petitioner advances across every petition—is, itself, less than 115 words.

Petitioner concedes there are no material differences between its seven Petitions and provides no evidence or rationale as to why its arguments could not have been efficiently presented in two Petitions. Instead, Petitioner presumes it is entitled to as many petitions as it wants because a large number of claims are asserted in the litigation. But this neglects the Board's guidance. Accordingly, all but two Petitions should be denied on this procedural basis alone.

Dated: November 14, 2024

Respectfully submitted,

/Eagle H. Robinson/
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Reg. No. 61,361

Lead Counsel for Patent Owner

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), the undersigned certifies that on November 14, 2024, a complete copy of Patent Owner's Response to Petitioner's Ranking Notice was served via email (by consent), as follows:

IPR50095-0166IP1@fr.com

/Eagle H. Robinson/
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