

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

MAXELL, LTD.,
Patent Owner.

IPR2020-00200 (Patent 10,084,991 B2)
IPR2020-00202 (Patent 10,212,586 B2)¹

Before MICHAEL R. ZECHER, KEVIN C. TROCK, and
JOHN A. HUDALLA, *Administrative Patent Judges*.

TROCK, *Administrative Patent Judge*.

ORDER
Authorizing Reply and Sur-reply
37 C.F.R. § 42.5(a)

On December 19, 2019, Apple Inc. (Petitioner) filed a Petition for *inter partes* review of claims 1–5 and 8–12 of U.S. Patent No. 10,084,991 B2 in IPR2020-00200 and claims 1, 2, 6, 7, 9, 10, 13, 14, and 16–18 of U.S.

¹ The parties are not authorized to use this caption in any filings.

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Patent No. 10,212,586 B2 in IPR2020-00202. Paper 1 (“Pet.”).² Maxell, Ltd. (Patent Owner) filed Preliminary Responses to the Petitions on April 16, 2020. Paper 6 (“Prelim. Resp.”). Patent Owner argues, among other things, that the Board should exercise its discretion under 35 U.S.C. § 314(a) to deny institution of an *inter partes* review because Petitioner’s unpatentability arguments will be resolved in a co-pending district court action between the parties that will conclude “long before” a final written decision will issue in this proceeding. Prelim. Resp. 2; *see id.* at 2–24. According to Patent Owner, “[t]here has been significant time and resources invested by both the Court and the parties in the District Court Action.” *Id.* at 11. For example, Patent Owner states that the district court conducted a four-hour *Markman* claim construction hearing and issued a 57-page *Markman* order, “with a detailed discussion of a number of disputed claim terms and phrases.” *Id.* at 11 (citing Exs. 2005, 2006).

The Petition addresses the Board’s discretion to deny institution under § 314(a) and also refers to the district court action. Pet. 6. The Preliminary Response and accompanying evidence, however, make clear that the district court action has progressed since the time the Petition was filed. *See* Prelim. Resp. 2–21; Exs. 2006 (Claim Construction Memorandum and Order).

Under the circumstances presented here, the panel would benefit from additional briefing by the parties regarding whether we should use our discretion to deny institution under 35 U.S.C. § 314(a). *See* 37 C.F.R. § 42.5(a) (authorizing Board to “enter non-final orders to administer the proceeding”). Recently, in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (“*Fintiv*”), the Board discussed potential

² All citations are to IPR2020-00200 unless otherwise noted.

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applications of *NHK Spring Co., Ltd. v. Intri-Plex Technologies, Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential) (“*NHK*”), as well as a number of other cases dealing with discretionary denial under § 314(a). *Fintiv* identifies a non-exclusive list of factors parties may consider addressing, particularly where there is a related, parallel district court action and whether such action provides any basis for discretionary denial under *NHK*. *Fintiv* at 5–16. Those 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.

Id. at 5–6. While we recognize that Patent Owner addressed these factors in the Preliminary Response (*see* Prelim. Resp. 5–21), we note that the *Fintiv* decision was not issued until after the Petition was filed in this case. We therefore ask the parties to further discuss the *Fintiv* factors in supplemental briefing.

Accordingly, it is

ORDERED that Petitioner may file a reply brief of no more than 10 pages by April 27, 2020, addressing the *Fintiv* factors as set forth above; and

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FURTHER ORDERED that Patent Owner may file a sur-reply of no more than 10 pages by May 4, 2020, addressing only the issues raised in Petitioner's reply.

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