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2 HEARING 7/17/20

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18 JUDGE PETTIGREW: This is Judge

19 Pettigrew. Also on the call with me are Judges

20 Chung, Hudalla, Melvin and Leni. Who do we have

21 on the call for Petitioner?

22 MR. SEITZ: This is Adam Seitz for

23 Petitioner Apple. Also joining me is my partner

24 Paul Hart.

25 JUDGE PETTIGREW: Thank you. And

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1 who do we have on the call for Patent Owner?

2 MR. PLUTA: Good afternoon, your
3 Honor. This is Robert Pluta on behalf of Patent
4 Owner Maxell. And also on the call with me is my
5 colleague Saqib Siddiqui.

6 JUDGE PETTIGREW: Which party
7 arranged for the court reporter?

8 MR. SEITZ: That was Petitioner's
9 counsel. This is Adam Seitz. We arranged for the
10 reporter.

11 JUDGE PETTIGREW: All right, thank
12 you. So we ask you to file a transcript as soon
13 as possible as an exhibit after the call.

14 So we scheduled this call to address an
15 email we received from Petitioner requesting
16 authorization to file a two-page supplemental
17 brief along with appropriate exhibits relating to
18 a summary judgment motion that Maxell filed in
19 the parallel District Court proceeding involving
20 the three patents that are challenged in the
21 three IPRs before us.

22 Petitioner states in an email that the
23 summary judgment motion may impact our analysis

24 of Fintiv Factor 4, the potential overlap of
25 issues between the District Court litigation and

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1 IPRs.

2 The emails do not specify whether Patent
3 Owner opposes the request. In the future please
4 make sure the parties meet and confer before
5 contacting us with any requests. And also you
6 should specify in the email whether the other
7 party opposes the request.

8 Let's start with Petitioner. Please
9 explain briefly why you believe there's good
10 cause for the requested briefing and in
11 particular we'd like to hear the subject of the
12 summary judgment motion and why it's relevant to
13 our Fintiv analysis.

14 MR. SEITZ: Yes, your Honor. This
15 is Adam Seitz on behalf of Petitioner. Thank you.
16 Your Honor, in the summary judgment argument
17 submitted to the District Court, Maxell challenges
18 the invalidity case against the three patents that
19 are subject to the IPRs that we are here
20 discussing.

21 And we believe it is relevant to your
22 Honor's proceeding specifically in the Fintiv

23 analysis regarding the alleged overlap with the
24 District Court. In its sur-reply that was
25 granted to Maxell to discuss the Fintiv factors,

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1 Maxell argued that there was overlap between
2 these proceedings at the P tap and the District
3 Court and that the same issues would be decided
4 and that under Fintiv that was an independent
5 grounds for denial raising the questions of
6 whether there would be inconsistent rulings, et
7 cetera.

8 The summary judgment motion itself that
9 Maxell has filed challenges the reference Abowd
10 A.B. O W D and its public availability. That is
11 one of the issues that the parties have briefed
12 here as well. The question of Abowd and its
13 public availability was the subject of additional
14 briefing in the reply and the sur-reply in these
15 petitions or in these matters as well.

16 One of the most fundamental -- there's two
17 things I want to point out here, your Honor.
18 First, probably the most fundamental thing,
19 Maxell bases its summary judgment motion to the
20 District Court on the fundamental premise that
21 the Abowd article, the question of whether it is

22 publicly available, whether Apple has proved that
23 it's publicly available at the District Court, is
24 one of clear and convincing, a standard that is
25 one of the highest if not the highest at the

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1 civil level for district courts. They say that
2 Apple has failed to show clear and convincing
3 evidence.

4 The board, however, applies a different
5 standard. Under the board's precedential
6 decision in Hulu, the board examines whether
7 Petitioner has shown a reasonable likelihood that
8 the reference, here Abowd, was publicly
9 accessible and a reasonable likelihood of whether
10 the reference qualifies as a printed publication.

11 So looping back to the question of
12 overlap, there is no scenario where there will be
13 inconsistent positions here. The District Court
14 could find on the highest burden of proof, that
15 clear and convincing evidence, that Apple made a
16 very strong showing but failed to meet the clear
17 and convincing standard. The board could find
18 that very same evidence meets a reasonable
19 likelihood standard. That is not an
20 inconsistency such of the type that Fintiv is

21 looking at. That's applying a different standard
22 that Congress expressly authorized as a
23 difference between IPRs and the District Court.

24 And secondarily your Honor the reason that
25 it's important to you is the summary judgment

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1 argument rests on challenging the Abowd as it
2 relates to the do not circulate stamp. That also
3 was subject of additional briefing and the
4 introduction of additional evidence by Petitioner
5 in the reply and sur-reply.

6 Maxell argues to the District Court that
7 the do not circulate stamp means that the
8 reference Abowd was not available to the public.
9 This is on page seven of its summary judgment
10 brief. They further argue that the do not
11 circulate warning indicates that the reference
12 was not meant to be disseminated to the public,
13 and the court if it makes a ruling will do so
14 based on that false premise and an incomplete
15 record from that which the board has.

16 Very specifically, your Honor in this
17 proceeding Apple submitted along with its reply a
18 supplemental declaration from Mr. Mumford, our
19 librarian expert, showing the arguments made

20 regarding the do not circulate are incorrect;
21 that it was accessible to the public. Thus the
22 board has different evidence in front of it than
23 the District Court and a different standard,
24 reasonable likelihood rather than clear and
25 convincing, than those being examined by the

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1 district court.

2 But if Maxell is successful in its
3 arguments to the boards that the same issues will
4 be decided, the board will deny institution. If
5 it's successful convincing the jury or the judge
6 to prevent this issue from going to the jury,
7 then Maxell will have its cake and eat it, too.

8 No tribunal or trier of fact in that
9 situation will look at the key evidence on why
10 Abowd was publicly available under the standards
11 before your Honors, and no tribunal will examine
12 the merits of whether the patents are invalid
13 under the teachings of Hayashida and Abowd as
14 we've put forward in our petition.

15 So your Honor I thought those were
16 significantly important as they impact the Fintiv
17 analysis such that we would like to bring that
18 before.

19 JUDGE PETTIGREW: Let me
20 understand that last part of your argument
21 counsel. So you're saying if we denied using our
22 discretion under 314 applying the Fintiv factors
23 and then in the District Court, the District Court
24 granted Maxell's summary judgment motion, then at
25 that point isn't the District Court saying that

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1 Maxell has shown by clear and convincing evidence
2 that the Abowd reference is not publicly available
3 prior art?

4 MR. SEITZ: That is correct, your
5 Honor, again based on a different standard, and it
6 would avoid a fundamental question of the merits
7 of whether Abowd and Hayashida, the reference
8 before your Honors in our petition, do actually
9 disclose the limitations in the claims. But yes
10 your recitation was correct.

11 JUDGE PETTIGREW: Okay. Let's hear
12 from Patent Owner. First of all, do you oppose
13 the request? Because we didn't get that
14 information.

15 MR. PLUTA: Thank you, your Honor.
16 Yeah, we responded to the board with an email.
17 Hopefully the board received that email.

18 JUDGE PETTIGREW: Apparently we
19 did not get that email. I'm sorry for that.

20 MR. PLUTA: Okay, well, if the
21 board will indulge me I'll summarize it in my
22 response.

23 JUDGE PETTIGREW: Thank you.

24 MR. PLUTA: So we do oppose their
25 request. We think there has been enough briefing

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1 on the Fintiv issue for the board to make an
2 informed decision. However, to the extent the
3 board is considering Apple's request we'd like to
4 put some things into context.

5 Apple's request actually highlights why
6 the board should utilize its discretion under
7 section 314 and Fintiv to deny institution in
8 these proceedings.

9 On June 30th, the parties in the
10 underlying District Court action filed 16 motions
11 across the ten patents at issue there. At least
12 three of those motions filed were directed to the
13 validity of the patents at issue here in these
14 proceedings. Maxell filed two motions and Apple
15 filed a motion directed to these patents as well.

16 These motions were filed long after

17 completion of fact discovery and after completion
18 of expert discovery where both Apple's and
19 Maxell's experts were deposed on the patents at
20 issue in these proceedings. A hearing on those
21 motions is scheduled for September 15th, which is
22 about a month prior to trial in the District
23 Court action and 11 months before any final
24 written decision would be due in these
25 proceedings.

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1 There are several features of both
2 Maxell's motion and Apple's motion that the
3 substantial overlap of issues and why if the
4 board institutes the parties, and the board will
5 have a heavy duplication of that effort.

6 For example, as Mr. Seitz alluded to, the
7 issue of whether the Abowd publication is prior
8 art is the same here as it is in the District
9 Court. Maxell's motion to seek a summary
10 judgment rule that Abowd publication is not prior
11 art, just says the arguments made here before the
12 board. The basis for that intention is the same
13 as it is here.

14 And importantly, Apple's evidence to show
15 that the publication is prior art is precisely

16 the same. In fact Apple has set forth a nearly
17 identical declaration from the librarian
18 Mr. Mumford in the District Court as it has in
19 these proceedings. And Mr. Maxell has already
20 taken Mr. Mumford's deposition.

21 To Mr. Seitz's points or argument that
22 there's a supplemental declaration here from
23 Mr. Mumford, whereas that supplemental
24 declaration doesn't exist in the District Court,
25 that argument should have no merit because Apple

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1 could certainly have, A, gotten that information
2 in during the deposition of Mr. Mumford or simply
3 filed a supplemental declaration from Mr. Mumford
4 in the District Court. You may even still have
5 the opportunity to do so.

6 So the fact that there's different
7 evidence here is kind of a misnomer. In Apple's
8 motion for summary section 101 invalidity but
9 importantly it support its motion arguing that
10 Hayashida, the same reference as used in the
11 petition is known art. And to illustrate this
12 Apple relies on many of the same references from
13 Hayashida as it does in the petition.

14 So Apple's concern -- and that's putting

15 aside even the 103 arguments that overlap between
16 the two proceedings. So Apple's concern that the
17 summary judgment motions present a risk of Maxell
18 convincing both forums to forego looking at
19 invalidity is incorrect. The District Court will
20 look at invalidity and look at it first prior to
21 the board, nearly a year prior to the board,
22 which goes to the very heart of why the board
23 found Fintiv precedential.

24 The substantial overlap of issues favors
25 denial here well before the final written

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1 decision the court will either grant summary
2 judgment in Maxell's or Apple's favor or a jury
3 will decide the issues surrounding the validity
4 of the patent.

5 JUDGE PETTIGREW: Thank you,
6 counsel. Petitioner, I'll give you a brief
7 rebuttal.

8 MR. SEITZ: Thank you, your Honor.
9 I want to start with responding to Mr. Pluta.
10 This is Mr. Seitz responding by clarifying one
11 thing Mr. Pluta said and also going back to your
12 question Judge Pettigrew because I think there's a
13 fundamental point that I don't want to get lost in

14 a mess here.

15 The District Court's ruling on summary
16 judgment will not be whether the reference Abowd
17 is prior art. The summary judgment challenges
18 whether Apple has submitted sufficient evidence
19 to meet the clear and convincing standard.

20 So the ruling that would come out of the
21 District Court would be a question of whether the
22 evidence before the District Court is sufficient
23 to meet the clear and convincing standard.

24 The reason I want to clarify that is
25 because you the board have a different standard,

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1 reasonable likelihood, and you the board have
2 different evidence. Now, Mr. Pluta seemed to
3 brush that under the table and perhaps Apple does
4 I'm not litigation counsel perhaps they do
5 clarify the record. Maxell did not make any
6 reference to the additional evidence from the IPR
7 and inform the District Court about that.
8 Perhaps Apple will.

9 But the point is you have different
10 evidence and a different standard available to
11 you to find whether on a reasonable likelihood
12 standard Abowd is publicly available. The

13 court's ruling will not be inconsistent with
14 yours because it's one of whether Apple has met
15 its evidentiary standard under the clear and
16 convincing standard.

17 JUDGE PETTIGREW: All right, thank
18 you, counsel. Patent Owner, I'll give you one
19 last word if there's anything else you want to
20 say. We can't hear you.

21 MR. PLUTA: I'm sorry, your Honor,
22 I was on mute. The perils of doing this call from
23 my cell phone in the work at home environment. I
24 apologize.

25 JUDGE PETTIGREW: Understood.

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1 MR. PLUTA: I will keep it very
2 brief then.

3 It's not incumbent upon Maxell to
4 supplement the District Court record to match the
5 evidence that Apple submitted in this proceeding.
6 That's Apple's job. But as you pointed out, your
7 Honor, in response to Mr. Seitz's arguments, I
8 mean the burden is on us and I in the District
9 Court.

10 So if we meet that burden and summary
11 judgment is granted, the judge in the District

12 Court will address the invalidity issues of the
13 patents. And if we do not meet that burden and
14 the case goes to trial, the jury will.

15 JUDGE PETTIGREW: All right.

16 Thank you, counsel. I'm going to put everybody on
17 hold for a short period of time while I confer
18 with my colleagues.

19 (Off the record.)

20 JUDGE PETTIGREW: The panel is
21 back on the call. We're going to take this matter
22 under advisement. Petitioner, you arranged for
23 the court reporter. We would like to have the
24 transcript of this call filed as soon as possible.

25 MR. SEITZ: Yes. Will do, your

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1 Honor. I'll file -- there was a similar
2 proceeding between the parties where we had a
3 discussion like this on Monday and they asked me
4 IPR 2020-202 they asked me to submit the rough
5 transcript immediate after the call and then the
6 final when it was done. Would you like me to
7 proceed the same here?

8 JUDGE PETTIGREW: Yes, we would
9 like that, thank you.

10 MR. PLUTA: This is Robert. Could

11 you make one point? I just want wanted to clarify
12 to the extent the board does allow further
13 submissions that in addition to what Apple
14 requested to be submitted we would also then
15 request to complete the record and submit the
16 other motions, the relevant motions.

17 JUDGE PETTIGREW: And what are the
18 relevant motions?

19 MR. PLUTA: Apple's motion to
20 summary judgment as well that further highlights
21 the Hayashida reference.

22 JUDGE PETTIGREW: Okay.

23 MR. SEITZ: Your Honor, may I ask
24 a brief clarification on that? This is Mr. Seitz.

25 JUDGE PETTIGREW: Yes. Go ahead,

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1 counsel.

2 MR. SEITZ: The only other motion
3 I'm aware of to which he could be referring is a
4 101 motion. And I'm wondering if that's it.
5 There's only a passing reference to the Hayashida
6 in saying that people have been doing navigation
7 on devices like this for years. If that's what
8 he's referring to, I guess I'm just wondering if
9 perhaps there's another motion that he's referring

10 to that I'm unaware of.

11 JUDGE PETTIGREW: Mr. Pluta, can
12 you clarify? Is it the 101 summary judgment
13 motion?

14 MR. PLUTA: Yes, your Honor. That
15 is the motion. However, I disagree with
16 Mr. Seitz' characterization of the passing
17 reference. There are six or seven references to
18 the Hayashida reference including about seven
19 paragraphs of Apple's expert that discuss and are
20 cited in the motion that discuss the Hayashida
21 reference and its alleged applicable to the
22 validity of the patents at issue here.

23 JUDGE PETTIGREW: Thank you. If
24 there's nothing else from the parties, then this
25 call is adjourned. Thank you.