

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

UNWIRED PLANET INTERNATIONAL LIMITED,
Patent Owner.

IPR2020-00642
Patent 9,001,774 B2

Before LYNNE E. PETTIGREW, BARBARA A. PARVIS, and
JOHN P. PINKERTON, *Administrative Patent Judges*.

PETTIGREW, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

Petitioner, Apple Inc., filed a Petition for *inter partes* review of claims 6–10 of U.S. Patent No. 9,001,774 B2 (Ex. 1001, “the ’774 patent”). Paper 3 (“Pet.”). Patent Owner, Unwired Planet International Limited, filed a Preliminary Response. Paper 8 (“Prelim. Resp.”). Pursuant to our authorization for supplemental briefing, Petitioner filed a Reply to Patent

Owner's Preliminary Response, and Patent Owner filed a Sur-reply. Paper 9 ("Pet. Reply"); Paper 11 ("PO Sur-reply").

Under 35 U.S.C. § 314 and 37 C.F.R. § 42.4(a), we have authority to institute an *inter partes* review if "the information presented in the petition . . . and any response . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." 35 U.S.C. § 314(a) (2018). The Board, however, has discretion to deny a petition even when a petitioner meets that threshold. *Id.*; see, e.g., *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) ("[T]he agency's decision to deny a petition is a matter committed to the Patent Office's discretion."); *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential, designated May 7, 2019).

Having considered the parties' submissions, and for the reasons explained below, we exercise our discretion under 35 U.S.C. § 314(a) to deny institution of *inter partes* review.

II. BACKGROUND

A. Real Parties-in-Interest

Petitioner identifies itself as a real party-in-interest. Pet. 2. Patent Owner identifies itself as a real party-in-interest and states that "PanOptis Management, LLC provides management support and other services in supporting of licensing, maintenance, litigation and other business activities related to the '774 patent." Paper 6, 1 (Patent Owner's Mandatory Notices).

B. Related Matters

The parties identify the following pending district court proceeding related to the '774 patent: *Optis Wireless Technology, LLC et al. v. Apple Inc.*, No. 2:19-cv-00066 (E.D. Tex.). Pet. 2; Paper 6, 1.

C. Overview of the '774 Patent

The '774 patent describes improvements to techniques for introducing delay diversity in orthogonal frequency division multiplexing (OFDM) networks and orthogonal frequency division multiple access (OFDMA) networks. Ex. 1001, 1:32–37, 1:47–60. In the improved method, channel estimation is performed and symbol processing parameters (i.e., delay values and gain values) are determined based on the channel estimates and mobile speed. *Id.* at 1:61–67. This method artificially introduces frequency diversity by delaying and amplifying multiple copies of the same OFDM symbol and then transmitting the delayed and amplified OFDM symbols from different transmit antennas. *Id.* at 1:67–2:6.

D. Illustrative Claim

Challenged claim 6 is independent, and each of challenged claims 7–10 depends directly from claim 6. Claim 6 is illustrative of the claimed subject matter:

6. A method, comprising:

receiving a processing parameter for transmission of data on two antenna ports, the processing parameter including at least one of a time delay, a phase rotation and a gain determined based on a received uplink signal;

receiving a first pilot, a second pilot, a first data symbol and a second data symbol transmitted on the two antenna ports; and

demodulating the first data symbol and the second data symbol based on the processing parameter, the first pilot and the second pilot.

Ex. 1001, 10:65–11:8.

E. Asserted Ground of Unpatentability

Petitioner asserts that the challenged claims are unpatentable based on the following ground¹ (Pet. 5):

Claims Challenged	35 U.S.C. §	References
6–10	103(a) ²	Onggosanusi ³ , Kuchi ⁴

III. ANALYSIS

Patent Owner contends we should exercise our discretion under 35 U.S.C. § 314(a) to deny institution of *inter partes* review due to the advanced stage of the parallel litigation in the United States District Court for the Eastern District of Texas. Prelim. Resp. 4–12 (citing *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential, designated May 5, 2020) (“*Fintiv*”)). According to Patent Owner, instituting an *inter partes* review “would prejudice Patent Owner, waste Board resources, and contravene Congressional intent for a speedy, just and inexpensive adjudication of the patent validity issues.” *Id.* at 12.

¹ Petitioner identifies two grounds based on the combination of Onggosanusi and Kuchi—one using Patent Owner’s construction of the claim phrase “at least one of a time delay, a phase rotation and a gain,” and a second using Petitioner’s construction. Pet. 5. For purposes of this Decision, we consider obviousness based on Onggosanusi and Kuchi to be a single asserted ground of unpatentability.

² The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 285–88 (2011), revised 35 U.S.C. § 103 effective March 16, 2013. Because the ’774 patent has an effective filing date prior to the effective date of the applicable AIA amendment, we refer to the pre-AIA version of § 103.

³ U.S. Patent Application Publication No. US 2002/0114269 A1, published Aug. 22, 2002 (Ex. 1003).

⁴ U.S. Patent No. 6,542,556 B1, issued Apr. 1, 2003 (Ex. 1004).

In determining whether to exercise our discretion under § 314(a), we are guided by the Board’s precedential decisions in *NHK* and *Fintiv*. In *NHK*, the Board found that the “advanced state of the district court proceeding” was a “factor that weighs in favor of denying” the petition under § 314(a). *NHK*, Paper 8 at 20. The Board determined that institution of an *inter partes* review under the circumstances present in that case “would not be consistent with ‘an objective of the AIA . . . to provide an effective and efficient alternative to district court litigation.’” *Id.* (citing *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16–17 (PTAB Sept. 6, 2017) (precedential in relevant part)). The Board’s cases considering the advanced state of a parallel proceeding “as a basis for denial under *NHK* have sought to balance considerations such as system efficiency, fairness, and patent quality.” *Fintiv*, Paper 11 at 5 (collecting cases). *Fintiv* sets forth the following factors the Board balances when determining whether to exercise its discretion to deny institution:

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. “[I]n evaluating the factors, the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.* at 6.

We now consider the *Fintiv* factors to determine whether we should exercise discretion to deny institution under 35 U.S.C. § 314(a) in this case. Because *Fintiv* issued and was designated precedential after the Petition was filed, we authorized the parties to file supplemental briefing to address the *Fintiv* factors. *See* Pet. Reply 1–8; PO Sur-reply 1–6. After the parties filed their supplemental briefing, the district court held a jury trial, which we address in more detail below. *See* Paper 13, 1 (Patent Owner’s Updated Mandatory Notices, Aug. 19, 2020). As a result, some of the parties’ arguments presented in the supplemental briefing, especially those related to uncertainty of the trial date, are no longer particularly relevant to an analysis of the *Fintiv* factors.

A. Fintiv Factor 1: Stay in the Parallel Proceeding

As noted, the Texas district court trial already has taken place. *See* Paper 13, 1. Petitioner did not move for a stay in the district court proceeding prior to trial. *See* Pet. Reply 1. The parties have provided no evidence regarding whether a stay of any post-trial proceedings may be requested or granted. Under these circumstances, this factor is neutral and does not affect our analysis.

B. Fintiv Factor 2: Trial Date in the Parallel Proceeding

A jury trial involving the ’774 patent and four other patents began in the Texas district court proceeding on August 3, 2020 and concluded with a jury verdict on August 11, 2020. *See* Paper 13, 1; *see also* Paper 12, 1 (Petitioner’s Notice of Claims and Grounds of Invalidity Presented at District Court Trial); Ex. 2022, 5 (jury verdict form indicating Petitioner did

not prove by clear and convincing evidence that claim 6 of the '774 patent is invalid). Thus, the trial ended about one month before the statutory deadline for a decision whether to institute an *inter partes* review and about thirteen months before a final written decision would be due if we did institute an *inter partes* review.

If a court's trial date is earlier than the projected statutory deadline of a final written decision, "the Board generally has weighed this fact in favor of exercising authority to deny institution under *NHK*." *Fintiv*, Paper 11 at 9. In this case, in view of the thirteen-month gap between the date of the district court jury verdict and the projected due date for a final written decision, this *Fintiv* factor strongly favors the exercise of discretionary denial.

C. Fintiv Factor 3: Investment by the Court and the Parties in the Parallel Proceeding

With respect to the third *Fintiv* factor, Petitioner argues that its diligence in filing the Petition favors institution. Pet. Reply 1. Petitioner asserts, for example, that after identifying nearly 140 prior art references across seven asserted patents in its initial invalidity contentions in district court, it diligently evaluated the unique strengths of each prior art reference and combination, searched for additional prior art, and filed petitions challenging only three patents. *Id.* Petitioner also argues it obtained no tactical advantage based on the time the Petition was filed. *Id.* at 2.

Patent Owner argues that this factor weighs heavily in favor of discretionary denial due to the "tremendous" investment in the parallel proceeding by the parties and the court. Prelim. Resp. 8. At the time of the Preliminary Response, the district court had held a *Markman* hearing and issued a claim construction order, fact discovery had closed, and the parties

had exchanged expert reports and conducted expert discovery. *Id.* at 7–8. By the time Patent Owner filed its Sur-reply, the parties had filed dispositive and *Daubert* motions and oppositions. PO Sur-reply 1. Responding to Petitioner’s argument, Patent Owner contends that diligence and tactical advantage are not relevant under *Fintiv* but instead are addressed under *General Plastic* when the Board considers whether to exercise its discretion to deny a petition challenging a patent that was the subject of another petition. *Id.* at 1–2.

Contrary to Patent Owner’s argument, *Fintiv* does provide that a petitioner’s diligence or delay in filing a petition may be relevant under the third *Fintiv* factor. *Fintiv*, Paper 11 at 11–12. Nevertheless, under the circumstances present here, the timing of the Petition does not impact our analysis. As discussed above, the district court held a jury trial that ended with a verdict on August 11, 2020. Thus, the parties and the district court have invested substantial time and effort addressing patent validity in preparing for and conducting a trial in the parallel proceeding. Accordingly, this factor strongly favors the exercise of discretionary denial to prevent the inefficient use of Board resources as well as duplicative costs to the parties.

*D. Fintiv Factor 4: Overlap Between Issues Raised in the
Petition and Parallel Proceeding*

Petitioner argues that the issues raised in the Petition do not substantially overlap those raised in the parallel proceeding because Petitioner did not rely on either Onggasanusi or Kuchi—the references asserted here—in the district court trial. Pet. Reply 2; *see also* Paper 12, 1 (identifying obviousness over Murakami (WO 2005/002013) and obviousness over Murakami and Hottinen (US 2002/0012380) as the two invalidity grounds presented at trial). Patent Owner asserts that Petitioner

earlier raised Onggasanusi in its district court invalidity contentions but dropped it in favor of other references when the parties agreed to limit the total number of references and claims at issue across all patents asserted and challenged in the district court. Prelim. Resp. 8 (citing Ex. 2006, 168⁵ (invalidity contentions including Onggasanusi); Ex. 2007 (narrowing of references and claims)). Furthermore, Patent Owner argues that Onggasanusi and Kuchi are similar to the references at issue in the district court because they are directed to Code Division Multiple Access (CDMA) architectures, not OFDMA, and therefore “the references are cumulative in terms of invalidity theories.” PO Sur-reply 2; *see* Prelim. Resp. 8–9. For support, Patent Owner cites several passages in Petitioner’s invalidity contentions in the parallel proceeding stating that Onggosanusi, Murakami, and Hottinen have “close similarities.” PO Sur-reply 2–3 (citing Ex. 2006, 152, 160, 170).

As for the challenged claims, Patent Owner asserts that the Petition challenges independent claim 6, the same independent claim at issue in the district court proceeding. Prelim. Resp. 9. Patent Owner notes the Petition also challenges dependent claims that are not asserted in the parallel proceeding but contends Petitioner’s analysis for those claims relies on essentially the same arguments and evidence as those for independent

⁵ Citations to Exhibit 2006 in this Decision are to the exhibit page numbers added by Patent Owner rather than the original pagination.

claim 6.⁶ *Id.* Thus, according to Patent Owner, the focus of an *inter partes* review, like the district court proceeding, would be on claim 6, and the fact that the Petition challenges additional claims does not weigh in favor of institution. *Id.* Petitioner contends that Patent Owner’s argument is inapposite because Patent Owner “does not concede that the dependent claims fall with the independent claims.” Pet. Reply 3.

This fourth *Fintiv* factor involves consideration of inefficiency concerns and the possibility of conflicting decisions. *Fintiv*, Paper 11 at 12. Therefore, “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.* “Conversely, if the petition includes materially different grounds, arguments, and/or evidence than those presented in the district court, this fact has tended to weigh against exercising discretion to deny institution.” *Id.* at 12–13.

Looking first at the claims, we agree with Patent Owner that there is substantial overlap in the claimed subject matter challenged in the Petition and the parallel proceeding. Both proceedings involve independent claim 6, and the Petition’s analysis of dependent claims 7–10, which do not add materially different limitations, relies on many of the same arguments and evidence as its analysis of claim 6. *See* Pet. 45–56 (repeatedly referring back to analysis of claim 6 limitations). Also, the claim construction issues in both proceedings are the same, as the Petition proposes a construction for

⁶ The parties’ briefs state that, among the claims challenged in the Petition, dependent claims 7–9 are not at issue in the district court case. Prelim. Resp. 9; Pet. Reply 2. Ultimately, with respect to the ’774 patent, the jury considered the validity of claim 6 only. *See* Paper 12, 1; Paper 13, 1–2; Ex. 2022, 5. Thus, dependent claims 7–10 are challenged here but not in the parallel proceeding.

only one term—“at least one of a time delay, a phase rotation and a gain” recited in claim 6—which also was the only claim term in the ’774 patent at issue in the district court. *See id.* at 18–19; Ex. 1007, 17–18 (Disputed Claim Terms and Evidence); Ex. 2005, 46–49 (Claim Construction Memorandum Opinion and Order).

Regarding Petitioner’s unpatentability and invalidity contentions, both the Petition and the parallel proceeding involve obviousness grounds asserted against the ’774 patent. Petitioner’s preliminary invalidity contentions in district court included obviousness based on Onggosanusi alone or in combination with other references, but prior to trial Petitioner withdrew Onggosanusi from its list of prior art references to be asserted against the ’774 patent. *See* Paper 12, 1; Paper 13, 1–2; Ex. 2006, 148–49; Ex. 2007, 1. Thus, the Petition asserts different references than those considered by the jury during trial. Although Patent Owner contends that the references and grounds are cumulative, we agree with Petitioner that Patent Owner does not provide adequate analysis to show substantial overlap between the obviousness arguments raised by the Petition and those presented in the district court. *See* Prelim. Resp. 8–9; PO Sur-reply 2–3; Pet. Reply 2. Patent Owner’s citations to Petitioner’s preliminary invalidity contentions in the district court proceeding are not sufficient to show that obviousness based on Onggosanusi and Kuchi as asserted in the Petition is substantially the same as the obviousness grounds presented to the jury based on Murakami and Hottinen, neither of which has been submitted as an exhibit in this case.

As discussed, the Petition challenges the same independent claim that was considered in the district court proceeding and raises the same claim construction issue. The dependent claims challenged in the Petition raise

similar issues as independent claim 6. Nevertheless, the Petition presents an obviousness ground based on different references than those in the obviousness grounds asserted in the parallel proceeding, a fact that has tended to weigh against exercising discretion in other Board decisions. *See Fintiv*, Paper 11 at 12–13. On balance, therefore, we view this factor as weighing against the exercise of discretionary denial in this case.

E. Fintiv Factor 5: Whether Petitioner is the Defendant in the Parallel Proceeding

Petitioner here is the defendant in the district court litigation. *See* Pet. 2; Paper 6, 1. On August 11, 2020, the jury rendered a verdict in Patent Owner’s favor with respect to independent claim 6. Paper 12, 1; Paper 13, 1–2. Because the jury trial has concluded, we view this factor as favoring the exercise of discretionary denial.

F. Fintiv Factor 6: Other Considerations

Under the sixth *Fintiv* factor, which takes into account any other relevant circumstances, Patent Owner argues that Petitioner unreasonably delayed in filing the Petition. Prelim. Resp. 10. Petitioner responds that it was diligent in evaluating the unique strengths of the seven patents originally asserted in the parallel proceeding, searching for additional prior art, and ultimately filing only three petitions with the Board. Pet. Reply 1. Having considered the particular factual circumstances of this case, we do not consider Petitioner’s filing untimely.

Petitioner presents extensive policy arguments against the Board’s application of *Fintiv* and *NHK* in determining whether to exercise discretion to deny institution under 35 U.S.C. § 314(a). Pet. Reply 6–8. We do not address these arguments because we are bound by *Fintiv* and *NHK*, which the Under Secretary of Commerce for Intellectual Property and Director of

the U.S. Patent and Trademark Office has designated as precedential decisions of the Board.

Petitioner argues that the strength of its Petition weighs against discretionary denial. Pet. Reply 3–4. Rather than point out particular strengths of the obviousness ground based on Onggosanusi and Kuchi, however, Petitioner uses its Reply to respond on the merits to some of the arguments raised by Patent Owner in the Preliminary Response. *Id.* (citing Prelim. Resp. 13–26, 38–42, 46–47). Patent Owner then offers its own response in its Sur-reply. PO Sur-reply 3–6. As we reminded the parties when we authorized supplemental briefing, we will not consider any arguments regarding the merits that were not raised in the Petition or Preliminary Response. *See* Ex. 2018, 1, 3 (emails authorizing Reply and Sur-reply). In any event, the parties have not identified particular strengths or weaknesses (e.g., in comparison to the obviousness grounds already considered by the jury in the parallel proceeding) that in our view would tip the balance either for or against discretionary denial when considered as part of a balanced assessment of the *Fintiv* factors in this case. *See Fintiv*, Paper 11 at 14–15.

Petitioner also raises additional considerations under this factor that it contends favor institution. Pet. Reply 4–6. Petitioner argues that the public interest would be served if the Board addresses the patentability of the ’774 patent, which Patent Owner alleges is essential to the LTE telecommunications standard. *Id.* at 4 (citing Ex. 1012, 3). Petitioner also argues that “the Board is well suited to address the complex technical subject matter” of the ’774 patent and contends that a detailed analysis by the Board would enhance the integrity of the patent system. *Id.* at 5–6. We do not take Petitioner’s concerns lightly, but Patent Owner correctly asserts

that ample procedural safeguards exist for Petitioner to challenge that '774 patent in federal court, including the availability of an appeal to the U.S. Court of Appeals for the Federal Circuit once post-trial proceedings have been completed.

G. Conclusion

Based on the particular circumstances of this case, we determine that instituting an *inter partes* review would be an inefficient use of Board resources. As discussed above, the trial in the parallel proceeding recently concluded more than one year before we would reach a final decision in this proceeding if we instituted an *inter partes* review. Moreover, the district court and the parties expended considerable time and effort in preparing for and conducting the trial. Against these considerations, which strongly favor the exercise of discretionary denial, we weigh the fact that Petitioner asserts a different obviousness ground here than the two obviousness grounds it presented to the jury. The obviousness ground in the Petition includes a primary reference that Petitioner earlier had included in its district court invalidity contentions but omitted when narrowing invalidity grounds for trial. We are not persuaded, however, that the Petition's showing on the merits is so strong that it outweighs the second, third, and fifth *Fintiv* factors favoring discretionary denial in this case. The remaining considerations discussed above have little or no impact on our assessment.

On balance, after a holistic consideration of the relevant facts and the particular circumstances of this case, we conclude that efficiency and integrity of the system are best served by denying institution. Thus, we exercise our discretion under § 314(a) to deny institution of *inter partes* review.

IV. ORDER

Accordingly, it is

ORDERED that the Petition is *denied*; and

FURTHER ORDERED that no *inter partes* review is instituted.

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