

Filed on behalf of Apple Inc.

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UNITED STATES PATENT AND TRADEMARK OFFICE

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**BEFORE THE PATENT TRIAL AND APPEAL BOARD**

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APPLE INC.,  
Petitioner,

v.

MAXELL, LTD.,  
Patent Owner.

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Case IPR2020-00407  
U.S. Patent No. 6,748,317 B2

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**PETITIONER'S NOTICE OF APPEAL**

Pursuant to 35 U.S.C. §§ 141-142 and 319, 5 U.S.C. §§ 701-706, 28 U.S.C. § 1295(a)(4)(A), and 28 U.S.C. § 1651, and in accordance with 37 C.F.R. §§ 90.2-90.3, and Federal Circuit Rule 15(a)(1), notice is hereby given that Petitioner Apple Inc. appeals to the U.S. Court of Appeals for the Federal Circuit from the Decision Denying Institution of Inter Partes Review entered on August 11, 2020 (Paper 12) in IPR2020-00407, attached as Exhibit A, and all prior and interlocutory rulings related thereto or subsumed therein.

In accordance with 37 C.F.R. § 90.2(a)(3)(ii), Petitioner states that the issues for appeal include, but are not limited to:

(1) whether the U.S. Patent and Trademark Office (PTO) exceeded its statutory authority and violated the text, structure, and purpose of the Leahy-Smith America Invents Act, 35 U.S.C. §§ 311-319 (AIA), and Administrative Procedure Act, 5 U.S.C. §§ 701-706 (APA), by adopting a rule—and applying that rule to deny institution here—that purports to authorize the Patent Trial and Appeal Board (Board) to deny institution of inter partes review (IPR) based on non-statutory, discretionary factors related to the pendency of parallel patent-infringement litigation;

(2) whether the PTO exceeded its statutory authority and violated the APA by adopting a rule governing institution decisions—and applying the rule to deny

institution here—that incorporates non-statutory, discretionary factors that are arbitrary and capricious;

(3) whether the PTO exceeded its statutory authority and violated the AIA and the APA by adopting a rule to govern all institution decisions—and applying that rule to deny institution here—without following the procedures for notice-and-comment rulemaking; and

(4) whether the court of appeals has jurisdiction over this appeal, notwithstanding 35 U.S.C. § 314(d), because the PTO acted in excess of its statutory authority and outside its statutory limits or because the grounds for attacking the decision to deny institution depend on statutes, including the APA, that are less closely tied to the application and interpretation of statutes related to the decision to initiate IPR.

This Notice of Appeal is timely, having been duly filed 16 days after the date of the Decision Denying Institution of Inter Partes Review.

A copy of this Notice of Appeal is being filed simultaneously with the Board, the Clerk's Office for the United States Court of Appeals for the Federal Circuit, and the Director of the PTO.

Dated: August 27, 2020

Respectfully submitted,  
ERISE IP, P.A.

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ATTORNEYS FOR PETITIONER  
APPLE INC.

**CERTIFICATE OF SERVICE**

Pursuant to 37 C.F.R. §§ 90.2(a)(1) and 104.2(a), I hereby certify that, in addition to being filed electronically through the Patent Trial and Appeal Board's End to End (PTAB E2E) system, a true and correct original version of the foregoing Petitioner's Notice of Appeal is being filed by Priority Express Mail on this 27th day of August, 2020, with the Director of the U.S. Patent and Trademark Office, at the following address:

Director of the U.S. Patent and Trademark Office  
c/o Office of the General Counsel  
United States Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450

Pursuant to 37 C.F.R. 90.2(a)(2) and Federal Circuit Rule 15(a)(1), and Rule 52(a), (e), I hereby certify that a true and correct copy of the foregoing Petitioner's Notice of Appeal is being filed in the United States Court of Appeals for the Federal Circuit using the Court's CM/ECF filing system on this 27th day of August, 2020, and the filing fee is being paid electronically using pay.gov.

I hereby certify that on August 27, 2020, I caused a true and correct copy of the foregoing Petitioner's Notice of Appeal to be served via email on the following counsel for Patent Owner:

Robert G. Pluta (rpluta@mayerbrown.com)

Maxell-Apple-Service@mayerbrown.com

Dated: August 27, 2020

Respectfully submitted,

BY: /s/ Adam P. Seitz

Adam P. Seitz, Reg. No. 52,206

COUNSEL FOR PETITIONERS

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

APPLE INC.,  
Petitioner,

v.

MAXELL, LTD.,  
Patent Owner.

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IPR2020-00407  
Patent 6,748,317 B2

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Before LYNNE E. PETTIGREW, MINN CHUNG, and  
JOHN A. HUDALLA, *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 1–3, 5, 10–15, 17, and 18 of U.S. Patent No. 6,748,317 B2 (Ex. 1001, “the ’317 patent”). Paper 1 (“Pet.”). Patent Owner, Maxell, Ltd., filed a Preliminary Response. Paper 6 (“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 8 ("Pet. Reply"); Paper 10 ("PO Sur-reply"); *see* Paper 7, 4 (authorizing reply and 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). 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. Related Matters*

The parties identify the following pending district court proceeding related to the '317 patent: *Maxell, Ltd. v. Apple Inc.*, No. 5:19-cv-00036 (E.D. Tex., filed Mar. 15, 2019) ("the underlying litigation"). Pet. 6; Paper 4, 1 (Patent Owner's Mandatory Notices). The parties also identify an earlier proceeding in which the Board denied institution of *inter partes* review of claims 1–3, 6–8, 10, 15–17, and 20 of the '317 patent: *ZTE Corp.*

*v. Maxell, Ltd.*, IPR2018-00235, Paper 9 (PTAB June 1, 2018). Pet. 6; Paper 4, 1.

Petitioner also has filed petitions in IPR2020-00409 and IPR2020-00408 respectively challenging claims of U.S. Patent No. 6,580,999 B2 (“the ’999 patent”), which is the parent of the ’317 patent, and U.S. Patent No. 6,430,498 B1, which is the parent of the ’999 patent. *See* Ex. 1001, code (63).

### *B. Overview of the ’317 Patent*

The ’317 patent describes “a portable terminal provided with the function of walking navigation, which can supply location-related information to the walking user.” Ex. 1001, 1:16–18. According to the ’317 patent, conventional navigation systems at the time of the invention were unsuitable for walking navigation because they were too large to be carried by a walking user. *Id.* at 1:31–38. At the same time, maps provided by conventional map information services could not be displayed clearly on the small screens of portable telephones. *Id.* at 1:46–52. The invention of the ’317 patent purportedly addressed these problems by providing a portable terminal that can “supply location information easier for the user to understand during walking.” *Id.* at 2:53–54.

The portable terminal described in the ’317 patent obtains location information and direction information of the terminal (i.e., the direction of the tip of the terminal). *Id.* at code (57), 2:66–3:4. Based on this terminal information, the portable terminal obtains and displays information such as route guidance for reaching a destination or neighborhood guidance relating to entertainment, businesses, and restaurants. *Id.* at code (57), 3:5–42. In addition, the portable terminal displays the direction of a destination with an

indicating arrow that always points in the direction of the destination. *Id.* at code (57), Fig. 1.

### *C. Illustrative Claims*

Challenged claims 1 and 10 are independent. Challenged claims 2, 3, 5, 15, and 17 depend directly or indirectly from claim 1; challenged claims 11–14 and 18 depend directly or indirectly from claim 10. Claims 1 and 10 are illustrative of the claimed subject matter:

1. A portable terminal, comprising:

a device for getting location information denoting a [p]resent place of said portable terminal;

a device for getting a direction information denoting an orientation of said portable terminal;

an input device for inputting a destination; and

a display,

wherein

said display displays positions of said destination and said present place, and a relation of said direction and a direction from said present place to said destination, and said display changes according to a change of said direction of said portable terminal orientation for walking navigation.

10. A portable terminal, comprising:

a device for getting location information denoting a present place of said portable terminal;

a device for getting direction information denoting an orientation of said portable terminal;

a device for getting a location information of another portable terminal from said another terminal via connected network; and

a display,

wherein

said display displays positions of said destination and said present place, and a relation of said direction and a direction from said present place to said destination, and said display changes according to a change of said direction of said portable terminal orientation for walking navigation.

Ex. 1001, 10:42–57, 11:34–51.

*D. Asserted Grounds of Unpatentability*

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

<b>Claims Challenged</b>	<b>35 U.S.C. §</b>	<b>Reference(s)</b>
1–3, 5, 15, 17	103(a) <sup>1</sup>	Hayashida <sup>2,3</sup>
1–3, 5, 10–15, 17, 18	103(a)	Hayashida, Abowd <sup>4</sup>

In support of its contentions, Petitioner relies on the Declaration of Dr. Michael D. Kotzin (Ex. 1003).

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 underlying litigation in the United States District Court for the Eastern District of Texas. Prelim. Resp. 2–24; PO Sur-reply 1–10. According to Patent Owner, instituting an *inter partes*

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<sup>1</sup> 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 ’317 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.

<sup>2</sup> U.S. Patent No. 6,067,502, issued May 23, 2000 (Ex. 1004).

<sup>3</sup> Petitioner presents this ground as obviousness over Hayashida and the knowledge of a person of ordinary skill in the art. Pet. 5.

<sup>4</sup> Gregory D. Abowd et al., *Cyberguide: A mobile context-aware tour guide*, *Wireless Networks* 3 (1997) 421–33 (Ex. 1005).

review “would needlessly duplicate” the district court action and “unnecessarily waste the Board’s resources.” Prelim. Resp. 4 (citing *NHK*, Paper 8 at 20 (denying institution)).

After Patent Owner filed its Preliminary Response, we authorized the parties to submit supplemental briefing on the issue of discretionary denial under 35 U.S.C. § 314(a). Paper 7, 4. We specifically authorized the parties to address the factors set forth in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential, designated May 5, 2020) (“*Fintiv*”). *Id.* *Fintiv* provides 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 11 at 5–6. These factors are:

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.*

We now consider these factors to determine whether we should exercise discretion to deny institution under 35 U.S.C. § 314(a). “[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.

*A. Fintiv Factor 1: Stay in the Underlying Litigation*

Petitioner moved for a stay in the underlying litigation, but the district court denied the motion. *See* Pet. Reply 7; PO Sur-reply 2; Exs. 1045, 1052, 2018. Among other reasons, the court stated “[t]he case is not in its infancy and is far enough along that a stay would interfere with ongoing proceedings.” Ex. 1052, 4. Notably, the court denied the motion without prejudice. *Id.* at 6. Although the court stated that “[t]he late stage of the proceedings will certainly weigh against granting a stay” if Petitioner were to file a renewed motion for a stay, the court also stated it could not “say now that the late stage would necessarily outweigh the potential simplification of issues following institution decisions” in this and other *inter partes* review proceedings. *Id.* Given the court’s apparent willingness to reconsider a motion to stay if an institution decision simplified issues for trial, but also considering the late stage of the district court proceeding, with trial scheduled to begin in about four months, we view the first *Fintiv* factor as neutral in determining whether to exercise discretion to deny institution.

*B. Fintiv Factor 2: Trial Date in the Underlying Litigation*

The district court trial date, previously set for October 26, 2020, has been reset for December 7, 2020. Ex. 3001 (August 10, 2020 Order resetting trial date); *see* Pet. Reply 7; PO Sur-reply 2; Ex. 2001. A trial beginning this December would be completed about eight months before a final written decision would be due in this proceeding.

Petitioner notes that the COVID-19 pandemic may affect the trial schedule, and indeed the trial has been delayed by six weeks due to the effects of COVID-19. Pet. Reply 7 n.4; Ex. 3001, 1. Patent Owner cites a

standing order in the court where the underlying litigation is pending “to keep cases moving” despite COVID-19. PO Sur-reply 4 (quoting Ex. 2027, 1). In any event, Patent Owner argues, even if the trial date were delayed by three months, the trial still would precede a final written decision by several months. *Id.* at 3. Although we consider further delays due to the COVID-19 pandemic to be a real possibility despite the trial court’s standing order and the recent order resetting the trial date for December 7, 2020, a delayed trial still may precede a final written decision in this proceeding, which would be due in August 2021. This factor, therefore, favors the exercise of discretionary denial.

*C. Fintiv Factor 3: Investment by the Court and the Parties in the Underlying Litigation*

Petitioner asserts that briefing on dispositive issues and other pre-trial efforts have not yet begun, and the district court has not made any rulings on the merits. Pet. Reply 8–9. According to Petitioner, these facts outweigh the amount of work the court has invested in claim construction. *Id.* at 9.

As evidence of the court’s investment of time and resources, Patent Owner highlights the court’s claim construction hearing and order and its rulings on various motions. PO Sur-reply 5. As for the parties’ investment in the underlying litigation, Patent Owner notes that fact discovery closed on March 31, 2020, except for some depositions postponed due to COVID-19 that are now complete, and expert discovery was scheduled to close on June 25, 2020. *Id.* at 5–6.

At least some of the court’s and the parties’ work related to invalidity has been completed in preparation for the upcoming trial. Because some of this invested effort, including claim construction and expert discovery, likely has relevance to issues in the Petition, this factor favors the exercise of

discretionary denial in this case to prevent duplication of work on similar issues by the Board and the district court.

*D. Fintiv Factor 4: Overlap Between Issues Raised in the Petition and Underlying Litigation*

Petitioner contends there is little overlap between the issues in this case and those in the underlying litigation. Pet. Reply 9–10. First, Petitioner asserts that the Petition challenges claims 1–3, 5, 10–15, 17, and 18, whereas only claims 1 and 17 are at issue in the underlying litigation. *Id.* Second, Petitioner argues that the Petition and the underlying litigation present different grounds of unpatentability and invalidity. *Id.* at 10. In particular, Petitioner contends that neither of the two unpatentability grounds asserted here—obviousness over Hayashida in view of the knowledge of a person of ordinary skill in the art, and obviousness over Hayashida in view of Abowd—remains at issue in the underlying litigation. *Id.* Rather, Petitioner points out that two of the four obviousness grounds in the district court rely on NavTalk as a base reference, a third ground combines Hayashida with Maruyama, which is not asserted here, and the final ground relies on the Cyberguide system in combination with Hayashida. *Id.* (citing Ex. 1047, 2). Although Abowd describes the Cyberguide system, which is asserted as system prior art in the underlying litigation, Petitioner argues that the Cyberguide/Hayashida obviousness ground is materially different from the Hayashida/Abowd obviousness ground asserted in the Petition. *Id.* According to Petitioner, only some pertinent details of the Cyberguide system are described in Abowd, and the proposed modified systems and motivations to combine will be significantly different. *Id.*

Patent Owner contends that the district court ordered it to elect a narrower set of claims in the underlying litigation and this narrowing should

have no impact on the Board's decision whether to exercise discretion to deny institution. PO Sur-reply 8. Patent Owner also contends that although independent claim 10 is no longer at issue in the underlying litigation, Petitioner itself acknowledges the substantial overlap between claims 1 and 10 by substantially relying on its claim 1 analysis for claim 10. *Id.* As for the asserted grounds, Patent Owner argues that the combination of Hayashida and Abowd in the Petition is substantially similar to the combination of Cyberguide and Hayashida asserted in the underlying litigation because Cyberguide is system prior art described in Abowd and developed by its authors and Petitioner is relying on Abowd as part of its Cyberguide set of references. *Id.* (citing Exs. 2009, 2010).

After considering the parties' arguments and the record before us, we determine that the two asserted grounds in the Petition are substantially the same as two of the grounds asserted in the underlying litigation. The first ground in the Petition—obviousness over Hayashida and the knowledge of a person having ordinary skill in the art—is substantially similar to the obviousness ground based on Hayashida and Maruyama in the underlying litigation. Claim 1 is the only independent claim challenged in the Petition on the first ground, and the Petition includes many of the same citations to Hayashida for claim 1 as the Petitioner's expert report in the district court for the combination of Hayashida and Maruyama. *Compare* Pet. 18–34 (analysis of claim 1 for obviousness over Hayashida and the knowledge of a person of ordinary skill in the art), *with* Ex. 2008, 1–28 (expert report claim chart for claim 1); *see also* Prelim. Resp. 8–9 (comparing alleged support from Hayashida relied on in the Petition and in the district court expert report). Indeed, the expert report cites only Hayashida for teaching the limitations of claim 1 and dependent claim 17, and relies on Maruyama as

additional support for just one limitation of claim 15, from which claim 17 depends but which is not challenged in the underlying litigation. Ex. 2008, 1–42. Petitioner does not argue, nor do we see based on the present record, that the proposed combination of Hayashida with Maruyama in the underlying litigation differs materially from the obviousness ground based on Hayashida and the knowledge of a person having ordinary skill in the art asserted in the Petition.

Regarding the second ground in the Petition—obviousness over the combination of Hayashida and Abowd—we agree with Patent Owner that it is substantially similar to obviousness over Cyberguide and Hayashida as asserted in the underlying litigation. Cyberguide is system prior art, but in the district court Petitioner relies on Abowd and two other publications as evidence of “the features and functionalities” of Cyberguide. Ex. 2009, 1 (expert report explaining that the features and functionalities of the Cyberguide system are described in various printed publications, including Abowd<sup>5</sup>); Ex. 2010, 2 n.1 (Final Election of Prior Art indicating that the Cyberguide system and its associated references are considered “one reference” consistent with a court order); *see* Ex. 2007, 1–2 (Apple’s preliminary invalidity contentions relying on Abowd as evidence of the features and functionalities of Cyberguide). Importantly, the expert report’s

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<sup>5</sup> The district court expert report uses “Abowd” to refer to an article with the same author and title as the Abowd reference before us, but with an earlier date. Ex. 2009, 1. The numerous quotations from “Abowd” in the expert report suggest that its content is substantially the same as, if not identical to, that of the Abowd reference cited in the Petition. *Compare* Ex. 2009, 1–29, *with* Ex. 1005, 421–32. Neither party addresses the difference in the dates of Abowd, and we do not view the difference as materially impacting our analysis.

claim chart in the district court primarily quotes *Abowd* to show that Cyberguide teaches limitations of claims 1, 15, and 17. Ex. 2009, 1–29. Thus, Petitioner appears to rely primarily on the same or similar teachings from *Abowd* in the underlying litigation, albeit under the guise of Cyberguide system prior art. Moreover, even though Petitioner argues that “only some pertinent details . . . are described in the *Abowd* publication” (Pet. Reply 10), Petitioner does not purport to show any material differences between its unpatentability analysis based on Hayashida and *Abowd* here and its invalidity analysis based on Hayashida and Cyberguide in the underlying litigation. For these reasons, we find that the assertion of Hayashida and *Abowd* in both proceedings likely will result in duplication of work and create the potential for inconsistent decisions.

As for the challenged claims, independent claim 1 and dependent claim 17 are at issue in both proceedings, and the limitations of dependent claim 15 also must be addressed as part of the analysis of claim 17. Claim 10, the other independent claim challenged in the Petition, is no longer asserted in the underlying litigation. See PO Sur-reply 8. As Patent Owner points out, however, the Petition substantially relies on its analysis of claim 1 for claim 10. *Id.* (citing Pet. 57–60). Claim 10 also recites the following limitation not present in claim 1: “a device for getting a location information of another portable terminal from said another terminal via connected network.” Ex. 1001, 11:40–42. A similar limitation appears in independent claim 1 of the ’999 patent, the parent of the ’317 patent, and will be considered in the underlying litigation as part of the analysis of dependent claim 3 of the ’999 patent. See Ex. 1001, code (63) (identifying the ’999 patent as the parent of the ’317 patent); *Apple Inc. v. Maxell, Ltd.*, IPR2020-00409, Ex. 1001, 10:38–51, 10:56–61 (claims 1 and 3 of the

'999 patent); *Apple Inc. v. Maxell, Ltd.*, IPR2020-00409, Ex. 2012 (expert report claim chart for obviousness of claims 1 and 3 of the '999 patent over Cyberguide and Hayashida in the underlying litigation). Thus, the district court proceeding will address substantially all of the limitations of claim 10 of the '317 patent.<sup>6</sup> As for the remaining dependent claims challenged here, they do not add limitations that are materially different from those of the claims challenged in the underlying litigation. *See, e.g.*, Pet. 34–35, 43–44 (relying on Figure 26 of Hayashida for teaching limitations of both claim 2 and claim 17).

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.* As discussed, there is substantial overlap between the grounds asserted in the underlying litigation and those asserted in the Petition, so that institution of an *inter partes* review likely will result in duplicative efforts by the Board and the trial court as to how the references teach limitations of the challenged claims. Further, both tribunals would address the material issues with respect to whether the asserted prior art teaches the limitations of claims 1, 10, 15, and 17. Finally, the remaining dependent claims challenged here raise similar issues as those

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<sup>6</sup> We also note that claim 10 recites “wherein said display displays positions of *said destination* and said present place” without providing clear antecedent basis for “said destination.” Ex. 1001, 11:34–50 (emphasis added). This ambiguity might present problems in applying the prior art to claim 10 if we were to institute an *inter partes* review in this case. *See* Pet. 60 (acknowledging ambiguity of this limitation).

asserted in the underlying litigation. For these reasons, we determine that this factor on balance favors the exercise of discretionary denial.

*E. Fintiv Factor 5: Whether Petitioner is the Defendant in the Underlying Litigation*

Both parties acknowledge that Petitioner here is the defendant in the underlying litigation. Pet. Reply 10; PO Sur-reply 10. Because the trial court may reach the overlapping issues before the Board would in a final written decision, this factor favors the exercise of discretionary denial in this case. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15, 15 (PTAB May 13, 2020) (informative, designated July 13, 2020) (determining factor 5 weighs in favor of discretionary denial when the parallel proceeding involves the same parties and the trial court may reach overlapping issues before the Board would in a final written decision).

*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. 15–18; PO Sur-reply 10. Petitioner explains that the underlying litigation initially involved ten different patents and “132 possibly-asserted claims,” and that it needed time to locate relevant prior art and prepare petitions for *inter partes* review. Pet. Reply 8. Having considered the particular factual circumstances of this case, we do not consider Petitioner’s filing untimely.

Petitioner also 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 1–7. We need not address these arguments, as the Under Secretary of Commerce for

Intellectual Property and Director of the U.S. Patent and Trademark Office has designated *Fintiv* and *NHK* precedential decisions of the Board.

As noted in *Fintiv*, a balanced assessment of factors may include consideration of the merits. *Fintiv*, Paper 11 at 14–15. Although we do not undertake here a full analysis of the merits, our initial inspection of the record and the parties’ arguments suggests a potential deficiency in Petitioner’s evidence supporting its contention that Abowd was publicly accessible before the effective filing date of the ’317 patent. *See* Pet. 46; Prelim. Resp. 45–56; Ex. 1009. This issue is also the subject of a pending motion for partial summary judgment filed by Patent Owner in the underlying litigation. *See* Paper 11, 2–3 (summarizing conference call with the parties in which the summary judgment motion was discussed); Ex. 1057 (transcript of conference call). In a balanced assessment of the relevant circumstances, and in view of the possible weakness in Petitioner’s showing with regard to Abowd on the present record, this factor is neutral or weighs slightly in favor of discretionary denial.

#### *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 underlying litigation is currently scheduled to begin in approximately four months and may conclude several months before we would reach a final decision in this proceeding. The district court and the parties have expended effort in preparing for the upcoming trial that will address issues that substantially overlap with those raised in the Petition. Further, based on our preliminary assessment of the merits, we have identified a potential deficiency in Petitioner’s evidence regarding the prior art status of Abowd. All of the

*Fintiv* factors discussed above either weigh in favor of exercising discretion to deny institution or are neutral. On balance, after a holistic consideration of the relevant facts, 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.

IPR2020-00407  
Patent 6,748,317 B2

PETITIONER:

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