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Paper 13
Date: September 15, 2020

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

OPTIS WIRELESS TECHNOLOGY, LLC,
Patent Owner.

IPR2020-00466
Patent 8,411,557 B2

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

PARVIS, *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 1–10 of U.S. Patent No. 8,411,557 B2 (Ex. 1001, "the '557 patent"). Paper 3 ("Pet."). Patent Owner, Optis Wireless Technology, LLC, filed a Preliminary Response. Paper 7 ("Prelim. Resp."). Pursuant to our authorization for supplemental briefing, Petitioner filed a Reply to Patent

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Owner's Preliminary Response, and Patent Owner filed a Sur-reply. Paper 8 ("Pet. Reply"); Paper 9 ("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). 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) ("*NHK*").

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. 1. Patent Owner identifies itself as a real party-in-interest and states that "PanOptis Patent Management, LLC has the right to license and assert the '557 patent." Paper 6, 1 (Patent Owner's Mandatory Notices).

B. Related Matters

The parties identify the following pending district court proceeding related to the '557 patent: *Optis Wireless Technology, LLC et al. v. Apple Inc.*, No. 2:19-cv-00066 (E.D. Tex.). Pet. 1; Paper 6, 1.

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C. Overview of the '557 Patent

The '557 patent describes a mobile station and radio communication method for efficiently reporting control information in the RACH (Random Access Channel). Ex. 1001, 1:60–62. The method of the present invention includes selecting one of a plurality of unique code sequences as a signature, according to inputted control information. *Id.* at 2:62–65. The signature (code sequence) is then modulated to generate a RACH signal that is multiplexed and transmitted. *Id.* at 3:1–12.

D. Illustrative Claim

Challenged claims 1 and 10 are independent, and each of challenged claims 2–9 depends directly from claim 1. Claim 1 is illustrative of the claimed subject matter:

> 1. A mobile station apparatus comprising:
>
> a receiving unit configured to receive control information;
>
> a selecting unit configured to randomly select a sequence from a plurality of sequences contained in one group of a plurality of groups, into which a predetermined number of sequences that are generated from a plurality of base sequences are grouped and which are respectively associated with different amounts of data or reception qualities, wherein the predetermined number of sequences are grouped by partitioning the predetermined number of sequences, in which sequences generated from the same base sequence and having different cyclic shifts are arranged in an increasing order of the cyclic shifts; and
>
> a transmitting unit configured to transmit the selected sequence;
>
> wherein a position at which the predetermined number of sequences are partitioned is determined based on the control information, and a number of sequences contained in each of the plurality of groups varies in accordance with the control information.

Ex. 1001, 10:59–11:14.

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E. Asserted Grounds of Unpatentability

Petitioner asserts that the challenged claims are unpatentable based on the following grounds (Pet. 4):

Claims Challenged	35 U.S.C. §	References
1–10	103(a)[1]	Harris[2], Tan[3]
1–10	103(a)	Sutivong[4], Tan

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. 1–11 (citing *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential, designated May 5, 2020) ("*Fintiv*")). According to Patent Owner, we should exercise our discretion "to avoid duplicative efforts that waste the judicial, administrative and the parties' resources and to avoid [a] potentially inconsistent outcome." *Id.* at 1.

Patent Owner also contends we should exercise our discretion under 35 U.S.C. § 325(d) to deny institution of *inter partes* review because the combination of Sutivong and Tan already was considered during prosecution

[1] 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 '557 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.
[2] U.S. Patent No. 8,009,637 B2, issued August 30, 2011 (Ex. 1004, "Harris").
[3] U.S. Patent Application Publication No. US 2007/0165567 A1, published July 19, 2007 (Ex. 1005, "Tan").
[4] International Patent Application Publication No. WO 2006/019710 A1, published February 23, 2006 (Ex. 1003, "Sutivong").

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of the parent of the application that issued as the '557 patent. *Id.* at 11–13. Petitioner acknowledges that during prosecution of the parent, the Examiner rejected all pending claims as anticipated by Tan, and later the Examiner finally rejected all pending claims of the parent as obvious over Tan and Sutivong. Pet. 14–16.[5] Petitioner asserts that applicants "avoided any substantive rejections" in the application that issued as the '557 Patent because applicants' request to participate in the Patent Prosecution Highway (PPH) Program between the U.S. Patent and Trademark Office and the Japan Patent Office (JPO) was granted and the JPO had not considered Tan and Sutivong. Pet. 18 (citing Ex.1006, 62–63, 95–108). Patent Owner responds that "applicants noticed those references in an IDS and specifically pointed out '[t]he references listed on the attached Information Disclosure Statement were submitted to and/or cited by the Patent and Trademark Office in its prior application . . . .'" Prelim. Resp. 12 (citing Ex. 1006, 113–116).

We begin by considering the parties' contentions regarding whether we should exercise our discretion under 35 U.S.C. § 314(a) to deny institution of *inter partes* review.

A. 35 U.S.C. § 314(a)

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

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[5] The '557 patent issued from U.S. Patent Application No. 13/333,805, which claims priority to U.S. Patent Application No. 12/293,530 ("parent"). Pet. 14.

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