UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.
Petitioner

v.

PARUS HOLDINGS, INC.
Patent Owner

Case IPR2020-00686
U.S. Patent No. 7,076,431

PETITIONER'S REPLY TO
PATENT OWNER PRELIMINARY RESPONSE

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Apple submits this reply pursuant to the authorization of the Board to address the *Fintiv* factors. Ex. 1033 (Board's Email). The POPR urges denying the petition based on misapplying the *Fintiv* factors. It also unduly focuses on the alleged overlap between the proceedings, and the time between the current trial date in the litigation ("Texas case") and the Final Written Decision ("FWD"). A balanced weighing of the factors shows that the patent system would best be served by instituting review.

I. THE *FINTIV* FACTORS SUPPORT INSTITUTING IPR

A. Factor 1: Lack of Evidence of Stay Renders This Factor Neutral

No motion to stay has been filed in the Texas case. The Board, "in the absence of specific evidence, [] will not attempt to predict how the district court in the related district court litigation will proceed because the court may determine whether or not to stay any individual case, including the related one, based on a variety of circumstances and facts beyond [its] control and to which the Board is not privy." *Sand Revolution II, LLC v. Continental Intermodal Group-Trucking LLC*, IPR2019-01393, Paper 24 at 7 (June 16, 2020) (Informative). This factor is neutral.

B. Factor 2: Parus' Focus on a Trial Date Only Two Months Before the FWD Ignores Current Realities of Trials in Texas

Parus devotes much of its POPR to arguing that the Texas litigation will reach trial "at least two months before any final written decision deadline in the requested IPR." POPR at 6. But the two-month difference is not the bright-line test Parus suggests it to be. The Board recently has instituted a number of proceedings with a

eight-month difference. *Apple Inc. v. Maxell, Ltd.,* IPR2020-00199, Paper 11 (June 19, 2020); IPR2020-00200, Paper 12 (July 15, 2020). Similarly, in the *Sand Revolution* proceeding, the Board found that a trial date five months before the FWD was "in relatively close proximity to the expected final decision" and insufficient to deny institution. *See Sand Revolution II, LLC v. Cont'l Intermodal Grp.–Trucking LLC*, IPR2019-01393, Paper 24, 8-9 (June 16, 2020). The Board found the five month difference weighed in favor of not exercising discretion because "at this point it is unclear that the court in the related district court litigation will adhere to any currently scheduled jury trial date or, if it is changed, when such a trial will be held." *Id.* at 8-9. This is the precise scenario in the Texas case where civil trials have been canceled and repeatedly rescheduled due to the pandemic creating a backlog that makes any future trial date unclear. Parus also fails to note the current trial date will change if Apple's motion to transfer is granted. Ex. 1034.

Parus' assumption regarding a firm trial date fails to account for the fact that trials in the Western District of Texas currently have been canceled by general order of the Chief Judge and that future trials will be impacted as well. *See, e.g.,* Ex. 1035 (W.D.Tex. General Order canceling trials). Indeed, trials already are being continued due to the pandemic. For example, the MV3 Partners litigation already has had its trial date moved twice. Ex. 1036 at Docket Nos. 301 and 293 (MV3 Partners v. Roku, Docket Sheet) (transcripts unavailable for 90 days). Outside of the pandemic, trial

dates are very fluid. Over 40% of cases have their initial trial dates continued. Ex. 1037. Parus cannot credibly claim that the trial date in this matter is a fixed, immovable date.

C. Factor 3: Apple Did Not Delay Filing For Any Strategic Advantage And The District Court Has Not Invested Significant Resources

By the time the petition was filed, invalidity contentions had just been served. Ex. 1032 at 2. Parus had not provided any responses to those contentions that Apple used in preparing this petition. Nor had the parties submitted proposed claim construction positions or briefs and, thus, there was nothing for Apple to use for its advantage in the Petition. *Id.* For this reason, Parus devotes much of its argument to the "extensive briefing" the parties have done on motions to dismiss—something that has nothing to do with invalidity. By all accounts, Apple prepared and filed its petition as early in the litigation as reasonably possible and "this fact has weighed against exercising the authority to deny institution under *NHK*." *Apple Inc. v. Seven Networks, LLC*, IPR2020-00156, Paper 10 at 11-12 (June 15, 2020).

Moreover, the relevant question is what resources the Court has invested into the question of invalidity and, in that regard, the answer is none. No *Markman* hearing has occurred, fact discovery is not open, dispositive motions have not been filed, no expert reports have been completed, and no *Daubert* challenges have been filed. As the Board in *Sand Revolution* recognized, "we recognize that much work

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