

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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GOOGLE LLC, SAMSUNG ELECTRONICS CO., LTD., and SAMSUNG  
ELECTRONICS AMERICA, INC.,  
Petitioner,

v.

AGIS SOFTWARE DEVELOPMENT, LLC,  
Patent Owner.

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IPR2020-00873  
Patent 9,820,123 B2

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Before TREVOR M. JEFFERSON, CHARLES J. BOUDREAU, and  
FREDERICK C. LANEY, *Administrative Patent Judges*.

JEFFERSON, *Administrative Patent Judge*.

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

## I. INTRODUCTION

Google LLC, Samsung Electronics Co., Ltd., and Samsung Electronics America, Inc. (collectively, “Petitioner”) filed a Petition for *inter partes* review of claims 1–48 (the “challenged claims”) of U.S. Patent No. 9,820,123 B2 (Ex. 1001, “the ’123 patent”). Paper 5 (“Pet.”). Patent Owner, AGIS Software Development LLC, filed a Preliminary Response. Paper 12 (“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 13 (“Pet. Reply”); Paper 14 (“PO Sur-reply”); *see* Ex. 1037 (authorizing the parties’ reply and sur-reply).

Under 35 U.S.C. § 314(a), an *inter partes* review may not be instituted unless the information presented in a petition and any preliminary 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.” Further, the Board 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) (“*NHK Spring*”).

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 Proceedings*

The parties identify various judicial or administrative matters that would affect or be affected by a decision in this proceeding. Pet. 74–75. Paper 7, 1–5 (Patent Owner’s Mandatory Notices). Of particular relevance for our Decision, the parties identify that the ’829 patent is the subject of the following pending civil actions: *AGIS Software Dev., LLC v. Waze Mobile Ltd.*, No. 2:19-cv-00369 (E.D. Tex.); *AGIS Software Dev., LLC v. Google LLC*, No. 2:19-cv-00361 (E.D. Tex.); and *AGIS Software Dev., LLC v. Samsung Elecs. Co., Ltd.*, No. 2:19-cv-00362 (E.D. Tex.). Pet. 73; Paper 7, 4. The parties inform us that these three civil actions were consolidated on February 20, 2020, with the case involving Google as the lead case (referred to below as “the parallel District Court proceeding”). Pet. 73; Prelim. Resp. 3.

### *B. The ’123 Patent*

The ’123 patent generally discloses a wireless handheld device “used in conjunction with a remote Server . . . to quickly establish a communication network of cell phone participants having a common temporary ad hoc network using mobile wireless communication devices.” Ex. 1001, 1:40–46. The mobile devices on ad hoc network can “either broadcast to a group or selectively transmit to each of the other [wireless devices] . . . its GPS position and status.” *Id.* at 2:57–3:14.

*C. Illustrative Claim*

Petitioner challenges all claims, claims 1–48, of the '123 patent. Claims 1, 14, 23, and 36 are independent. Independent claim 1 is illustrative.

1. A computer-implemented method comprising:
  - performing, by a first device:
    - receiving a message sent by a second device, wherein the message relates to joining a group;
    - based on receipt of the message sent by the second device, sending first location information to a first server and receiving second location information from the first server, the first location information comprising a location of the first device, the second location information comprising one or more locations of one or more respective second devices included in the group;
    - sending, from the first device to a second server, a request for georeferenced map data;
    - receiving, from the second server, the georeferenced map data;
    - presenting, via an interactive display of the first device, a georeferenced map and one or more user-selectable symbols corresponding to one or more of the second devices, wherein the symbols are positioned on the georeferenced map at respective positions corresponding to the locations of the second devices represented by the symbols, and wherein the georeferenced map data relate positions on the georeferenced map to spatial coordinates; and
    - identifying user interaction with the interactive display selecting a particular user-selectable symbol corresponding to a particular second device and user interaction with the display specifying an action and, based thereon, using an Internet Protocol to send data to the particular second device,
    - wherein identifying the user interaction selecting the particular user-selectable symbol comprises:
      - detecting user selection of a portion of the interactive display corresponding to a position on the georeferenced map, and

identifying the particular user-selectable symbol based, at least in part, on coordinates of the selected position, comprising:  
searching a set of symbols for a symbol located nearest to the coordinates of the selected position, wherein the set of symbols includes the user-selectable symbols corresponding to the second devices in the group, and wherein data associated with the set of symbols include coordinates of portions of the display corresponding to the symbols in the set, and  
based on a result of searching the set of symbols, identifying the particular user-selectable symbol as the symbol located nearest to the coordinates of the selected position, wherein the particular user-selectable symbol corresponds to the particular second device.

Ex. 1001, 14:59–15:45.

*D. Asserted Ground of Unpatentability*

The information presented in the Petition sets forth the following proposed grounds of unpatentability for the challenged claims of the '123 Patent (Pet. 6):

<b>Claim(s) Challenged</b>	<b>35 U.S.C. §<sup>1</sup></b>	<b>Reference(s)/Basis</b>
1–48	103	'724 patent, <sup>2</sup> Borghei <sup>3</sup>

Petitioner relies on the Declaration of David Hilliard Williams to support this contention (Ex. 1003, “Williams Dec.”).

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<sup>1</sup> The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (September 16, 2011) (“AIA”), included revisions to 35 U.S.C. §103 that became effective on March 16, 2013. Because the '123 patent issued from an application filed before March 16, 2013, we apply the pre-AIA version of the statutory basis for unpatentability.

<sup>2</sup> U.S. Patent No. 7,630,724 B2, issued Dec. 8, 2009 (Ex. 1005, “the '724 patent”).

<sup>3</sup> U.S. Patent App. Publication No. 2012/0008526 A1, published Jan. 12, 2012 (Ex. 1014, “Borghei”).

### III. PRELIMINARY MATTERS

Patent Owner contends we should exercise our discretion under 35 U.S.C. § 314(a) to deny institution of *inter partes* review. Prelim. Resp. 3–13; PO Sur-reply 1–4. Patent Owner contends that “[t]he circumstances of the parallel District Court proceeding necessitate denial of the Petition under the Board’s precedent, as every factor considered in relation to efficiency, fairness, and the merits supports denial.” Prelim. Resp. 3 (citing *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”). According to Patent Owner, “institution of this proceeding would not be consistent with the objective of the AIA to ‘provide an effective and efficient alternative to District Court litigation.’” *Id.* at 8 (quoting *NHK Spring*, Paper 8 at 20).

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). Ex. 1037. The parties addressed further the factors set forth in *Fintiv*, which 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 contends the first *Fintiv* factor “favors institution because Judge Gilstrap commonly grants stays after institution of an IPR” and that it intends to seek a stay now that the Petition has been filed. Pet. 71–72 (citing *Uniloc USA, Inc. v. Google, Inc.*, 2:17-cv-00231-JRG, Order (E.D. Tex. Oct. 3, 2017); *Intellectual Ventures II LLC v. BITCO Gen. Ins. Corp.*, 6:15-cv-59, Memorandum Opinion and Order (E.D. Tex. May 12, 2016); *Memsmart Semiconductor Corp. v. AAC Techs.*, 2:14-CV-1107-JRG, Order (E.D. Tex. July 10, 2015); *Image Processing Techs. LLC v. Samsung Elecs. Co.*, No. 2:16-cv-505-JRG, Order (E.D. Tex. Oct. 25, 2017)). Petitioner notably, however, fails to provide any analysis of these cited cases to demonstrate that the facts presented here are analogous to those leading Judge Gilstrap to determine a stay was appropriate. Patent Owner counters that Petitioner’s “motion for a stay has been denied,” although a renewed motion will be permitted if we grant institution of *inter partes* review. Prelim. Resp. 11–12. Patent Owner contends, however, that any renewed

motion by Petitioner for a stay of the parallel district court proceedings will likely be denied. *Id.* at 12–13. This is so, Patent Owner argues, because, by the time the District Court is able to hear such a motion, the case will have developed to the later stages of the proceedings. *See id.* Furthermore, Patent Owner argues that because “the Petitioners . . . cop[ied] this Petition from previous filings, their delay is likely to weigh heavily against them.” *Id.* at 12 (citing *Intellectual Ventures v. FedEx et al.*, No. 2:16-cv-00980-JRG, Dkt. 141 at 4-5 (E.D. Tex. Oct. 24, 2017)).<sup>4</sup> Given the District Court’s apparent willingness to reconsider a motion to stay if we grant institution of *inter partes* review, but also considering the later stage of the district court proceeding, with trial scheduled to begin in a little over four months, we view the first *Fintiv* factor, on balance, 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 in the parallel litigation is set for April 5, 2021. Ex. 2004. In the Order setting this date, it further states that the date “cannot be changed without showing good cause,” which “is not shown merely by indicating that the parties agree that the deadline should be changed.” *Id.* at 5 (emphasis omitted). A trial beginning on that date would

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<sup>4</sup> Patent Owner also argues that “Petitioners will already have filed their ‘expedited summary judgment’ motion on the sufficiency of the incorporation by reference statement in the ‘123 Patent and its ancestors,” but there is no evidence that this has occurred. Prelim. Resp. 13. Petitioner represent to the contrary that “no such motion is ‘imminent’ as [Patent Owner] suggests.” Pet. Reply 1–2. We find this argument by Patent Owner to be speculative and thus give it no weight.

be completed about seven months before a final written decision would be due in this proceeding.

Although the trial date is set by an Order of the District Court that requires “good cause” to be changed, Petitioner contends that we should consider that date to be “highly uncertain.” Pet. 72. This is so, according to Petitioner, because it has filed motions to dismiss the case for improper venue. *See id.* Patent Owner counters by noting that Petitioner does not “contest that the proximity of the trial favors denial of institution” and asserts that Petitioner’s contention regarding the “uncertainty” of the trial date “is based on conclusory assumptions.” Prelim. Resp. 8. Patent Owner argues that Petitioner’s reliance on its motion to dismiss to establish uncertainty is nevertheless undermined by the fact that “Judge Gilstrap has since denied [Petitioner’s] motion to transfer at least one [other] case concerning the same accused products” at issue in the parallel litigation between the parties in this proceeding. *Id.* at 8–9 (citing *Personalized Media Commc’ns, LLC v. Google LLC*, 2:19-cv-00090-JRG, Dkt. No. 291 (E.D. Tex. Jul. 30, 2020)).

On the record before us at this time, the only persuasive *facts* that we have regarding the proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision is an Order by the District Court that sets trial for April 5, 2021, which will require “good cause” to be changed, and our projected statutory deadline, which would be toward the end of November 2021. While we appreciate that the trial date is susceptible to change if and when the District Court determines good cause exists to do so, we decline to speculate whether such a contingency will occur. Instead, we must base our evaluation on the existing facts supported

by the evidence of record. This factor, therefore, significantly favors the exercise of discretionary denial.

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

In the Petition, Petitioner contends that the parallel litigation “is still at its early stages” and that neither the District Court nor the parties have invested significant resources. Pet. 72–73. Patent Owner counters by arguing that, by the time this Institution Decision is due, the parties will have completed claim construction proceedings, exchanged infringement and invalidity contentions, and conducted substantial discovery. Prelim. Resp. 10; *see also* Ex. 2004. In addition, Patent Owner contends, “Petitioners also fail to justify their delay in bringing this proceeding, which is largely copied from other Petitions filed in 2018.” Prelim. Resp. 11 (citing *Apple Inc. v. AGIS Software Dev. LLC*, IPR2018-00819, Paper 1 (PTAB March 22, 2018); *Google LLC v. AGIS Software Dev. LLC*, IPR2018-01086, Paper 2 (PTAB May 15, 2018)). Patent Owner argues that, despite Petitioner “undisputedly know[ing] of the[] grounds [asserted in the Petition] since the outset of the [parallel] litigation,” “[t]hey fail to articulate any justification for their delay,” which has “further ensured that the parties would continue to invest in the District Court Litigation through trial.” *Id.* at 11. In its Reply, Petitioner notably does not dispute Patent Owner’s contentions regarding the time and resources that will have been invested in the parallel litigation by the time of this Decision, nor does it provide any explanation why it took over seven months to file a petition alleging grounds of unpatentability that are significantly similar to earlier petitions filed.

It appears undisputed on the record before us that the parties have invested a significant amount of work related to the '123 patent in preparation for trial, including claim construction, fact discovery, and expert discovery. *See* Ex. 2002; Ex. 2003. Some of this invested effort has relevance to issues that would arise in this proceeding and thus weighs toward exercising discretion to deny institution, but its weight is lessened without any evidence that the district court has issued any orders related specifically to the patent at issue in the Petition. *See Fintiv*, Paper 11 at 10 (“If, at the time of the institution decision, the district court has not issued orders related to the patent at issue in the petition, this fact weighs against exercising discretion to deny institution under *NHK*.”).

For this factor, however, we also consider the timing of the Petition and, “notwithstanding that a defendant has one year to file a petition, it may impose unfair costs to a patent owner if the petitioner, faced with the prospect of a looming trial date, waits until the district court trial has progressed significantly before filing a petition at the Office.” *Fintiv*, Paper 11 at 11. To assist with this evaluation, the Board asks clearly for Petitioner to “explain [the] facts relevant to timing” to show the reasonableness of a delayed filing of the Petition. *Id.* Petitioner provides no explanation here.

The absence of any reasonable explanation for the delay in filing the Petition is particularly problematic in this case because there is significant overlap between the subject matter and alleged grounds of unpatentability found in the Petition and those petitions previously filed against U.S. Patent 9,467,838, a parent of the '123 patent. *See Apple Inc. v. AGIS Software Dev. LLC*, IPR2018-01471, Paper 1 (PTAB July 31, 2018); *Google LLC v. AGIS*

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*Software Dev. LLC*, IPR2018-01086, Paper 2 (PTAB May 15, 2018). The Petitioner is also challenging the patentability of every claim in the '123 patent, which suggests that there was no need for Petitioner to delay filing until Patent Owner identified which specific claims of the '123 patent were being asserted. When “the evidence shows that the petitioner[s] did not file the petition expeditiously . . . or even if the petitioner cannot explain the delay in filing its petition,” we weigh this factor toward exercising discretion to deny institution. *Fintiv*, Paper 11 at 11–12. Because the evidence shows that Petitioner had everything it needed to file the Petition much earlier in the parallel district court proceedings and because Petitioner offers no explanation for why the filing was delayed, we find the timing of the Petition weighs heavily toward exercising discretion to deny institution.

Therefore, weighing all of the above considerations, this factor significantly favors the exercise of discretionary denial.

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

Petitioner contends “[f]actor 4 favors institution because this petition challenges all claims in the '123 patent whereas the district court will (at most) decide the patentability of only a subset of the challenged claims.” Pet. 73. However, for the claims in common, Patent Owner correctly notes that “Petitioners do not contest that they argue the exact same grounds for invalidity in the District Court Litigation.” Prelim. Resp. 6. In their Reply, Petitioner argues that any weight given to the overlapping issues is eliminated because it “ha[s] offered a conditional stipulation to not rely on the Petition’s prior-art grounds in the district-court litigation if the PTAB grants institution here.” Pet. Reply 2–3 (citing Ex. 1038). Patent Owner

disagrees that Petitioner’s “conditional stipulation” cures the inefficiency of the Board considering the arguments in the Petition and identifies as support the Petitioner’s express reservation of the right “to argue the central issue of this petition—the priority date of the ’123 Patent—in District Court.” PO Sur-reply 2 (citing Pet. Reply 3).

After considering the parties’ arguments and the record before us, we determine that substantial overlap exists between the issues raised in the Petition and the underlying litigation. Regarding the differences in the claims challenged here and in the district court, “if a petition involves the same prior art challenges but challenges claims in addition to those that are challenged in the district court, it may still be inefficient to proceed because the district court may resolve validity of enough overlapping claims to resolve key issues in the petition.” *Fintiv*, Paper 11 at 13. The Petition shows that substantial overlap exists between Petitioner’s arguments and evidence for the unpatentability of the claims in the ’123 patent; for example, the Petition groups and addresses all of the independent claims together, as well as several of the independent claims. *See, e.g.*, Pet. 22–70. As such, the resolution of the claims elected in the district court will likely resolve validity of enough overlapping claims to resolve the key issues presented by the Petition. Notably, Petitioner does not offer any explanation for why the Petition includes materially different grounds, arguments, and/or evidence than those presented in the district court. Thus, although the challenged claims asserted in this proceeding may not be identical to those that the parties elect to pursue at trial in the underlying litigation, the differences do not appear to be meaningful in this case.

Nor are we persuaded that Petitioner’s proposed “conditional stipulation” alleviates the concerns of potential inefficiencies and the possibility of conflicting decisions. Petitioner’s proposed stipulation is ambiguous. *See* Ex. 1038. It states, “Petitioners will not pursue in their current district court proceedings . . . any of the same prior art grounds presented in an instituted IPR petition(s),” but expressly “preserve[s] the right to make arguments regarding the priority date of [Patent Owner’s] asserted patents in the district court proceedings.” *Id.* We note, initially, that the stipulation does not appear to limit Petitioner from relying on the prior art asserted in the Petition, but instead limits the waiver to the specific *grounds* asserted in the Petition. It is thus unclear whether the scope of the stipulation would actually limit Petitioner’s ability to rely on the prior art in the related district court proceedings in a meaningful way to avoid duplicative efforts and potentially conflicting decisions. For example, it appears Petitioner could still rely on the same prior art for many of the same claim elements so long as it also includes another prior art reference in a manner that would, at least arguably, establish the ground to be a “different” ground than the ones presented here. In addition, Patent Owner correctly notes that Petitioner expressly preserves the right to make arguments regarding the priority date of [Patent Owner’s] asserted patents in the district court proceedings, which is indisputably a potential issue for the ’123 patent in both proceedings.

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. 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*

It is undisputable that Petitioner here is the defendant(s) in the underlying litigation. *See* Pet. 74–75; Prelim. Resp. 5. Because there appears to be overlapping issues that the trial court will likely analyze and resolve for the same parties more than seven months before we would issue a final written decision, this factor favors the exercise of discretionary denial in this case.

*F. Fintiv Factor 6: Other Considerations*

Under the sixth *Fintiv* factor, which takes into account any other relevant circumstances, Petitioner contends that this factor “favors institution because the grounds in the petition provide a strong showing of obviousness.” Pet. 73. Although we do not undertake here a full analysis of the merits, our initial inspection of the record and the parties’ arguments suggest that there is a reasonable likelihood that Petitioner would prevail with respect to at least one of the claims challenged in the Petition. In a balanced assessment of the relevant evidence of record, and in view of the

possible strength of Petitioner's showing on the present record, this factor is neutral.

*G. Fintiv 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 about four months and may conclude several months before we would reach a final decision in this proceeding. Furthermore, the record shows that Petitioner delayed filing the Petition without any excuse for the delay and, therefore, bears significant responsibility for the fact that 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. 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.

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