

No. 20-1683

IN THE
United States Court of Appeals for the Federal Circuit

APPLE INC.,

Appellant,

v.

QUALCOMM INC.,

Appellee.

Appeal from the United States Patent and Trademark Office, Patent Trial and
Appeal Board, *Inter Partes* Review No. IPR2018-01276

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CERTIFICATE OF INTEREST

Case No. 20-1683

Apple Inc. v. Qualcomm Inc.

Filing Party/Entity: Qualcomm Inc.

I certify the following information and any attached sheets are accurate and complete to the best of my knowledge.

Date: November 12, 2020

Signature: /s/ Jonathan S. Franklin

Name: Jonathan S. Franklin

1. Represented Entities (Fed. Cir. R. 47.4(a)(1)) – Provide the full names of all entities represented by undersigned counsel in this case.

Qualcomm Incorporated

2. Real Party in Interest (Fed. Cir. R. 47.4(a)(2)) – Provide the full names of all real parties in interest for the entities. Do not list the real parties if they are the same as the entities.

None

3. Parent Corporations and Stockholders (Fed. Cir. R. 47.4(a)(3)) – Provide the full names of all parent corporations for the entities and all publicly held companies that own 10% or more stock in the entities.

None

4. Legal Representatives – List all law firms, partners, and associates that (a) appeared for the entities in the originating court or agency or (b) are expected to appear in this court for the entities. Do not include those who have already entered an appearance in this court. Fed. Cir. R. 47.4(a)(4).

Norton Rose Fulbright US LLP: Ross Viguet, Catherine Garza

5. Related Cases – Provide the case titles and numbers of any case known to be pending in this court or any other court or agency that will directly affect or be directly affected by this court’s decision in the pending appeal. Do not include the originating case number(s) for this case. Fed. Cir. R. 47.4(a)(5). See also Fed. Cir. R. 47.5(b).

The following cases present related questions regarding Apple’s lack of standing: *Apple Inc. v. Qualcomm Incorporated*, No. 20-1561; *Qualcomm Incorporated v. Intel Corporation*, Nos. 20-1587, -1588, -1654 (consolidated); *Apple Inc. v. Qualcomm Incorporated*, No. 20-1642; *Apple Inc. v. Qualcomm Incorporated*, Nos. 20-1763, -1764 (consolidated); *Apple Inc. v. Qualcomm Incorporated*, No. 20-1827

6. Organizational Victims and Bankruptcy Crimes – Provide any information required under Fed. R. App. P. 26.1(b) (organizational victims in criminal cases) and 26.1(c) (bankruptcy case debtors and trustees). Fed. Cir. R. 47.4(a)(6).

None

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JURISDICTION

As explained below, *see infra* at 21-35, the Court lacks Article III jurisdiction over this appeal.

STATEMENT OF THE ISSUES

1. Whether appellant Apple Inc. (“Apple”) lacks standing.
2. If standing exists, whether substantial evidence supports the Board’s finding that the record evidence does not demonstrate that a person of ordinary skill in the art would have been motivated to modify U.S. Patent Application Publication 2012/0041767 (“Hoffman”) to arrive at the claims of U.S. Patent No. 8,971,861 (“the ’861 patent”).
3. If standing exists, whether substantial evidence supports the Board’s finding that U.S. Patent No. 7,278,966 (“Hjelt”) fails to teach or suggest “selecting ... content from a plurality of predefined content,” and “transmitting ... the selected content to the mobile device,” as required by the claims of the ’861 patent.

STATEMENT OF THE CASE

A. The Settlement Between Qualcomm And Apple.

In 2017, Qualcomm asserted the ’861 patent against Apple in *Qualcomm Inc. v. Apple Inc.*, No. 3:17-cv-02402 (S.D. Cal.). In that suit, Qualcomm accused certain Apple products of infringing claims of the ’861 patent.

On April 16, 2019, Qualcomm and Apple announced an agreement to settle and dismiss all infringement litigation worldwide between the two companies with prejudice, including claims involving the '861 patent. *See* Appx2308. The case asserting the '861 patent was accordingly dismissed with prejudice shortly thereafter. *See* Order on Jt. Mot. to Dismiss at 1, *Qualcomm Inc. v. Apple Inc.*, No. 3:17-cv-02402-CAB-MDD (S.D. Cal. Apr. 23, 2019), Dkt. 198 (“The parties’ joint motion for dismissal with prejudice is hereby GRANTED” and “all parties are DISMISSED with prejudice”); Appx2 (Board decision noting dismissal).¹ Qualcomm and Apple also entered a six-year global patent license agreement, with a two-year extension option, that addressed, *inter alia*, the patented technology. Appx2308.

On February 3, 2020, following briefing and argument, the Board issued a Final Written Decision in this *inter partes* review proceeding, finding that Apple had “not shown by a preponderance of the evidence that challenged claims 1-34 of the '861 patent are unpatentable.” Appx2. On April 6, 2020—roughly one year after Qualcomm and Apple announced their settlement and license agreement—Apple filed its notice of appeal. Qualcomm moved to dismiss this appeal for lack

¹ The Court may take judicial notice of the dismissal order because that order is public and filed in a related court proceeding. *L.A. Biomedical Rsch. Inst. v. Eli Lilly & Co.*, 849 F.3d 1049, 1061 n.6 (Fed Cir. 2017) (“We can properly take judicial notice of the records of related court proceedings.”).

of standing, but the Court, “deem[ing] it the better course for the parties to address standing in their merits briefs,” denied the motion without prejudice. *See* Appx2422-2423.²

B. The '861 Patent.

The '861 patent describes a system in which a host computer system selects relevant predefined content based on physiological or environmental information received from a mobile device and thereafter delivers that predefined content to the mobile device. The '861 patent explains that prior-art techniques for delivering content required “various forms of ‘active’ [user] input, such as search strings or other input via a keypad or pointing device, to an Internet browser being executed on the mobile device.” Appx68 at 1:22-30. To improve on the prior art, the specification explains that:

In addition to active input, a mobile device, such as a cellular phone, can collect environmental data and physiological state data of the user to assist in providing relevant content, such as advertisements, recommendations, and applications to a user of the mobile device. These forms of data, when used together and/or in conjunction with other data gathered about the user, may allow for content to be targeted more precisely to the user.

² As noted above, *supra* at ii, other cases presenting similar standing issues are currently pending before the Court.

Appx70 at 6:35-42. The use of physiological-state and/or environmental data allows delivered content to be better targeted to the user and thus more likely to be acted upon. *Id.* at 6:21-25.

Figure 1 (annotated below) illustrates a system 100 including [blue] host computer system 140 that communicates with [yellow] mobile device 110 “via [red] network 130 and/or wireless network 120” to receive physiological state and environmental data from mobile device 110. Appx72 at 10:15-24.

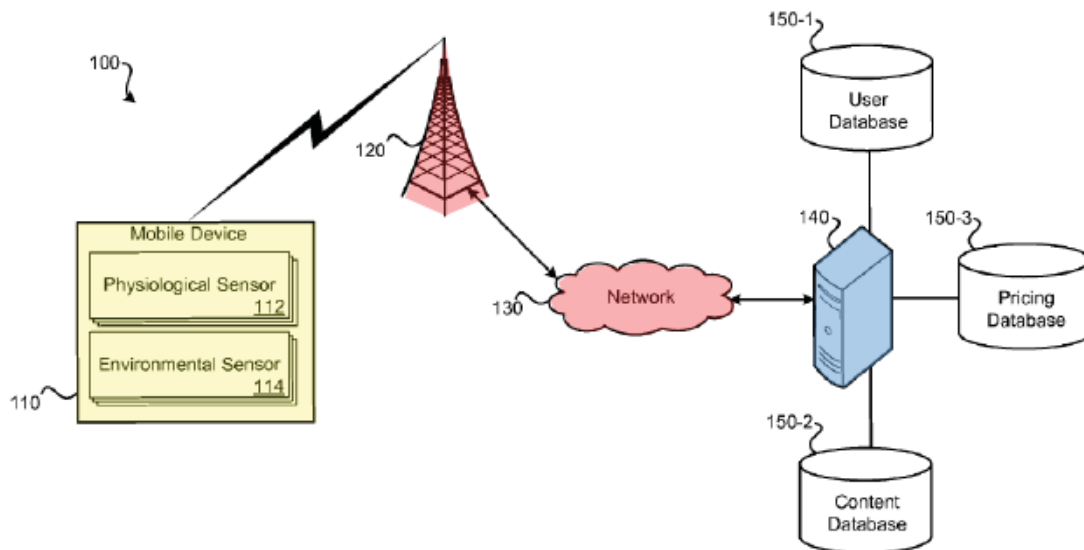


FIG. 1

The host computer system can also “analyze environmental and physiological state data received from mobile device 110,” and, “[b]ased, at least partially, on [that data],” select content to be transmitted “to mobile device 110.” *Id.* In the ’861 patent, content transmitted to the mobile device must be predefined—*i.e.*, the content exists before receiving the physiological state data. Appx70 at 6:35-39;

Appx79 at 24:13-20 (claimed method requires “selecting ... content from a plurality of predefined content” and “transmitting ... the selected content to the mobile device”); Appx80 at 25:22-28 (same); Appx80 at 26:28-34 (same).

The patent provides examples of predefined content including predefined advertisements, recommendations, and applications. Appx70 at 6:21-51; *see also* Appx68 at 1:64-65 (explaining that content may be advertisements); Appx68 at 2:47-48 (same); Appx69 at 3:36-37 (same); Appx69 at 4:18-19 (same); Appx71 at 7:5-53 (same); Appx72 at 9:1-32 (content may include recommendations). For example, if a user experiences an increased heart rate when purchasing an item, a pre-existing advertisement for the same item from another merchant may be transmitted to the user’s mobile device. Appx71 at 8:11-33. In another example, when a user experiences high stress, a pre-existing advertisement for “a massage, and/or a relaxing product, such as an iced mocha latte” may be transmitted to the mobile device. *Id.* at 8:34-49. In a third example, if a user is inactive, but physiological state data indicates the user’s heart rate is high, “content regarding high blood pressure treatment and/or medication may be presented to the user via the mobile device (possibly along with a recommendation to see a doctor).” Appx72. at 9:21-32. Advertisements may also be transmitted based on detecting that a user is tired, dehydrated, engaging in an activity (such as running), or interested in a particular activity. Appx71-72 at 8:49-9:21.

Claim 1 of the '861 patent is representative. This appeal centers on two claim elements (emphasized below), which are referred to as the “selecting” and “transmitting” elements, respectively:

1. A method for selecting content for delivery, the method comprising:

receiving, by a host computer system, from a mobile device, physiological state data collected from a user of the mobile device;

analyzing, by the host computer system, the physiological state data collected from the user of the mobile device;

selecting, by the host computer system, content from a plurality of predefined content to deliver to the mobile device at least partially based on the physiological state data collected from the user, the selected content not including the physiological state data collected from the user; and

transmitting, by the host computer system, the selected content to the mobile device.

Appx79 at 24:6-20.³

Importantly, the Board construed the phrase “plurality of predefined content” to mean “multiple content items *that exist prior to receiving the physiological state data.*” Appx12. Apple does not challenge this construction. Thus, it is undisputed that the claimed “predefined content” cannot be created based on, and thus after receiving, physiological state data. The Board also construed “physiological state data” as “data about the user’s physical condition,”

³ All emphasis added unless otherwise noted.

Appx10, which the patent describes as “heart rate data, heart rate variability data, skin conductance level data, number of electrodermal responses data, or change in skin temperature data,” Appx68 at 2:51-54. In contrast, the Board construed “environmental data” as “data about the environment,” Appx10, which the patent describes as including “the location of the mobile device, motion of the mobile device (e.g., speed and patterns), the temperature of the mobile device, objects in the vicinity of the mobile device, etc.,” Appx70 at 6:52-55.

As the Board correctly recognized, the disputed elements operate together to define the “selected content” that is ultimately “transmit[ted] ... to the mobile device.” *See* Appx40. Specifically, the claims require transmitting to the mobile device “selected content” that:

- (1) “is selected from a plurality of predefined content (i.e., from ‘multiple content items that exist prior to receiving the physiological state data’),”
- (2) “is [selected] at least partially based on the user’s collected physiological state data,” and
- (3) “does not include the collected physiological state data.”

Appx40-41. Apple’s challenges to the Board’s non-obviousness determination center on whether the prior art teaches or renders obvious “selecting” and “transmitting” content that satisfies these requirements.

C. The Prior Art.

1. Hoffman.

Hoffman describes “an activity monitoring” system that “may be used to encourage individuals to participate in athletic activities and improve their fitness levels.” Appx583, ¶ [0004]; Appx1706, ¶ 69.

Hoffman describes two “monitoring device” embodiments. The first refers to Figures 2-4. Appx585-587, ¶¶ [0037]-[0049]; Appx1707, ¶ 70. Figure 2 (annotated below) depicts athletic monitoring device 201, which includes [blue] digital music player 203, [red] electronic interface device 205, and [yellow] athletic parameter measurement device 207. Appx585, ¶ [0037].

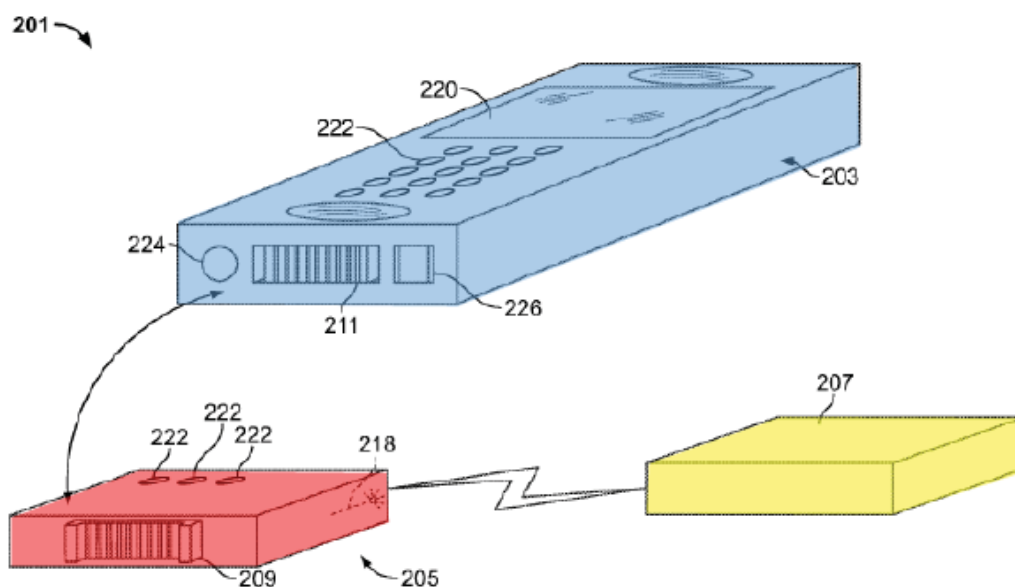
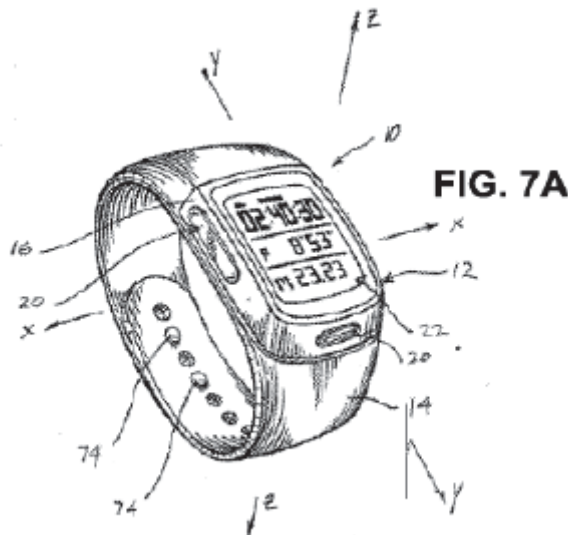


FIG. 2

Digital music player 203 is connected to electronic interface device 205, which is worn or carried by a user. *Id.* Athletic parameter measurement device 207 is also worn or carried by the user, and transmits information to electronic interface device 205. *Id.* The information received is then relayed by electronic interface device 205 to digital music player 203. *Id.*

The second “monitoring device” embodiment refers to Figures 7A and 7B. Appx589-590, ¶¶ [0062]-[0068]; Appx1711, ¶ 79. Figure 7A (reproduced below) illustrates “an athletic activity monitoring device or watch that may be used to track a user’s athletic activity.” Appx589, ¶ [0062]. The watch can communicate with separate sensors, such as an accelerometer or heart rate monitor. *Id.*, ¶ [0063].



Hoffman also describes an “athletic performance monitoring system 801” that collects and analyzes “user information and activity information such as workout data, on-line browsing statistics, shopping preferences and the like to

formulate a digital portrait of the user.” Appx590, ¶ [0069]. As shown in Figure 8A (annotated below) athletic performance monitoring system 801 [blue] includes several interfaces—803, 805, 807, and 809—through which the system can send and receive information. Appx590-591, ¶¶ [0070]-[0071]. Interface 803 [red] “allow[s] remote devices, (e.g., watch 10 or FIGS. 7A and 7B), to submit and receive information.” *Id.* Although Hoffman discloses that athletic activity detected by watch 10 “may be transmitted” via interface 803 *from* the remote device to system 801, *id.*, Hoffman nowhere discloses what type of information may be transmitted *to* the remote device.

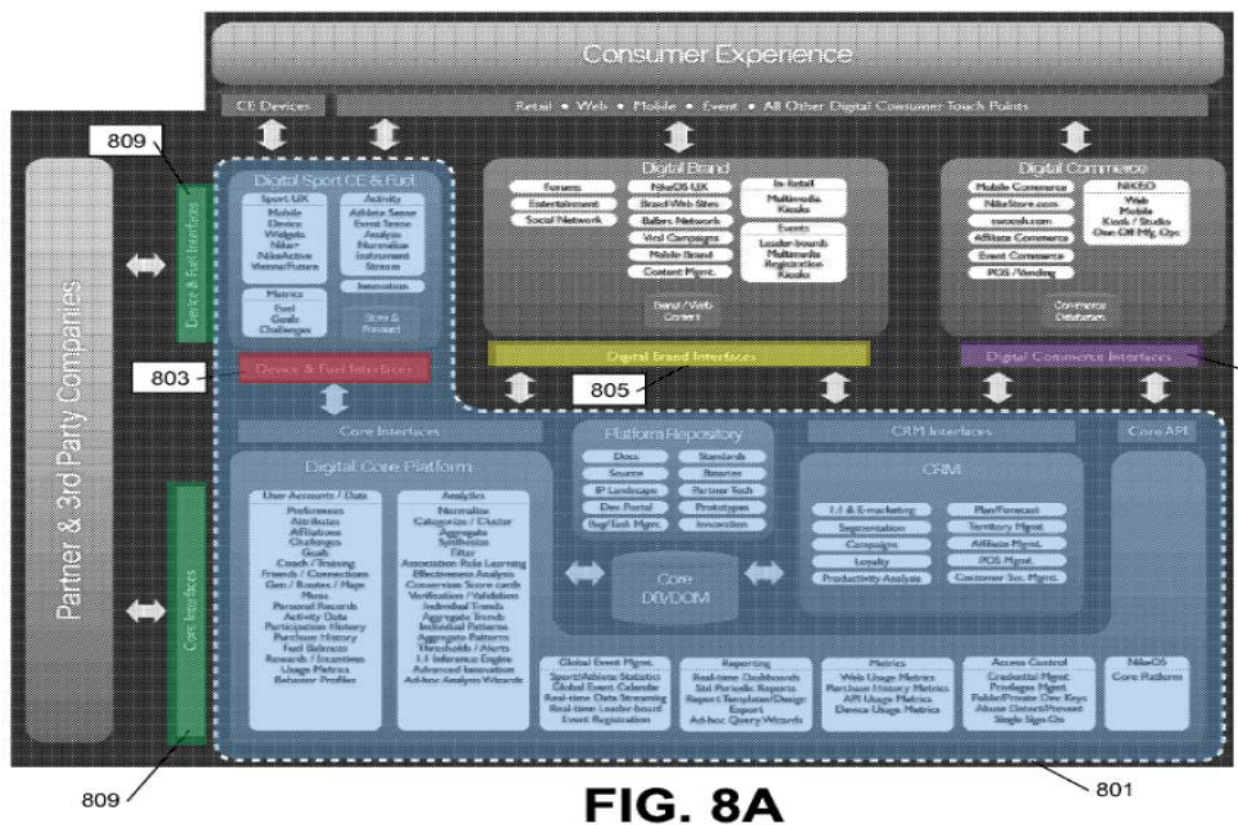
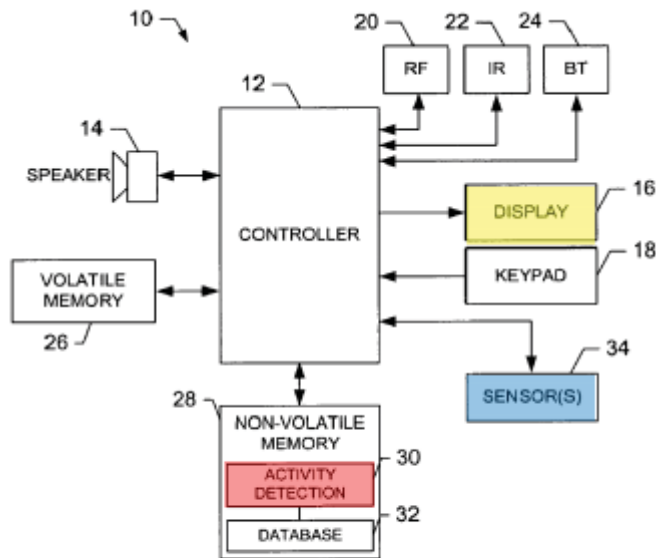


FIG. 8A

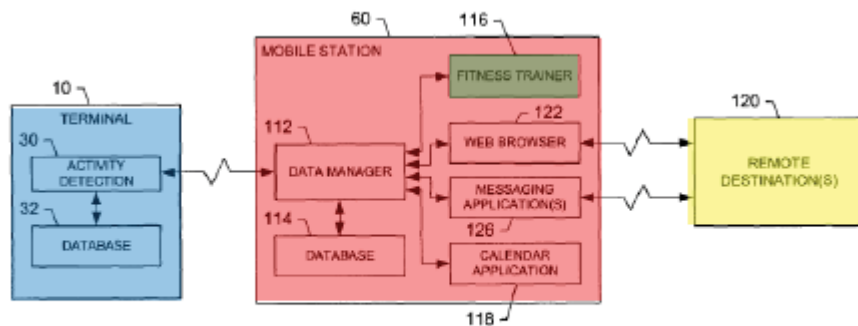
Hoffman further discloses that system 801 “may submit content such as articles, posts in forums, entertainment content and/or social network content ... to other sites or systems through [yellow] interfaces 805,” “may include digital commerce [purple] interfaces 807 that provide an outlet for consumers to purchase products and services,” and “may further allow partner and third party entities ... to provide additional products or -services ... through [green] interfaces 809.” Appx590-591, ¶¶ [0070]-[0071]. But Hoffman does not disclose that any of interfaces 805, 807, or 809 can communicate with Hoffman’s remote devices, such as watch 10 of Figures 7A and 7B.

2. Hjelt.

Hjelt describes “[a] system for managing physiological information [that] “includes a mobile terminal and at least one destination.” Appx705. Figure 1 (annotated below) depicts a mobile terminal 10, which includes a display 16 [yellow] and sensors 34 [blue] (*e.g.*, heart rate sensors and accelerometers). Appx707; Appx725 at 5:14-16, 5:42-44, 6:19-34, 6:59-63. From display 16 [yellow], a user can select an activity to engage in or activity detection module 30 [red] can automatically detect a type of activity based on information from sensor 34 (accelerometer). Appx726 at 7:27-65.

FIG. 1.

As shown in Figure 17 (annotated below), terminal 10 [blue] interfaces with mobile station 60 [red] that communicates with remote destinations 120 [yellow]. Appx721; Appx733 at 22:41-62.

FIG. 17.

Hjelt's fitness trainer application 116 [green] can either be located in mobile station 60 [red], shown in Figure 17, or in remote destination 120. See Appx734 at

23:4-14, 23:38-43; Appx735 at 26:13-16. Hjelt discloses that fitness trainer application 116 “receive[s] piece(s) of the physiological information” from terminal 10 [blue]. Appx735 at 26:13-18. Thereafter, the physiological information is used to “creat[e], modify[], or otherwise customiz[e] workout programs or routines, including setting reminders, alarms or the like ... based upon ... a workout program,” which can be “transfer[ed] ... to the terminal.” Appx733 at 22:25-40; *see also* Appx735 at 26:13-29; Appx735-736 at 26:65-27:14. Thus, Hjelt expressly teaches that the information transferred to the terminal consists of workout programs that are created, modified, or otherwise customized based on received physiological information, rather than programs that existed *before* receiving that physiological information.

D. The Board’s Decision.

Apple challenged claims 1-34 of the ’861 patent in light of Hoffman and Hjelt. *See* Appx8; Appx89; *see also* Opening Br. 24-25. The Board found that Apple failed to demonstrate that either reference anticipates or renders obvious any challenged claim. Appx2.

The Board found that Hoffman does not anticipate any challenged claim because it does not disclose “transmitting selected content to the mobile device,” as the claims require. Appx27-28. As explained above, under the Board’s unchallenged claim construction, the “selecting” and “transmitting” elements

operate together to require transmission of content that: (1) “exist[s] prior to receiving the physiological state data,” (2) “is [selected] at least partially based on the user’s collected physiological state data,” and (3) “does not include the collected physiological state data.” *See supra* at 6-7. The Board found that, “although Hoffman explains that information may be transmitted to a mobile device, via interface 803, Hoffman does **not** disclose the type of information that is transmitted through that interface, and **certainly does not** disclose transmission of the claimed ‘selected content.’” Appx27. Apple does not challenge this non-anticipation holding on appeal. Opening Br. 37 n.3.

The Board further found that Hoffman does not render obvious any challenged claim because there is no record evidence that an ordinarily skilled artisan would have had a reason to modify Hoffman to arrive at the claimed invention. Appx28-32. As the Board explained, Apple’s purported justifications—that “Hoffman is capable of receiving selected content,” and “does not disparage receiving selected content”—“are not **reasons why** an ordinarily skilled artisan would have been motivated to transmit selected content to Hoffman’s remote device.” Appx30 (emphasis in original). Rather, Apple’s arguments “suggest only that an ordinarily skilled artisan **could have** configured such a system,” which is insufficient to demonstrate obviousness. *Id.* (emphasis in original).

The Board also found that Hjelt does not invalidate any challenged claim because it does not disclose “selecting” and then “transmitting” to a mobile device content that “exists prior to receiving the physiological state data.” Appx40-50. Specifically, the Board found that, even assuming Hjelt discloses “selecting ... content from a plurality of predefined content,” it does not disclose or render obvious transmitting the “selected content” to the mobile device. Appx44 (expressing agreement with Qualcomm’s contention that Hjelt does not disclose or render obvious transmitting to the mobile device content that existed before receiving physiological information).

Apple argued that Hjelt teaches the “transmitting” element because it discloses transmitting to Hjelt’s mobile device: (a) new exercise programs, Appx44-45; (b) modified exercise programs, Appx46-49; and (c) other content, such as “new and adjusted goals, calendar reminders, and alerts,” Appx49. The Board found, however, that the record evidence does not demonstrate that any of that content “exist[s] prior to receiving the physiological state data,” as required under the Board’s now-unchallenged construction. Appx40-50.

With respect to Hjelt’s new exercise programs, the Board found that “Hjelt does not specify when this information was created, *e.g.*, when it ‘existe[ed],” and Apple did not identify “any persuasive evidence demonstrating that Hjelt’s new exercise program exists ... before receiving the physiological information.”

Appx44-45. Instead, the Board found persuasive the testimony of Qualcomm’s expert “that such content did not exist prior to receiving physiological information, but rather is created upon receiving such information.” Appx46.

Similarly, the Board found that the record evidence does not demonstrate that Hjelt’s modified exercise programs existed before receiving the physiological information. Appx46. Rather, Hjelt teaches creating a modified exercise program by modifying or adjusting “an existing exercise program” *in light of* “the received physiological information.” Appx46-47 Thus, Hjelt’s modified exercise program cannot constitute the claimed “selected content.” Appx47. The Board further found that, even if the original, base program on which Hjelt’s modified program is based exists before receiving the physiological information, Appx46, no record evidence shows that any “portion of the original, base exercise program is transmitted [to Hjelt’s mobile device].” Appx47.

Finally, with respect to the “other content” identified by Apple, the Board found that the record evidence does not demonstrate “when these items came into existence and, as above, [Apple] does not [identify] any persuasive evidence demonstrating that these content items exist at the critical point in time—before receipt of physiological state data.” Appx49.

The Board also rejected Apple’s argument that it would have been obvious to modify Hjelt to select and transmit “predefined content.” Appx48-49. The

Board found that, even assuming Hjelt discloses “predefined content,” the evidence does not “identify any *reason why* an ordinarily skilled artisan would have found it obvious” to select and transmit such content. Appx48. Apple asserted merely that “Hjelt ‘contemplates’ storing libraries of content” that could have been selected and transmitted. *Id.* Even accepting Apple’s assertion as true, the Board found that it fails to “explain why” a person of skill in the art would have modified Hjelt to arrive at the claimed invention. Appx48.

In light of these factual findings, the Board found that neither Hoffman nor Hjelt invalidates any challenged claim. Appx54.

SUMMARY OF ARGUMENT

I. This appeal should be dismissed because Apple lacks standing and, accordingly, the Court lacks Article III jurisdiction. Apple seeks to invalidate certain claims of the ’861 patent, but the infringement litigation regarding those claims has been settled and dismissed with prejudice, and Apple may now use the claimed technology without any fear of retribution. The injury that typically supports standing in an IPR appeal—that the challenger is already subject to an infringement suit or reasonably fears imminent suit if the challenged claims remain valid—is thus entirely lacking in this case.

Apple nevertheless argues that it possesses constitutionally significant injury because it *might* infringe the ’861 patent in 2025 or thereafter, once the

Commercial Info

Qualcomm has granted it expire, and Qualcomm *might* decide to sue at that remote time. But Apple's professed concern about events that might occur years into the future does not create a present Article III controversy. Indeed, Apple has offered no evidence as to what products it will be marketing in 2025 and beyond, and, in any event, such evidence would amount to nothing but speculation.

Apple further claims that its **Commercial Info** under its agreements with Qualcomm give rise to standing. That claim also fails. Apple nowhere argues, much less proves, that the agreements that give rise to the **Commercial Info** Apple invokes are associated with the '861 patent alone; instead, as Apple does not dispute, the agreements grant Apple rights to an enormous portfolio of tens of thousands of Qualcomm patents. Apple does not even claim, much less prove, that invalidation of the challenged claims alone would have any bearing on whether it will **Commercial Info** to **Commercial Info** under those agreements. Accordingly, Apple's **Commercial Info** are neither fairly traceable to the challenged claims nor redressable by a favorable decision here. Apple therefore cannot establish standing, and the appeal should be dismissed for lack of Article III jurisdiction.

II. If the Court proceeds to the merits, the Board's judgment should be affirmed. Apple has identified no legal error in the Board's analysis or any basis to overturn the Board's factual determinations that (1) neither Hoffman nor Hjelt teaches or suggests the "selecting ... predefined content" and "transmitting" that

“selected content” to a mobile device, and (2) the evidence fails to demonstrate that a person of skill in the art would have been motivated to modify or combine Hoffman or Hjelt to satisfy these claim elements.

Further, although Apple characterizes some of its arguments as raising legal issues, those arguments are, at base, challenges to the Board’s factual findings. For example, Apple argues that, by requiring evidence of a motivation to modify Hoffman, the Board took an “overly rigid” approach to obviousness that Apple contends is inconsistent with the “expansive and flexible approach” required under *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 415 (2007). Opening Br. 34. But despite embracing a flexible approach on the sources of evidence to be considered, *KSR* indisputably requires that there be *some* evidence of a reason to combine or modify the prior art. Thus, rather than departing from precedent, the Board faithfully followed it by requiring Apple to identify some reason why a person of ordinary skill in the art would have modified Hoffman to arrive at the claimed invention. The Board found that Apple failed to do so, and Apple’s argument on appeal is merely a disagreement with that finding. Because the Board’s determination is supported by substantial evidence, there is no basis to overturn it.

With respect to Hjelt, Apple contends the Board’s obviousness determination is inconsistent with *KSR* because Apple’s proposed modification of Hjelt merely involved pursuing one of “only two, predictable” alternatives, and

“under *KSR*, either would have been obvious.” Opening Br. 52. But this argument—like the purported legal argument relating to Hoffman—is nothing more than a disagreement with the Board’s factual determination that the record evidence fails to demonstrate that a person of skill would have been motivated to modify Hjelt to arrive at the claimed invention. Because the Board’s factual findings on this issue are supported by substantial evidence, there is no basis to overturn those findings either.

Accordingly, if the Court reaches the merits of this appeal, the Board’s non-obviousness determination should be affirmed.

STANDARDS OF REVIEW

This Court has an “obligation to assure [itself]” of Apple’s standing before this appeal can proceed. *Phigenix, Inc. v. Immunogen, Inc.*, 845 F.3d 1168, 1171 (Fed. Cir. 2017). As the party invoking the Court’s jurisdiction, Apple bears the burden of proof on that issue. *Id.*

On the merits, the Board’s ultimate determination of non-obviousness is a legal conclusion that is reviewed *de novo*, while the factual findings underlying that determination are reviewed for substantial evidence. *In re Kotzab*, 217 F.3d 1365, 1369 (Fed. Cir. 2000). What a reference teaches or suggests to one of skill in the art is a fact issue that is reviewed for substantial evidence. *In re Hyon*, 679 F.3d 1363, 1365–66 (Fed. Cir. 2012). Similarly, whether a person of skill in the art

would have been motivated to combine or modify the prior art to arrive at the claimed invention is a pure question of fact. *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1073 (Fed. Cir. 2015).

“A finding is supported by substantial evidence if a reasonable mind might accept the evidence as sufficient to support the finding.” *HP Inc. v. MPHJ Tech. Invs., LLC*, 817 F.3d 1339, 1343-44 (Fed. Cir. 2016) (citation omitted). If the record “will support several reasonable but contradictory conclusions, [this Court] will not find the Board’s decision unsupported by substantial evidence simply because the Board chose one conclusion over another plausible alternative.” *In re Jolley*, 308 F.3d 1317, 1320 (Fed. Cir. 2002).

ARGUMENT

I. THIS APPEAL SHOULD BE DISMISSED BECAUSE APPLE LACKS STANDING.

Article III of the Constitution limits federal judicial power to resolving “Cases” and “Controversies.” U.S. Const. art. III, § 2. This restricts federal court authority to “redress[ing] or prevent[ing] actual or imminently threatened injury to persons caused by private or official violation of law.” *Summers v. Earth Island Inst.*, 555 U.S. 488, 492, 497 (2009) (requirement of injury in fact is a “hard floor of Article III jurisdiction that cannot be removed by statute”). “Except when necessary in the execution of that function, courts have no charter to review and revise legislative and executive action.” *Id.* at 497. Because Apple has not proven

that the Board’s Final Written Decision threatens any concrete, immediate, and non-speculative legal interest it has, Apple lacks Article III standing to appeal. The Court thus lacks jurisdiction to “review and revise” the Board’s decision, *id.*, and the appeal should be dismissed.

A. Apple Must Establish Injury In Fact Sufficient To Invoke The Court’s Jurisdiction.

“[S]tanding is an essential and unchanging part of the case-or-controversy requirement of Article III.” *Lujan v. Defs. of Wildlife*, 504 U.S. 555, 560 (1992) (citation omitted). Among the elements of the “irreducible constitutional minimum of standing,” the party invoking federal jurisdiction—here, Apple—must prove that it has “suffered an ‘injury in fact,’” which requires “an invasion of a legally protected interest which is (a) concrete and particularized, and (b) actual or imminent, not conjectural or hypothetical.” *Id.* (citations and quotations omitted). “To constitute a ‘concrete’ injury, the harm must ‘actually exist,’ or appear ‘imminent’—a ‘conjectural or hypothetical’ injury will not suffice.” *Phigenix*, 845 F.3d at 1171 (internal citation omitted) (quoting *Lujan*, 504 U.S. at 560).

Standing “requirements apply with equal force to appeals from administrative agencies.” *Consumer Watchdog v. Wis. Alumni Rsch. Found.*, 753 F.3d 1258, 1261 (Fed. Cir. 2014); *Momenta Pharm., Inc. v. Bristol-Myers Squibb Co.*, 915 F.3d 764, 768 (Fed. Cir. 2019). Because “[t]he party invoking federal jurisdiction bears the burden of establishing” standing, *Lujan*, 504 U.S. at 561, “an

appellant ‘must either identify ... record evidence sufficient to support its standing to seek review or, if there is none because standing was not an issue before the agency, submit additional evidence to the court of appeals,’ such as ‘by affidavit or other evidence.’” *Phigenix*, 845 F.3d at 1173 (quoting *Sierra Club*, 292 F.3d at 899). The evidence must establish a cognizable injury through “specific facts.” *Lujan*, 504 U.S. at 563. And where those facts are subject to dispute, the appellant must be prepared to prove them before obtaining a final judgment from this Court. *See, e.g., Gill v. Whitford*, 138 S. Ct. 1916, 1931-32 (2018).

As explained below, although Apple was able to pursue *inter partes* review without regard to Article III standing, it did so without any concrete, particularized, and imminent risk of injury that is traceable to the ’861 patent and that could be remedied by a favorable judgment from this Court. Apple’s paltry evidentiary showing confirms this fact. All of Qualcomm’s infringement claims against Apple were dismissed with prejudice under a settlement and license agreement that extends at least six years into the future, and Apple makes no showing of any injury in fact sufficient to establish standing. Instead, Apple offers only cursory declarations that are wholly deficient. Article III therefore precludes Apple from invoking the Court’s jurisdiction.

B. Apple Has Not Suffered Injury In Fact And Cannot Demonstrate It Is Threatened With Imminent Harm.

Under the injury-in-fact requirement, Apple must allege an injury “that is ... actual or imminent, not conjectural or hypothetical.” *Spokeo, Inc. v. Robins*, 136 S. Ct. 1540, 1548 (2016) (internal quotation marks and citation omitted). As noted above, Qualcomm and Apple have *settled* their dispute over Apple’s past activities, the underlying litigation involving the ’861 patent was dismissed *with prejudice*, and Apple now enjoys at least six years of coverage with respect to Qualcomm’s patented technology. *See supra* at 1-3. Moreover, Apple has not—and cannot plausibly—contend that, if its appeal were successful, it would cease **Commercial Info**. Those facts alone defeat any effort Apple can make to establish standing.

Apple claims it suffers injury because (1) it holds a “license” to an extensive portfolio including tens of thousands of Qualcomm patents, including the ’861 patent; (2) in the hypothetical event it infringes the ’861 patent “once the [settlement agreement] expires” in 2025 or thereafter, it might face a lawsuit; and (3) its ability to challenge the validity of the ’861 patent in the future “may” be “hampered” by its loss before the Board. Opening Br. 55-63 None of those assertions establishes that Apple possesses standing to pursue this appeal.

1. **The Qualcomm-Apple Agreements, And Apple's Associated
Commercial Info To Qualcomm, Do Not Confer Standing.**

Apple argues that it suffers an injury in fact because it must **Commercial Info**
Commercial Info under its settlement with Qualcomm. *See* Opening Br. 56-59. Applying well-settled law that “[g]enerally, a ‘[s]ettlement moots an action’ because there is no longer a case or controversy with respect to the settled issues,” this Court recently rejected precisely that position. *See Serta Simmons Bedding, LLC v. Casper Sleep Inc.*, 950 F.3d 849, 852 (Fed. Cir. 2020). In *Serta Simmons*, the “[s]ettlement [a]greement mooted the case even though it included terms that required future performance.” *Id.* at 853. Likewise here, the Qualcomm-Apple disputes are moot, regardless of whether Apple is required to **Commercial Info** under the parties’ settlement. Apple also could not credibly suggest—and, more to the point, has not even attempted to demonstrate—that it would **Commercial Info** if the ’861 patent, which is only one of tens of thousands of patents implicated by the parties’ settlement and forward-looking agreements, were invalidated.⁴ Apple’s **Commercial Info** under the settlement are therefore beside the point, because they are neither fairly traceable to the challenged patent’s continuing validity nor likely to be redressed by a favorable decision in this case.

⁴ Qualcomm would be entitled to refute any factual assertions Apple makes in support of its claim to standing. *See, e.g., Gill*, 138 S. Ct. at 1931-32.

Apple nevertheless argues that, under the reasoning of *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118 (2007), its status as a “licensee” confers standing all by itself. *See* Opening Br. 56-59. But *MedImmune* involved a very different posture. As Apple does not deny, the settlement here covers not only the ’861 patent, but also tens of thousands of other Qualcomm patents. And Apple has not, and could not, credibly assert (much less prove) that it would cease Commercial Info Commercial Info or otherwise cease performance under that worldwide settlement if the ’861 patent were found invalid. *See* Appx2253 (declarant stating that agreement requires payment of Commercial Info but not stating that Apple would cease Commercial Info Commercial Info if ’861 patent were invalidated). Apple therefore lacks the contractual injury that sufficed in *MedImmune*, where the licensee alleged that it was paying royalties *under protest*, had *no obligation* to do so, and *would cease payment* upon a finding of invalidity. *Cf. MedImmune*, 549 U.S. at 123-24, 128 (licensee “assert[ed] that no royalties are owing”). Because Apple does not even try to prove that a finding of invalidity as to any claim of the ’861 patent would bear on whether Apple continues Commercial Info, those Commercial Info cannot confer standing.⁵

⁵ For the same reason, Apple cannot rely on the “risk of treble damages, attorneys’ fees, and/or injunctive relief based on alleged infringement of the ’861 patent” as the relevant injury. Opening Br. 58. So long as Apple continues to comply with its settlement obligations, no such risk currently exists. Moreover, Apple presents no evidence that continued Commercial Info depend upon the validity of

To be clear, Qualcomm does not “dismiss[] *MedImmune* because the license there did not arise from litigation.” Opening Br. 57. *MedImmune* is inapposite not because the license there arose outside of litigation, but because, unlike here, the licensee there asserted that it would have avoided its royalty obligations if the patent at issue was invalidated. *Cf. MedImmune*, 549 U.S. at 128 (deeming “dispute ... well defined” because respondents “claim[ed] a right to royalties under the licensing agreement” while petitioner “assert[ed] that no royalties [we]re owing”). Apple, by contrast, does not even argue (much less offer evidence) that its Commercial Info under its agreement with Qualcomm would be affected by an invalidity finding as to the appealed claims of the ’861 patent.

Nor can Apple bring this case within *MedImmune* by arguing that an invalidity finding would merely “remov[e] ... one barrier to its proposed action even if others remain.” *Cf.* Opening Br. 59. Removing “one barrier” is not enough. As Apple concedes, the supposed immediate injury it asserts ***will not occur at all*** unless Apple ceases Commercial Info under its agreements with Qualcomm. *Cf. id.* at 58 (agreeing that “[t]he constitutionally-sufficient injury in *MedImmune*” depended on “a finding of infringement under the relevant patent if

the ’861 patent or will be affected in any way by the outcome of this appeal. Thus, elimination of this non-existent risk cannot constitute a traceable injury likely to be redressed by adjudication of the validity of the ’861 patent.

the licensee *ceased payment of royalties*”). Because Apple makes no claim that it would in fact do so if it won this appeal, it cannot establish that its claimed injury is either caused by the ’861 patent’s continuing validity or likely to be remedied by a favorable decision. *See, e.g., Aaron Private Clinic Mgmt. LLC v. Berry*, 912 F.3d 1330, 1337 (11th Cir. 2019) (“[T]he Supreme Court has repeatedly explained that a plaintiff asserting that it would have engaged in an activity absent [challenged conduct] must establish that it was able *and ready* to do so.”) (quotation marks omitted); *see also Simon v. Eastern Ky. Welfare Rights Org.*, 426 U.S. 27, 44 (1976) (party seeking to establish standing must “[s]ubstantiate[]” with “allegations of fact” that injury is “fairly attributable” to challenged conduct “instead of to other factors” and “might improve were the court to afford relief”) (citing *Warth v. Seldin*, 422 U.S. 490, 507 (1975); *Linda R.S. v. Richard D.*, 410 U.S. 614, 618 (1973)).

The cases on which Apple relies, both of which involved potential barriers to relief that were outside the control of the party asserting standing, are not to the contrary. *Cf.* Opening Br. 58-59. *Village of Arlington Heights v. Metropolitan Housing Development Corporation*, 429 U.S. 252 (1977), held only that a developer who had contracted to purchase land, created a “detailed and specific” plan to build on it, and demonstrated a “substantial probability” that the “project w[ould] materialize” was entitled to challenge a zoning ordinance that served as an

“absolute barrier to construct[ion].” *Id.* at 261-64. *Apotex Incorporated v. Daiichi Sankyo Incorporated*, 781 F.3d 1356 (Fed. Cir. 2015), is just as far afield, and held only that a party could seek a declaration of non-infringement without having received tentative approval to market the product at issue, a prescription drug, because the filing of an application for approval is itself an infringing act giving rise to a justiciable controversy. *Id.* at 1365-66. This case is fundamentally different. It is solely within Apple’s control whether to cease **Commercial Info** and thereby breach a comprehensive settlement that covers a vast portfolio of patents, of which the ’861 patent is only one. Yet Apple fails to assert, much less to establish, that it would actually do so if it won this appeal. Unlike in *Arlington* and *Apotex*, where the parties invoking the courts’ jurisdiction proved that winning their cases would likely redress their injuries, Apple has made no showing that winning this appeal would have any concrete effect whatsoever.⁶

⁶ Contrary to Apple’s assertion that *Arlington Heights* and *Apotex* somehow eliminated the redressability requirement, *cf.* Opening Br. 58-59 (claiming that the mere possibility of “remov[ing] a barrier” to relief establishes standing), both cases reinforce the well-established principal that a claimed injury cannot give rise to standing unless, unlike here, it is substantially likely that a favorable decision would redress it. *Arlington Heights*, 429 U.S. at 262 (citing *Simon*, 426 U.S. at 38 (1976)); *Apotex*, 781 F.3d at 1365-66 (Where other independent barriers remain, standing also requires a showing that the “other potential barriers are not unduly likely to deprive the adjudication of concrete effect.”).

The remaining cases Apple relies on are also inapposite. *See* Opening Br. 56-57. There was no settlement regarding the patent at issue in *Arkema Incorporated v. Honeywell International*, 706 F.3d 1351 (Fed. Cir. 2013), and the Court reaffirmed that had there been one, it would have extinguished any controversy. *Id.* at 1358 (citing *Already, LLC v. Nike, Inc.*, 568 U.S. 85, 92 (2013)). *Baseload Energy, Inc. v. Roberts*, 619 F.3d 1357 (Fed. Cir. 2010), was not about standing, did not mention Article III or constitutional jurisdiction, and merely held that a party could challenge invalidity where, unlike with the Qualcomm-Apple agreements, a settlement agreement preserved existing infringement claims. *Id.* at 1358, 1364 & n.5. Here, by contrast, Qualcomm dismissed its infringement claims with prejudice, and Apple says it has what amounts to a covenant not to sue until at least 2025. *See* Opening Br. 60. And in *Phigenix*, 845 F.3d at 1173-74, this Court held that the appellant *lacked* injury in fact. Although the Court relied in part on the appellant not being a licensee, it nowhere suggested that licensee status alone would suffice for standing, particularly if an appellant did not even assert that the patent at issue had any bearing on its continuing performance. *Id.*

Accordingly, the dismissal with prejudice extinguished any existing dispute over the '861 patent, Apple's licensee status "alone" does not constitute injury, and Apple's **Commercial Info** are neither traceable to the '861 patent's validity

nor likely to be affected by any action this Court could take. Apple’s arguments based on the prior litigation and settlement fail.

2. **Apple’s Unsubstantiated Speculation About Litigation In 2025 And Beyond Does Not Establish Injury In Fact.**

Apple also incorrectly argues that because the agreement currently expires before the ’861 patent term concludes, there exists a hypothetical prospect that Qualcomm *might* “resume its enforcement efforts,” and therefore, Apple should have standing. Opening Br. 59-62. That assertion is pure conjecture. Although Apple baldly asserts that an infringement suit is “inevitable” simply because the patent might outlast the agreements, *id.* at 62, Apple does not—and could not credibly—attest to the specific features that will be in its products in the years between 2025 and 2030, when the ’861 patent expires. *Cf. JTEKT Corp. v. GKN Auto. LTD.*, 898 F.3d 1217, 1221 (Fed. Cir. 2018) (party must have “*concrete* plans for future activity that creates a substantial risk of future infringement”). To the contrary, five years is an eternity in the rapidly-evolving cellular phone industry, and the record contains no evidence of what specific products Apple might make or sell once the agreements expire, let alone whether those products might infringe any of the claims at issue.⁷ Instead, Apple asks the Court to

⁷ Apple’s public statements regarding its products suggest that they are being “introduce[d],” “reimagine[d],” loaded with “new ... features,” and given “major update[s]” on practically a weekly basis. *See generally*, e.g., Apple Newsroom (<https://www.apple.com/newsroom/>) (accessed August 17, 2020).

conclude, based on no factual showing whatsoever, that there is a “real and concrete threat” that its unknown products in 2025 or later will infringe in a manner that would lead Qualcomm to sue. Opening Br. 59. That is precisely the sort of “conclusory and speculative” assertion that “cannot suffice to establish an injury in fact that is ... actual or imminent.” *See, e.g., Argentum Pharm. LLC v. Novartis Pharm. Corp.*, 956 F.3d 1374, 1378 (Fed. Cir. 2020).

The cases Apple cites are irrelevant to the actual issue. The appellant in *Grit Energy Solutions, LLC v. Oren Technologies, LLC*, 957 F.3d 1309, 1320 (Fed. Cir. 2020), risked suit based on *past* conduct that had actually occurred—not conduct that might or might not occur five or more years later. Because a prior challenge to that past conduct had been dismissed *without* prejudice, the patentee was “free to reassert [its] infringement claims” at any time, so a live controversy remained. *Id.* By contrast, Apple never argues that, while it Commercial Info to Commercial Info, the settlement and forward-looking agreements do not protect it against infringement liability until at least until 2025, when Apple has no idea whether it will be infringing. *See, e.g., Already*, 568 U.S. at 95 (no standing where challenger did not assert any “concrete plans to engage in conduct not covered by the covenant [not to sue]”).

Nor can Apple squeeze this case’s facts into *Grit Energy*’s holding merely because Qualcomm might be entitled to sue in the future *if* Apple breached the agreements. *Cf.* Opening Br. 60-61. In *Grit Energy*, the patentee’s freedom to

“pursue its previous claims of infringement in the future” did not rest on any such precondition; rather, the patentee had that freedom because its claims of past infringement had been dismissed without prejudice. 957 F.3d at 1320. By contrast, no infringement claim can be brought against Apple as long as it does not breach its Commercial Info. And, as already noted, Apple does not even assert, much less prove, an intention to breach. *See supra* at 29; *cf.* Opening Br. 58 (conceding that “[t]he constitutionally-sufficient injury in *MedImmune*” depended on the licensee’s intention to “cease[] payment of royalties”). The prospect of an infringement suit *if* Apple elects to breach the agreements, which even Apple does not claim it will do, is a prototypically “hypothetical,” and thus insufficient, claim of injury. *See, e.g., Lujan*, 504 U.S. at 560; *Argentum*, 956 F.3d at 1378.

Apple also cites *Already v. Nike, supra*. *See* Opening Br. 60. But that case supports dismissal also. In *Already*, the case was moot—and the court *lacked* jurisdiction—“because the challenged conduct cannot reasonably be expected to recur,” since Nike issued *Already* a broad covenant not to sue and *Already* did not assert any “concrete plans to engage in conduct not covered by the covenant.” 568 U.S. at 94-95. Similarly here, Qualcomm and Apple dismissed with prejudice all infringement litigation between the companies worldwide, and Apple has not asserted it has concrete plans to engage in infringing activity beyond the scope of

any patent coverage under the parties' agreement, which will not expire for years.

Nor, as noted, could Apple assert such plans without engaging in conjecture.⁸

Nor can Apple demonstrate standing by asserting that the parties "agreed that the IPR at issue in this appeal would continue through final resolution." *Cf.*

Opening Br. 57-58. As an initial matter, Qualcomm disputes this assertion. This

IPR was not [REDACTED] in the [REDACTED] that the parties agreed to seek to [REDACTED]

under the settlement agreement. However, it does not follow that the parties

therefore "agreed" that it "would continue through final resolution," and

Qualcomm disputes any such characterization. In any event, that dispute is

immaterial. Even assuming *arguendo* such an agreement existed, a private

agreement cannot circumvent Article III's requirements for jurisdiction in this

Court. *See, e.g., Commodity Futures Trading Comm'n v. Schor*, 478 U.S. 833,

850-51 (1986) (parties cannot, by consent, remedy defects in Article III

jurisdiction). Thus, regardless of whether the parties agreed that the IPR

proceedings would continue, Apple cannot escape its requirement to demonstrate

Article III standing.

⁸ The other case Apple cites is similarly inapt. *See Cardinal Chem. Co. v. Morton Int'l, Inc.*, 508 U.S. 83, 99-100 (1993) (discussing "risk of similar charges ... in the future" where, unlike here, parties had not settled or entered forward-looking agreements).

3. The AIA Estoppel Provisions Do Not Establish Standing.

Apple erroneously contends that the AIA’s estoppel provisions “compound[]” its alleged injury. Opening Br. 62-63. But as this court has repeatedly stated, the estoppel provisions do not constitute an independent or compounding injury for Article III purposes. *See Phigenix*, 845 F.3d at 1175-76 (AIA estoppel provisions “‘do[] not constitute an injury in fact’ when, as here, the appellant ‘is not engaged in any activity that would give rise to a possible infringement suit’”); *AVX Corp. v. Presidio Components, Inc.*, 923 F.3d 1357, 1362-63 (Fed. Cir. 2019) (rejecting argument that AIA estoppel provides “a sufficient basis for standing”); *Gen. Elec. Co. v. United Techs. Corp.*, 928 F.3d 1349, 1355 (Fed. Cir. 2019) (following *AVX* and *Phigenix*, which “rejected the estoppel argument as a basis for Article III standing”). And given that Apple has failed to demonstrate an injury in fact, its citations to *Altaire Pharmaceuticals, Inc. v. Paragon Biotech, Inc.*, 889 F.3d 1274, 1283 (Fed. Cir. 2018), *remand order modified by stipulation*, 738 F. App’x 1017 (Fed. Cir. 2018), and *PPG Indus., Inc. v. Valspar Sourcing, Inc.*, 679 F. App’x 1002, 1003-04 (Fed. Cir. 2017) (non-precedential), are inapposite. *See Appx2384* (conceding that *Altaire* applies only “where a party has shown the potential for other injury”).

Apple has failed to establish standing. The Court therefore lacks Article III jurisdiction, and the appeal should be dismissed.

II. THE BOARD CORRECTLY FOUND THAT APPLE FAILED TO DEMONSTRATE THAT ANY CLAIM OF THE '861 PATENT IS OBVIOUS IN LIGHT OF HOFFMAN.

If the Court proceeds to the merits, it should affirm. Apple's challenges to the Board's non-obviousness determination relating to Hoffman are based exclusively on the Board's finding that the evidence of record does not demonstrate that a skilled artisan would have been motivated to modify Hoffman to arrive at the claimed invention. *See* Opening Br. 34-44.⁹

Apple first argues that the Board "took an overly-rigid approach to its obviousness analysis that departed from *KSR*'s mandate." *Id.* at 34-41. Specifically, Apple contends the Board erred by purportedly requiring evidence of a reason why a person of skill in the art would have modified Hoffman as proposed by Apple. *Id.* As the Board correctly found, however, Apple's arguments and evidence—which establish only that Hoffman *could have* been configured as in the claims—are insufficient to establish obviousness. Appx29. That is, even if Hoffman's "device 201 is capable of other uses—including receiving other types of non-selected transmitted content—... every such use is not rendered obvious merely because the device is so capable." *Id.*

⁹ Apple does not challenge the Board's determination that Hoffman does not anticipate any challenged claim of the '861 patent. *See* Opening Br. 37 n.3. Rather, Apple's arguments on appeal relating to Hoffman exclusively challenge the Board's non-obviousness determination. *See* Opening Br. 34-44.

Second, Apple contends the Board erred by “ignor[ing] Apple’s explanation as to why a skilled artisan would have used the various parts of Hoffman together.” Opening Br. 42-44. But despite Apple’s contrary assertion, this is not a situation where “a skilled artisan would have been motivated to pick and choose from among the various options disclosed by Hoffman,” Opening Br. 43, because none of the disclosed options include the specific method claimed by the ’861 patent.

Further, although characterized as legal issues, Apple’s arguments are, at base, challenges to the Board’s factual finding that the evidence of record fails to demonstrate that an ordinarily skilled artisan would have been motivated to modify Hoffman as proposed by Apple. *See, e.g., Belden*, 805 F.3d at 1073. That finding is reviewed for—and supported by—substantial evidence. *See id.* Accordingly, Apple has identified no basis for reversing the Board’s determination that Hoffman does not render obvious any challenged claim of the ’861 patent.

A. Apple Has Not Identified Any Error In The Board’s Analysis.

The “selecting” and “transmitting” elements of the claims recite, among other things, selecting content “from a plurality of predefined content”—which the Board’s unchallenged claim construction defines as “multiple content items that exist prior to receiving the physiological state data”—and transmitting that “selected content” to a mobile device. Appx12; Appx40-41. In its IPR Petition, Apple asserted that Hoffman teaches the “selecting” element because it

purportedly discloses a system in which advertising content is selected for a user based on “athletic information” collected by a user’s “athletic monitoring device 201” (which Apple equated with the claimed “mobile device”). Appx108-111. Apple pointed to Hoffman’s disclosure of (1) a “marketing engine that leverages activity information from users ... to determine what information to display to users and what products or services to advertise,” and (2) an “analytical engine” that “determine[s] user insights” that the system can use to ““suggest[] various products ... services, [or] events,’ or customize the user activity environment with ‘information including articles, advertisements, [and] messages.’” Appx109.

As the Board correctly found, however, even assuming Hoffman teaches selecting advertising content for a user based on the user’s athletic information, “Hoffman *does not* disclose that this content is transmitted to the remote device” (*i.e.*, “athletic monitoring device 201”). Appx28; *see also* Appx27 (finding that, “although Hoffman explains that information may be transmitted to a mobile device, ... Hoffman does not disclose the type of information that is transmitted ... , and certainly does not disclose transmission of the claimed ‘selected content’”).

The Board explained that, although Hoffman discloses several interfaces—803, 805, 807, and 809—“interface 803 is the only interface disclosed as permitting communication with [a mobile device].” Appx27 (citing Appx590-591,

¶¶ 70-71); *see also* Appx28 (citing Appx590-591, ¶¶ 70-71; Appx494-495, ¶¶ 127-128). Apple does not challenge that finding. And, as the Board correctly found, none of the “content” that Apple equates with the claimed “selected content” is ever transmitted through interface 803. Appx28; *see also* Appx27 (“Hoffman is silent regarding what is transmitted to the remote device.”). Rather, Hoffman explains that the “content” Apple identifies is transmitted through Hoffman’s *other* interfaces—“articles may be posted to other sites through interface 805, products and services may be offered through interface 807, and additional interoperable products and services may be offered through interface 809.” *Id.* (citing Appx590-591 at ¶¶ 70-71). “Likewise, although Hoffman’s marketing engine 810 may display advertisement information to a user, Hoffman does not disclose how this information is displayed, *i.e.*, Hoffman does not disclose that this content is transmitted to a remote device.” *Id.* (citing Appx591 at ¶ 72).

In an effort to bridge this gap, Apple argued before the Board that it would have been obvious to modify Hoffman to transmit such content to athletic monitoring device 201 because a person of ordinary skill would have understood the device to be “capable of operating as both an input device (*e.g.*, a device that collects ‘athletic information’) and as an output device (*e.g.*, a device that provides access to customized content through the ‘user activity environment’).” Appx25 (quoting Appx111-112). In its Reply, Apple further argued that its proposed

modification of Hoffman would have been obvious because it merely “involves adding a feature—transmission of ‘customized content’ from the ‘system 801’ to a remote device through the ‘interface 803’—that Hoffman neither teaches away from nor explicitly disparages.” Appx29 (quoting Appx1789).

As the Board correctly found, however, even if Hoffman’s “device 201 is capable of other uses—including receiving other types of non-selected transmitted content—... every such use is not rendered obvious merely because the device is so capable.” Appx29; *see also, e.g., Takeda Chem. Indus., Ltd. v. Alphapharm Pty., Ltd.*, 492 F.3d 1350, 1356-57 (Fed. Cir. 2007) (challenger has burden to prove prior art would have suggested making “specific” modifications necessary to achieve invention; a general motivation to modify will not suffice). Neither Apple’s arguments nor the evidence on which they are based demonstrate any reason “why an ordinarily skilled artisan would have been *motivated* to transmit selected content to Hoffman’s remote device [*i.e.*, device 201]” through interface 803—the only one of Hoffman’s interfaces that communicates with device 201—as opposed to transmitting the content to other devices in the system via interfaces 805, 807, and 809, as expressly disclosed in Hoffman Appx30-31. Apple cited a portion of Hoffman disclosing that “wearable monitoring devices or sensors may integrate one or more features or services provided by the system,” Appx30 (quoting Appx113), but the Board found based on substantial evidence that, like

other portions of Hoffman on which Apple relied, this passage failed to demonstrate any motivation to “integrate *this particular* feature or service, i.e., transmission of ‘selected content,’ as [Apple] proposes.” Appx30-31 (citing Appx494-496 at ¶¶ 127-129). Instead, Apple’s arguments and evidence “suggest only that an ordinarily skilled artisan *could have* configured such a system,” which is insufficient to support a finding of obviousness. *Id.* (emphasis in original) (citing *Belden*, 805 F.3d at 1073).

Apple does not contest the Board’s findings on these issues. Instead, Apple argues that the Board erred because it allegedly “took an overly rigid approach ... that departed from *KSR*’s mandate.” Opening Br. 34. Apple first contends the Board improperly required Apple to provide some reason, “beyond Hoffman’s own disclosures,” as to why a skilled artisan would have found it obvious to modify Hoffman to transmit “selected content” to device 201. Opening Br. 34; *see also id.* at 38. To the contrary, the Board merely required Apple to identify evidence providing *some reason*—whether or not derived from Hoffman itself—why a person of skill would have been motivated to make the proposed modifications, which Apple failed to do.

As the Court explained in *Apple Inc. v. Voip-Pal.com, Inc.*, 976 F.3d 1316 (Fed. Cir. 2020)—in which Apple raised a similar argument—conclusory assertions regarding a purported motivation to combine or modify the prior art are

insufficient; instead, “there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” *Id.* at 1325. In *Voip-Pal*, just as in this case, Apple argued that the Board applied an overly rigid approach to obviousness because it found that neither Apple nor its expert provided “adequate support” for the proposition that a person of skill would have been motivated to make the proposed combination. *Id.* The Court rejected Apple’s argument, holding that the Board did not rigidly require a particular type of evidence from Apple, but instead “held Apple to the proper evidentiary standard,” which is not satisfied by the type of “conclusory statements” provided by Apple and its expert. *Id.*

Here, as in *Voip-Pal*, Apple again offers only conclusory assertions that modifying Hoffman to arrive at the claimed invention would have been obvious. Such assertions are plainly insufficient. Although *KSR* endorsed an “expansive and flexible approach” to the obviousness analysis, it did not dispense with the requirement that there be “some apparent reason to combine the known elements in the fashion claimed by the patent at issue.” *Personal Web Techs., LLC v. Apple, Inc.*, 848 F.3d 987, 991-992 (Fed. Cir. 2017) (citing *KSR*, 550 U.S. at 418-21); *see also KSR*, 550 U.S. at 418-419 (requiring consideration of whether there is “a reason that would have prompted a person of ordinary skill” to combine or modify prior art); Appx29 (quoting *In re Nuvasive, Inc.*, 842 F.3d 1376, 1382 (Fed. Cir.

2016)) (explaining that “the PTAB must make a finding of motivation to combine when it is disputed,” and, in doing so, “must articulate a *reason why*” an ordinarily skilled artisan would combine or modify the prior art to arrive at the claimed invention).

Apple next argues that it need not demonstrate a motivation to modify Hoffman to arrive at the claimed invention because “Hoffman’s suggestion that the mobile device *can be used* in conjunction with the contextual advertising system ... [is] more than sufficient.” Opening Br. 39 (citing Appx591, ¶ 71). As the Board properly found, however, Hoffman does not suggest that the mobile device can be used to receive advertising (or, indeed, any specific content); rather, the cited passage merely makes the general assertion that the mobile device “may integrate one or more features or services provided by system 801.” Appx30 (quoting Appx591, ¶ 71). And as the Board correctly recognized, “obviousness concerns whether a skilled artisan not only could have made, but would have been motivated to make, the combination or modification to arrive at the claimed invention.” *Id.* (citing *Belden*, 805 F.3d at 1073; *see also* Appx18 (quoting *KSR*, 550 U.S. at 418) (“When evaluating a combination of teachings, we must also ‘determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue.’”).

For example, in *In re Giannelli*, 739 F.3d 1375, 1376 (Fed. Cir. 2014), the Board held that claims reciting “[a] row exercise machine” including a “handle ... adapted to be moved ... by a pulling force exerted by a user” were obvious in light of a prior art chest press machine that was “**capable of** being used by exerting a pulling force on the handles in a rowing motion.” *Id.* at 1378. This Court reversed, explaining that, “[i]n the context of the claimed rowing machine, ... the mere capability of pulling the handles is not the inquiry the Board should have made.” *Id.* at 1380. Instead, the Board should have determined whether a person of skill in the art would have been motivated to modify the prior art machine for that use. *Id.* Similarly, as the Board correctly found here, Apple’s contention that Hoffman **could be** modified to arrive at the claimed invention is insufficient to show that a skilled artisan would necessarily be motivated to do so. Appx29-32; *InTouch Techs, Inc. v. VGO Communications*, 751 F.3d 1327, 1351-52 (Fed. Cir. 2014) (rejecting as insufficient and “fraught with hindsight bias” expert testimony that “one of ordinary skill in the art **could** combine the[] references, not that they **would** have been motivated to do so”) (emphasis in original).

Accordingly, the Board’s obviousness analysis did not depart from *KSR* and this Court’s precedent; rather, the Board faithfully followed that precedent by requiring some reason—which Apple failed to provide—why one of ordinary skill in the art would have been motivated to modify Hoffman to arrive at the claimed

invention. *See Personal Web*, 848 F.3d at 991-92 (explaining that *KSR* did not dispense with the requirement that there be “some apparent reason to combine the known elements in the fashion claimed by the patent at issue”).

B. The Board Did Not Ignore Apple’s Explanation As To Why A Skilled Artisan Would Have Used The Various Parts of Hoffman Together.

Apple further argues that the Board’s decision “fails to acknowledge the many other reasons Apple provided as to why a skilled artisan would have been motivated to use the various parts of Hoffman together in the way claimed by the ’861 patent.” Opening Br. 42 (citing Appx99-101; Appx467-470 at ¶¶ 69-73). Specifically, Apple points to a portion of its expert declaration in which the expert purportedly “explained that Hoffman itself suggests such a combination because Hoffman teaches that components from different figures can perform the same functions and/or interoperate with one another to provide certain advantages.” Opening Br. 42 (citing Appx467, ¶ 69; Appx468-469, ¶¶ 71-72) (internal quotation marks removed).

But the Board did not “ignore” this testimony. *Id.* at 3, 31, 34, 42. Rather, as Apple later acknowledges in its brief, *id.* at 43, the Board considered the expert’s testimony but found it “unpersuasive” because it “does not demonstrate a *reason why* such a modification would be made.” Appx32 n.10. Specifically, the Board found that because the Hoffman system “already customizes a user’s

experience” without the reconfiguration Apple proposes, customization “is not a persuasive reason to combine embodiments” as proposed by Apple. Appx32 n.10; *see also* Appx1506-1508 (Qualcomm’s response addressing the same issue).

Similarly, the Board found that, even if “the functions performed by the components were well-known” at the time, that itself “is not a *reason* to supplement Hoffman’s system as proposed.” Appx31 n.9; *see also* Appx1509-1510 (Qualcomm’s response addressing the same issue).

Apple disagrees with these findings, arguing that, because Hoffman purportedly “teaches multiple ways of achieving its goals, ... a skilled artisan would have been motivated to pick and choose from among the various options disclosed by Hoffman.” Opening Br. at 43-44. As an initial matter, the fact that Apple disagrees with the Board’s findings related to this evidence is not grounds for reversal. “The Board’s decision to favor one conclusion over the other” in the face of conflicting evidence “is the type of decision that must be sustained by this court as supported by substantial evidence.” *In re Bayer Aktiengesellschaft*, 488 F.3d 960, 970 (Fed. Cir. 2007); *see also Voip-Pal.com*, 976 F.3d at 1325 (holding that the Board’s decision to credit the opinion of one expert over the other was not error and explaining that the Court will “not reweigh evidence on appeal”).

Regardless, Apple’s argument is unavailing because it is contrary to law and unsupported by record evidence. The existence of a “a finite number of identified

predictable solutions” is alone insufficient to demonstrate obviousness—there must also be evidence of “a design need or market pressure to solve [the] problem.”

KSR, 550 U.S. at 421. Here, as the Board correctly found, Apple did not identify any design need or market pressure that would have led a person of skill to modify Hoffman. Appx30-32. Moreover, this is not a case where there were “a finite number of identified, predictable” ways a skilled artisan could have modified Hoffman. *KSR*, 550 U.S. at 421. To the contrary, there is an *infinite* amount of undescribed content that could be transmitted to Hoffman’s device and Hoffman nowhere suggests the transmission of the specific content claimed in the ’861 patent. Apple’s citations to precedent are therefore inapposite.¹⁰

But even if a person of skill in the art would have been motivated to choose from among “multiple ways of achieving [Hoffman’s] goals,” given the Board’s uncontested finding that Hoffman does not disclose “transmitting ... selected content” to the mobile device, that could *not* have been one of the choices.

Moreover, as explained above, the mere fact that a system *could be* configured in

¹⁰ Cf. *Uber Techs., Inc. v. X One, Inc.*, 957 F.3d 1334, 1339 (Fed. Cir. 2020) (finding motivation where there were “only two possible methods” to modify prior art for “a design need that existed at the relevant time”); *CRFD Research, Inc. v. Matal*, 876 F.3d 1330, 1347 (Fed. Cir. 2017) (motivation found where there were only “two predictable choices” to achieve stated goal); *ACCO Brands Corp. v. Fellowes, Inc.*, 813 F.3d 1361, 1367 (Fed. Cir. 2016) (finding motivation where “[t]he ordinary artisan would ... be left with two design choices” to achieve specific design need).

many possible ways does not demonstrate that a skilled artisan would have been motivated to choose the configuration proposed by Apple. *See supra* at 43-45. As the Board correctly found, Hoffman’s “device 201 is capable of other uses—including receiving other types of non-selected transmitted content—yet every such use is not rendered obvious merely because the device is so capable.” Appx29; *see also, e.g., Takeda*, 492 F.3d at 1356 (challenger has burden to prove prior art would have suggested making “specific” modifications necessary to achieve invention; a general motivation to modify will not suffice).

Further, because Hoffman already achieves the very goal Apple contended would motivate modification—*i.e.*, monitoring athletic information and customizing data delivered to the user—achieving that goal in a different way cannot be a valid motivation to modify Hoffman in the manner of the ’861 patent. Appx32 n.10. Despite Apple’s contrary assertion, this is not a situation where “a skilled artisan would have been motivated to pick and choose from among the various options disclosed by Hoffman,” Opening Br. 43, because *none* of the disclosed options included the specific method claimed by the ’861 patent.

Because Apple has not shown any legal error in the Board’s analysis with respect to Hoffman and has not shown any of the Board’s factual findings relating to Hoffman to be insufficiently supported, this Court should affirm the Board’s

determination that Apple failed to demonstrate that Hoffman renders obvious any challenged claim of the '861 patent.

III. THE BOARD CORRECTLY FOUND THAT APPLE FAILED TO DEMONSTRATE THAT ANY CLAIM OF THE '861 PATENT IS ANTICIPATED OR RENDERED OBVIOUS BY HJELT.

Apple presents three challenges the Board's Hjelt-based non-obviousness determination. First, Apple argues that the Board's finding that Hjelt fails to teach or suggest the "selecting" and "transmitting" elements is "contrary to Hjelt's teachings" and thus constitutes reversible error. Opening Br. at 44. At base, this argument is nothing more than a disagreement with the Board's factual findings regarding what Hjelt would have taught or suggested to one of skill in the art, which are supported substantial evidence.

Second, Apple argues that the Board's obviousness determination is inconsistent with *KSR* because Apple's proposed modification of Hjelt merely involved pursuing one of "only two, predictable" alternatives, and "under *KSR*, either would have been obvious." Opening Br. 52. As explained below, however, not only has this argument been waived, it is also a misstatement of the law and unsupported by record evidence.

Finally, Apple argues that the Board erred by finding that the evidence does not demonstrate that a skilled artisan would be motivated to modify Hjelt to arrive at the claimed invention. Opening Br. 53-54. Specifically, Apple contends the

Board failed to consider evidence regarding “how an exercise program itself was generated,” which Apple contends would have supplied the requisite motivation.

Id. As explained below, however, the Board did not disregard or fail to consider any evidence of motivation submitted by Apple during the IPR proceedings.

A. Substantial Evidence Supports The Board’s Finding That Hjelt Does Not Teach The “Selecting” And “Transmitting” Claim Elements.

Apple’s separate treatment of the “selecting” and “transmitting” claim elements is improper given that the claim elements themselves—and thus the Board’s findings about them—are interrelated. As the Board correctly recognized, both elements recite what constitutes “selected content” within the meaning of the claims. Taken together, the “selecting” and “transmitting” elements recite “selected content” that:

- (1) “is selected from a plurality of predefined content (i.e., from ‘multiple content items that exist prior to receiving the physiological state data’),”¹¹
- (2) “is at least partially based on the user’s collected physiological state data,”
- (3) “does not include the collected physiological state data,” and
- (4) “is transmitted to the mobile device.”

Appx40-41.

¹¹ As noted, the Board’s unchallenged claim construction defines a “plurality of predefined content” as “multiple content items that exist prior to receiving the physiological state data.” Appx12.

Recognizing this interdependency, the Board rejected Apple’s argument that Hjelt teaches or suggests “selected content” because the Board found no evidence that Hjelt’s “base exercise program” or “modified exercise program” met the requirements for “selected content” recited in the “selecting” *and* “transmitting” claim elements. Appx44-50. Apple argues these findings are “contrary to Hjelt’s teachings” and thus constitute reversible error. Opening Br. 44-47, 50-52. But, as explained below, Apple identifies no portion of Hjelt that is actually contrary to the Board’s findings.

1. Substantial Evidence Supports The Board’s Finding That Hjelt’s “Original, Base Exercise Program” Does Not Satisfy The Requirements For “Selected Content” Recited In Both The “Selecting” And “Transmitting” Claim Elements.

Apple argues that the Board erred by finding that Hjelt’s “original, base exercise program” is not “selected content” within the meaning of the challenged claims. Apple contends Hjelt teaches the “selecting” element because it discloses “‘an original, base exercise program [that] already exists’ prior to the receipt of the physiological data,” and is “‘selected’ in response to the physiological state data” in order to generate “modifications or adjustments.” Opening Br. 45. But the question of whether Hjelt’s “original, base exercise program” constitutes “selected content” cannot be answered merely by comparing Hjelt’s disclosure to the “selecting” element of the claims.

As explained above, the “selecting” and “transmitting” claim elements operate together to define the “selected content” that is ultimately “transmit[ed] ... to the mobile device.” *See supra* at 7. Taken together, these limitations recite not only that the “content” be selected from content that exists before receiving the physiological state data—as Apple contends Hjelt teaches—**but also** that the selected “content” be “transmit[ed] ... to the mobile device.” *Id.*; *see also* Appx40-41. Thus, whether or not Hjelt teaches that the “original, base exercise program” is selected from “predefined content”—as Apple contends—is irrelevant unless Hjelt also teaches that the “original, base exercise program” is transmitted to Hjelt’s mobile device. And the Board found, based on substantial evidence, that it is not.

The Board found that Hjelt discloses receiving physiological information and thereafter “select[ing] content to transmit to the terminal, such as ‘modifications or adjustments to an existing exercise program (including one or more activities of an existing exercise program).’” Appx46. Thus, even if the original, base program exists before receiving the physiological information, Hjelt discloses transmitting only “modifications or adjustment” to that program or one or more of its activities. There is no evidence that “a portion of the original, base program is transmitted with the modified program.” Appx47.

Apple nevertheless argues that Hjelt teaches transmitting “portions of the original, base program” to the mobile device as part of Hjelt’s “modified exercise program.” Opening Br. 50-53. As the Board held, however, this argument was raised by Apple for the first time during oral argument,¹² and Apple “[did] not identify *any support*—whether in Hjelt or through its declarant—for this proposition.” Appx47 (citing Appx2236-2237; Appx141-142; Appx1771; Appx521-523, ¶¶ 184-187). Apple’s belated attempt to identify on appeal the evidentiary support for this argument is improper. *See, e.g., Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1369 (Fed. Cir. 2016) (“It is of the utmost importance that petitioners in the IPR proceedings adhere to the requirement that the initial petition identify ‘with particularity’ the ‘evidence that

¹² Apple asserted in its Petition that Hjelt discloses the “transmitting” limitation because it describes “that the ‘destination 120’ (‘host computer system’) provides content representing a modified or customized exercise program (‘selected content’) to the ‘terminal 10’ (‘mobile device’).” Appx141-142; *see also* Appx521-524, ¶¶ 184-189 (Apple’s expert presenting the same contention). In its Reply, Apple’s argument shifted in response to Qualcomm’s contention that Hjelt’s modified exercise programs do not constitute “predefined content” within the meaning of the claims because they do not exist before the physiological information is received. *See* Appx1771. Specifically, Apple argued that, because “Hjelt discloses that exercise programs and user goals can be modified upon receiving ‘physiological information,’ ... some aspect of the exercise programs ... necessarily existed when the ‘physiological information’ was received.” *Id.* As the Board correctly recognized, however, Apple did not argue that this purportedly preexisting “aspect” of Hjelt’s exercise programs is *transmitted* to a mobile device. Appx47.

supports the grounds for the challenge to each claim.”) (quoting 35 U.S.C. § 312(a)(3)). It is well settled that what a prior art reference teaches or suggests to one of skill in the art is a question of fact. *Hyon*, 679 F.3d at 1365–66. And this Court has repeatedly held that it will not engage in fact finding on appeal. *See, e.g., Golden Bride Technology, Inc. v. Nokia, Inc.*, 527 F.3d 1318, 1323 (Fed. Cir. 2008) (“We decline to determine what a prior art reference discloses, a fact finding, in the first instance on appeal.”). Thus, Apple’s attempt to shore up its evidentiary failings at the appellate stage is improper.

Regardless, the evidence identified by Apple on appeal does not even demonstrate that any portion of an “original, base exercise program” is transmitted along with Hjelt’s modified exercise programs. Apple first points to a portion of Hjelt disclosing that “a fitness trainer application may have a new exercise program, and/or modifications or adjustments to an existing exercise program (including one or more activities of an existing program), to transfer to the terminal.” Opening Br. 50-51. As the Board correctly found based on substantial evidence, however, Hjelt’s parenthetical recitation of “one or more activities of an existing exercise program” refers to aspects of the “original, base exercise program” that are being modified, such that the only content being transmitted consists of *modified* programs or *modified* activities of those programs, rather than

“predefined content” as required by the challenged claims. Appx46-48. Apple has identified no basis to overturn that factual determination.

The passage from Hjelt that Apple cites does not indicate that any portion of the existing program is transmitted along with the “modifications or adjustments.” Indeed, as explained in Qualcomm’s Response to the Petition, Hjelt does not include *any* example of content that (a) existed before receiving the physiological information, and (b) is transmitted to the mobile device. *See* Appx1519-1529 (citing Appx1726-1734, ¶ 120-139) (asserting that the categories of information transmitted to Hjelt’s mobile device “do not qualify as ‘predefined content’ because they [do not] exist ... prior to receiving ‘physiological data’”). And Hjelt’s claims indicate that only modified portions of the an exercise program are transmitted to the mobile device. In every independent claim, the information returned to the mobile device is specifically described as an “adjusted” exercise program based on information received from the mobile device, rather than “predefined content.” *See* Appx737 (claim 1); Appx738 (claim 15); Appx739 (claim 29); Appx739 (claim 42); Appx740 (claim 56); Appx741 (claim 70).

Apple next points to Hjelt’s reference to “customizing workout programs.” Opening Br. 51. Apple argues that because “a ‘customized’ program would include a program that is new to the user, but created by selecting an original base program and adding customizations, ... the entirety of the program must be

transmitted.” *Id.* Again, there is no basis to overturn the Board’s factual determination that Hjelt does not disclose transmitting any portion of an “original, base exercise program” to a mobile device. *See* Appx46. Not only has Apple failed to identify any record evidence to support its assertion, but Hjelt itself undercuts Apple’s contention. As noted above, Hjelt does not disclose that any specific content that existed before receiving the physiological information is actually transmitted to the mobile device, and every independent claim describes the information transmitted to the mobile device as an “adjusted” exercise program.

Even if Apple’s argument had not been waived—and it was—Apple did not identify *any evidence* that a portion of Hjelt’s “original, base exercise programs” is transmitted to a mobile device, and the Board properly found that Hjelt’s “original, base exercise programs” do not satisfy the requirements for “selected content” recited in the “selecting” and “transmitting” claim elements. Appx46-48.

2. There Is No Evidence To Support Apple’s Contention That “Stored Activities That Make Up An Exercise Program” Satisfy The Requirements For “Selected Content” Recited In The “Selecting” and “Transmitting” Claim Elements.

Apple contends the Board erred because it failed to consider whether Hjelt teaches “selected content”—as recited in the “selecting” and “transmitting” claim elements—via Hjelt’s disclosure of “stored activities that make up an exercise program.” Opening Br. 47-49, 53-55. But that argument was not presented in

Apple’s Petition. Indeed, Apple did not reference “stored activities” in its Petition at all.¹³ Because Apple did not raise this argument before the Board, it has been waived and should not be considered by the Court. *Nuvasive*, 842 F.3d at 1380-81 (holding that arguments not raised and fully briefed before the Board will be deemed waived); *see also Redline Detection, LLC v. Star Envirotech, Inc.*, 811 F.3d 435, 443, 449-450 (Fed. Cir. 2015).

Regardless, Apple’s argument is unavailing because there is no record evidence that Hjelt’s “stored activities” meet the requirements for “selected content” recited in both the “selecting” and “transmitting” claim elements. Apple contends that “even if the Board were correct that Hjelt’s system transmits only the modifications [to an exercise program], those modifications would still be ‘predefined content’” because “Hjelt explains [that] modifying a pre-existing exercise program may simply consist of substituting one predefined activity for another.” Opening Br. 48. As explained above, however, Apple has not identified any basis to overturn the Board’s factual determination that Hjelt’s parenthetical

¹³ The closest Apple came to making this argument in the IPR proceedings was in the context of its obviousness contentions, in which Apple asserted that Hjelt renders obvious “selecting content from a plurality of predefined content” because a person of skill “would have understood that ‘destination 120’ can select content from a ‘pre-defined’ library of content.” Appx140-141. But in making that argument, Apple did not rely on or even reference Hjelt’s purported disclosure of “stored activities.” *Id.*

recitation of “one or more activities of an existing exercise program” refers to aspects of the “original, base exercise program” that are being modified, and thus the only *modified* activity-related information is being transmitted. *See supra* at 53-55.

To support its contention, Apple first points to a portion of Hjelt that it contends “explains” that “the ‘activities’ that make up the exercise programs consist of pre-defined activities.” Opening Br. 47 (citing Appx726 at 7:50-56). But the cited portion of Hjelt says nothing of the sort. Instead, it states that “measurements received from the sensor(s) 34” of Hjelt’s “activity detection appliance 30” “may be indicative of the user performing activities” such as those listed in Apple’s brief. Appx726 at 7:50-65.

Apple next points to a portion of Hjelt it contends “explains [that] modifying a pre-existing exercise program may simply consist of substituting one pre-defined activity for another.” Opening Br. 48 (citing Appx736 at 28:52-59). But the cited portion of Hjelt does not teach transmitting pre-existing activities. Rather, it explains that Hjelt’s personal trainer application can be used to modify the duration or activities of the exercise program, and thereafter “*transmit the modified schedule to the user*, or more particularly to the user’s terminal.” Appx736 at 28:52-63. Thus, as the Board correctly found, Hjelt teaches that the activity-

related information being transmitted consists only of *modified* activities of those programs rather “predefined content,” as required by the claims.

B. Apple Has Not Identified Any Error In The Board’s Obviousness Analysis Or Underlying Factual Findings.

Apple presents two other challenges to the Board’s obviousness analysis, both of which are unavailing. First, Apple argues that the Board’s nonobviousness determination is inconsistent with *KSR* because modifying Hjelt to arrive at the claimed invention merely involved pursuing one of “only two, predictable” alternatives, and “under *KSR*, either would have been obvious.” Opening Br. 52. Second, Apple argues that the Board erred by finding that Apple failed to demonstrate that a person of skill would have been motivated to modify Hjelt to arrive at the claimed invention by “select[ing] content from a pre-defined library of content for transmission.” *Id.* at 53-54.

1. Apple’s Contention That Modifying Hjelt Would Have Been Obvious Because It Merely Involved Pursuing One Of A “Only Two, Predictable Ways For A Modified Program To Be Transmitted” Has Been Waived, Is Contrary to Law, and Is Unsupported.

Apple argues that it would have been obvious to modify Hjelt such that some portion of the “original, base exercise program” is transmitted along with the “modified exercise program” because there are purportedly “only two, predictable ways for a modified program to be transmitted—the new portions would be sent either with or without original portions,” and “both options would have been

obvious” under *KSR*. Opening Br. 52. Apple did not raise this argument in its Petition. Rather, as explained above, Apple asserted in its Petition that Hjelt discloses the “transmitting” limitation of the challenged claims because it describes “that the ‘destination 120’ (‘host computer system’) provides content representing a modified or customized exercise program (‘selected content’) to the ‘terminal 10’ (‘mobile device’).” Appx141-142. Because Apple did not raise this argument before the Board, it has been waived and this Court should not consider it.

Nuvasive, 842 F.3d at 1380-81; *Redline Detection*, 811 F.3d at 443, 449-450.

Regardless, Apple’s contention is contrary to law and unsupported by record evidence. By itself, the existence of a “a finite number of identified predictable solutions” is insufficient to demonstrate obviousness—there must also be evidence of “a design need or market pressure to solve [the] problem.” *KSR*, 550 U.S. at 421. Here, as the Board correctly found, Apple did not identify any design need or market pressure that would have led a skilled artisan to modify Hjelt. Appx48-49. Nor would it make sense for the artisan do so, since including the original base program along with modifications would unnecessarily complicate Hjelt’s system.

Additionally, there is no record evidence that Apple’s proposed modification of Hjelt merely involved pursuing one of two predictable options. Indeed, the only portion of the record Apple cites to support its argument is a portion of the Board’s decision. *See* Opening Br. 52 (citing Board’s decision at Appx47-48). Not only is

the Board's decision not evidence, it also does not support Apple's contention. Contrary to Apple's assertion, the Board did not "acknowledge[] only two, predictable ways for a modified program to be transmitted." *Id.* Instead, the cited portion of the Board's decision includes the Board's finding that Apple failed to identify any evidence "that a portion of the original, base program is transmitted with the modified program," along with the Board's observation that "transmission of the original, base program, or a portion thereof, is likely unnecessary; it is the *modified* program or portion that needs transmission." Appx47-48. Thus, Hjelt provides no support for Apple's contention that a skilled artisan would necessarily understand that its system suggests transmitting the base program rather than just the modifications to it. To the contrary, an artisan would have no motivation to make such an unnecessary and complicating change to Hjelt.

2. Substantial Evidence Supports The Board's Finding That The Evidence of Record Does Not Demonstrate That A Skilled Artisan Would Have Been Motivated To Modify Hjelt To Arrive At The Claimed Invention.

Apple contends the Board erred by finding that Apple failed to "explain why a skilled artisan would have found it obvious to select content from a pre-defined library of content for transmission." Opening Br. 54. Apple argues that, "against the backdrop of Hjelt's disclosure of how exercise programs are created and modified, Apple and its expert's discussion of a library of predefined content stored in a database amply shows that such content would have been selected to

accomplish modifications [to an exercise program], including substituting one activity for another in the program.” *Id.* at 54-55.

The Board found that Apple failed to sufficiently explain “why an ordinarily skilled artisan would have found it obvious to select predefined content ... for transmission to the terminal.” Appx47-48. As explained above, and as this Court has repeatedly held, conclusory allegations of obviousness are insufficient; rather, “there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” *Voip-Pal.com*, 976 F.3d at 1325. Here, Apple provided no such articulated reasoning. Instead, as the Board noted in its Decision, Apple simply argued that “Hjelt’s destination modifies content,” and “because Hjelt discloses databases,” Hjelt thus “‘contemplates’ storing libraries of content, including, e.g., exercise programs.” Appx48. But even if Apple’s assertion regarding *storing* libraries of content were true, Apple provided no explanation of why a person of skill in the art would find it obvious, based on Hjelt, to *transmit* that content to a mobile device. *Id.*

The Board ultimately found that Hjelt’s purported “stored activities” are similarly situated with its “original, base exercise program” in that there is no record evidence that either type of information was actually transmitted to a mobile device as part of a modified exercise program. Appx48-49. The fact that the Board weighed the evidence differently than Apple would have liked is not

reversible error. *Bayer Aktiengesellschaft*, 488 F.3d at 970 (“The Board’s decision to favor one conclusion over the other is the type of decision that must be sustained by this court as supported by substantial evidence.”); *see also Voip-Pal.com*, 976 F.3d at 1325 (holding that the Board’s decision to credit the opinion of one expert over the other was not error and explaining that the Court will “not reweigh evidence on appeal”). Because Apple has not shown that the Board’s findings lack substantial evidentiary support, they should be affirmed.

CONCLUSION

This appeal should be dismissed for lack of Article III jurisdiction because Apple has failed to establish standing. If the Court reaches the merits, the judgment should be affirmed.

Respectfully submitted,

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