

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FACEBOOK, INC.,
Petitioner,

v.

WINDY CITY INNOVATIONS, LLC,
Patent Owner.

Case IPR2017-00624
Patent 8,407,356 B1

Before KARL D. EASTHOM, DAVID C. McKONE, and J. JOHN LEE,
Administrative Patent Judges.

LEE, *Administrative Patent Judge.*

DECISION
Institution of *Inter Partes* Review
37 C.F.R. § 42.108

Motion for Joinder
37 C.F.R. § 42.122(b)

INTRODUCTION

On January 7, 2017, Facebook, Inc. (“Facebook”) filed a Petition (Paper 2, “Pet.”) requesting *inter partes* review of claims 1–9, 12, 14–28, 31, and 33–37 (“the challenged claims”) of U.S. Patent No. 8,407,356 B1 (Ex. 1001, “the ’356 patent”). Concurrently with the Petition, Facebook filed a Motion for Joinder (Paper 3, “Mot.”), requesting that this proceeding be joined with *Microsoft Corp. v. Windy City Innovations, LLC*, Case IPR2016-01067 (“1067 IPR”). Mot. 1. Patent Owner Windy City Innovations, LLC (“Windy City”) filed a Preliminary Response (Paper 7, “Prelim. Resp.”) but did not file an opposition to the Motion for Joinder.

Since the filing of Facebook’s Motion for Joinder, Windy City and the petitioner in the 1067 IPR (“Microsoft”) have settled and, on April 24, 2017, moved to terminate the 1067 IPR. 1067 IPR, Paper 30. We granted the motion to terminate as to Microsoft, but held the motion in abeyance as to Windy City pending the outcome of Facebook’s Motion for Joinder in the present case. 1067 IPR, slip op. at 3–4 (PTAB May 10, 2017) (Paper 32).

For the reasons discussed below, we institute an *inter partes* review of all challenged claims and grant Facebook’s Motion for Joinder.

INSTITUTION OF *INTER PARTES* REVIEW

In the 1067 IPR, we instituted an *inter partes* review of claims 1–37 of the ’356 patent as allegedly unpatentable based on the following asserted grounds under 35 U.S.C. § 103(a):

Claims	Asserted Prior Art
1–37	Galacticomm References ¹
6, 7, 17, 26, 36	Galacticomm References and Sociable Web ²
1–37	Galacticomm References and Choquier ³
6, 7, 17, 26, 36	Galacticomm References, Choquier, and Sociable Web

1067 IPR, slip op. at 32–33 (PTAB Dec. 8, 2016) (Paper 10) (“1067 Inst. Dec.”). Facebook represents that the Petition in this proceeding challenges claims 1–9, 12, 14–28, 31, and 33–37 on the same grounds of unpatentability, relying on the same evidence and arguments, as presented in the 1067 IPR. Mot. 1. According to Facebook, the only substantive difference between its Petition and the petition in the 1067 IPR is that Facebook does not challenge claims 10, 11, 13, 29, 30, and 32. *See* Mot. 1. In addition, Facebook asserts it is not barred from filing the Petition because the one-year deadline to file a petition seeking *inter partes* review after being served with a complaint alleging infringement of the challenged patent

¹ Facebook refers to the combination of three references as the “Galacticomm References”: (1) GALACTICOMM, INC., THE MAJOR BBS VERSION 6.2 SYSTEM OPERATIONS MANUAL (1994) (Ex. 1012, “Major BBS”); (2) Bob Stein, *Galacticomm Announces Internet Connectivity Option for the Major BBS*, BOARDWATCH MAG., Sept. 1994, at 38–39 (Ex. 1014, “Galacticomm ICO”); (3) Jim Thompson, *Technology Front: Galacticomm Unveils Worldgroup: AOL on a PC*, BOARDWATCH MAG., Mar. 1995, at 56–60 (Ex. 1015, “Worldgroup”). For consistency in the record, we adopt this terminology for this Decision.

² Judith S. Donath & Niel Robertson, *The Sociable Web*, 2ND INT’L WWW CONF., Oct. 1994 (Ex. 1019, “Sociable Web”).

³ U.S. Patent No. 5,774,668, filed June 7, 1995, issued June 30, 1998 (Ex. 1010, “Choquier”).

does not apply when the petition is accompanied by a request for joinder.
Pet. 4; *see* 35 U.S.C. § 315(b); 37 C.F.R. § 42.122(b).

Windy City does not dispute that the present Petition is substantively the same as the petition in the 1067 IPR with respect to the challenged claims, but argues that institution is not warranted because the Petition nonetheless fails to establish a reasonable likelihood of prevailing on any of its asserted grounds of unpatentability. *See* Prelim. Resp. 4; *see also* 35 U.S.C. § 315(c) (authorizing joinder only after a determination that the petition “warrants institution of an inter partes review under section 314”); 35 U.S.C. § 314(a) (prohibiting institution absent a determination that the information presented in the petition “shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition”). Specifically, Windy City advances three arguments against the Petition: (1) the asserted prior art fails to teach or suggest the multiplexing/demultiplexing limitations of the challenged claims; (2) the Petition fails to articulate a sufficient motivation to combine the three Galacticom References; and (3) a person of ordinary skill would not have had a reasonable expectation of success in combining the asserted teachings of the prior art. *See* Prelim. Resp. 3–4.

Based on the evidence currently of record and the arguments presented in the Petition, we determine Facebook has demonstrated a reasonable likelihood of prevailing on each of its asserted grounds of unpatentability for essentially the same reasons as explained in our Decision on Institution in the 1067 IPR. *See* 1067 Inst. Dec. 18–32. In reaching this determination, we consider the information presented in Windy City’s Preliminary Response, which includes arguments it did not present in the

1067 IPR prior to institution in that case, but Windy City's positions are not persuasive on this record, as explained below.

As noted above, Windy City first argues the asserted prior art fails to teach or suggest the multiplexing/demultiplexing limitations of the challenged claims. Prelim. Resp. 12–16. According to Windy City, none of the Galacticom References “recite the processes of ‘multiplexing’ or ‘demultiplexing’” and, moreover, Major BBS lacks a “discussion about *how* data is processed and/or sent over communication lines.” *Id.* at 12–14. Windy City also faults the Petition for insufficiently supporting the contention that Major BBS teaches multiplexing/demultiplexing *by the controller computer* and a “virtual connection” created by the API, as recited in the challenged claims. *Id.* at 14–15.

Although Windy City dismisses the testimony of Facebook's declarant, Christopher M. Schmandt, as “unsupported and conclusory” (*id.* at 15), we disagree at this stage of the case and determine that the evidence provides sufficient support on the present record. In his Declaration, Mr. Schmandt testifies that multiplexing and demultiplexing were well-known operations on client/server systems, and explains that the Galacticom References teach multiplexing/demultiplexing of API messages by a BBS server (i.e., the controller computer) “by necessity” because all of the BBS commands had to be communicated over a single connection. Ex. 1023 ¶¶ 174–178. Further, Mr. Schmandt testifies that the Galacticom References teach forums, “whisper” messages, and multimedia files (i.e., the recited “channels, private messages and multimedia objects”) exchanged between BBS users and the BBS system, and explains that these must be communicated via a “virtual connection” because the Galacticom

References teach such communications over single “TCP/IP” connections using “Telnet” programs, similar to the “Tellnet [sic]” embodiment disclosed in the specification of the ’356 patent. *Id.* ¶¶ 179–181.

With respect to the asserted grounds based in part on Choquier, Windy City also contends Choquier does not teach multiplexing *by the controller computer* and refers only to multiplexing by the remote user computer. Prelim. Resp. 15–16. This argument, however, is belied by the record. Facebook and Mr. Schmandt identify specific teachings in Choquier describing multiplexing data both by Microsoft Connection Protocol (MCP) 208a at the client computer (*see* Ex. 1010, Fig. 2, 8:45–53) *and* by the MCP layer at gateway 126, which multiplexes data from connected servers to send to the client computer (*see id.* at Fig. 12, 19:42–20:12). Pet. 65–66; Ex. 1023 ¶¶ 256–258.

Windy City’s arguments questioning the motivation to combine the Galacticom References, and whether a person of ordinary skill would have had a reasonable expectation of success, are essentially the same arguments it advanced on those issues in the 1067 IPR. *See* Prelim. Resp. 16–18; 1067 IPR Paper 7, 12–14. In addition, Windy City argues Facebook’s contentions are “conclusory” and insufficiently explained. *See* Prelim. Resp. 16–18. We disagree and conclude the Petition sufficiently addresses these issues for purposes of institution for the same reasons explained in our Decision on Institution in the 1067 IPR. *See* 1067 Inst. Dec. 24–25. Further, the assertion that Facebook relies on an improper and conclusory “common-sense” rationale is inaccurate. Rather, Facebook relies on specific disclosures from the Galacticom References as well as testimony regarding the facts underlying those disclosures (*see* Ex. 1011 ¶¶ 20–21) and the

understanding of a person of ordinary skill in the art (*see* Ex. 1023 ¶ 109). Pet. 12, 24–25. Windy City’s position also relies on factual allegations for which no evidence is cited in support. *See* Prelim. Resp. 17–18 (alleging, for example, that “the Internet Connectivity Option [for Major BBS] never worked” without citing supporting evidence).

For the above reasons, in particular the fact that the present Petition advances materially the same arguments based on the same evidence as the petition in the 1067 IPR, we determine Facebook has demonstrated sufficiently under 35 U.S.C. § 314 that an *inter partes* review should be instituted in this proceeding on the same grounds of unpatentability as the grounds on which we instituted *inter partes* review in the 1067 IPR with respect to claims 1–9, 12, 14–28, 31, and 33–37 of the ’356 patent.

MOTION FOR JOINDER

An *inter partes* review may be joined with another *inter partes* review, subject to certain statutory provisions:

(c) JOINDER.—If the Director institutes an *inter partes* review, the Director, in his or her discretion, may join as a party to that *inter partes* review any person who properly files a petition under section 311 that the Director, after receiving a preliminary response under section 313 or the expiration of the time for filing such a response, determines warrants the institution of an *inter partes* review under section 314.

35 U.S.C. § 315(c); *see also* 37 C.F.R. § 42.122. As the moving party, Facebook bears the burden of proving that it is entitled to the requested relief. 37 C.F.R. § 42.20(c).

As an initial matter, the Motion for Joinder meets the requirements of 37 C.F.R. § 42.122(b) because the Motion was filed on January 7, 2017,

which is not later than one month after the 1067 IPR was instituted on December 8, 2016.

Additionally, the present Petition challenges the same patent as is under *inter partes* review in the 1067 IPR, and asserts the same grounds of unpatentability based on the same prior art and the same evidence, including the same declaration testimony. Mot. 5–6. The Petition challenges only claims that are already the subject of the *inter partes* review instituted in the 1067 IPR. Moreover, the Petition does not assert any other grounds of unpatentability, or present any new evidence not already of record in the 1067 IPR.

Facebook further asserts that granting joinder would not require any material delay or modifications to the existing schedule in the 1067 IPR because joinder would not introduce any new issues or arguments. *Id.* at 7. We agree. For similar reasons, the scope of briefing and discovery in the joined proceeding would not be significantly different than the anticipated scope of the 1067 IPR prior to the termination of Microsoft—in fact, the burden on the parties and the Board may be reduced because the present Petition raises only a subset of the challenges raised in the petition in the 1067 IPR. As noted above, Windy City did not file an opposition to the Motion for Joinder and has not identified any undue prejudice or harm it might suffer should joinder be granted.

Based on the facts and circumstances discussed above, we determine Facebook has established good cause for joining this proceeding with the 1067 IPR. We determine that granting the Motion for Joinder under these circumstances would help “secure the just, speedy, and inexpensive

resolution” of these proceedings. *See* 37 C.F.R. § 42.1(b). For the above reasons, we conclude that the Motion for Joinder should be granted.

To guide the parties in conducting discovery and presenting arguments, we make clear that the parties should pursue only claims 1–9, 12, 14–28, 31, and 33–37 in the joined proceeding. “If an inter partes review is instituted and not dismissed under this chapter, the Patent Trial and Appeal Board shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner and any new claim added under section 316(d).” 35 U.S.C. § 318(a). Thus, in the joined proceeding, we must issue a final written decision regarding the patentability of “any patent claim challenged by the petitioner.” *Id.*

Although Microsoft challenged several claims in addition to the claims specified above, the 1067 IPR has been terminated as to Microsoft under 35 U.S.C. § 317, which dictates that “[a]n inter partes review instituted under this chapter shall be terminated with respect to any petitioner upon the joint request of the petitioner and the patent owner, unless the Office has decided the merits of the proceeding before the request for termination is filed.” Thus, Microsoft no longer challenges any claims of the ’356 patent in the joined proceeding. Facebook now is “the petitioner” for purposes of § 318(a). Accordingly, we are required by § 318(a) to issue a final written decision only as to the claims challenged by Facebook, i.e., claims 1–9, 12, 14–28, 31, and 33–37. For the avoidance of doubt, we dismiss from the joined proceeding and, for purposes of § 318(a), will not consider the patentability of claims 10, 11, 13, 29, 30, and 32.

ORDER

It is

ORDERED that pursuant to 35 U.S.C. § 314, an *inter partes* review in IPR2017-00624 is hereby instituted for claims 1–9, 12, 14–28, 31, and 33–37 of the '356 patent on the grounds of unpatentability set forth above, and no other grounds are authorized;

FURTHER ORDERED that Facebook's Motion for Joinder is *granted*;

FURTHER ORDERED that IPR2017-00624 is hereby joined with IPR2016-01067;

FURTHER ORDERED that the Scheduling Order entered in IPR2016-01067 (Paper 11), as modified by joint stipulation (Papers 19 and 24), is unchanged and shall govern the schedule of the joined proceeding;

FURTHER ORDERED that IPR2017-00624 is terminated under 37 C.F.R. § 42.72, and all further filings in the joined proceeding are to be made in IPR2016-01067;

FURTHER ORDERED that challenges to claims 10, 11, 13, 29, 30, and 32 of the '356 patent are dismissed from the joined proceeding;

FURTHER ORDERED that a copy of this Decision will be entered into the record of IPR2016-01067; and

FURTHER ORDERED that the case caption in IPR2016-01067 shall be modified to reflect joinder with this proceeding in accordance with the attached example.

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Example Case Caption for Joined Proceeding

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¹ Case IPR2017-00624 has been joined with this proceeding.