

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FACEBOOK, INC.,
Petitioner,

v.

WINDY CITY INNOVATIONS, LLC,
Patent Owner.

Case IPR2017-00709
Patent 8,458,245 B1

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

Opinion Concurring filed by *Administrative Patent Judge* LEE, in which
Administrative Patent Judge McKONE joins.

PER CURIAM.

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 17, 2017, Facebook, Inc. (“Facebook”) filed a Petition (Paper 2, “Pet.”) requesting *inter partes* review of claims 19 and 22–25 (“the present challenged claims”) of U.S. Patent No. 8,458,245 B1 (Ex. 1001, “the ’245 patent”). Concurrently with the Petition, Facebook filed a Motion for Joinder (Paper 3, “Mot.”), requesting that this proceeding be joined with *Facebook, Inc. v. Windy City Innovations, LLC*, Case IPR2016-01156 (“1156 IPR”). Mot. 1. Patent Owner Windy City Innovations, LLC (“Windy City”) filed an Opposition to the Motion for Joinder (Paper 8, “Opp.”) but did not file a Preliminary Response. Facebook filed a Reply to the Opposition to the Motion for Joinder (Paper 9, “Reply”).

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

BACKGROUND

In June 2015, Windy City filed suit against Facebook in the U.S. District Court for the Western District of North Carolina. *See* Ex. 1017 (“Complaint”). In the Complaint, Windy City identified four patents-in-suit, including the ’245 patent, and alleged that “Facebook has infringed and continues to infringe the patents-in-suit.” *See id.* at 2–3, 6–9. Although the asserted patents include over 800 total claims, no specific claims of the asserted patents were identified in the Complaint.

Facebook moved to dismiss the Complaint on July 24, 2015, arguing *inter alia* that the Complaint’s infringement allegations were insufficiently specific to sustain the action. *See* Ex. 3001, 4 (Facebook’s Memorandum in Support of Motion to Dismiss). While waiting for the court to decide its

Motion to Dismiss, Facebook also filed a Motion to Change Venue to the Northern District of California on August 25, 2015. *See* Ex. 3002, 2 (order granting Motion to Change Venue). The court did not decide Facebook’s Motion to Dismiss and, on March 16, 2016, the court instead granted Facebook’s Motion to Change Venue and transferred the case to the U.S. District Court for the Northern District of California. *Id.* at 7–8.

After the case was transferred, counsel for Facebook contacted counsel for Windy City to request that Windy City identify a subset of claims from the asserted patents and restrict its infringement contentions to only those claims, but earlier than the relevant deadlines provided in applicable patent local rules. *See* Ex. 1013, 1–5. Facebook noted that the deadline for filing *inter partes* review petitions was upcoming, and asserted that Windy City’s refusal to identify specific claims would prejudice Facebook’s ability to focus such petitions on only those claims actually in controversy. *See id.* at 2. Although Windy City expressed willingness to negotiate, ultimately, those discussions failed to produce an agreement. *See id.* at 1–4.

On May 4, 2016, Facebook filed a motion seeking an order requiring Windy City to identify no more than forty asserted claims across the patents-in-suit. Ex. 1014, 1–2. The court denied the motion, but indicated it would “require a preliminary election of asserted claims and prior art,” ordering the parties to address the topic in their joint statement for the case management conference. Ex. 1015, 1. The case management conference was not held until July 25, 2016. *See* Ex. 3003.

Facebook filed its petition in the 1156 IPR on June 3, 2015, just prior to the one-year deadline set forth in 35 U.S.C. § 315(b). *See* 1156 IPR,

Paper 1 (“1156 Pet.”). The petition in the 1156 IPR challenged claims 1–15, 17, and 18 of the ’245 patent. *Id.* at 3.

After the case management conference, on October 19, 2016, Windy City served disclosures in the district court case, pursuant to applicable patent local rules, identifying claims 19 and 22–25 of the ’245 patent as allegedly infringed by Facebook. Ex. 1016, 2. Subsequently, on December 15, 2016, we instituted an *inter partes* review of claims 1–15, 17, and 18 of the ’245 patent in the 1156 IPR on the ground of unpatentability under 35 U.S.C. § 103(a) in view of Roseman,¹ Rissanen,² Vetter,³ Pike,⁴ and Westaway⁵ (claims 1–5, 7, 9–14), and additionally Lichty⁶ (claims 6, 8, 15, 17 and 18). 1156 IPR, slip op. at 30–31 (PTAB Dec. 15, 2016) (Paper 7, “1156 Inst. Dec.”). Pursuant to 37 C.F.R. § 42.122(b), Facebook filed the present Petition and Motion for Joinder on January 17, 2017, seeking to challenge the claims of the ’245 patent identified in Windy City’s October 19, 2016 disclosures. *See* Mot. 7–8.

ANALYSIS

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

¹ U.S. Patent No. 6,608,636 B1, filed May 13, 1992, issued Aug. 19, 2003 (Ex. 1003, “Roseman”).

² European Patent Application Pub. No. 0621532 A1, published Oct. 26, 1994 (Ex. 1004, “Rissanen”).

³ Ronald J. Vetter, *Videoconferencing on the Internet*, COMPUTER, Jan. 1995, at 77–79 (Ex. 1005, “Vetter”).

⁴ Mary Ann Pike et al., USING MOSAIC (1994) (Ex. 1006, “Pike”).

⁵ U.S. Patent No. 5,226,176, issued July 6, 1993 (Ex. 1007, “Westaway”).

⁶ Tom Lichty, THE OFFICIAL AMERICAN ONLINE® FOR MACINTOSH™ MEMBERSHIP KIT & TOUR GUIDE (1994) (Ex. 1008, “Lichty”).

(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 17, 2017, which is not later than one month after the 1156 IPR was instituted on December 15, 2016.⁷

Although the Board frequently grants motions for joinder where the asserted grounds of unpatentability, and supporting arguments and evidence, are the same as in the preceding case, the Motion here seeks to join challenges to different claims than in the 1156 IPR. Facebook argues, however, that the present challenged claims are “substantially similar” to the claims challenged in the 1156 IPR and, thus, “do not raise any substantial new issues” given that Facebook relies on essentially the same evidence as in the 1156 IPR. Mot. 9–10. According to Facebook, this “substantial overlap between the instant proceeding and the [1156 IPR]” indicates joinder would promote the expedient and efficient resolution of the issues. *Id.* at 10, 12. Further, Facebook asserts that Windy City would not be unduly prejudiced because the present Petition does not raise substantial new

⁷ January 15, 2017, was a Sunday, and January 16, 2017, was Martin Luther King, Jr. Day.

issues or subject matter, enabling Windy City to address the challenges to the present challenged claims “without significant additional burden, expense, or delay.” *Id.* at 12.

Windy City disputes Facebook’s characterization of the present challenged claims as substantially similar to the claims challenged in the 1156 IPR. Opp. 2–5. Thus, Windy City contends it would be unduly prejudiced by being forced to respond to voluminous new arguments and analyses, which would place on it a significant additional burden. *Id.* at 8.

A key issue, therefore, is whether the present challenged claims, and Facebook’s arguments and evidence against them, are similar enough to those in the 1156 IPR such that Windy City would not be subject to an undue additional burden to address them. As explained below, we agree with Facebook.

First, the claim language of the present challenged claims is very similar to that of several of the claims on which we instituted review in the 1156 IPR. For example, claim 7 (1156 IPR) and claim 19 (present Petition) are substantially similar in language and scope. By way of illustration, claim 7 recites, “a first of the participator computers running software communicating a private message to the computer system,” and claim 19 recites, “a first of the plurality of participator computers being programmed to communicate such that a private message is sent to the computer system.” Claim 7 further recites, “the private message comprising a pointer” and “receiving a communication via the pointer provided within the private message” where “the communication includ[es] pre-stored data representing at least one of video, a graphic, sound, and multimedia.” Similarly, claim 19 recites, “the private message including a pointer pointing to a

communication that includes pre-stored data representing at least one of a video, a graphic, sound, and multimedia.”

Although Windy City demonstrates that the language of claim 7 and that of claim 19 are not identical, it does not explain why any of the identified “differences” are substantial. *See* Opp. 3–5. To the contrary, we conclude that the differences are *not* substantial, at least to the extent that the differences do not place an undue burden on Windy City beyond the burden it already bears with respect to claim 7 in the 1156 IPR. For example, claim 7 recites, “the second of the participator computers determines internally whether or not the second of the participator computers can present *the communication*” (emphasis added)⁸ where “the communication includ[es] pre-stored data.” Claim 19 recites, “the second participator computer internally determines whether or not the second participator computer can present the *pre-stored data*” (emphasis added). Although the claim language differs, we are persuaded the difference is sufficiently minor such that it would not unduly burden Windy City to analyze and address it. Likewise, claims 22–25 challenged in the present Petition also recite limitations that are substantially similar to the limitations of claims already in the 1156 IPR, specifically claims 9–12. *See* Mot. 11.

In addition, Facebook’s arguments and evidence supporting its contention that the present challenged claims are unpatentable are substantially similar to its arguments and evidence with respect to the

⁸ Windy City correctly notes that the Motion and present Petition includes an inaccurate reproduction of part of claim 7. *See* Opp. 2–3. Facebook represents these discrepancies were unintended and immaterial typographical errors. Reply 1–2. We disregard the inaccurate portions of the Motion and Petition and base our analysis on the actual language of the claim in the ’245 patent.

corresponding claims in the 1156 IPR. *See* Pet. 9–12; *compare id.* at 21–56 (argument regarding claim 19), *with* 1156 Pet. 51–55 (argument regarding claim 7); *compare* Pet. 56–57 (argument regarding claims 22–25), *with* 1156 Pet. 50, 55–56 (argument regarding claims 9–12 and similar claims 3–5). The asserted prior art, and the specific teachings relied on, are substantially similar, as are the alleged rationales to combine the references and the expert testimony cited in support. *See, e.g.,* Pet. 23–24, 36–37, 41–42; 1156 Pet. 19–20, 29–30, 36–38. Additionally, Facebook’s claim construction arguments are the same. *Compare* Pet. 7–9, *with* 1156 Pet. 4–6. Although Windy City asserts that “[t]hirty-seven (37) pages of the Joinder Petition contain new arguments,” it does not explain why they are “new” or identify any specific argument or evidence as substantively different from the arguments and evidence presented in the 1156 IPR. Opp. 8.

In sum, upon review of the present Petition, we conclude that it presents substantially similar arguments and evidence as presented in the 1156 IPR, and that any differences are not substantial enough to impose an undue burden on Windy City beyond its existing burden in the 1156 IPR. As a result, we also agree with Facebook that joinder would not “substantially expand the subject matter at issue” in the 1156 IPR, and that joinder “would require only reasonable adjustments to the schedule [of the 1156 IPR] that need not unduly delay the final hearing and final decision.” *See* Mot. 12–13.

Windy City, however, advances another argument as to why the Motion for Joinder should be denied. According to Windy City, Facebook was “on notice” of the present challenged claims before it filed the 1156 IPR and, thus, these claims should have been challenged in the 1156 IPR.

Opp. 5–7. Although an unreasonable delay in raising an unpatentability challenge is often a sufficient basis to deny joinder, we are persuaded the delay in this case was not unreasonable. First, the Complaint in the district court litigation did not identify *any* specific claims, alleging only that Facebook “has infringed and continues to infringe the patents-in-suit” and that its website and applications “meet claims of the patents-in-suit.”

Ex. 1017, 6. Second, Facebook attempted multiple times to ascertain which claims of the ’245 patent were actually the subject of Windy City’s infringement allegations. For example, Facebook filed a Motion to Dismiss for lack of specificity in the Complaint, which raised the issue and prompted Windy City to respond. *See* Ex. 3001. Facebook also attempted to negotiate an agreement whereby Windy City would identify a reasonable subset of the 800+ possible claims, and also filed a motion seeking an order compelling Windy City to do so. *See* Ex. 1013; Ex. 1014. We are not persuaded Facebook should be penalized for failing to guess accurately which claims Windy City intended to assert considering the circumstances here, particularly the sheer number of possible claims. In addition, we note that a substantial portion of the delay appears to have been due to the time the district court required to decide Facebook’s Motion to Change Venue and transfer the case, rather than a lack of diligence on the part of Facebook.

Both Facebook and Windy City cite decisions of other panels of the Board in other cases as allegedly supporting their positions. *See* Mot. 6–7; Opp. 6–7. Joinder, however, is inherently a fact-specific inquiry that depends on the circumstances of each individual case. In particular, Windy City cites *Arris Group, Inc. v. Cirrex Systems LLC*, Case IPR2015-00530, slip op. at 8–9 (PTAB July 27, 2015) (Paper 12). In *Arris*, however, the

panel denied joinder in part because joinder would have required consideration of new grounds of unpatentability, including three new prior art references that had not previously been asserted. *Id.* at 10. Thus, joinder would have entailed significant additional burden and cost on the patent owner. Further, the oral hearing of the earlier proceeding in *Arris* was less than one month away. *Id.* Here, in contrast, the new challenges in the present Petition are substantially similar to those in the 1156 IPR and do not rely on new prior art or significant new evidence; joinder would not impose an undue burden on Windy City; and the schedule of the 1156 IPR is less advanced. We determine the balance of the circumstances in this case supports Facebook.

Before joinder may be granted, however, we must also first determine that institution of an *inter partes* review is warranted under § 314.⁹ 35 U.S.C. § 315(c). As discussed above, the present challenged claims are substantively similar to claims on which we already instituted *inter partes* review in the 1156 IPR based on essentially the same asserted ground, prior art, evidence, and arguments. Thus, we determine that Facebook has established a reasonable likelihood of prevailing on the ground of unpatentability asserted in the present Petition for essentially the same reasons as articulated for the corresponding claims in the 1156 IPR. *See* 35 U.S.C. § 314(a); 1156 Inst. Dec. 15–27. We also note that Windy City did not file a preliminary response or argue that the present Petition failed to establish a reasonable likelihood of prevailing.

⁹ Although the present Petition was filed more than one year after Facebook was served with a complaint alleging infringement of the '245 patent, the one-year statutory time bar for filing a petition does not apply in the context of joinder. *See* 35 U.S.C. § 315(b).

Based on the facts and circumstances discussed above, we determine Facebook has established good cause for joining this proceeding with the 1156 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 trial should be instituted and the Motion for Joinder granted.

ORDER

It is

ORDERED that pursuant to 35 U.S.C. § 314, an *inter partes* review in IPR2017-00709 is hereby instituted for claims 19 and 22–25 of the ’245 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 IPR2017-00709 is hereby joined with IPR2016-01156;

FURTHER ORDERED that IPR2017-00709 is terminated under 37 C.F.R. § 42.72, and all further filings in the joined proceeding are to be made in IPR2016-01156;

FURTHER ORDERED that a copy of this Decision will be entered into the record of IPR2016-01156; and

FURTHER ORDERED that the case caption in IPR2016-01156 shall be modified to reflect joinder with this proceeding in accordance with the attached example.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FACEBOOK, INC.,
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WINDY CITY INNOVATIONS, LLC,
Patent Owner.

Case IPR2017-00709
Patent 8,458,245 B1

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

LEE, *Administrative Patent Judge*, with whom McKONE, *Administrative Patent Judge*, joins, concurring.

I concur with the result reached in the Decision of the Board, but I write separately to express my concerns regarding an important issue. The Decision determines that Petitioner Facebook, Inc. (“Facebook”) has met its burden to prove it is entitled to the requested joinder with IPR2016-01156. Facebook, however, already is a party to IPR2016-01156; in fact, it is the sole petitioner in that proceeding. In granting Facebook’s Motion for Joinder, the Decision implicitly concludes that the requested joinder is authorized by the applicable statute, namely 35 U.S.C. § 315(c).

Section 315(c) states in relevant part that “*the Director*, in his or her discretion, may join as a party to [the earlier-instituted] inter partes review any person who properly files a petition under section 311 that *the Director* . . . determines warrants the institution of an inter partes review” (emphases added). The statute, therefore, grants the authority and discretion to institute trial and grant joinder to the Director. *See id.* Consequently, the Board’s authority to institute trial and grant joinder actually is an exercise of the Director’s authority—which was delegated to the Board via regulation—*on the Director’s behalf*. *See* 37 C.F.R. §§ 42.4(a), 42.122.

The relevant regulations, however, are silent as to how § 315(c) should be interpreted with respect to whether a party (i.e., Facebook in the present case) may be joined “as a party” to an *inter partes* review to which it is already a party—so-called “same-party joinder.” Although I am aware that panels of the Board, including an expanded panel, have decided that § 315(c) should be interpreted as authorizing same-party joinder, no such decisions have yet been made precedential and none are binding on this panel. *See, e.g., Target Corp. v. Destination Maternity, Corp.*, Case IPR2014–00508, slip op. (Feb. 12, 2015) (Paper 28).

My view is that § 315(c), when properly interpreted, does *not* authorize same-party joinder because a party cannot be joined to a proceeding “as a party” if it already is a party to that proceeding. In this respect, I agree with the reasoning set forth in *SkyHawke Technologies, LLC v. L&H Concepts, LLC*, Case IPR2014-01485, slip op. 3–4 (Mar. 20, 2015) (Paper 13).

I recognize, however, that the Director has taken the position before the U.S. Court of Appeals for the Federal Circuit that § 315(c) authorizes

same-party joinder. *See, e.g.*, Brief for Intervenor – Director of the United States Patent and Trademark Office at 32–39, *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, No. 2016-2321 (Fed. Cir. filed Jan. 12, 2017). Despite my disagreement with that interpretation, because our decision on whether to grant Facebook’s Motion for Joinder is an exercise of the Director’s authority on the Director’s behalf, I concur with the Decision’s application of the Director’s view of § 315(c).

Case IPR2017-00709

Patent 8,458,245 B1

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Example Case Caption for Joined Proceeding

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FACEBOOK, INC.,
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WINDY CITY INNOVATIONS, LLC,
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Case IPR2016-01156¹
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¹ Case IPR2017-00709 has been joined with this proceeding.