

2018-1400, -1401, -1402, -1403, -1537, -1540, -1541

**United States Court of Appeals
for the Federal Circuit**

FACEBOOK, INC.,

Appellant,

v.

WINDY CITY INNOVATIONS, LLC,

Cross-Appellant.

*Appeals from the United States Patent and Trademark Office, Patent Trial and
Appeal Board, in Case Nos. IPR2016-01156, IPR2016-01157, IPR2016-01158,
IPR2016-01159*

APPELLANT'S REPLY AND RESPONSE TO CROSS-APPEAL

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CERTIFICATE OF INTEREST

Counsel for Appellant Facebook, Inc. certifies the following:

1. The full name of every party or amicus represented by me is:
Facebook, Inc.
2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is:
The party named in the caption, Facebook, Inc., is the real party in interest.
3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are: **There are no such corporations or companies.**
4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court and who are not already listed on the docket for the current case:

Cooley LLP: Andrew C. Mace, Lowell D. Mead

5. The following cases are pending in a court or agency and will directly affect or be directly affected by this court's decision in the pending appeal:

***Windy City Innovations, LLC v. Facebook, Inc.*, Case No. 4:16-cv-01730-YGR (N.D. Cal.)**

***Windy City Innovations, LLC v. Facebook, Inc.*, Case Nos. 2018-1543, 2018-1544, 2018-1545 (Fed. Cir.), in which the patent owner Windy City appealed from IPR proceeding nos. IPR2016-01067, IPR2016-01141 and IPR2016-01155. The appeal was dismissed on May 14, 2018.**

Dated: November 9, 2018

By: /s/ Heidi L. Keefe

Heidi L. Keefe
Cooley LLP

TABLE OF CONTENTS

	Page
CERTIFICATE OF INTEREST	i
REPLY ARGUMENT	1
I. The Patentability Finding for the '245 Patent Should Be Reversed	1
A. The Local Computer in Roseman Stores Local Items.	1
B. The Host in Roseman Transmits Actual Data Files and Notes To Participants, Rather Than Merely Generate Images.	5
C. Windy City's Procedural Arguments Do Not Identify Any Substantial Evidence Supporting the Board's Factual Finding.	10
II. The Board Erroneously Construed the '657 Patent Dependent Claims.	12
III. The Patentability Finding for the '552 Patent Should Be Reversed	15
A. The Board Incorrectly Interpreted the "Authorization" Steps	15
B. The Prior Art Discloses the "Authorization" Limitations Even Under the Board's Incorrect Construction	18
IV. Claims 14 and 33 of the '356 Patent Are Invalid.	20
V. The Court Should Not Disturb the Board's Joinder Decisions.	20
A. Windy City Filed Suit on 830 Patent Claims and Refused to Identify Its Asserted Claims Before the One-Year IPR Deadline.	21
B. Windy City Waived Any Argument that the Board Lacks Authority to Grant Joinder Under 35 U.S.C. § 315(c).	24
C. The Board Properly Exercised its Discretion to Permit Joinder.	26
1. The Board Properly Granted Joinder On Additional Claims.	27

Table of Contents
(continued)

	Page
2. The Board Properly Granted “Same-Party” Joinder.....	31
RESPONSE TO WINDY CITY’S CROSS-APPEAL	38
INTRODUCTION	38
SUMMARY OF THE ARGUMENT	39
ARGUMENT	39
I. Substantial Evidence Supports the Board’s Finding That It Would Have Been Obvious to Store Roseman’s Keys in a Database.	39
II. Windy City Does Not Identify Any Error in the Board’s Decisions.	43
CONCLUSION	45

TABLE OF AUTHORITIES

	Page(s)
Cases	
<i>Allied Erecting and Dismantling Co., Inc. v. Genesis Attachments, LLC,</i> 825 F.3d 1373 (Fed. Cir. 2016)	44
<i>Ariosa Diagnostics v. Verinata Health, Inc.,</i> 805 F.3d 1359 (Fed. Cir. 2015)	34
<i>Baldwin Cty. Welcome Ctr. v. Brown,</i> 466 U.S. 147 (1984).....	36
<i>Belden Inc. v. Berk-Tek LLC,</i> 805 F.3d 1064 (Fed. Cir. 2015)	39
<i>Chevron U.S.A. Inc. v. Nat. Res. Def. Council, Inc.,</i> 467 U.S. 837 (1984).....	27, 28, 31, 32
<i>Ericsson Inc. v. Intellectual Ventures I LLC,</i> 901 F.3d 1374 (Fed. Cir. 2018)	18, 19
<i>Forshey v. Principi,</i> 284 F.3d 1335 (Fed. Cir. 2002)	18
<i>Galderma Labs., L.P. v. Tolmar, Inc.,</i> 737 F.3d 731 (Fed. Cir. 2013)	10
<i>Holder v. Martinez Gutierrez,</i> 132 S.Ct. 2011 (2012).....	32
<i>Intellectual Ventures II LLC v. Ericsson Inc.,</i> 686 Fed. App'x 900 (Fed. Cir. 2017)	18
<i>MCM Portfolio LLC v. Hewlett-Packard Co.,</i> 812 F.3d 1284 (Fed. Cir. 2015)	25
<i>Meiresonne v. Google, Inc.,</i> 849 F.3d 1379 (Fed. Cir. 2017)	10
<i>Merck & Co., Inc. v. Teva Pharm. USA, Inc.,</i> 395 F.3d 1364 (Fed. Cir. 2005)	15

**Table of Authorities
(continued)**

	Page(s)
<i>In re Mouttet</i> , 86 F.3d 1322 (Fed. Cir. 2012)	44
<i>Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co. Ltd.</i> , 868 F.3d 1013 (Fed. Cir. 2017)	27, 30, 34
<i>Phillips v. AWH Corp.</i> , 415 F.3d 1303 (Fed. Cir. 2005) (en banc)	16, 17
<i>Pivonka v. Axelrod</i> , No. 2008-1413, 2009 WL 405816 (Fed. Cir. Feb. 19, 2009) (unpublished disposition).....	24
<i>Promega Corp. v. Life Techs. Corp.</i> , 773 F.3d 1338 (Fed. Cir. 2014)	31
<i>SAS Inst., Inc. v. ComplementSoft, LLC</i> , 825 F.3d 1341 (Fed. Cir. 2016), <i>rev'd on other grounds</i> 138 S.Ct. 1348 (2018).....	18
<i>Straight Path IP Grp., Inc. v. Apple Inc.</i> , No. C 16-03582 WHA, 2017 WL 1365124 (N.D. Cal. Apr. 13, 2017)	34
<i>Sumitomo Dainippon Pharma Co., Ltd. v. Emcure Pharms., Ltd.</i> , 887 F.3d 1153 (Fed. Cir. 2018)	16
<i>Suprema, Inc. v. Int'l Trade Comm'n</i> , 796 F.3d 1338 (Fed. Cir. 2015)	28, 32, 33, 36
<i>Target Corp. v. Destination Maternity Corp.</i> , IPR2014-00508, Paper 28 (P.T.A.B. Feb. 12, 2015).....	35, 36
<i>Thorner v. Sony Comput. Entm't Am. LLC</i> , 669 F.3d 1362 (Fed. Cir. 2012)	14, 17
<i>In re Watts</i> , 354 F.3d 1362 (Fed. Cir. 2004)	24
<i>In Re: Windy City Innovations, LLC</i> , Case 18-102, No. 2 (Fed. Cir. 2017).....	26

**Table of Authorities
(continued)**

Page(s)

Statutes

28 U.S.C. § 1404(a)22

35 U.S.C.

 § 271(f).....31

 § 311.....27, 31

 § 313.....27

 § 314..... 27-28

 § 315(b).....21, 22, 36, 37

 § 315(c)*passim*

 § 316.....35

 § 325(c)29

Other Authorities

37 C.F.R.

 § 42.1(b)36

 § 42.22(a)25

 § 42.25(a)(1)25

 § 42.122.....28

 § 42.122(b).....31

157 Cong Rec

 S1360-S1394.....30, 33, 34

77 Fed. Reg. 48,756, 48,758 (Aug. 14, 2012)36

Fed. R. Civ. P. 15(c).....35

REPLY ARGUMENT

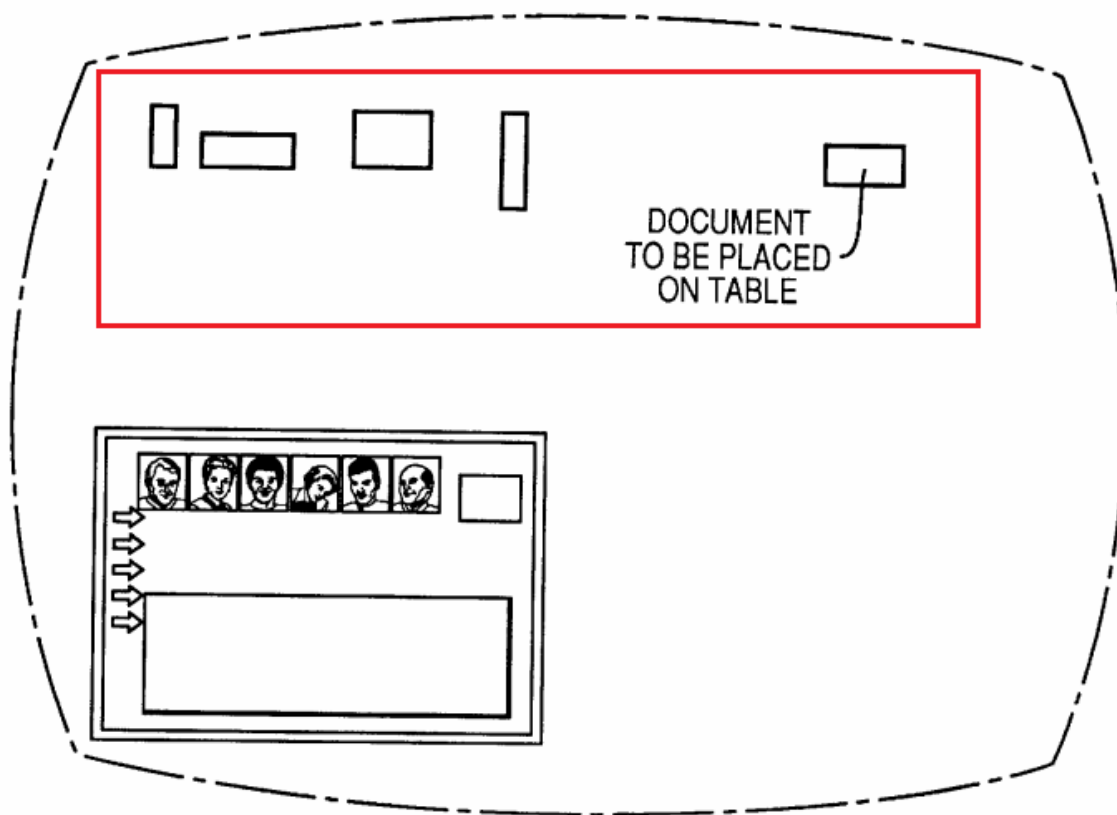
I. The Patentability Finding for the '245 Patent Should Be Reversed

A. The Local Computer in Roseman Stores Local Items.

The Board's conclusion and Windy City's defense of that conclusion rest on the false premise that everything presented to the user was processed at the host server. But contrary to Windy City's arguments, the local computers in Roseman are not mere dummy terminals with no independent display processing capability. As such, there is not substantial evidence to support the Board's decision.

Roseman plainly states that the local computers are preferably standard PC computers running the Microsoft Windows operating system. (Appx1224, 12:1-3 (“the local computers are utilizing Windows®, or an equivalent.”).) Figure 10, reproduced below, shows a simplified depiction of a typical Windows desktop display in which the virtual conference room software is running:

FIG. 10



(Appx1204, Fig. 10 (red box annotation added).) The lower left corner of Figure 10 shows the conference room represented as a window on the screen. (Appx1222, 8:6-7.) The red box annotation shows icons outside the virtual conference room window. As Roseman explains, “[t]he private work area outside the window displays icons representing the invitee’s programs and data files.” (Appx1222, 8:7-9 (underlining added).) For example, Figures 10 and 11 depict the user dragging a local document onto the conference room using “drag and drop” features:

FIG. 10

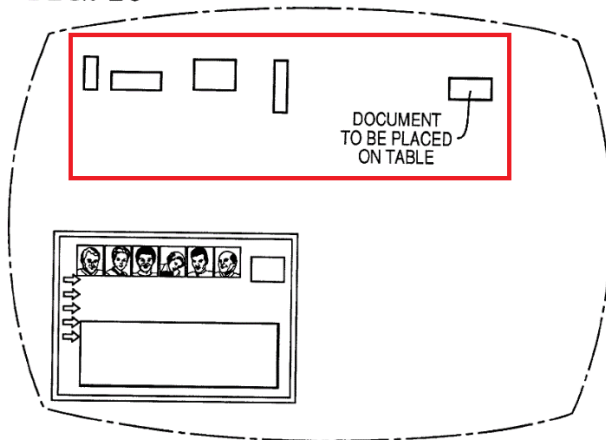
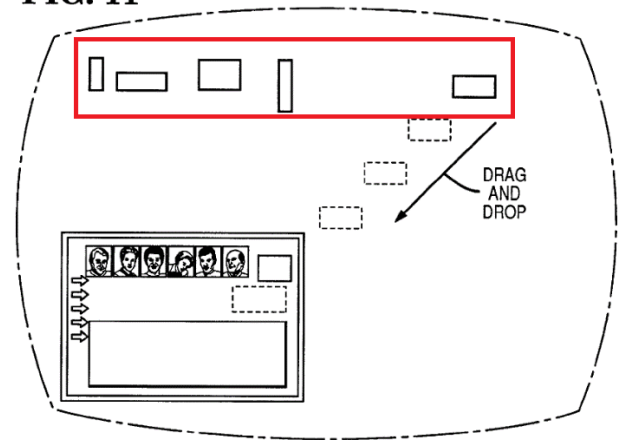


FIG. 11



(Appx1204-1205, Figs. 10 & 11 (red box annotations added).)

Windy City speculates, with no support, that Figure 10 shows only items hosted at the “Roseman system” (*i.e.* the host server) and not items present on the user’s “local computer.” (Red Br. at 21-22.) But Roseman makes clear that the items sitting outside the “conference room” reside on the user’s local computer (*e.g.*, on the desktop of a standard Windows PC). For example, Roseman describes these items as “the invitee’s programs and data files,” and by dragging-and-dropping, the “invitee can transmit a file (of any suitable kind: data, text, or graphic) to the host” using the drag-and-drop feature shown in Figure 11. (Appx1222, 8:1-13 (emphasis added); *see also* Appx1212, Fig. 16A.) The fact that the drag-and-drop depicted in Figures 10 and 11 causes the local computer to “**transmit**” a data file “**to the host**” confirms that that file was “outside” the host conferencing system. In other words, there would be no reason to “**transmit**” the data file “**to the host**” if, as Windy City

speculates, that file (and everything else on the screen presented to the user) originated from the host server.

Windy City also points to Roseman's statement that documents can be shared "by dragging an icon of the object from the outside (users non-'meeting room' windows) onto the table." (Appx1224, 11:20-22 (emphasis added).) But this passage simply summarizes the earlier disclosure of dragging-and-dropping local files depicted in Figure 10 and 11. (Appx1222, 8:1-13.)

Windy City's speculation that "the entire screen shown in FIG. 10 may correspond to the Roseman system as a whole" is unfounded and supported by no evidence, let alone substantial evidence. (Red Br. at 21-22.) Windy City does not identify any passage of Roseman suggesting that the host conference system is even aware of locally-present items shown in Figures 10 and 11 until one of them is dragged and dropped into the conference room window.

B. The Host in Roseman Transmits Actual Data Files and Notes To Participants, Rather Than Merely Generate Images.

Windy City also identifies no deficiency in Roseman’s disclosures that when a participant performs the drag-and-drop and note-passing operations, the host transmits the actual “data file” and “note” to each participant, rather than merely

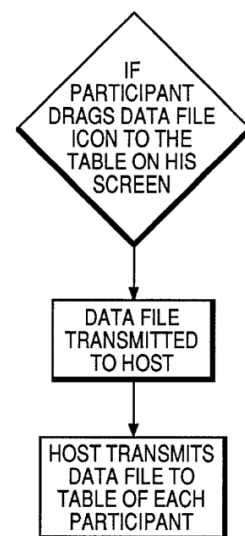
displaying an image. As explained in Facebook’s opening brief, Roseman explicitly describes “*HOST TRANSMITS DATA FILE TO TABLE OF EACH PARTICIPANT.*”

(Appx1212, Fig. 16A (emphasis added).) This is the same “data file” that the invitee dragged from his or her local data files, as described in Section I.A above.

As Figure 16A (shown at right) confirms, Roseman clearly and unambiguously discloses (a) the invitee transmits the data file to the host, and (b) the data file is transmitted by the host to each participant. Windy City does not identify any reasonable alternative understanding of this teaching.

Windy City argues that Roseman’s description in Figure 16A “refers to transmitting the file to the table of a participant.” (Red Br. at 23.) But the dispositive point, which Windy City does not dispute, is that Roseman expressly describes the host transmitting the *actual data file itself* – not merely generating and transmitting some graphical representation of the file. Roseman does not describe the host

FIG. 16A

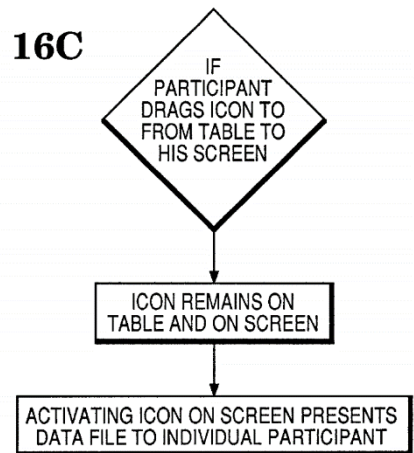


“displaying the file so that it appears on participant’s tables” or the like, as Windy City would have it. The actual file is transmitted, refuting the Board’s position.

Windy City argues that Facebook “neglects to discuss” Figure 16B. (Red Br. at 23.) But Figure 16B supports Facebook’s argument. Figure 16B describes what can occur when a participant activates the icon for a data file – the same file that was sent to the local participant computer in Figure 16A. The last step in the flowchart explains how the host causes the data file to be presented to each local participant computer – the “*HOST SENDS OPEN FILE*” to every participants’ table. Roseman explains that when this occurs, “[t]he icon blooms into an image dictated by the type of file which the icon represents (graphic, text, etc.)” (Appx1222, 8:12-14.)

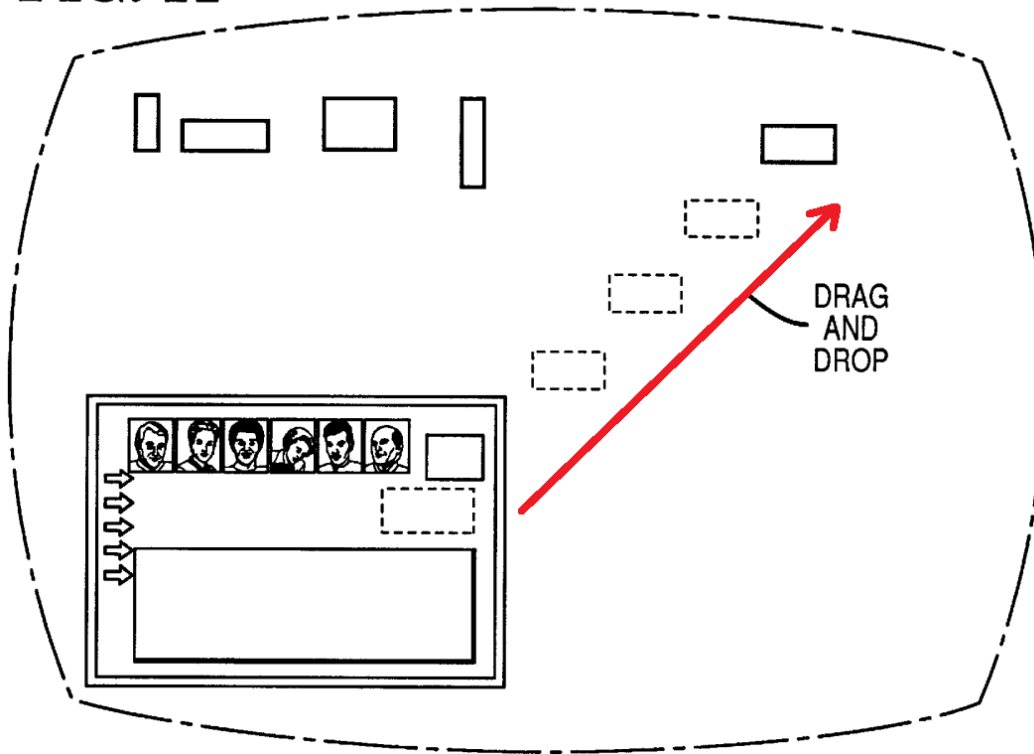
Windy City’s argument about Figure 16B also ignores Figure 16C (shown at right). Windy City does not substantively respond to Facebook’s arguments about Figure 16C, and argues only that Roseman does not explicitly “state” that the local computer presents the received data file. (Red Br. at 23.) As Facebook explained in its Opening Brief, however, Figure 16C shows that a participant who received a data file can “drag” it from the conference room table to his or her own screen, where it can be activated and opened. (Blue Br. at 13, 33.)

FIG. 16C



This is essentially the “reverse” of the operation shown in Figure 16A (where the participant dragged the icon from his or her screen onto the table), and is as illustrated in the following modified version of Figure 11:

FIG. 11



(Appx1205 (Fig. 11) (annotated to show red arrow pointing from conference room table to outside area).) Figure 16C further confirms that the *actual data file* is transmitted to the local participant’s computer.

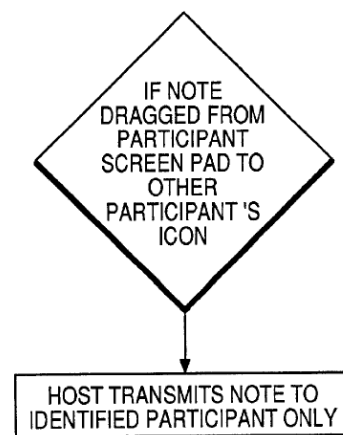
The fact that the viewing of the data file is performed by the local computer is further confirmed by the section of Roseman entitled “Windows Context,” which explains that “the local computers are utilizing Windows®, or an equivalent.” (Appx1224, 12:1-3.) That same section explains that “[d]evelopers’ packages,

containing instructions and software, for writing programs which run in the Windows® environment, are also available from Microsoft.” (*Id.*, 12:6-9.) “For example, implementation of dragging-and-dropping, double-clicking to actuate a program, or to cause an icon to bloom into a screen, etc., is within the skill of the art.” (*Id.*, 12:11-13 (underlining added).) The reference to “dragging-and-dropping, double-clicking to actuate a program, or to cause an icon to bloom into a screen,” which Roseman identifies as part of the *local computer’s capabilities* under Windows, corresponds directly to the drag-and-drop features of Roseman described above. (Appx1222, 8:9-13 (“The Invitee drags an icon onto the table, as shown in FIG. 11, and double-clicks (or actuates) the icon. The icon blooms into an image dictated by the type of file which the icon represents (graphic, text, etc.)”).) Roseman therefore contemplates that the dragging-and-dropping and double-clicking of the data file icon would result in the processing and display of the data file *by the local computer*, regardless of whether the data file icon was activated by the invitee who sent the file or a participant who received it.

Windy City also identifies no deficiency in the disclosure of the “note-passing” feature. As discussed in Facebook’s opening brief, the recipient of a note can open it in a private workspace area on the recipient’s local computer (e.g., the recipient’s local Windows desktop as discussed

FIG. 17C

previously). Windy City speculates that the note-passing might involve only the host generating an image of the note, hypothesizing that “the host can create the images seen in this private area.” (Red Br. at 21-22.) But the disclosures in Roseman directly contradict Windy City’s speculation. As shown in Figure 17C,



Roseman explicitly describes: “**HOST TRANSMITS NOTE TO IDENTIFIED PARTICIPANT ONLY.**” (Appx1213, Fig. 17A (emphasis added).) The note is not merely displayed by the host as Windy City incorrectly asserts. The host “transmits” the note to the participant’s local computer.

Roseman’s disclosures that the host transmits the data files and notes to the local computers further illustrate the lack of support for the Board’s operative factual assumption that the Roseman host necessarily displays all content viewed by participants rather than transmitting files to the local computers because the system allegedly only “processes images at the host, not the local computers.” (Appx29.) Substantial evidence does not support the Board’s position.

C. Windy City’s Procedural Arguments Do Not Identify Any Substantial Evidence Supporting the Board’s Factual Finding.

Windy City argues, again without support, that Roseman allegedly “teaches away from a local computer processing images.” (Red Br. at 23-24.) In fact, Windy City does not identify any specific teaching in Roseman that would discourage a skilled artisan from using the local computer to process images. “A reference that ‘merely expresses a general preference for an alternative invention but does not criticize, discredit, or otherwise discourage investigation into’ the claimed invention does not teach away.” *Meiresonne v. Google, Inc.*, 849 F.3d 1379, 1382 (Fed. Cir. 2017) (quoting *Galderma Labs., L.P. v. Tolmar, Inc.*, 737 F.3d 731, 738 (Fed. Cir. 2013)). Furthermore, rather than teach away from the use of local computers that can process images, Roseman discloses the use of local computers such as Windows PCs that receive files and display local files, as noted. (Appx1224, 12:1-15.)

Finally, Windy City asserts that Facebook did not present to the Board the fact that Roseman’s local computers receive and display items. (Red Br. at 24-25.) Windy City is wrong. Facebook’s Petition directly presented this point to the Board. Facebook’s Petition discussed and relied upon the same drag-and-drop feature addressed above. (Appx456-463, Appx8088-8095.) Facebook’s Petition also noted that the file could be of various “type[s]” and discussed the “note-passing feature in which a first participant can send a private note to a second participant” in view of relevant passages of Roseman. (Appx453-454, Appx8072-8073.)

Moreover, the fundamental basis for the Petition's obviousness challenge was the fact that the recipient's local computer in Roseman receives the *actual data files* to be displayed by the local computer. (Appx453-463, Appx8088-8095.) As Windy City correctly notes, Facebook acknowledged that Roseman does not appear to describe that the local computer determines that it cannot present the received communication. (Red Br. at 24-25.) But it is precisely that absence of disclosure that motivates the obviousness combination. As Facebook and its expert explained, because Roseman contemplates transmitting any type of data files, a skilled artisan would have understood that there could be instances where the recipient's local computer might be incapable of displaying the received file. (Blue Br. at 18-19, Appx1160-1162, ¶¶ 102-103; Appx8279-8280, ¶¶ 101-103; Appx462-463, Appx8094-9095.) This consideration, in turn, would have motivated combination with the teachings of Pike and Westaway that describe obtaining an agent to display a received file, as Facebook's expert explained. (*See id.*) The combined teachings would have "predictably result[ed] in the videoconferencing system of Roseman in which participant local computers determine whether or not they can present a particular communication." (Appx462-463, Appx8094-9095.) By incorrectly finding that Roseman necessarily displays images only at the host, and not at local computers, the Board improperly neglected the evidence demonstrating the obviousness of the challenged '245 patent claims.

II. The Board Erroneously Construed the '657 Patent Dependent Claims.

The sole dispute on the challenged '657 patent dependent claims is a straightforward issue of claim construction: do these claims narrowly require “a censorship determination based on the type of content”—censorship that is “based on data type”—as Windy City argues and the Board held? (Red Br. at 26-27; Appx202.) The answer is no.

Windy City does not identify any language in the claims that imposes such a narrow requirement. Windy City focuses on the step of “determining that the first user identity is censored from the sending of the data presenting the video” (or audio, etc.) recited in the dependent claims. It argues that this claim language requires “*a determination that the data comprise video.*” (Red Br. at 27 (emphasis added).)

Windy City is wrong. The claims do not recite a step of “determining that the data comprises video” or the like. Nor do the claims recite a “determination specific to the type of content” or censorship “based on data type” as the Board incorrectly ruled. (Appx201-202.) Instead, the focus of the claimed “determining” step is the user identity, not the underlying data content.

Specifically, claim 189 recites “determining whether the first user identity is individually censored from sending data in the communications, the data presenting at least one of a pointer, video, audio, a graphic, and multimedia.” It is undisputed that this language does not require any examination of the underlying data content.

Dependent claims 202, 208, 214 and 220, in turn, recite that the “determining” step of claim 189 further includes “determining that the first user identity is censored from the sending of the data presenting the video” (or audio, etc.). Each dependent claim thus merely adds a requirement that when the user identity is censored from sending “the data,” that data includes a particular type of data (video, audio, etc.). For example, while any one of the five types of data can meet claim 189, claim 202 is not met unless the user identity is actually censored and the data includes video. (*See Blue Br. at 36.*)¹

Contrary to the Board’s ruling and Windy City’s arguments, claims 202, 208, 214 and 220 do not require any determination of the underlying type of data as would be needed in order to censor “based on data type.” A system performing the “determining” step does not need to “know” whether the censored data includes video. By analogy, consider an independent claim reciting “determining whether the sender cannot send the package, the package containing at least one of books, photos, or DVDs” and a dependent claim reciting “wherein the step of determining includes determining that the sender cannot send the package containing the photos.” These claims can be met if the Post Office prohibits the sender from sending a

¹ Contrary to Windy City’s arguments, Facebook thus gives full meaning to the claim language (including “determining that the first user identity is censored”) and does not seek to “rewrite” the claims. (*Cf. Red Br. at 27-28.*)

package that contains photos, even if the Post Office did not open up the package to learn what was inside it.

Windy City cites the specification but does not explain how the specification supposedly requires the Board's overly narrow interpretation. (Red Br. at 27, citing Appx256, 8:40-44.) Nothing in the specification either (1) requires that determining that a user identity is censored from sending data must be based on the "type" of the data or (2) disclaims other bases for censorship. *Thorner v. Sony Comput. Entm't Am. LLC*, 669 F.3d 1362, 1365 (Fed. Cir. 2012). Instead, the claimed censorship is based on the user identity itself. Windy City also ignores the fact that the specification teaches that "real time control of data" is not limited to "type" and may be based on factors such as "quantity" and "subject" as discussed in Facebook's opening brief. (Blue Br. at 39-40, citing Appx202; Appx256, 8:40-44.) For example, the "censoring" limitations of claim 202 could be satisfied by censoring the user from sending data because the user has sent too many messages ("quantity" censoring), so long as the data at issue includes video. *Id.*

Windy City notes that Facebook did not dispute the Board's construction of "censor" as "control of what is said in a group" and did not propose a claim construction for the dependent claims. (Red Br. at 26.) On these points, Windy City is correct. The Board did not err in that broad construction. It erred by improperly injecting a narrow limitation into the dependent claims that those claims do not

recite. As Facebook argued to the Board, the additional language in the dependent claims should have been left to its broad plain and ordinary meaning. (Appx5749, Appx5894-5896.) The plain meaning of the “censorship” language in the dependent claims, confirmed by the specification, encompasses censorship of user identities combined with criteria (such as quantity or subject) to control what is said in a group, not type of file.

Finally, Windy City misses the point regarding non-asserted claim 204 which explicitly recites censorship “based on content.” (Red Br. at 28.) The point is that when the patentee wanted to claim censorship “based on” certain criteria, it did so expressly, such as in claim 204. (*See* Blue Br. at 38-39.) The claims at issue here, by contrast, do not require censorship “based on data type” as the Board incorrectly ruled. (Appx202.) The Board’s construction effectively renders the patentee’s explicit “based on” language superfluous – which is disfavored. *See, e.g., Merck & Co., Inc. v. Teva Pharm. USA, Inc.*, 395 F.3d 1364, 1372 (Fed. Cir. 2005) (“A claim construction that gives meaning to all the terms of the claim is preferred over one that does not do so.”).

III. The Patentability Finding for the ’552 Patent Should Be Reversed

A. The Board Incorrectly Interpreted the “Authorization” Steps

Windy City does not demonstrate *any* support for the Board’s erroneous claim construction that the “authorization” steps narrowly require “determining *what* a

user can do in a conference room once admitted.” (Appx148 (emphasis added).) Most fundamentally, Windy City’s arguments ignore the plain claim language. *Sumitomo Dainippon Pharma Co., Ltd. v. Emcure Pharms., Ltd.*, 887 F.3d 1153, 1157 (Fed. Cir. 2018) (“The plain claim language marks the starting point for our analysis.”) (citing *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (en banc)). Windy City provides no substantive response to the discussion of the plain claim language in Facebook’s opening brief. (Blue Br. at 43.) The claimed authorization steps merely recite (1) “storing each said user identity and a respective authorization to send multimedia data,” and (2) “if permitted by the user identity corresponding to one of the participator computers, allowing the one of the participator computers to send multimedia data to another of the participator computers.” The claim language at issue does not require any separate determination (or “check”) that a user is authorized to perform the *specific act* of sending multimedia data as the Board incorrectly ruled.

Windy City notes that the antecedent basis for “each said user identity” is an “authenticated” user identity. (Red Br. at 29.) But that antecedent basis does not support the Board’s narrow claim interpretation, nor does Windy City provide any coherent explanation to the contrary. Regardless of whether the user identity is authenticated, the claims do not narrowly recite the separate, specific determination that the Board improperly injected into the claims.

Windy City instead invites the Court to commit “one of the cardinal sins of patent law – reading a limitation from the written description into the claims.” *Philips*, 415 F.3d at 1320 (citation omitted). Specifically, Windy City argues that a single exemplary embodiment in the specification includes a “check” (block 50 in Figure 3) that checks “Does user have post permission?” (Red Br. at 30-31.) But the claim language at issue does not recite a separate, specific “check” and the specification does not disclaim or disavow embodiments that do not contain that feature. *Thorner*, 669 F.3d at 1365-68. The “if permitted . . .” claim language merely recites an open-ended conditional statement: if permitted by the user identity, the participator computer is allowed to send multimedia data. If the applicant wanted the claims to additionally require the “check” (block 50) referenced in the specification, it could have drafted the claims to recite an additional step such as “checking whether or not the user identity is permitted to send multimedia data.” But the claims as issued do not contain any such recitation.

Under a proper interpretation of the claims’ plain and ordinary meaning, Windy City does not dispute that Roseman satisfies the claim requirements. (Blue Br. at 43-44.) As Facebook explained, (1) users (invitees) are authenticated and join conference rooms, and (2) if permitted by the user identity (by virtue of being an authenticated invitee) the Roseman system permits the user to transmit multimedia data. (*See id.*) Nothing more is required.

B. The Prior Art Discloses the “Authorization” Limitations Even Under the Board’s Incorrect Construction

Even if the Board’s incorrect narrow construction were adopted, Roseman’s disclosure relating to “spectators” would satisfy that construction. (Red Br. at 32.) Windy City argues that Facebook did not rely on this disclosure below, but as noted in Facebook’s opening brief (Blue Br. at 42, n.7), Windy City never disputed at the Board that Roseman discloses these “authorization” claim limitations, nor did it advocate for the narrow claim construction that the Board ultimately imposed. The Board adopted its narrow claim construction for the first time *sua sponte* in its Final Written Decision. Facebook thus had no opportunity to respond to the Board’s narrow construction by explaining why Roseman discloses the limitations under that construction. This Court has made clear that the Board may not adopt a new claim construction in its final written decision without giving the parties notice and an opportunity to address it. *See, e.g., SAS Inst., Inc. v. ComplementSoft, LLC*, 825 F.3d 1341, 1351-52 (Fed. Cir. 2016), *rev’d on other grounds* 138 S.Ct. 1348 (2018); *see also, e.g., Ericsson Inc. v. Intellectual Ventures I LLC*, 901 F.3d 1374, 1380 (Fed. Cir. 2018); *Intellectual Ventures II LLC v. Ericsson Inc.*, 686 Fed. App’x 900, 906 (Fed. Cir. 2017) (“after the Board adopts a construction, it may not change theories without giving the parties an opportunity to respond”) (citation omitted); *Forshey v. Principi*, 284 F.3d 1335, 1361-62 (Fed. Cir. 2002) (court may decline to find waiver

in circumstances such as where “there was no opportunity to raise” the issue before the lower tribunal or otherwise “as justice may require”).

Finally, Facebook relies on the “spectator” disclosure merely as additional support illustrating Roseman’s disclosures regarding “invitees” that Facebook has consistently relied upon. There is nothing improper about Facebook citing this further support for its invalidity theory in view of the Board’s unexpected new *sua sponte* claim construction. *See Ericsson Inc.*, 901 F.3d at 1380 (“[T]he Board revisited its approach to the claims in light of this error, and Ericsson likewise deserved an opportunity to do the same.”). In this regard, Windy City misunderstands the relevance of Roseman’s disclosures regarding spectators. The point is not that spectators are permitted to send multimedia data; the point is that Roseman explicitly distinguishes between (1) conference room invitees who are authorized to send multimedia data in a conference, and (2) “spectators” who can enter a conference room but who can only observe the proceedings. (*See Blue Br.* at 44-45, citing Appx1222, 7:21-24.) Therefore, even if the claims required “determining what a user can do in a conference room once admitted” as the Board held (Appx148), the disclosure of spectators confirms that Roseman’s system determines what each user can do in the conference room once admitted. An invitee can send multimedia data (satisfying the ’552 patent claim requirements) while a spectator cannot.

IV. Claims 14 and 33 of the '356 Patent Are Invalid.

Facebook concurs that its appeal on claims 14 and 33 of the '356 patent is moot because those claims are finally invalid. (*See* Red Br. at 5, n.1.)

V. The Court Should Not Disturb the Board's Joinder Decisions.

With respect to the IPR proceedings on the '245 and '657 patents in particular, Windy City argues that the Board exceeded its statutory authority by granting Facebook's motions for joinder. (Red Br. at 39-46.) As set forth in Windy City's brief and discussed further below, after the Board instituted IPR on Facebook's initial petitions challenging certain claims of those two patents, Facebook filed follow-on petitions challenging a few additional asserted claims of those patents. (Appx8036-8100, Appx7252-7328.)

Notably, the same remaining claims on which Facebook appeals the Board's Final Written Decisions for the '245 and '657 patents—claims 19 and 22-25 of the '245 patent and claims 203, 209, 215, and 221 of the '657 patent—became subject to IPR only through the Board's granting of joinder.² Therefore, the Court should address the procedural joinder issue before reaching the merits of the Board's decisions regarding those '245 and '657 patent claims. The Court should not rule that the Board exceeded its statutory authority, for the following reasons.

² Claims 1-15, 17, and 18 of the '245 patent were held invalid in IPRs subject to an appeal that Windy City dismissed. Appeal No. 2018-1544 (consolidated with 2018-1543), appealing from IPR2016-01141 joined with IPR2017-00655.

A. Windy City Filed Suit on 830 Patent Claims and Refused to Identify Its Asserted Claims Before the One-Year IPR Deadline.

The background factual history provides useful context. The IPR proceedings at issue arose in response to a Complaint in the U.S. District Court for the Western District of North Carolina that Windy City served on Facebook on June 3, 2015, alleging infringement of the '356, '245, '552, and '657 patents. The service set the one-year statute of limitations for IPR under 35 U.S.C. § 315(b) at June 3, 2016.

The Complaint presented two problems that would eventually swallow up the entire one year period. First, the patents-in-suit collectively included 830 claims, but the Complaint did not identify the specific claims that Facebook allegedly infringed. It alleged only that “Facebook’s Accused Instrumentalities meet claims of the patents-in-suit.” (Appx8001, ¶ 29.) Accordingly, on July 24, 2015, Facebook filed a Motion to Dismiss on the ground that the Complaint did not provide adequate notice of Windy City’s infringement allegations. As will be explained below, Windy City’s tactic of suing on a portfolio of patents with an enormous number of claims, yet refusing to identify the claims at issue, threatened to frustrate Facebook’s ability to seek meaningful review of the patents-in-suit under the America Invents Act (AIA).

The second problem was that Windy City filed the suit in the wrong district – the Western District of North Carolina, an inconvenient district with no meaningful

connection to the dispute. Facebook accordingly filed a motion to transfer the action to the Northern District of California under 28 U.S.C. § 1404(a).

Nothing happened in the district court for several months. On March 16, 2016, the district court issued an order granting Facebook's transfer motion but did not rule on Facebook's motion to dismiss.

Further delays followed once the case was transferred to the Northern District of California. The Northern District of California issued a scheduling order setting a Case Management Conference for July 7, 2016, meaning that the plaintiff would not need to identify its asserted claims under the applicable Patent Local Rules until more than one month *after* the expiration of the one year deadline to file IPR.³ The district court also did not rule on Facebook's long-pending motion to dismiss.

The enormous number of claims-in-suit presented practical obstacles to seeking effective IPR. Aside from logistical and filing fee issues, filing IPR petitions against so many claims would not have been a productive use of the Board's resources, considering that only a tiny fraction of those claims would ever be the subject of trial. It was therefore important to determine, before expiration of the one year statute of limitations under § 315(b), which of the 830 claims at issue would be relevant to the case.

³ See Patent Local Rules, U.S. District Court for the Northern District of California, Rule 3-1(a), <http://www.cand.uscourts.gov/localrules/patent> (last visited November 8, 2018).

Facebook accordingly filed an expedited motion seeking to compel Windy City to identify specific asserted claims by May 4, 2016. (Appx7969-7975.) Facebook noted that the one year statute of limitations was “fast approaching” and that it was “not requesting early disclosure of infringement contentions, only an identification of the claims Windy City intends to assert.” (Appx7969-7970 (*id.* at 1-2 and n.1).) Windy City opposed the motion and refused to identify any asserted claims. On May 17, 2016, the district court denied the motion, with the result that Facebook would not learn which claims Windy City asserted until after the deadline for IPR filings.

As the June 3, 2016 IPR deadline approached, Facebook filed IPR petitions against the '245 and '657 patents, making a good-faith effort to challenge claims it believed were the most representative, and thus, most potentially relevant to the dispute. With respect to the '245 patent, Facebook challenged claims 1-15, 17, and 18, out of the 58 claims in that patent. Facebook similarly challenged eight representative claims in the '657 patent out of its 671 total claims.

Four months after Facebook filed its petitions, on October 19, 2016, Windy City finally identified its asserted claims. With respect to the '245 patent, Windy City identified claims 19 and 22-25 as allegedly infringed – conveniently omitting all of the '245 patent claims Facebook had challenged in the IPR petition.

(Appx7992-7995.) Windy City likewise asserted several '657 patent claims that were not challenged in Facebook's IPR petition. (*Id.*)

On December 15, 2016 and December 12, 2016, the Board instituted trial on Facebook's petitions. Within the 30-day deadline to seek joinder, Facebook timely filed the follow-on petitions and motions for joinder that are the subject of the present appeal, challenging the additional claims that Windy City asserted in litigation. The follow-on petitions did not raise any substantial new issues. They relied on the same prior art references and disclosures raised against the previously-challenged representative claims. (*See* Appx7329-7346, Appx8101-8119.) The Board panels discussed all of these facts and circumstances and granted joinder in each proceeding. (Appx5787-5805, Appx8162-8177.)

B. Windy City Waived Any Argument that the Board Lacks Authority to Grant Joinder Under 35 U.S.C. § 315(c).

As a threshold matter, the Court should decline Windy City's challenge to the Board's joinder decisions because Windy City never raised these arguments to the Board and thereby waived them. It is well-settled that arguments not raised before the Board will ordinarily not be considered. *See In re Watts*, 354 F.3d 1362, 1367 (Fed. Cir. 2004) (“[I]t is important that the applicant challenging a decision not be permitted to raise arguments on appeal that were not presented to the Board. We have frequently declined to hear arguments that the applicant failed to present to the Board.”); *see also Pivonka v. Axelrod*, No. 2008-1413, 2009 WL 405816, at *2 (Fed.

Cir. Feb. 19, 2009) (unpublished disposition) (holding that patent owner waived its right to challenge the Board’s decision to proceed with an interference proceeding where patent owner raised its challenge for the first time on appeal).

Windy City never raised the arguments in the proceedings before the Board. It however now seeks to raise these arguments on appeal that challenge the Board’s authority under 35 U.S.C. § 315(c) to grant Facebook’s motions for joinder. By rule, Windy City had one month to file any opposition to Facebook’s joinder motions. 37 C.F.R. §§ 42.22(a), 42.25(a)(1). It filed opposition papers, but those oppositions did not raise the arguments that Windy City now raises. (Appx7366-7373, IPR2017-00659, Feb. 13, 2017 Opp’n; Appx8139-8150, IPR2017-00709, Feb. 17, 2017 Opp’n (same).)⁴

In fact, Windy City’s opposition papers effectively conceded that the decisions on joinder were entrusted to the Board’s discretion. (*See id.*) Windy City requested that “the Board *use its discretion* to deny” each motion in view of alleged

⁴ Windy City’s opposition papers contained an oblique statement that “[g]ranting joinder would result in Facebook circumventing estoppel doctrines and statutory limitations on petitioners, all within the Board’s familiarity and not belabored here” (Appx7371, Appx8147), but never specifically argued that the Board lacked authority under § 315(c) to grant joinder. *Cf. MCM Portfolio LLC v. Hewlett-Packard Co.*, 812 F.3d 1284, n.3 (Fed. Cir. 2015) (a party that “presents only a skeletal or undeveloped argument” may be deemed to waive the argument on appeal – finding waiver where party “only raised this argument in a few scattered sentences at the oral hearing below”).

differences between the claims-at-issue and alleged potential delay. (Appx7372 (emphasis added); Appx8148) (same).)

The Board in each proceeding rejected Windy City’s arguments and granted joinder. (Appx5787-5805, Appx764-779.) A concurring opinion in each decision raised a question about the Board’s authority to grant “same-party joinder” under § 315(c) but concurred in the result because the Director of the Patent Office had applied the statute to permit same-party joinder. (Appx5802-5803, Appx775-777.)

Despite those concurring opinions flagging the issue, Windy City did not raise any objections or arguments to the Board challenging the Board’s authority to grant joinder under § 315(c) at any time through the final trial hearings in those proceedings. Accordingly, it should not be permitted to raise this untimely new issue on appeal before this Court.⁵

C. The Board Properly Exercised its Discretion to Permit Joinder.

The Board properly exercised its discretion to grant joinder under § 315(c) in the present cases.

⁵ As Windy City notes (Red Br. at 46), it previously sought a writ of mandamus after the Board’s final written decision in IPR2016-01156. The Court denied the petition. *In Re: Windy City Innovations, LLC*, Case 18-102, No. 2 (Fed. Cir. 2017). The Court did not address the timeliness or merits of Windy City’s arguments. Instead, the Court found that Windy City had not “demonstrated that it lacks adequate alternative means to obtain the relief requested” in order to warrant mandamus as it would be able to “address its concerns” in the instant appeal. *See In Re: Windy City Innovations, LLC*, Case 18-102, No. 19 at 3.

Notably, other than questioning the Board's statutory authority under § 315(c), Windy City does not argue that the Board abused its discretion in granting joinder under the particular facts and circumstances of the present cases. Its challenge is only to the statutory authority of the Patent Office.

Importantly for purposes of *Chevron* deference (discussed further below), the Patent Office interprets § 315(c) to authorize "same-party" joinder that may include new claims and issues, as reflected in the Board decisions at issue and in the *Nidec* case that Windy City cites. *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co. Ltd.*, 868 F.3d 1013, 1015-16, 1019 (Fed. Cir. 2017). The only question for the present appeal, therefore, is whether the Patent Office permissibly interprets and applies § 315(c) to grant motions for joinder to an instituted IPR that include (1) additional patent claims and issues, and (2) a joining party that is the same person as a party to the instituted IPR. For the following reasons, the answer is yes on both counts.

1. The Board Properly Granted Joinder On Additional Claims.

Windy City contends that the "clear and unambiguous text" of § 315(c) "excludes the joinder of issues or claims." (Red Br. at 44.) Windy City is wrong.

The statute provides:

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) (emphasis added).⁶ Nothing in this text states or implies that when a person joins an instituted IPR, that person cannot address any new claims or issues beyond the already-instituted IPR. On the contrary, the statute grants plenary authority that the Patent Office “may” grant joinder in its “discretion.” The only stated limits on this broad discretion are that joinder requires a properly filed petition, receipt of any patent owner preliminary response or expiration of the response time, and a petition that warrants IPR. 35 U.S.C. § 315(c).

Under the *Chevron* doctrine, the inquiry can end there. *Suprema, Inc. v. Int’l Trade Comm’n*, 796 F.3d 1338, 1346 (Fed. Cir. 2015) (citing *Chevron U.S.A. Inc. v. Nat. Res. Def. Council, Inc.*, 467 U.S. 837, 842-43 (1984)). The statute unambiguously authorizes the Patent Office to grant joinder in its discretion and it does not prohibit the consideration of new claims or issues in the joined proceedings. *See id.* (if Congress has spoken on the issue, “then the inquiry ends, and we must give effect to Congress’ unambiguous intent”) (citing *Chevron*, 467 U.S. at 842-43).

To the extent it might be argued that § 315(c) is ambiguous or does not specifically address the issue at hand, the Patent Office’s interpretation warrants

⁶ Patent Office rules delegate this joinder authority to the Board. 37 C.F.R. § 42.122.

substantial deference under *Chevron* because it is fully consistent with the legislative intent and the text of the statute as explained below. *Suprema*, 796 F.3d at 1346 (“The agency’s ‘interpretation governs in the absence of unambiguous statutory language to the contrary or unreasonable resolution of language that is ambiguous.’”) (citation omitted).

In particular, the legislative history of § 315(c) explicitly contemplates joinder including “additional challenges to validity” and explains that any potential abuse can be curtailed by the Board’s discretion:

Sections 315(c) and 325(c) allow joinder of inter partes and post-grant reviews. The Office anticipates that joinder will be allowed as of right--if an inter partes review is instituted on the basis of a petition, for example, a party that files an identical petition will be joined to that proceeding, and thus allowed to file its own briefs and make its own arguments. ***If a party seeking joinder also presents additional challenges to validity that satisfy the threshold for instituting a proceeding, the Office will either join that party and its new arguments to the existing proceeding***, or institute a second proceeding for the patent. The Director is given discretion, however, over whether to allow joinder. This safety valve will allow the Office to avoid being overwhelmed if there happens to be a deluge of joinder

petitions in a particular case.

157 Cong Rec S1360-S1394, S1376 – KYL (S1368) (available online at <https://www.gpo.gov/fdsys/pkg/CREC-2011-03-08/html/CREC-2011-03-08-pt1-PgS1360-2.htm>, Page S1376) (emphasis added).

Consistent with Congress’s stated intent, the statutory text fully contemplates the joinder of new challenges. Under § 315(c), joinder requires that the Board has already instituted an IPR, a person has filed a new petition, and the Board determines (after any preliminary response) that the new petition warrants the institution of IPR. 35 U.S.C. § 315(c). If joinder were strictly limited to the issues in the already-instituted IPR, there would be no need to consider the patent owner’s preliminary response and determine whether the new petition warrants IPR. The joining person would simply sign on to the already-instituted IPR.

Windy City notes that the concurring opinion in *Nidec Motor* stated that it was “unlikely that Congress intended” that a joining petitioner could “add new issues” to the already-instituted IPR. *Nidec Motor Corp.*, 868 F. 3d at 1020. However, the Court in that case apparently was not presented with the on-point legislative history discussed above.

2. The Board Properly Granted “Same-Party” Joinder.

For similar reasons, the Board properly acted within its discretion in joining Facebook to the previously-instituted IPRs based on Facebook’s follow-on petitions and motions for joinder – so-called “same-party” joinder.

(1) The statute authorizes joinder of “any person.”

As noted, § 315(c) grants plenary authority that the Board “may” in its “discretion” join as a party “*any person*” who files a petition that warrants institution. 35 U.S.C. § 315(c) (emphasis added). Section 311(a), in turn, permits any “person” other than the patent owner to petition for IPR. 35 U.S.C. § 311(a). If Congress intended to limit joinder to “any non-party” or “any person other than an existing party” or the like, it easily could have drafted the statute to say so. *Promega Corp. v. Life Techs. Corp.*, 773 F.3d 1338, 1351-52 (Fed. Cir. 2014) (interpreting 35 U.S.C. § 271(f) – if “Congress wanted to limit ‘induce’ to actions completed by two separate parties, it could easily have done so by assigning liability only where one party actively induced *another* ‘to combine the [patented] components.’ Yet, ‘another’ is absent from § 271(f)(1).”). The Patent Office’s rules delegating joinder authority to the Board permit any “petitioner” to request to join an instituted IPR. 37 C.F.R. § 42.122(b) (“[j]oinder may be requested by a patent owner or petitioner”).

Thus, in the present cases, the follow-on petitioner (Facebook) qualifies as “any person” under § 315(c) (and a “petitioner” under § 42.122(b)) regardless of

whether the same person is already a party to the instituted proceeding. The Patent Office's interpretation of the statute that governed the Board's decisions is fully consistent with the plain text of the statute and therefore entitled to substantial deference under *Chevron*.

(2) Any ambiguity in the statute is resolved by *Chevron* deference to the PTO's reasonable interpretation.

Windy City argues that it would not make sense under § 315(c) to join “as a party” a “person” who files a follow-on petition but is already a party to the instituted proceeding. (Red Br. at 40-41.) At best, however, Windy City merely identifies an ambiguity in the statute's text. Section 315(c) states that “any person” may be joined as a party to an instituted IPR, but what happens if that person is already a party with respect to a previously-filed petition? Does that person join as a party with respect to their follow-on petition?

The ambiguity is resolved by *Chevron* deference to the Patent Office's interpretation that § 315(c) permits “same-party” joinder. The Patent Office's interpretation “prevails if it is a reasonable construction of the statute, whether or not it is the only possible interpretation or even the one a court might think best.” *Suprema*, 796 F.3d at 1349 (quoting *Holder v. Martinez Gutierrez*, 132 S.Ct. 2011, 2017 (2012)). As discussed previously, § 315(c) broadly authorizes the Patent Office with plenary “discretion” to join “any person” who files a meritorious

petition. The statute does not limit joinder to “any non-party” or the like. The Director’s interpretation is therefore fully consistent with the text of § 315(c). The Patent Office’s interpretation is also fully consistent with the legislative history and the underlying statutory goal of IPR, as discussed in the following sections. *Suprema*, 796 F.3d at 1349 (affirming agency’s statutory interpretation as “reasonable” because it was “consistent with the statutory text, policy, and legislative history”).

(a) The legislative history supports the PTO’s interpretation.

The legislative history underscores the statutory mandate set forth in § 315(c) that entrusts joinder decisions to the “discretion” of the Patent Office: “*The Director is given discretion . . . over whether to allow joinder.*” 157 Cong Rec S1360-S1394, S1376 – KYL (S1368) (emphasis added). That discretion also provides a “safety valve” against any abusive joinder practices. *Id.* Moreover, Congress intended that joinder could be used to raise “additional challenges to validity,” as discussed previously. *Id.* Given that new challenges can be presented through joinder, it is substantively immaterial to the IPR proceedings whether those challenges happen to be raised by a person who is an existing party or by a person who is not an existing party.

The legislative history never indicates that joinder must be limited to persons not already participating in the instituted IPR. *Windy City* points to the committee

report cited in *Nidec*, but that report merely notes that “other petitioners” may join an IPR. (Red Br. at 43) The committee report does not state that *only* persons other than an original petitioner may join.

(b) The PTO’s interpretation serves the statutory goal of IPR.

Finally, the Patent Office’s interpretation of § 315(c) serves the fundamental “statutory goal of providing a relatively quick and low-cost alternative to litigation over validity.” *Ariosa Diagnostics v. Verinata Health, Inc.*, 805 F.3d 1359, 1367 (Fed. Cir. 2015); *see also* 157 Cong Rec S1360-S1394, S1364 (discussing objective “to provide a cost-efficient alternative to litigation.”). The facts of the present cases, set forth above and discussed at length by the Board when it granted joinder, starkly illustrate why same-party joinder should be permissible in appropriate cases to serve the intent of Congress.

It is hard to imagine a scenario that more clearly illustrates the wisdom of allowing same-party joinder under § 315(c) than the one presented in this case. As one district court judge recently observed:

Our patent system has descended from a time-honored system wherein a few selected claims of one or two patents would be asserted to a regime in which entire “portfolios” of patents are hurled at successful lines of products in the hope that somehow, in some way, at least one of the claims will stick. The burden this portfolio practice places on judges and juries has become enormous.

Straight Path IP Grp., Inc. v. Apple Inc., No. C 16-03582 WHA, 2017 WL 1365124, at *2 (N.D. Cal. Apr. 13, 2017). The underlying suit against Facebook presented a textbook example of this new “regime.” Windy City asserted a patent portfolio with than 830 claims and refused to identify its asserted claims until after the one-year statutory deadline had passed.

Under these types of circumstances, same-party joinder is a fully reasonable way to serve the statutory goal of IPR as a cost-effective alternative to litigation. The expanded panel decision in *Target Corp. v. Destination Maternity Corp.*, IPR2014-00508, Paper 28 (P.T.A.B. Feb. 12, 2015) similarly discussed the policy objectives supporting the Director’s statutory interpretation:

The policy basis for construing our rules for these proceedings, which were prescribed as mandated by 35 U.S.C. § 316, is expressed in 37 C.F.R. § 42.1(b): The rules “shall be construed so as to ensure the just, speedy, and inexpensive resolution of every proceeding.” *See also* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,758 (Aug. 14, 2012) (stating the same). Thus, even if some claims of the ’563 patent were to be found unpatentable in IPR2013-00531, by removing the discretion to join claim 21, as well as the new challenges presented in the instant proceeding, the case would necessarily have to go back to the district court for a separate determination as to those claims and challenges not at issue in IPR2013-00531. That could result in a waste of judicial resources, increase the litigation costs to both parties, and be contrary to the purpose of ensuring a “just, speedy, and inexpensive resolution.”

Target, slip op. at 12-13. The expanded panel also appreciated that Congress intended to leave the joinder determination to the discretion of the Patent Office so it could “determine whether to grant joinder on a case-by-case basis, taking into account the particular facts of each case, substantive and procedural issues, and other considerations.” *Target*, slip op. at 11.

The use of joinder in this case is also conceptually similar to the doctrine of “relation back” in civil litigation in which an amended complaint filed after the statute of limitations has expired can “relate[] back” to the filing date of an earlier-filed timely complaint, provided that the amended complaint arises from the same conduct, transaction, or occurrence as the earlier complaint. *See* Fed. R. Civ. P. 15(c). As the Supreme Court explained, relation back does not offend the policy behind statutes of limitations because “a party who has been notified of litigation concerning a particular occurrence has been given all the notice that statutes of limitations were intended to provide.” *Baldwin Cty. Welcome Ctr. v. Brown*, 466 U.S. 147, 149 n.3 (1984). Similarly, the use of joinder in the cases at issue does not offend the policy behind the statute of limitations of § 315(b) because once IPR has been instituted on a claim in a timely IPR proceeding, the patent owner cannot claim surprise or unfair prejudice from having other substantially similar claims added to that proceeding.

The Director's interpretation of § 315(c) is therefore entirely consistent with, and indeed reasonably necessary for, proper implementation of the statutory goal of IPR as a cost-effective and efficient alternative to district court litigation. *Suprema*, 796 F.3d at 1349. Joinder must be requested within 30 days of an institution decision, so the timing of a joinder petition will never be a dilatory wild-card. Same-party joinder brings the statutory purposes of IPR to petitioners faced with patent owners that refuse to identify which of the hundreds of claims they assert. Within the one-year statutory period, the petitioner can challenge in good faith a set of claims that is appropriate under the circumstances. If the patent owner later asserts different claims not subject to an IPR petition, the petitioner can file a follow-on petition and a motion for joinder, so long as it is within the 30-day period for seeking joinder. The decision on joinder is entrusted to the discretion of the Patent Office under the circumstances of each case. 35 U.S.C. § 315(c).

On the other hand, if same-party joinder were prohibited, patent owner plaintiffs would be dangerously incentivized to undercut the statutory purpose of IPR through abusive litigation tactics. By filing suit on patents containing hundreds of claims and steadfastly delaying the litigation through various stalling tactics, a patent owner could "run out the clock" on the one year bar under § 315(b) before identifying asserted claims. Accused infringers would be stuck between a rock and a hard place: either (1) file petitions addressing hundreds of potentially assertable

claims of the patents-in-suit, which would waste enormous Board and party resources given that only a tiny fraction of the total claims would ever proceed to trial, or (2) file petitions on only a selected subset of claims and face the risk that the patent owner will tactically select other non-challenged claims to assert in the litigation – precisely what Windy City did here.

Windy City’s Red Brief ignores these underlying policy rationales supporting the Director’s interpretation, which are underscored by Windy City’s own conduct in the district court litigation. To the extent the Court addresses the issue on the merits, the Director’s interpretation should be upheld.

RESPONSE TO WINDY CITY’S CROSS-APPEAL

Facebook responds to Windy City’s cross-appeal requesting that the court reverse the Board’s findings that claims 1-9, 12, 15-28, 31, and 34-37 of the ’356 Patent, claims 2, 3, 5, 7, 10-17, 59, and 64 of the ’552 Patent, and Claims 189, 334, 342, 348, 465, 477, 482, 487, 492, 580, 584, and 592 of ’657 Patent are unpatentable. The Board’s decisions should be affirmed.

INTRODUCTION

Windy City raises only one issue on cross-appeal: whether the Board erred in finding that it would have been obvious to use a “database” to store the “keys” in Roseman. (Red Br. at 34-39.) The Board’s finding should be affirmed because it is amply supported by substantial evidence.

SUMMARY OF THE ARGUMENT

The claims at issue recite the use of a “database” to store tokens. Roseman teaches that users can enter tokens (“keys”) that are verified against stored data in order to access the Roseman host system. Roseman does not explicitly describe the underlying storage mechanism for the stored data used to verify the keys. Facebook presented extensive evidence that it would have been obvious to store the keys in a “database” as claimed in view of the teachings of Rissanen. The Board agreed. The Board cited substantial evidence and articulated well-supported reasoning for its finding on this issue of fact. The Board’s finding therefore should be affirmed.

ARGUMENT

I. Substantial Evidence Supports the Board’s Finding That It Would Have Been Obvious to Store Roseman’s Keys in a Database.

The Board’s finding that it would have been obvious to use a “database” to store the “keys” in Roseman should be affirmed because it is amply supported by substantial evidence. *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1073 (Fed. Cir. 2015) (the Board’s determination regarding motivation to combine is a factual issue reviewed for substantial evidence).

The claim limitation at issue is simple and straightforward, as is the motivation to combine the prior art. The challenged claims recite a “database” that serves as a repository of tokens (e.g., user identity information). (Appx297-298, Appx333-336, Appx383-384.) Roseman describes the use of “keys” provided to

users that enable users to access a conference “room” through a “door” (*i.e.*, using the key to “open the door”). (Appx1223, 9:34-48, 9:54-55, 10:61-64.) Windy City does not challenge the Board’s finding that the keys disclose “tokens” as claimed.

Roseman describes that each meeting room “‘knows’ about each key and its invitation level.” (Appx1223, 9:49-51.) However, Roseman does not explicitly describe the underlying structure that stores the keys in the conference system. The only question, therefore, was whether it would have been obvious to store the keys in a “database,” as claimed.

Facebook presented extensive evidence supporting the Board’s conclusion that the use of a database “would be a straightforward and predictable choice for storing Roseman’s keys.” (Appx71, Appx127, Appx186.) As observed by Facebook’s expert Dr. Lavian, “[d]atabase technologies predated the [challenged patents] by decades, and it was known to use databases to store user identity and authentication information (‘tokens’).” (Appx6249, ¶ 51; Appx2840, ¶ 66; Appx4461, ¶ 57; Appx1139, ¶ 70) For example, the Rissanen patent teaches the use of a “password database” that stores an account code and password for each user. (Appx1229, 2:26-29.) When a user accesses the system, the system prompts the user for the user’s password, and “the system compares the keyboard entered password with the stored passwords” and enables access if the passwords match. (*Id.*, 1:21-28.)

Facebook's expert explained in detail why a person of ordinary skill in the art would have been motivated, in view of Rissanen's teachings, to use a database to store the keys in Roseman. (Appx2841-2842, ¶¶ 67-68; Appx4462, ¶¶ 58-59; Appx6250-6251, ¶¶ 52-53.) As Dr. Lavian opined, a "skilled artisan would understand that the user identity and password information in Rissanen is analogous to the 'keys' in Roseman." (Appx2841, ¶ 67; Appx4462, ¶ 58; Appx6250, ¶ 52.) In view of that similarity, the skilled artisan "would have found it plainly apparent that the host computer would store and maintain a copy of the keys issued to invitees in order to verify the stored key against a key provided by a user seeking access." (Appx2841, ¶ 67; Appx4462, ¶ 58; Appx6250, ¶ 52.) Furthermore, "[a] person of ordinary skill in the art would have found the basic teachings relating to the storage of user information and passwords applicable to any system that requires user authentication as a prerequisite to access, such as Roseman." (Appx2842, ¶ 68; Appx4463, ¶ 59; Appx6251, ¶ 53.) Moreover, "[s]toring the keys in a database is one of a finite number of predictable, well-known solutions to the problem of verifying whether a previously-issued key matches or otherwise corresponds to a key later presented by a user seeking access to a conference room." (Appx2841, ¶ 67; Appx4462-4463, ¶ 58; Appx6250, ¶ 52.)

In view of these factors, Dr. Lavian explained, “the addition of a database to Roseman would have been trivially obvious to a person of ordinary skill in the art.” (Appx2840, ¶ 66; Appx4461, ¶ 57; Appx6249, ¶ 51.)

Windy City admitted that Rissanen discloses a “database” as claimed and did not provide any evidence demonstrating that a skilled artisan would have been dissuaded from using a database to store the keys in Roseman. (Appx656-657) (admitting Rissanen “does disclose a database”). Windy City’s expert, Dr. Carbonell, admitted at deposition that databases as of early 1996 could be used to store user identity and authentication information. (Appx1606, 43:17-44:7.) He further admitted that nothing in Roseman prevents storing the keys in a database. (Appx1608-1609, 53:16-55:3.)

In view of this substantial evidence, the Board properly found that it would have been obvious to store the keys in Roseman in a database, such as taught by Rissanen. The Board articulated substantial reasoning supporting its decision: “Given that Roseman describes using keys to access conference rooms that have persistence, we agree with Petitioner that a database, described in Rissanen as storing similar information for a similar purpose, would be a straightforward and predictable choice for storing Roseman’s keys.” (Appx71, Appx127, Appx186.) Nothing more was required.

II. Windy City Does Not Identify Any Error in the Board’s Decisions.

Windy City fails to identify any defect in the Board’s reasoning and conclusion. On the contrary, Windy City fundamentally misstates the issue. It erroneously contends that Facebook needed to prove how the database described in Rissanen would have been bodily incorporated into the Roseman system. It argues that Facebook needed to present evidence demonstrating “how such a system would be built” and showing “*how* the combined Roseman and Rissanen system would be implemented.” (Red Br. at 34, 37 (emphasis in original).) It also argues that there was an alleged “difficulty of combining a database of Rissanen to authenticate the users of Roseman,” and it cites deposition testimony by Facebook’s expert discussing information that would be considered in order to build a combined physical system. (*Id.* at 38.)

The Board properly rejected Windy City’s arguments. As the Board observed, Facebook “[did] not argue . . . that Rissanen’s database would be bodily incorporated into Roseman’s system.” (Appx70, Appx127, Appx186.) Facebook’s expert, Dr. Lavian, also explained in a supplemental declaration that Windy City had taken out of context his deposition testimony. (Appx3337, ¶ 40; Appx5085-5086, ¶ 40; Appx6853-6854, ¶ 40.) At deposition, he simply discussed the fact that to build “an actual working system” would require requirements documentation to specify various details, which is a separate inquiry from whether it would have been obvious

to store Roseman’s keys in a database – which it would have been. (Appx5085-5086, ¶ 40; Appx6853-6854, ¶ 40; Appx3337, ¶ 40.) As discussed previously, Facebook and Dr. Lavian showed that a person of skill in the art would have been motivated to store the keys in Roseman in a database in view of the teachings of Rissanen—not by physically transplanting Rissanen’s database into the Roseman system, but by appreciating that a database could be used to store the keys in Roseman. As the Board noted when rejecting Windy City’s arguments, “[i]t is well-established that a determination of obviousness based on teachings from multiple references does not require an actual, physical substitution of elements.” (Appx70-71, Appx127, Appx186 (quoting *In re Mouttet*, 686 F.3d 1322, 1332-33 (Fed. Cir. 2012)); see also *Allied Erecting and Dismantling Co., Inc. v. Genesis Attachments, LLC*, 825 F.3d 1373, 1381 (Fed. Cir. 2016) (“[t]he test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference.”). “Rather, the test for obviousness is what the combined teachings of the references would have suggested to those having ordinary skill in the art.” *In re Mouttet*, 686 F.3d at 1332-33. Windy City’s arguments about physically combining the Rissanen and Roseman systems, and the expert testimony it cites about what information might be needed to build a working combined system, therefore have no bearing on the obviousness inquiry. The question is whether it would have been obvious to a person of ordinary skill in the art that the keys in the

Roseman system could have been stored in a “database” as claimed. The evidence amply supported the Board’s finding that when considering Roseman in view of Rissanen, a person of ordinary skill in the art would have been motivated to store Roseman’s keys in a database.

Windy City further contends that Dr. Lavian’s expert testimony was “conclusory” and insufficient to support a finding of motivation to combine. (Red Br. at 37-38.) On the contrary, as discussed previously, Dr. Lavian provided an extensive discussion about what a person of ordinary skill in the art would have understood, based on decades of knowledge in the field as well as the specific teachings of Roseman and Rissanen. The Board likewise amply articulated its substantive reasoning based on the evidence. The Board’s finding is well-supported and should be affirmed.

CONCLUSION

For all of the foregoing reasons, Facebook respectfully requests that the Court reverse the Board’s final written decisions regarding claims 19 and 22-25 of the ’245 patent and claims 203, 209, 215, and 221 of the ’657 patent and find all of those challenged claims unpatentable, and affirm the Board’s findings that claims 1-9, 12, 15-28, 31, and 34-37 of the ’356 Patent, claims 2, 3, 5, 7, 10-17, 59, and 64 of the ’552 Patent, and Claims 189, 334, 342, 348, 465, 477, 482, 487, 492, 580, 584, and 592 of the ’657 Patent are unpatentable.

Dated: November 9, 2018

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CERTIFICATE OF SERVICE

I hereby certify that on November 9, 2018, I caused a copy of the foregoing Appellant's Opening Brief to be served on Appellee's counsel via electronic mail at the following addresses:

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CERTIFICATE OF COMPLIANCE

This brief complies with the type-volume limitation of Federal Circuit Rule 32(a). Exclusive of the exempted portions of the brief, as provided in Federal Circuit Rule 32(a), the brief contains 10,094 words.

This brief complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) and the type style requirements of Federal Rule of Appellate Procedure 32(a)(6). The brief has been prepared in proportionally spaced typeface using Microsoft Word in 14 point Times New Roman font.

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