Nos. 2023-2189 & 2023-2190

IN THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

BILLJCO, LLC,

Appellant,

v.

APPLE INC.,

Appellee.

On Appeal from the United States Patent and Trademark Office,
Patent Trial and Appeal Board in Nos. IPR2022-00131, IPR2022-0310

APPELLANT BILLJCO, LLC'S COMBINED PETITION FOR PANEL REHEARING AND REHEARING *EN BANC*

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FORM 9. Certificate of Interest

Form 9 (p. 1)
March 2023

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

CERTIFICATE OF INTEREST

Case Number 23-2189

Short Case Caption BillJCo, LLC v. Apple Inc.

Filing Party/Entity BillJCo, LLC

Instructions:

1. Complete each section of the form and select none or N/A if appropriate.

2. Please enter only one item per box; attach additional pages as needed, and check the box to indicate such pages are attached.

3. In answering Sections 2 and 3, be specific as to which represented entities the answers apply; lack of specificity may result in non-compliance.

4. Please do not duplicate entries within Section 5.

5. Counsel must file an amended Certificate of Interest within seven days after any information on this form changes. Fed. Cir. R. 47.4(c).

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

Date: 08/09/2023

Signature: /s/ Elizabeth A. Thompson

Name: Elizabeth A. Thompson

FORM 9. Certificate of Interest

Form 9 (p. 2)
March 2023

1. Represented Entities. Fed. Cir. R. 47.4(a)(1).	**2. Real Party in Interest.** Fed. Cir. R. 47.4(a)(2).	**3. Parent Corporations and Stockholders.** Fed. Cir. R. 47.4(a)(3).
Provide the full names of all entities represented by undersigned counsel in this case.	Provide the full names of all real parties in interest for the entities. Do not list the real parties if they are the same as the entities. ☑ None/Not Applicable	Provide the full names of all parent corporations for the entities and all publicly held companies that own 10% or more stock in the entities. ☑ None/Not Applicable
BillJCo, LLC		

☐ Additional pages attached

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

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If yes, concurrently file a separate Notice of Related Case Information that complies with Fed. Cir. R. 47.5(b). **Please do not duplicate information.** This separate Notice must only be filed with the first Certificate of Interest or, subsequently, if information changes during the pendency of the appeal. Fed. Cir. R. 47.5(b).

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

☑ None/Not Applicable ☐ Additional pages attached

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STATEMENT OF COUNSEL UNDER FEDERAL CIRCUIT RULE 40(c)(1)

Based on my professional judgment, I believe the panel decision is contrary to the following decisions of the Supreme Court of the United States or the precedents of this court: *Microsoft Corp. v. i4i Ltd. P'ship*, 564 U.S. 91 (2011); *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375 (Fed. Cir. 2015); and *Medtronic, Inc. v. Teleflex Innovations S.A.R.L.*, 70 F.4th 1331 (Fed. Cir. 2023).

Date: June 16, 2025

/s/ Joseph M. Kuo
Joseph M. Kuo

POINTS OF FACT AND LAW THE COURT OVERLOOKED OR MISAPPREHENDED

"[A] patent shall be presumed valid and the burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity." *Microsoft Corp. v. i4i Ltd. P'ship*, 564 U.S. 91, 95 (2011) (cleaned up). This presumption of validity exists in all contexts, including "in an IPR, [where] the petitioner bears the ultimate burden of persuasion on invalidity, which never shifts to the patent owner." *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015).

The Final Written Decision ("FWD") of the Patent Trial and Appeal Board ("Board"), and the Panel's affirmance thereof, runs afoul of this established precedent by shifting the burden to prove patent invalidity away from the patent challenger and onto the patent owner. The Panel's affirmance of the Board's analysis creates consequences that hamstring patent owners' ability to defend their patents during an *inter partes* review ("IPR") proceeding. These unjust consequences to patent owners deriving from the Board's FWD and Panel's affirmance should be reheard by the Panel or reviewed by this Court *en banc*.

The Board shifted the burden to prove unpatentability away from the patent challenger by requiring the patent owner to prove a claim limitation does not include certain scope so as to differentiate over the prior art. This is a distinct and meaningful departure from this Court's precedent placing the burden of proof squarely on a patent challenger to prove a patent claim to be obvious, a burden which never shifts. The Board's FWD, and subsequent endorsement thereof by the Panel, creates the improper situation where a patent owner, by proposing a positive construction for a claim term and then contending the prior art does not include a disclosure that meets the proposed construction, is found to have implicitly proposed a negative claim construction. By refusing to engage with BillJCo's proposed **positive** construction for what a "privilege" **is**, as opposed to what it is not, the Board, contrary to the established law, skipped the part of the invalidity analysis where the patent challenger must prove disclosure of the claimed limitations in the prior art. This turns the burden of proving unpatentability on its head, because it forces a patent owner to prove a claim limitation **does not** include particular scope, as opposed to requiring the patent challenger to establish the prior art discloses the claimed limitation.

Moreover, the Panel's affirmance of the Board's FWD, if upheld, endorses requiring direct evidence of copying as objective indicia of nonobviousness, rather than circumstantial evidence. This endorsement allows patent challengers to simply ignore, *i.e.*, not rebut with counterevidence, uncontroverted circumstantial evidence showing access to the patented product and substantial similarity therewith. This Court's precedent expressly rejects any requirement that a patent owner must provide direct evidence of copying and cannot rely on such circumstantial evidence. Worse, in the context of an IPR, the effects of imposing such a requirement on patent owners creates the impracticable and unfair obligation on patent owners to submit evidence typically inaccessible to them through the limited discovery available in IPRs because such evidence is only held by the patent challengers.

It "is well established that copying by a competitor is a relevant consideration in the objective indicia analysis" and therefore "may be evidence that the patented invention is nonobvious." *Liqwd, Inc. v. L'Oreal USA, Inc.*, 941 F.3d 1133, 1137 (Fed. Cir. 2019). Copying may be demonstrated through access to the patented product combined with substantial similarity to the patented product. *Medtronic, Inc.*, 70 F.4th at 1340. Yet, despite unrebutted evidence of both access and substantial similarity, the Board gave no weight to BillJCo's evidence of copying, and instead, required direct evidence, *e.g.*, where a defendant's engineering design team had settled on one design and changed direction to adopt a feature disclosed in the patent. Appx00012. The Panel, by accepting the Board's reasoning, creates a conundrum for patent owners in IPR proceedings. Because of the limitations of discovery during IPRs, a patent owner will neither have, nor typically be able to discover, the details regarding how a patent challenger developed its product. Rather than shifting the burden of production to patent challengers to come forth with counterevidence of independent development when faced with circumstantial evidence of copying, the Board would allow patent challengers to produce nothing. This loophole must be closed.

BACKGROUND

A. Brief Summary of the IPR Proceedings

Apple's contention that the Challenged Claims of the '267 Patent are unpatentable as obvious in view of Haberman included the assertion that Haberman's disclosure of configuring user preferences met the claimed limitation of configuring "privilege data." This assertion was fully briefed and argued before the Board on February 23, 2023. BillJCo contended the claimed "privilege data" should be construed according to the well-accepted understanding of a "privilege" in the computer science arts, namely, a "right or authorization granted from one entity to another to perform particular function." Appx1085. With this proposed positive construction in mind, BillJCo argued Haberman, which disclosed only configuring "user preferences," failed to disclose the "privilege data" limitation, because a "preference" is not the same thing as a "privilege" and because a "preference" is not something granted to another entity. Appx1085-1086. BillJCo further contended unrefuted evidence that BillJCo's principal, Bill Johnson, who had previously sold a patent portfolio to Apple, reached out to his contact at Apple with technical details of a new product as described in several disclosures, which became the '267 Patent, and which were later found in an Apple beaconing product, established the secondary consideration of copying. Appx1103-1105.

Rather than construe "privilege data," the Board merely found it was "not persuaded to construe the term 'privilege' to exclude preferences." Appx0006. Building on the incorrect premise that BillJCo's argument was only that "'privilege' should exclude anything labeled as a preference," the Board rejected BillJCo's argument that Haberman lacked a disclosure of configuring "privilege data" because BillJCo's argument "relies on [BillJCo's] proposed construction of the term 'privilege data,' which [the Board did] not adopt." Appx0009.

Next, despite unrebutted evidence of both access to BillJCo's technical information and the substantial similarity of Apple's product, the Board gave no weight to BillJCo's evidence of copying, faulting BillJCo for not submitting direct evidence of copying, *e.g.*, where a defendant's engineering design team had settled on one design and suddenly changed direction to adopt a feature disclosed in the patent as soon as it issued. Appx0012 (quotations and citations omitted).

BillJCo timely appealed the Board's FWD to this Court.

B. Summary of Panel Decision

BillJCo's appeal focused on several errors by the Board. Relevant here are the Panel's decisions related to: (1) the configuring "privilege data" limitation and whether Haberman's disclosure of configuring user preferences satisfied this claim limitation; and (2) the objective evidence of copying.

The Panel upheld the Board's FWD for the reasons given in the FWD. On the first issue, the Panel found BillJCo's evidence was insufficient to establish a negative construction, namely, that "privilege data" excluded user preferences, and therefore, Haberman's disclosure of preferences met the "privilege data" limitation. Op. at 2-3. On the second issue, the Panel agreed with the Board that Apple's access to BillJCo's technical information and substantial similarity in Apple's product, even though uncontroverted, was insufficient to be afforded evidentiary weight of copying. *Id.* at 7.

ARGUMENT

I. The Board And Panel Departed From This Court's Precedent By Placing The Burden On the Patent Owner To Prove A Construed Claim Limitation Does Not Include That Disclosed In The Prior Art

A patent gives its owner the right to exclude others from practicing his or her invention. 35 U.S.C. § 154. "It is a 'bedrock principle' of patent law that the claims of a patent define the invention to which the patentee is entitled the right to exclude." *Phillips v. AWH Corp.,* 415 F.3d 1303, 1312 (Fed. Cir. 2005) (*en banc*) (*quoting Innova/Pure Water, Inc. v. Safari Water Filtration Systems, Inc.,* 381 F.3d 1111, 1115 (Fed. Cir. 2004)). To that end, claim construction is to define the metes and bounds of the zone of exclusion. *Phillips*, 415 F.3d at 1313.

In some limited circumstances, patent claims may include negative limitations to also define what the claimed invention **does not include**. *See e.g.*, *Novartis, Pharma., Corp. v. Accord Healthcare, Inc.*, 38 F.4th 1013, 1016 (Fed. Cir. 2022) ("no-loading-dose" limitation); *Santarus Inc. v. Par Pharm., Inc.*, 694 F.3d 1344, 1351 (Fed. Cir. 2012) ("no sucralfate" limitation). Although it did not caption its reasoning as such, the Board found BillJCo had not established the "privilege data" limitation could be construed with the negative limitation as excluding "preferences." Appx0006. Based on the determination that the claims do not exclude "preferences," the Board rejected BillJCo's argument that Haberman's disclosure of configuring user preferences did not meet the configured "privilege data" limitation. Appx0009. The Panel further expounded on the negative limitation premise in its opinion. Op. at 2-3.

The clear disconnect, however, is BillJCo **never argued** a negative construction of "privilege data." Rather, BillJCo proposed what it contended the claim limitation "privilege data" means, namely, a "right or authorization granted from one entity to another to perform particular function." Appx1085. Based on this claim construction, BillJCo asserted the prior art's disclosure of a configured user preference profile failed to render obvious the invention of the Challenged Claims, not because of a proposed definition of "privilege data" that excluded "preferences," but because a user preference was not a granted right or authorization, and therefore did not satisfy the claimed "privilege data" limitation. *Id.* Instead, a preference, as understood in the art, was merely information desired over other information (*id.*), as confirmed by Apple's expert, who admitted a POSITA would not equate preferences and privileges. Appx3467 (page 47 of condensed transcript).

Rather than affirmatively construe "privilege data," the Board framed the question as being about the never-raised contention of a negative construction and held it was "not persuaded to construe the term 'privilege' to exclude preferences." Appx0006. The Panel then doubled down on this false premise claiming "BillJCo argue[d] that the Board erred by construing 'privilege' to include preferences" and endorsed the Board's analysis by affirming the conclusion that BillJCo did "not explain sufficiently how [its] description of privileges excludes anything labeled as a preference." Op. at 2. A cursory review of the record establishes the foundation to the Board's determination, and this Court's acceptance thereof, is without merit.[1]

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[1] At least one commentator independently noted the disconnect in the Board's and the Panel's decisions, which ignore BillJCo's positive claim construction and apply this Court's negative claim-construction framework:

BillJCo never argued privilege data should be construed with a negative limitation to exclude preferences. Instead, BillJCo's claim construction argument was that "privilege data" had a particular meaning in computer science, and the prior art's disclosure of user preferences did not meet this definition. Appx1085-1086. In other words, BillJCo argued the claims required apples whereas the prior art only taught oranges, and therefore obviousness was not proven because apples and oranges are different things, not because the definition of apples excluded oranges.

> **But Step Back** – After writing the paragraph above, I went back and read BillJCo's brief in the case and am now somewhat confused. Rather than explicitly arguing for a negative limitation excluding "preferences," BillJCo's brief actually does just what I suggested — it affirmatively defined "privilege" based on the patent's emphasis on user-configured authorizations essential to maintaining data privacy and security. Specifically, BillJCo presented extensive intrinsic and extrinsic evidence highlighting that in computer science, "privilege" refers explicitly to rights or authorizations granted from one entity to another to control functionality or access data. BillJCo contrasted this definition with "preferences," which merely reflect user desires without involving authorization or security rights. By emphasizing the affirmative nature of privileges as configured rights, BillJCo seems to have followed the strategic approach recommended—defining "privilege data" positively based on security-related authorization rather than relying solely on excluding preferences negatively. At least from my reading, the appellate court seems to have conflated BillJCo's purposes (excluding the reference) from its actual arguments.

Dennis Crouch, "Federal Circuit on Negative Limitations and Secondary Considerations", *Patently-O*, https://patentlyo.com/patent/2025/05/limitations-secondary-considerations.html (May 18, 2025) (emphasis in original).

Notably, despite rejecting the strawman negative construction, neither the Board nor the Panel actually construed "privilege data." Appx0006; Op. 2-3. In other words, the Board and Panel only determined what "privilege data" did not exclude, not what it is.

Tainted by the incorrect premise that BillJCo's argument depended on the argument "'privilege' should exclude anything labeled as a preference," the Board rejected BillJCo's purported argument "because it relies on Patent Owner's proposed construction of the term 'privilege data,' which [the Board did] not adopt." Appx0009. The Panel then endorsed such an analysis by affirming the Board. Op. at 4-5.

The Board's FWD, as endorsed by the Panel, improperly shifts the burden of proof of establishing unpatentability such that patent owners will be obliged to prove a prior reference **does not disclose, teach, or suggest** a claim limitation, as opposed to requiring patent challengers to prove a prior reference **does disclose, teach, or suggest** a claim limitation. This is because by framing BillJCo's argument as attempting to differentiate the prior art by way of a negative claim construction, and then rejecting the claim construction, the Board and the Panel required BillJCo to prove a configured "user preference" was not configured "privilege data."

That is simply the wrong approach and is contrary to the well-established law, which places at all times the burden to prove invalidity on the patent challenger.

Microsoft, 564 U.S. at 95; *Dynamic Drinkware*, 800 F.3d at 1378. As such, the petition for rehearing by the Panel or *en banc* review should be granted.

What is unclear is whether either the Board or the Panel agreed that a "privilege" is a "right or authorization granted from one entity to another to perform particular function" as was proposed by BillJCo.[2] Appx1085. In any event, the Board and the Panel failed to explain how Haberman's configured user preference is something granted by one entity to another. On its face, granting means that something be given by someone to someone else. Neither the Board nor the Panel explain how Haberman disclosed such a granted right or authorization was met by a user setting preference data. For this separate reason, rehearing by the Panel should be granted.

II. The Board's Decision and The Panel's Endorsement Thereof Regarding Requirements For Objective Indicia Of Nonobviousness Based On Copying Is Contrary To This Court's Precedent And Establishes An Inequitable Framework

Objective indicia of non-obviousness is often "the most probative and cogent evidence in the record" of nonobviousness. *WBIP, LLC v. Kohler Co.*, 829 F.3d 1317, 1328 (Fed. Cir. 2016) (citations omitted). As such, objective indicia of nonobviousness must be considered in every case in which they are presented. *Id.*

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[2] Notably, Apple affirmatively proposed no construction, but implicitly equated Haberman's preference profile with the claimed privilege. Appx0912, Appx0919-923.

It "is well established that copying by a competitor is a relevant consideration in the objective indicia analysis" and "evidence that the patented invention is nonobvious." *Liqwd, Inc.*, 941 F.3d at 1137. While copying may be demonstrated by direct evidence, such as through a party's documents, evidencing copying activities, *e.g.*, disassembling a patented prototype, photographing its features, and using the photograph as a blueprint to build a virtually identical replica, *see e.g., see Akamai Techs., Inc. v. Cable & Wireless Internet Servs., Inc.*, 344 F.3d 1186, 1196-97 (Fed. Cir. 2003); *Advanced Display Sys., Inc. v. Kent State Univ.*, 212 F.3d 1272, 1285 (Fed. Cir. 2000), this Court's precedent establishes evidence adequate to prove copying is not limited to direct evidence.

Instead, this Court's precedent establishes copying may also be demonstrated solely through circumstantial evidence; and, specifically by showing access to the patented product combined with substantial similarity to the patented product. This Court even recently expressly rejected the notion that direct evidence of copying is required. In *Medtronic*, 70 F.4th at 1340, this Court stated "**[w]e have never held …** that copying cannot be established through evidence of access to and substantial similarity with a patented product." *Id.* (emphasis supplied). Instead, this Court's precedent readily established "[a]ccess in combination with similarity can create a strong inference of copying." *Cable Elec. Prods., Inc. v. Genmark, Inc.*, 770 F.2d

1015, 1027 (Fed. Cir. 1985), *overruled on other grounds by Midwest Indus., Inc. v. Karavan Trailers, Inc.*, 175 F.3d 1356 (Fed. Cir. 1999).[3]

Yet, despite unrebutted evidence of both access and substantial similarity, the Board found BillJCo's circumstantial evidence of copying insufficient and required direct evidence, giving as an example evidence showing a party's design team had settled on one design and suddenly changed direction to adopt a feature disclosed in the patent as soon as it issued. Appx0012 (quotations and citations omitted). The Panel, despite noting BillJCo's evidence establishing access and substantial similarity, affirmed the Board's reasoning for why such evidence was insufficient without explanation. Op. at 2-3.

While the Board and the Panel raise the proposition that "copying must be supported 'by actual evidence of copying efforts as opposed to mere allegations regarding similarities between the accused product and a patent,'" this unremarkable observation is irrelevant. In addition to making clear this Court's precedent is not that "copying cannot be established through evidence of access to and substantial similarity with a patented product," this Court also firmly established "[e]vidence of

[3] Notably, this Court found copying for purposes of non-obviousness to be the same standard "universally applied in the copyright context, which likewise requires actual copying of a copyrighted work rather than similarity by happenstance. *Medtronic*, 70 F.4th at 1340 (*citing Walker v. Time Life Films, Inc.*, 784 F.2d 44, 48 (2d Cir. 1986)) ("Copying may be inferred where a plaintiff establishes that the defendant had access to the copyrighted work and that substantial similarities exist as to protectible material in the two works.").

access and substantial similarity **is** evidence of copying." *Medtronic*, 70 F.4th at 1340 (emphasis in original). Here, the Board's and Panel's implicit premise that "copying can be proven only by direct evidence … rather than circumstantial evidence such as access and similarity" is simply "at odds with this [Court's] precedent." *Id*. The Board's and the Panel's departure from this Court's precedent, in and of itself, warrants rehearing.

Beyond the Board's and Panel's departure from established precedent, by rejecting unrebutted evidence of access and substantial similarity and requiring direct evidence, the Panel created a conundrum for patent owners, especially in IPR proceedings. The Panel, by affirming the Board's unprecedented heightened evidentiary requirements for objective indicia of copying, created authority that results in a patent owner being stuck in limbo. Specifically, the evidence the Board required to show copying is information solely within the custody and control of Apple, and BillJCo would be unable to obtain this evidence as part of the IPR proceedings. Patent challengers, such as Apple, are therefore able to remain silent when presented with circumstantial evidence of copying, and pursuant to the Board's FWD and the Panel's affirmance thereof, an inference against copying will be found. As such, BillJCo respectfully submits the Panel's endorsement of the Board's reasoning should either be reheard or reviewed *en banc* to determine whether the burden of production for evidence of copying should shift from the patent owner to the patent challenger upon a showing of copying through circumstantial evidence.

In district-court litigation, the rules of civil procedure routinely provide for discovery enabling parties to obtain internal documents and information from opposing parties to show how an accused product was developed. *See generally* Fed. R. Civ. P. 26. The discovery available in IPRs is different, however. IPR discovery provides as a matter of right limited routine discovery of any exhibit cited in a document or testimony, depositions of declarants, and required production of information that contradicts a position taken by a party. 37 C.F.R. § 42.51. By contrast, other discovery (which would be considered "additional discovery") is permitted only upon motion to the Board and after satisfying the "interests of justice" standard. 37 C.F.R. § 42.51(c)(1). What is required to meet this "interests of justice" standard is onerous, mandating that the requester show the requested discovery would be likely to produce favorable evidence. *See Wi-Fi One, LLC v. Broadcom Corp.*, 887 F.3d 1329, 1339 (Fed. Cir. 2018) (*citing Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC*, No. IPR2012-00001, 2013 WL 11311697, at *3 (PTAB Mar. 5, 2013)). Under *Garmin*, to prove the requested discovery would be likely to produce favorable evidence, "the requester of information should already be in possession of a threshold amount of evidence or reasoning tending to show beyond speculation that something useful will be uncovered. 'Useful' in that context does not mean merely 'relevant' and/or 'admissible.' In [context], 'useful' means favorable in substantive value to a contention of the party moving for discovery." *Garmin*, 2013 WL 11311697, at *3.

The irreconcilable conundrum is that a patent owner would not have access to a patent challenger's internal research and development documents absent discovery. The patent challenger would have sole custody and control over such information. As such, the patent owner would have no insight about the patent challenger's documents and would not be in possession of even the threshold amount of evidence to show something favorable in substantive value will be uncovered so as to satisfy the "in the interests of justice" standard. As such, patent challengers will, as Apple did here, simply keep evidence of copying to itself and the patent owner would be unable to point to direct evidence of copying as required by the Board and this Panel. Such manifest unfairness has been observed by patent commentators.[4] This

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[4] *See, e.g.*:

- Dave Maiorana & Bobby Karl, "In Your Dreams – Additional PTAB Discovery Remains Elusive", Jones Day PTAB Litigation Blog, https://www.ptablitigationblog.com/additional-ptab-discovery-remains-elusive/ (May 11, 2021).
- Kristin Doyle, "An Argument for Mandatory Production of Limited Secondary Consideration Evidence by Petitioners in Inter Partes Reviews", *IPWatchdog*, https://ipwatchdog.com/2020/09/13/argument-mandatory-production-limited-secondary-consideration-evidence-petitioners-inter-partes-reviews/id=125115/ (Sept. 13, 2020).

inequitable loophole depriving patent owners the ability to defend against attacks on their duly issued patents must be closed.

CONCLUSION

For the foregoing reasons, BillJCo request the Court vacate the Panel opinion and grant either rehearing or *en banc* review to rectify the Panel's endorsement of the Board's erroneous FWD, which improperly imposes the burden of proving patent validity on the patent owner and gives no weight to uncontroverted evidence of copying.

Respectfully submitted,

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UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME LIMITATIONS

Case Number: 2023-2189 & 2023-2190

Short Case Caption: BillJCo, LLC v. Apple Inc.

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Signature: /s/ Elizabeth A. Thompson

Name: Elizabeth A. Thompson

FORM 30. Certificate of Service

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July 2020

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

CERTIFICATE OF SERVICE

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ADDENDUM

NOTE: This disposition is nonprecedential.

United States Court of Appeals for the Federal Circuit

BILLJCO, LLC,
Appellant

v.

APPLE INC.,
Appellee

2023-2189, 2023-2190

Appeals from the United States Patent and Trademark Office, Patent Trial and Appeal Board in Nos. IPR2022-00131, IPR2022-00310.

Decided: May 16, 2025

JOSEPH KUO, Saul Ewing Arnstein & Lehr LLP, Chicago, IL, argued for appellant. Also represented by BRIAN MICHALEK, ELIZABETH A. THOMPSON; BRIAN LANDRY, Boston, MA; COURTLAND COLLINSON MERRILL, Minneapolis, MN.

KEVIN JOHN POST, Ropes & Gray LLP, New York, NY, argued for appellee. Also represented by BRIAN LEBOW, CASSANDRA B. ROTH; JAMES RICHARD BATCHELDER, CHRISTOPHER M. BONNY, JAMES LAWRENCE DAVIS, JR., East

Palo Alto, CA; DOUGLAS HALLWARD-DRIEMEIER, Washington, DC.

Before CHEN, SCHALL, and STOLL, *Circuit Judges*.

STOLL, *Circuit Judge*.

BillJCo, LLC ("BillJCo") appeals two final written decisions of the Patent Trial and Appeal Board (the "Board") determining that certain claims of U.S. Patent Nos. 8,639,267 (the "'267 patent") and 9,088,868 (the "'868 patent") are unpatentable under 35 U.S.C. § 103 in view of several grounds asserted in the *inter partes* review petition filed by Apple, Inc. ("Apple"). BillJCo challenges the Board's claim construction, findings regarding the content of the prior art, and findings on BillJCo's evidence of objective indicia of non-obviousness. For the following reasons, we affirm the Board's decisions.

I

We begin with the challenged aspects of the Board's analysis of claims 1, 5, 13, 20, 21, 29, 30, 34, 42, and 49 of the '267 patent.

First, the Board did not adopt BillJCo's proffered construction of the claim term "privilege" to exclude "preferences" and explained that "[n]o further construction of the term 'privilege' is necessary." J.A. 6–7. On appeal, BillJCo argues that the Board erred by construing "privilege" to include preferences. Appellant's Br. 26. The strongest support for BillJCo's construction argument is that the '267 patent specification expressly identifies user "preferences" and user "permissions" as different types of "conceivable user configurations." U.S. Patent No. 8,639,267 col. 2 ll. 45–48. But this support is insufficient and the specification does not support the inclusion of BillJCo's desired negative limitation: construing "privilege" to exclude "preferences." Our court has "identified claim constructions that exclude a particular element as including a 'negative limitation' and held that such exclusions must find support either in 'the words of the claim' or through an 'express disclaimer or independent lexicography in the written description that would justify adding that negative limitation.'" *Ethicon LLC v. Intuitive Surgical, Inc.*, 847 F. App'x 901, 907 (Fed. Cir. 2021) (quoting *Omega Eng'g, Inc. v. Raytek Corp.*, 334 F.3d 1314, 1323 (Fed. Cir. 2003)). None of these bases for importing a negative limitation into the claim language is present here. We thus adopt the Board's construction of this term.

Second, the Board agreed with Apple that Haberman[1] teaches the "privilege-data limitation." J.A. 9. BillJCo argues that "there is no evidence, let alone substantial evidence, to support the conclusion that Haberman's preferences are actually privileges." Appellant's Br. 39. We disagree and hold that substantial evidence—including Haberman's disclosure, e.g., paragraphs 121, 164–66, and 168—supports the Board's finding.

Third, the Board declined to adopt BillJCo's construction of "destination identity" and declined to further construe that term. J.A. 7. We agree with the Board that, during oral argument before the Board, BillJCo's counsel "explained that [its] destination-identity argument is the same as its privilege argument." J.A. 10; J.A. 1413–15 ("So, the destination identity is part and parcel with the privilege versus progress [sic] argument."). Because we have rejected BillJCo's "privilege" versus "preferences" argument, we agree with the Board and Apple that we need not further address this issue. J.A. 7; Appellee's Br. 30–31; *see Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999) ("[O]nly those terms need be

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[1] U.S. Patent Application Publication No. 2005/0096044 ("Haberman").

construed that are in controversy, and only to the extent necessary to resolve the controversy.").

Fourth, the Board agreed with Apple that "Haberman teaches the claimed destination identity." J.A. 10. BillJCo argues that "Apple fail[ed] to demonstrate that Haberman discloses this limitation." Appellant's Br. 42. We disagree and hold that substantial evidence—including Haberman's disclosure, e.g., paragraphs 26–27, 36, 168, and 181—supports the Board's finding.

II

We now turn to the challenged aspects of the Board's analysis of claims 1, 2, 5, 20, 24, 25, 28, and 43 of the '868 patent.

First, in construing the claim term "user specified location based event configuration," the Board determined that the phrase "should not be narrowly construed to mean 'privilege data,'" as BillJCo proposed. J.A. 30. BillJCo argues that the Board erred by not construing the subject claim limitation as "reciting configuring privilege data." Appellant's Br. 34. We disagree. Instead, we agree with the Board that the ordinary meaning of this limitation in light of the specification and the claim language does not limit "user specified location based [ ] configuration" to "privilege data." J.A. 30 (alteration in original). As Apple explains, the claim term recites neither "privilege" nor any word or phrase that means "privilege"—like "permission"—and instead, it recites "configuring a user specified location based event configuration." U.S. Patent No. 9,088,868 col. 283 ll. 55–63; Appellee's Br. 40. BillJCo's cited portions of the specification, '868 patent Title, col. 12 ll. 11–18, do not persuade us that the Board erred. That the '868 patent title contains the word "permissions" and the specification describes "[a] user friendly configuration environment . . . wherein [interchanging information] . . . causes triggering of privileged actions configured by users" do not convince us that we should construe "user specified location based event configuration" as reciting configuring privilege data. *Id.* col. 12 ll. 11–15. The specification discloses "user[] preferences, credential information, permissions, customizations, billing information, surfing habits, *and other conceivable user configurations*." *Id.* col. 2 ll. 46–48 (emphasis added). Plainly, the specification contemplates that there are user configurations other than privileges or permissions. *See, e.g.*, *id.* Figs. 38, 45 (users also configure groups, actions, and parameter information, among other things). We thus reject BillJCo's arguments and adopt the Board's construction.

Second, the Board rejected BillJCo's argument that Haberman fails to disclose or make obvious the "user specified location based event configuration" limitation because BillJCo's "contentions [we]re based on its proposed construction" regarding "configuring privilege data," which the Board did not adopt. J.A. 38. On appeal, BillJCo argues that "each of the '868 [patent's] Challenged Claims require configuring of privilege data." Appellant's Br. 43. This argument fails in light of our decision to adopt the Board's construction of "user specified location based event configuration" above. Substantial evidence—including Haberman's disclosure, e.g., paragraph 168, and Apple's expert testimony, which the Board credited—supports the Board's finding that Haberman teaches this limitation as properly interpreted by the Board.

Third, the Board construed the claim term "identifier data," determining that the term should not be narrowly construed to mean "grantee identity," as BillJCo proposed. J.A. 30–31. BillJCo argues that "the grantee identity corresponds to the claimed identifier data, which is then compared with configured privilege data," and that "[t]he Board provide[d] little, if any, explanation for not determining that the subject claim limitation relates to configuring privilege data." Appellant's Br. 37. We agree with the Board that, although BillJCo's cited portion of the specification, '868 patent col. 120 ll. 46–59, provides that a permission is granted from a grantor identity to a grantee identity, and that actions associated with the permission can automatically occur, nothing in the cited passage defines "identifier data" as "grantee identity." J.A. 31. The passage does not mention "identifier" at all, let alone clearly define identifier data as grantee identity. We thus adopt the Board's construction.

Fourth, the Board found that the prior art disclosed the claimed "identifiers." The Board found that a person of ordinary skill in the art would have been motivated to combine the teachings of Haberman with the teachings of Boger,[2] and that the combination of Haberman and Boger teaches a "first identifier." J.A. 43–46. The Board further agreed with Apple that both Haberman and Boger each disclose a "first identifier." *See* J.A. 44. Substantial evidence—including Haberman's disclosure (e.g., paragraph 132), Boger's disclosure (e.g., paragraph 6), and Apple's expert testimony—supports the Board's findings. The Board then found that Haberman teaches the "second identifier" and "third identifier," and that Boger teaches the "third identifier" to the extent Haberman does not explicitly teach it. *See* J.A. 48–50. Again, substantial evidence—including Haberman's disclosure (e.g., paragraphs 27 and 36) and Boger's disclosure (e.g., paragraphs 3–4, 6, and 9)—supports the Board's findings. Substantial evidence—including Haberman's disclosure, Boger's disclosure, and Apple's expert testimony—also supports the Board's findings regarding motivation to combine the teachings of Haberman and Boger.

III

Last, we address BillJCo's challenges to the Board's findings regarding objective evidence of non-obviousness.

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[2] U.S. Patent Application Publication No. 2002/0159401 ("Boger").

BillJCo's asserted objective evidence of non-obviousness included copying and commercial success.

The Board found BillJCo's circumstantial evidence of copying insufficient to suggest that Apple copied the patented technology. BillJCo does not cure this deficiency on appeal. BillJCo argues that "at least Challenged Claims 1 and 22 of the '267 Patent and Challenged Claims 1 and 24 of the '868 Patent cover Apple devices" and that "Apple's access to the patented technology and implementation of devices that embody the Challenged Claims is substantial evidence of the challenged claims' nonobviousness." Appellant's Br. 56–57. Again, this is insufficient. "Copying requires duplication of features of the patentee's work based on access to that work, lest all infringement be mistakenly treated as copying." *Liqwd, Inc. v. L'Oreal USA, Inc.*, 941 F.3d 1133, 1137 (Fed. Cir. 2019) (citation omitted). BillJCo's asserted evidence does not meet these requirements. Accordingly, the Board reasonably found that this evidence is entitled to little weight.

Next, the Board found that the alleged touting by Apple, on which BillJCo relies, relates to the products' functionality, not their commercial success. Commercial success is "usually shown by significant sales in a relevant market, and that the successful product is the invention disclosed and claimed in the patent." *Chemours Co. FC, LLC v. Daikin Indus., Ltd.*, 4 F.4th 1370, 1378 (Fed. Cir. 2021) (citation omitted) (collecting cases where sales figures, or sales information, alone constituted evidence of commercial success). Here, as Apple explains, "BillJCo submitted no sales data, public statements, or any other evidence that could be used to infer commercial success." Appellee's Br. 63. We hold that the Board reasonably found that this evidence is entitled to little weight.

Finally, the Board found that, although BillJCo relies on licensing agreements pertaining to the patented technology as evidence of commercial success, it did not demonstrate a sufficient nexus between the challenged claims and the evidence offered. Substantial evidence supports this finding. The asserted licenses cover more than thirty patents, and BillJCo failed to provide any evidence regarding the weight or importance of the ’267 patent or ’868 patent to these agreements. “While licenses can sometimes tilt in favor of validity in close cases, they cannot by themselves overcome a convincing case of invalidity without showing a clear nexus to the claimed invention.” *ABT Sys., LLC v. Emerson Elec. Co.*, 797 F.3d 1350, 1361 (Fed. Cir. 2015). Here, BillJCo “points to no evidence that the licenses it cites were taken based on the merits of the invention claimed in the [’267 or ’868] patent.” *Id.* at 1362. Accordingly, the Board reasonably found that this evidence is entitled to little weight.

IV

We have considered BillJCo’s remaining arguments and find them unpersuasive. For the foregoing reasons, we affirm the Board’s decisions.

AFFIRMED

United States Court of Appeals for the Federal Circuit

BILLJCO, LLC,
Appellant

v.

APPLE INC.,
Appellee

2023-2189, 2023-2190

Appeals from the United States Patent and Trademark Office, Patent Trial and Appeal Board in Nos. IPR2022-00131, IPR2022-00310.

JUDGMENT

THIS CAUSE having been considered, it is

ORDERED AND ADJUDGED:

AFFIRMED

FOR THE COURT

May 16, 2025
Date

Jarrett B. Perlow
Clerk of Court