

Filed on behalf of Patent Owner Network-1 Security Solutions, Inc.

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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SONY CORPORATION OF AMERICA; AXIS COMMUNICATIONS AB;  
AXIS COMMUNICATIONS INC.; and HEWLETT-PACKARD CO. Petitioner

v.

NETWORK-1 SECURITY SOLUTIONS, INC.  
Patent Owner

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Case IPR2013-00071  
Patent 6,218,930  
Administrative Patent Judges Jameson Lee, Joni Y. Chang and Justin T. Arbes

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**PATENT OWNER'S OPPOSITION TO PETITIONER'S MOTION FOR  
JOINDER FILED IN IPR2013-00386**

Sony and Axis filed an IPR petition. The board rejected it. Rather than just relying on their motion for reconsideration, Sony, Avaya, and HP (“Defendants”) want a second bite of the apple, attempting to correct the flaws in their first petition by adding additional art and a declaration that they failed to include in their original petition. Defendants seek to (a) institute a new IPR based on their second petition filed six months after the one-year statutory deadline, and (b) join their proposed IPR into the existing Avaya IPR (IPR2013-00071).

The controlling statute, 35 U.S.C. Section 315(c), provides:

If the Director institutes an inter partes review, the Director, [3] in his or her discretion, may join as a party to that inter partes review any person who [1] 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 [2] warrants the institution of an inter partes review under section 314.

35 U.S.C. 315 §(c) (enumeration and emphasis added). Based on this statute, Defendants’ motion (and petition) should be denied for three independent reasons:

Reason 1: Defendants did not “properly file[] a petition under Section 311” because their petition was “filed more than 1 year after ... petitioner [was] served with a complaint.” 35 U.S.C. §315(b).

Reason 2: Had Defendants’ late-filed petition been permitted, factors that the Board should consider before exercising “his or her discretion” demonstrate that the Board should not exercise its discretion here.

Reason 3: As will be demonstrated in the Preliminary Response, Defendants' new petition still does meet the threshold of Section 314 and therefore does not "warrant[] the institution of an inter partes review under section 314."

Each independent reason is addressed in turn.

**I. Independent Reason 1: Defendants did not properly file a petition.**

As (a) outlined in Network-1's Opposition to Dell's Motion for Joinder (Paper 28 at 2-3), (b) explained in Avaya's Opposition to Dell's Motion for Joinder (Paper 30 at 1-5), and (c) will be addressed in detail in Network-1's Preliminary Response, a motion and corresponding petition should be denied if the petition is filed "more than 1 year after ... petitioner is served with a complaint." 35 U.S.C. §315(b). Because Defendants were served on December 14, 2011 (Exhibits N1-2011-13), Defendants' recently-filed petition was filed more than six months after the statutory deadline. As a result, their motion and petition should be denied. See also, IPR2013-00319, Paper 16, June 11, 2013 and Avaya's Opposition, Paper 30, in this IPR2013-00071.

**II. Independent Reason 2: Defendants cannot meet their burden of demonstrating that the Board should exercise its discretion to allow joinder based on their second petition.**

If (a) the statutory requirements are satisfied, and (b) the circumstances justify joinder, the Board may exercise "his or her discretion" and join a party to an IPR. 35 U.S.C. 315§(c). *See also*, IPR2013-00007 Paper 15 at 3 ("the decision to

grant joinder is discretionary”) (*citing* 35 U.S.C. § 315(c)).

As the moving party, Defendants have the burden of demonstrating that joinder is justified and that the Board should exercise its discretion. 37 C.F.R. § 42.20(c) (“The moving party has the burden of proof.”). Based on factors that the Board should consider when evaluating whether to exercise its discretion here, there are four reasons why Defendants cannot satisfy their burden.

**Reason 1: Defendants’ motion should be denied because permitting joinder for a late-filed petition without a valid justification would allow defendants to circumvent the policy behind the one-year statutory bar.**

The statutory one-year window establishes the appropriate balance between: (a) “ensur[ing] the .... speedy ... resolution of a proceeding” (Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48758 (Aug. 14, 2012)) that is co-pending with underlying litigation, and (b) “afford[ing] defendants a reasonable opportunity to identify and understand the patent claims.” Exh. N1-2010 (Defendants’ Motion to Stay the Pending Litigation), at 12. (emphasis added) *quoting* 157 Cong. Rec. S5429 (daily ed. Sept. 8, 2011).

To maintain this proper balance, to the extent that Section 315(c) allows the Board to exercise its discretion to allow late-filed petitions and joinders, the Board should only do so if there is a change of circumstance that justifies a petitioner’s delay. For example, if a patent owner asserts new claims in the co-pending litigation and the petitioner is “diligent and timely in filing the motion” for joinder

after the changed circumstance, such changed circumstance and diligence may justify the exception (*e.g.*, to allow the new claims to be included in an IPR). IPR2013-00109 Paper 15 at 4; *id.* at 3 (“Petitioner proceeded expeditiously in filing a second Petition after learning that additional claims were being asserted by Patent Owner in concurrent district court litigation.”)

Here, Defendants have no valid justification for their late-filed petition (*e.g.*, a change in circumstances). Nothing prevented Defendants from filing a timely petition – they did, and it was rejected. Defendants’ attempt to correct the flaws in their rejected petition is not a valid justification for their late-filed second petition.

**Reason 2: Defendants’ late-filed petition introduces substantial new grounds of unpatentability.**

If a late-filed petition is limited to the same grounds in a pending IPR, the Board may exercise its discretion because delay can be avoided. *See* IPR2013-00256 Paper 10 at 5 (“joinder does not introduce new grounds of unpatentability”). Conversely, if a late-filed petition introduces new grounds, the Board should not exercise its discretion. *See* IPR2013-00007 Paper 15 at 3 (“Joining a third party could result in delaying the schedule already in place for the ongoing inter partes review, particularly if Apple’s petitions raise grounds of unpatentability.”).

Here, Defendants’ late-filed petition (a) includes three additional grounds of unpatentability (expanding the number of grounds from 2 to 5); (b) includes five new references (expanding the number of references from 2 to 7); and (c)

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