

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNIFIED PATENTS, INC.,
SAP AMERICA INC.,
Petitioners,

v.

CLOUDING IP, LLC,
Patent Owner.

Case IPR2013-00586
Case IPR2014-00306
Patent 6,738,799 B2

Before JAMESON LEE, JUSTIN BUSCH, and RAMA G. ELLURU,
Administrative Patent Judges.

BUSCH, *Administrative Patent Judge.*

FINAL WRITTEN DECISION
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73

I. BACKGROUND

Unified Patents, Inc. (“Unified”) filed a Petition (Paper 1, “Pet.”) requesting *inter partes* review of claims 1, 5–10, 12, 16–21, 23, 24, 30, 31,

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37, and 42 (the “challenged claims”) of U.S. Patent No. 6,738,799 B2 (“the ’799 Patent”) under 35 U.S.C. §§ 311–319. On March 21, 2014, the Board instituted an *inter partes* review of the challenged claims on six asserted grounds of unpatentability (“Dec. on Inst.”). Paper 9. On December 27, 2013, SAP America, Inc. (“SAP”) filed a petition (the “SAP Petition”), asserting the same grounds (against the same claims) as asserted by Unified in the Petition. On May 20, 2014, the Board instituted an *inter partes* review of the challenged claims and joined the review based on the SAP Petition with this *inter partes* review. Paper 17. Subsequent to institution and joinder of the two reviews, Clouding IP, LLC (“Patent Owner”) filed a Patent Owner Response (“PO Resp.”) responding to the petitions filed by Unified and SAP (collectively, “Petitioners”). Paper 18. Patent Owner also filed a Contingent Motion to Amend (“MTA” or “Mot. to Amend”). Paper 19. Petitioners filed a Reply (Paper 22, “Pet. Reply”) to the Patent Owner Response and an Opposition (Paper 23, “Opp. MTA”) to the Contingent Motion to Amend. Patent Owner filed a Reply to Petitioners’ Opposition to the MTA (“PO Reply”). Paper 25. Oral hearing was held on October 16, 2014.¹

The Board has jurisdiction under 35 U.S.C. § 6(c). This final written decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons that follow, we determine that Petitioners have shown by a preponderance of the evidence that the challenged claims are unpatentable. Patent Owner’s Contingent Motion to Amend is denied.

¹ The record includes a transcript of the oral hearing (“Hr’g Tr.”). Paper 35.

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A. The '799 Patent (Ex. 1001)

The '799 Patent is related to a method for file synchronization using a signature list. Ex. 1001, Title. In particular, the '799 Patent discloses a method for synchronizing the local copies of files on client computers to the current versions of the files on a network drive. Ex. 1001, 1:24–27.

According to the '799 Patent, an object of the method is to provide a mechanism by which a user can be provided automatically with a current version of a subscription file in an efficient manner. Ex. 1001, 3:36–41.

This is accomplished by having a server computer monitor network files for changes, and then send users email notifications and updates when there is a change to the files. Ex. 1001, 3:41–44.

B. Illustrative Claim

Of the challenged claims, claims 1, 12, 23, 30, 37, and 42 are independent claims. Claim 1 is similar to claim 23, with the exception that claim 1 includes an additional limitation (“wherein the new segment . . .”) not present in claim 23. Claims 1, 23, and 37 are method claims. Claims 12, 30, and 42 are computer readable media versions of claims 1, 23, and 37, respectively. Thus, claims 1 and 37 are exemplary of the claimed subject matter, and are reproduced below (emphases added):

1. A method for a first computer to generate an update for transmission to a second computer that permits the second computer to generate a copy of a current version of a file comprised of a first plurality of file segments from a copy of an earlier version of the file comprised of a second plurality of file segments, such that each file segment corresponds to a portion of its respective file, the method comprising the steps of:

for each segment of the current version of the file,

(a) searching an earlier version of a signature list corresponding to an earlier version of the file for an old segment signature which matches a new segment signature corresponding to the segment;

(b) if step (a) results in a match, writing *a command* in the update for the second computer *to copy* an old segment of the second computer's copy of the earlier version of the file into the second computer's copy of the current version of the file, wherein the old segment corresponds to the segment for which a match was detected in step (a); and

(c) if step (a) results in no match, writing *a command* in the update for the second computer *to insert* a new segment of the current version of the file into the second computer's copy of the current version of the file;

wherein the new segment of the current version of the file is written into the update and the unchanged segment is excluded from the update; and

wherein steps (a) through (c) are performed by the first computer, without interaction with the second computer, in response to the first computer detecting a change between the current version of the file and the earlier version of the file.

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37. A method for a first computer to provide updates for transmission to a second computer that permits the second computer to obtain most recent versions of files, the method comprising the steps of:

(a) determining whether the second computer has *a latest version* of a file, wherein said determining is performed by the first computer without interaction with the second computer;

(b) generating an update, if the second computer does not have a latest version of the file, wherein said generating is performed by the first computer without interaction with the second computer; and

(c) transmitting the update from the first computer to the second computer.

C. Related Proceedings

Petitioners indicate that the '799 Patent was the subject of the following terminated *inter partes* reviews before the Board: Oracle Corp. v. Clouding IP, LLC, IPR2013-00073² and Oracle Corp. v. Clouding IP, LLC, IPR2013-00261. Pet. 4. Petitioners indicate that the '799 Patent is the subject of the following co-pending federal district court cases: *Clouding IP, LLC v. EMC Corp., et al.*, Case No. 1:13-cv-01455 (D. Del.); *Clouding IP, LLC v. Dropbox Inc.*, Case No. 1:13-cv-01454 (D. Del.); *Clouding IP, LLC v. SAP AG, et al.*, Case No. 1:13-cv-01456 (D. Del.); *Clouding IP, LLC v. Verizon Inc.*, Case No. 1:13-cv-01458 (D. Del.); *Clouding IP, LLC v. Rackspace, Hosting Inc.*, Case No. 1:12-cv-00675 (D. Del.); *Clouding IP, LLC v. Amazon.com Inc.*, Case No. 1:12-cv-00641 (D. Del.); *Clouding IP, LLC v. Oracle Corp.*, Case No. 1:12-cv-00642 (D. Del.); *Clouding IP, LLC*

² Petitioners identify IPR2012-00073 as a related matter. Pet. 4. However, IPR2013-00073 is the related *inter partes* review involving the '799 Patent.

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