

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ORACLE CORPORATION
Petitioners,

v.

CLOUDING IP, LLC
Patent Owner.

Case IPR2013-00073 (JL)
Patent 6,738,799

Before JAMESON LEE, JONI Y. CHANG, and MICHAEL W. KIM,
Administrative Patent Judges.

CHANG, *Administrative Patent Judge.*

DECISION
Institution of *Inter Partes* Review
37 C.F.R. § 42.108

I. INTRODUCTION

On December 8, 2012, Oracle Corporation (“Oracle”) filed a petition requesting an *inter partes* review of claims 1, 5-10, 23, 24, and 37 of U.S. Patent 6,738,799 (Ex. 1001, “the ’799 patent”). (Paper 1, “Pet.”) In response, Clouding IP, LLC (“Clouding”) filed a patent owner preliminary response on March 12, 2013. (Paper 7, “Prel. Resp.”) We have jurisdiction under 35 U.S.C. § 314.

The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a) which provides as follows:

THRESHOLD -- The Director may not authorize an *inter partes* review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

Upon consideration of the petition and patent owner preliminary response, we determine that the information presented in the petition establishes that there is a reasonable likelihood that Oracle would prevail with respect to claims 1, 5-10, 23, 24, and 37 of the ’799 patent. Accordingly, pursuant to 35 U.S.C. § 314, we authorize an *inter partes* review to be instituted as to claims 1, 5-10, 23, 24, and 37 of the ’799 patent.

A. Related Proceedings

Oracle indicates that the ’799 patent is involved in co-pending litigation captioned *Clouding IP, LLC v. Oracle Corp.*, Case No. 1:12-cv-00642 (D.Del.). (Pet. 3.)

B. The '799 Patent

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 automatically provided 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.)

C. Exemplary Claims

Of the challenged claims, claims 1, 23, and 37 are independent claims. Independent claims 1 and 23 recite similar limitations, but independent claim 37 is broader than those claims. As to the dependent claims, claims 5-10 directly or indirectly depend from claim 1, and claim 24 depends from claim 23. Claims 1 and 37 are exemplary of the claimed subject matter of the '799 patent, and are reproduced as follows (emphasis 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.

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.

D. Prior Art Relied Upon

Oracle relies upon the following prior art references:

Miller	U.S. Patent 5,832,520	Nov. 3, 1998	(Ex. 1004)
Freivald	U.S. Patent 5,898,836	Apr. 27, 1999	(Ex. 1005)
Williams	U.S. Patent 5,990,810	Nov. 23, 1999	(Ex. 1006)
Balcha	U.S. Patent 6,233,589	May 15, 2001	(Ex. 1003)

E. The Asserted Grounds

Oracle alleges that the challenged claims are unpatentable based on the following grounds:

1. Claims 1, 23, 24, and 37 are unpatentable under 35 U.S.C. § 102(e) as anticipated by William;
2. Claims 5-10 are unpatentable under 35 U.S.C. § 103(a) over William and Miller;
3. Claim 37 is unpatentable under 35 U.S.C. § 102(e) as anticipated by Balcha;
4. Claims 1, 5, 9, 10, 23, and 24 are unpatentable under 35 U.S.C. § 103(a) over Balcha and Miller;
5. Claims 6-8 are unpatentable under 35 U.S.C. § 103(a) over Balcha, Miller, and Freivald;
6. Claim 37 is unpatentable under 35 U.S.C. § 102(e) as anticipated by Freivald; and
7. Claims 1, 5-10, 23, 24, and 37 are unpatentable under 35 U.S.C. § 103(a) over Miller and Freivald.

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