UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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FACEBOOK, INC.,
Petitioner,

v.

WINDY CITY INNOVATIONS, LLC,
Patent Owner.

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Case IPR2017-00624
Patent 8,407,356 B1

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Before KARL D. EASTHOM, DAVID C. McKONE, and J. JOHN LEE,
Administrative Patent Judges.

LEE, *Administrative Patent Judge*.

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

Motion for Joinder
37 C.F.R. § 42.122(b)

INTRODUCTION

On January 7, 2017, Facebook, Inc. ("Facebook") filed a Petition (Paper 2, "Pet.") requesting *inter partes* review of claims 1–9, 12, 14–28, 31, and 33–37 ("the challenged claims") of U.S. Patent No. 8,407,356 B1 (Ex. 1001, "the '356 patent"). Concurrently with the Petition, Facebook filed a Motion for Joinder (Paper 3, "Mot."), requesting that this proceeding be joined with *Microsoft Corp. v. Windy City Innovations, LLC*, Case IPR2016-01067 ("1067 IPR"). Mot. 1. Patent Owner Windy City Innovations, LLC ("Windy City") filed a Preliminary Response (Paper 7, "Prelim. Resp.") but did not file an opposition to the Motion for Joinder.

Since the filing of Facebook's Motion for Joinder, Windy City and the petitioner in the 1067 IPR ("Microsoft") have settled and, on April 24, 2017, moved to terminate the 1067 IPR. 1067 IPR, Paper 30. We granted the motion to terminate as to Microsoft, but held the motion in abeyance as to Windy City pending the outcome of Facebook's Motion for Joinder in the present case. 1067 IPR, slip op. at 3–4 (PTAB May 10, 2017) (Paper 32).

For the reasons discussed below, we institute an *inter partes* review of all challenged claims and grant Facebook's Motion for Joinder.

INSTITUTION OF *INTER PARTES* REVIEW

In the 1067 IPR, we instituted an *inter partes* review of claims 1–37 of the '356 patent as allegedly unpatentable based on the following asserted grounds under 35 U.S.C. § 103(a):

Claims	Asserted Prior Art
1–37	Galacticomm References[1]
6, 7, 17, 26, 36	Galacticomm References and Sociable Web[2]
1–37	Galacticomm References and Choquier[3]
6, 7, 17, 26, 36	Galacticomm References, Choquier, and Sociable Web

1067 IPR, slip op. at 32–33 (PTAB Dec. 8, 2016) (Paper 10) ("1067 Inst. Dec."). Facebook represents that the Petition in this proceeding challenges claims 1–9, 12, 14–28, 31, and 33–37 on the same grounds of unpatentability, relying on the same evidence and arguments, as presented in the 1067 IPR. Mot. 1. According to Facebook, the only substantive difference between its Petition and the petition in the 1067 IPR is that Facebook does not challenge claims 10, 11, 13, 29, 30, and 32. *See* Mot. 1. In addition, Facebook asserts it is not barred from filing the Petition because the one-year deadline to file a petition seeking *inter partes* review after being served with a complaint alleging infringement of the challenged patent

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[1] Facebook refers to the combination of three references as the "Galacticomm References": (1) GALACTICOMM, INC., THE MAJOR BBS VERSION 6.2 SYSTEM OPERATIONS MANUAL (1994) (Ex. 1012, "Major BBS"); (2) Bob Stein, *Galacticomm Announces Internet Connectivity Option for the Major BBS*, BOARDWATCH MAG., Sept. 1994, at 38–39 (Ex. 1014, "Galacticomm ICO"); (3) Jim Thompson, *Technology Front: Galacticomm Unveils Worldgroup: AOL on a PC*, BOARDWATCH MAG., Mar. 1995, at 56–60 (Ex. 1015, "Worldgroup"). For consistency in the record, we adopt this terminology for this Decision.
[2] Judith S. Donath & Niel Robertson, *The Sociable Web*, 2ND INT'L WWW CONF., Oct. 1994 (Ex. 1019, "Sociable Web").
[3] U.S. Patent No. 5,774,668, filed June 7, 1995, issued June 30, 1998 (Ex. 1010, "Choquier").

does not apply when the petition is accompanied by a request for joinder.
Pet. 4; *see* 35 U.S.C. § 315(b); 37 C.F.R. § 42.122(b).

Windy City does not dispute that the present Petition is substantively
the same as the petition in the 1067 IPR with respect to the challenged
claims, but argues that institution is not warranted because the Petition
nonetheless fails to establish a reasonable likelihood of prevailing on any of
its asserted grounds of unpatentability. *See* Prelim. Resp. 4; *see also*
35 U.S.C. § 315(c) (authorizing joinder only after a determination that the
petition "warrants institution of an inter partes review under section 314");
35 U.S.C. § 314(a) (prohibiting institution absent a determination that the
information presented in the petition "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"). Specifically, Windy City advances three
arguments against the Petition: (1) the asserted prior art fails to teach or
suggest the multiplexing/demultiplexing limitations of the challenged
claims; (2) the Petition fails to articulate a sufficient motivation to combine
the three Galacticomm References; and (3) a person of ordinary skill would
not have had a reasonable expectation of success in combining the asserted
teachings of the prior art. *See* Prelim. Resp. 3–4.

Based on the evidence currently of record and the arguments
presented in the Petition, we determine Facebook has demonstrated a
reasonable likelihood of prevailing on each of its asserted grounds of
unpatentability for essentially the same reasons as explained in our Decision
on Institution in the 1067 IPR. *See* 1067 Inst. Dec. 18–32. In reaching this
determination, we consider the information presented in Windy City's
Preliminary Response, which includes arguments it did not present in the

1067 IPR prior to institution in that case, but Windy City's positions are not persuasive on this record, as explained below.

As noted above, Windy City first argues the asserted prior art fails to teach or suggest the multiplexing/demultiplexing limitations of the challenged claims. Prelim. Resp. 12–16. According to Windy City, none of the Galacticomm References "recite the processes of 'multiplexing' or 'demultiplexing'" and, moreover, Major BBS lacks a "discussion about *how* data is processed and/or sent over communication lines." *Id.* at 12–14. Windy City also faults the Petition for insufficiently supporting the contention that Major BBS teaches multiplexing/demultiplexing *by the controller computer* and a "virtual connection" created by the API, as recited in the challenged claims. *Id.* at 14–15.

Although Windy City dismisses the testimony of Facebook's declarant, Christopher M. Schmandt, as "unsupported and conclusory" (*id.* at 15), we disagree at this stage of the case and determine that the evidence provides sufficient support on the present record. In his Declaration, Mr. Schmandt testifies that multiplexing and demultiplexing were well-known operations on client/server systems, and explains that the Galacticomm References teach multiplexing/demultiplexing of API messages by a BBS server (i.e., the controller computer) "by necessity" because all of the BBS commands had to be communicated over a single connection. Ex. 1023 ¶¶ 174–178. Further, Mr. Schmandt testifies that the Galacticomm References teach forums, "whisper" messages, and multimedia files (i.e., the recited "channels, private messages and multimedia objects") exchanged between BBS users and the BBS system, and explains that these must be communicated via a "virtual connection" because the Galacticomm

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