

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FACEBOOK, INC.
Petitioner,

v.

WINDY CITY INNOVATIONS, LLC,
Patent Owner.

Case IPR2016-01141¹
Patent 8,458,245 B1

Before KARL D. EASTHOM, DAVID C. McKONE, and
MELISSA A. HAAPALA, *Administrative Patent Judges*.

EASTHOM, *Administrative Patent Judge*.

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

¹ The Board joined IPR2017-00655 with IPR2016-01141.

I. INTRODUCTION

Microsoft Corp. filed a Petition (Paper 1) to institute an *inter partes* review of claims 1–58 U.S. Patent No. 8,458,245 B1 (Ex. 1001, “the ’245 patent”). The Board instituted this proceeding as to challenged claims 1–40. Paper 8 (“1st Inst. Dec.”).

In IPR2017-00655, Facebook, Inc. (“Petitioner”) filed a Petition (IPR2017-00655, Paper 8, “Pet.”) to institute an *inter partes* review of claims 1–15, 17 and 18 of the ’245 patent.² Windy City Innovations, LLC (“Patent Owner”) filed a Preliminary Response (IPR2017-00655, Paper 7).

Joining Facebook to the instant proceeding as a party (*see* note 2), pursuant to 35 U.S.C. § 314, in our Second Institution Decision (Paper 28, “2nd Inst. Dec.”), we instituted this proceeding as to claims 1–15, 17, and 18 (the “challenged claims”).³ We also dismissed claims 16 and 19–40 from this proceeding (the claims challenged by Microsoft, but not by Petitioner). 2nd Inst. Dec. 9–10.

² Petitioner Facebook filed the Petition and a motion for joinder in *Facebook, Inc. v. Windy City Innovs., LLC*, Case IPR2016-00655 (Papers 2 and 3, with that proceeding now terminated due to joinder with the instant proceeding).

³ The Board terminated Microsoft Corp. as a party based on a settlement agreement with Patent Owner. *See* Papers 25–27. In the Second Institution Decision (Paper 28), the Board determined the two Petitions presented “materially the same arguments based on the same evidence” with the only exception being that Facebook challenged a subset of claims 1–58 that Microsoft challenged. *See* 2nd Inst. Dec. 7.

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Prior to the Second Institution Decision, Patent Owner filed a Patent Owner's Response (Paper 23, "PO Resp."), and after the Second Institution Decision, Petitioner filed a Reply (Paper 40, "Pet. Reply").

Petitioner relies on two declarations of Christopher M. Schmandt: Ex. 1003 ("Schmandt Declaration"); Ex. 1100 ("Schmandt Reply Declaration"). Patent Owner relies on the Declaration of Jaime Carbonell, Ph.D.: Ex. 2005 ("Carbonell Declaration"). An Oral Hearing occurred on October 19, 2017 (Paper 58, "Tr.").

We have jurisdiction under 35 U.S.C. § 6. This Final Written Decision issues under 35 U.S.C. § 318(a). Based on the record before us, Petitioner has demonstrated, by a preponderance of the evidence, that the challenged claims, claims 1–15, 17, and 18 of the '245 patent, are unpatentable.

A. *Related Cases*

The parties identify the following district court cases as related to this proceeding: *Windy City Innovations, LLC v. Microsoft Corp.*, 4:16-cv-01729-YGR (N.D. Cal.); *Windy City Innovations, LLC v. Facebook, Inc.*, 4:16-cv-01730-YGR (N.D. Cal.). Pet. 3–4. The instant *inter partes* review relates to several other *inter partes* reviews challenging three other patents and the '245 patent that each have a common underlying original application: Terminated IPR2017-00624 joined with IPR2016-01067 (Patent 8,407,356 B1); terminated IPR2017-00622 joined with IPR2016-01155 (Patent 8,694,657 B1); terminated IPR2017-00709 joined with IPR2016-01156 (Patent 8,458,245 B1); IPR2016-01157 (Patent 8,407,356 B1); IPR2016-01158 (Patent 8,473,552 B1); and terminated IPR2017-00659 joined with IPR2016-01159 (Patent 8,694,657 B15).

B. The '245 Patent

The '245 patent describes connecting users with participator computers to an Internet “chat room” via a controller computer. *See* Ex. 1001, 2:25–27, 9:18–28, Fig. 1, Fig. 7 (showing “Login to Chat” button). According to the '245 patent, known prior art systems linked computers together to form chat rooms in which users communicated by text, graphics, and multimedia, for example, via a system provided by the Internet service provider “America On Line.” Ex. 1001, 1:40–46. The '245 patent acknowledges that chat rooms have been implemented on the Internet, albeit with “limited chat capability,” but contends that the complex chat room communications capable with Internet service providers had not been developed on the Internet “at least in part because Internet was structured for one-way communications analogous to electronic mail, rather than for real time group chat room communications” and because “there is no particular control over the platform that would be encountered on the Internet.” *Id.* at 1:54–56, 1:60–62. During the Oral Hearing, Patent Owner explained that a key distinction over prior art chat systems on the Internet involved providing security by using tokens, as known Internet chat systems were “closed” and did not require security. *See* Tr. 49:2–6 (“And so what Dr. Marks invented here, what he saw as a problem was security concerns over the Internet and doing the types of things you might want to do in a closed system like America Online or like potentially some BBS systems and to add those features to an Internet-capable system.”).

To implement the chat room communications, “participator computers” operate in conjunction with a “controller computer” to “handle multiplexing operations for communications involving groups of some of the

participator computers.” Ex. 1001, 1:23–30. Figure 1 of the ’245 patent, reproduced below, depicts an embodiment of such a system.

FIG. 1

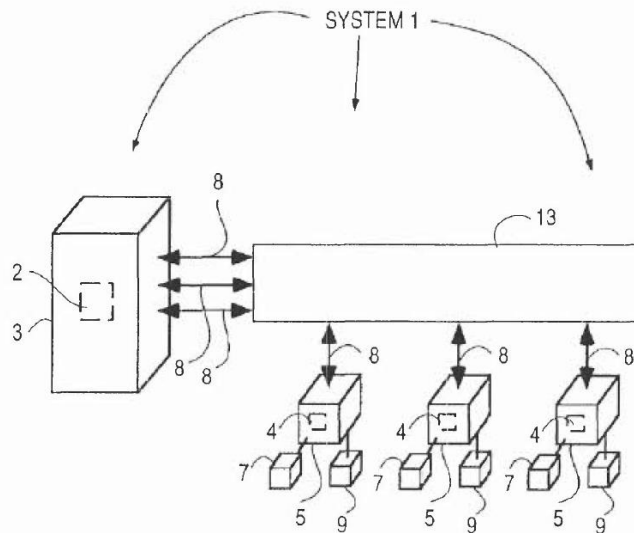


Figure 1 depicts computerized arbitrating and distributing system 1, which includes controller computer 3 and a plurality of participator computers 5. *Id.* at 4:67–5:6. Controller software 2 controls the operation of controller computer 3, and each participator computers 5 operates under the control of participator software 4. *Id.* at 5:21–29. Controller computer 3 and participator computers 5 connect via connection 13 (e.g., an Internet connection). *Id.* at 5:17–20. A user of one participator computer 5 may send multimedia information message 8 to controller computer 3, which arbitrates which participator computers 5 receive the message. *Id.* at 5:28–37. All multimedia information may be transmitted as pointers, such as URLs (Uniform Resource Locators), pointing to pre-stored audio and video communications that controller computer 3 can fetch to communicate to participator computers 5. *Id.* at 5:38–43.

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