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Paper 29
Entered: May 23, 2018

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC., FACEBOOK, INC., and WHATSAPP, INC.,[1]
Petitioner,

v.

UNILOC LUXEMBOURG S.A.,
Patent Owner.

Case IPR2017-00222
Patent 8,243,723 B2

Before JENNIFER S. BISK, MIRIAM L. QUINN, CHARLES J. BOUDREAU, *Administrative Patent Judges.*

QUINN, *Administrative Patent Judge.*

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

[1] Facebook, Inc. and WhatsApp, Inc. filed a petition and motion for joinder in IPR2017-01635, which we granted, and, thus, these entities are joined, as Petitioner, to this proceeding. Paper 12.

I. INTRODUCTION

We instituted this *inter partes* review pursuant to 35 U.S.C. § 314 to review claims 1–8 of U.S. Patent No. 8,243,723 B2 ("the '723 patent"), owned by Uniloc Luxembourg S.A. We have jurisdiction under 35 U.S.C. § 6(c). This Final Written Decision is entered pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons discussed below, Petitioner has shown by a preponderance of the evidence that claims 1 and 2 of the '723 patent are unpatentable. Petitioner has not shown by a preponderance of the evidence that claims 3–8 are unpatentable.

A. PROCEDURAL HISTORY

Apple Inc. filed a Petition to institute *inter partes* review of claims 1–8 of the '723 patent. Paper 2 ("Pet."). Patent Owner filed a Preliminary Response. Paper 6 ("Prelim. Resp."). On May 25, 2017, we instituted *inter partes* review as to challenged claims 1–7. Paper 7 ("Institution Decision" or "Dec"). We did not institute trial as to claim 8. *Id.* Facebook, Inc. and WhatsApp, Inc. are joined to this proceeding pursuant to our grant of the petition and motion for joinder filed in IPR2017-01635 (Paper 12).

After institution, Patent Owner filed a Patent Owner Response. Paper 11 ("PO Resp."). And Petitioner filed a Reply. Paper 14 ("Reply"). We heard oral arguments on February 8, 2018. A transcript of the hearing is in the record. Paper 25 ("Tr.").

On April 24, 2018, the Supreme Court held that a decision to institute under U.S.C. § 314 may not institute on fewer than all claims challenged in a petition. *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1355 (2018). In light of the Guidance on the Impact of *SAS* on AIA Trial Proceedings posted on

April 26, 2018,[2] we modified our Institution Decision to institute on all of the challenged claims, including claim 8, and all of the grounds presented in the Petition. Paper 28. Both parties affirmatively waived additional briefing. *Id.* Accordingly, this Final Written Decision addresses all of the challenged claims and all of the grounds presented in the Petition.

B. Related Matters

The parties indicate that the '723 patent is involved in *Uniloc USA, Inc. v. Apple, Inc.*, Case No. 2-16-cv-00638 (E.D. Tex.), *Uniloc USA, Inc. v. Facebook, Inc.*, 2-16-cv-00728-JRG (E.D. Tex.), and *Uniloc USA, Inc. v. WhatsApp, Inc.*, 2-16-cv-00645-JRG (E.D. Tex.), among other proceedings. Pet. 75–77; Paper 4; Paper 26; Paper 27; IPR2017-01635, Paper 2, 24.

The '723 patent also has been the subject of multiple petitions for *inter partes* review filed by various petitioners. Paper 5, 4; Paper 26. For instance, the '723 patent is the subject of an instituted *inter partes* review in IPR2017-01800, filed by Samsung Electronics America, Inc.

C. Real Parties-in-Interest

Patent Owner asserts that Uniloc U.S.A., Inc. is the exclusive licensee and is a real party-in-interest. Paper 24.

D. The '723 Patent (Ex. 1001)

The '723 patent relates to Internet telephony, and more particularly, to instant Voice over IP ("VoIP") messaging over an IP network, such as the Internet. Ex. 1001, 1:14–17. The '723 patent acknowledges that "[i]nstant text messaging is [] known" in the VoIP and public switched telephone

[2] *See* https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials/guidance-impact-sas-aia-trial.

network ("PSTN") environments, with a server presenting the user with a "list of persons who are currently 'online' and ready to receive text messages on their own client terminals." *Id.* at 2:19, 30–37. In one embodiment, such as depicted in Figure 2 (reproduced below), the system of the '723 patent involves an instant voice message (IVM) server and IVM clients. *Id.* at 7:19–24.

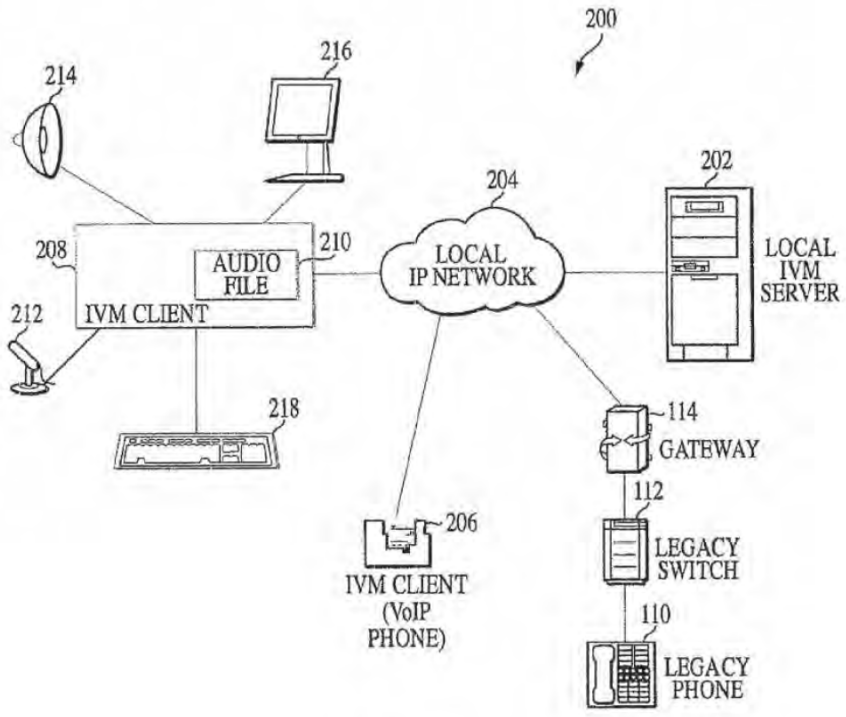

FIG. 2

Figure 2 illustrates IVM clients 206, 208 and legacy telephone 110 interconnected via network 204 to the local IVM server 202, where IVM client 206 is a VoIP telephone, and where legacy telephone 110 is connected to legacy switch 112 and further to media gateway 114. *Id.* at 6:61–65, 7:19–41. The media gateway converts the PSTN audio signal to packets for transmission over a packet switched IP network, such as local network 204. *Id.* at 7:45–48. In one embodiment, when in "record mode," the user of an

IVM client selects one or more IVM recipients from a list. *Id.* at 7:53–64. The IVM client listens to the input audio device and records the user's speech into a digitized audio file at the IVM client. *Id.* at 8:1–7. "Once the recording of the user's speech is finalized, IVM client 208 generates a send signal indicating that the digitized audio file 210 (instant voice message) is ready to be sent to the selected recipients." *Id.* at 8:11–14. The IVM client transmits the digitized audio file to the local IVM server, which, thereafter, delivers that transmitted instant voice message to the selected recipients via the local IP network. *Id.* at 8:1–25. Only the available IVM recipients, currently connected to the IVM server, will receive the instant voice message. *Id.* at 8:28–30. If a recipient "is not currently connected to the local IVM server 202," the IVM server temporarily saves the instant voice message and delivers it to the IVM client when the IVM client connects to the local IVM server (i.e., is available). *Id.* at 8:30–35.

The '723 patent also describes an "intercom mode" of voice messaging. *Id.* at 11:26–29. The Specification states that the "intercom mode" represents real-time instant voice messaging. *Id.* at 11:29–30. In this mode, instead of creating an audio file, one or more buffers of a predetermined size are generated in the IVM clients or local IVM servers. *Id.* at 11:30–33. Successive portions of the instant voice message are written to the one or more buffers. *Id.* at 11:35–43. As the buffers fill, the content of each buffer is automatically transmitted to the IVM server for transmission to the one or more IVM recipients. *Id.* Buffering is repeated until the entire instant voice message has been transmitted to the IVM server. *Id.* at 11:48–52.

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