UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORPORATION

Petitioner,

v.

WINDY CITY INNOVATIONS LLC

Patent Owner.

Case No. IPR2017-00606
U.S. Patent No. 8,694,657

PETITIONER'S REPLY IN SUPPORT OF ITS MOTION FOR JOINDER

Petitioner Microsoft Corporation's Motion for Joinder (Paper 3, "Mot.") should be granted because joinder would add no new issues and cause no undue prejudice or delay. Patent Owner advances three arguments in opposition (Paper 7, "Opp."), none of which have merit.

First, Patent Owner incorrectly asserts that joinder would add "new arguments" and "new substantive issues." Opp. at 1, 3-4. But Patent Owner does not dispute that each claim that Petitioner seeks to join recites a "limitation that is *identical* to one found in claims for which trial is already instituted." *See id.*; Mot. at 1. Indeed, the present petition simply adds eight claims that directly depend from claims on which trial is already instituted, each of which contains a single limitation that is identical to one already found in claims for which trial is already instituted.[2] Petitioner's earlier IPR challenged claims 168, 334, 454, 456, and 580, which each recite the challenged limitation verbatim, and expressly explained how the prior art discloses the limitation. Mot. at 5. The Board instituted trial on each of these claims in the earlier proceeding. *See* IPR2016-01155, Paper 12 at 36-37. Patent Owner's opposition never explains how the new claims Petitioner seeks to

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[2] Challenged claims 203, 209, 215, 221, 477, 482, 487, and 492 depend on claims 202, 208, 214, 220, 476, 481, 486, and 491, respectively. Trial was instituted on all of these parent claims. IPR2016-01155, Paper 12 at 36-37.

challenge are meaningfully different from those claims on which an IPR was

already instituted, or how their consideration would require consideration of "new

substantive issues." *See Apple Inc. v. VirnetX Inc.*, IPR2016-00063, Paper 13 at 5

(PTAB Jan. 25, 2016) (discounting a patent owner's complaints of unexplained

and unsupported "additional issue[s]" due to joinder).

Second, Patent Owner alleges that Petitioner was on notice, prior to the

filing of IPR2016-01155, that these additional claims were alleged infringed, based

on Patent Owner's complaint in the distric court action. Opp. 2-3. But that

complaint simply stated that "Microsoft's Accused Instrumentalities meet claims

of the patents-in-suit." Case 1:15-cv-00103-GCM, Dkt. No. 1 at ¶30 (W.D.N.C.

June 2, 2015). This expansive allegation gave Petitioner no meaningful notice of

which claims Patent Owner would put at issue in litigation, especially given that

the '657 patent was asserted along with three other patents and itself includes 671

claims.[3] It was not until it served its infringement contentions on October 20,

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[3] Petitioner moved to dismiss Patent Owner's complaint on this basis: "The

Complaint alleges only that Microsoft 'infringes claims of the patents-in-suit.' …

[T]he generality and breadth of these allegations fail to provide Microsoft with any

meaningful notice of what is at issue in this case and what it must defend, and for

these reasons alone Windy City's direct infringement claims should be dismissed."

Case No. 1:15-cv-00103-GCM, Dkt. No. 15 at 2 (W.D.N.C. July 24, 2015); *but see*

2016, over four months *after* Petitioner's Section 315(b) date, *see* IPR2016-01155, Paper 1 at 2, that Patent Owner identified for the first time which of the 671 claims it actually accused Petitioner of infringing.

In this context, Patent Owner's reliance on *Arris Group, Inc. v. Cirrex Systems LLC* is misplaced. Opp. at 3. Unlike here, that petition introduced "new prior art references" and "combinations … not previously considered by the Board." IPR2015-00530, Paper 12 at 7 (PTAB July 27, 2015). Moreover, the complaint in that case alleged infringement of "one or more claims" of a patent with only 51 claims. *Id.* at 8-9. Here, however, Patent Owner's complaint generally alleged infringement of "claims of the patents-in-suit," which in the '657 patent's case included more than ***thirteen times*** as many claims as the *Arris* patent.

A more analogous situation is found in *Sony Corporation v. Yissum Research Development Company of the Hebrew University of Jerusalem*, IPR2013-00326, Paper 15 (PTAB Sept. 24, 2013). There, the patent owner served a complaint alleging infringement of "one or more claims" of a patent with 155 claims. *Id.* at 3; *see HumanEyes Tech. Ltd. v. Sony Elec., Inc.*, C.A. No. 12-398, Dkt. No. 1 at ¶29 (D. Del. Mar. 29, 2012). Petitioner Sony filed an initial IPR

Case No. 16-cv-01729-YGR, Dkt. No. 54 at 5-9 (N.D. Cal. June 17, 2016) (denying this aspect of Petitioner's motion to dismiss).

petition against a subset of those claims. IPR2013-00326, Paper 15 at 2. Later,

and after the filing of the IPR, the patent owner strategically identified three claims

for assertion that were not at issue in the IPR. *Id.* at 6. Sony then filed a second

IPR petition against those claims and timely requested joinder to its initial petition.

Id. The Board found that because "no specific claim … infringement assertions

were made originally" with respect to those three additional claims, "Petitioner's

challenge … [was] a reasonable and timely response to Patent Owner's litigation

posture, as opposed to a dilatory, unilateral action," and thus granted joinder. *Id.*

Here, Petitioner likewise responded to "a litigation shift by Patent Owner"

by challenging claims not subject "specific … infringement assertions" until after

the filing of the original IPR. *See id.* Allowing joinder is thus an appropriate and

efficient way to deal with Patent Owner's vague complaint and excessively large

number of issued claims. This is especially true where the newly challenged

claims recite the *same* limitations as those previously challenged.

Finally, Patent Owner asserts, largely without explanation, that joinder

would cause undue prejudice and delay. Opp. at 4-5. For example, Patent Owner

complains of the supposed circumvention of "estoppel doctrines and statutory

limitations," *id.*, but 35 U.S.C. § 315(c) explicitly exempts requests for joinder

from the timing requirements of § 315(b), and allowing institution against these

eight new claims would subject petitioner to *additional* estoppel after any final

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