UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FRIENDFINDER NETWORKS INC., STREAMRAY INC., WMM, LLC, WMM HOLDINGS, LLC, AND MULTI MEDIA, LLC

Petitioners

v.

WAG ACQUISITION, LLC

Patent Owner

Case IPR2017-00786 Patent No. 8,122,141

Issue Date: February 21, 2012

Title: STREAMING MEDIA BUFFERING SYSTEM

REPLY IN SUPPORT OF MOTION FOR JOINDER

I. INTRODUCTION

Patent Owner's sole argument against institution of Trial involving U.S. Patent No. 8,122,141 (the "141 Patent") and joinder of it with IPR2016-01238 ("the WebPower IPR") is that the present Petition is a "second bite at the apple." Paper 8 at 1. This is incorrect because the Petition is not based on the prior IPR (IPR2015-01037) given the main prior art references relied on here (Chen and Carmel) are different than in the prior IPR (Hollfelder and Su). Put another way, Petitioners copied verbatim the challenges presented in the WebPower IPR.

Patent Owner did not file a Preliminary Response for the present Petition. Thus, Trial should be instituted at least for the same reasons as in the WebPower IPR because the Petition is based on the same grounds and combinations of prior art that the Board considered in deciding to institute the WebPower IPR. Paper 3 at 8-9.

The only issue before the Board then is whether to grant joinder, which is evaluated under four factors. *Id.* at 8-9. In opposition, Patent Owner did not address any of the factors and Petitioners' arguments. *Id.* at 7-12. Thus, it is undisputed that no new substantive issues are introduced, and the present proceeding will not impact the trial schedule. *Id.* at 9-10. Nor does Patent Owner contest that joinder will promote efficiency. For example, it is more efficient now for the Board to grant joinder and avoid parallel review at the district court given the estoppel effect and the almost complete overlap of instituted and asserted claims. *Id.* at 8-9.

Accordingly, Trial should be instituted and joined with the WebPower IPR.

II. JOINDER IS FAVORED, APPROPRIATE, AND EFFICIENT

Patent Owner does not refute any of the four factors (also known as the *Dell* factors) outlined by Petitioners in favor of joinder. Paper 3 at 8-9. This includes that the present Petition does not introduce any new substantive issues as compared to the WebPower IPR. *Id.* at 9-10. Under these circumstances, the Board is "mindful of *a policy preference* for joining a party that does not present new issues." *Enzymotec Ltd. v. Neptune Techs & Bioresources, Inc.* IPR2014-00556, Paper 19 at 6 (July 9, 2014) (emphasis added). Joinder will also have no impact on the trial schedule and briefing as well as discovery will be simplified. Paper 3 at 10. Patent Owner concedes this by failing to respond.

Efficiency further weighs heavily in favor of granting joinder. In the district court actions, WAG has asserted against Petitioners claims 10, 14, 15, 17, 18, 19, 20, 21, and 24 of the '141 Patent, while in the WebPower IPR the Board has instituted on claims 10-23 of the '141 Patent. *Id.* at 8-9. Thus, it is more efficient for Petitioners and Patent Owner to hash this out now at the Board than burden the district court given Petitioners will be estopped at the district court on the grounds decided in the Final Written Decision in the WebPower IPR. *Baker Hughes Inc. v. Packers Plus Energy Servs*, IPR2016-01506, Paper No. 19 at 10-11 (Feb. 9, 2017) ("we seek to achieve finality of review at the Board and avoid parallel or serial review at the district court").

III. THE PETITION IS NOT A SECOND BITE

A "second bite at the apple" is when the petitioner uses a previous institution decision as a "as a guide to remedy deficiencies in the earlier filed petition."

Samsung Elec. Co., Ltd. V. Affinity Labs of Texas, LLC, IPR2015-00820, Paper 12 at 4; see also LG Elecs. Inc. v. ATI Techs., IPR2015-01620, Paper 10 at 8. This is not the case here. Petitioners did not use the prior institution decision to craft new arguments – the arguments were crafted by WebPower. Nor could Petitioners have the arguments (and supporting expert declaration) used in the WebPower IPR as they did not exist until the WebPower IPR was filed.

Oracle Corp. v. Crossroads Sys, Inc. IPR2015-00854, Paper No. 14 (Sept. 15, 2015) is instructive. There, the patent owner argued that Oracle was attempting to address deficiencies in its earlier petition, and that the petition was "nothing more than a second bite at the apple ." *Id.* at 3. This is the identical argument that Patent Owner is making here (*see* Paper 8 at 4), and it was squarely rejected by four judges. The Board held that Oracle "did not base the Petition on the . . . [prior] IPR Petition, nor did it tailor the present Petition specifically to address issues raised in the institution decision in that earlier case. Rather, it copied verbatim the challenges presented in the . . . [instituted] IPR Petition[.]" *Id.* at 4.

The same is true here. Petitioners did not base the Petition on the prior petition in IPR2015-01037 and did not tailor the Petition to address issues raised in IPR2015-01037 because completely different primary references are relied on here (Chen and Carmel) as compared to the prior IPR (Hollfelder and Su). *Compare* IPR2017-00786, Paper 2, 5-6 *with* IPR2015-01037, Paper 2, at 3-4; *Baker Hughes Inc. v. Packers Plus Energy Servs*, IPR2016-01506, Paper No. 19 at 8-9 n.6. (Feb. 9, 2017) (no "second bite at the apple" where "primary references are different"); *Oxford Nanopore Techs. Ltd. v. Univ. of Washington*, IPR2015-00057, Paper 10 at

20-21 (Apr. 27, 2015) (granting joinder over "second bite at the apple" argument because different prior art); *Weatherford v. Packers Plus Energy Servs, Inc.*, IPR2016-01514, Paper No. 23 at 16-17 n.4 (Feb. 22, 2017) (no "multiple bites at the invalidity apple" when only one reference different from the prior petition). Rather, Petitioners substantively copied the petition drafted by WebPower.

Additionally, the Board in IPR2015-01037 found that Su was not established to be prior art and did not reach the merits for any of the challenged claims but one. IPR2015-01037, Paper 8 at 12. As such, the present Petition cannot be considered a "second bite at the apple." *See e.g.*, CBM2014-00180, Paper 14 at 13 ("[W]e would not exercise our discretion to deny the Petition, given that the Board did not reach the merits of the unpatentability arguments[.]") (Jefferson, T.).

The cases cited by Patent Owner are not relevant to the question before the Board. In two of those cases, joinder was denied because the earlier proceeding was no longer pending, in other words there could be no joinder. *See* IPR2016-00414, Paper 16 at 5; IPR2015-00262, Paper 10 at 5. The remaining cases were same party joinder issues in which the same party that filed the first petition sought joinder of their second petition; the petitions sought to add grounds of patentability and did not present substantively identical issues – none of which are present here. *See* IPR2015-01620, Paper 10 at 2, 9; IPR2015-00820, Paper 12 at 2; IPR2014-00950, Paper 12 at 1, 2, 4-5; IPR2015-00760, Paper 14 at 3, 8. Even one case cited by Patent Owner when the second petition presented identical issues and sought to join a proceeding brought by another party, joinder was *granted*. *See Par Pharm. V. Novartis AG*, IPR2016-01059, Paper 19 at 14.

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