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11 *and INSTAGRAM, LLC*

12 UNITED STATES DISTRICT COURT
13 CENTRAL DISTRICT OF CALIFORNIA

14
15
16 BLACKBERRY LIMITED,
17 Plaintiff,
18
19 v.
20 FACEBOOK, INC.,
21 WHATSAPP INC., and
INSTAGRAM LLC,
22 Defendants.

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Case No. 2:18-cv-01844 GW(KSx)

**DEFENDANTS' MEMORANDUM
OF POINTS AND AUTHORITIES
IN SUPPORT OF RENEWED
MOTION TO STAY PENDING
INSTITUTED *INTER PARTES* REVIEW
PROCEEDINGS**

The Hon. George H. Wu
Hearing Date: January 13, 2020
Time: 8:30 AM
Place: Courtroom 9D

REDACTED PUBLIC VERSION

1 **I. INTRODUCTION**

2 It is in the Court's and the parties' best interests to stay this action pending the
3 instituted *inter partes* review (IPR) proceedings. The PTAB has instituted IPR of all
4 asserted claims of 7 of the 9 patents asserted here ('713, '173, '634, '250, '120, '351,
5 '929 patents).¹ The patents under review account for [REDACTED]

6 [REDACTED] The PTAB has already determined that Facebook is likely to prevail in
7 its challenges. *See* 35 U.S.C. § 314(a). The grounds are so compelling for the '173
8 patent that BlackBerry filed a motion to amend the claims. Proceeding with claims
9 that may be invalidated, or changed entirely, would be a waste of time and resources.

10 Staying this case also enables the Court to conduct a single trial on remaining
11 issues. As the Court is aware, a Rule 54(b) judgment on the '351 and '929 was entered
12 based on the Court's § 101 ruling, which BlackBerry has appealed. Facebook believes
13 the ruling should be affirmed, but if BlackBerry prevails, a second trial would be
14 necessary. This could be avoided by staying the present action pending IPRs, which
15 are likely to have decisions in the same timeframe as the Federal Circuit's ruling on
16 the appeal.² Even if the Federal Circuit were to reverse, the Court will have the benefit
17 of the IPR decisions, enabling a single trial on whatever claims remain, if any.

18 **II. ARGUMENT**

19 **A. A Stay Pending IPR Would Simplify the Issues.**

20 A stay would simplify the issues, avoid parallel proceedings, and conserve
21 scarce judicial resources. The PTAB instituted IPR on all asserted claims of the '713,
22 '173, '634, '250, and '120. These account for [REDACTED]

23 [REDACTED]³ If the claims are invalidated, all Instagram products would drop out, as well as
24

25 ¹ The Court entered final judgment as to the '351 and '929 patents. (Dkt. 491.)

26 ² The PTAB generally issues final decisions within 12 months of institution. *See* 35
27 U.S.C. § 316(a)(11). Thus, decisions are expected between Aug. and Nov. 2020.

28 ³ Based on the timely-served reports, the five instituted patents account for [REDACTED]

1 Facebook Pages Manager, Workplace Chat, and others. The case would be greatly
2 simplified, with only 3 claims of 2 patents (the '236 and '961), which account for [REDACTED]
3 [REDACTED]. See, e.g., *Pi-Net Int'l v. Focus Business Bank*, No.
4 12-4958, 2013 WL 5513333, at *1 (N.D. Cal. Oct. 3, 2013) (stay where IPR “would
5 significantly limit Plaintiff’s damages”); *Parallax Group Int'l v. Greatmats.com*, No.
6 16-927, 2017 WL 3485789, at *2 (C.D. Cal. Mar. 23, 2017).

7 District courts have also recognized the wisdom of staying actions pending IPR
8 challenges “in order to avoid inconsistent results.” *Netlist v. Smart Storage Sys.*, No.
9 13-5889, 2015 WL 1738192, at *1 (N.D. Cal. Apr. 9, 2015) (citation omitted). The
10 possibility of inconsistent rulings here is not a theoretical issue – the two IPR
11 proceedings that have (to date) progressed to advanced stages confirm that this is a
12 real concern.

13 For example, in the '173 IPR, BlackBerry filed motions to amend its claims.⁴
14 (Exs. 3-4.)⁵ The proposed amendment would more than double the length of the
15 independent claims with narrowing limitations not suggested by any of the original
16 claims. (*Id.*) If the PTAB were to allow those amendments, they would wipe out the
17 original claim and any trial on that claim would be a nullity. See 35 U.S.C. § 318(c)
18 (citing 35 U.S.C. § 252); see also *BIC Leisure Prods. v. Windsurfing Int'l*, 1 F.3d
19 1214, 1220-21 (Fed. Cir. 1993) (discussing intervening rights).

20 In both the '173 and '120 IPRs (the two IPRs that have so far progressed to
21 advanced stages), BlackBerry is advancing narrow claim constructions inconsistent

22 _____
23 [REDACTED] (Ex. 1). Without notice or leave of court, BlackBerry
24 served a supplemental report purporting to [REDACTED]
25 Facebook has moved to strike. (Dkt. 493.) Even if that untimely report is allowed,
26 the IPR'd patents constitute [REDACTED]

26 ⁴ According to PTAB statistics, at least one claim was found unpatentable in 80% of
27 trials—all claims in 63% of trials. (Ex. 2, at 10.) Only one or two asserted claims
28 remain here for most of the instituted patents, so that disposition is likely.

⁵ Unless otherwise noted, all exhibits are to the Declaration of Matthew J. Brigham.

1 with its broad litigation interpretations here. This inconsistency is troubling
2 considering that the PTAB must apply the same claim construction standard as the
3 Court. *See* 37 C.F.R. § 42.100(b) (as amended October 11, 2018). For example,
4 BlackBerry and its expert argued here that the '173 term "tag source" should take its
5 plain and ordinary meaning of "just a source of tags." (Ex. 5, 110:9-19). But in the
6 IPR, BlackBerry provided ten pages of extensive written arguments advocating that
7 this term requires "separately searchable collections of tags." (Ex. 6, at 20-30).

8 BlackBerry has taken a similar approach with the '120. The Court construed
9 "notification" as "some form of visual, auditory, or physical cue to draw attention to
10 an incoming message that would not otherwise have been noticed, at the time of the
11 incoming message." (Dkt. 157, at 31.) In its December 11, 2019 IPR response,
12 BlackBerry spent 10 pages arguing that the Court's construction imposed additional
13 requirements, including that a notification be "something that must draw a user's
14 attention away from something else, i.e., it must distract or otherwise interrupt a user
15 from another activity." (Ex. 7, at 14 (emphasis added).) [REDACTED]

16 [REDACTED]
17 [REDACTED]
18 Accordingly, even if BlackBerry were to convince the PTAB that its claims are
19 valid, such a ruling would almost certainly rest on claim construction rulings that are
20 not part of the record here, but would have a direct impact on other issues such as non-
21 infringement. Staying this action will give the Court the benefit of the full IPR record
22 on claim construction, which would allow the Court and the parties to resolve and/or
23 avoid any inconsistent rulings. Because the validity, scope, and even the very
24 language of BlackBerry's claims remain in flux, the Court should stay this case. *E.g.*,
25 *SurfCast v. Microsoft*, No. 12-333, 2014 WL 6388489, at *3 (D. Me. Nov. 14, 2014);
26 *TeleSign v. Twilio*, No. 15-3240, 2016 WL 6821111, at *3-4 (C.D. Cal. Mar. 9, 2016).

27 **B. The Stage of the Case Favors a Stay.**

28 Some of the most costly and time-consuming portions of the case lie ahead.

1 Summary judgment and *Daubert* briefing is due in January and February, and trial
2 begins in April. (Dkt. 480.) In many such cases, courts have granted stays. *See e.g.*,
3 *SPEX Techs. v. Kingston Tech.*, No. 16-1790, 2018 WL 2446801, at *2 (C.D. Cal.
4 May 16, 2018) (stay where “the parties have undertaken discovery and the Court has
5 held a Markman hearing, [but] much remains to be done, including dispositive
6 motions, *Daubert* motions, and, of course, trial.”); *Huawei Techs. v. Samsung Elecs.*,
7 No. 16-2787, 2018 WL 2971159, at *3-4 (N.D. Cal. Jun. 13, 2018); *Contour IP*
8 *Holding v. GoPro*, No. 17-4738, 2018 WL 6574188, at *3 (N.D. Cal. Dec. 12, 2018);
9 *FastVDO v. AT&T Mobility*, No. 16-385, 2017 WL 2323003, at *3 (S.D. Cal. Jan. 23,
10 2017); *Ricoh v. Aeroflex*, No. 3-4669, 2006 WL 3708069, at *5-6 (N.D. Cal. Dec. 14,
11 2006). Because a stay would relieve the Court of multiple dispositive and *Daubert*
12 motions in a 7-patent case involving 3 Defendants, numerous products, and 14 experts,
13 a stay is favored.

14 **C. Facebook Did Not “Dally” in Seeking IPR.**

15 The Court has said it may deny a stay “if a party has dallied in filing the IPR
16 request” (Dkt. 166, at 2). That did not occur here. The nine original patents presented
17 nearly 200 claims. BlackBerry did not serve its narrowed list of 48 claims until
18 February 7, 2019, less than two months before the IPR filing deadline (April 6, 2019).
19 (Dkt. 93, at 3:4-6.) Facebook’s IPR petitions focused on the asserted claims. Filing
20 before BlackBerry’s narrowing would have required challenging scores of irrelevant
21 claims, thus wasting PTAB resources. Further, this motion was only brought after all
22 of the IPR institution decisions were issued. (Exs. 9-19.)

23 The timing of Facebook’s IPR filings was also guided by the claim construction
24 process, including the exchange of proposed constructions and culminating in the
25 Court’s order of April 5, 2019 (which issued one day before the IPR deadline). (Dkt.
26 157.) By allowing the process to unfold, Facebook filed targeted IPR petitions that
27 took into account claim construction rulings and stipulated constructions.

28 The IPR record confirms the importance of having a fully developed claim

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