UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORPORATION,
Petitioner,

v.

UNILOC 2017 LLC,
Patent Owner.

IPR2019-01470
Patent 6,836,654 B2

Before JENNIFER S. BISK, NEIL T. POWELL, and JOHN D. HAMANN, *Administrative Patent Judges*.

HAMANN, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

Microsoft Corporation ("Petitioner") filed a Petition (Paper 2, "Pet.") requesting an *inter partes* review of claims 1–9 of U.S. Patent No. 6,836,654 B2 (Ex. 1001, "the '654 patent") pursuant to 35 U.S.C. § 311. Uniloc 2017 LLC ("Patent Owner") filed a Patent Owner Preliminary Response (Paper 6, "Prelim. Resp.").

We have authority to determine whether to institute an *inter partes* review under 35 U.S.C. § 314 and 37 C.F.R. § 42.4(a). Upon consideration of the Petition and the Preliminary Response, we exercise our discretion to deny institution under 35 U.S.C. § 314(a) for the reasons explained below.

A. Related Matters

Petitioner identifies the following as related matters that involve the '654 patent.

1.	*Uniloc 2017 LLC v. Microsoft Corp.*, 8-19-cv-00781 (C.D. Cal.)
2.	*Uniloc USA, Inc. v. Apple Inc.*, 3-19-cv-01697 (C.D. Cal.)
3.	*Uniloc 2017 LLC v. HTC Am., Inc.*, 2:18-cv-01732 (W.D. Wash.)
4.	*Uniloc 2017 LLC v. Motorola Mobility, LLC*, 1:18-cv-01844 (D. Del.)
5.	*Uniloc 2017 LLC v. Google LLC*, 2:18-cv-00493 (E.D. Tex.)
6.	*Uniloc 2017 LLC v. Samsung Elecs. Am., Inc.*, 2:18-cv-00508 (E.D. Tex.)
7.	*Uniloc 2017 LLC v. Huawei Device USA, Inc.*, 2:18-cv-00509 (E.D. Tex.)
8.	*Uniloc 2017 LLC v. Google LLC*, 2:18-cv-00422 (E.D. Tex.)
9.	*Uniloc USA, Inc. v. Huawei Device USA, Inc.*, 2-18-cv-00357 (E.D. Tex.)
10.	*Uniloc USA, Inc. v. Motorola Mobility, LLC*, 1:18-cv-01230 (D. Del.)
11.	*Uniloc USA, Inc. v. Samsung Elecs. Am., Inc.*, 2:18-cv-00309 (E.D. Tex.)
12.	*Uniloc USA, Inc. v. Huawei Device USA, Inc.*, 2:18-cv-00310 (E.D. Tex.)
13.	*Uniloc USA, Inc. v. Apple Inc.*, 1:18-cv-00293 (W.D. Tex.)
14.	*Samsung Elecs. Am., Inc. v. Uniloc 2017 LLC*, IPR2019-01218 (PTAB)

15.	*Samsung Elecs. Am., Inc. v. Uniloc 2017 LLC*, IPR2019-01219 (PTAB)
16.	*Microsoft Corp. v. Uniloc 2017 LLC*, IPR2019-01471 (PTAB)

Pet. vii–viii. Patent Owner identifies nine of these matters as being "active proceedings." Paper 4, 2.

B. The Challenged Patent (Ex. 1001)

The '654 patent relates to deterring the theft of a mobile radiotelephony device. Ex. 1001, code (57), 1:60–65. In particular, the '654 patent discloses that it deters theft by making the device "totally unusable," if it is stolen. *Id.* at 1:60–65. The '654 patent states that it does so by resolving what it identifies as a problem in a prior art protection method. *Id.* at 1:31–41.

More specifically, and as described by the '654 patent, the prior art method provides protection by "establishing a link between [a] device and a specific user identification module and blocking the normal operation of the device when the user identification module that is placed inside the device is not the one that is linked to the device." *Id.* at 1:21–29. The '654 patent, however, identifies as a problem with this method that "[w]hen the device is lost or stolen with the identification module to which it is linked," the device can be freely used until the device's network operator is notified to block the device, which "may take a certain period of time." *Id.* at 1:31–37.

In resolving this problem, the '654 patent notes that "when the device falls into the hands of a third party together with the identification module to which it is linked, it has most probably been inactive for a period of time." *Id.* at 1:52–54. The '654 patent discloses that this inactive period is "sufficiently long" so that it can be used as a way to block the device's

normal operation, and to require a deblocking code to use the device, in accordance with the '654 patent's invention. *Id.* at 1:55–59.

Figure 3, shown below, "represents a flow chart explaining the operation of the device," in accordance with the invention of the '654 patent. *Id.* at 2:26–27, 2:30–31.

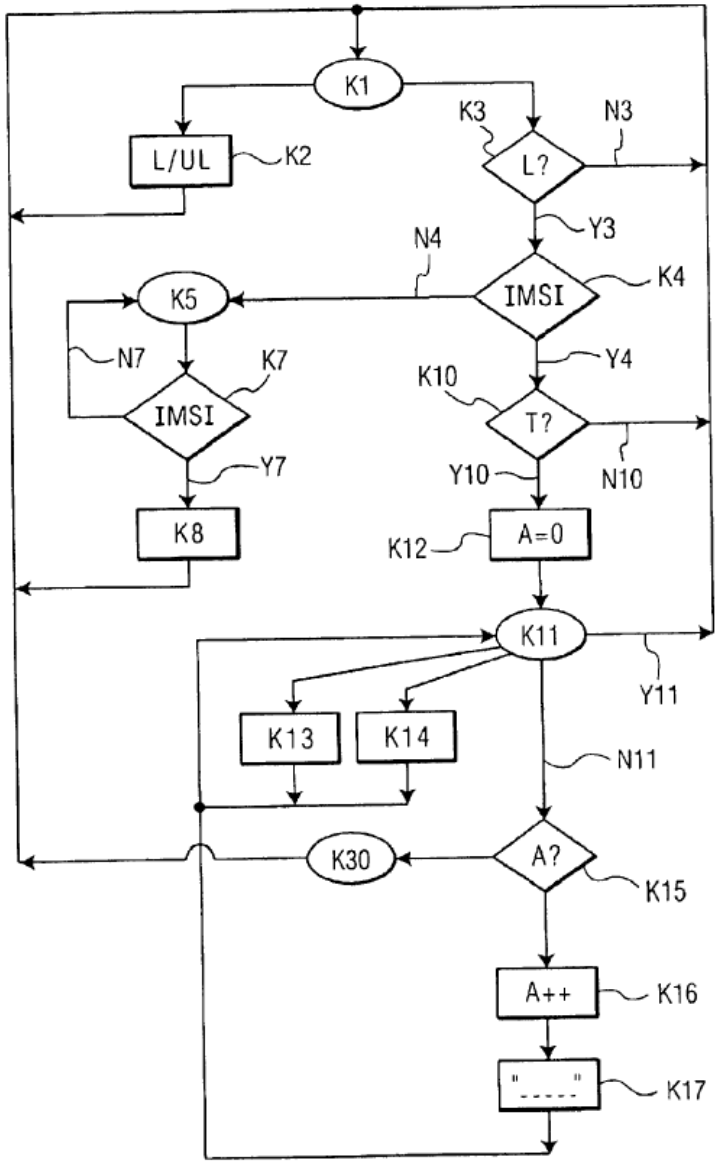

FIG. 3

Figure 3 illustrates "a function flow chart of a device in accordance with the invention" of the '654 patent. *Id.* at 2:61–62. Starting at box K1,

"the device is in a state of availability, that is to say that the user has access to all the functions of the device." *Id.* at 2:62–65. As illustrated by box K2, the user has the choice whether to lock the device. *Id.* at 2:65–66. If the user locks the device (box K2), "the identification module that is inside the device is automatically linked to the device. For this purpose, the device starts reading a data D1 in the identification module (for example, the international identification number IMSI) and he stores it in the random-access memory 24," the '654 patent states. *Id.* at 2:67–3:6. As illustrated, "[o]nce locked, the device remains in the state of availability indicated in box Kl." *Id.* at 3:6–7.

In accordance with the '654 patent, "[w]hen the device is in the state of availability, one looks whether it is locked (box K3). If it is not locked (arrow N3), the device remains in the state of availability indicated in box Kl." *Id.* at 3:7–10. However, "[i]f it is locked (arrow Y3), one looks whether the identification module which is placed inside the device is the one that is linked to the device (box K4)." *Id.* at 3:10–13. If the identification module inside the device "is not the one that is linked to the device (arrow N4), the device goes to a first blocking state indicated in box K5," and "is disconnected from the network." *Id.* at 3:14–18.

Alternatively, "[i]f the identification module that is placed inside the device is linked to the device (arrow Y4), one looks whether the device has remained in the state of availability for a certain period of time T . . . (box K10)," as illustrated. *Id.* at 3:32–36. If not T "(arrow N10), the device remains in the state of availability indicated in box K1." *Id.* at 3:36–37. However, if the device has remained available for time period T, the device "passes on to a second blocking state indicated in box K11," and "initialize[s] a variable A which represents the number of attempts made at

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