

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner

v.

UNILOC 2017 LLC
Patent Owner

IPR2020-00854
U.S. PATENT NO. 6,467,088

PATENT OWNER OPPOSITION TO MOTION FOR JOINDER

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EXHIBIT LIST

2001	Docket, <i>Uniloc 2017 LLC v. Apple Inc.</i> , 6-19-cv-00532 (W.D. Tex.)
2002	Agreed Scheduling Order, <i>Uniloc 2017 LLC v. Apple Inc.</i> , 6-19-cv-00532, Dkt. 18 (W.D. Tex. Nov. 14, 2019)
2003	Apple Inc.'s Preliminary Infringement Contentions and Additional Disclosures Pursuant to Agreed Scheduling Order, <i>Uniloc 2017 LLC v. Apple Inc.</i> , 6-19-cv-00532 (W.D. Tex.) (served Dec. 18, 2019)

I. INTRODUCTION

Apple previously filed a petition for *inter partes* review (IPR2019-00056) on October 17, 2018. The Board denied institution of that petition on April 29, 2019.

On September 10, 2019, Uniloc filed suit against Apple in *Uniloc 2017 LLC v. Apple Inc.*, 6-19-cv-00532 (W.D. Tex.).

On October 11, 2019, Microsoft filed an IPR petition challenging claims 1–4, 6–14, and 16–21 of the '088 patent. *See Microsoft Corporation v. Uniloc 2017 LLC*, IPR2020-00023 (the “Microsoft IPR”), Paper 2. On April 14, 2020, the Board instituted trial in the Microsoft IPR.

Apple seeks to avoid the consequence of the previous denial of its petition by joining the Microsoft IPR. Apple’s motion for joinder should be denied based at least on the trial scheduled in the parallel district court proceeding, the substantial overlap between the invalidity contentions in the proceedings, and based on the fairness and efficiency concerns reflected in the factors in *General Plastic*. Even in a motion for joinder, the serial attacks brought by Apple raise fairness and efficiency concerns that weigh against joinder and institution in this case.

II. ARGUMENT

As the moving party, Apple has the burden of proof to establish that it is entitled to the requested relief. 37 C.F.R. §§ 42.20(c), 42.122(b). “Factors that the Board may consider in deciding a motion for joinder include why joinder is

appropriate, whether a new ground of unpatentability is raised in the second petition, how the cost and schedule of the first proceeding will be impacted if joinder is granted, and whether granting joinder will add to the complexity of briefing and/or discovery.” Consolidated Trial Practice Guide 76 (Nov. 2019) (citing *Kyocera Corp. v. Softview LLC*, Case IPR2013-00004, slip op. at 4 (PTAB Apr. 24, 2013) (Paper 15)). “Also, consideration of the non-exclusive factors set out in *General Plastic Industrial Co. v. Canon Kabushiki Kaisha*, Case IPR2016-01357, slip op. at 16 (PTAB Sept. 6, 2017) (Paper 19) (precedential as to § II.B.4.i), may support the exercise of the Board’s discretion to deny institution under 35 U.S.C. § 314(a).” *Id.* at 77.

A. Given the upcoming trial in parallel litigation, the board should exercise discretion under 35 U.S.C. § 314(a), *NHK Spring*, and *Apple v. Fintiv* to deny institution and joinder.

The Board should deny institution and joinder in view of the progress and expected completion date of the district court litigation involving the same parties and the overlap between the Petition and the district court litigation. Instituting a trial, even joining Apple as a party to the Microsoft IPR, would be an inefficient use of Board resources.

Apple seeks joinder in order to be able to continue the Microsoft IPR even if Microsoft were to settle with Patent Owner and request to terminate the Microsoft IPR. Thus, in this case, the relevant efficiency consideration is whether it would be

an efficient use of Board resources to allow Apple to continue the proceeding in the event that Microsoft is no longer participating in the IPR.

In *NHK Spring Co., Ltd. v. Intri-plex Technologies*, IPR2018-00752, Paper No. 8 (P.T.A.B. Sept. 12, 2018) (precedential) (“*NHK Spring*”), the Board denied institution under § 314(a) where the parallel district court proceeding was scheduled to finish six months before the Board would have reached a final decision in an IPR if one were instituted. The Board found that the earlier district court trial date presented efficiency considerations that provided an additional basis, separate from the independent concerns under 35 U.S.C. § 325(d), for denying institution. Thus, “*NHK* applies to the situation where the district court has set a trial date to occur earlier than the Board’s deadline to issue a final written decision in an instituted proceeding.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 2–3 (PTAB Mar. 20, 2020) (precedential), (discussing *NHK*). Considering the factors in *Apple v. Fintiv*, institution and joinder in this case would not be an efficient use of Board resources.

When the patent owner raises an argument for discretionary denial under *NHK* due to an earlier trial date, the Board’s decisions have balanced the following factors:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline

for a final written decision;

3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board's exercise of discretion, including the merits.

Apple v. Fintiv, slip op. at 5–6.

1. *whether a stay exists or evidence exists that one is likely to be granted if a proceeding is instituted*

The district court case is not stayed and there is no evidence a stay would be granted in this case. The district court denied Apple's motion to stay the case pending consideration of its motion to transfer. *See* Ex. 2001 at 2, Docket, *Uniloc 2017 LLC v. Apple Inc.*, 6-19-cv-00532 (W.D. Tex.) (Jan. 12, 2020 Docket entry). The district court has also indicated it will deny Apple's motion to transfer. *See* Ex. 2001 at 5 (Dkt. 58, May 12, 2020). Absent evidence that the district court is likely to stay the litigation, this factor weighs against joinder in this case, or is at best neutral.

2. *proximity of the court's trial date to the Board's projected statutory deadline*

The district court set jury trial to begin February 26, 2021. Ex. 2001 at 1 (Dkt. 18, Nov. 14, 2019), Ex. 2002 at 4, Agreed Scheduling Order, *Uniloc 2017 LLC v.*

Apple Inc., 6-19-cv-00532, Dkt. 18 (W.D. Tex. Nov. 14, 2019). The Court has asked the parties to confer to decide between March 22 and March 29, 2021 for jury selection and trial, thus delaying trial by no more than about one month. Ex. 2001 at 5 (Dkt. 60, May 15, 2020). A March 29, 2021 trial date still precedes the April 14 statutory deadline in the Microsoft IPR. Thus, this factor weighs against joinder.

3. *investment in the parallel proceeding by the court and parties*

The district court held a Markman Hearing to construe the claims on May 15, 2020. Ex. 2001 at 5 (Dkt. 60, May 15, 2020). The court provided preliminary constructions prior to the hearing and indicated that the court will maintain the preliminary constructions. *Id.* Completion of claim construction represents significant investment in the proceeding by the court and the parties that weighs against joinder in this case.

4. *overlap between issues raised in the petition and in the parallel proceeding*

In its invalidity contentions in the district court case, “Apple expressly incorporates by reference as if fully set forth herein, and intends to rely on, each of the contentions, charts, prior art references, and other statements made or disclosed in” the Microsoft IPR. Ex. 2003 at 2, Apple Inc.’s Preliminary Infringement Contentions and Additional Disclosures Pursuant to Agreed Scheduling Order, *Uniloc 2017 LLC v. Apple Inc.*, 6-19-cv-00532 (W.D. Tex.) (served Dec. 18,

2019). Although Apple states that the contentions address claims 1, 2, 3, 6, 7, 8, 10, 11, 12, 13, 14, 16, 17, 18, 20, and 21, the inclusion of additional dependent claims 4, 9, and 19 in Microsoft's Petition, and hence, in Apple's petition in this IPR, still presents substantial overlap between issues in the proceedings. Thus, this factor weighs against joinder in this case.

5. *whether the petitioner and the defendant in the parallel proceeding are the same party*

Apple is the petitioner here and the defendant in the district court, thus weighing against joinder in this case.

6. *other circumstances that impact the Board's exercise of discretion, including the merits*

As discussed below, Apple previously filed a petition against the '088 patent, and institution was denied in that case. These are additional circumstances that weigh against institution and joinder here.

Accordingly, all factors in *Apple v. Fintiv* weigh against institution and joinder in this case. The district court will begin a jury trial on the same issues prior to an expected final written decision in the Microsoft IPR. Joining Apple as a party to the Microsoft IPR only matters to Apple in the event that Microsoft ceases to take an active role in the IPR, but allowing Apple to step into Microsoft's shoes and continue to pursue the proceeding would be an inefficient use of Board and party resources given the scheduled jury trial.

B. The *General Plastic* factors also weigh against institution and joinder.

Apple previously filed a petition against the '088 patent in IPR2019-00056 (filed Oct. 17, 2018). The Board denied institution because Apple failed to show a reasonable likelihood of prevailing as to a challenged claim. IPR2019-00056, Paper 7, slip op. at 2 (PTAB April 29, 2019). Apple should not be able to use a joinder motion as an end run around its failed petition under the circumstances of this case. The factors outlined in *General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357 (PTAB Sep. 6, 2017) (Paper 19) (precedential in part) weigh against institution and joinder here.

The decision in *General Plastic* identifies seven non-exclusive factors that bear on the issue of whether the Board should invoke its discretion to deny institution under 35 U.S.C. § 314(a) and 37 C.F.R. § 42.108(a). These factors include:

1. whether the same petitioner previously filed a petition directed to the same claims of the same patent;
2. whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it;
3. whether at the time of filing of the second petition the petitioner already received the patent owner's preliminary response to the first petition or received the Board's decision on whether to institute review in the first petition;

4. the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition;

5. whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;

6. the finite resources of the Board; and

7. the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.

See General Plastic, IPR2016-01357, Paper 19, 9–10 (citations omitted).

Each of at least *General Plastic* Factors 1–6 weigh in favor of exercising discretion to deny the Petition and motion for joinder.

For Factor 1, Apple filed a petition challenging all claims of the '088 patent on October 17, 2018. IPR2019-00056, Paper 1. Factor 1 weighs against institution and joinder here.

For Factor 2, Apple has provided no indication that it was not aware of the art later asserted in Microsoft's petition in the Microsoft IPR. At the very least, Apple should have known of the art at that time, having performed prior art searches to prepare its petition, and has not provided a persuasive explanation otherwise. Thus, Factor 2 also weighs against institution and joinder.

For Factor 3, Apple's earlier petition had already been denied by the Board when it determined to file its second petition and motion for joinder. The Board denied Apple's petition in IPR2019-00056 on April 29, 2019, and Apple filed the present Petition almost one year later on April 23, 2020. Thus, Factor 3 weighs against institution and joinder.

For Factors 4 and 5, Apple has not explained when it learned of the art asserted in the Microsoft IPR, but, as noted above, it should have known of the art at the time it filed its previous petition and has not provided a persuasive explanation otherwise. Thus, Factors 4 and 5 weigh against institution and joinder in this case.

For Factor 6, it is appropriate to consider the resources of the Board in the event Microsoft were to cease participation in the Microsoft IPR. But for joinder by Apple, that proceeding would likely terminate. Thus, Apple primarily seeks the right to continue that proceeding if Microsoft ceases to participate, and the Board's expending of resources in those circumstances should be considered. It would be an inefficient use of Board resources to allow Apple to continue the Microsoft IPR when its own petition was denied, and considering all other factors discussed above. Thus, Factor 6 weighs against institution and joinder.

III. CONCLUSION

For the foregoing reasons, joinder should be denied.

Date: May 26, 2020

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d), the undersigned certifies that this Opposition complies with the page limit of 37 C.F.R. § 42.24(b)(3) because it contains fewer than the limit of 15 pages, excluding the parts of the brief exempted by 37 C.F.R. § 42.24(a)(1).

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§ 42.6(e), the undersigned certifies that an electronic copy of the foregoing, along with any accompanying exhibits, was served via email to Petitioner’s counsel at the following addresses identified in the Petition’s consent to electronic service:

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