

United States Court of Appeals for the Federal Circuit

FACEBOOK, INC.,
Appellant

v.

WINDY CITY INNOVATIONS, LLC,
Cross-Appellant

2018-1400, 2018-1401, 2018-1402, 2018-1403, 2018-1537,
2018-1540, 2018-1541

Appeals from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in Nos. IPR2016-
01156, IPR2016-01157, IPR2016-01158, IPR2016-01159,
IPR2017-00659, IPR2017-00709.

OPINION ISSUED: March 18, 2020
OPINION MODIFIED: September 4, 2020*

HEIDI LYN KEEFE, Cooley LLP, Palo Alto, CA, argued
for appellant. Also represented by ANDREW CARTER MACE,
LOWELL D. MEAD, MARK R. WEINSTEIN; ELIZABETH

* This opinion has been modified and reissued fol-
lowing a combined petition for panel rehearing and rehear-
ing en banc filed by Appellant.

PRELOGAR, Washington, DC. Also argued by PHILLIP EDWARD MORTON.

VINCENT J. RUBINO, III, Fabricant LLP, New York, NY, argued for cross-appellant. Also represented by ALFRED ROSS FABRICANT, ENRIQUE WILLIAM ITURRALDE, PETER LAMBRIANAKOS.

JEREMY COOPER DOERRE, Tillman Wright PLLC, Charlotte, NC, as amicus curiae, pro se.

JOSHUA KOPPEL, Appellate Staff, Civil Division, United States Department of Justice, Washington, DC, for amicus curiae United States. Also represented by JEFFREY ERIC SANDBERG, SCOTT R. MCINTOSH, ETHAN P. DAVIS; THOMAS W. KRAUSE, JOSEPH MATAL, FARHEENA YASMEEN RASHEED, MOLLY R. SILFEN, Office of the Solicitor, United States Patent and Trademark Office, Alexandria, VA.

DAVID E. BOUNDY, Cambridge Technology Law LLC, Newton, MA, as amicus curiae, pro se.

Before PROST, *Chief Judge*, PLAGER and O'MALLEY,
Circuit Judges.

Opinion for the court filed by *Chief Judge* PROST, in which
PLAGER and O'MALLEY, *Circuit Judges*, join.

Additional views filed by *Chief Judge* PROST and *Circuit
Judges* PLAGER and O'MALLEY.

PROST, *Chief Judge*.

Windy City Innovations, LLC ("Windy City") filed a complaint accusing Facebook, Inc. ("Facebook") of infringing U.S. Patent Nos. 8,458,245 ("the '245 patent"); 8,694,657 ("the '657 patent"); 8,473,552 ("the '552 patent"); and 8,407,356 ("the '356 patent"). In June 2016, exactly one year after being served with Windy City's complaint,

Facebook timely petitioned for inter partes review (“IPR”) of several claims of each patent. At that time, Windy City had not yet identified the specific claims it was asserting in the district court proceeding. The Patent Trial and Appeal Board (“Board”) instituted IPR of each patent. In January 2017, after Windy City had identified the claims it was asserting in the district court litigation, Facebook filed two additional petitions for IPR of additional claims of the ’245 and ’657 patents, along with motions for joinder to the already-instituted IPRs on those patents. By the time of that filing, the one-year time bar of § 315(b) had passed. The Board nonetheless instituted Facebook’s two new IPRs, granted Facebook’s motions for joinder, and terminated the new IPRs.

In the final written decisions, the Board delivered a mixed result, holding that Facebook had shown by a preponderance of the evidence that some of the challenged claims are unpatentable as obvious but had failed to show that others were unpatentable as obvious. Importantly, many of the claims the Board found unpatentable were claims only challenged in the late-filed petitions. Facebook appealed, and Windy City cross-appealed on the Board’s obviousness findings. In its cross-appeal, Windy City also challenges the Board’s joinder decisions allowing Facebook to join its new IPRs to its existing IPRs and to include new claims in the joined proceedings.

For the reasons explained below, we hold that the Board erred in its joinder decisions in allowing Facebook to join itself to a proceeding in which it was already a party, and also erred in allowing Facebook to add new claims to the IPRs through that joinder. Because joinder of the new claims was improper, we vacate the Board’s final written decisions as to those claims, but because we lack authority to review the Board’s institution of the two late-filed petitions, we remand to the Board to consider whether the termination of those proceedings finally resolves them.

We also hold that the Board's obviousness determinations on the originally instituted claims are supported by substantial evidence. We therefore affirm-in-part, vacate-in-part, and remand the Board's final written decisions on the '245 and '657 patents, affirm the Board's final written decision on the '552 patent, and affirm-in-part the Board's final written decision on the '356 patent. We dismiss as moot Facebook's appeal of the Board's final written decision on the '356 patent with respect to claims 14 and 33.

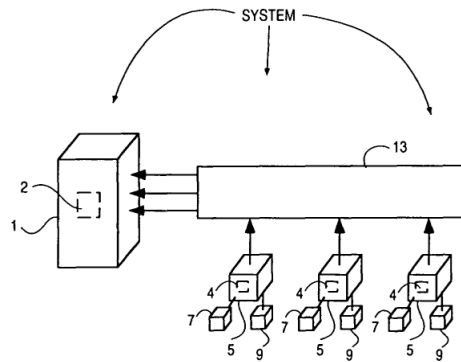
I

A

The '245, '657, '552, and '356 patents share a common specification and claim priority to a patent application filed on April 1, 1996.¹ The patents are generally related to methods for communicating over a computer-based network. The specification discloses a system with a "controller computer [1]," a plurality of "participator computers 5," and a "connection 13," linking the controller computer with each of the participator computers, as shown in Figure 1 below.

¹ For convenience, references to the specification cite only the '245 patent.

FIG. 1



'245 patent at col. 4 l. 65–col. 5 l. 18, fig. 1. The specification describes “provid[ing] a chat capability suitable for handling graphical, textual, and multimedia information.” *Id.* at col. 2 ll. 15–17.

Two features described in the specification are relevant to this appeal: (1) the ability to handle “out-of-band” multimedia information, i.e., information that a receiving computer may be unable to present on its own; and (2) the ability to control the dissemination of information among participator computers, which is referred to in the patents as “censorship” of content. The '245 patent claims relate to the “out-of-band” feature, and the '657, '552, and '356 patent claims relate to the “censorship” features. These features are discussed in more detail in Part II.B when addressing the technical merits of the appeal and cross-appeal.

B

On June 2, 2015, Windy City filed a complaint against Facebook alleging infringement of the '245, '657, '552, and '356 patents (“the asserted patents”) in the U.S. District Court for the Western District of North Carolina. Windy City’s complaint did not specify which claims of the four asserted patents (collectively having a total of 830 claims) Facebook allegedly infringed. *See* J.A. 7996–8006 (alleging

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