

2017-

United States Court of Appeals
for the
Federal Circuit

In Re: Windy City Innovations, LLC,

Petitioner.

**ON PETITION FOR A WRIT OF MANDAMUS TO THE U.S. PATENT
AND TRADEMARK OFFICE, PATENT TRIAL AND APPEAL BOARD IN
CASE NOS. IPR2016-01156 & IPR2017-00709**

PETITION FOR WRIT OF MANDAMUS

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CERTIFICATE OF INTEREST

Counsel of record for Windy City Innovations, LLC certifies the following:

1. The full name of every party represented by me is: Windy City Innovations, LLC.
2. The name of the real party in interest represented by me is: Windy City Innovations, LLC.
3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party represented by me are: none.
4. The names of all law firms and the partners and associates that appeared for Windy City Innovations, LLC in the Patent Trial and Appeal Board or are expected to appear in this Court and who are not already listed on the docket are:

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5. The title and number of cases known to me to be pending in this or any other court or agency that will directly affect or be directly affected by this Court's decision in the pending appeal are: IPR2016-01156, IPR2017-00709.

October 16, 2017

/s/ Alfred R. Fabricant
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STATEMENT OF RELIEF SOUGHT

Petitioner seeks an Order directing the Patent Trial and Appeal Board to reverse its decision to join Respondent to its own already-instituted *inter partes* review. Petitioner seeks the issuance of a narrowly-tailored mandate that the Board's practices of (a) same-petitioner joinder, (b) adding new claims to an instituted IPR, and (c) adding new issues to an instituted IPR are not authorized by 35 U.S.C. § 315(c).

STATEMENT OF THE ISSUE PRESENTED

Whether the Patent and Trial Appeal Board exceeded its statutory authority and abused its discretion when it granted joinder to Respondent—an otherwise-time-barred party that was already the petitioner in the case—in order to add new claims and new issues to the instituted *inter partes* review.

STATEMENT OF JURISDICTION

This Court has exclusive jurisdiction over this petition pursuant to 28 U.S.C. § 1651 and 28 U.S.C. § 1295. *In re Princo Corp*, 478 F.3d 1345, 1351-52 (Fed. Cir. 2007).

FACTS NECESSARY TO UNDERSTAND PETITION

On June 2, 2015, Petitioner filed a complaint against Respondent alleging infringement of each and every claim of U.S. Patent Number 8,458,245 (the “245 Patent”). *Windy City Innovations, LLC v. Facebook Inc.*, Case No. 4:16-cv-01730-YGR, Dkt. No. 1 (N.D. Cal. Jun. 2, 2015). Process was served on Respondent the

next day. *Windy City Innovations, LLC v. Facebook Inc., Case No. 4:16-cv-01730-YGR*, Dkt. No. 13 (N.D. Cal. Jun. 22, 2015).

On June 3, 2016, exactly one year after service of process, Respondent filed a first petition with the Board in Case Number IPR2016-01156 seeking to institute the *inter partes* review (“IPR”) of claims 1–15, 17, and 18 of the ’245 Patent. *Facebook Inc. v. Windy City Innovations, LLC*, Case IPR2016-01156, Paper No. 1 (PTAB Jun. 3, 2016).

On September 19, 2016, Petitioner filed a Preliminary Patent Owner’s Response pursuant to 35 U.S.C. § 314 setting forth its reasons why the Board should deny institution of Respondent’s first petition. *Facebook Inc. v. Windy City Innovations, LLC*, Case IPR2016-01156, Paper No. 6 (PTAB Sept. 19, 2016).

On December 15, 2016, the Board issued a 32-page, detailed institution decision addressing each of Petitioner’s preliminary arguments and finding that Respondent met the standard, set forth by 35 U.S.C. § 314, of showing a reasonable likelihood of prevailing with respect to at least one of the claims in the first petition. *Facebook Inc. v. Windy City Innovations, LLC*, Case IPR2016-01156, Paper No. 7 at 30 (PTAB Dec. 15, 2016). The Board instituted Case Number IPR2016-01156 (the “Instituted IPR”) with respect to all challenged claims, *i.e.*, claims 1–15, 17, and 18 (the “Instituted Claims”), of the ’245 Patent. *Id.*

On January 12, 2017, Respondent filed a second petition against the '245 Patent in Case Number IPR2017-00655 with an accompanying motion for joinder seeking to join Microsoft Corporation's IPR2016-01141 that had previously been instituted by the Board on December 12, 2016. *Facebook Inc. v. Windy City Innovations, LLC*, Case IPR2016-00655, Paper Nos. 2, 3 at 1 (PTAB Jan. 12, 2017). Respondent's second petition challenged a subset (claims 1–15, 17, and 18) of Microsoft's challenged claims (claims 1–40), where the subset is identical to the Instituted Claims of the Instituted IPR. *Id.*

On January 17, 2017, Respondent filed a third petition in Case Number IPR2017-00709 (the "Joinder Petition") challenging a different, second subset of claims of the '245 Patent, *i.e.*, claims 19 and 22–25 (the "Joinder Claims"). *Facebook Inc. v. Windy City Innovations, LLC*, Case IPR2017-00709, Paper No. 2 at 1 (PTAB Jan. 17, 2017). The Joinder Claims and the Instituted Claims did not overlap, and the Joinder Claims do not depend from any of the Instituted Claims. *Id.* The Joinder Claims do overlap, however, with the initially-challenged claims in the Microsoft IPR2016-01141. *Compare, Facebook Inc. v. Windy City Innovations, LLC*, Case IPR2017-00709, Paper No. 2 at 1 (PTAB Jan. 17, 2017); *Facebook Inc. v. Windy City Innovations, LLC*, Case IPR2016-01141, Paper No. 8 at 2 (PTAB Dec. 12, 2016). Instead of seeking joinder to claims 19 and 22–25 in IPR2016-01141, Respondent selectively pursued joinder to the Instituted IPR. On

the same day, Respondent filed a Motion for Joinder requesting “joinder only as to claims 19 and 22–25 of the ’245 Patent, with instituted proceeding IPR2016-01156.” *Facebook Inc. v. Windy City Innovations, LLC*, Case IPR2017-00709, Paper No. 3 at 1 (PTAB Jan. 17, 2017).

On August 1, 2017, the PTAB issued a decision (the “Joinder Decision”) granting Respondent’s Motion for Joinder. *Facebook Inc. v. Windy City Innovations, LLC*, Case IPR2017-00709, Paper No. 11 (PTAB Aug. 1, 2017) (also filed in Case IPR2016-01156, Paper 34). The Joinder Decision admitted “the Motion here seeks to join challenges to different claims than in the [Instituted] IPR.” *Id.* at 5. The PTAB concluded that “Facebook has established good cause for joining this proceeding with the [Instituted] IPR.” *Id.* at 11. The PTAB ordered that “IPR2017-00709 is hereby joined with IPR2016-01156.” *Id.* at 11.

In the same Joinder Decision, Administrative Patent Judges J. John Lee and David C. McKone wrote separately and expressed their “concerns regarding an important issue.” *Id.* at 12. The judges stated that “§ 315(c), when properly interpreted, does not authorize same-party joinder because a party cannot be joined to a proceeding ‘as a party’ if it already is a party to that proceeding.” *Id.* at 13. The judges stated that the “Director has taken the position before [this Court] that § 315(c) authorizes same-party joinder” in *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, No. 2016-2321 (Fed. Cir. filed Jan. 12, 2017). *Id.* at 13–14.

Judges Lee and McKone state that their decision on the Motion for Joinder was an “exercise of the Director’s authority on the Director’s behalf,” and the judges concurred with the “Decision’s application of the Director’s view § 315(c).” *Id.* at 14.

LEGAL STANDARDS

A petitioner seeking a writ bears the burden of proving that (1) “it has no other means of obtaining the relief desired” and that (2) “the right to issuance of the writ is ‘clear and indisputable.’” *In re TS Tech USA Corp.*, 551 F.3d 1315, 1318–19 (Fed. Cir. 2008) (citation omitted). Mandamus is available in “exceptional circumstances to correct a clear abuse of discretion.” *In re Calmar, Inc.*, 854 F.2d 461, 464 (Fed. Cir. 1988). “An abuse of discretion occurs when the decision (1) is clearly unreasonable, arbitrary, or fanciful; (2) is based on an erroneous conclusion of law; (3) rests on clearly erroneous fact findings; or (4) involves a record that contains no evidence on which the Board could rationally base its decision.” *Stevens v. Tamai*, 366 F.3d 1330 (Fed. Cir. 2004) (quoting *Eli Lilly & Co. v. Bd. of Regents of the Univ. of Wash.*, 334 F.3d 1264, 1266–67 (Fed. Cir. 2003)). Mandamus is also appropriate “to decide issues ‘important to proper judicial administration’” and “to decide ‘basic and undecided’ legal questions when the [lower] court abused its discretion by applying incorrect law.” *In re*

Cray, Inc., No. 2017-129, slip op. at 5 (Fed. Cir. Sept. 21, 2017) (citations omitted).

REASONS FOR GRANTING THE WRIT

The Patent Trial and Appeal Board exceeded its statutory authority and abused its discretion, and has routinely done so, by erroneously concluding that 35 U.S.C. § 315(c) allows for same-petitioner joinder, *i.e.*, the joining of a new petition filed after the one-year bar date to the petitioner's own already-instituted IPR. Petitioner seeks reversal as to the Joinder Decision and a narrowly-tailored mandate that the practice of same-petitioner joinder is not authorized by 35 U.S.C. § 315(c). Granting the relief sought would correct an abuse of discretion based on the application of incorrect law, resolve a split among Board panels and the Director of the United States Patent and Trademark Office, and cease the routine practice of using § 315(c) to allow a time-barred petitioner to add new claims and new issues to its own instituted IPR.

Section 315(c) does not authorize joinder of the same petitioner to its own instituted IPR under any reasonable interpretation, much less for the purpose of adding new claims to the instituted IPR. The statute states:

If the Director institutes an inter partes review, the Director, in his or her discretion, may join as a party to that inter partes review any person who properly files a petition under section 311 that the Director, after receiving a preliminary response under section 313 or the expiration of the time for filing such a response,

determines warrants the institution of an inter partes review under section 314.

35 U.S.C. § 315(c) (emphasis added). The text of the statute is unambiguous with respect to at least three relevant points. The statute makes clear what gets joined: *any person*. The statute makes clear how the person is joined: *as a party*. The statute makes clear to what the party joins: *the instituted review*.

Here, the Joinder Decision is a clear abuse of discretion applying incorrect law for at least two fundamental reasons. First, section 315(c) does not authorize a petitioner that is already *a party* to an instituted IPR to join that IPR. Second, section 315(c) does not authorize the addition of new claims and new issues to *the instituted review*.

I. 35 U.S.C. § 315(c) DOES NOT AUTHORIZE SAME-PETITIONER JOINDER

Section 315(c) of Title 35 does not authorize a petitioner that is already a party to an instituted IPR to join that same IPR. Because Respondent was a petitioner in the Instituted IPR, it was already participating *as a party* to the case and could not be joined *as a party to that instituted review*. If Congress intended to allow same-petitioner joinder without restriction, Congress would have omitted from section 315(c) the restriction “*as a party to that instituted review*” or it would have expressly created an avenue to amend the authorized case, which the Board acknowledged was Respondent’s ultimate objective in seeking joinder of a second

set of different claims. Disturbing the silence of Congress, where silence would otherwise act as a prohibition, is a clear and unmistakable abuse of discretion. The Board's "power is no greater than that delegated to it by Congress." *Lyng v. Payne*, 476 U.S. 926, 937(1986). As a "creature of statute" the Board's authority "must be grounded in an express grant from Congress." *Killip v. Office of Pers. Mgmt.*, 991 F.2d 1564, 1569 (Fed. Cir. 1993).

On this very issue, the Board itself remains split and in discord with the Director. In the Joinder Decision at issue, a majority of the panel, consisting of Administrative Patent Judges J. John Lee and David C. McKone, wrote separately and expressed their "concerns regarding an important issue." IPR2017-00709, Paper 11 (also filed in IPR2016-01156 as Paper 34) at 12. The judges stated that "§ 315(c), when properly interpreted, **does not authorize** same-party joinder because a party cannot be joined to a proceeding 'as a party' if it already is a party to that proceeding." *Id.* at 13 (emphasis added). Yet, recognizing that the "Director has taken the position before [this Court] that § 315(c) authorizes same-party joinder" in *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, No. 2016-2321 (Fed. Cir. filed Jan. 12, 2017), the Board concurred with the grant of joinder notwithstanding their express "disagreement" with the Director's interpretation of § 315(c). *Id.* at 13–14.

Highlighting this disagreement, the majority identified a clear split in PTAB cases deciding the issue of same-petitioner joinder. Denying joinder and holding that “35 U.S.C. § 315(c) provides for the joinder of parties only, not issues, and does not contemplate joinder by someone who is already a party,” the Board in *SkyHawke* explained that the statute was clear in excluding “the joining of a petition or new patentability challenges,” and “the joining of a new issue (as opposed to a person).” *SkyHawke Technologies, LLC v. L&H Concepts, LLC*, Case IPR2014-01485, Paper 13 at 3–4 (Mar. 20, 2015).

On the other side of the split, the argument in favor of same-petitioner joinder is largely enabled by the use of expanded rehearing panels. In *Target*, a three-judge panel initially denied joinder, finding that § 315(c) authorized only the joining of a petitioner (not an issue or petition) as a party to an instituted IPR, and that Target could not be joined because it was already a party to the instituted proceeding. *Target Corp. v. Destination Maternity, Corp.*, Case IPR2014–00508, Paper 18 at 3. After a rehearing request, an expanded rehearing panel reversed the denial of joinder. *Id.*, Paper 28. The expanded rehearing panel reasoned primarily that “the statute does not exclude a person who is already a petitioner in an instituted review proceeding that is the subject of the joinder analysis.” *Id.*, Paper 28 at 7. But in deciding to extend joinder to an already-included petitioner under this flawed reasoning, the Board “transgress[ed] the limits of judicial power by an

attempt to supply, by construction, this supposed omission of the legislature.”

Evans v. Jordan, 13 U.S. 199, 203 (1815).

To the extent that this Court finds that section 315(c) contains any ambiguity regarding this issue, the Board and this Court have acknowledged that the legislative history does not support same-petitioner joinder. *SkyHawke Technologies, LLC v. L&H Concepts, LLC*, Case IPR2014-01485, Paper 13 at 4 (Mar. 20, 2015); *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co. Matal*, 868 F.3d 1013, 1020 (Fed. Cir. 2017). Indeed, the Final Committee Report expressly states that under section 315(c) “[t]he Director may allow *other petitioners* to join an inter partes or post-grant review.” H.R. REP. NO. 112-98, pt.1, at 76 (2011) (emphasis added). While legislative history does not add to the statute, neither should the Director’s unreasonable interpretation.

II. 35 U.S.C. § 315(c) DOES NOT AUTHORIZE JOINDER OF NEW CLAIMS OR NEW ISSUES

Section 315(c) also does not authorize the Board’s routine practice of adding new claims and new issues which are not present in *that instituted review*. But this is exactly the type of unauthorized joinder that the Board granted.

As noted above, section 315(c) provides only for the joinder of *any person... as a party to that instituted review*, not for the joinder of new claims or new issues. The clear and unambiguous text of the statute, *i.e.*, the use of both a *person* and a *party*, excludes the joinder of issues or claims. Nevertheless,

Respondent's Motion for Joinder requested "joinder only as to claims 19 and 22–25 of the '245 Patent, with instituted proceeding IPR2016-01156." IPR2017-00709, Paper 3 at 1. In return, the Board's Joinder Decision granted the motion while admitting that "the Motion here seeks to join challenges to different claims than in the [Instituted] IPR." *Id.*, Paper No. 11 at 5. Thus, the Board exceeded its statutory grant by using section 315(c) as a vehicle to amend the *instituted review* by adding new claims and new issues.

As with the unauthorized practice of same-petitioner joinder, the joining of new claims and new issues has split the PTAB. In *Nidec*, the majority of the initial panel denied joinder on the basis that "only a person who is not already a party to an instituted *inter partes* review can be joined to the proceeding," to which the sole dissenting judge responded, "that § 315(c) encompasses both party joinder and issue joinder, and, as such, permits joinder of issues, including new grounds of unpatentability, presented in the petition that accompanies the request for joinder." *Zhongshan Broad Ocean Motor Co., Ltd. v. Nidec Motor Corp.*, Case IPR2015-00762, Paper 12 at 12–13 and 16 (July 20, 2015). An expanded rehearing panel reversed the denial of joinder and repeated verbatim the conclusion of statutory interpretation without explanation. *Zhongshan Broad Ocean Motor Co., Ltd. v. Nidec Motor Corp.*, Case IPR2015-00762, Paper 18 at 5 (October 5, 2015).

On appeal, this Court declined to address the unauthorized joinder as described above, instead resolving the case on obviousness grounds. *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co. Matal*, 868 F.3d 1013, 1016 (Fed. Cir. 2017). Consistent with the trend at the Board of writing separately against joinder practice, Judge Dyk, joined by Judge Wallach, wrote “to express [their] concerns as to the United States Patents and Trademark Office’s [] position on joinder and expanded panels since those issues are likely to recur.” *Nidec Motor Corp.*, 868 F.3d 1019 (Fed. Cir. 2017) (concurring). Judges Dyk and Wallach explained that section 315(c) does not authorize, nor was it likely intended to allow, a time-barred petitioner to add new issues “to an otherwise timely proceeding, whether the petitioner seeking to add issues is the same party that brought the timely proceeding, as in this case, or the petitioner is a new party.” *Nidec Motor Corp.*, 868 F.3d at 1020.

III. THE HARM TO PETITIONER AND THE PATENT COMMUNITY MERITS IMMEDIATE REVIEW

Petitioner has no other means of obtaining relief from the unlawful Joinder Decision for several reasons. First, the Director has taken the position before this Court that § 315(c) authorizes same-party joinder. *Nidec Motor Corp.*, 868 F.3d at 1019. Second, the Board—including the instant panel—has acknowledged a split in case law over this very issue. Third, despite disagreeing with the Director’s interpretation of section 315(c), the Board admits to granting joinder here beyond

its statutory authority as “an exercise of the Director’s authority on the Director’s behalf.” IPR2017-00709, Paper No. 11 at 14. Finally, in *Nidec*, this Court expressed “concern[] about the PTO’s practice of expanding administrative panels to decide requests for rehearing in order to secure and maintain uniformity of the Board’s decisions.” *Nidec Motor Corp.*, 868 F.3d at 1020 (internal quotations and citations omitted). It is thus clear that Petitioner—and the patent community generally—require immediate review and extraordinary relief to avoid a predetermined outcome that is at odds with the express language of section 315(c).

Petitioner further submits that the effects of the unauthorized application of 35 U.S.C. § 315(c) are highly prejudicial to patent owners, particularly in this instance. This Court acknowledged the critical relationship between § 315(b) and § 315(c), the former including a statutory time bar and a narrowly-designed exception to the statutory time bar. Section 315(b) reads:

(b) Patent owner's action.—An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).

35 U.S.C. § 315(b). In the *Nidec Appeal*, Judges Dyk and Wallach explained that the above exception “was plainly designed to apply where time-barred Party A seeks to join an existing IPR timely commenced by Party B when this would not

introduce any new patentability issues.” *Nidec Motor Corp.*, 868 F.3d at 1020 (concurring opinion). Nothing in section 315(b) evidence an intent by Congress to permit a party to add new claims and new issues to an instituted petition after the one-year bar date, particularly where the party is seeking to join its own petition. Petitioner has been prejudiced by this very issue.

Circumventing the statutory time bar in this way allowed Respondent to engage in gamesmanship by: delaying the challenge of an entire set of different claims of the '245 Patent by 20 months from service of the district court complaint; eliciting a preview of Petitioner's arguments in its preliminary patent owner response; eliciting a preview of the Board's findings in its institution decision; perfecting Petitioner's challenges using those previewed responses and decisions; increasing litigation costs associated with legal and expert analyses; expediting patent owner's time for consideration of the issues presented by the joinder claims; and shortening the length of review for the joined claims, among other prejudicial effects to a patent owner's right to due process which were deliberated by Congress when it passed the 35 U.S.C. § 315 (b) and (c). There is no clearer example of using joinder for gamesmanship than Respondent's selective, claim-by-claim pursuit of joinder to the Instituted IPR rather than Microsoft's IPR2016-01141. Even though the IPR2016-01141 challenged the very same Joinder Claims, Respondent cherry-picked which instituted challenge presented the most favorable

cases on a claim-by-claim basis, after reviewing Petitioner's arguments and the PTAB institution decisions, and pursued joinder to that case while circumventing the statutory time-bar. Respondent's conduct implicates the very concerns addressed by Congress when it enacted the § 315(b) statutory time bar, and the Board's interpretation of § 315(c) effectively abrogates the bar and subverts the intent of Congress. *Nidec Motor Corp.*, 868 F.3d at 1020 (concurring opinion).

Thus, an immediate review and a certain mandate are required to correct the improper application of 35 U.S.C. § 315 (c) to avert further injury to the patent community as a whole.

CONCLUSION

This petition for a writ of mandamus should be granted, and this Court should (1) issue an Order directing the Patent Trial and Appeal Board to reverse its Joinder Decision; and (2) issue a narrowly-tailored mandate that the practices of (a) same-petitioner joinder, and (b) adding new claims and issues to an instituted IPR are not authorized by 35 U.S.C. § 315(c).

Dated: October 16, 2017

Respectfully submitted,

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EXHIBIT A

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Paper No. 11
Entered: August 1, 2017

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FACEBOOK, INC.,
Petitioner,

v.

WINDY CITY INNOVATIONS, LLC,
Patent Owner.

Case IPR2017-00709
Patent 8,458,245 B1

Before KARL D. EASTHOM, DAVID C. McKONE, and J. JOHN LEE,
Administrative Patent Judges.

Opinion Concurring filed by *Administrative Patent Judge* LEE, in which
Administrative Patent Judge McKONE joins.

PER CURIAM.

DECISION
Institution of *Inter Partes* Review
37 C.F.R. § 42.108

Motion for Joinder
37 C.F.R. § 42.122(b)

INTRODUCTION

On January 17, 2017, Facebook, Inc. (“Facebook”) filed a Petition (Paper 2, “Pet.”) requesting *inter partes* review of claims 19 and 22–25 (“the present challenged claims”) of U.S. Patent No. 8,458,245 B1 (Ex. 1001, “the ’245 patent”). Concurrently with the Petition, Facebook filed a Motion for Joinder (Paper 3, “Mot.”), requesting that this proceeding be joined with *Facebook, Inc. v. Windy City Innovations, LLC*, Case IPR2016-01156 (“1156 IPR”). Mot. 1. Patent Owner Windy City Innovations, LLC (“Windy City”) filed an Opposition to the Motion for Joinder (Paper 8, “Opp.”) but did not file a Preliminary Response. Facebook filed a Reply to the Opposition to the Motion for Joinder (Paper 9, “Reply”).

For the reasons discussed below, we institute an *inter partes* review of all of the present challenged claims and grant the Motion for Joinder.

BACKGROUND

In June 2015, Windy City filed suit against Facebook in the U.S. District Court for the Western District of North Carolina. *See* Ex. 1017 (“Complaint”). In the Complaint, Windy City identified four patents-in-suit, including the ’245 patent, and alleged that “Facebook has infringed and continues to infringe the patents-in-suit.” *See id.* at 2–3, 6–9. Although the asserted patents include over 800 total claims, no specific claims of the asserted patents were identified in the Complaint.

Facebook moved to dismiss the Complaint on July 24, 2015, arguing *inter alia* that the Complaint’s infringement allegations were insufficiently specific to sustain the action. *See* Ex. 3001, 4 (Facebook’s Memorandum in Support of Motion to Dismiss). While waiting for the court to decide its

Motion to Dismiss, Facebook also filed a Motion to Change Venue to the Northern District of California on August 25, 2015. *See* Ex. 3002, 2 (order granting Motion to Change Venue). The court did not decide Facebook’s Motion to Dismiss and, on March 16, 2016, the court instead granted Facebook’s Motion to Change Venue and transferred the case to the U.S. District Court for the Northern District of California. *Id.* at 7–8.

After the case was transferred, counsel for Facebook contacted counsel for Windy City to request that Windy City identify a subset of claims from the asserted patents and restrict its infringement contentions to only those claims, but earlier than the relevant deadlines provided in applicable patent local rules. *See* Ex. 1013, 1–5. Facebook noted that the deadline for filing *inter partes* review petitions was upcoming, and asserted that Windy City’s refusal to identify specific claims would prejudice Facebook’s ability to focus such petitions on only those claims actually in controversy. *See id.* at 2. Although Windy City expressed willingness to negotiate, ultimately, those discussions failed to produce an agreement. *See id.* at 1–4.

On May 4, 2016, Facebook filed a motion seeking an order requiring Windy City to identify no more than forty asserted claims across the patents-in-suit. Ex. 1014, 1–2. The court denied the motion, but indicated it would “require a preliminary election of asserted claims and prior art,” ordering the parties to address the topic in their joint statement for the case management conference. Ex. 1015, 1. The case management conference was not held until July 25, 2016. *See* Ex. 3003.

Facebook filed its petition in the 1156 IPR on June 3, 2015, just prior to the one-year deadline set forth in 35 U.S.C. § 315(b). *See* 1156 IPR,

Paper 1 (“1156 Pet.”). The petition in the 1156 IPR challenged claims 1–15, 17, and 18 of the ’245 patent. *Id.* at 3.

After the case management conference, on October 19, 2016, Windy City served disclosures in the district court case, pursuant to applicable patent local rules, identifying claims 19 and 22–25 of the ’245 patent as allegedly infringed by Facebook. Ex. 1016, 2. Subsequently, on December 15, 2016, we instituted an *inter partes* review of claims 1–15, 17, and 18 of the ’245 patent in the 1156 IPR on the ground of unpatentability under 35 U.S.C. § 103(a) in view of Roseman,¹ Rissanen,² Vetter,³ Pike,⁴ and Westaway⁵ (claims 1–5, 7, 9–14), and additionally Lichty⁶ (claims 6, 8, 15, 17 and 18). 1156 IPR, slip op. at 30–31 (PTAB Dec. 15, 2016) (Paper 7, “1156 Inst. Dec.”). Pursuant to 37 C.F.R. § 42.122(b), Facebook filed the present Petition and Motion for Joinder on January 17, 2017, seeking to challenge the claims of the ’245 patent identified in Windy City’s October 19, 2016 disclosures. *See* Mot. 7–8.

ANALYSIS

An *inter partes* review may be joined with another *inter partes* review, subject to certain statutory provisions:

¹ U.S. Patent No. 6,608,636 B1, filed May 13, 1992, issued Aug. 19, 2003 (Ex. 1003, “Roseman”).

² European Patent Application Pub. No. 0621532 A1, published Oct. 26, 1994 (Ex. 1004, “Rissanen”).

³ Ronald J. Vetter, *Videoconferencing on the Internet*, COMPUTER, Jan. 1995, at 77–79 (Ex. 1005, “Vetter”).

⁴ Mary Ann Pike et al., USING MOSAIC (1994) (Ex. 1006, “Pike”).

⁵ U.S. Patent No. 5,226,176, issued July 6, 1993 (Ex. 1007, “Westaway”).

⁶ Tom Lichty, THE OFFICIAL AMERICAN ONLINE[®] FOR MACINTOSH[™] MEMBERSHIP KIT & TOUR GUIDE (1994) (Ex. 1008, “Lichty”).

(c) JOINDER.—If the Director institutes an inter partes review, the Director, in his or her discretion, may join as a party to that inter partes review any person who properly files a petition under section 311 that the Director, after receiving a preliminary response under section 313 or the expiration of the time for filing such a response, determines warrants the institution of an inter partes review under section 314.

35 U.S.C. § 315(c); *see also* 37 C.F.R. § 42.122. As the moving party, Facebook bears the burden of proving that it is entitled to the requested relief. 37 C.F.R. § 42.20(c).

As an initial matter, the Motion for Joinder meets the requirements of 37 C.F.R. § 42.122(b) because the Motion was filed on January 17, 2017, which is not later than one month after the 1156 IPR was instituted on December 15, 2016.⁷

Although the Board frequently grants motions for joinder where the asserted grounds of unpatentability, and supporting arguments and evidence, are the same as in the preceding case, the Motion here seeks to join challenges to different claims than in the 1156 IPR. Facebook argues, however, that the present challenged claims are “substantially similar” to the claims challenged in the 1156 IPR and, thus, “do not raise any substantial new issues” given that Facebook relies on essentially the same evidence as in the 1156 IPR. Mot. 9–10. According to Facebook, this “substantial overlap between the instant proceeding and the [1156 IPR]” indicates joinder would promote the expedient and efficient resolution of the issues. *Id.* at 10, 12. Further, Facebook asserts that Windy City would not be unduly prejudiced because the present Petition does not raise substantial new

⁷ January 15, 2017, was a Sunday, and January 16, 2017, was Martin Luther King, Jr. Day.

issues or subject matter, enabling Windy City to address the challenges to the present challenged claims “without significant additional burden, expense, or delay.” *Id.* at 12.

Windy City disputes Facebook’s characterization of the present challenged claims as substantially similar to the claims challenged in the 1156 IPR. Opp. 2–5. Thus, Windy City contends it would be unduly prejudiced by being forced to respond to voluminous new arguments and analyses, which would place on it a significant additional burden. *Id.* at 8.

A key issue, therefore, is whether the present challenged claims, and Facebook’s arguments and evidence against them, are similar enough to those in the 1156 IPR such that Windy City would not be subject to an undue additional burden to address them. As explained below, we agree with Facebook.

First, the claim language of the present challenged claims is very similar to that of several of the claims on which we instituted review in the 1156 IPR. For example, claim 7 (1156 IPR) and claim 19 (present Petition) are substantially similar in language and scope. By way of illustration, claim 7 recites, “a first of the participator computers running software communicating a private message to the computer system,” and claim 19 recites, “a first of the plurality of participator computers being programmed to communicate such that a private message is sent to the computer system.” Claim 7 further recites, “the private message comprising a pointer” and “receiving a communication via the pointer provided within the private message” where “the communication includ[es] pre-stored data representing at least one of video, a graphic, sound, and multimedia.” Similarly, claim 19 recites, “the private message including a pointer pointing to a

communication that includes pre-stored data representing at least one of a video, a graphic, sound, and multimedia.”

Although Windy City demonstrates that the language of claim 7 and that of claim 19 are not identical, it does not explain why any of the identified “differences” are substantial. *See* Opp. 3–5. To the contrary, we conclude that the differences are *not* substantial, at least to the extent that the differences do not place an undue burden on Windy City beyond the burden it already bears with respect to claim 7 in the 1156 IPR. For example, claim 7 recites, “the second of the participator computers determines internally whether or not the second of the participator computers can present *the communication*” (emphasis added)⁸ where “the communication includ[es] pre-stored data.” Claim 19 recites, “the second participator computer internally determines whether or not the second participator computer can present the *pre-stored data*” (emphasis added). Although the claim language differs, we are persuaded the difference is sufficiently minor such that it would not unduly burden Windy City to analyze and address it. Likewise, claims 22–25 challenged in the present Petition also recite limitations that are substantially similar to the limitations of claims already in the 1156 IPR, specifically claims 9–12. *See* Mot. 11.

In addition, Facebook’s arguments and evidence supporting its contention that the present challenged claims are unpatentable are substantially similar to its arguments and evidence with respect to the

⁸ Windy City correctly notes that the Motion and present Petition includes an inaccurate reproduction of part of claim 7. *See* Opp. 2–3. Facebook represents these discrepancies were unintended and immaterial typographical errors. Reply 1–2. We disregard the inaccurate portions of the Motion and Petition and base our analysis on the actual language of the claim in the ’245 patent.

corresponding claims in the 1156 IPR. *See* Pet. 9–12; *compare id.* at 21–56 (argument regarding claim 19), *with* 1156 Pet. 51–55 (argument regarding claim 7); *compare* Pet. 56–57 (argument regarding claims 22–25), *with* 1156 Pet. 50, 55–56 (argument regarding claims 9–12 and similar claims 3–5). The asserted prior art, and the specific teachings relied on, are substantially similar, as are the alleged rationales to combine the references and the expert testimony cited in support. *See, e.g.,* Pet. 23–24, 36–37, 41–42; 1156 Pet. 19–20, 29–30, 36–38. Additionally, Facebook’s claim construction arguments are the same. *Compare* Pet. 7–9, *with* 1156 Pet. 4–6. Although Windy City asserts that “[t]hirty-seven (37) pages of the Joinder Petition contain new arguments,” it does not explain why they are “new” or identify any specific argument or evidence as substantively different from the arguments and evidence presented in the 1156 IPR. Opp. 8.

In sum, upon review of the present Petition, we conclude that it presents substantially similar arguments and evidence as presented in the 1156 IPR, and that any differences are not substantial enough to impose an undue burden on Windy City beyond its existing burden in the 1156 IPR. As a result, we also agree with Facebook that joinder would not “substantially expand the subject matter at issue” in the 1156 IPR, and that joinder “would require only reasonable adjustments to the schedule [of the 1156 IPR] that need not unduly delay the final hearing and final decision.” *See* Mot. 12–13.

Windy City, however, advances another argument as to why the Motion for Joinder should be denied. According to Windy City, Facebook was “on notice” of the present challenged claims before it filed the 1156 IPR and, thus, these claims should have been challenged in the 1156 IPR.

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Opp. 5–7. Although an unreasonable delay in raising an unpatentability challenge is often a sufficient basis to deny joinder, we are persuaded the delay in this case was not unreasonable. First, the Complaint in the district court litigation did not identify *any* specific claims, alleging only that Facebook “has infringed and continues to infringe the patents-in-suit” and that its website and applications “meet claims of the patents-in-suit.” Ex. 1017, 6. Second, Facebook attempted multiple times to ascertain which claims of the ’245 patent were actually the subject of Windy City’s infringement allegations. For example, Facebook filed a Motion to Dismiss for lack of specificity in the Complaint, which raised the issue and prompted Windy City to respond. *See* Ex. 3001. Facebook also attempted to negotiate an agreement whereby Windy City would identify a reasonable subset of the 800+ possible claims, and also filed a motion seeking an order compelling Windy City to do so. *See* Ex. 1013; Ex. 1014. We are not persuaded Facebook should be penalized for failing to guess accurately which claims Windy City intended to assert considering the circumstances here, particularly the sheer number of possible claims. In addition, we note that a substantial portion of the delay appears to have been due to the time the district court required to decide Facebook’s Motion to Change Venue and transfer the case, rather than a lack of diligence on the part of Facebook.

Both Facebook and Windy City cite decisions of other panels of the Board in other cases as allegedly supporting their positions. *See* Mot. 6–7; Opp. 6–7. Joinder, however, is inherently a fact-specific inquiry that depends on the circumstances of each individual case. In particular, Windy City cites *Arris Group, Inc. v. Cirrex Systems LLC*, Case IPR2015-00530, slip op. at 8–9 (PTAB July 27, 2015) (Paper 12). In *Arris*, however, the

panel denied joinder in part because joinder would have required consideration of new grounds of unpatentability, including three new prior art references that had not previously been asserted. *Id.* at 10. Thus, joinder would have entailed significant additional burden and cost on the patent owner. Further, the oral hearing of the earlier proceeding in *Arris* was less than one month away. *Id.* Here, in contrast, the new challenges in the present Petition are substantially similar to those in the 1156 IPR and do not rely on new prior art or significant new evidence; joinder would not impose an undue burden on Windy City; and the schedule of the 1156 IPR is less advanced. We determine the balance of the circumstances in this case supports Facebook.

Before joinder may be granted, however, we must also first determine that institution of an *inter partes* review is warranted under § 314.⁹ 35 U.S.C. § 315(c). As discussed above, the present challenged claims are substantively similar to claims on which we already instituted *inter partes* review in the 1156 IPR based on essentially the same asserted ground, prior art, evidence, and arguments. Thus, we determine that Facebook has established a reasonable likelihood of prevailing on the ground of unpatentability asserted in the present Petition for essentially the same reasons as articulated for the corresponding claims in the 1156 IPR. *See* 35 U.S.C. § 314(a); 1156 Inst. Dec. 15–27. We also note that Windy City did not file a preliminary response or argue that the present Petition failed to establish a reasonable likelihood of prevailing.

⁹ Although the present Petition was filed more than one year after Facebook was served with a complaint alleging infringement of the '245 patent, the one-year statutory time bar for filing a petition does not apply in the context of joinder. *See* 35 U.S.C. § 315(b).

Based on the facts and circumstances discussed above, we determine Facebook has established good cause for joining this proceeding with the 1156 IPR. We determine that granting the Motion for Joinder under these circumstances would help “secure the just, speedy, and inexpensive resolution” of these proceedings. *See* 37 C.F.R. § 42.1(b). For the above reasons, we conclude that trial should be instituted and the Motion for Joinder granted.

ORDER

It is

ORDERED that pursuant to 35 U.S.C. § 314, an *inter partes* review in IPR2017-00709 is hereby instituted for claims 19 and 22–25 of the ’245 patent on the grounds of unpatentability set forth above, and no other grounds are authorized;

FURTHER ORDERED that Facebook’s Motion for Joinder is *granted*;

FURTHER ORDERED that IPR2017-00709 is hereby joined with IPR2016-01156;

FURTHER ORDERED that IPR2017-00709 is terminated under 37 C.F.R. § 42.72, and all further filings in the joined proceeding are to be made in IPR2016-01156;

FURTHER ORDERED that a copy of this Decision will be entered into the record of IPR2016-01156; and

FURTHER ORDERED that the case caption in IPR2016-01156 shall be modified to reflect joinder with this proceeding in accordance with the attached example.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FACEBOOK, INC.,
Petitioner,

v.

WINDY CITY INNOVATIONS, LLC,
Patent Owner.

Case IPR2017-00709
Patent 8,458,245 B1

Before KARL D. EASTHOM, DAVID C. McKONE, and J. JOHN LEE,
Administrative Patent Judges.

LEE, *Administrative Patent Judge*, with whom McKONE, *Administrative Patent Judge*, joins, concurring.

I concur with the result reached in the Decision of the Board, but I write separately to express my concerns regarding an important issue. The Decision determines that Petitioner Facebook, Inc. (“Facebook”) has met its burden to prove it is entitled to the requested joinder with IPR2016-01156. Facebook, however, already is a party to IPR2016-01156; in fact, it is the sole petitioner in that proceeding. In granting Facebook’s Motion for Joinder, the Decision implicitly concludes that the requested joinder is authorized by the applicable statute, namely 35 U.S.C. § 315(c).

Section 315(c) states in relevant part that “*the Director*, in his or her discretion, may join as a party to [the earlier-instituted] inter partes review any person who properly files a petition under section 311 that *the Director* . . . determines warrants the institution of an inter partes review” (emphases added). The statute, therefore, grants the authority and discretion to institute trial and grant joinder to the Director. *See id.* Consequently, the Board’s authority to institute trial and grant joinder actually is an exercise of the Director’s authority—which was delegated to the Board via regulation—*on the Director’s behalf*. *See* 37 C.F.R. §§ 42.4(a), 42.122.

The relevant regulations, however, are silent as to how § 315(c) should be interpreted with respect to whether a party (i.e., Facebook in the present case) may be joined “as a party” to an *inter partes* review to which it is already a party—so-called “same-party joinder.” Although I am aware that panels of the Board, including an expanded panel, have decided that § 315(c) should be interpreted as authorizing same-party joinder, no such decisions have yet been made precedential and none are binding on this panel. *See, e.g., Target Corp. v. Destination Maternity, Corp.*, Case IPR2014–00508, slip op. (Feb. 12, 2015) (Paper 28).

My view is that § 315(c), when properly interpreted, does *not* authorize same-party joinder because a party cannot be joined to a proceeding “as a party” if it already is a party to that proceeding. In this respect, I agree with the reasoning set forth in *SkyHawke Technologies, LLC v. L&H Concepts, LLC*, Case IPR2014-01485, slip op. 3–4 (Mar. 20, 2015) (Paper 13).

I recognize, however, that the Director has taken the position before the U.S. Court of Appeals for the Federal Circuit that § 315(c) authorizes

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same-party joinder. *See, e.g.*, Brief for Intervenor – Director of the United States Patent and Trademark Office at 32–39, *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, No. 2016-2321 (Fed. Cir. filed Jan. 12, 2017). Despite my disagreement with that interpretation, because our decision on whether to grant Facebook’s Motion for Joinder is an exercise of the Director’s authority on the Director’s behalf, I concur with the Decision’s application of the Director’s view of § 315(c).

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Example Case Caption for Joined Proceeding

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FACEBOOK, INC.,
Petitioner,

v.

WINDY CITY INNOVATIONS, LLC,
Patent Owner.

Case IPR2016-01156¹
Patent 8,458,245 B1

¹ Case IPR2017-00709 has been joined with this proceeding.

CERTIFICATE OF SERVICE

I hereby certify that on the 16th day of October, 2017, I served the foregoing **Petition for a Writ of Mandamus** by causing one copy of each to be delivered by courier (FedEx Overnight) and electronic mail to the following:

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Counsel for Respondent Facebook, Inc.

I hereby certify that on the 16th day of October, 2017, I served the foregoing **Petition for a Writ of Mandamus** by causing one copy each to be delivered by overnight courier (FedEx Overnight) to the following:

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