

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE INC. and YOUTUBE, LLC,
Petitioners,

v.

PERSONALWEB TECHNOLOGIES, LLC and
LEVEL 3 COMMUNICATIONS, LLC,
Patent Owners.

INTER PARTES REVIEW OF U.S. PATENT NO. 6,928,442

Case IPR: *To Be Assigned*

**MOTION FOR JOINDER UNDER 35 U.S.C. § 315(c),
37. C.F.R. §§ 42.22, 42.122(b), AND 42.5(b)**

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U.S. Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Google Inc. and YouTube, LLC (“Petitioners”) submit concurrently herewith a Petition for *Inter Partes* Review of U.S. Patent No. 6,928,442 (“the ’442 Patent”) (“Petition”) based on identical grounds that form the basis for a pending IPR proceeding, Case No. IPR2014-00066 (“the Rackspace IPR”).

Pursuant to 35 U.S.C. § 315(c), Petitioners respectfully move that this Petition be instituted and joined with the Rackspace IPR filed by Rackspace US, Inc. and Rackspace Hosting, Inc. (collectively, “Rackspace”). The Rackspace IPR was instituted by the Board on April 15, 2014. As discussed herein, Petitioners do not seek to alter the grounds upon which the Board has already instituted the Rackspace IPR, and seek no change in the existing schedule for that IPR proceeding. Petitioners, by this Motion, request an opportunity to join with the Rackspace IPR solely as an “understudy” to Rackspace, where Petitioners would only assume an active role in the event Rackspace settles with PersonalWeb Technologies, LLC (“PersonalWeb”) and Level 3 Communications, LLC (“Level 3”) (collectively, “Patent Owners”) and moves to terminate the Rackspace IPR.

I. SPECIAL CIRCUMSTANCES WARRANT JOINDER

The following special circumstances warrant that the Board exercise its discretion and grant this Motion and Petition, and join the resulting proceeding with the Rackspace IPR. Petitioners also submit that such special circumstances warrant a waiver of certain requirements (including the requirement of Rule 42.122

that motions for joinder be filed no later than one month after the institution date of the IPR for which joinder is requested) pursuant to the Board's authority set forth in Rule 42.5(b):

- 1. The Petitioners are seeking to join an IPR proceeding in its initial stages which is already subject to a stipulated extension.** The Board only recently instituted the Rackspace IPR on April 15, 2014. The Board's scheduling order set Patent Owners' Response for June 16, 2014. *See* IPR2014-00066, Paper No. 10. However, the parties stipulated to a 30-day extension for the Response to July 16, 2014. *See* IPR2014-00066, Paper No. 14. The parties also agreed to delay Rackspace's Reply to the Response until September 15, 2014. *Id.* To date, only the initial telephonic conference has taken place. *See* IPR2014-00066, Paper No. 13. Given the current schedule and the agreed one-month delay in the Rackspace IPR proceedings, Petitioner's request for joinder is occurring at a stage of the proceedings that is contemplated by Rule 42.122(b) – *i.e.*, shortly after Institution and prior to the Patent Owners' Response. Given the early stage of the proceedings, Petitioners submit that joinder is appropriate, and that waiver or suspension of Rule 42.122(b) is appropriate in these circumstances. *See, e.g.*, IPR2013-00495, Paper No. 13 (exercising Board discretion under § 42.5(b) and granting joinder

2. Petitioners' request is consistent with the specific set of circumstances under which the Board has, within its discretion, previously approved joinder, and granting this request will not have deleterious effects on future joinder motions. The decisions of the Board suggest that filing a new Petition with identical grounds, a method recently used in other cases, is an acceptable (if not preferred) means to join an instituted IPR. *See, e.g.*, IPR2013-00495, Paper No. 13 (granting, in the Board's discretion, joinder where the petition raises the same grounds from an IPR that has already been instituted); IPR2013-00385, Paper No. 17 (granting joinder where there are no new grounds not already before the Board); *compare* IPR2013-00386, Paper No. 16 (denying joinder where accompanying petition challenged new claims, added new references and raised new grounds of unpatentability). The decisions of the Board also suggest that moving to join an IPR in the limited role of an understudy solely to prevent a Patent Owner from prematurely seeking to terminate an IPR through settlement is an acceptable basis for joining an existing IPR. *See, e.g.*, IPR2013-00495, Paper No. 13 (granting joinder where petitioner agreed to an "understudy" role). The present Petition is consistent with these

decisions and goals and will only confirm, and not expand, the Board's prior decisions.

- 3. Permitting joinder in this circumstance will preserve the Board's significant investment of resources in instituting the Rackspace IPR proceeding (and related ones), ensure its continuation, and prevent great prejudice to Petitioners.** The Board's contemporaneous decisions regarding certain claims of the instant and other related patents confirm that claims of these patents are invalid by a preponderance of the evidence. *See* IPR2013-00082, Paper No. 83 (finding invalid claims of the related '791 patent); IPR2013-00086, Paper No. 66 (finding invalid claims of the related '662 patent); IPR2013-00083, Paper No. 80 (finding invalid claims of the related '280 patent); IPR2013-00087, Paper No. 69 (finding invalid claims of the related '096 patent); IPR2014-00057, IPR2014-00059, IPR2014-00062, IPR2014-00066, Paper No. 9 (instituting proceedings on the '791, '280, '310 and '442 patents, respectively). Indeed, many of the Board's findings in those related proceedings, such as claim construction, have already been incorporated into this IPR. Patent Owner has asserted certain of the claims at issue in this IPR against Petitioner in district court. If the Patent Owner settles with Rackspace, and if a final decision in the

Rackspace IPR is not issued, then Patent Owner will effectively be able to shield itself from review of the challenged claims of the instant patent under a preponderance of the evidence standard. Joinder by Petitioner in an understudy role will prevent this prejudice.

Petitioners thus request a waiver of Rule 42.122 under Rule 42.5 (Conduct of the proceeding), given the unique circumstances of the instant Motion outlined above.

II. JOINDER WILL NOT PREJUDICE OR OTHERWISE BURDEN ANY OF THE OTHER PARTIES IN THE IPR PROCEEDING

Where the Petitioners will minimize any additional cost or burden on other parties, Petitioners request that the Board exercise its discretion to grant Petitioners' request, and, as necessary, invoke its authority under Rule 42.5 to waive the requirements of Rule 42.122.

- **No new arguments are presented.** The Petition asserts, word-for-word in substance, only the arguments that the Board has already instituted in the Rackspace IPR. Thus, there are no new arguments to consider.
- **No schedule adjustments are necessary.** The Rackspace IPR is in its early stage and Patent Owners will file their Response to that IPR on July 16, 2014 (in view of the stipulated 30-day extension). Given that this Petition raises grounds identical to those allowed in the Rackspace IPR, Patent Owners' Response in the Rackspace IPR should likewise apply equally to the instant

Petition. Thus, Patent Owners will not be prejudiced.

- **Petitioners agree to assume a limited “understudy” role.** As long as Rackspace remains in its IPR, Petitioners agree to remain in a circumscribed role without a separate opportunity to actively participate. Thus, Petitioners will not file additional written submissions, nor will they pose questions at depositions or argue at oral hearing without the prior permission of Rackspace. Only in the event that Rackspace settles and attempts to terminate the Rackspace IPR will Petitioners seek to become active in the IPR.
- **Rackspace will suffer no additional cost or burden.** As Petitioners will assume a passive role, Rackspace will not be required to cooperate with Petitioners. Thus, Rackspace will not suffer further cost or burden in preparing motions and arguments.
- **Patent Owners will suffer no additional cost or burden.** Patent Owners are already defending the patent-at-issue against the same arguments in an instituted IPR. As Petitioners will assume a passive role, Patent Owners will not have to address any additional arguments or pages of argument if Petitioners are joined.
- **Petitioners will only impact potential settlement discussions to the extent that the Rackspace IPR will continue unless Rackspace settles.** In weighing settlement, PersonalWeb will have to consider the presence of Petitioners as

additional parties to the IPR.

III. THE PRESENT CIRCUMSTANCES SATISFY THE FOUR FACTORS TO BE ANALYZED IN MOTIONS FOR JOINDER

In accordance with the Board's Representative Order identifying matters to be addressed in a motion for joinder (*see, e.g.*, IPR2013-00004, Paper No. 15, April 24, 2013), Petitioners respectfully submit that: (1) joinder is appropriate because it will promote efficient determination of the validity of the '442 Patent without prejudice to Rackspace or Patent Owners (*see, e.g.*, IPR2013-00385, Paper No. 17, July 29, 2013 (granting motion for joinder under similar circumstances)); (2) Petitioners' petition does not raise any issues that are not already before the Board in the Rackspace IPR, *i.e.*, the same grounds of unpatentability raised by Rackspace and for which the Board instituted review; (3) joinder would not affect the pending schedule in the Rackspace IPR in any way nor increase the complexity of that proceeding in any way, thus minimizing costs; and (4) Petitioners are willing to accept an understudy role to minimize burden and schedule impact. Moreover, absent joinder, the Board's investment of resources in review of this patent and those related to it would not come to fruition. Further, Petitioners could be prejudiced if the Rackspace IPR is terminated before a final written decision is issued as it would have to litigate the same positions at the District Court under a higher burden of proof. Accordingly, joinder should be granted.

A. Background and Related Proceedings

PersonalWeb and Level 3 are the owners of the '442 Patent. In 2011, PersonalWeb sued thirteen (13) different companies, including Petitioners, for allegedly infringing the '442 Patent (among others in the same patent family). In 2012, PersonalWeb filed suit against at least five (5) other companies alleging infringement of the same. (“Underlying Litigations”)

Rackspace filed its petition for *inter partes* review of the '442 Patent on October 11, 2013. The Board instituted the Rackspace IPR on April 15, 2014 (IPR2014-00066, Paper No. 9,) and ordered Patent Owners’ Response due on June 16, 2014 (IPR2014-00066, Paper No. 10,). Patent Owners and Rackspace subsequently agreed to extend this deadline by 30 days to July 16, 2014 and agreed to extend Rackspace’s Reply to September 15, 2014 (IPR2014-00066, Paper No. 16). Patent Owners also noticed the deposition of two of Rackspace’s expert declarants for June 23-25, 2014 (IPR2014-00066, Paper Nos. 15-16).

B. The Circumstances Warrant Granting Of The Joinder Motion

The instant Petition is not subject to the one year time bar of Section 315(b). As the Board has previously held, the Board has authority to join Petitioners as parties under 35 U.S.C. § 315:

While [Petitioners] filed the Petition more than one year after being served with a complaint, the second sentence of Section 315(b) provides that the one-year bar ‘shall not apply to a request for joinder

under subsection (c).’ The one-year bar, therefore, does not apply to [Petitioners] because [they] filed a motion for joinder with [their] Petition. This is confirmed by the Board’s rules, which provide that a petition requesting inter partes review may not be “filed more than one year after the date on which the petitioner, the petitioner’s real party-in-interest, or a privy of the petitioner is served with a complaint alleging infringement of the patent,’ but the one-year time limit ‘shall not apply when the petition is accompanied by a request for joinder.’

See IPR2013-00385, Paper No. 17 at 4-5; *see also* 37 C.F.R. §§ 42.101(b), 42.122(b); IPR2013-00109, Paper No. 15 (permitting joinder of a party beyond the one-year window); IPR2013-00256, Paper No. 10 (same). As such, Petitioners respectfully submit that the Petition and the instant motion for joinder are properly filed under the applicable statute.

Although Rule 42.122 states that a motion for joinder shall be filed within one month from the granting of the petition that is sought to be joined (*i.e.*, one month from April 15, 2014), Petitioners submit that filing the instant Petition and request for joinder to the Rackspace IPR are nevertheless permissible. 35 U.S.C. § 315 states that granted petitions may be joined, subject to the discretion of the Director. *See* IPR2013-00385, Paper No. 17 at 6 (recognizing that multiple motions for joinder may be filed and that the Board has discretion to join parties) (citing 157 CONG. REC. S1376 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl) (“The Director is given discretion . . . over whether to allow joinder. This safety

valve will allow the Office to avoid being overwhelmed if there happens to be a deluge of joinder petitions in a particular case.”). Neither § 315 nor Rule 42.122 limit the types or numbers of granted petitions that may be joined. Given the very early stages of the Rackspace IPR whereby the Patent Owners have yet to even file a response to the petition, as well as the unique circumstances outlined in this Motion, including, but not limited to, the stipulated extension for the Response and Reply, Petitioners request a waiver of Rule 42.122 under Rule 42.5 (Conduct of the proceeding). In particular, as summarized in the above sections (Sections I and II), at least the following reasons support such a waiver:

- The Rackspace IPR was only instituted on April 15, 2014, and aside from an initial conference call, no meaningful activity has occurred since the proceedings began;
- Patent Owners and Rackspace agreed to a significant extension for both the Patent Owners’ Response (from June 16, 2014 to now July 16, 2014) and Petitioners Reply to that Response (from August 15, 2014 to now September 15, 2014), resulting in an extended period of inactivity before the Board;
- Granting this request will not result in a proliferation of future joinder motions;
- No new arguments are presented, and no schedule adjustments are necessary;
- Petitioners agree to assume a limited, understudy role; and
- Neither PersonalWeb, Level 3, nor Rackspace will suffer any additional cost or

burden.

C. Joinder will not impact the Board's ability to complete the review within the one-year period

Joinder in this case will not impact the Board's ability to complete its review in a timely manner. Section 316(a)(11) provides that the Board's final decision should issue within one year of institution of the review. *See also* 37 C.F.R. § 42.100(c). Here, joinder will not affect the Board's ability to issue its final determination within one year because Petitioners agree to an understudy role and do not raise any issues that are not already before the Board. Indeed, the Petition includes only those grounds on which the joined IPRs were instituted, and the invalidity grounds were copied verbatim from Rackspace's petition.

Given that Petitioners will assume an understudy role as outlined above, their presence will not introduce any additional arguments, briefing, or need for discovery.

Moreover, Petitioners only offered identical support that Rackspace previously introduced. For example, the Petition relies on the expert witnesses already involved in the Rackspace IPR, Drs. Narashimha Reddy and Melvin Mercer. Petitioners have not submitted a new declaration. Since Petitioners will enter the Rackspace IPR as an understudy, all discovery that has occurred, if any, need not to be repeated. Indeed, the depositions of Drs. Reddy and Mercer have already been noticed by Patent Owners for June 23, 2014 (IPR 2014-00066, Paper

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No. 15) and June 24-25, 2014 (IPR 2014-00066, Paper No. 16), respectively, and the instant Petition and Motion will not disrupt or delay them.

Patent Owners will have the opportunity to respond to the Rackspace IPR next month (July 16, 2014) and will also have yet another opportunity to respond to the exact grounds in the instant IPR. Yet, given that the Petition is the same as that submitted in the Rackspace IPR, Petitioners submit that PersonalWeb and Level 3 need not file a Patent Owners' Preliminary Response to the Petition, and request that the Board proceed without it. This is consistent with a prior Board Order (IPR2013-00256, Paper No. 8), which allowed the Patent Owner to file a Preliminary Response addressing only those points raised in the new petition that were different from those in the granted petition. Here, because the invalidity grounds are identical to the grounds allowed in the Rackspace IPR Petition, there is nothing new for the Patent Owners to address.

In view of the above, Petitioners submit that the current schedule in the Rackspace IPR can remain the same.¹

¹ At most, the Board can add an additional deadline for PersonalWeb and Level 3 to respond to this Petition, but this deadline will not impact other deadlines in the current schedule on this patent.

D. Joinder would enhance efficiency by avoiding duplicate efforts and inconsistencies and would avoid prejudice to Petitioners

A final written decision on the validity of the '442 patent will at least minimize issues in the Underlying Litigations and, at most, resolve the litigations altogether. Allowing Petitioners to join would preserve the Board's investment of resources, avoid inconsistency, and also avoid prejudice to Petitioners in the event that PersonalWeb and Level 3 settle with Rackspace. Section 317(a) provides that an *inter partes* review "shall be terminated with respect to any petitioner upon the joint request of the petitioner and the patent owner" unless the Board has already reached its decision on the merits. If no petitioner remains after settlement, "the Office may terminate the review." *Id.* Thus, if PersonalWeb and Level 3 were to reach a settlement with Rackspace, then the Rackspace IPR could terminate, in the Board's discretion, without proceeding to a final written decision.

Indeed, if the Board terminated the Rackspace IPR, Petitioners would have to reargue in district court the exact same arguments that Rackspace has already shown are reasonably likely to prevail in the PTAB. *See* IPR2014-00066, Paper No. 9. Arguments related to both claim construction and validity will have to be briefed and considered, increasing the work for both Petitioners and Patent Owners.

The potential for inconsistency would be also heightened because Petitioners would face a higher burden before the District Court of proving the invalidity of

claims 1, 2, 4, 7, 23, 27, 28, and 30 of the '442 patent by clear and convincing evidence, as opposed to the lower burden of a preponderance of the evidence applicable before the PTAB. *See* 35 U.S.C. § 316(e). Having to overcome a higher burden to reach the same result would be prejudicial to Petitioners.

If the Board permits Petitioners to join the Rackspace IPR, and the '442 patent is upheld in a final decision, Petitioners will be estopped from further challenging the validity of the patent on these grounds, avoiding duplication of Patent Owners' efforts at least as to Petitioners. *See* 35 U.S.C. § 315(e)(1). Accordingly, to avoid duplicate efforts, the possibility of inconsistencies, and prejudice to Petitioners, joinder is appropriate.

E. Joinder will not prejudice Rackspace, PersonalWeb or Level 3

Granting joinder and permitting Petitioners to assume the understudy role will not prejudice any of the parties in the IPR on the '442 patent. Petitioners raise no issues that are not already before the Board, such that joinder would not affect the timing of the Rackspace IPR or the content of Patent Owners' Response due on July 16, 2014. Petitioners' understudy role ensures that Rackspace, PersonalWeb and Level 3 will not suffer any additional costs. As a co-party, Rackspace will not be obligated to cooperate with (or share the limited time and briefing pages) with more parties than they already do. Likewise, PersonalWeb and Level 3 will not have to coordinate with (or respond to more briefing pages or arguments by) more

parties than it currently does. Petitioners' motion makes every effort to minimize the burden on the other parties in the Rackspace IPR and has, in fact, been raised in a way and at a stage in which the impact of a joinder is minimal.

IV. CONCLUSION

For the foregoing reasons, Petitioners respectfully request that their Petition for *Inter Partes* Review of U.S. Patent No. 6,928,442 be granted and that the proceedings be joined with IPR2014-00066.

Although Petitioners believe that no fee is required for this Motion, the Commissioner is hereby authorized to charge any additional fees which may be required for this Motion to Deposit Account No. 50-2387.

Dated: June 18, 2014

Respectfully submitted,

/Jennifer A. Sklenar/

Jennifer A. Sklenar
Reg. No. 40,205
ARNOLD & PORTER LLP
777 S. Figueroa Street, 44th Floor
Los Angeles, CA 90017-5844
Telephone: (213) 243-4000
Facsimile: (213) 243-4199
jennifer.sklenar@aporter.com

CERTIFICATE OF SERVICE UNDER 37 C.F.R. §§ 42.6(e), 42.105(a)

Pursuant to 37 C.P.R. §§ 42.6(e) and 42.105(a), this is to certify that I caused to be served a true and correct copy of the foregoing **MOTION FOR JOINDER UNDER 35 U.S.C. § 315(c), 37. C.F.R. §§ 42.22, 42.122(b), AND 42.5(b)** by UPS Express delivery, on this 18th day of June, 2014 on the Patent Owners at the correspondence address of the Patent Owner as follows:

Brian Kaider
Davidson Berquist Jackson & Gowdey LLP
4300 Wilson Blvd., 7th Floor
Arlington, VA 22203

By Email for counsel of record IPR2014-00066 (Patent 6,928,442):

Joseph A. Rhoa
Updeep S. Gill
Nixon & Vanderhye P.C.
901 North Glebe Road, 11th Floor
Arlington, VA 22203-1808
jar@nixonvan.com
usg@nixonvan.com

Dated: June 18, 2014

Respectfully submitted,

/Jennifer A. Sklenar/

Jennifer A. Sklenar
Reg. No. 40,205