

Filed on behalf of: IPR LICENSING, INC.

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORPORATION
Petitioner

v.

IPR LICENSING, INC.
Patent Owner

Case IPR2015-00074
U.S. Patent No. 8,380,244

Before PATRICK E. BAKER, *Trial Paralegal*.

**PATENT OWNER'S OPPOSITION TO PETITIONER'S
MOTION FOR JOINDER**

I. Introduction

Petitioner Microsoft filed a Petition for *Inter Partes* Review of U.S. Patent No. 8,380,244 (Paper No. 1) (the “Petition”), along with a Motion for Joinder (Paper No. 3) (the “Motion”). This Motion would join the Petition with the *inter partes* review in *ZTE Corporation v. IPR Licensing, Inc.*, IPR2014-00525 (the “ZTE IPR”).

Patent Owner respectfully opposes the Motion. As Patent Owner will set forth in greater detail in its Preliminary Patent Owner’s Response, the Petition is substantively duplicative to the currently pending ZTE IPR. Petitioner admits that it is based on the same grounds and same combinations of prior art. *See, e.g.*, Paper No. 3 at 4. Yet, the Petition introduces new information that would unnecessarily complicate the proceedings in the ZTE IPR and the Petitioner fails to explain why this new information is required for the resolution of the ZTE IPR, or why the Board cannot address the merits of the very same prior art and arguments without Petitioner. Moreover, denying the Motion will not harm the Petitioner, as it constructively chose not to timely file its Petition earlier. The Patent Trial and Appeals Board (the “Board”) should exercise its discretion and deny the Motion.

II. Response to Petitioner's Statement of Facts

Patent Owner does not dispute the facts set forth in this section of the Motion. However, facts admitted elsewhere in Petitioner's Motion and its Petition, as well as certain omitted facts, compel denial of the Motion.

On September 3, 2013, Petitioner announced that it would purchase substantially all of Nokia's Devices & Services business, which ultimately included the acquisition of Nokia, Inc. ("Nokia") by Petitioner's wholly-owned subsidiary Microsoft Mobile Oy ("MMO"). Despite being sued for patent infringement under the '244 patent in March, 2013, Nokia (now wholly-owned by Petitioner) did not join co-defendant ZTE in filing its IPR request. Nor did Nokia file its own IPR request within the time period set forth under 35 U.S.C. § 315(b). Rather, Petitioner waited opportunistically until after the institution of the ZTE IPR. The Motion ignores these facts. The Motion also fails to acknowledge that in related legal proceedings, Petitioner has expressly elected to assume all liabilities of Nokia, including all "defenses, rights of offset or counterclaims related to the Assumed Liabilities" for purposes of those related proceedings. Ex. 2001 (MMO's Brief Regarding Substitution of Parties, *Interdigital Commc'ns, Inc. v. Nokia Corp.*, No. 1:13-cv-00010, D.I. 303 at 6 (D. Del. July 22, 2014)).

Finally, Petitioner admits that the Petition is duplicative of the Grounds initiated in the ZTE IPR, as set forth below. *See, e.g.*, Paper No. 1 at 14. Thus,

Petitioner seeks to institute a review that is not only duplicative, but that could have been – but was not – timely filed by Nokia, in whose shoes Petitioner has now willingly chosen to stand.

The facts demonstrate that there is no prejudice to Petitioner. The Petitioner has knowingly assumed Nokia’s prior decision not to file, and should not now be permitted to evade its liabilities by joining the ZTE IPR. Therefore, the denial of the Motion and the Petition is proper.

III. Joinder is Discretionary

The Board has discretion to join together two *inter partes* reviews. 35 U.S.C. § 315. Specifically, Section 315(c) provides:

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.

Thus, joinder is discretionary and decided on a “case-by-case basis, taking into account the particular facts of each case, substantive and procedural issues, and other considerations.” *Shaw Indus. Grp., Inc. v. Automated Creel Sys., Inc.*, IPR2013-00584, Paper No. 20 at 3 (P.T.A.B. Dec. 31, 2013) (citing 157 CONG. REC.

S1376 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl)). Further, “the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. § 325(d). The Petitioner, as the moving party, has the burden of proof in establishing that joinder is appropriate. 37 C.F.R. §§ 42.20(c), 42.122(b).

IV. The Motion Fails to Meet the Requirements for Joinder

Petitioner has presented no evidence or indication that its presence is necessary in the ZTE IPR. Petitioner has conceded that there are no substantive differences between the Petition and the ZTE IPR. *See, e.g.*, Paper No. 1 at 14. The prior art and arguments are the same. Paper No. 3 at 4. Nonetheless, Petitioner identifies restructuring of arguments, additional citations to prior art, arguments regarding related litigation and a supplemental declaration from the expert. Paper No. 3 at 4-5. Contrary to Petitioner’s assertions, these changes and additional arguments will still require additional analysis by the Patent Owner. Further, the Patent Owner will be required to address these arguments and issues, regardless of how trivial or duplicative the arguments might be. Thus, joining Petitioner will necessarily complicate the proceedings in the ZTE IPR. Despite these additional complications, the Petitioner fails to explain how this new information or its participation are necessary for the resolution of the ZTE IPR, or why the Board

cannot address the merits of the very same prior art and arguments without Petitioner.

Moreover, Petitioner's conclusory statements that joinder will not affect the schedule or the briefing of the ZTE IPR are insufficient. Petitioner must explain the impact of joinder to the schedule and how briefing may be simplified. *Kyocera Corp. v. SoftView LLC*, IPR2013-00004, Paper 15 at 4 (P.T.A.B. Apr. 24, 2013) (requiring moving party to "explain how the impact on the schedule ... will be minimized" and "how briefing and/or discovery may be simplified."). The Motion provides no detail or even bare suggestion as to how the various events, such as the Patent Owner's Preliminary Response or the Board's decision on Institution, could be done within the current schedule in the ZTE IPR. Modifying the current schedule will likely require changing some or all of the dates for completion of briefing and the date for oral argument – dates that were not changed by the parties' earlier agreement to modify the schedule. Petitioner's conclusory statements regarding the schedule are insufficient and support denying the Motion. *Samsung Elecs. Co., Ltd. v. Arendi S.A.R.L.*, IPR2014-01144, Paper No. 11 at 5 (P.T.A.B. Oct. 2, 2014) (denying joinder based in part on failure to identify specific changes to schedule). Moreover, Petitioner's statements regarding briefing are no better, providing only vague goals with no commitment or specifics on how to achieve these goals. Although Petitioner states that it will coordinate with ZTE, there is no indication that

ZTE has agreed to this. Thus, Petitioner has failed to meet its burden, and joinder should be denied for failing to address these issues in its Motion. *Id.* at 6.

V. Joinder Is Improper as the Petition Provides No New Arguments

The Motion should be denied as the Petition is substantively duplicative and offers no better grounds than that found in the ZTE IPR. Petitioner admits the “Petition is substantively nearly-identical to the ZTE [IPR].” Paper No. 3 at 6.

The Board has routinely rejected petitions where a petitioner has failed to demonstrate why its petition is not redundant to an already pending *inter partes* review. In *Unified Patents, Inc. v. Personal Web Techs., LLC*, IPR2014-00702, Paper No. 13 (P.T.A.B. July 24, 2014), the Board exercised its discretion under 35 U.S.C § 325(d) and denied a petition “because the same or substantially the same prior art and arguments were presented previously in [an earlier IPR].” *Id.* at 9. As in the present Petition, the Board recognized in *Unified Patents* that whether or not the petition is instituted, “a determination will be made as to whether” the challenged claims “are unpatentable” over the same prior art in the earlier proceeding. *Id.* at 8.

The Motion does not identify how the Petition adds to the ZTE IPR or what issues it addresses that the Board would not have considered in the ZTE IPR. The circumstances in the instant case are no different than those in *Unified Patents*, and thus indicates that the Petition should be denied. Denying institution of the

Petition renders the Motion moot. *See Medtronic, Inc. v. Robert Bosch Healthcare Sys., Inc.*, IPR2014-00436, Paper No. 17 at 15 (P.T.A.B. June 19, 2014). Thus, Petitioner has failed to meet its burden to demonstrate that joinder is appropriate.

VI. Joinder Is Improper as No Harm Would Result to Petitioner

Joinder may only be authorized when warranted and the decision to grant joinder is discretionary. The Board has frequently stressed that joinder must “secure the *just*, speedy, and inexpensive resolution of every proceeding.” *Shaw Indus. Grp.*, IPR2013-00584, Paper No. 20 at 3 (emphasis added). There is no injustice in denying the Motion and the Petition, because Nokia’s failure to file an IPR within the statutory time period prescribed under 35 U.S.C. § 315(b) was a choice knowingly adopted and assumed by Petitioner. Nokia had ample opportunity to either join in ZTE’s petition or to file its own petition before the one-year time bar, but chose to do neither. Petitioner should be bound by this choice.

Petitioner has represented in district court that it acquired substantially all of Nokia Corporation’s Device and Services Business, including Nokia. Ex. 2001 at 5. Petitioner, presumably after the requisite investigation into the facts, further affirmatively chose to assume all “defenses, rights of offset or counterclaims related to the Assumed Liabilities.” *Id.* at 6. Petitioner, by choosing to step into the shoes of Nokia, adopts its previous choices and the equities that flow from them. *See, e.g., Taylor v. Sturgell*, 553 U.S. 880, 895 (2008) (control of a litigation may bar a

party as already having “‘had his day in court’ even though he was not a formal party.” (quoting 1 Restatement (Second) of Judgments § 39 cont. (1982)). These previous Nokia decisions should not now be disregarded by permitting joinder.

Petitioner’s arguments that its wholly-owned subsidiaries are not in privity would elevate corporate form over the substance of what has occurred. Petitioner acquired Nokia with full knowledge of the choices Nokia had made regarding *inter partes* review. There is no unfairness in denying Petitioner’s joinder, as Nokia neither filed its own petition nor attempted to join the ZTE IPR earlier.¹ The Motion confirms that Petitioner is the same as MMO when asserting that arguments made against its wholly-owned subsidiary MMO (which includes Nokia) in litigation should permit Petitioner to join the IPR.² Paper No. 3 at 6. Petitioner has embraced its relationship with its wholly-owned subsidiaries in the Motion and has agreed to accept all liabilities and defenses in the related litigation.

¹ Petitioner’s citation to antitrust regulations is inapplicable, as it had standing to file its own petition prior to the expiration of the one year period of § 315(b).

² The Motion omits that the denial of the petition for *inter partes* review of the ‘151 patent was not admissible against ZTE, the party that filed it, let alone Nokia. *See Ex. 2002, Interdigital Commc’ns, Inc. v. Nokia Corp.*, No. 1:13-cv-00010, D.I. 367 (D. Del. Sept. 19, 2014).

Petitioner should not be permitted to deny that relationship and disavow Nokia's decision not to join the ZTE IPR or file its own when arguing for joinder.

VII. Conclusion

Therefore, the Patent Owner respectfully submits that the Petitioner has failed to meet its burden to demonstrate that joinder is appropriate and requests that this Motion should be denied as improper.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on this 20th day of November, 2014, true and correct copies of the foregoing PATENT OWNER'S OPPOSITION TO PETITIONER'S MOTION FOR JOINDER were served by electronic mail and Federal Express, upon the following counsel of record for Petitioner Microsoft Corp.:

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