

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNIFIED PATENTS INC.,
Petitioner,

v.

BRADIUM TECHNOLOGIES LLC,
Patent Owner.

Case IPR2018-00952
Patent 9,253,239 B2

Before BRYAN F. MOORE, BRIAN J. McNAMARA, and
MINN CHUNG, *Administrative Patent Judges*.

Opinion of the Board filed by *Administrative Patent Judge* MOORE

Opinion Dissenting filed by *Administrative Patent Judge* CHUNG

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314

BACKGROUND

Unified Patents, Inc. (“Petitioner”) filed a petition, Paper 2 (“Pet.”), to institute an *inter partes* review of claims 1–25 (the “challenged claims”) of U.S. Patent No. 9,253,239 B2 (“the ’239 Patent”). 35 U.S.C. § 311. Bradium Technologies LLC (“Patent Owner”) timely filed a Preliminary Response, Paper 20 (“Prelim. Resp.”), contending that the Petition should be denied as to all challenged claims. We have authority to determine whether to institute an *inter partes* review under 37 C.F.R. § 42.4(a) and 35 U.S.C. § 314, which provides that an *inter partes* review may not be instituted unless the information presented in the Petition “shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” Having considered the arguments and the associated evidence presented in the Petition and the Preliminary Response, for the reasons described below, we institute *inter partes* review.

In its Preliminary Response, Patent Owner asserted Petitioner had not named all real parties-in-interest. Prelim. Resp. 1. In accordance with our authorization (see Papers 23 and 27) Petitioner filed a Reply (Paper 26, “RPI Reply”) and Patent Owner filed a Sur-Reply (Paper 29, “RPI Sur-Reply”) on that the real parties-in-interest issue.

REAL PARTIES IN INTEREST

Patent Owner argues that the Petition should be denied because Petitioner failed to identify all real parties-in-interest (RPIs). Prelim. Resp. 9. In accordance with 35 U.S.C. § 312(a)(2) and 37 C.F.R. § 42.8(b)(1), Petitioner identifies itself, Unified Patents, Inc., as the only real-party-in-

interest (“RPI”). Pet. 2. Petitioner Unified Patents’s business model includes membership by companies. Prelim. Resp. 7. Patent Owner asserts that two members of Petitioner are RPIs that should have been named in the Petition. RPI Sur-Reply 2. Specifically, Patent Owner does not contend that all members of Petitioner are RPIs, rather Patent Owner “contends only that two specific members of Unified . . . are RPIs.” *Id.* Based on that failure to name those alleged RPIs, Patent Owner requests that we dismiss the Petition. Prelim. Resp. 1, 10. Even if the members of Petitioner that Patent Owner cites as potential RPIs should be named RPIs, failure to identify them as such at the time the Petition was filed does not require us to terminate the proceeding. This is because Patent Owner does not allege that inclusion of any specified member of Petitioner as an RPI would have barred the Petition under 35 U.S.C. § 315. RPI Sur-Reply 6.

Aside from a bar defense, under the Board’s precedential decision in *Lumentum Holdings, Inc. v. Capella Photonics, Inc.*, our jurisdiction to consider a petition does not require a “correct” identification of all RPIs in a petition. Case IPR2015–00739, slip op. at 6 (PTAB Mar. 4, 2016) (Paper 38) (precedential); *see also Blue Coat Sys., Inc. v. Finjan, Inc.*, Case IPR2016–01444, slip op. at 10 (PTAB July 18, 2017) (Paper 11) (“Evidence [of failure to identify all RPIs] is, at best, suggestive of an issue that is not jurisdictional.”). Indeed, later PTAB decisions indicate that a petition may be corrected after institution of trial to add a real party in interest if warranted without assigning a new filing date to the petition. *E.g., Axon EP, Inc. v. Derrick Corp.*, Case IPR2016–00642, slip op. at 3 (PTAB Nov. 21, 2016) (Paper 17).

Principles of Law

A petition for *inter partes* review “may be considered only if . . . the petition identifies all real parties-in-interest.” 35 U.S.C. § 312(a)(2). When a patent owner provides sufficient evidence prior to institution that reasonably brings into question the accuracy of a petitioner’s identification of RPIs, the overall burden remains with the petitioner to establish that it has complied with the statutory requirement to identify all RPIs. *Zerto, Inc. v. EMC Corp.*, Case No. IPR2014-01295, slip op. at 6–7 (PTAB Feb. 12, 2015) (Paper 31).

“[A]t a general level, the ‘real party-in-interest’ is the party that desires review of the patent.” Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012) (“Trial Practice Guide”). “Whether a party who is not a named participant in a given proceeding nonetheless constitutes a ‘real party-in-interest’ . . . to that proceeding is a highly fact-dependent question” with no “bright line test,” and is assessed “on a case-by-case basis.” Trial Practice Guide, 48,759 (citing *Taylor v. Sturgell*, 553 U.S. 880, 893–95 (2008)). A common consideration is whether the non-party exercised or could have exercised control over the proceeding. Trial Practice Guide, 48,759 (citing Charles Alan Wright, Arthur R. Miller & Edward H. Cooper, *Federal Practice & Procedure* (“Wright & Miller”) § 4451). The concept of control generally means that “the nonparty has the actual measure of control or opportunity to control that might reasonably be expected between two formal coparties.” *Id.*

Actual control is not the only measure— “[d]etermining whether a non-party is a ‘real party in interest’ demands a flexible approach that takes into account both equitable and practical considerations, with an eye toward

determining whether the non-party is a clear beneficiary that has a preexisting, established relationship with the petitioner.” *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1351 (Fed. Cir. 2018) (“*AIT*”). Relevant factors in the RPI analysis include “Party A’s relationship with the petitioner; Party A’s relationship to the petition itself, including the nature and/or degree of involvement in the filing; and the nature of the entity filing the petition.” Trial Practice Guide, 48,760.

We acknowledge that, prior to *AIT*, Board decisions cited by Patent Owner found Petitioner’s members were not RPIs primarily due to a lack of control over the IPR by the member.¹ Prelim. Resp. 10. We also acknowledge two Board cases decided post-*AIT* cited by Patent Owner find Petitioner’s members are not RPIs under the broader *AIT* rubric.² RPI Sur-Reply 4. Patent Owner asserts these cases were wrongly decided. *Id.* None of those cases is designated precedential and we decide this case on its own merits.

Arguments

There appears to be no dispute to Petitioner’s assertion that it “controlled, directed and funded this petition, did not communicate with any

¹ For example, Patent Owner cites *Unified Patents Inc. v. Qurio Holdings, Inc.*, IPR2015-01940, Paper 7 at 26 (PTAB Apr. 13, 2016) (Comcast not real party-in-interest due to lack of “actual proof that Comcast exerted control over the Petition.”) and *Unified Patents Inc. v. American Vehicular Sciences, LLC*, IPR2016-00364, Paper 13 at 6 (PTAB June 27, 2016) (“Patent Owner provides no evidence that any other entity actually is controlling this particular proceeding, or is providing direct financing for this particular proceeding.”)

² Patent owner cites *Unified Patents Inc. v. Realtime Adaptive Streaming, LLC*, IPR2018-00883 (Oct. 11, 2018); *Unified Patent v. Plectrum LLC*, IPR 2017-01430 (Paper 30, Nov. 13, 2018).

of its members regarding filing, and that none of Unified's members have been sued by Braduim." RPI Reply 2. As explained below, considering these facts and the totality of the circumstances presented in the case, we do not find that the two members of Petitioner cited by Patent Owner were RPIs.

Patent Owner's arguments are premised on its contention that

In [*AIT*], the court took special note of the following facts, among others: (1) 'RPX, unlike a traditional trade association, is a for-profit company whose clients pay for its portfolio of 'patent risk solutions'' (*Id.*); (2) one of RPX's strategies is 'the facilitation of challenges to patent validity' to 'reduce expenses for [RPX's] clients' (*Id.*); (3) the fact that RPX may not discuss specific IPRs with clients may be for the purpose of circumventing the RPI requirement. *Id.*, 1352, n.4. Collectively, these facts 'imply that RPX can and does file IPRs to serve its clients' financial interests, and that a key reason clients pay RPX is to benefit from this practice in the event they are sued by an NPE.' *Id.*

Prelim. Resp. 5. In other words, Patent Owner asserts that the business model of RPX implies that RPX files IPRs to serve its clients' financial interest. We consider additional factors because *AIT* does not state that filing RPIs to serve a clients (members) financial interest alone is a relationship that makes a client an RPI; rather, the court remanded for the Board to consider that and other questions. *AIT*, 897 F.3d at 1352–54. Based on its reading of *AIT* Patent Owner lists several similarities between RPX and Petitioner. Prelim. Resp. 5–9. For example, Patent Owner asserts

RPX was a for-profit company set up to help paying members by filing IPRs to help them avoid litigation and to reduce their expenses, and *AIT* found that this alone implied that 'RPX can and does file IPRs to serve its clients' financial interests, and that a key reason clients pay RPX is to benefit from this practice'

AIT, 897 F.3d at 1352. There is no difference between Unified and RPX insofar as this implication is concerned.

RPI Sur-Reply 5 (emphasis omitted).

Specifically, Patent Owner asserts that, among other things: A “unique and important part of Unified Patents’ overall strategy is filing *inter partes* review petitions to undermine current assertions based on invalid patents by large nonpracticing entities against companies in the technology industry ... and to deter future claims in the same space” (Prelim. Resp. 5 (quoting Ex. 2025)); Unified Patents has Zones focused on a particular industry (*id.* at 6); members of Unified Patents benefit by avoiding statutory bar and estoppel (*id.* at 6–7); Unified Patents requested a license from Bradium (*id.* at 7); “Unified Patents tightly Aligns its deterrent solution with its participating companies” including Google (one of its two founding members) (*id.* at 8 (quoting Ex. 2020)); over half of Unified Patents’ filed IPRs were on patents asserted against its members (*id.*); members of Unified Patents such as Google are potential licensees and had licensing discussions with Bradium (*id.* at 9).

In response, Petitioner argues that Patent Owner interprets *AIT* too broadly and ignores the many facts that distinguish the circumstances present here from those in *AIT*. RPI Reply 1. We agree. Patent Owner argues “*AIT* found that [RPXs business model alone] implied that ‘RPX can and does file IPRs to serve its clients’ financial interests, and that a key reason clients pay RPX is to benefit from this practice” RPI Sur-Reply 5 (citing *AIT*, 897 F.3d at 1352). Nevertheless, in its Sur-Reply, Patent Owner did not quote the end of that sentence in which the court states “that a key reason clients pay RPX is to benefit from this practice *in the event they*

are sued by an NPE.” AIT, 897 F.3d at 1352 (emphasis added). Here, neither of the alleged RPIs has been sued for infringement. Thus, even if Petitioner operates essentially the same as RPX, *AIT* did not find that RPX’s business model, without regard to any other facts, would create a real party in interest relationship with the two members cited by Patent Owner.

Analysis

At this stage of the proceeding, and based on the facts in the current record, we are persuaded that Petitioner has carried its burden in complying with 35 U.S.C. § 312(a) and identifying all RPIs.

We agree with Petitioner that Patent Owner has not shown that the facts involved here are sufficiently similar to the facts in *AIT*. While the court in *AIT* looked to the fact that RPX was a “for-profit company whose clients pay for its portfolio of ‘patent risk solutions,’” it did not end its analysis there. *AIT*, 897 F.3d at 1351. Instead, it proceeded further to ascertain the nature of the relationship between Salesforce, RPX and the specific IPRs filed, and the nature of the benefit to Salesforce from RPX’s IPRs. Finding extensive and specific ties between the two parties as they relate to the IPRs, the Federal Circuit ultimately vacated the Board’s decision and remanded for further proceedings to consider “the full range of relationships under § 315(b) and the common law that could make Salesforce a real party in interest.” *AIT*, 897 F.3d at 1358.

We start then by analyzing the nature and degree of the relationship between Petitioner, the members cited by Patent Owner, and the filing of this IPR. As noted above, Petitioner’s business model of filing IPRs as a general practice to clear certain technology areas or “Zones” from non-practicing entity patents that are asserted in that technology area

(specifically, over half of Unified Patent's filed IPRs were on patents asserted against its members (Prelim. Resp. at 8)) is similar to RPX, which is a for-profit company that also files IPRs to serve its members and claims its interests are "100% aligned" with those members. *AIT*, 897 F.3d at 1343, 1352. Additionally, we consider the fact that Petitioner, by filing IPRs, may defray costs to individual members if they were forced to file their own IPRs. As Patent Owner suggests, Petitioner files IPRs to encourage members "to continue paying membership . . . so that Unified's owners may continue to enjoy the profits derived from such fees." Prelim. Resp. 9. Nevertheless, as we explained above, this business model alone is not enough to make any individual member an RPI. Patent Owner does not appear to argue that it does because it does not argue that all members of Petitioner are RPIs. RPI Sur-Reply 2.

As to the relationship between the two members at issue, Petitioner, and the filing of this IPR, Patent Owner points to no evidence that any member including the two at issue desired review of the challenged patent. RPI Reply 1. For example, although two members have had licensing discussions regarding the '239 patent (RPI Sur-Reply 3), Patent Owner has not filed an infringement action against any of Petitioner's members. Thus no member would be time barred from filing its own IPR. RPI Reply 9.

Patent Owner suggests that, because it previously sued Microsoft on the '239 patent, licensing discussions between the two members and Patent Owner create an interest for Petitioner to file IPRs on behalf of those members and is a "clear benefit" recognized by *AIT* to those members for such a filing. RPI Sur-Reply 3. We disagree. Those members are free to file their own IPR and do not need Petitioner to do so for them.

Additionally, a benefit to a member from an IPR filed by Petitioner must be weighed against the benefit that member receives from filing its own IPR in which that member can control the prior art references chosen, the counsel used, the amount of money spent, and whether or not to settle the case.

In *AIT*, Salesforce, the purported RPI, made a payment to RPX shortly before the filing of the IPR, Salesforce discussed the patent and related litigation with RPX and a shared board member, RPX negotiated a license on behalf of Salesforce, and more importantly, Salesforce was time barred from filing its own IPR. *See AIT*, 897 F.3d at 1340–42. Those circumstances are not present in this case.

The only arguably unmitigated benefit that Petitioner’s members incur is the avoidance of the estoppel implications of an IPR. *See RPI Sur-Reply 9*. We do not find that avoidance of the estoppel implications of an IPR alone, without other facts, is sufficient to find that the two members would benefit from the present IPR such that they should be considered an RPI. Such a benefit speaks to a party being a general non-specific beneficiary, rather than a “clear beneficiary” under *AIT* (897 F.3d at 1351) and would apply to any entity seeking review of the ’239 patent, including members other than the two members cited by Patent Owner, and also to non-members of Petitioner.

Similarly, Petitioner emphasizes that it does not work with its members to resolve their litigations; no significant payments were made shortly before the Petition was filed; Petitioner does not share any board members and has no corporate relationships with any of its members (beyond membership itself); there was no offer to, or request by, members for Petitioner to reach out to Patent Owner regarding any litigation;

Petitioner does not communicate with any member regarding its desires or to coordinate strategies, and to Petitioner's knowledge no members have been threatened with litigation. RPI Reply 8–9.

As noted above, there is no evidence that any of Petitioner's members controlled, directed, or directly financed this proceeding. The members cited by Patent Owner have not been accused of infringing the '239 Patent. RPI Reply 9; RPI Sur-Reply 3. There is no evidence that there was any communication at all between Petitioner and the two members cited by Patent Owner regarding filing this Petition, or that the members even knew beforehand of Petitioner's intent to file this Petition. Additionally, there is no evidence here, as there was in *AIT*, of communications between Petitioner and any of its members regarding the underlying litigations involving the '239 Patent. *See AIT*, 897 F.3d at 1340–42.

Similarly, there is no evidence here, as there was in *AIT*, that the two members share officers or board members with Petitioner, or have any corporate relationships with Petitioner aside from their membership. *Id.* There also is no evidence of a “very significant payment shortly before” this IPR was filed. *AIT*, 897 F.3d at 1342. Perhaps most significantly, there is no evidence that any member, including the two members, desires review of the '239 Patent but is time-barred from filing an IPR—a fact that was crucial in *AIT*. *Id.* at 1353 (“Given that . . . any IPR petitions Salesforce might have wanted to file would have been time-barred, this evidence at least suggests that RPX may have filed the three IPR petitions, in part, to benefit Salesforce.”), 1355 (“[T]he evidence submitted indicates the company's understanding that the very challenges to validity included in the IPR petitions were challenges Salesforce would like to have made if not time-

barred from doing so.”), 1356 (no evidence contradicts “AIT’s theory that RPX filed IPR petitions challenging the two patents asserted in the Salesforce action to benefit Salesforce, where Salesforce itself was time-barred from filing petitions”).

In *AIT*, these accumulated factors raised a concern that RPX’s actions appeared tailored to benefit Salesforce specifically. This, combined with the fact that RPX advertises itself as an “extension of a client’s in-house legal team,” not only demonstrated a deep and extensive tie between RPX and Salesforce, but also raised the issue of whether RPX was acting as an attorney-in-fact on behalf of Salesforce. *AIT*, 897 F.3d at 1357. Here, there is no assertion of an attorney-client relationship between Petitioner and the two members cited by Patent Owner. Unlike *AIT*, the circumstances here do not warrant calling this into question. There is no evidence of any member having had communications with Petitioner regarding any underlying litigation involving the ’239 Patent. No member has had its petitions denied. No member is time-barred from filing its own IPRs. Thus, the evidence does not point to any specific member whose ties with Petitioner are so extensive as to imply that Petitioner filed this IPR at the behest of that member or that it was acting as a proxy on behalf of that member.

Thus, beyond the general benefit received from Petitioner’s common practice of filing IPRs in relevant technology areas and, as explained above, the mixed, at best, benefit based on the fact that the two members have had licensing discussions with Patent Owner, the evidence does not point to any further specific benefits the two members cited by Patent Owner would have received from Petitioner’s actions in return for the membership.

Finally, despite that fact that Patent Owner states that it does not argue that *all* of Petitioner's members were RPIs, Patent Owner asserts that Petitioner's business model itself shows that it uses willful blindness to represent its members, thus, making those members RPIs. RPI Sur-Reply 5–6. The court in *AIT* stated “[t]he evidence might actually indicate that RPX worked to ascertain, with a strong degree of confidence, its client's desires, while taking last-minute efforts to avoid obtaining an express statement of such desires. The law has a label for this: willful blindness.” *AIT*, 897 F.3d at 1355. *AIT* states “two basic requirements: (1) the defendant must subjectively believe that there is a high probability that a fact exists and (2) the defendant must take deliberate actions to avoid learning of that fact.” *Id.* (in parenthetical, citation omitted)). Here, we do not find willful blindness applies because there is no evidence that Petitioner believed with a “high probability” that the two members cited by Patent Owner wished to file an IPR. The fact of licensing discussions between Petitioner and a member, without more, does not suggest with a high probability that the member wanted to file an IPR but rather only suggests the member was interested in or offered a license. Prelim Resp. 9; Ex. 2037 ¶¶ 8–9. *AIT* focused on the fact that Salesforce was barred from filing an IPR. *Id.* The two members cited by Patent Owner are not time barred.

In sum, we find the evidence on this record demonstrates the relationships between the two members singled out by Patent Owner and Petitioner to be far less extensive than between RPX and Salesforce in *AIT*, and we agree with Petitioner that its particular members are not unnamed RPIs in this case. Accordingly, at this stage of the proceeding, we are

persuaded that Petitioner has carried its burden in complying with 35 U.S.C. § 312(a).

PRIOR AND PENDING LITIGATION

The Petition states that the '239 Patent and three other patents in the same family, U.S. Patent Nos. 7,139,794 B2 ('794 patent), 7,908,343 B2 ('343 patent), and 8,924,506 B2 ('506 patent), are being asserted against Petitioner in a patent infringement lawsuit brought by Patent Owner, *Bradium Technologies v. Microsoft*, 1:15-cv-00031-RGA, dismissed October 18, 2017. Pet. 1–2. Petitioner states that Microsoft filed IPR2016-01897 challenging the '239 patent. *Id.* at 2. Petitioner also identifies petitions for *inter partes* review of the related patents. *Id.*

STATUTORY DISCLAIMER

After the filing of the Petition, Patent Owner filed a statutory disclaimer of claims 1–19 and 21–25. Ex. 2027; *see* Prelim. Resp. 1.

Patent Owner contends that “only claim 20 remains for the Board’s consideration here.” *Id.* Based on this disclaimer, the '239 patent is to be treated as though claims 1–19 and 21–25 never existed. *Vectra Fitness, Inc. v. TNWK Corp.*, 162 F.3d 1379, 1383 (Fed. Circ. 1998) (“This court has interpreted the term ‘considered as part of the original patent’ in section 253 to mean that the patent is treated as though the disclaimed claims never existed.”). We also observe that our rules state that “[n]o *inter partes* review will be instituted based on disclaimed claims.” 37 C.F.R. § 42.107(e).

In considering Federal Circuit precedent and our rules, we conclude that we cannot institute a trial on claims that have been disclaimed, and, thus, no longer exist. That conclusion is consistent with other panel

decisions in *inter partes* review proceedings that addressed nearly identical circumstances as we do here. *See, e.g., Vestas-American Wind Tech., Inc. and Vestas Wind Sys. A/S v. Gen. Elec. Co.*, Case IPR2018-01015, Paper 9, 12–14 (PTAB Nov. 14, 2018) (“the ’1015 IPR”). We share the same view as the panel in the ’1015 IPR that such a conclusion is consistent with the statutory scope of *inter partes* review as laid out in 35 U.S.C. §§ 311(b) and 318(a), and is not at odds with the Supreme Court’s recent decision in *SAS*.³ *See id.* Accordingly, we treat claims 1–19 and 21–25 as having never been part of the ’239 patent, and Petitioner cannot seek *inter partes* review of those claims.

DISCRETIONARY NON-INSTITUTION UNDER 35 U.S.C. § 314

Patent Owner asserts that “The Board should exercise its discretion under 35 U.S.C. §325(d) to deny Unified’s petition.” Prelimi Resp. 11. As background, Microsoft filed a petition (IPR2016-01897, “Microsoft Petition”) challenging the following claims of the ’239 patent:

Claims	Statutory Basis	Challenge
1–20, 23–25	35 U.S.C. § 103(a)	Obvious over Reddy and Hornbacker
21, 22	35 U.S.C. § 103(a)	Obvious over Reddy, Hornbacker, and Loomans

IPR2016-01897 (“Microsoft IPR”), Inst. Dec. 8, Paper 17. IPR2016-01897 was terminated by settlement of the parties on October 25, 2017. IPR2016-

³ *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018) (PTAB may not use partial institutions) (“SAS”).

01897, Paper 31. Here, Petitioner asserts a ground of obviousness against claim 20 of the '239 patent over Reddy, Hornbacker, and Rosasco.

In the Microsoft IPR, involving an entirely different Petitioner, prior to SAS, we denied institution as to claim 20 at issue here, and instituted on all other claims. Subsequently, we terminated the proceeding as to the other claims before issuing a final written decision, thus those grounds were not fully presented to the Office. We determine that 35 U.S.C. §325(d) is not implicated here where the ground and the Petitioner are different than in the Microsoft IPR.

Nevertheless, Patent Owner presents arguments that are relevant to discretionary non-institution under 35 U.S.C. § 314(a), including that Petitioner presented a Petition obviously copied from a prior Petition and used that prior Petition as a roadmap to improve and file this Petition. Prelim. Resp 11–14.

Institution of *inter partes* review is discretionary. *See* 35 U.S.C. § 314(a) (authorizing institution of an *inter partes* review under particular circumstances, but not requiring institution under any circumstances); 37 C.F.R. § 42.108(a) (stating “the Board *may* authorize the review to proceed”) (emphasis added); *Harmonic Inc. v. Avid Tech, Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (explaining that under § 314(a), “the PTO is permitted, but never compelled, to institute an IPR proceeding”).

When determining whether to exercise our discretion under § 314(a), we consider the following non-exhaustive factors:

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.

Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha, Case IPR2016-01357, slip op. 15–16 (PTAB Sept. 6, 2017) (Paper 19) (precedential)⁴ (hereinafter, “*General Plastic*”) (citing *NVIDIA Corp. v. Samsung Elec. Co.*, IPR2016-00134, slip op. 6–7 (PTAB May 4, 2016) (Paper 9)).⁵

⁴ *General Plastic* was designated precedential on October 18, 2017.

⁵ These factors are “a non-exhaustive list” and “additional factors may arise in other cases for consideration, where appropriate.” *General Plastic* slip op at 7, 8. For example, where a subsequent petition is filed by a different petitioner, the Board has taken into account the following additional considerations, which may be relevant to determining whether to exercise discretion based on § 314(a): potential prejudice to the subsequent petitioner if institution is denied and the pending instituted proceedings

These *General Plastic* factors typically have been used to analyze situations in which the same party files multiple petitions challenging the same patent. We recognize that our discretion under 35 U.S.C. § 314(a), however, is not limited to situations where the same party files multiple petitions. While only the first *General Plastic* factor presumes the petitions are filed by the same party, other factors also rely heavily on that fact. Nevertheless, we analyze the *General Plastic* factors' application to the facts and circumstances present in this case, in which a different petitioner filed a petition challenging a patent that had been challenged already by previous petitions. *See, e.g., Shenzhen Silver Star Intelligent Tech. v. iRobot Corp.*, Case IPR2018-00761, slip op. at 9–12, (dissent) 16–19 (PTAB Sept. 5, 2018) (Paper 15) (weighing *General Plastic* factors for a denial of institution in view of an earlier challenge to the same patent by a different petitioner

involving the first petitioner are terminated; and whether multiple petitions filed against same patent is a direct result of Patent Owner's litigation activity. *See Lowes Cos. Inc., v. Nichia Corp.*, Case IPR2017-02011, slip op. 19 (PTAB March 12, 2018) (Paper 13) (“Denial of the Petition in part would prejudice the Petitioner in this proceeding should the Vizio Petitions be resolved by settlement.”); *Samsung Elecs. Amer., Inc. v. Uniloc Luxembourg S.A.*, Case IPR2017-01797, slip op. 33–34 (PTAB Feb. 6, 2018) (Paper 8) (recognizing the purpose of the availability of *inter partes* review to parties accused of infringement, and finding Patent Owner's complaint about multiple petitions filed to challenge the same patent unpersuasive “when the volume appears to be the direct result of its own litigation activity”). These factors, where present, generally weigh toward institution but do not appear to have been used to weigh against institution. For example, there is no requirement for a Petitioner to be sued for infringement to file an IPR so the lack of a suit would not weigh against institution. Thus, these factors are not appropriate here where the prior IPR was denied as to the claim at issue here and this Petitioner has not been sued for infringement.

who was similarly situated to the current Petitioner, e.g. the two Petitioners were co-defendants in a previously filed litigation) (*Silver Star*); *Samsung Elecs. Co. v. Elm 3DS Innovations, LLC*, Case IPR2017-01305, slip op. at 16–23 (PTAB Oct. 17, 2017) (Paper 11) (weighing *General Plastic* factors to deny institution in view of fourteen prior challenges by the same Petitioner in which claim construction and other issues were decided by the Board and also in view of an earlier challenge to the same patent by a different petitioner).

A central issue addressed by the *General Plastic* factors is balancing the equities between a petitioner and a patent owner when information is available from prior Board proceedings for a subsequent proceeding. *General Plastic*, slip op. at 15–19. Accordingly, we use the non-exhaustive *General Plastic* factors as a framework for assessing, under the specific circumstances of this case, the equities of allowing the Petition filed by the different Petitioner that challenges essentially the same claims of the '239 patent to proceed to trial. We address each of these factors in turn, but note that not all of the factors need to weigh against institution for us to exercise our discretion under § 314(a).

Factor 1: Whether Petitioner Previously Filed a Petition Directed to the Same Claims of the Same Patent

As shown above, the Microsoft Petition challenged, *inter alia*, claim 20 of the '239 patent, which Petitioner now challenges in this Petition. Thus, this Petition challenges the same claim as the Microsoft Petition. Because this is a new Petitioner, however, this Petitioner could not have addressed claim 20 in the Microsoft Petition. Additionally, there is no relationship asserted between Petitioner and Microsoft, and they are not

similarly situated. *Compare Weatherford Int'l, LLC v. Packers Plus Energy Svcs. Inc.*, Case IPR2017-01232, slip op. (PTAB Feb. 23, 2017) (Paper 23) (instituting despite prior petition by unrelated petitioner directed to same claims), *with Silver Star*, Case IPR2018-00761, slip op. (Paper 15) (denying institution and considering the fact that the two petitioners were co-defendants in a prior litigation as important to *General Plastic* factors).

For the reasons above, this factor alone weighs heavily against Patent Owner's position on whether we should exercise our discretion under § 314(a) to deny institution. The majority does not, under our discretion, impute the actions of an unrelated petitioner on this Petitioner. We find that the facts discussed above under Factor 1 weigh overwhelmingly against a discretionary denial in this proceeding.

Factor 2: Whether Petitioner Knew of the Prior Art Asserted in the Second Petition When It Filed the First Petition

Because Petitioner was not a petitioner in the prior proceeding challenging the '239 patent, we conclude that whether Petitioner knew of or should have known of the asserted references at the time the prior petitions were filed has little probative value here. We conclude that Factor 2 weighs neither for nor against exercising our discretion.

Factor 3: Whether Petitioner Had Patent Owner's Preliminary Response and the Board's Institution Decision on the First Petition When Petitioner Filed the Second Petition

Patent Owner filed its Preliminary Response to the Microsoft Petition on January 1, 2017. *See* Case IPR2016-01897, Paper 9. We issued our Decision Instituting the Microsoft Petition on April 5, 2017. IPR2016-01897, Dec. on Inst. Hence, when Petitioner filed its Petition on April 23,

2018 (*see* Pet. 73), Petitioner had both Patent Owner’s Preliminary Response to the Petition and the Board’s Decision Instituting the Petition as well as the Patent Owner Response filed August 1, 2017. Consequently, this factor weighs against institution.

Factor 4: The Elapsed Time Between When Petitioner Had Patent Owner’s Preliminary Response and the Board’s Institution Decision on the First Petition and When Petitioner Filed the Second Petition

As discussed above regarding Factor 2, the record does not establish that Petitioner learned of the prior art in the Microsoft Petition at any date *earlier* than the date of the Microsoft Petition. Additionally, there is no evidence regarding when Petitioner learned of the new reference, Rosasco. As such, we cannot determine, with any certainty, the length of time that elapsed between when Petitioner learned of the asserted prior art and the filing of the Petition. To the extent that this factor is considered to be different than Factor 3, it applies only to the new Rosasco reference, and given the absence of specific information in the record on this issue, we determine that Factor 4 weighs neither for nor against exercising our discretion.

Factor 5: Whether Petitioner Has Provided Adequate Explanation

The fifth *General Plastic* factor is “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.” *General Plastic*, slip op. at 9, 16. A closely related factor often considered when determining whether to exercise our discretion under § 314(a) is “whether the petitioner provides adequate explanation why we should permit another attack on the

same claims of the same patent.” *Xactware Sols., Inc. v. Eagle View Techs., Inc.*, Case IPR2017-00034, slip op. at 7–8 (PTAB Apr. 13, 2017) (Paper 9).

Patent Owner relies primarily on factor 3 to argue that we should deny the Petition. Prelim. Resp. 11–14. Patent Owner argues that Petitioner challenges the same claim using the same portions of the same reference to make substantially the same arguments against the same limitations as Microsoft did in Case IPR2016-01897 (a “copycat Petition” (Prelim. Resp. 14)) and that any meaningful differences between its Petition and the Microsoft Petition are the product of Petitioner using Patent Owner’s preliminary response and the Board’s institution decision in Case IPR2016-01897 as a roadmap. *Id.* Patent Owner argues that “Unified tries to make up for the deficiencies in the prior art combination Microsoft relied on by adding a third reference to Reddy and Hombacker, namely, Rosasco.” *Id.* at 12.

It can be said that any new Petitioner would use all previous proceedings as a roadmap to improve its petition including this Petitioner—arguably a Petitioner would be careless not to do so. *General Plastic* was concerned with preventing “follow-on petitions [that] allow petitioners the opportunity to strategically stage their prior art and arguments in multiple petitions, using [Board] decisions as a roadmap, until a ground is found that results in the grant of review.” *General Plastic*, slip. op. at 17. Here, there is no relationship asserted between Petitioner and Microsoft, and they are not similarly situated. Also, there is no evidence this Petitioner strategically filed a first Petition (because it did not file the Microsoft Petition) while having a strategy or plan to withhold Rosasco in order to assert it later after learning the Office or Patent Owner’s positions. There is no evidence of any

coordination between Microsoft and Petitioner. Thus, even assuming Petitioner copied and studied the record of the prior IPR, this factor may weigh only slightly against institution if at all.

Factors 6 and 7: Board Considerations

The sixth and seventh *General Plastic* factors consider “the finite resources of the Board” and “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.” *General Plastic*, slip op. at 9–10, 16.

Patent Owner argues that “this second petition by Unified is a waste of resources that requires the Board largely to perform the work that it already performed previously.” Prelim. Resp. 12. Patent Owner, however, has not shown that institution in this proceeding will hamper the efficient administration of justice given that the first case was terminated due to settlement, and we determine that it will not. Thus, we conclude that these factors are not implicated under the circumstances of this case, and, therefore, do not weigh for or against exercising our discretion.

Weighing the Factors for Discretionary Non-Institution Under § 314(a)

Weighing the relevant factors under the circumstances of this case, which, as we explain above, some favor exercising our discretion not to institute and some do not, we view the prejudice to Petitioner to be greater than that to Patent Owner. We do not take lightly denying a petition on grounds unrelated to its substantive patentability challenges. As such, that this case presents a different unrelated Petitioner using at least one reference not asserted previously outweighs other factors in this case. *See Weatherford*, Case IPR2017-01236 slip op. at 9, 10 (Paper 10) (declining to

discretion to deny institution despite a challenge to the same claims by a different unrelated Petitioner). Accordingly, we are not persuaded to exercise our discretion to deny institution under § 314(a).

THE '239 PATENT (EXHIBIT 1001)

In the '239 Patent, large scale images are retrieved over network communication channels for display on client devices by selecting an update image parcel relative to an operator controlled image viewpoint to display on the client device. Ex. 1001, Abstract; 3:47–51. A request for an update image parcel is associated with a request queue for subsequent issuance over a communication channel. *Id.* at 3:51–54. The update image parcel is received in one or more data packets on the communications channel and is displayed as a discrete portion of the predetermined image. *Id.* at 3:54–60. The update image parcel optimally has a fixed pixel array size and may be constrained to a resolution equal to or less than the display device resolution. *Id.*

The system described in the '239 Patent has a network image server and a client system where a user can input navigational commands to adjust a 3D viewing frustum for the image displayed on the client system. Ex. 1001, 5:26–55. Retrieval of large-scale or high-resolution images is achieved by selecting, requesting, and receiving update image parcels relative to an operator or user controlled image viewpoint. *Id.* at 3:48–51. When the viewing frustum is changed by user navigation commands, a control block in the client device determines the priority of the image parcels to be requested from the server “to support the progressive rendering of the

displayed image,” and the image parcel requests are placed in a request queue to be issued in priority order. *Id.* at 7:45–62.

On the server side, high-resolution source image data is pre-processed by the image server to create a series of derivative images of progressively lower resolution. *Id.* at 6:3–8. Figure 2 of the '239 patent is reproduced below.

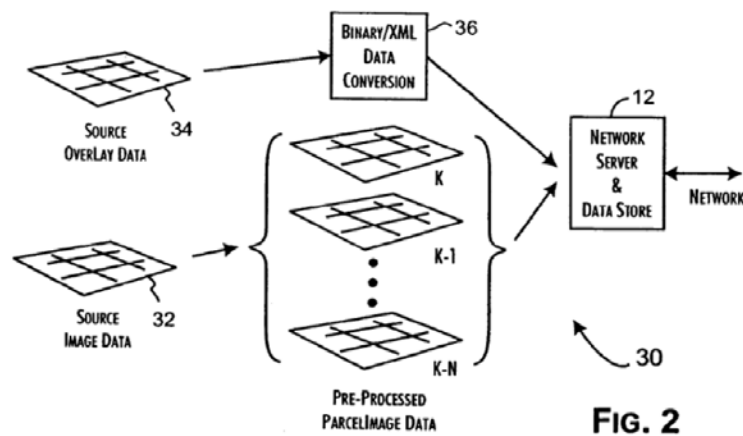


Figure 2 of the '239 Patent

Figure 2 of the '239 Patent depicts preparation of pre-processed image parcels at the network image server. *See id.* at 4:57–60; 6:10. As illustrated in Figure 2, source image data 32 is pre-processed to obtain a series K_{1-N} of derivative images of progressively lower image resolution. *Id.* at 6:6–8. Initially, the source image data—i.e., the series image K_0 —is subdivided into a regular array of image parcels of a fixed byte size, e.g., 8K bytes. *Id.* at 6:8–13. In an embodiment, the resolution of a particular image in the series is related to the predecessor image by a factor of four while, at the same time, the array subdivision is also related by a factor of four, such that each image parcel of the series images has the same fixed byte size, e.g., 8K bytes. *Id.* at 6:14–18. In another embodiment, the image parcels are

compressed by a fixed ratio—for example, the 8K byte parcels are compressed by a 4-to-1 compression ratio such that each image parcel has a fixed 2K byte size. *Id.* at 6:19–24. The image parcels are stored in a file of defined configuration, such that any parcel can be located by specification of a $K_{D,X,Y}$ value, representing the image set resolution index D and the corresponding image array coordinate. *Id.* at 6:24–28. The TCP/IP protocol is used to deliver image parcels, e.g., 2K-byte compressed image parcels, to the clients. *Id.* at 8:10–11, 8:17–19. For preferred embodiments, where network bandwidth is limited, entire image parcels preferably are delivered in corresponding data packets. *Id.* at 8:11–14. This allows each image parcel to fit into a single network data packet, which improves data delivery and avoids the transmission latency and processing overhead of managing image parcel data broken up over multiple network data packets. *Id.* at 8:14–17.

ILLUSTRATIVE CLAIM

As discussed above, only claim 20 remains challenged in this case. Claim 20 depends from claim 1, and both claims are reproduced below.

1. A method of retrieving images over a network communication channel for display on a user computing device, the method comprising steps of:

issuing a first request from the user computing device to one or more servers, over one or more network communication channels, the first request being for a first update data parcel corresponding to a first derivative image of a predetermined image, the predetermined image corresponding to source image data, the first update data parcel uniquely forming a first discrete portion of the predetermined image, wherein the first update data

parcel is selected based on a first user-controlled image viewpoint on the user computing device relative to the predetermined image;

receiving the first update data parcel at the user computing device from the one or more servers over the one or more network communication channels, the step of receiving the first update data parcel being performed after the step of issuing the first request;

displaying the first discrete portion on the user computing device using the first update data parcel, the step of displaying the first discrete portion being performed after the step of receiving the first update data parcel;

issuing a second request from the user computing device to the one or more servers, over the one or more network communication channels, the second request being for a second update data parcel corresponding to a second derivative image of the predetermined image, the second update data parcel uniquely forming a second discrete portion of the predetermined image, wherein the second update data parcel is selected based on a second user-controlled image viewpoint on the user computing device relative to the predetermined image, the second user-controlled image viewpoint being different from the first user-controlled image viewpoint;

receiving the second update data parcel at the user computing device from the one or more servers over the one or more network communication channels, the step of receiving the second update data parcel being performed after the step of issuing the second request;

displaying the second discrete portion on the user computing device using the second update data parcel, the step of displaying the second discrete portion being performed after the step of receiving the second update data parcel;

wherein:

a series of K1-N derivative images of progressively lower image resolution comprises the first derivative image and the second derivative image, the series of K1-N of derivative images resulting from processing the source image data, series image K0 being subdivided into a regular array wherein each resulting image parcel of the array has a predetermined pixel resolution

and a predetermined color or bit per pixel depth, resolution of the series K1-N of derivative images being related to resolution of the source image data or predecessor image in the series by a factor of two, and the array subdivision being related by a factor of two.

20. A method as in claim 1, further comprising a step for determining the priority of the first request and the second request.

ART CITED IN PETITIONER’S CHALLENGES

Petitioner cites the following references in its challenges to patentability:

Reference	Designation	Exhibit No.
PCT Publication No. WO 99/41675 to Cecil V. Hornbacker, III, publ. Aug. 19, 1999	Hornbacker	Ex. 1003
Reddy <i>et al.</i> , “TerraVision II: Visualizing Massive Terrain Databases in VRML,” IEEE Computer Graphics and Applications March/April 1999, pp. 30–38	Reddy	Ex. 1004
U.S. Patent No. 6,317,137 B1 issued Nov. 13, 2001	Rosasco	Ex. 1018

CHALLENGES ASSERTED IN PETITION

Claims	Statutory Basis	Challenge
20	35 U.S.C. § 103(a)	Obvious over Reddy, Hornbacker, and Rosasco

CLAIM CONSTRUCTION

We interpret claims of an unexpired patent using the broadest reasonable construction in light of the specification of the patent in which they appear. *See* 37 C.F.R. § 42.100(b) (2016)⁶; *Cuozzo Speed Techs. LLC v. Lee*, 136 S. Ct. 2131, 2144–46 (2016). In applying a broadest reasonable construction, claim terms generally are given their ordinary and customary meaning, as would be understood by one of ordinary skill in the art in the context of the entire disclosure. *See In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007). Any special definition for a claim term must be set forth in the specification with reasonable clarity, deliberateness, and precision. *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994).

Data Parcel

Petitioner proposes that we construe the term “data parcel” as “data that corresponds to an element of a source image array.” Pet. 12. Petitioner’s proposed construction is the same construction we applied in *Microsoft Corp. v. Bradium Technologies LLC*, Case IPR2016-00448 and *Microsoft Corp. v. Bradium Technologies LLC*, Case IPR2015-01434. Patent Owner does not dispute this construction. Prelim. Resp. 40. *See Microsoft Corporation v. Bradium Technologies LLC*, Case IPR2014-01434,

⁶ A recent amendment to this rule does not apply here, because the Petition was filed before November 13, 2018. *See* “Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board,” 83 Fed. Reg. 51,340 (Oct. 11, 2018) (to be codified at 37 C.F.R. pt. 42).

slip op. (PTAB Dec. 23, 2015) (Paper 15, Decision Denying Institution). In this proceeding, we apply Petitioner's proposed construction.

ANALYSIS OF PETITIONER'S PRIOR ART CHALLENGES

Introduction

A patent claim is unpatentable under 35 U.S.C. § 103(a) if the differences between the claimed subject matter and the prior art are such that the subject matter, as a whole, would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of ordinary skill in the art; and (4) objective evidence of nonobviousness. *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

Petitioner articulates its analysis of Reddy, Hornbacker, and Rosasco for challenged claim 20 and claim 1 from which it depends. Pet. 13–41, 67–68. Patent Owner disputes Petitioner's analysis of claim 20 but not claim 1. Prelim. Resp. 24–46. Patent Owner also argues that a person of ordinary skill would not have been motivated to combine the asserted references. *Id.* at 42–46.

Claim 20 As Obvious Over Reddy, Hornbacker, and Rosasco

Petitioner states that Reddy discloses processing large sets of source image data to create a multiresolution image pyramid that can be viewed in three dimensions using an online web browser. Pet. 15–16, 19 (citing Ex. 1004, Figs. 1–2 and associated text). Petitioner acknowledges that Reddy

does not specify how requests for image tiles would identify locations and zoom levels of image tiles and cites Hornbacker as disclosing specific methods to implement the teachings of Reddy to identify specific needed tiles. *Id.* at 19. According to Petitioner, a person of ordinary skill would have been motivated to combine the teachings of Reddy and Hornbacker. Petitioner states that Reddy describes browsing techniques for requesting tiles based on user viewpoint and suggests that tiles may be located by HTTP requests directed to particular URLs. *Id.* (citing Ex. 1004 ¶¶ 21, 26, 52⁷). Noting that Reddy does not explain exactly how tiles are located, Petitioner contends that Hornbacker details techniques, such as the structure of an HTTP request for identifying a particular tile at a desired location and resolution, that a person of ordinary skill would recognize assist in requesting tiles in a 3D browser, as taught by Reddy. *Id.* at 20–22 (citing Ex. 1003, 5:16–6:19, 8:30–9:19, 11:19–28; Ex. 1005, Declaration of Christopher K. Wilson (“Wilson Decl.”) ¶¶ 120–26).

As to the preamble of claim 1, i.e., a method of retrieving images over a network communication channel for display on a user communication device, Petitioner notes that Reddy discloses a system for retrieving terrain data sets including satellite and aerial imagery over the Internet with a standard Web browser on and displaying the images segmented into regions of different resolution on PC or laptop machine. Pet. 22–23.

Petitioner identifies as element 1A the limitation that recites a user computer issuing a first request to a server for an update data parcel

⁷ Petitioner has inserted paragraph designators in Reddy. We adopt Petitioner’s paragraph designators in Reddy for consistency of notation in this proceeding.

corresponding to a first derivative image uniquely forming a first discrete portion of a predetermined image corresponding to source image data. *Id.* at 24. Petitioner cites Reddy’s description of processing a predetermined image, such as satellite data, into a multi-resolution pyramid of derivative images using a series of K_1, K_2, \dots, K_n progressively lower resolution derivative images and dividing the derivative images into tiles as disclosing this feature. *Id.* at 24–26. Reddy discloses that users can browse terrain data using a VRML plug-in for browsers, such as Netscape Communicator or Microsoft Internet Explorer. Ex. 1004 ¶ 31. Petitioner states that Reddy describes retrieving image tiles (“geotiles”) based on the user’s selected view using a web browser and universal resource locators (URLs). Pet. 27–28.

Petitioner also cites Hornbacker as teaching that image data is represented by discrete derivation images at different resolutions and that tiles may be located via specialized URL requests that identify a tile by characteristics such as resolution and location. *Id.* at 27 (citing Ex. 1003, Abstract, 3:10–27, 5:16–25, 6:13–19, 7:26–8:6, 8:30–9:28, 10:24–28, 12:24–13:10 and 18:20–23). Thus, Petitioner argues that the problem addressed by Reddy includes how to identify tiles desired to render a particular geographic view and that a person of ordinary skill would have looked to Hornbacker’s disclosure of identifying image tiles using URLs based on tile coordinates and other viewing characteristics as an efficient way to specify needed tiles in Reddy. *Id.* at 28.

Petitioner identifies as element 1B the limitation that recites selecting the first update parcel based on a first user controlled image viewpoint on the user computing device relative to the predetermined image. *Id.* For this

limitation, Petitioner cites Reddy's disclosure of a 2-D pan and zoom display or a 3-D simulated viewpoint chosen by the operator in which tiles of appropriate resolution are selected based on a user's proximity to the tile of a predetermined image. *Id.* at 28–30.

Petitioner identifies as limitation 1C the recitation of the user computing device receiving the first update data parcel from one or more servers over the communication channels after issuing the first request. *Id.* at 30. Petitioner cites as element 1D the recitation of displaying the first discrete portion on the user computing device on the first update data parcel after receiving the first update data parcel. *Id.* Petitioner cites Ex. 1005, (Wilson Decl.) ¶¶ 147 and argues that a person of ordinary skill would recognize that in Reddy the image tiles (update data parcels) are received from a server following a request and before they are displayed. *Id.* at 30–31.

Petitioner identifies as element 1E the limitation that recites the user computer issuing over the network communication channels a second request for a second update parcel corresponding to a second derivative image of the predetermined image. Pet. 31–32. This limitation also recites that the second update data parcel uniquely forms a second discrete portion of the predetermined image and is selected based on a second user controlled image viewpoint of the user computing device relative to the predetermined image, that is different from the first user-controlled image viewpoint. *Id.* As Petitioner points out, this limitation differs from those elements identified as 1A and 1B only in that it recites a second request concerning a viewpoint different from that in the first request. *Id.* With respect to limitation 1E, Petitioner cites Reddy's description of zooming or flying over an image,

with requests for imagery of appropriate location and zoom levels and more detailed tiles when a user approaches a region, as disclosing the claimed requests for retrieval of updated data parcels. *Id.* (citing Ex. 1004 ¶¶ 3, 36–38).

Petitioner identifies as limitation 1F the recitation of the user computing device receiving the second update data parcel from one or more servers over the communication channels after issuing the second request. *Id.* at 32. Petitioner identifies as element 1G the recitation of displaying the second discrete portion on the user computing device on the second update data parcel after receiving the second update data parcel. *Id.* at 32–33. Petitioner notes that these limitations are disclosed by Reddy as discussed above with respect to limitations 1C and 1D. *Id.*

Petitioner identifies as limitation 1H the recitation of a series of K_{1-N} derivative images of progressively lower resolution that comprise the first and second derivative images resulting from the processing of the source image data. *Id.* Petitioner cites Reddy's disclosure, discussed above, of processing an image as a multi-resolution pyramid of images by repeated down-sampling of image data to lower resolutions at each level, as supporting this limitation. *Id.* at 33–34 (citing Ex. 1004 ¶¶ 14–24, 41–46, Figs. 1–3). Petitioner cites Hornbacker as disclosing that view tiles are generated at a server by an image tiling routine that divides an image into a grid of smaller images that are computed further for distinct resolutions. *Id.*

Petitioner identifies as element 1I the series image K_0 being subdivided into a regular array and cites the disclosure in Reddy that each tile at a given level maps onto four tiles at the next higher level and the original image K_0 is subdivided in a regular array of 8x8 tiles, with the next

two levels being divided into regular arrays of 4x4 and 2x2 tiles. *Id.* at 34. We agree with Petitioner that the disclosure in Reddy is substantially identical to that of the '239 Patent's disclosure of dividing source image data into derivative images of progressively lower image resolution. *See id.*

Petitioner identifies as element 1J the recitation that each resulting image parcel has a predetermined pixel resolution and a predetermined bit per pixel depth. *Id.* at 35–39. As Petitioner notes, similar to the '239 Patent, Reddy discloses that the 64 tiles making up the 1024x1024 original image K_0 are each 128x128 pixels and that that within each pyramid “all tiles have the same pixel dimensions.” *Id.* (citing Ex. 1004 ¶¶ 15–16). Petitioner further cites Reddy's disclosure of using known imagery formats, e.g. Portable Bitmap (PBM), to support its contention that a person of ordinary skill would recognize such formats as having a fixed color or bit pixel depth. *Id.* at 34–35. According to Petitioner, a person of ordinary skill would also know that the size of data representing an uncompressed tile is the product of the bit depth multiplied by the pixel dimensions. *Id.* at 35. Petitioner further cites Hornbacker as explicitly disclosing the use of tiles having a predetermined resolution and color or bit per pixel depth and that tiles preferably are fixed at 128x128 pixels image files. *Id.* at 35–36. Petitioner notes that fixed size tiling provides a more efficient mechanism for caching, identifying and locating tiles. *Id.*

Petitioner cites as element 1K the recitation that resolution of the series K_{1-N} of derivative images is related to resolution of the source image data or predecessor image in the series by a factor of two, and the array subdivision is related by a factor of two. *Id.* at 39. Petitioner cites Reddy's disclosure of progressive down sampling an image to produce layers at $\frac{1}{4}$ the

resolution of the previous layer (i.e., $\frac{1}{2}$ width x $\frac{1}{2}$ height= $\frac{1}{4}$ resolution), noting that because all tiles have the same 128 x 128 pixel dimensions each progressively lower resolution layer image includes $\frac{1}{4}$ the number of tiles from the previous layer. *Id.* at 39–40 (citing Ex. 1004 ¶¶ 14–15). Based on the current evidence, we are persuaded by Petitioner’s argument that this is the same factor of four relationship between images as that described in the preferred embodiment of the ’239 Patent. Petitioner cites a similar disclosure in Hornbacker. *Id.* at 40–41 (citing Ex. 1003, 6:13–7:25, 8:7–15, 14:2–16).

Patent Owner does not dispute explicitly Petitioner’s assertions concerning the disclosures in Reddy and Hornbacker. Based on the current record, we are persuaded that Petitioner has demonstrated the elements of claim 1 are disclosed in the asserted combination of Reddy and Hornbacker.

Claim 20 depends from claim 1 and recites the further step of determining priority of the first and second request. Petitioner cites Reddy’s disclosure of a progressive coarse-to-fine algorithm to load and display new data and an algorithm that attempts to predict future movement by extrapolating the flight path and prefetching tiles as evidence of requests prioritized for tiles that are needed sooner. *Id.* at 68 (citing Ex. 1004 ¶¶ 21, 44, 46; Ex. 1005 Wilson Decl. ¶¶ 205–206).

Petitioner admits that “Reddy is arguably inexplicit about how certain threads are prioritized over others.” *Id.* at 69. To remedy this deficiency, Petitioner cites Rosasco’s disclosure explaining how certain threads are prioritized over others. *Id.* at 69–70 (citing Ex. 1018, 3:5–15, 20–30, 7:37–8:7, 8:28–35, 9:4–10; Ex. 1005 Wilson Decl. ¶¶ 234–236). Specifically, Petitioner asserts “Rosasco discloses prioritizing obtaining (i.e., requesting

from a local or a distributed memory) one image set over another.” *Id.* (citing Ex. 1018, 3:27–30 (“Sets more closely parallel with the line sight are given priority in the sorting.”)).

Patent Owner contends that “Rosasco determines the order in which processor-intensive modulation of three sets of image data occurs by selecting the data for the only image plane that will affect the current view, which has nothing to do with requesting image data over a network.” Prelim. Resp. 41. Nevertheless, Petitioner’s challenge is a combination challenge that also relies on Reddy to disclose requesting image data over a network. Petitioner notes that Reddy discloses a system for retrieving terrain data sets including satellite and aerial imagery over the Internet with a standard Web browser and displaying the images segmented into regions of different resolution on PC or laptop machine. Pet. 24. One cannot show non-obviousness by attacking references individually where obviousness is based on combinations of references. *See In re Keller*, 642 F.2d 413, 426 (CCPA 1981); *In re Merck & Co., Inc.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986). Thus, we are not persuaded by Patent Owner’s argument.

Patent Owner contends “Rosasco does not teach or suggest determining a priority of a request for an image parcel based on a first user-controlled viewpoint and also a request for an image parcel based on a second user-controlled viewpoint. Instead, Rosasco simply determines an order for modulating image data sets based on a single user viewpoint.” Prelim. Resp. 41–42. Again, Petitioner relies on Reddy to disclose user-controlled viewpoints. Petitioner cites Reddy’s disclosure of a 2-D pan and zoom display or a 3-D simulated viewpoint chosen by the operator in which tiles of appropriate resolution are selected based on a user’s proximity to the

tile of a predetermined image. Pet. at 29–30. Additionally, Petitioner cites Reddy’s description of zooming or flying over an image, with requests for imagery of appropriate location and zoom levels and more detailed tiles when a user approaches a region, as disclosing the claimed requests for retrieval of updated data parcels. *Id.* (citing Ex. 1004 ¶¶ 3, 17, 36, 37). Thus, we are not persuaded by Patent Owner’s argument.

As to motivation to combine, Petitioner asserts

A POSA would have understood that Rosasco’s prioritization could be used in Reddy. Ex. 1005, ¶237. In Reddy, tiles are requested based on the vantage point of the user. Ex. 1004 at ¶¶14-17. A POSA would have applied Rosasco’s teaching to Reddy by having Reddy’s system obtain the tiles in the order that would be most helpful and informative to the user. Reddy gives examples of which tiles could be prioritized: those that are nearer and those that are of lower resolution. *Id.*, ¶¶16, 17, 21, 44, 46. Applying Rosasco’s teachings to Reddy would result in Reddy prioritizing tile requests (e.g., based on nearness or resolution) and issuing the requests according to the assigned priorities, rendering obvious Claim 20.

A POSA would have been motivated to combine Rosasco’s prioritization teachings with Reddy. Ex. 1005, ¶¶238-242. First, both references are analogous, as they address common technical issues of visualizing volumetric data using higher- and lower-end hardware. *Id.*, ¶238. Second, Reddy and Rosasco are analogous because they are applicable to mapping related applications. *Id.*, ¶239. Third, problems described by Reddy relating to limited computing resources are addressed by Rosasco’s prioritization being relevant on clients with limited means. *Id.*, ¶¶240-42. Lastly, Roscasco notes that its solution “is visually compelling and informative,” keeps a user “engaged,” and allows them to “gauge the effect of the texture modulation even before the view is complete.” *Id.* at 3:12–20.

Pet. 70–71.

Patent Owner asserts “there is no motivation to select Rosasco and combine it with Reddy with a reasonable expectation of success in achieving the claimed invention.” Prelim. Resp. 42. Specifically, Patent Owner asserts that Reddy and Rosasco are not combinable because they address two different problems – Reddy operates to provide image data if the network cannot provide it in a timely fashion and “directed towards modulation of image data that is readily-available in local memory for two-dimensional display from a particular viewpoint, while avoiding the user waiting for processing that won’t affect the current viewpoint.” Prelim. Resp. 44. Thus, according to Patent Owner, “because Rosasco’s method does not deal with the problem of how to efficiently process the data among the data that will affect what is currently displayed to the user, *see id.* [Ex. 1018], 7:25-28, Rosasco is addressed to a different problem than is Reddy.” *Id.* at 45. We are not persuaded by Patent Owner’s argument.

Patent Owner does not explain whether it argues that the references are not analogous art or teach away from one another. Patent Owner has not shown that either of those is true. “A finding that two inventions were designed to resolve different problems . . . is insufficient to demonstrate that one invention teaches away from another.” *Nat’l Steel Car, Ltd. v. Canadian Pac. Ry., Ltd.*, 357 F.3d 1319, 1339 (Fed. Cir. 2004). Additionally, we find that Reddy and Rosasco are analogous art because they are from the same field of endeavor, which is “address[ing] common technical issues of visualizing volumetric data using higher- and lower-end hardware.” *See Comaper Corp. v. Antec, Inc.*, 596 F.3d 1343, 1351 (Fed. Cir. 2010) (quoting *In re Clay*, 966 F.2d 656, 658–59 (Fed. Cir. 1992)); *see*

also In re Bigio, 381 F.3d 1320, 1325 (Fed. Cir. 2004) (upholding a finding that a tooth brush and a hair brush analogous art); Pet. 71.

Additionally, Patent Owner defines the problems solved by Reddy and Rosasco, but the motivation to combine inquiry focuses on whether one of ordinary skill would have been motivated to combine the teachings of both references as a whole, not whether the problems solved by the prior art is the same. *See Bosch Auto. Serv. Sols., LLC v. Matal*, 878 F.3d 1027, 1036 (Fed. Cir. 2017), as amended on reh’g in part (Mar. 15, 2018) (citing *EWP Corp. v. Reliance Universal Inc.*, 755 F.2d 898, 907 (Fed. Cir. 1985) (“A reference must be considered for everything it teaches by way of technology and is not limited to the particular invention it is describing and attempting to protect.”)).

Here, the claim broadly requires prioritizing requests for update data parcels. Petitioner combines Reddy and Rosasco because a person of ordinary skill in the art would have applied Rosasco’s teaching regarding prioritizing tiles to Reddy by having Reddy’s system obtain the tiles in the order that would be most helpful and informative to the user. Thus, we have considered Patent Owner’s arguments that Petitioner articulates no reasonable rationale for the combination (Prelim. Resp. 42–46), but on this record and at this stage of the proceeding we find Petitioner’s position as to why the artisan would have combined the teachings of the references to be well-founded.

Therefore, we are persuaded by Petitioner’s arguments that the references teach the priority feature recited in claim 20.

SUMMARY

For the reasons discussed above, we are persuaded that Petitioner has demonstrated a reasonable likelihood that it will succeed on the following challenge to patentability: claim 20 as obvious under 35 U.S.C. § 103(a) over the combination of Reddy, Hornbacker, and Rosasco.

ORDER

In consideration of the foregoing, it is hereby:

ORDERED that pursuant to 35 U.S.C. § 314(a) an *inter partes* review of the '239 Patent is hereby instituted, commencing on the entry date of this Order, and pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial;

FURTHER ORDERED that the trial is instituted with respect to the only remaining ground of challenge:

Claim 20 as obvious under 35 U.S.C. § 103(a) over the combination of Reddy, Hornbacker, and Rosasco; and

FURTHER ORDERED that the trial will be conducted in accordance with the accompanying Scheduling Order. In the event that an initial conference call has been requested or scheduled, the parties are directed to the Office Trial Practice Guide, 77 Fed. Reg. 48756, 48765–66 (Aug. 14, 2012), for guidance in preparing for the initial conference call, and should come prepared to discuss any proposed changes to the scheduling order entered herewith and any motions the parties anticipate filing during the trial.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNIFIED PATENTS INC.,
Petitioner,

v.

BRADIUM TECHNOLOGIES LLC,
Patent Owner.

Case IPR2018-00952
Patent 9,253,239 B2

Before BRYAN F. MOORE, BRIAN J. McNAMARA, and MINN CHUNG,
Administrative Patent Judges.

CHUNG, *Administrative Patent Judge, Dissenting.*

I agree with the majority's analysis of claim construction, statutory disclaimer, the challenged claim and asserted ground of unpatentability, and the real-party-in-interest issues. I also recognize that the application of 35 U.S.C. § 314(a) to deny institution of *inter partes* review is discretionary, and appreciate the majority's thoughtful reasoning in declining to exercise that discretion. In my view, however, Petitioner's monitoring of the

outcome of the prior proceeding and formulating its strategy using our Institution Decision in IPR2016-01897 (“1897 Inst. Dec.”) as a roadmap in preparing the instant Petition under the specific facts and circumstances of this case warrants the exercise of our discretion under § 314(a) to deny institution of *inter partes* review. Accordingly, I respectfully dissent.

As the majority recognizes, the Board’s discretion under 35 U.S.C. § 314(a) is not limited to situations where the same party files multiple petitions, and prior panels of the Board have found that the *General Plastic* factors provide a useful framework for analyzing the facts and circumstances in cases where a different petitioner filed a petition challenging a patent that had been challenged already by previous petitions.

For example, in IPR2018-00761, the panel, upon weighing the *General Plastic* factors, exercised its discretion to deny institution under § 314(a) when the petitioner “took advantage of ‘the opportunity to *strategically stage* their prior art and arguments,’ to account for positions taken by Patent Owner in its Preliminary Response” to a prior petition filed by a different petitioner challenging common claims of the same patent. *Shenzhen Silver Star Intelligent Tech. Co., Ltd. v. iRobot Corp.*, Case IPR2018-00761, slip op. at 12 (emphasis added) (quoting *Gen. Plastic*, slip op. at 17–18), 14–15 (PTAB Sept. 5, 2018) (Paper 15). The decision denying institution in IPR2018-00761 also considered an additional factor, namely, “the extent to which the petitioner and any prior petitioner(s) were similarly situated defendants or otherwise realized a similar-in-time hazard regarding the challenged patent,” to highlight “the relative importance of Factor 3 (timing of filings) in instances where filings follow a pattern that may represent a *tactic we do not wish to encourage.*” *Id.*, slip op. at 18

(Saindon, concurring) (emphasis added). Noting that the petitioner “waited to file its Petition until after having ample time to consider and tailor its Petition in response to how the Patent Owner responded to the earlier petition, and provides no curative explanation for doing so,” the panel determined that, under *General Plastic*, “we have no other conclusion to make but that the second petition was filed at the time it was filed *solely for the tactical reason of using the first petition as a test case.*” *Id.* at 19 (emphasis added). The panel cautioned that “[o]ur decision . . . puts parties on notice that such tactics may result in denials under *General Plastic.*” *Id.*

Similarly, in IPR2018-00995, adopting the reasoning and the additional factor in *Shenzhen Silver Star Intelligent Technology*, the panel exercised its discretion to deny institution under § 314(a) when the petitioner Shanghai Lunion Information Technologies, Ltd. (“SLIT”), a non-profit trade association organized to “maintain the good order in the market and enhance the global competitiveness of Chinese mobile phones,” was “*monitoring* the outcome of the earlier proceedings [initiated by different petitioners] and *shaped its strategy* with respect to the Petition accordingly.” *Shanghai Lunion Info. Techs., Ltd. v. Telefonaktiebolaget LM Ericsson*, Case IPR2018-00995, slip op. 18–19, 21 (emphasis added) (PTAB Nov. 13, 2018) (Paper 12).

As the majority notes, a central issue addressed by the *General Plastic* factors is balancing the equities between a petitioner and a patent owner when information is available from prior Board proceedings for a subsequent proceeding. *Gen. Plastic*, slip op. at 15–19. In both IPRs discussed above, the panels considered the unfairness to patent owners as a key issue in their *General Plastic* analysis when different petitioners timed

their filing of follow-on petitions to gain tactical advantage from having access to the arguments raised by the same patent owner, and the Board's findings and conclusions of law, regarding the commonly challenged claims of the same patent. *See Shanghai Lunion Info. Techs.*, slip op. 16, 18–19, 20–23; *Shenzhen Silver Star Intelligent Tech.*, slip op. 11–12, 16–19.

In my view, essentially the same unfairness issues are implicated in this case based on the facts and circumstances presented in the current record. As discussed below, my analysis of the non-exhaustive *General Plastic* factors under the specific circumstances of this case shows that we should exercise our discretion to deny institution under § 314(a). Although I do not disagree with the majority's analysis of *General Plastic* Factors 2, 6, and 7, I differ from the majority in my analysis of other factors, namely, Factors 1, 3, 4, 5, and 8.

Factor 1: Whether Petitioner Previously Filed a Petition Directed to the Same Claims of the Same Patent

Petitioner has not previously filed a petition challenging the '239 patent. The Petition, however, appears to copy substantial portions of the prior petition filed by Microsoft ("Prior Petition") in IPR2016-01897. *Compare, e.g.,* Case IPR2016-01897, Paper 2, 14–53, *with* Pet. 13–55; *see also* Prelim. Resp. 13–14 (arguing Petitioner's "copycat Petition" should not be instituted). Thus, the fact that Petitioner has not previously filed a petition challenging the '239 patent is not compelling. Furthermore, there is no dispute that the Petition challenges the same claims (claims 1–25) of the '239 patent that were challenged in the Prior Petition.

The majority finds that Factor 1 *overwhelmingly* weighs against a discretionary denial in this proceeding because there is no relationship

asserted between Petitioner and Microsoft and they are not similarly situated. I respectfully disagree with the majority because, as discussed below regarding Factor 8, Petitioner's own words indicate or suggest that Petitioner filed the instant Petition for the benefit of those similarly situated, including Microsoft.

Although I disagree with the majority that Factor 1 *overwhelmingly* weighs against exercising our discretion to deny institution, I nonetheless agree that Factor 1 weighs *against exercising our discretion* to deny institution.

Factor 2: Whether Petitioner Knew of or Should Have Known of the Prior Art Asserted in the Instant Petition When the Prior Petition was Filed

Petitioner does not address in its Petition when it learned of the prior art asserted here, namely, Reddy, Hornbacker, Loomans, and Rosasco. Moreover, Patent Owner does not provide argument or evidence to demonstrate that Petitioner knew, or should have known, of Reddy, Hornbacker, Loomans, and Rosasco as of the filing of the Prior Petition. According to Petitioner, however, it “monitor[s] . . . the Docket Navigator and other docketing services” (Ex. 2004, 147:12–18) and “reviews the entire Docket Navigator report every single day to see what goes on . . . in terms of PTAB activity” (*id.* at 148:5–9). Thus, it is likely that Petitioner knew, or should have known, Reddy, Hornbacker, and Loomans described in the Prior Petition soon after the Prior Petition was filed on September 30, 2016.

Nonetheless, because Petitioner was not a petitioner in the prior proceeding challenging the '239 patent, whether Petitioner knew of or should have known of the asserted references at the time the Prior Petition

was filed has little probative value here. Thus, I agree with the majority that Factor 2 neither weighs for or against exercising our discretion.

Factor 3: Whether Petitioner Had Patent Owner's Preliminary Response and the Board's Institution Decision on the Prior Petition When Petitioner Filed the Instant Petition

The Board explained the relevance of this factor in *General Plastic*:

[F]actor 3 is directed to Petitioner's potential benefit from receiving and having the opportunity to study Patent Owner's Preliminary Response, as well as our institution decisions on the first-filed petitions, prior to its filing of follow-on petitions. . . . Multiple, staggered petitions challenging the same patent and same claims raise the potential for abuse. The absence of any restrictions on follow-on petitions would allow petitioners the opportunity to *strategically stage* their prior art and arguments in multiple petitions, *using our decisions as a roadmap* All other factors aside, this is *unfair to patent owners* and is an inefficient use of the *inter partes* review process and other post-grant review processes.

Gen. Plastic, slip op. 17–18 (emphases added) (internal citation and footnote omitted).

Patent Owner filed its preliminary response to the Prior Petition on January 6, 2017. *See* Case IPR2016-01897, Paper 9. We issued our Institution Decision in IPR2016-01897 addressing the Prior Petition on April 5, 2017. '1897 Inst. Dec. 1. The instant Petition was filed on April 23, 2018. Thus, the timing of Petitioner's filing in this case raises the potential for abuse and unfairness to Patent Owner, because Petitioner had ample opportunity (over one year) to study the arguments raised by Patent Owner, and the Board's findings and conclusions of law, regarding the same claims of the '239 patent.

Indeed, it appears that Petitioner took advantage of “the opportunity to strategically stage their prior art and arguments . . . using our [Institution Decision in IPR2016-01897] as a roadmap.” *See Gen. Plastic*, slip op. 17–18. In our Institution Decision in IPR2016-01897, we agreed with Patent Owner that there is no disclosure in Reddy that supports the prior petitioner’s assertion that Reddy discloses “determining priority of the first and second request,” as recited in claim 20. ’1897 Inst. Dec. 19–20. Accordingly, we declined institute a review of claim 20 of the ’239 patent. *Id.* at 33–34.

The instant Petition appears to address this deficiency in the Prior Petition by adding a new reference, Rosasco, to teach the limitation of claim 20 we determined was missing from Reddy in our prior Institution Decision. *See* Pet. 4, 67–71. This appears to be the only notable difference between the Prior Petition and the instant Petition, which, as discussed above, otherwise appears to be a copy of the Prior Petition. *See* Prelim. Resp. 13–14 (arguing Petitioner’s “copycat Petition” should not be instituted).

Petitioner admits it was monitoring the activities on the PTAB docket relating to Patent Owner’s patents (such as the ’239 patent) on a daily basis to devise its NPE deterrence strategy and actions regarding Patent Owner’s patents. *See* RPI Reply 6–7; Ex. 2004, 37:11–12 (the CEO of Petitioner testifying that “Unified’s model is to deter NPE activity from particular technology areas”), 37:16 (“We consider Bradium a NPE.”), 35:12–14 (“Content Delivery Zone is . . . the zone in which the Bradium patent was categorized.”), 40:4–11 (“[W]e have a bunch of reports that come to us *on a daily basis*. We go through every single litigation that is filed, and we look

at them for figuring out *if they are NPE litigations*, and we look at them to see *which zones they apply to*. We do this for data purposes as well as . . . *our zone activity.*” (emphases added)), 147:15–19 (“through our *monitoring* of the Docket Navigator and other docketing services, we became aware of the fact that the IPRs filed against Bradium had been settled” (emphasis added)), 148:5–9 (“We . . . *review[]* the entire Docket Navigator report *every single day* to see what goes on . . . in terms of PTAB activity.” (emphases added)). Thus, the facts and circumstance of this case indicate that Petitioner was monitoring the outcome of the prior proceeding and shaped its strategy using our Institution Decision in IPR2016-01897 as a roadmap in preparing the instant Petition.

Therefore, in my view, Factor 3 weighs *strongly in favor of exercising our discretion* to deny institution.

Factor 4: The Elapsed Time between the Time Petitioner Learned of the Prior Art Asserted in the Instant Petition and the Filing of the Instant Petition

As discussed above regarding Factor 2, the record does not establish conclusively when Petitioner learned of the asserted prior art in this case. Nonetheless, as discussed above, because Petitioner was monitoring the activities on the PTAB docket relating to Patent Owner’s patents (such as the ’239 patent) on a daily basis, it is likely that Petitioner knew, or should have known, Reddy, Hornbacker, and Loomans described in the Prior Petition soon after the Prior Petition was filed on September 30, 2016. Thus, Petitioner likely knew, or should have known, most of the asserted prior art for more than a year and a half before filing the instant Petition.

Therefore, in my view, Factor 4 weighs *in favor of exercising our discretion* to deny institution.

Factor 5: Whether Petitioner Has Provided Adequate Explanation for the Time Elapsed between the Filings of Multiple Petitions Directed to the Same Claims of the Same Patent

The fifth *General Plastic* factor is “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.” *Gen. Plastic*, slip op. at 9, 16. A closely related factor often considered when determining whether to exercise our discretion under § 314(a) is “whether the petitioner provides adequate explanation why we should permit another attack on the same claims of the same patent.” *Akamai Technologies, Inc. v. Limelight Networks, Inc.*, Case IPR2017-00358, slip op. at 9 (PTAB May 2, 2017) (Paper 9); *Xactware Sols., Inc. v. Eagle View Techs., Inc.*, Case IPR2017-00034, slip op. at 7–8 (PTAB Apr. 13, 2017) (Paper 9).

Petitioner asserts that it has not previously challenged the ’239 patent and that the instant Petition, therefore, should not be denied under § 314(a). Pet. 3 (citing *Gen. Plastic*, slip op. 9–10). But the fact that Petitioner has not previously filed a petition challenging the ’239 patent relates to Factor 1, which I discussed already above. The issue here is why Petitioner waited for more than a year after having access to Patent Owner’s preliminary response and our prior Institution Decision addressing the Prior Petition to file the instant Petition.

The only explanation Petitioner provides regarding the *timing* of the filing of the instant Petition appears to be that Petitioner was monitoring the outcome of the prior proceeding challenging the ’239 patent, and when the

prior petitioner (Microsoft) settled with Patent Owner, Petitioner filed the instant Petition to further its mission to deter NPE activities or “to challenge weak patents that are within its covered Zones.” RPI Reply 6–7; *see also* Ex. 2004, 37:11–12, 147:15–19, 148:5–9.

But Petitioner does not explain adequately why it was necessary for Petitioner to wait for more than a year after having access to Patent Owner’s preliminary response and our prior Institution Decision addressing the Prior Petition to file the instant Petition in order to further its avowed mission. Because Petitioner was monitoring the activities in the Board’s docket involving Patent Owner on a daily basis, Petitioner should have been aware of the prior petition filed by Microsoft soon after its filing on September 30, 2016. In my view, Petitioner would have furthered its mission just the same by filing a petition after September 30, 2016, and before Patent Owner filed its preliminary response (or we issued our prior Institution Decision) in the prior proceeding. By doing so, Petitioner could have pressed on with its challenge against the ’239 patent even after Microsoft settled with Patent Owner. In other words, Petitioner does not explain adequately why the *timing* of Petitioner’s filing of the instant Petition challenging the same claims of the ’239 patent as the Prior Petition was necessary to further its mission “to challenge weak patents” or “to deter NPE activity” within the “covered Zones” or “technology areas.” *See* RPI Reply 6–7; Ex. 2004, 37:11–12.

Thus, in my view, Factor 5 weighs *in favor of exercising our discretion* to deny institution.

Factors 6 and 7: Board Considerations

I agree with the majority that these factors are not implicated under the circumstances of this case, and, therefore, do not weigh for or against exercising our discretion.

Factor 8: The Extent to Which Petitioner and Any Prior Petitioner(s) Were Similarly Situated Defendants or Otherwise Realized a Similar-In-Time Hazard Regarding the Challenged Patent

In both IPR2018-00761 and IPR2018-00995, the panels considered an additional factor of “the extent to which the petitioner and any prior petitioner(s) were similarly situated defendants or otherwise realized a similar-in-time hazard regarding the challenged patent.” *Shenzhen Silver Star Intelligent Tech.*, slip op. 17–19; *Shanghai Lunion Info. Techs.*, slip op. 20–23. Given the particular circumstances presented in this case, in my view, it is appropriate to include this additional factor for consideration in our *General Plastic* analysis in this case. *See Gen. Plastic*, slip op. 16, 18 (the listed factors are “a non-exhaustive list” and “additional factors may arise in other cases for consideration, where appropriate”).

Unlike Microsoft, the petitioner in the prior proceeding involving the ’239 patent, Petitioner has not been charged with infringing the ’239 patent. Petitioner asserts that Microsoft is not a member of Petitioner and that none of its members have been sued or threatened with suit for infringing the ’239 patent. RPI Reply 7, 9–10.

Petitioner represents, however, it operates “to protect technology zones, *not individual members.*” *Id.* at 6 (emphasis added). That is, Petitioner avows that it filed the instant Petition not for the benefit of any specific members of Petitioner, but, rather, for the benefit of the NPE Zone

relevant to the '239 patent. *See id.* at 6–7; *see also* Ex. 2004, 34:10–13 (The CEO of Petitioner testifying that “I wouldn’t say we benefit our members; I would say that we benefit the zones. We . . . work on behalf of the technology areas in our NPE zones.”), 35:12–14 (“Content Delivery Zone is . . . the zone in which the Bradium patent was categorized.”), 36:13–21 (“So generally Unified does what we consider to be deterrence work on behalf of the zone . . . monitoring patents in the space, to challenging patents, . . . to keep on top of everything that’s going on . . . in that zone from an NPE perspective.”). Although Microsoft is not a member of Petitioner, Microsoft would be in the relevant NPE Zone space under Petitioner’s definition (Ex. 2004, 35:12–14, 37:11–16) because Microsoft was sued by Patent Owner for infringing the '239 patent. Thus, by its own words, Petitioner indicates that it filed the instant Petition for the benefit of similarly situated entities, i.e., those in the NPE Zone relevant to the '239 patent, including Microsoft.⁸

In IPR2018-00995, the panel found that Factor 8 weighed in favor of exercising our discretion to deny institution, when SLIT, a non-profit trade association organized to “maintain the good order in the market and enhance the global competitiveness of Chinese mobile phones,” filed a follow-on petition challenging substantially the same claims of the same patent as the prior petitions filed by similarly situated members of the Chinese mobile

⁸ Although Microsoft has settled with Patent Owner, Microsoft would benefit from Petitioner’s filing of the instant Petition, if claim 20, the only remaining claim in the '239 patent, is canceled due to a final determination of unpatentability of the claim, because Microsoft would then be able to repudiate the license agreement between Microsoft and Patent Owner and stop paying royalties. *See Lear, Inc. v. Adkins*, 395 U.S. 653 (1969).

phone industry, “as part of [its] mission to protect the market order in China of the overall industry from being disturbed by patents we believe are invalid.” *Shanghai Lunion Info. Techs.*, Case IPR2018-00995, slip op. 21–23 (citations omitted). In my view, Petitioner’s filing of the instant follow-on Petition challenging the same claims of the same patent as the prior petition from Microsoft for the benefit of those in the relevant NPE Zone, including Microsoft, to further Petitioner’s mission of NPE deterrence presents similar circumstances and concerns with respect to Factor 8.

Thus, in my view, Factor 8 similarly weighs *in favor of exercising our discretion* to deny institution here.

Weighing the Factors for Discretionary Non-Institution Under § 314(a)

In my view, Petitioner’s strategy in this particular case is unfair to Patent Owner in view of the specific facts and circumstances presented. To summarize, in my view,

- (i) one factor weighs *strongly in favor of exercising our discretion* to deny institution (Factor 3);
- (ii) three factors weigh *in favor of exercising our discretion* to deny institution (Factors 4, 5, and 8);
- (iii) three factors are *neutral* (Factors 2, 6, and 7); and
- (iv) one factor weighs *against exercising our discretion* to deny institution (Factor 1).

Considering these factors as a whole, and on the record presented, in my view, it is appropriate to exercise our discretion under 35 U.S.C. § 314(a) to deny institution of an *inter partes* review of the challenged claim of the ’239 patent.

To be clear, I do not suggest that there is anything wrong with Petitioner's mission of NPE deterrence. Nor do I suggest all follow-on petitions by different petitioners that address or reflect the deficiencies in a prior petition should be denied. My view and analysis are limited to the specific facts and circumstances of this case, where Petitioner filed a follow-on Petition challenging the same claims of the same patent as the Prior Petition for the benefit of similarly situated entities, including the prior petitioner Microsoft, as the result of monitoring the outcome of the prior proceeding and formulating its strategy using our Institution Decision in IPR2016-01897 as a roadmap in preparing the instant Petition. As discussed above, Petitioner could have furthered its mission of NPE deterrence just the same by filing a petition before Patent Owner filed its preliminary response (or we issued our prior Institution Decision) in the prior proceeding. In my view, Petitioner's filing of the instant Petition under the facts and circumstances of this case represents a tactic the Board should not encourage. *See Shenzhen Silver Star Intelligent Tech.*, slip op. 18; *Shanghai Lunion Information Techs.*, slip op. 20–23.

I, therefore, respectfully dissent.

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Patent 9,253,239 B2

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