

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FACEBOOK, INC., WHATSAPP INC., and LG ELECTRONICS, INC.,¹
Petitioner,

v.

UNILOC USA, INC. and UNILOC LUXEMBOURG S.A.,
Patent Owner.

Case IPR2017-01427
Patent 8,995,433 B2

Before JENNIFER S. BISK, MIRIAM L. QUINN, and
CHARLES J. BOUDREAU, *Administrative Patent Judges*.

QUINN, *Administrative Patent Judge*.

ORDER

Partial Dismissal of Facebook, Inc. and WhatsApp, Inc.
35 U.S.C. §§ 315(e)(1), 316(b); 37 C.F.R. §§ 42.73(d), 42.5(a)

¹ LG Electronics, Inc. filed a petition and a motion for joinder in IPR2017-02087, which were granted, and, therefore has been joined to this proceeding. Paper 9.

I. INTRODUCTION

On May 11, 2017, Facebook, Inc. (“Facebook”) and WhatsApp Inc. (“WhatsApp”) filed a Petition, which we granted, requesting *inter partes* review of certain “challenged claims” of U.S. Patent No. 8,966,144 B2 (“the ’433 patent²”). Paper 2 (“Facebook Petition”); Paper 8 (“Decision on Institution” or “Dec.”). A month later, on June 16, 2017, Facebook and WhatsApp filed a second Petition for *inter partes* review of the challenged claims with a corresponding Motion for Joinder to IPR2017-00225, in which *inter partes* review of a subset of the claims challenged in this case, claims 1–6 and 8 of the ’144 patent, was instituted on May 25, 2017. *See* IPR2017-01635, Papers 2–3, 7. We granted that second Petition and Motion for Joinder, and, consequently, Facebook and WhatsApp were joined as a petitioner to IPR2017-00225. Accordingly, the petitioner entities in both IPR2017-00225 and IPR2017-01427 include Facebook and WhatsApp.

On May 23, 2018, the Board issued a Final Written Decision in IPR2017-00225, concluding that the challenged claims of the ’433 patent were not shown to be unpatentable. *See* IPR2017-00225, Paper 29. Accordingly, a subset of the claims challenged in the instant proceeding have been the subject of a Final Written Decision under 35 U.S.C. § 318(a).

² In IPR2017-01427, the Facebook Petition challenges claims 1–8 of the ’433 patent, hereinafter “challenged claims.”

The parties have briefed whether Facebook and WhatsApp are estopped under 35 U.S.C. § 315(e)(1).³ Dec. 29 (ordering the parties to brief estoppel issues); Papers 11 and 12 (briefs concerning estoppel).

II. ANALYSIS

According to 35 U.S.C. § 315(e)(1),

[t]he petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not request or maintain a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review.

By virtue of their joinder to IPR2017-00225, Facebook and WhatsApp are petitioners who have obtained a final written decision on claims 1–6 and 8 the '433 patent. If estoppel under § 315(e)(1) applies in these circumstances, Facebook and WhatsApp may not “maintain” the instant proceeding as to those claims. Therefore, we first determine if Facebook and WhatsApp seek to maintain this proceeding on “any ground that the petitioner raised or reasonably could have raised during” IPR2017-00225,

³ See also 35 U.S.C. § 316(b) (“In prescribing regulations under this section, the Director shall consider the effect of any such regulation on the economy, the integrity of the patent system, *the efficient administration of the Office*, and the ability of the Office to timely complete proceedings instituted under this chapter.”; emphasis added); 37 C.F.R. § 42.5(a) (“The Board may determine a proper course of conduct in a proceeding for any situation not specifically covered by this part and may enter non-final orders to administer the proceeding.”).

according to § 315(e)(1). If the answer is yes, and Facebook and WhatsApp are estopped, we then determine whether dismissal of these entities is appropriate.

A. Estoppel

We have stated that a ground “reasonably could have been raised” if it encompasses prior art that a “skilled searcher conducting a diligent search reasonably could have been expected to discover.” *See Praxair Distribution Inc., v. INO Therapeutics*, 2016 WL 5105519 (PTAB Aug. 25, 2016) (IPR2016-00781) (citing 157 Cong. Rec. S1375 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl); *see id.* at S1376 (statement of Sen. Kyl) (“This [estoppel] effectively bars such a party or his real parties in interest or privies from later using inter partes review . . . against the same patent, since the only issues that can be raised in an inter partes review . . . are those that could have been raised in [an] earlier post-grant or inter partes review.”); 157 Cong. Rec. S952 (daily ed. Feb. 28, 2011) (statement of Sen. Grassley) (“It also would include a strengthened estoppel standard to prevent petitioners from raising in a subsequent challenge the same patent issues that were raised or reasonably could have been raised in a prior challenge.”)).

Here, there is no question that Facebook and WhatsApp filed the Facebook Petition before the Petition in IPR2017-00225. Therefore, the asserted grounds here were known to Facebook and WhatsApp at least one month before these entities filed the motion to join IPR2017-00225. As such, there is no evidence or argument in the record that the grounds

involved in the instant proceeding were unavailable to these entities before they joined IPR2017-00225.

Facebook and WhatsApp argue that they could not have raised the grounds asserted here in IPR2017-00225, because trial had been instituted already in that proceeding. Paper 11, 3–4. This is not a fact relevant to our inquiry. We focus on whether the parties did raise or reasonably could have raised the asserted grounds when it filed the motion to join IPR2017-00225. These petitioners *chose* both to join IPR2017-00225, knowing the limited scope of that case, and also to maintain this proceeding, with different prior art asserted against all claims, including claim 7. We recognize that trying to expand the scope of IPR2017-00225 to include the challenges in this case, would substantially decrease the likelihood that the Board would grant the joinder request. A petitioner, however, is not required to join another petitioner’s case. Nor is a petitioner prevented from requesting to consolidate, with an earlier case, a petition including additional challenges. Thus, Facebook and WhatsApp had control of how to proceed given the institution of IPR2017-00225.

Accordingly, we do not find persuasive Facebook and WhatsApp’s argument that no estoppel arises here merely because they joined a previously instituted trial. Further, because the Board has issued a Final Written Decision in IPR2017-00225 concerning claims 1–6 and 8, we determine that Facebook and WhatsApp are estopped from maintaining the instant proceeding under § 315(e)(1) as to those claims. However, because this proceeding challenges claim 7, which was not addressed in the Final Written Decision in IPR2017-00225, we determine that Facebook and

WhatsApp are not estopped from maintaining the proceeding with respect to *claim 7 only*. See 35 U.S.C. § 318(e)(1) (stating petitioner “may not request or maintain a proceeding before the Office, *with respect to that claim* on any ground that the petitioner raised or reasonably could have raised during” the *inter partes* review that results in a final written decision concerning the claim) (emphasis added).

B. Role of Facebook and WhatsApp in This Proceeding

We now turn to the question of what role, if any, Facebook and WhatsApp will retain in this proceeding. The issue is complicated somewhat, by the fact that LG Electronics (“LG”), who filed a petition and joinder motion in IPR2017-02087, was joined to this case on March 6, 2018. LG was not a petitioner in IPR2017-00225, and, therefore, is not subject to the estoppel issue discussed above. Patent Owner, however, argues that the Board should terminate this entire proceeding based on the estoppel of WhatsApp and Facebook. Paper 12, 5. According to Patent Owner, LG should simply be allowed to file its own petition. *Id.* Facebook and WhatsApp, on the other hand, argue that the Board should proceed to issue a Final Written Decision in this proceeding because claim 7, which depends from claim 1, avoids estoppel as to that claim, and presenting evidence and arguments focusing on claim 1 means that the Board and the parties would still need to expend the same effort as that of a full proceeding. Paper 11, 5. Facebook and WhatsApp also argue that because LG is a joined petitioner here, this proceeding must proceed to final written decision whether or not

Facebook and WhatsApp are estopped, making it improper to “curtail this proceeding as to the Petitioners.” *Id.*

As discussed above, we agree that Facebook and WhatsApp are not estopped as to claim 7. Therefore, we see no cause to dismiss those entities from the case as a whole. Moreover, LG, which is not estopped from maintaining this proceeding, retains an interest in seeing this proceeding resolved regardless of whether Facebook and WhatsApp can participate. Accordingly, we decline to terminate this proceeding.

Moreover, we do not agree that Facebook and WhatsApp may participate in all aspects on this proceeding going forward. As we have explained, the estoppel statute prohibits Facebook and WhatsApp from “maintaining” this proceeding as to claims 1–6 and 8. We are persuaded that this means Facebook and WhatsApp, are prohibited from participating in further argument regarding 1–6 and 8. We recognize that claim 7 depends from claim 1, and, therefore, proof of claim 7’s patentability may involve proof concerning limitations recited in claim 1. We do not see the dependency of claim 7 from claim 1, however, as opening the door for Facebook and WhatsApp to maintain its active participation in every part of this proceeding. Facebook and WhatsApp may not participate in the proceeding to categorically challenge the unpatentability of claim 1, notwithstanding claim 7’s dependence from that claim.

Accordingly, Facebook and WhatsApp are dismissed from the proceeding as to claim 1–6 and 8. The dismissal of Facebook and WhatsApp does not limit LG’s participation in any way. Therefore, we determine that the most efficient manner of proceeding is for LG to assume

the role of challenger of all claims, with Facebook and WhatsApp's participation limited as to issues concerning *solely claim 7*. Further, Facebook and WhatsApp shall not file any briefs and evidence or pursue any separate discovery in the case without authorization of the Board. This arrangement promotes compliance with the statutory estoppel provision, while giving the parties an opportunity to continue with the ongoing proceeding. *See* 37 C.F.R. § 42.1(b). The parties are invited to request a conference with the Board to request additional guidance concerning this order, if such guidance is needed.

III. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that, pursuant to 35 U.S.C. § 315(e)(1), and 37 C.F.R. §§ 42.5(a) and 42.73(d), Facebook and WhatsApp are dismissed as to their challenge of claims 1–6 and 8;

FURTHER ORDERED that LG Electronics shall assume the previous role of Facebook and WhatsApp as challenger of claims 1–8, with input from Facebook and WhatsApp strictly limited to the challenge of claim 7; and

FURTHER ORDERED that Facebook and WhatsApp shall not file any additional briefs or evidence concerning claim 7 separate from filings from LG Electronics without authorization of the Board.

IPR2017-01427
Patent 8,995,433 B2

PETITIONER:

Heidi L. Keefe
Phillip E. Morton
COOLEY LLP
hkeefe@cooley.com
pmorton@cooley.com
zpatdcdocketing@cooley.com

Anand Sharma
Minjae Kang
Joshua Goldberg
Bradford Shulz
FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, L.L.P
Anand.sharma@finnegan.com
Minjae.kang@finnegan.com
Joshua.goldbert@finnegan.com
Bradford.shulz@finnegan.com

PATENT OWNER:

Brett Mangrum
James Etheridge
Jeffrey Huang
Ryan Loveless
ETHERIDGE LAW GROUP
brett@etheridgelaw.com
jim@etheridgelaw.com
jeff@etheridgelaw.com
ryan@etheridgelaw.com

Sean D. Burdick
UNILOC USA, INC.
sean.burdick@unilocusa.com