

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

INVT SPE LLC,
Patent Owner.

Case IPR2019-00959
Patent 7,848,439 B2

Before THU A. DANG, KEVIN F. TURNER, and BARBARA A. BENOIT,
Administrative Patent Judges.

BENOIT, *Administrative Patent Judge.*

DECISION
Institution of *Inter Partes* Review
35 U.S.C. § 314(a)
Petitioner's Motion for Joinder
37 C.F.R. § 42.122(b)

I. INTRODUCTION

Apple Inc. (“Petitioner” or “Apple”) filed a petition (Paper 1, “Pet.”) seeking *inter partes* review of claim 8 of U.S. Patent No. 7,848,439 B2 (Ex. 1001, “the ’439 patent” or “the challenged patent”). On the same day, Petitioner filed a Motion for Joinder with *HTC Corp. v. INVT SPEC LLC*, IPR2018-01581 (“the HTC IPR”). Paper 3 (“Mot.”). Patent Owner, INVT SPE LLC, filed a Preliminary Response and Response in Opposition to Petitioner’s Motion for Joinder. Paper 7 (“Prelim. Resp.”).

For the reasons described below, we institute an *inter partes* review of claim 8 of the challenged patent and grant Petitioner’s Motion for Joinder.

A. *Related Matters*

As required by 37 C.F.R. § 42.8(b)(2), each party identifies various judicial or administrative matters that would affect or be affected by a decision in this proceeding. Pet. 1; Paper 5 (Patent Owner’s Mandatory Notice), 2–3. The parties identify several district court proceedings and a U.S. International Trade Commission Investigation involving the challenged patent. Pet. 1; Paper 5, 2. Patent Owner additionally identifies various proceedings involving petitions for *inter partes* review. Paper 5, 2–3.

B. *The Asserted Ground of Unpatentability*

Petitioner challenges claim 8 of the ’439 patent as unpatentable under 35 U.S.C. § 103¹ over the following references:

¹ The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112–29, 125 Stat. 284, 287–88 (2011), revised 35 U.S.C. § 103 effective March 16, 2013. Because the challenged patent was filed before March 16, 2013, we refer to the pre-AIA version of § 103.

U.S. Patent No. 6,904,283 B2, filed April 17, 2001, issued June 7, 2005 (Ex. 1003, “Li”);

U.S. Patent No. 7,221,680 B2, filed September 1, 2004, issued May 22, 2007 (Ex. 1004, “Vijayan”);

U.S. Patent No. 6,721,569 B1, filed September 29, 2000, issued April 13, 2004 (Ex. 1005, “Hashem”); and

U.S. Patent No. 5,596,604, filed August 17, 1993, issued January 21, 1997 (Ex. 1006, “Cioffi”).

Pet. 3. In its challenges, Petitioner cites to the references and declaration testimony from Zhi Ding, Ph.D. (Exhibit 1007). Pet. 3, 15–63.

II. DISCUSSION

A. Three Petitions Challenging Claims of the ’439 Patent

In addition to the instant Petition challenging claim 8 of the ’439 Patent, Petitioner and ZTE (USA) Inc. filed a petition in IPR2018-01477 challenging claims 1–11 of the ’439 Patent and relying on Li, Vijayan, and U.S. Patent No. 7,885,228 B2 (“Walton”). IPR2018-01477, Paper 1 (“1477 Dec.”), 9.² On March 7, 2019, we denied institution after concluding that the information presented in the petition did not show a reasonable likelihood that Petitioner would prevail with respect to claims 1–11. 1477 Dec. 37. A few weeks later on April 1, 2019, we instituted an *inter partes* review of claim 8 of the ’439 patent under 35 U.S.C. § 103 over Li, Vijayan, Hashem, and Cioffi in IPR2018-01581 (“the HTC IPR”) based on a

² Specifically, Apple and ZTE (USA) Inc. asserted claims 1, 3, and 5–11 would have been obvious under 35 U.S.C. § 103 over Li and Walton and claims 2 and 4 would have been obvious over Li, Walton, and Vijayan. 1477 Dec. 9.

petition filed by HTC Corp. and HTC America, Inc. (collectively, “the HTC Petitioner”). IPR2018-01581, Paper 1 (“HTC Petition” or “HTC Pet.”), Paper 9 (“HTC Dec.”).

B. Reasonable Likelihood of the Instant Petition

Institution of an *inter partes* review is authorized by statute when “the information presented in the petition . . . and any response . . . 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.” 35 U.S.C. § 314(a); *see* 37 C.F.R § 42.4(a) (delegating authority to institute trial to the Board). We address whether the Petition in this proceeding reaches the institution threshold before turning to Petitioner’s Motion for Joinder and considering whether to exercise our discretion under 35 U.S.C. § 314(a).

The Petition in this proceeding asserts the same ground of unpatentability as the ground on which we instituted review in the HTC IPR. *Compare* Pet. 3, 15–63, *with* HTC Pet. 3, 17–68; *see also* HTC Dec. 7–8, 12–43 (discussing asserted grounds). The Petition relies on the same expert declaration relied on in the HTC Petition. Mot. 4; Pet. 3 (relying on declaration testimony of Zhi Ding, Ph.D. (Ex. 1007)); HTC Dec. 8 (noting petition relies on declaration testimony of Zhi Ding, Ph.D. (Ex. 1007)). Indeed, Petitioner contends that the Petition “is substantively identical to the HTC Petition, containing only minor differences related to formalities of a different party filing the petition as well as” arguments related to discretionary denial of the Petition. Mot. 4.

Patent Owner’s Preliminary Response does not address Petitioner’s prior art, arguments, or evidence. *See generally* Prelim. Resp.

For the reasons set forth in our institution decision in the HTC IPR, we determine the information presented in the instant Petition shows a reasonable likelihood that Petitioner would prevail in showing claim 8 would have been obvious over Li, Vijayan, Hashem, and Cioffi. *See* HTC Dec. 12–43.

C. Petitioner’s Motion for Joinder

We have authority under 35 U.S.C. § 315(c) to join a properly filed *inter partes* review petition to an instituted *inter partes* review. A motion for joinder must be filed “no later than one month after the institution date of any *inter partes* review for which joinder is requested.” 37 C.F.R. § 122(b).

The Petition in this proceeding was accorded a filing date of April 8, 2019. Paper 4 (Notice of Filing Date Accorded). The HTC IPR was instituted on April 1, 2019. HTC Dec. 1. We agree with Petitioner that its Motion for Joinder is timely. Mot. 3.

Both parties recognize, as do we, that the one-year bar set forth in 35 U.S.C. § 315(b) and 37 C.F.R. § 42.101(b) would bar institution of the Petition except for the request for joinder. Mot. 3 (“Further, the one-year bar set forth in 37 C.F.R. § 42.101(b) does not apply to the Apple Petition because this Motion for Joinder is filed concurrently with the Apple Petition. 37 C.F.R. § 42.122(b.)”; Prelim. Resp. 2; *see* 35 U.S.C. § 315(b) (“The time limitation . . . shall not apply to a request for joinder under subsection (c).”); 37 C.F.R. § 42.122(b) (“The time set forth in §42.101(b) shall not apply when the petition is accompanied by a request for joinder.”).

In its Motion, Petitioner contends that its narrowly tailored petition would “not unduly burden or prejudice the parties to the HTC IPR while

efficiently resolving the question of the '439 Patent's validity in a single proceeding." Mot. 1. In opposition, Patent Owner contends that Petitioner's Motion for Joinder should be denied "because it is predicated upon Apple's own strategic choices and Apple has not articulated any prejudice it may suffer in the absence of a joinder." Prelim. Resp. 12 (capitalization altered); *see* Prelim. Resp. 12–15.

As noted previously, Petitioner asserts the same unpatentability ground on which we instituted review in the HTC IPR. *See* Mot. 4 ("Joinder with the HTC IPR is appropriate because the Apple Petition involves the same patent, challenges the same claim[], relies on the same expert declaration, and is based on the same grounds and combinations of prior art submitted in the HTC Petition."). Petitioner relies on the same prior art analysis and expert declaration as presented in the HTC Petition. *See* Mot. 4 ("Other than these mere differences related to formalities, there are no changes to the facts, citations, evidence, or arguments presented in the HTC Petition."); Mot. 4–5 ("The Apple Petition is substantively identical to the HTC Petition. The Apple Petition presents the unpatentability of the same claim[] of the same patent in the same way as the HTC Petition.").

Accordingly, this *inter partes* review does not present any ground or matter not already at issue in the HTC IPR. Furthermore, if joinder is granted, Petitioner anticipates participating in the proceeding in a limited capacity absent termination of HTC Corp. and HTC America Inc. as parties. Mot. 6–7 ("Petitioner explicitly agrees to take an 'understudy' role, as described by the Board" in IPR2014-00550, Paper 38, 5). Petitioner proposes its participation be limited to being an "understudy" as defined in a

prior Board decision. *See* Mot. 6–7 (Petitioner’s block quote). Petitioner thus proposes its understudy role to be the following:

- (a) all filings by Petitioner in the joined proceeding would be consolidated with the filings of the petitioner in the HTC IPR unless a filing solely concerns issues that do not involve the original petitioner in the HTC IPR;
- (b) Petitioner shall not be permitted to raise any new grounds not already instituted by the Board in the HTC IPR, or introduce any argument or discovery not already introduced by the petitioner in the HTC IPR;
- (c) Petitioner shall be bound by any agreement between Patent Owner and the petitioner in the HTC IPR concerning discovery and/or depositions; and
- (d) Petitioner at deposition shall not receive any direct, cross-examination or redirect time beyond that permitted for the petitioner in the HTC IPR alone under either 37 C.F.R. § 42.53 or any agreement between Patent Owner and the petitioner in the HTC IPR.

See Mot. 6–7. Petitioner represents that it would “assume the primary role only if HTC ceases to participate in the HTC IPR.” Mot. 7.

Patent Owner contends that if we grant Petitioner’s Motion we should limit Petitioner’s role in the manner proposed by Petitioner and Petitioner “should be required to seek permission from the Board first before making any . . . filings” “as to matters that solely concern itself.” Prelim. Resp. 15. We agree with Patent Owner’s request.

Because Petitioner expects to participate only in this limited capacity, Petitioner submits that joinder will not impact the trial schedule for the HTC IPR. Mot. 7 (“By Petitioner accepting an ‘understudy’ role, Patent Owner and Petitioner Apple can comply with the current trial schedule and avoid any duplicative efforts by the Board or the Patent Owner.”).

Petitioner represents that Petitioner HTC “takes no position as to Petitioner Apple joining in IPR2018-01581 in an ‘understudy’ role.” Mot. 7.

In view of the particular circumstances of this case, we agree with Petitioner that joinder is appropriate in these circumstances because joinder will not unduly burden the parties to the HTC IPR while efficiently resolving the question of the unpatentability of claim 8 of the ’439 patent in a single proceeding. *See, e.g.*, Mot. 1.

D. Discretionary Denial under 35 U.S.C. § 314(a)

Patent Owner requests that we exercise the Board’s discretion under 35 U.S.C. § 314(a) to deny institution of an *inter partes* review in the particular circumstances of this proceeding. *See Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *Harmonic Inc. v. Avid Tech, Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“The PTO is permitted, but never compelled, to institute an IPR proceeding.”).

In *General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, the Board enumerated non-exhaustive factors that the Board would consider in exercising discretion on instituting *inter partes* review, especially as to “follow-on” petitions challenging the same patent as challenged previously in an *inter partes* review. Case IPR2016-01357, slip op. at 16 (PTAB Sept. 6, 2017) (Paper 19) (§ II.B.4.i precedential); *see* Office Trial Practice Guide, August 2018 Update, 83 Fed. Reg. 39989 (Aug. 13, 2018) (Notice of

update); Trial Practice Guide Update (August 2018),³ 9–10 (Considerations in Instituting a Review (discussing *General Plastic*)). The non-exhaustive *General Plastic* factors are

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.

General Plastic, slip op. at 9–10.⁴ The *General Plastic* factors generally have been used to analyze situations in which the same party files multiple petitions challenging the same patent. As the Office Trial Practice Guide explains, the *General Plastic* factors are not dispositive, but are part

³ Trial Practice Guide Update (August 2018) is available at https://www.uspto.gov/sites/default/files/documents/2018_Revised_Trial_Practice_Guide.pdf.

⁴ See also *NVIDIA Corp. v. Samsung Elec. Co.*, Case IPR2016-00134 (PTAB May 4, 2016) (Paper 9) (cited by *General Plastic*).

of a balanced assessment of the relevant circumstances in a particular case. Office Trial Practice Guide Update (August 2018), 10.

Petitioner contends that the *General Plastic* factors are inapplicable to the circumstances here because Petitioner requests to join an ongoing proceeding without expanding the scope of the proceeding and participating in a limited understudy role. Mot. 7–8; *see* Pet. 2. Petitioner reasons that its understudy role in joining an instituted review would not impact the Board’s finite resources and “is not the type of serial petition to which *General Plastic* applies.” Mot. 8.

Patent Owner contends that “*General Plastic* applies to follow-on petitions like this one, by the same Petitioner and directed to the same claims of the same patent.” Prelim. Resp. 4–5, 6 (*General Plastic* factor 1). Patent Owner argues that Petitioner knew about two of the three asserted prior art references when it filed its 1477 Petition, because it asserted them in its prior petition, and Petitioner should have known “with reasonable diligence” of Hashem and Cioffi, the other two prior art references asserted in the Petition. Prelim. Resp. 6–7 (*General Plastic* factor 2). Patent Owner further argues that Petitioner filed the Petition in this proceeding to cure the deficiencies in its earlier petition in IPR2018-01477 (*General Plastic* factor 3) and has not provided any explanation for the time elapsed between the petition in IPR2018-01477 and the Petition in this proceeding (*General Plastic* factors 4 and 5). Prelim. Resp. 7–11. Patent Owner contends that “instituting a new proceeding, or adding another party in the case of an ultimate joinder” typically reduces efficiency and increases costs. Prelim. Resp. 11 (*General Plastic* factors 6 and 7) (“At the very least, Factors 6 and 7 moderately weigh in favor of denial of this IPR. Certainly, it is true that instituting a

new proceeding, or adding another party in the case of an ultimate joinder, seldom inherently screams greater efficiency or fewer costs. Indeed, it more typically indicates the opposite.”).

Petitioner argues that, even if the *General Plastic* factors are applied to this proceeding, the factors do not weigh against institution because Petitioner filed its subsequent petition to seek joinder with an ongoing proceeding in the role of an understudy and without seeking to expand the scope of the ongoing review. Mot. 11 (“Thus, none of the *General Plastic* factors weigh against institution and joinder in this situation.”); see Mot. 8–11 (discussing each *General Plastic* factor).

We do not agree with Patent Owner that the *General Plastic* factors weigh against institution in the particular circumstances of this case. Patent Owner does not adequately address an important circumstance here—Petitioner only seeks to join an ongoing proceeding as an understudy without expanding the scope of the review. See generally Prelim. Resp. 6–12. In August 2018, both Petitioner and Petitioner HTC submitted separate, independent petitions that were filed one day apart. On March 7, 2019, we denied Petitioner’s first petition (IPR2018-01477) and a few weeks later on April 1, 2019, we instituted an *inter partes* review based on HTC’s petition (IPR2018-01581). A week later on April 8, 2019, Petitioner filed the Petition in this proceeding, seeking to join the HTC IPR in a limited “understudy” role without expanding the scope of the ongoing proceeding.

Moreover, in these particular circumstances, we do not agree with Patent Owner that Petitioner engaged in “unreasonable delay and questionable tactics” (Prelim. Resp. 11) or that “[t]his is an improper and belated attempt by Apple to remedy the deficiencies in its first filed petition”

(Prelim. Resp. 12). Rather, in view of our decision not to institute a review in IPR2018-01477, Petitioner seeks to avail itself of the joinder provision provided by statute and regulation without expanding the scope or unduly burdening the parties of the ongoing proceeding.

For these reasons, we do not choose to exercise our discretion under § 314(a) to deny institution of an *inter partes* review in these particular circumstances.

E. Summary

Having determined the Petition meets the threshold of institution and that we will not exercise our discretion to deny institution, we institute an *inter partes* review on the same grounds as the ones on which we instituted review in the HTC IPR: whether claim 8 would have been obvious over Li, Vijayan, Hashem, and Cioffi. Having instituted review and having determined joinder of Petitioner to the HTC IPR is appropriate in these circumstances, we grant Petitioner's Motion for Joinder and terminate the newly instituted review of the instant proceeding IPR2019-00959.

III. ORDER

For the reasons given, it is

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review of claim 8 of the '439 patent is instituted with respect to the only ground set forth in the Petition;

FURTHER ORDERED that the Motion for Joinder with IPR2018-01581 is granted, and Apple Inc. is joined as a petitioner in IPR2018-01581;

FURTHER ORDERED that IPR2019-00959 is terminated under 37 C.F.R. § 42.72, and all further filings shall be made only in IPR2018-01581;

FURTHER ORDERED that, subsequent to joinder, the grounds for trial in IPR2018-01581 remain unchanged;

FURTHER ORDERED that, subsequent to joinder, the Scheduling Order in place for IPR2018-01581 (Paper 10) remains unchanged;

FURTHER ORDERED that in IPR2018-01581, the HTC Petitioner and Petitioner will file each paper, except for a motion that does not involve the other party, as a single, consolidated filing, subject to the Conduct of the Proceeding Order issued April 22, 2019 (Paper 12) or otherwise set forth in 37 C.F.R. § 42.24, and shall identify each such filing as a consolidated filing of the petitioners;

FURTHER ORDERED that subject to Petitioner's "understudy role" as defined herein, the HTC Petitioner and Petitioner shall collectively designate attorneys to conduct the cross-examination of any witness produced by Patent Owner and the redirect of any witness produced by the HTC Petitioner and Petitioner, within the timeframes set forth in 37 C.F.R. § 42.53(c) or agreed to by the parties;

FURTHER ORDERED that subject to Petitioner's "understudy role," the HTC Petitioner and Petitioner shall collectively designate attorneys to present at the oral hearing, if requested and scheduled, in a consolidated argument;

FURTHER ORDERED that the case caption in IPR2018-01581 shall be changed to reflect joinder of Apple Inc. as a petitioner in accordance with the below example; and

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FURTHER ORDERED that a copy of this Decision shall be entered into the record of IPR2018-01581.

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EXAMPLE CAPTION

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⁵ Apple Inc., who filed a petition in IPR2019-00959, has been joined as a petitioner in this proceeding.

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