



UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

UNILOC 2017 LLC,
Patent Owner.

IPR2020-00854
Patent 6,467,088 B1

Before MIRIAM L QUINN, AMANDA F. WIEKER, and
SCOTT RAEVSKY, *Administrative Patent Judges*.

QUINN, *Administrative Patent Judge*.

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

Denying Motion for Joinder
35 U.S.C. § 315(c); 37 C.F.R. § 42.122

I. INTRODUCTION

Apple Inc. (“Petitioner” or “Apple”) filed a Petition for *inter partes* review of claims 1–4, 6–14, and 16–21 of U.S. Patent No. 6,467,088 B1 (Ex. 1001, “the ’088 patent”). Paper 1 (“Pet.”). Petitioner also filed a Motion for Joinder with *Microsoft Corp. v. Uniloc 2017 LLC*, IPR2020-00023 (“the 023 IPR”). Paper 3 (“Mot.”). Uniloc 2017 LLC (“Patent Owner”) filed an Opposition to the Motion for Joinder. Paper 7 (“Opp.”).¹ Petitioner filed a Reply to Patent Owner’s Opposition. Paper 8 (“Reply”). We have authority under 35 U.S.C. § 314(a), which provides that an *inter partes* review may not be instituted “unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.”

For the reasons described below, we do not institute an *inter partes* review of the challenged claims and deny Petitioner’s Motion for Joinder.

II. RELATED PROCEEDINGS

The parties indicate that the ’088 patent is the subject of several court proceedings, the 023 IPR filed by Microsoft, and a prior petition for *inter partes* review filed by Petitioner. Pet. 10; Paper 5, 2. In particular, the ’088 patent was the subject of *Apple Inc. v. Uniloc 2017 LLC*, IPR2019-00056 (“the 056 IPR”), where the Board issued a decision not to institute *inter partes* review. Pet. 10.

In the 023 IPR, we instituted an *inter partes* review of claims 1–4, 6–14, and 16–21 of the ’088 patent based on the following asserted prior art and grounds:

¹ Patent Owner did not file a Preliminary Response.

- 1) *Apfel*: U.S. Patent No. 5,974,454, filed as Exhibit 1004;
- 2) *Lillich*: U.S. Patent No. 5,613,101, filed as Exhibit 1005;
- 3) *Todd*: U.S. Patent No. 5,867,714, filed as Exhibit 1006; and
- 4) *Pedrizetti*: U.S. Patent No. 6,151,708, filed as Exhibit 1007.

Microsoft Corp. v. Uniloc 2017 LLC, IPR2020-00023, Paper 7 at 6, 29–31 (PTAB Apr. 14, 2020) (“023 Decision” or “023 Dec.”). The following table summarizes the grounds of unpatentability in the 023 IPR:

Claims Challenged in 023 IPR	35 U.S.C. § ²	References/Basis
1–4, 6–14, 16–21	103(a)	Apfel, Lillich, Todd
9, 19	103(a)	Apfel, Lillich, Todd, Pedrizetti
1–3, 9–13, 19–21	103(a)	Apfel, Lillich
1, 3, 4, 6–11, 13, 14, 16–21	103(a)	Apfel, Todd

Id.

III. WHETHER TO INSTITUTE *INTER PARTES* REVIEW

The Petition in this proceeding asserts the same grounds of unpatentability as those upon which we instituted review in the 023 IPR. *Compare* Pet. 13–15, *with* 023 Dec. 5, 30. Indeed, Petitioner contends that the Petition “is substantially identical to the petition filed in the [023] IPR Proceeding.” Pet. 11; *see also* Ex. 1016 (comparing in redline the differences between the petition in the 023 IPR and the instant Petition). We agree that the Petition here asserts challenges and evidence identical to those

² Because the application leading to the ’088 patent was filed before March 16, 2013, patentability is governed by the version of 35 U.S.C. § 103 preceding the Leahy-Smith America Invents Act (“AIA”), Pub L. No. 112–29, 125 Stat. 284 (2011).

asserted in the 023 IPR. Having already considered the merits of those challenges and evidence vis-à-vis the threshold of institution for *inter partes* review, we determine that the Petition here also presents a reasonable likelihood of prevailing on the challenge of at least one claim of the '088 patent.

Notwithstanding the merits, however, Patent Owner argues that we should exercise our discretion to deny institution under 35 U.S.C. § 314(a) and, accordingly, deny joinder, citing and discussing the *Fintiv* and *General Plastic* factors. Opp. 2–9 (citing *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5–6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv* Order”) and *General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i)). Petitioner argues that neither the *Fintiv* Order nor the *General Plastic* factors applies here, where Petitioner seeks to join as a party to the 023 IPR and take an inactive or understudy role. Reply 1–2, 4. As explained in further detail below, Petitioner’s understudy argument is not persuasive here where the copied petition is Petitioner’s second challenge to the patent, and should Microsoft settle, Petitioner would stand in to continue a proceeding that would otherwise be terminated. In effect, it would be as if Apple had brought the second challenge to the patent in the first instance. This is the kind of serial attack that *General Plastic* was intended to address. *General Plastic*, Paper 19 at 17 (“Multiple, staggered petitions challenging the same patent and same claims raise the potential for abuse.”).

That Petitioner seeks to join the 023 IPR does not obligate us to institute this proceeding without first considering whether to exercise

discretion under § 314(a). The statutory provision governing joinder in *inter partes* review proceedings is 35 U.S.C. § 315(c), which reads:

If the Director institutes an inter partes review, the Director, in his or her discretion, may join as a party to that inter partes review any person who properly files a petition under section 311 that the Director, after receiving a preliminary response under section 313 or the expiration of the time for filing such a response, determines warrants the institution of an inter partes review under section 314.

See also Facebook, Inc. v. Windy City Innov., LLC, 973 F.3d 1321, 1332 (Fed. Cir. 2020) (determining that § 315(c) requires “two different decisions,” first “whether the joinder applicant’s petition for IPR ‘warrants’ institution under § 314,” and then whether to “exercise . . . discretion to decide whether to ‘join as a party’ the joinder applicant”). Under 35 U.S.C. § 315(c), the discretion of the Director to join a party to an ongoing IPR is premised on the Director’s determination that the petition warrants institution. That determination is not limited to determining whether the merits of the petition meet the reasonable likelihood threshold for at least one challenged claim. Under *General Plastic*, the Board may deny a petition based on the Director’s discretionary authority of § 314(a). *General Plastic*, Paper 19 at 15. Thus, before determining whether to join Apple as a party to the 023 IPR, even though the Petition is a “me-too petition,” we first determine whether application of the *General Plastic* factors warrants the exercise of discretion to deny the Petition under § 314(a).

A. Prior Petitions

In *General Plastic*, the Board recognized certain goals of the AIA but also “recognize[d] the potential for abuse of the review process by repeated attacks on patents.” *General Plastic*, Paper 19 at 16–17. On October 17,

2018, Apple filed a first petition challenging the '088 patent. 056 IPR, Paper 1. We denied that petition on April 29, 2019 because the evidence and arguments presented failed to meet substantively the reasonable likelihood threshold required for institution. *Id.* at Paper 7. Subsequently, Apple filed a request for rehearing the Board's decision denying institution, which the Board denied on July 15, 2019. *Id.* at Papers 8, 9. At this point in the timeline of events, because Patent Owner had served Apple with the district court complaint more than a year prior to the Board's decision denying rehearing, Apple was barred from filing any further petitions against the '088 patent. *See* 35 U.S.C. § 315(b).

Patent Owner sued Microsoft Corporation ("Microsoft") in district court on May 20, 2019, almost a year after the complaint against Apple was filed. Pet. 10. Microsoft then filed its petition challenging the '088 patent, on October 11, 2019. 023 IPR, Paper 2. The Board granted that petition and instituted the 023 IPR on April 14, 2020. 023 Decision, 1.

As for the instant proceeding, Apple filed its second petition on April 23, 2020, together with the Motion for Joinder, seeking to join the 023 IPR. Although Patent Owner did not file a Preliminary Response, it filed an Opposition to the Motion for Joinder. In its Opposition, Patent Owner challenges Apple's request to join the 023 IPR because, among other arguments, Apple's first petition was denied, and this second petition should be denied under *General Plastic* because Apple is using the joinder procedure as an "end run around its failed petition." Opp. 7. Apple responded to that Opposition with a Reply, and, as stated above, Apple responds that *General Plastic* does not apply to its request for joinder. Reply 4–5.

By way of summary, Apple failed in its first attempt to challenge the '088 patent, and, over a year later and subject to a § 315(b) bar, seeks to join an ongoing proceeding challenging that same patent.

B. General Plastic Factors

The Board's decision in *General Plastic* articulates a non-exhaustive list of factors to be considered in evaluating whether to exercise discretion, under 35 U.S.C. § 314(a), to deny a petition that challenges a patent that was previously challenged before the Board. These 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, Paper 19 at 9–10.

C. Assessment of the Factors

The Petition in the instant proceeding is undeniably the second petition Apple has filed challenging the '088 patent. Patent Owner urges that we exercise discretion to deny the Petition and deny joinder because of Apple's repeated challenge and because, in the year since the denial of the first petition, Apple has had the benefit of Patent Owner's filings in prior IPRs, and Apple has failed to explain the timing of its second petition and its knowledge of the asserted prior art. Opp. 8–9. Accordingly, we address each of the factors below.

1. “whether the same petitioner previously filed a petition directed to the same claims of the same patent”

As stated above, this is the second petition Apple has filed challenging the claims of the '088 patent. Opp. 8, Pet. 10. In its first petition, Apple challenged claims 1–21 of the '088 patent. IPR2019-00056, Paper 1, 3. Here, in Apple's second petition, Apple challenges a subset of those claims. Pet. 13–14.

Apple unpersuasively argues that its agreement to take an “understudy” role in the 023 IPR makes this factor irrelevant. Reply 4. As stated earlier, however, the *General Plastic* factors are relevant to our determination whether denial is warranted under § 314(a), even when the petition filed is a follow-on petition and Petitioner is not seeking an active role in the ongoing IPR. Accordingly, we conclude that this first *General Plastic* factor weighs in favor of denying institution of the proceeding.

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*”

In addressing this second *General Plastic* factor, Patent Owner argues that Apple “has provided no indication that it was not aware of the art later asserted in . . . [the 023] IPR” at the time it filed its first petition. Opp. 8. Patent Owner further argues that “Apple should have known of the art at th[e] time [of filing its first petition], having performed prior art searches to prepare its petition, and has not provided a persuasive explanation otherwise.” *Id.* Apple’s contention is that this second *General Plastic* factor is either neutral or irrelevant because there is no overlap between the prior art asserted in Apple’s first petition and the 023 IPR petition, and because it “is merely seeking to join in an understudy role.” Reply 4.

We agree with Patent Owner that, in connection with this factor, Apple has not explained its knowledge of the prior art asserted in the 023 IPR and here. However, contrary to Patent Owner’s argument, we do not presume Petitioner’s knowledge of the prior art based on prior art searches alleged to have been performed in preparation of its first petition. The issue for us here is that Apple has failed to set forth facts or offer an explanation concerning its knowledge, at the time it filed the first petition, of the prior art asserted in the 023 IPR and here. Because of the lack of explanation, we conclude that this second *General Plastic* factor weighs in favor of denying institution of the proceeding.

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*”

In addressing the third *General Plastic* factor, Patent Owner argues that the Board had denied Apple’s first petition when Apple filed this second petition and Motion for Joinder. Opp. 9. We agree that, as explained above in the timeline of events, Apple had received a Board decision denying the first petition well before the filing of Apple’s second petition. In its Reply, Apple focuses on the fact that its second petition is substantively identical to the 023 IPR petition and seeks to join Microsoft as an “understudy,” thereby arguing that its second petition is not an attempt to “harass Uniloc or otherwise engage in serial, tactic filings.” Reply 4–5.

Apple’s argument is unpersuasive because the third *General Plastic* factor addresses whether Apple had access to a Board decision or a preliminary response concerning its first petition, such that Apple would have been in a position to gain a benefit from having that information before filing its second petition. The timing of events here shows that Apple indeed had two Board decisions concerning its first petition, the decision denying institution and a decision of the request for rehearing of that decision. Consequently, we conclude that the third *General Plastic* factor weighs in favor of denying institution of the proceeding.

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*”

In connection with the fourth *General Plastic* factor, Patent Owner argues that Apple has not explained *when* it learned of the art asserted in the

023 IPR and here. Opp. 9. Patent Owner repeats that Apple should have known of the art when it filed its first petition. *Id.* Apple argues that this factor is inapplicable because its second petition was filed for purposes of seeking joinder with the 023 IPR. Reply 5.

We are not persuaded that this factor is irrelevant to our analysis. The fourth *General Plastic* factor seeks to address a delay, if any, in filing a second petition. As stated above with regard to the second *General Plastic* factor, the lack of explanation by Apple provides no context by which to ascertain Apple's knowledge of the prior art asserted in the 023 IPR. Therefore, on the record before us, we cannot determine how much time elapsed between Apple's knowledge of the prior art in the 023 IPR and the filing of its second petition. Because of the lack of explanation, we conclude that this fourth *General Plastic* factor weighs in favor of denying institution of the proceeding.

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*”

Patent Owner and Apple argue the fourth and fifth *General Plastic* factors together. Opp. 5; Reply 5. For the same reasons stated above, for instance, Apple's lack of explanation, we conclude that this fifth *General Plastic* factor also weighs in favor of denying institution.

6. “*the finite resources of the Board*”

In connection with the sixth *General Plastic* factor, Patent Owner argues that “it is appropriate to consider the resources of the Board in the event Microsoft were to cease participation in the Microsoft IPR.” Opp. 9.

Patent Owner is correct that if Microsoft and Patent Owner were to settle, Apple would stand in as a petitioner in the joined proceeding and that the Board would expend resources in continuing the proceeding in that event. *Id.* Apple argues that this last *General Plastic* factor weighs against denial of institution because the 023 IPR is already ongoing and Apple's involvement in an understudy role would not impact the Board's resources. Reply 5.

Although a joinder request is usually an efficient mechanism by which to become a petitioner in an IPR, in this case, Apple's understudy role argument is not persuasive. Rather, we agree with Patent Owner that because this is Apple's second petition, should Microsoft settle, Apple would stand in to continue a proceeding that would otherwise be terminated. Joinder in this circumstance would allow Apple to continue a proceeding, even after settlement with the primary petitioner, based on a second attempt by Apple. On balance, we conclude that this sixth *General Plastic* factor weighs in favor of denying institution of the proceeding.

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"

Like the sixth *General Plastic* factor, the seventh factor, "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," implicates an efficiency consideration. Because there is no evidence or persuasive argument towards this factor, we determine this factor's weight is neutral.

D. Conclusion

After a holistic review of the *General Plastic* factors and the arguments presented for and against the exercise of discretionary denial, we conclude that the majority of the factors weigh in favor of denying institution of the proceeding. On balance and in view of the policy goals articulated in *General Plastic*, we conclude that it is appropriate here to exercise our discretion under 35 U.S.C. § 314(a). Because we decide not to institute based on the application of the *General Plastic* factors, we do not address additional arguments Patent Owner presents urging denial of the Petition on other grounds.

IV DENIAL OF MOTION FOR JOINDER

As stated above, the Director may join a party to an ongoing IPR only if the filed petition warrants institution under § 314. 35 U.S.C. § 315(c). Because we are exercising discretion to deny institution under § 314, we deny Petitioner's Motion for Joinder.

IV. ORDER

Accordingly, it is:

ORDERED that, pursuant to 35 U.S.C. § 314(a), the Petition is denied; and

FURTHER ORDERED that the Motion for Joinder is denied.

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