Trials@uspto.gov
571-272-7822

Paper No. 11
Filed: September 4, 2019

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORP.,
Petitioner,

v.

UNILOC 2017 LLC,
Patent Owner.

Case IPR2019-00744
Patent 7,167,487 B2

Before ROBERT J. WEINSCHENK, JOHN F. HORVATH, and SEAN P. O'HANLON, *Administrative Patent Judges.*

HORVATH, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
and
Denying Motion for Joinder
35 U.S.C. §§ 314(a) and 315(c)

I. INTRODUCTION

A. Background

On March 4, 2019, Microsoft Corp. ("Petitioner" or "Microsoft") filed a Petition in IPR2019-00744 ("the Microsoft IPR") requesting *inter partes* review of claims 1–6 ("the challenged claims") of U.S. Patent No. 7,167,487 B2 (Ex. 1001, "the '487 patent"). Paper 2 ("Pet."), 5. Uniloc 2017 LLC ("Patent Owner" or "Uniloc"), filed a Preliminary Response. Paper 6 ("Prelim. Resp.").

Apple, Inc., LG Electronics, Inc., Samsung Electronics Co., Ltd., and Samsung Electronics America, Inc. ("collectively, Apple") previously filed a petition in IPR2019-00222 ("the Apple IPR") challenging claims 1–6 of the '487 patent. *See Apple, Inc. v. Uniloc 2017 LLC,* Case IPR2019-00222, slip op. at 4 (PTAB, Nov. 12, 2018) (Paper 5). We instituted *inter partes* review of claims 1–6 based on the petition filed in the Apple IPR. *See* Apple IPR, slip op. at 58–59 (PTAB June 4, 2019) (Paper 11).

Subsequent to filing the Petition, Microsoft filed a Motion for Joinder of the Microsoft IPR to the Apple IPR. Paper 7 ("Mot."). Uniloc filed an Opposition to the Motion for Joinder (Paper 8, "Opp."), and Microsoft filed a Reply (Paper 10). We have jurisdiction under 35 U.S.C. § 314.

For the reasons discussed below, we *deny* Microsoft's Motion for Joinder and *deny* Microsoft's Petition for institution of *inter partes* review.

B. Related Matters

Petitioner and Patent Owner identify various matters between Uniloc USA, Inc. or Uniloc 2017 LLC, and Apple, Inc., Blackberry Corp., HTC America, Inc., Huawei Device USA, Inc., LG Electronics USA, Inc., Microsoft Corp., Motorola Mobility, LLC, Samsung Electronics America,

Inc., or ZTE (USA), in various Federal District Courts including District Courts for the Eastern, Western, and Northern Districts of Texas, the Central, Southern, and Northern Districts of California, the District of Delaware, and the Western District of Washington, as well as various matters at the Patent Trial and Appeal Board, as matters that can affect or be affected by this proceeding. *See* Pet. viii–ix; Paper 3, 2.

C. Evidence Relied Upon[1]

References		Effective Date[2]	Exhibit
Peisa	US 6,850,540 B1	Feb. 25, 2000[3]	1005
QoS Concept and Architecture, 3rd Generation Partnership Project, 3GPP TS 23.107 V3.5.0 (2000–12) ("TS 23.107").		Dec. 22, 2000	1006
Services provided by the physical layer (Release 1999), 3rd Generation Partnership Project, 3GPP TS 25.302 V3.6.0 (2000–09) ("TS 25.302").		Oct. 16, 2000	1007
MAC protocol specification (Release 1999), 3rd Generation Partnership Project, 3GPP TS 25.321 V3.6.0 (2000–12) ("TS 25.321").		Dec. 10, 2000	1008
Corrections to logical channel priorities in MAC protocol, 3rd Generation Partnership Project, 3GPP TSG-RAN WG2 Meeting #18 ("R2-010182").		Jan. 23, 2001	1010

[1] Petitioner also relies upon the Declarations of Fabio M. Chiussi, Ph.D., (Ex. 1003) and Friedhelm Rodermund (Ex. 1004).

[2] Petitioner relies upon the Rodermund Declaration to establish the public accessibility and publication dates of TS 23.107, TS 25.302, TS 25.321, and R2-010182. *See* Pet. 13–16.

[3] Petitioner relies on the U.S. filing date of Peisa to establish its availability as prior art under 35 U.S.C. § 102(e). *See* Pet. 48.

D. Asserted Grounds of Unpatentability

References	Basis	Claims Challenged
TS 23.107, TS 25.302, TS 25.321, and R2-010182	§ 103(a)	1–6
Peisa and TS 23.107	§ 103(a)	1, 2
Peisa, TS 23.107, and TS 25.302	§ 103(a)	4–6

II. ANALYSIS

A. Institution of Inter Partes Review

Apple previously challenged claims 1–6 of the '487 patent as obvious over TS 25.302, TS 25.321, and R2-010182 ("the 3GPP references"), claims 1 and 2 as obvious over Peisa, and claims 4–6 as obvious over Peisa and TS 25.302. *See* Apple IPR, Paper 5, 4. Apple supported its petition with a declaration by R. Michael Buehrer, Ph.D., on the teachings of the prior art, and a declaration by Craig Bishop on the public accessibility of the 3GPP references. *Id.* at 4, 9, 12, 15. We instituted *inter partes* review of claims 1–6 of the '487 patent based upon Apple's showing that its petition had a reasonable likelihood of success. *Id.*, Paper 11.

Microsoft, unlike petitioners who file a motion for joinder together with a "copycat" or "me too" petition, has filed a petition that raises different grounds of unpatentability than the grounds raised in the Apple IPR. Specifically, Microsoft adds a new reference, TS 23.107, to each of the grounds raised in the Apple IPR. See Pet. 5 (challenging claims 1–6 as obvious over *TS 23.107*, TS 25.302, TS 25.321, and R2-010182 ("the 3GPP challenges"), and challenging claims 1 and 2 as obvious over *TS 23.107* and Peisa, and claims 4–6 as obvious over *TS 23.107*, Peisa, and TS 25.302 ("the Peisa challenges")). Microsoft also supports its petition with different

declarative testimony, relying on a declaration by Fabio M. Chiussi, Ph.D., on the teachings of the prior art, and a declaration by Friedhelm Rodermund on the public accessibility of the 3GPP references. *See id.* 13–16; Exs. 1003, 1004.

For its 3GPP challenges, Microsoft argues a person skilled in the art would have "designed the UMTS MAC Layer and Physical Layer to account for the relevant QoS Attributes specified by TS 23.107 for different types of connections." *Id.* at 18 (citing Ex. 1003 ¶ 123; Ex. 1006, 13–26). Microsoft further argues "[t]he importance of TS 23.107 is *confirmed* by R2-010182, which expressly *explains the benefits of using TS 23.107's maximum and guaranteed bitrate attributes* as QoS parameters in the MAC layer described in TS 25.321." *Id.* (citing Ex. 1010, 1) (emphases added). Indeed, Microsoft argues a person skilled in the art would have modified TS 25.321's TFC selection algorithm "to account for maximum and minimum bitrate criterion, *because R2-010182 explicitly prescribes doing so*." *Id.* at 19 (citing Ex. 1010, 4) (emphasis added).

For the Peisa challenges, Microsoft argues "Peisa describes a MAC layer that 'schedules packet transmission of various data flows' by selecting valid TFCs 'based on guaranteed rate transmission rates.'" *Id.* at 50. Microsoft further argues "Peisa teaches that the guaranteed rate for a logic[al] channel can be provided by a Radio Access Bearer ('RAB') parameter that is associated with the logical channel," and TS 23.107 teaches "the minimum suitable bit rates for the various QoS classes can be specified as RAB guaranteed bit rate attributes." *Id.* at 61–62 (citing Ex. 1005, 18:41–42; Ex. 1006, 25, Table 5). Thus, Microsoft argues, a person of ordinary skill in the art would have found it obvious "to use the minimum suitable

guaranteed bit rate of TS 23.107 as the value of the Guaranteed Rate RAB parameter for a logical channel in Peisa." *Id.* at 62. That is, Microsoft argues that Peisa's guaranteed bitrate and TS 23.107's minimum guaranteed bitrate are the same RAB logical channel parameter.

Uniloc argues we "should exercise [our] discretion under 35 U.S.C. 325(d) to reject this petition on the grounds that substantially the same prior art and arguments are pending before the Board in IPR2019-00222," i.e., in the Apple IPR. Prelim. Resp. 21. Uniloc further argues that although Microsoft is not a party to the Apple IPR, that fact alone "does not outweigh the efficient administration of the Office, given the near identical nature of the grounds in the two proceedings." *Id.* at 22.

Microsoft argues we should institute review because the Petition (a) was filed prior to Uniloc's preliminary response to the Apple IPR, (b) presents the art relied on in the Apple IPR "in a different light and relies on other art not cited" in the Apple IPR, and (c) avoids a time bar that might otherwise apply should the parties in the Apple IPR settle or terminate that proceeding. Pet. 8.

The Director has discretion to institute *inter partes* review, and has delegated that discretion to the Board. *See* 35 U.S.C. § 325(d); *see also* 37 C.F.R. § 42.4(a). The Board may exercise its discretion "to deny a petition when 'the same or substantially the same prior art or arguments previously were presented to the Office.'" *NHK Spring Co., Ltd., v Intri-Plex Techs., Inc.*, IPR2018-00752, *slip op.* at 11 (PTAB Sept. 12, 2018) (Paper 8) (precedential). We consider several non-exclusive factors in deciding whether to deny a petition under § 325(d), including: (a) the similarities and material differences between the currently and previously asserted art;

(b) the cumulative nature of the currently asserted art with respect to the previously asserted art; (c) the extent to which the asserted art was previously considered; (d) the overlap between the currently and previously presented patentability challenges; (e) whether Petitioner has pointed out any error in the previously presented patentability challenges; and (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the previously asserted art or patentability challenges.[4] *Id.* at 11–12.

Upon consideration of the prior art and arguments raised in the Microsoft and Apple IPRs, we find each of *NHK Spring* factors (a) through (f) favor denial of institution. Factors (a) and (b) pertain to the similarities and differences between the prior art relied upon in the Microsoft and Apple IPRs. As Microsoft acknowledges, the prior art relied upon in the Microsoft and Apple IPRs is substantially the same. *See* Mot. 1 ("both IPRs rely on largely the same references and combinations"). Factors (c) and (d) pertain to the similarities and differences in the arguments raised in the Microsoft and Apple IPRs, and factors (e) and (f) pertain to whether Microsoft's IPR adds any additional evidence, corrects any errors, or better explains any of the grounds raised in the Apple IPR. As Microsoft again acknowledges, the arguments raised in the Microsoft and Apple IPRs are substantially the same. *Id. at* 10 ("Microsoft raises overlapping grounds based on much of

[4] Although *NHK Spring* involved prior art and arguments previously presented during examination, the discretion to deny institution under § 325(d) broadly applies to "prior art and arguments previously . . . presented to the Office," including in previously filed petitions for *inter partes* review.

the same evidence"); *id*. at 12 ("Microsoft presents arguments that overlap with arguments presented in Apple's petition"); *id*. at 13 ("Microsoft provides similar arguments for the same claims using the same references").

Although Microsoft adds a new reference, TS 23.107, to each of the grounds raised in the Apple IPR, TS 23.107 adds little, substantively, to the grounds raised in the Apple IPR. As Microsoft acknowledges, TS 23.107 "integrates cleanly with the art presented by the Apple IPR," and is used to "*confirm* the obviousness of claim elements 1.6 and 2.1." *Id.* at 7 (emphasis added). For example, Apple relies on R2-010182 to teach assigning minimum and maximum bitrates to logical channels and using these bitrates in the TFC selection algorithm, and Microsoft argues that "R2-010182 expressly states that *TS 23.107*[5] *defines the maximum and guaranteed (minimum) bitrates* which R2-010182 incorporates into the modified TFC selection algorithm." *Id*. at 8 (emphasis added). Thus, as Microsoft argues, its 3GPP challenges relying on TS 23.107 are "*confirmed* by R2-010182, which *expressly* prescribes use of a minimum bit rate criterion by the TFC selection algorithm." Pet. 32–33 (citing Ex. 1010, 1) (emphases added).

---

[5] R2-010182 identifies 3GPP SA 23.107 version 3.4.0 as reference [6], and states that "attributes such as Maximum bitrate [and] Guaranteed bitrate defined by TSG SA in [6], are specifying requirements for UMTS bearer service and radio bearer service." Ex. 1010, 1. R2-010182 then introduces these bitrates as "new parameters to characterise [sic] MAC logical channels for TFC selection." *Id*. at 4. According to Dr. Chiussi, 3GPP SA 23.107 version 3.4.0 "is a prior version of TS 23.107, but there are no substantive differences between the two versions." Ex. 1003 ¶ 96 n.19; *see also* Mot. 8 n.3 ("R2-010182 references an earlier version of TS 23.107 (v3.4) than that used in the Microsoft IPR (v3.5). However, these versions do not differ meaningfully with respect to the minimum/maximum bit rates.").

Similarly, although Microsoft adds TS 23.107 to the Peisa or Peisa and TS 25.302 grounds raised in the Apple IPR, Microsoft argues that Peisa "expressly references the 3GPP standard, of which TS 23.107 is a part." Mot. 8. Like Apple, Microsoft argues that Peisa teaches using a guaranteed bitrate as a logical channel parameter for a radio access bearer. *See* Pet. 61 (citing Ex. 1005, 18:41–42). Thus, Microsoft does not argue that Apple's reliance on Peisa to teach this claim limitation was in error. Instead, Microsoft argues that because TS 23.107 also teaches using a minimum bitrate as a radio access bearer logical channel parameter, it would have been obvious to use TS 23.107's minimum bitrate as Peisa's guaranteed bitrate. *Id.* at 61–62 (citing Ex. 1006, 25, Table 5).

In sum, for the reasons stated above, we find *NHK Spring* factors (a) through (f) favor denial of Microsoft's petition, which relies on substantially the same prior art and raises substantially the same arguments raised in the Apple IPR. Accordingly, we exercise our discretion under 35 U.S.C. § 325(d) to deny the Petition. *Cf. Heckler v. Chaney*, 470 U.S. 821, 831 (1985) (indicating an agency, when deciding whether to take action in a particular matter, must determine whether its resources are best spent on one matter or another).

B. Motion for Joinder

As discussed above, although the petitions filed in the Microsoft and Apple IPRs are substantially similar, Microsoft did not file a "copycat" or "me too" petition. *Compare* Pet. 5, *with* Apple IPR, Paper 5, 4. The main differences between the petitions filed in the Microsoft and Apple IPRs are Microsoft's addition of TS 23.107 to all of the grounds raised in the Apple IPR, *id.*, and Microsoft's reliance on different declarative testimony on the

teachings of the prior art and the public accessibility of the 3GPP references. *Compare* Pet. 13–16, 48–51 (relying on the declaration of Fabio M. Chiussi, Ph.D., on the teachings of the prior art and on the declaration of Friedhelm Rodermund on the public accessibility of the 3GPP references), *with* Apple IPR, Paper 5, 9–20 (relying on the declaration of R. Michael Buehrer, Ph.D., on the teachings of the prior art and on the declaration of Craig Bishop on the public accessibility of the 3GPP references).

Microsoft seeks to "join IPR2019-00744 ('Microsoft IPR') . . . with IPR2019-00222 ('Apple IPR')." Mot. 1. That is, Microsoft seeks to join itself as a party and the grounds and evidence raised in the Microsoft IPR to the Apple IPR. Microsoft argues such joinder "would preserve Board and party resources because the patentability challenges presented by the Microsoft IPR overlap with, while augmenting in important ways, those presented by the Apple IPR." *Id.* Microsoft further argues that joinder "should not require delay of the Apple IPR trial schedule . . . [b]ecause Microsoft raises overlapping grounds based on much of the same evidence," "agrees to cooperate with Apple," and "will not seek additional discovery." *Id.* at 10. To avoid delay, Microsoft avers that it will largely take an understudy role in the Apple IPR, and will coordinate with Apple to file consolidated briefs and arguments "[t]o the extent consideration of TS 23.107 requires additional briefing or argument." *Id.* at 10–11. Microsoft further argues that joinder will not prejudice Uniloc because "the additional issues or costs to Uniloc will be minimal." *Id.* at 16. For example, Microsoft argues that because "the testimony of Microsoft's expert declarant overlaps with the testimony of Apple's expert declarant in a number of

respects, any deposition of Microsoft's expert declarant can be limited to the additional issues relating to TS 23.107." *Id.* at 16–17.

The Director has discretion to join the Microsoft and Apple IPRs. Section 315(c) of Title 35 of the United States Code states:

> 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.

35 U.S.C. § 315(c) (emphasis added). The Board has interpreted § 315(c) to permit not only joinder of a party to an existing *inter partes* review, but to permit joinder of new issues to that proceeding. *See Proppant Express Investments, LLC v. Oren Tech., LLC*, Case IPR2018-00914, slip op. at 11 (PTAB Mar. 13, 2019) (Paper 38) (precedential) ("*Proppant*"). However, in exercising such discretion, the Board has stated that it will "grant joinder in situations involving new issues only in limited circumstances." *Id.*

Uniloc argues joinder of the Microsoft and Apple IPRs should be denied under *Proppant* because joinder "will *cause* rather than avoid undue prejudice," and because *Proppant* permits joinder of "new issues to an existing proceeding 'only in limited circumstances—namely, where fairness requires it and to avoid undue prejudice to a party.'" Opp. 4–5 (citing *Proppant* at 4). Uniloc argues that Microsoft, in filing its Petition, "sought to distinguish Microsoft's IPRs from Apple's IPRs, insisting Microsoft presented the art in a different light and relied on art not cited by Apple." *Id.* at 7. Therefore, Uniloc argues, denying joinder cannot prejudice Microsoft because there can be "no prejudice in requiring Microsoft to accept the

consequences of its own strategy." *Id.* at 8. Uniloc further argues that granting joinder would unduly prejudice Uniloc because it will require "Uniloc to: (1) address an additional expert report; (2) depose an additional expert; and (3) supplement its own expert testimony." *Id.* at 5.

We are persuaded by Uniloc's arguments. Microsoft requests joinder of itself and new grounds involving the disclosures of TS 23.107 to the Apple IPR. *See* Mot. 1. Uniloc filed its response to the petition in the Apple IPR on August 27, 2019. *See* Apple IPR, Paper 14. Joining the Microsoft and Apple IPRs would require extending all remaining deadlines in the Apple IPR to provide Uniloc with sufficient time and opportunity to respond to not only the new grounds raised in the Microsoft IPR, but to raise and respond to any differences that may exist in the positions taken by Microsoft, Apple, and their respective declarants in their respective IPRs.

For example, joining the Microsoft and Apple IPRs would require granting Uniloc sufficient time and opportunity to determine whether Dr. Chiussi (Petitioner's declarant) and Dr. Buehrer (Apple's declarant) express any differences of opinion on the teachings of the prior art relied upon, and whether Mr. Rodermund (Petitioner's declarant) and Mr. Bishop (Apple's declarant) express any differences of opinion on whether and why the 3GPP references are publicly accessible. At minimum, this would require providing Uniloc with sufficient time and opportunity to depose Dr. Chiussi and Mr. Rodermund on the entirety of their respective declarations.

The America Invents Act was "designed to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs." H.R. Rep. No. 112–98, pt. 1, at 40 (2011); *see also* 2011 U.S.C.C.A.N. 67, 69 (Post grant reviews

were meant to be "quick and cost effective alternatives to litigation"). To that end, in deciding motions for joinder, the Board considers factors such as "how the cost and schedule of the first proceeding will be impacted if joinder is granted, and whether granting joinder will add to the complexity of briefing and/or discovery" in the first proceeding. Trial Practice Guide July 2019 Update, 42.

Unlike a typical "me too" or "copycat" petition, where joinder *would not* affect the cost, procedural complexity, or scheduling of the Apple IPR, Microsoft's petition raises new grounds and relies on different declarative testimony. Thus, joinder of the Microsoft and Apple IPRs *would* affect the cost, procedural complexity, and scheduling of the Apple IPR for the reasons explained above, and would do so while adding little, substantively, to the Apple IPR. For example, although Microsoft argues TS 23.107 augments the grounds raised in the Apple IPR in important ways, the Petition belies the importance of TS 23.107 to the grounds raised by Microsoft. *See* Pet. 32–33 (citing Ex. 1010, 1) (alleging the 3GPP challenges relying on TS 23.107 are "*confirmed* by R2-010182, which *expressly* prescribes use of a minimum bit rate criterion by the TFC selection algorithm") (emphases added); *id*. at 60 (alleging that because Peisa discloses using a guaranteed bit rate as a RAB logical channel parameter, it would have been obvious "to use the minimum suitable bit rate of TS 23.107 as the value of the Guaranteed Rate RAB parameter for a logical channel in Peisa").

Denying joinder, under the facts presented here, does not unduly prejudice Microsoft because Microsoft chose not only to file a petition that raises new grounds that do not substantively add to the grounds raised in the Apple IPR, but to request joinder of the Microsoft and Apple IPRs, rather

than simply requesting joinder as a party to the Apple IPR. S*ee* Mot. 1; *see also* 35 U.S.C. § 315(c) (permitting joinder of a party). Indeed, during a conference call with the Board, Microsoft explained that although it filed its joinder motion to promote efficiency, it would be acceptable to Microsoft if we considered the Petition on its own without joinder to the Apple IPR. Paper 9, 3.

Accordingly, for the reasons discussed above, we deny Microsoft's motion to join the Microsoft IPR to the Apple IPR. In doing so, we note that we have considered Microsoft's argument that it would be inconsistent to deny joinder on the basis that the Microsoft and Apple IPRs are "too different" and then deny institution under § 325(d) because the Microsoft and Apple IPRs are "too similar." Paper 10, 5. We are not persuaded by this argument because, as explained above, we deny joinder of the Microsoft and Apple IPRs *despite* their substantial similarity because joinder would needlessly add to the cost, procedural complexity, and scheduling of the Apple IPR. We similarly deny the Microsoft IPR under § 325(d) because it raises substantially the same grounds using the same or substantially the same prior art as the Apple IPR.

III. CONCLUSION

We have reviewed the Petition and Preliminary Response, as well as the Motion for Joinder, Opposition to the Motion for Joinder, and Reply to the Opposition, and have considered all of the evidence and arguments presented by Petitioner and Patent Owner. On this record, for the reasons discussed above, we exercise our discretion to *deny* institution of *inter partes* review and to *deny* Microsoft's Motion for Joinder to IPR2019-00222.

IV. ORDER

It is ORDERED that, Petitioner's Motion for Joinder is *denied*; and

FURTHER ORDERED that the Petition for *inter partes* review is *denied*.

PETITIONER:

Andrew M. Mason
Todd M. Siegel
Joseph T. Jakubek
John M. Lunsford
John D. Vandenberg
andrew.mason@klarquist.com
todd.siegel@klarquist.com
joseph.jakubeck@klarquist.com
john.lunsford@klarquist.com
john.vandenberg@klarquist.com

PATENT OWNER:

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