

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FACEBOOK, INC.,
Petitioner,

v.

WINDY CITY INNOVATIONS, LLC,
Patent Owner.

Case IPR2016-01155¹
Patent 8,694,657 B1

Before KARL D. EASTHOM, DAVID C. McKONE, and J. JOHN LEE,
Administrative Patent Judges.

McKONE, *Administrative Patent Judge.*

DECISION
Request for Rehearing
37 C.F.R. § 42.71

¹ IPR2017-00622 has been joined with this proceeding.

INTRODUCTION

On June 3, 2016, Microsoft Corporation (“Microsoft”) filed a petition (Paper 1) in the present case seeking *inter partes* review of approximately 150 claims of U.S. Patent No. 8,694,657 B1 (Ex. 1001, “the ’657 patent”). An *inter partes* review was instituted on each of the challenged claims on December 8, 2016. Paper 8.

One month later, on January 7, 2017, Facebook, Inc. (“Facebook”) filed a petition in IPR2017-00622 (“622 IPR”) seeking *inter partes* review of claims 189 and 465 of the ’657 patent. 622 IPR, Paper 2. Along with that petition, Facebook filed a motion requesting joinder with the present proceeding. 622 IPR, Paper 3. On February 6, 2017, Windy City filed an Opposition to the Motion for Joinder. 622 IPR, Paper 7. Petitioner filed a Reply to that Opposition on March 3, 2017. 622 IPR, Paper 8. Subsequently, on April 17, 2017, Windy City filed a Preliminary Response in the 622 IPR. 622 IPR, Paper 9.

While Facebook’s petition and joinder motion were pending, Microsoft and Patent Owner Windy City Innovations, LLC (“Windy City”) reached a settlement agreement and filed a Joint Motion to Terminate the present proceeding on April 24, 2017. Paper 29. The Joint Motion did not mention Facebook’s joinder motion or the 622 IPR.

In a May 10, 2017, decision, we granted the Joint Motion to Terminate in the present proceeding, but only with respect to Microsoft. Paper 31 (“1st Term. Dec.”). Noting Facebook’s pending joinder motion, we did not decide at that time whether to grant the motion with respect to the entire proceeding, indicating we would do so after deciding whether Facebook would be joined as a party to this proceeding. *Id.* at 2–3.

On June 1, 2017, we granted Facebook’s joinder motion. Paper 32 (“Joinder Inst. Dec.”). We noted that Facebook challenged claims 189 and 465 of the ’657 patent on the same asserted grounds of unpatentability, based on the same arguments and evidence, as in Microsoft’s petition with respect to those claims in the present proceeding. *Id.* at 3, 5–6. Further, we clarified that, after joinder, Facebook is “the petitioner” in this proceeding for purposes of 35 U.S.C. § 318(a), which in relevant part requires the Board to “issue a final written decision with respect to the patentability of any patent claim challenged by *the petitioner*” (emphasis added). *Id.* at 16. Thus, we made clear that all claims formerly challenged by Microsoft prior to its termination, but which were not challenged by Facebook, were no longer part of this proceeding. *Id.*

After joining Facebook as a party to the present proceeding, we issued a second decision on June 7, 2017, to address the remaining issues regarding the Joint Motion to Terminate. Paper 33 (“2nd Term. Dec.”). In that decision, we denied the Joint Motion to Terminate with respect to Windy City because Facebook remained as an active petitioner. *Id.* at 2–3. On June 14, 2017, Windy City filed a Request for Rehearing. Paper 39 (“Req. Reh’g”).

DISCUSSION

A party requesting rehearing bears the burden of showing the decision should be modified. *See* 37 C.F.R. § 42.71(d). The party must identify all matters it contends were misapprehended or overlooked by the Board. *See id.* Windy City requests rehearing of two decisions, each of which it contends was an abuse of discretion. First, Windy City contends that our

decision to terminate as to Microsoft, but not as to the entire proceeding, exceeded our statutory authority. Req. Reh’g 7–10. Second, Windy City contends we exceeded our statutory authority by joining Facebook to this proceeding despite that Facebook challenges only a portion of the claims originally challenged by Microsoft. *Id.* at 10–13. As explained below, neither contention is supported by the relevant authorities, and the Request for Rehearing is *denied*.

A. *Termination as to Microsoft But Not as to Entire Proceeding*

As an initial matter, our decision to terminate as to Microsoft but not as to the entire proceeding was entered on May 10, 2017. *See* 1st Term. Dec. Windy City’s Request for Rehearing was not filed until June 14, 2017. *See* Req. Reh’g. Thus, with respect to this termination decision, Windy City’s Request was not timely filed. *See* 37 C.F.R. § 42.71(d)(1). For that reason alone, the Request for Rehearing should be denied as to this issue.

Moreover, even had the Request been timely filed, Windy City’s arguments fail to establish that our decision was improper. It argues that our decision exceeded our statutory authority under 35 U.S.C. § 317(a). Req. Reh’g 7–10. Section 317(a) states the following:

An inter partes review instituted under this chapter shall be terminated with respect to any petitioner upon the joint request of the petitioner and the patent owner, unless the Office has decided the merits of the proceeding before the request for termination is filed. . . . If no petitioner remains in the inter partes review, the Office may terminate the review or proceed to a final written decision under section 318(a).

Pursuant to the statute, we “terminated [the *inter partes* review] with respect to any petitioner upon the joint request of the petitioner and the patent

owner” by granting the Joint Motion to Terminate as to Microsoft. *See* 35 U.S.C. § 317(a); 1st Term. Dec. 2. Windy City does not contest that aspect of our decision. Rather, it argues our decision failed to follow the portion of § 317(a) that states, “[i]f no petitioner remains in the inter partes review, the Office may terminate the review or proceed to a final written decision.” Req. Reh’g 8–10.

According to Windy City, once Microsoft was terminated, the Board was obligated to either terminate the entire review or proceed to a final written decision. *Id.* Indisputably, we did not terminate the entire review. Thus, Windy City contends that the only other permissible option was to proceed to a final written decision. *Id.* Windy City asserts that our decision to hold in abeyance our ruling as to whether the entire proceeding should be terminated (until after deciding Facebook’s joinder motion) constituted a “suspension of the [*inter partes*] review,” which exceeded our authority under § 317(a) because the Board was obligated instead to “proceed to a final written decision.” *Id.*

Windy City misconstrues the statute and our decision. First, the statute does not mandate that the Board either terminate the entire review or proceed to a final written decision. In contrast, as noted above, the same statutory provision states that an *inter partes* review “shall” be terminated with respect to a petitioner upon a joint request. Rather, it states explicitly that the Board “may” do so. We further note that when, as here, there are multiple cases before the Board involving the same patent, the Board is explicitly granted discretion to “enter any appropriate order,” including “the stay, transfer, consolidation, or termination” of such cases. *See* 37 C.F.R. § 42.122(a); *see also* 35 U.S.C. § 315(d) (granting discretion to “determine

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