

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC., SNAP INC., FACEBOOK, INC., and WHATSAPP, INC.,
Petitioner,

v.

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

Case IPR2017-00221¹
Patent 7,535,890 B2

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

BISK, *Administrative Patent Judge*.

DECISION

Denying Patent Owner's Request for Rehearing
37 C.F.R. § 42.71(d)

¹ Snap Inc., which filed a petition in Case IPR2017-01612, and Facebook, Inc. and WhatsApp, Inc., which filed a petition in Case IPR2017-01636, have been joined as petitioners in this case. Papers 14, 15.

INTRODUCTION

Apple Inc. filed a Petition requesting *inter partes* review of claims 1–6, 14, 15, 17–20, 28, 29, 31–34, 40–43, 51–54, 62–65, and 68 (the “challenged claims”) of U.S. Patent No. 7,535,890 B2 (Ex. 1001, “the ’890 patent”). Paper 2 (“Pet.”). Uniloc USA, Inc. and Uniloc Luxembourg S.A. (collectively, “Patent Owner”) filed a Preliminary Response. Paper 13 (“Prelim. Resp.”). We instituted review as to all challenged claims. Paper 9 (“Inst. Dec.”). Snap Inc., Facebook, Inc., and WhatsApp, Inc. (collectively, along with Apple Inc., “Petitioner”) were joined to this proceeding pursuant to our grant of petitions and motions for joinder filed in IPR2017-01612 and IPR2017-01635. *See* Papers 14, 15.

Patent Owner filed a Request for Rehearing (Paper 34, “Request” or “Reh’g Req.”) of our Final Written Decision in which we determined that Petitioner had established, by a preponderance of the evidence, that the challenged claims are unpatentable (Paper 33 (“Final Dec.”)). Patent Owner contends that we misapprehended or overlooked both intrinsic and extrinsic evidence regarding the meaning of, and improperly construed, the claim terms “local network” and “external network.” Reh’g Req. 3–8. In addition, Patent Owner argues that based on these constructions, the Board incorrectly found that Malik disclosed these claim limitations. *Id.* at 8–10.

“The burden of showing a decision should be modified lies with the party challenging the decision[,]” which party “must specifically identify all matters the party believes the Board misapprehended or overlooked, and the

place where each matter was previously addressed in a motion, an opposition, or a reply.” 37 C.F.R. § 42.71(d).

For the reasons discussed below, Patent Owner’s Request is *denied*.

ANALYSIS

A. Background

Petitioner requested, under 35 U.S.C. § 311, *inter partes* review of the challenged claims based on obviousness over several references, including Malik.² Pet. The ’890 patent relates to “local and global instant VoIP [Voice over Internet Protocol] messaging over an IP network, such as the Internet[.]” Ex. 1001, 1:6–11.

In the Final Written Decision, upon consideration of both parties’ arguments and evidence, we determined that, as used by the ’890 patent, the terms “local network” and “external network” differ in terms of relative geographic scope, but do not require different architectures or levels of accessibility. Final Dec. 10–11.

According to Patent Owner, in reaching this conclusion, we overlooked or misapprehended several pieces of evidence, including: (1) Figure 5 of the ’890 patent and its related discussion (Reh’g Req. 3–5); (2) claim differentiation based upon dependent claim 17 (*id.* at 5) and claims 14, 26, 27, 51, 60, and 61 (*id.*); (3) admissions of Petitioner’s expert (*id.* at 6); and (4) testimony of Patent Owner’s expert, William C. Easttom II (*id.* at 6–7). Patent Owner also argues that the Board’s construction leads to “further confusion as to the meaning of the claims.” *Id.* at 7–8. Patent

² U.S. Patent No. 7,123,695 B2 (filed Aug. 19, 2002) (issued Oct. 17, 2006). Ex. 1007.

Owner asserts that, instead, “‘local’ and ‘external’ refer to *types* – not *geographic* scope of networks.” *Id.* at 3.

In addition, Patent Owner argues that under its proposed construction, Malik does not disclose these claim limitations. *Id.* at 8–10.

B. Claim Construction

We are not persuaded of error in our construction of the terms “local network” and “external network.”

First, we do not agree that Figure 5 demonstrates that “geography cannot be the differentiator between ‘local’ and ‘external’ networks” as alleged by Patent Owner.” Reh’g Req. 3. As we explained in our Final Written Decision, we construed the two terms to be relative. Final Dec. 10–15. In other words, whether a network is “local” or “external” depends on the perspective of a particular device. We are not persuaded that Figure 5 indicates otherwise. In Figure 5, two networks are labeled “local” (i.e., network 204 and network 504), and one network (network 102) is labeled “Internet.” Ex. 1001, Fig. 5. From the perspective of IVM client 508, network 504 is local; however, from the perspective of IVM client 208, network 504 is external. This is consistent with the description of Figure 5, which states that IVM client 508 “may be located in a user’s residence and be connected to a local IP network 504,” which “can be a WiFi network or a local area network (i.e., LAN), which is also within the user’s residence.” Ex. 1001, 19:66–20:4. At the same time, the ’890 patent describes IVM client 508 as a “global IVM client.” *Id.* at 20:10–14. Therefore, we do not agree that our construction “yields a non-sensical understanding” of these terms. *See* Reh’g Req. 4.

Second, we do not agree that claim differentiation supports Patent Owner's construction. According to Patent Owner, in reciting "wherein the external network is the Internet," dependent claim 17 "provides further limitations on the *type* of an 'external network'." However, as discussed in our Final Written Decision, it is unclear what Patent Owner means when referring to "type" other than it means something other than just the relative locations of the networks. Final Dec. 11–13. It is unclear how claim 17, in reciting that the Internet is an external network, which both parties agree is true under any of the proposed constructions (*see, e.g., id.* at 10–11), adds anything to the understanding of the meaning of the term "external network." Claim 17's recitation, if anything, suggests that "external network" is not limited to the Internet. But it does not exclude the possibility that another LAN, such as network 504 shown in Figure 5, could be an external network relative to IVM client 208. This is consistent with Dr. Forsy's testimony. Ex. 1003 ¶ 69.

Similarly, although several independent claims recite "an external network outside the local network," while other independent claims merely recite "an external network," we are not persuaded this difference supports Patent Owner's position. To begin with, although arguing that the term "external network" must be broader than "outside the local network," Patent Owner does not explain how, under its proposed construction, an external network could be within a local network. Moreover, "[i]t is not unusual that separate claims may define the invention using different terminology, especially where (as here) independent claims are involved." *Hormone Research Found. v. Genentech, Inc.*, 904 F.2d 1558, 1569 n.15 (Fed. Cir. 1990). Notwithstanding the differences in terminology in the various

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.