

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FACEBOOK, INC. and INSTAGRAM LLC,
Petitioner,

v.

SKKY, LLC,
Patent Owner.

Case IPR2017-00688
Patent 9,124,717 B2

Before JUSTIN T. ARBES, CARL M. DEFRANCO, and
ROBERT J. WEINSCHENK, *Administrative Patent Judges*.

DEFRANCO, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
37 C.F.R. § 42.108

I. INTRODUCTION

This is a preliminary proceeding to decide whether to institute *inter partes* review of U.S. Patent No. 9,124,717 B2 (“the ’717 patent”) under 35 U.S.C. § 314(a). Skky, LLC is the owner of the ’717 patent. Facebook, Inc. and Instagram LLC (collectively “Facebook”) filed a Petition (Paper 2, “Pet.”) challenging claims 1–6 of the ’717 patent. Skky, in turn, filed a

Preliminary Response (Paper 8, “Prelim. Resp.”). For the reasons that follow, we exercise our discretion under 35 U.S.C. § 325(d) and decline to institute *inter partes* review.

II. BACKGROUND

A. *Related Cases*

The ’717 patent (Ex. 1001) is the subject of a co-pending district court action, *Skky, LLC v. Facebook, Inc.*, No. 16-cv-00094 (D. Minn.), filed January 15, 2016. Facebook previously filed a petition challenging claim 1–6 of the ’717 patent in IPR2017-00092, and we instituted *inter partes* review of those claims on May 1, 2017. Paper 9. Facebook has also filed petitions challenging claims in a number of related patents.¹

B. *The Asserted Grounds*

Facebook challenges claims 1–6 of the ’717 patent as unpatentable on two grounds of obviousness under 35 U.S.C. § 103. Pet. 3. In its first ground, Facebook asserts that claims 1, 2, 4, and 5 would have been obvious over the combination of Rolf,² Forta,³ Gatherer,⁴ Tagg,⁵ O’Hara,⁶ Gould,⁷

¹ They include IPR2017-00088, IPR2017-00089, IPR2017-00097, IPR2017-00550, IPR2017-00602, IPR2017-00641, IPR2017-00685, IPR2017-00687, IPR2017-00689, IPR2017-00690, and IPR2017-00691. Paper 3.

² U.S. Patent No. 7,065,342 B1, iss. Jun. 20, 2006 (Ex. 1003, “Rolf”).

³ Ben Forta et al., *WAP DEVELOPMENT WITH WML AND WMLSCRIPT: THE AUTHORITATIVE SOLUTION* (Matt Purcell et al. eds., 2000) (Ex. 1004, “Forta”).

⁴ Alan Gatherer et al., *DSP-Based Architectures for Mobile Communications: Past, Present and Future*, 38:1 IEEE COMMUNICATIONS MAGAZINE 84–90 (2000) (Ex. 1005, “Gatherer”).

⁵ U.S. Patent No. 8,996,698 B1, iss. Mar. 31, 2015 (Ex. 1060, “Tagg”).

⁶ Bob O’Hara & Al Petrick, *IEEE 802.11 HANDBOOK: A DESIGNER’S COMPANION* (1999) (Ex. 1061, “O’Hara”).

⁷ U.S. Patent No. 6,693,236 B1, iss. Feb. 17, 2004 (Ex. 1073, “Gould”).

and Pinard,⁸ and in its second ground, Facebook asserts that claims 3 and 6 would have been obvious over the same combination of references as the first ground, plus Hacker.⁹ *Id.* In further support of these grounds, Facebook proffers the Declaration of Tal Lavian, Ph.D. Ex. 1002.

III. ANALYSIS

The instant Petition was filed January 15, 2017, and represents Facebook's second challenge to claims 1–6 of the '717 patent. Approximately three-months earlier, on October 14, 2016, Facebook filed a petition in IPR2017-00092 requesting *inter partes* review of claims 1–6 of the '717 patent. IPR2017-00092, Paper 1 (“the -92 Petition” or “-92 Pet.”). Skky filed a preliminary response to that earlier petition on February 2, 2017, and, as mentioned earlier, we instituted an *inter partes* review of claims 1–6 of the '717 patent on May 1, 2017. IPR2017-00092, Papers 6, 7, respectively.

Pursuant to 35 U.S.C. § 325(d), in determining whether to institute an *inter partes* review, “the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.” In other words, section 325(d) provides the Director with authority to deny a petition on the basis that the same or substantially the same prior art or arguments were presented previously to the Office, but does not require that result. After considering the parties' arguments and the particular facts of this proceeding

⁸ U.S. Patent No. 5,815,811, iss. Sept. 29, 1998 (Ex. 1070, “Pinard”).

⁹ Scot Hacker, MP3: THE DEFINITIVE GUIDE (Simon Hayes ed., 2000) (Ex. 1069, “Hacker”).

(*see* Pet. 6–10, Prelim. Resp. 36–38), we conclude that it is appropriate to exercise our discretion to deny the Petition under section 325(d).

Facebook relies on substantially the same prior art in both the instant Petition and the -92 Petition. Specifically, five of the prior art references asserted by Facebook in the -92 Petition, namely Rolf, Forta, Gatherer, Gould, and Hacker, are also asserted in the instant Petition. *Compare* -92 Pet. 3 *with* Pet. 3. Facebook also presents substantially the same arguments in the present Petition and the -92 Petition. For instance, Facebook’s discussion of Rolf, Forta, Gatherer, Gould, and Hacker, and the vast majority of Facebook’s analysis of claims 1–6, not to mention the corresponding declaration testimony of Dr. Lavian, appear to be identical in both the instant Petition and the -92 Petition. *Compare* -92 Pet. 4–10, 14–39, 47–50, 51–65 *with* Pet. 10–14, 17–39, 49–53, 56–69. The only substantive difference between the present Petition and the -92 Petition is Facebook’s analysis of the claim limitations requiring orthogonal frequency-division multiplex (“OFDM”) modulation. Pet. 6–9. Whereas Facebook relied on Frodigh¹⁰ for the OFDM limitations in the -92 Petition, it now relies on the combination of O’Hara, Tagg, and Pinard in the instant Petition. *Compare* -92 Pet. 10–14, 39–47, 50–51 *with* Pet. 14–17, 39–49, 53–56.

We are not persuaded that Facebook’s reliance on these new references for the OFDM limitations warrants an additional *inter partes* review of the ’717 patent. Facebook argues that it takes a “different approach” in the instant Petition by relying on O’Hara, Tagg, and Pinard,

¹⁰ U.S. Patent No. 5,726,978, iss. Mar. 10, 1998 (Ex. 1006, “Frodigh”).

which disclose “technology that is different from the Frodigh reference in IPR2017-00092.” Pet. 7. Facebook states that its arguments regarding Frodigh in the -92 Petition are similar to arguments made by a different petitioner in challenging a parent patent to the ’717 patent in IPR2014-01236. *Id.* at 8–9. Thus, Facebook “anticipate[s] that [Skky] will attempt to resurrect [its] arguments” from IPR2014-01236 in IPR2017-00092. *Id.* at 8. According to Facebook, the Petition in this proceeding “avoids these issues by presenting a combination that does not involve incorporation of OFDM modulation into any existing cellular network,” such that Skky’s earlier “arguments, although properly rejected in IPR2014-01236, would have no applicability here.” *Id.* at 9. Finally, Facebook argues that it “could not have” presented its newly asserted grounds earlier because it “did not locate” Tagg and Pinard until after filing the -92 Petition, “[d]espite diligent search efforts.” *Id.* at 7, 9.

Facebook’s arguments as to why we should not deny the Petition under 35 U.S.C. § 325(d) are not persuasive. Facebook appears to acknowledge that it was aware of O’Hara at the time of filing the -92 Petition. *See id.* at 7 (arguing that Tagg and Pinard “bridged the gap left open by O’Hara”). As for the other two references, Tagg is a U.S. patent that issued on March 31, 2015 (Ex. 1060), approximately a year and a half before Facebook filed the -92 Petition, and Pinard is a U.S. patent that issued even earlier, on September 29, 1998 (Ex. 1070). Given the clear public availability of Tagg and Pinard, Facebook should have been aware of their existence prior to filing the -92 Petition, and thus could have asserted them in the -92 Petition, but did not. Facebook does not explain in any detail what search efforts it undertook in the three months between filing the -92

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