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Paper 12
Entered: December 1, 2017

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FITBIT, INC.,
Petitioner,

v.

VALENCELL, INC.,
Patent Owner.

Case IPR2017-01552
Patent 8,929,965 B2

Before BRIAN J. McNAMARA, JAMES B. ARPIN, and SHEILA F. McSHANE, *Administrative Patent Judges*.

McNAMARA, *Administrative Patent Judge*.

DECISION
Institution of *Inter Partes* Review and Grant of Motion for Joinder
37 C.F.R. §§ 42.108 and 42.122

INTRODUCTION

Fitbit, Inc. ("Petitioner") filed a Petition requesting an *inter partes* review of claims 1–12 of U.S. Patent No. 8,929,965 B2 (Ex. 1001 ("the '965 patent"). Paper 2 ("Pet."). Petitioner also concurrently filed a Motion for Joinder, seeking to join this proceeding with *Apple Inc. v. Valencell, Inc.*, Case IPR2017-00315 ("the 315 IPR"). Paper 3 ("Mot."). Patent Owner filed a Preliminary Response (Paper 11 ("Prelim. Resp.")) and an Opposition to Petitioner's Motion for Joinder (Paper 10 ("Opp.")). For the reasons set forth below, we institute an *inter partes* review of claims 1–12 of the '965 patent, and grant Petitioner's Motion for Joinder.

INSTITUTION OF *INTER PARTES* REVIEW

On June 2, 2017, we instituted a trial in IPR2017-00315 based on the following grounds of unpatentability (the 315 IPR, slip op. at 30–31 (PTAB June 2, 2017) (Paper 9)):

Claims 1, 2, and 12 as unpatentable under 35 U.S.C. § 103(a) as obvious over Numaga[1];

Claims 3 and 4 as unpatentable under 35 U.S.C. § 103(a) as obvious over Numaga in view of Vetter[2];

Claim 5 as unpatentable as under 35 U.S.C. § 103(a) as obvious over Numaga in view of Vetter and in further view of Dekker[3];

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[1] Japanese Patent Appl. Publication No. 2005/040261 A to Numaga *et al.*, published February 17, 2005

[2] U.S. Patent Appl. Publication No. 2003/0065269 A1 to Vetter *et al.*, published April 3, 2003

[3] U.S. Patent No. 6,702,752 B2 to Dekker, issued March 9, 2004

Claims 6 and 7 as unpatentable under 35 U.S.C. § 103(a) as obvious over Numaga in view of Debreczeny[4];

Claims 8 and 9 as unpatentable under 35 U.S.C. § 103(a) as obvious over Numaga in view of Rafert[5];

Claim 10 as unpatentable under 35 U.S.C. § 103(a) as obvious over Numaga in view of Negley[6];

Claim 11 as unpatentable under 35 U.S.C. § 103(a) as obvious over Numaga in view of Miao[7];

Claims 1 and 8–12 as unpatentable under 35 U.S.C. § 102(b) as anticipated by Fraden[8];

Claims 2–4 as unpatentable under 35 U.S.C. § 103(a) as obvious over Fraden in view of Verjus[9];

Claim 5 as unpatentable under 35 U.S.C. § 103(a) as obvious over Fraden in view of Verjus and in further view of Fricke[10]; and

Claims 6–7 as unpatentable under 35 U.S.C. § 103(a) as obvious over Fraden in view of Debreczeny.

The instant Petition presents the same grounds of unpatentability, the same prior art, and the same declarant testimony as those in the petition in the 315 IPR. Mot. 3–4. Patent Owner has filed a Preliminary Response

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[4] U.S. Patent Appl. Publication No. 2008/0081972 A1 to Debreczeny, published April 3, 2008

[5] U.S. Patent No. 5,817,008 to Rafert *et al.*, issued October 6, 1998

[6] U.S. Patent Appl. Publication No. 2005/0212405 A1 to Negley, published September 29, 2005

[7] International Patent Appl. Publication No. 2005/036212 A2 to Miao *et al.*, published April 21, 2005

responsive to the grounds asserted in the Petition. Paper 11. The Preliminary Response presents arguments and evidence substantially identical to arguments challenging these same grounds in the preliminary response filed in the *inter partes* review to which joinder is sought. In view of the identity of the grounds in the instant Petition and in the 315 IPR petition, and, for the same reasons stated in our Decision on Institution in the 315 IPR, we institute *inter partes* review in this proceeding on the same grounds discussed above for which we instituted *inter partes* review in the 315 IPR.

GRANT OF MOTION FOR JOINDER

Joinder in *inter partes* review is subject to the provisions of 35 U.S.C. § 315(c):

> (c) Joinder.—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 parties review under section 314.

As the moving party, Petitioner bears the burden of proving that it is entitled to the requested relief. 37 C.F.R. § 42.20(c). A motion for joinder should: (1) set forth the reasons joinder is appropriate; (2) identify any new

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[8] U.S. Patent Appl. Publication No. 2005/0209516 A1 to Fraden, published September 22, 2005

[9] U.S. Patent Appl. Publication No. 2003/0233051 A1 to Verjus *et al.*, published December 18, 2003

[10] U.S. Patent Appl. Publication No. 2009/0105556 A1 to Fricke *et al.*, published April 23, 2009

grounds of unpatentability asserted in the petition; and (3) explain what impact (if any) joinder would have on the trial schedule for the existing review. *See* Frequently Asked Question H5, https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/ptab-e2e-frequently-asked-questions.

Petitioner asserts it has grounds for standing because, in accordance with 35 U.S.C. § 315(c), Petitioner filed a Motion for Joinder concurrently with the Petition and not later than one month after institution of the 315 IPR. Mot. 2–3. Petitioner's Motion also states that: (1) Petitioner presents the identical challenges and arguments as those on which we instituted *inter partes* review in the 315 IPR; (2) Petitioner will rely on consolidated filings with Apple, Inc. (the Petitioner in the 315 IPR), will not seek to introduce new arguments, will be bound by all discovery and deposition agreements between Apple, Inc. and Patent Owner, and will assume a primary role only if Apple, Inc. ceases to participate in the proceeding; and (3) Petition anticipates that no additional filings or depositions will be required of Patent Owner. Mot. 4–7.

In an Opposition, Patent Owner argues that *inter partes* review proceedings are unconstitutional either because a patent creates a property right that cannot be revoked or cancelled by a non-Article III tribunal, such as the Board, or that the question of patent validity must be tried to a jury pursuant to the Seventh Amendment. Opp. 3–4. At this time no court has found *inter* partes review unconstitutional. The matter is before the U.S. Supreme Court and consequently, Patent Owner's arguments are at best premature.

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