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Paper 11
Date: September 1, 2020

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

SEVEN NETWORKS, LLC,
Patent Owner.

IPR2020-00506
Patent 9,769,176 B1

Before THU A. DANG, KARL D. EASTHOM, and JONI Y. CHANG, *Administrative Patent Judges*.

EASTHOM, *Administrative Patent Judge*.

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314

Apple Inc. ("Petitioner") filed a Petition (Paper 2, "Pet.") requesting an *inter partes* review of claims 1–26 (the "challenged claims") of U.S. Patent No. 9,769,176 B1 (Ex. 1001, "the '176 patent"). Petitioner filed a Declaration of Craig E. Wills, Ph.D. (Ex. 1003) with its Petition. Patent Owner, Seven Networks, LLC ("Patent Owner"), filed a Preliminary Response (Paper 7, "Prelim. Resp."). The parties filed additional briefing to address the Board's discretionary authority to deny a petition based on a parallel district court proceeding under 35 U.S.C. § 314(b). Paper 8 ("Pet. Prelim. Reply"); Paper 9 ("PO Prelim. Sur-reply").

We have authority to determine whether to institute an *inter partes* review ("IPR"). *See* 35 U.S.C. § 314(b); 37 C.F.R. § 42.4(a). Under 35 U.S.C. § 314(a), we may not authorize an *inter partes* review unless the information in the Petition and the Preliminary Response "shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." For the reasons that follow, we institute an *inter partes* review as to the challenged claims of the '176 patent on all grounds of unpatentability presented.

I. BACKGROUND

A. Real Parties-in-Interest

Petitioner identifies Apple Inc. as the real party-in-interest. Pet. 71.

B. Related Proceedings

The parties identify *SEVEN Networks, LLC v. Apple Inc.*, No. 2:19-cv-00115 (E.D. Tex.) ("District Court Action" or "District Court") as a related matter involving the '176 patent. Pet. 71; Paper 4.

C. The '176 patent

The '176 patent describes "[s]ystems and methods for authenticating access to multiple data stores substantially in real time." Ex. 1001, code

(57). A "server may authenticate access to the data stores and forward information from those stores to the client device."

D. Illustrative Claim 1

Of the challenged claims, independent claim 1, recites a "[a] server for providing access to one or more data stores, comprising," and independent claim 14 recites "[a] method for providing access to one or more data stores, comprising," Claims 1 and 14 recite materially similar limitations. Remaining challenged claims 2–13 and 15–26 depend from claim 1 and claim 14, respectively.

Claim 1 illustrates the challenged claims at issue:

> 1. [1.pre] A server for providing access to one or more data stores, comprising:
>
> [1.1a] a memory and a processor, [1.1b] the server communicatively coupled to a network and the one or more data stores,
>
> [1.2] wherein the server is configured to:
>
> send a first identifier for a client device upon the client device communicating with the server for the client device to present the first identifier in a subsequent connection with the server;
>
> [1.3a] receive registration information for a data store from the client device, [1.3b] wherein a second identifier is generated and associated with the data store and the registration information, wherein the second identifier is send [sic] to the client device;
>
> [1.4] receive, via the subsequent connection with the client device, a request for the client device to receive information from the data store, wherein

> the subsequent connection includes the first identifier;
>
> [1.5] configure a service to receive data from the data store on behalf of the client device, wherein the service is based on the second identifier;
>
> [1.6] receive a first message indicative of new information at the data store;
>
> [1.7] transmit a second message to the client device in response to receipt of the first message;
>
> [1.8] wherein additional information associated with the first message is sent from the data store to the client device upon receipt of the second message by the client device.

Ex. 1001, 19:33–60; *see* Pet. 15–33 (quoting Ex. 1001, 19:33–60 (bracketed information by Petitioner)).

E. The Asserted Grounds

Petitioner challenges claims 1–28 of the '176 patent on the following grounds (Pet. 2):

Claims Challenged	35 U.S.C. §	References
1–9, 11–22, 24–26	103[1]	Yared[2] Lefeber[3]

[1] The Leahy-Smith America Invents Act ("AIA"), Pub. L. No. 112-29, 125 Stat. 284, 287–88 (2011), amended 35 U.S.C. § 103. For purposes of institution, the '176 patent contains a claim with an effective filing date before March 16, 2013 (the effective date of the relevant amendment), so the pre-AIA version of § 103 applies. *See* Pet. 3–5 (asserting the earliest effective priority date is December 18, 2006).

[2] Yared, US 2003/0149781 A1, published Aug. 7, 2003 (Ex. 1005).

[3] Lefeber et al., US 2002/0046299 A1, published Apr. 18, 2002 (Ex. 1006).

Claims Challenged	35 U.S.C. §	References
10, 23	103	Yared, Lefeber, Cook[4]
1–9, 11–22, 24–26	103	Yared, Wills[5]
10, 23	103	Yared, Wills, Cook

II. DISCRETION TO DENY INSTITUTION UNDER § 314(a)

Regarding the parallel District Court Action (*supra* Section I.B), Patent Owner argues "[t]he circumstances present here are the same as those the Board found warranted a denial of institution in *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 [at] 20 (PTAB Sept. 12, 2018) ('*NHK*') ([precedential])." Prelim. Resp. 3.

In *NHK*, the Board declined to institute *inter partes* review, in part, because "under the facts and circumstances," a review "would be an inefficient use of Board resources," given the status of a parallel district court proceeding between the same parties. *NHK*, Paper 8 at 20. The Board considered the following factors in *NHK*: (1) based on the district court's schedule, the district court's trial would conclude "before any trial on the [p]etition concludes"; and (2) the petitioner relied on the "same prior art and arguments" as its district court invalidity contentions, so the Board would "analyze the same issues" as the district court. *Id.* at 19–20.

As with other non-dispositive factors considered for institution under § 314(a), the Board weighs an early trial date as part of a "balanced

[4] Cook et al., US 7,783,281 B1, issued Aug. 24, 2010 (Ex. 1007).

[5] Wills et al., US 2005/0169285 A1, published Aug. 4, 2005 (Ex. 1008).

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