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Paper 48
Entered: January 17, 2019

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FACEBOOK, INC., WHATSAPP INC., and LG ELECTRONICS, INC.,[1]
Petitioner,

v.

UNILOC 2017 LLC,
Patent Owner.

Case IPR2017-01427
Patent 8,995,433 B2

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

QUINN, *Administrative Patent Judge.*

DECISION
ON PATENT OWNER'S REQUEST FOR REHEARING
37 C.F.R. §§ 42.71(d)

[1] LG Electronics, Inc. filed a petition and a motion for joinder in IPR2017-02087, which were granted, and, therefore, has been joined to this proceeding. Paper 9.

I. INTRODUCTION

On November 30, 2018, the Board issued a consolidated Final Written Decision in this proceeding and in IPR2017-01428. Paper 46 ("Final Dec."). In that Final Written Decision, we determined that Petitioner had shown by a preponderance of the evidence that claims 1–12, 14–17, 25, and 26 of the '433 patent are unpatentable. *Id.* at 97; *but see id.* at 4 (identifying the claims at issue in IPR2017-01427 as claims 1–8 of the '433 patent). On December 30, 2018, Patent Owner filed a Request for Rehearing. Paper 47 (Req. Reh'g). Patent Owner argues that under 35 U.S.C. § 315(e)(1), the proceeding as a whole should have been terminated once the original petitioners were subject to estoppel. Req. Reh'g 1–5.

According to 37 C.F.R. § 42.71(d), "[t]he burden of showing a decision should be modified lies with the party challenging the decision," and the "request must specifically identify all matters the party believes the Board misapprehended or overlooked." The burden here, therefore, lies with Patent Owner to show we misapprehended or overlooked the matters it requests that we review.

II. ANALYSIS

In the course of trial, we issued a decision concluding that estoppel under 35 U.S.C. § 315(e)(1) warranted dismissing Facebook and WhatsApp from maintaining the instant proceeding as to claims 1–6, and 8, but not as to claim 7. Paper 30.[2] In particular, § 315(e)(1) states that a "petitioner in

[2] The decision on estoppel was based on our Final Written Decision in IPR2017-00225 ("-225 case"), in which Facebook and WhatsApp are

an inter partes review of a claim . . . that results in a final written decision . . . , or the real party in interest or privy of the petitioner, may not request or maintain a proceeding before the Office, with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review." *See* Paper 30, 5–6. We determined that claim 7 was not part of the *inter partes* review to which Facebook and WhatsApp were parties and which resulted in a Final Written Decision (i.e., in the -225 case). *Id.* Accordingly, we allowed Facebook and WhatsApp to remain in this proceeding as to claim 7 *only*. More importantly, we determined that LG Electronics, the remaining Petitioner entity in this proceeding was not estopped, and, therefore, would be allowed to maintain the proceeding as to all claims. *Id.* at 7–8.

Despite having previously filed a brief regarding the issue of estoppel earlier in trial (Paper 12), Patent Owner now argues for the first time that, by virtue of LG Electronics' joinder in this proceeding, LG Electronics is a privy of Facebook and WhatsApp for purposes of § 315(e)(1). Req. Reh'g 3–4. Estoppel under § 315(e)(1), according to Patent Owner, would apply to LG Electronics because the estoppel is not limited to a petitioner, but also applies to privies and real parties-in-interest. *Id.* We are not persuaded by Patent Owner's arguments.

Patent Owner's brief regarding the issue of estoppel did not argue that joining LG Electronics as a party to this proceeding would create a privity relationship with Facebook and WhatsApp such that LG Electronics would

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petitioners. The -225 case addressed claims 1–6 and 8 of the '433 patent.

also be estopped under § 315(e)(1). Paper 12. Instead, Patent Owner took the position that allowing LG Electronics "to join this IPR will create inefficiency and confusion" and that LG Electronics should file its own IPR. *Id.* at v. To be sure, at the time the parties filed briefing on estoppel, we had not yet decided the pending Motion for Joinder of LG Electronics. *See* Papers 11, 12, 18. But by the time those briefs were filed, both parties clearly contemplated that LG Electronics' joinder was either imminent or probable, and Patent Owner did not contend then that LG Electronics would also be estopped because of privity. *See* Paper 11, 5 (Petitioner arguing that LG Electronics filed a me-too petition and motion for joinder, and LG Electronics would not be estopped because it is not a party to the -225 case); Paper 12, v. (Patent Owner arguing LG Electronics should file its own case).

Indeed, no brief filed by any party to date has included argument that LG Electronics is a privy of Facebook and WhatsApp. After we issued the decision on estoppel (Paper 30) on May 29, 2018, Patent Owner did not contact the Board for a determination of the privy issue. Nor did Patent Owner raise at oral argument that LG Electronics is a privy of Facebook and WhatsApp such that LG Electronics would be estopped from presenting oral argument.

Additionally, Patent Owner does not show either factual or legal authority for the contention that an entity, by joining a proceeding under 35 U.S.C. § 315(c), automatically becomes a privy, *in that proceeding*, of the other petitioner entities. Patent Owner produces a definition of "privy" as a "mutual or successive relationship to the same rights of property" as supporting its position. Req. Reh'g 4. This is an insufficient showing that

LG Electronics became a privy of Facebook and WhatsApp merely by joining this proceeding. Patent Owner's argument suggests that privity arises here merely because LG Electronics adopted the same contentions held by Facebook and WhatsApp *in this proceeding* when it joined this proceeding as a petitioner entity. In other words, according to Patent Owner, in a proceeding with entity A and a joined entity B as petitioners, estoppel of entity A applies to entity B merely because entity B joined that proceeding. Again, Patent Owner narrowly focuses on the fact that LG Electronics joined *this inter partes* review and focuses on the relationship between Petitioners in *this inter partes* review.

When deciding "privity," for estoppel purposes, however, it makes sense to focus on the relationship between the named Petitioner and the alleged privy in the prior *inter partes* review, i.e., the -225 case. *See WesternGeco LLC v. Ion Geophysical Corp.*, 889 F.3d 1308, 1317–22 (Fed. Cir. May 7, 2018) (discussing that a privity inquiry must be grounded in due process and that, in the context of § 315(b), the inquiry focuses on the relationship between the named IPR petitioner and the party in the *prior* lawsuit and noting that "privity analysis seeks to determine whether the relationship between the purported privy and the relevant other party is sufficiently close such that both should be bound by the trial outcome and related estoppels"); *see also Shamrock Techs. Inc. v. Medical Sterilization, Inc.*, 903 F.2d 789, 793 ("What constitutes 'privity' varies, depending on the purpose for which privity is asserted."). LG Electronics was not a party to the -225 case, and there is neither fact nor allegation in the record of actions

by LG Electronics in connection with any prior *inter partes* review that warrants a privity inquiry, at this stage in the proceeding.

Finally, we are not persuaded that in our Final Written Decision we overlooked or misapprehended the role of LG Electronics in this proceeding as an alleged "privy," as this issue is presented for the first time on rehearing.

III. ORDER

Patent Owner's Request for Rehearing is *denied*.

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