

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNIFIED PATENTS INC.,
Petitioner,

v.

AMERICAN PATENTS LLC,
Patent Owner.

IPR2019-00482
Patent 7,373,655 B1

Before JAMESON LEE, DAVID C. MCKONE, and
JULIET MITCHELL DIRBA, *Administrative Patent Judges*.

DIRBA, *Administrative Patent Judge*.

DECISION
Final Written Decision
Determining All Challenged Claims Unpatentable
Granting-in-Part Patent Owner's Motion to Exclude
Granting-in-Part Petitioner's Fifth and Sixth Motions to Seal
35 U.S.C. § 318(a)

IPR2019-00482
Patent 7,373,655 B1

I. INTRODUCTION

Unified Patents Inc.¹ (“Petitioner”) filed a Petition requesting institution of an *inter partes* review of claims 5–7 of U.S. Patent No. 7,373,655 B1 (Ex. 1001, “the ’655 patent”). Paper 1 (“Pet.”). We determined that Petitioner had demonstrated a reasonable likelihood of success in proving that claims 5–7 of the ’655 patent are unpatentable, and we instituted an *inter partes* review on all challenged claims with respect to all grounds set forth in the Petition. Paper 27 (“Institution Decision” or “Inst. Dec.”).²

After institution, Patent Owner filed a Response (Paper 50, “PO Resp.”), Petitioner filed a Reply (Paper 57, “Pet. Reply”), and Patent Owner filed a Sur-Reply (Paper 61, “PO Sur-Reply”). The parties also filed briefs regarding the Supreme Court’s recent decision in *Thryv, Inc. v. Click-to-Call Technologies, LP*, 140 S. Ct. 1367 (2020). Papers 83–86; *see also* Paper 87 (notice of supplemental authority).³ An oral hearing in this proceeding was held on April 14, 2020, and a transcript of the hearing is included in the record (Paper 82, “Tr.”).

¹ Petitioner has informed the Board that Unified Patents Inc. has changed its name to Unified Patents, LLC. Paper 56.

² This Decision cites to confidential papers and exhibits. A table is provided (*infra* § II.E.5) to identify the corresponding public version of these documents, if available. In addition, an updated version of this table will be entered as an exhibit when the public version of this Decision is released.

³ Both Petitioner and Patent Owner agree that *Thryv* has no impact on this proceeding or the Board’s reliance on *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1351 (Fed. Cir. 2018). Paper 83, 1; Paper 84, 1.

IPR2019-00482
Patent 7,373,655 B1

During trial, the parties filed several motions. We granted Petitioner’s motion to enter the parties’ agreed Protective Order.⁴ Paper 43; *see* Paper 44 (Protective Order). We granted-in-part Petitioner’s Motion to Strike. Paper 73. In particular, we struck Section VI and all references to Exhibits 2035 and 2036 from Patent Owner’s Sur-Reply; we expunged Exhibits 2035 and 2036; and we denied the remainder of Petitioner’s Motion to Strike. *Id.*

In addition, Patent Owner filed a Motion to Exclude various exhibits (Paper 70), Petitioner opposed (Paper 72), and Patent Owner filed a reply (Paper 74). For the reasons explained below, we grant-in-part Patent Owner’s Motion to Exclude: we grant the motion as to Exhibit 1008, and we dismiss as to the remaining exhibits as moot.

Finally, Petitioner filed Fifth and Sixth Motions to Seal (Papers 51, 59); Patent Owner opposed (Papers 54, 66); and Petitioner filed replies (Papers 55, 80). Petitioner and Patent Owner also filed supplementary papers regarding these motions. Papers 90, 100–102. In this Decision, we also revisit our provisional grant-in-part of Petitioner’s pre-institution motions to seal, which provisionally granted Petitioner’s motions to seal with respect to the identity of a member of Petitioner (the “Member”). Paper 29, 6–7, 11 (sealing Papers 6, 9, 16, 21, 23, and 26, and Exhibits 1013, 2014, 2015, and 3003). For the reasons explained below, we grant-in-part Petitioner’s Fifth and Sixth Motions to Seal and otherwise deny those motions, and we finalize our provisional ruling in Paper 29.

⁴ Pursuant to an agreement by the parties, Petitioner voluntarily produced discovery. *See* Paper 40, 1–3.

IPR2019-00482
Patent 7,373,655 B1

We have jurisdiction under 35 U.S.C. § 6. This Final Written Decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. Having considered the evidence of record, and for the reasons discussed below, Petitioner has shown by a preponderance of the evidence that claims 5–7 of the '655 patent are unpatentable under 35 U.S.C. § 103(a).

A. Related Matters

The parties identify eleven civil actions involving the '655 patent. Pet. 1–2; Paper 4, 2. However, according to Patent Owner, the '655 patent “is no longer being asserted against any entity.” PO Resp. 12 n.5.

B. Evidence Relied Upon by Petitioner⁵

Reference		Issue Date	Exhibit
Coile	U.S. Patent No. 6,473,406 B1	Oct. 29, 2002 (filed July 31, 1997)	Ex. 1004
Templin	U.S. Patent No. 5,781,550	July 14, 1998 (filed Feb. 2, 1996)	Ex. 1005
Hu	U.S. Patent No. 5,586,260	Dec. 17, 1996 (filed Feb. 12, 1993)	Ex. 1006
Shapiro	U.S. Patent No. 5,991,810	Nov. 23, 1999 (filed Aug. 1, 1997)	Ex. 1007

⁵ The '655 patent was filed on May 19, 1999, and it claims the benefit of provisional application 60/113,495, filed on December 22, 1998. Ex. 1001, codes (22), (60). According to Patent Owner, the '655 patent has expired. PO Resp. 12 n.5.

IPR2019-00482
Patent 7,373,655 B1

Petitioner also relies on a declaration from Dr. A.L. Narasimha Reddy. Ex. 1003.

C. Asserted Grounds

Petitioner asserts the following grounds of unpatentability (Pet. 5):

Claim(s) Challenged	35 U.S.C. §⁶	Reference(s)/Basis
5, 6	103(a)	Coile, Templin
7	103(a)	Coile, Templin, Hu
5–7	103(a)	Shapiro, Coile, Templin

D. The '655 Patent

The '655 patent is titled “System for Securing Inbound and Outbound Data Packet Flow in a Computer Network.” Ex. 1001, code (54). The '655 patent provides a method “for control of access to network resources.” *Id.* at code (57). In particular, a user “seeking access to a particular network resource connects to a stateful virtual identity machine (SVIM)” that is pre-authorized to access the network resource. *Id.* at 2:26–29, 2:34–36. If the machine authorizes the end user, the machine “shares its identity with the end user.” *Id.* at 2:29–30. “As a consequence, the authorized user assumes

⁶ The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112–29, 125 Stat. 284, 287–88 (2011), revised 35 U.S.C. § 103 effective March 16, 2013. Because the challenged patent was filed before March 16, 2013, we refer to the pre-AIA version of § 103.

IPR2019-00482
 Patent 7,373,655 B1

the identity of the machine and appears to the network as if it were that machine.” *Id.* at 2:32–34. Figure 2 of the ’655 patent is reproduced below.

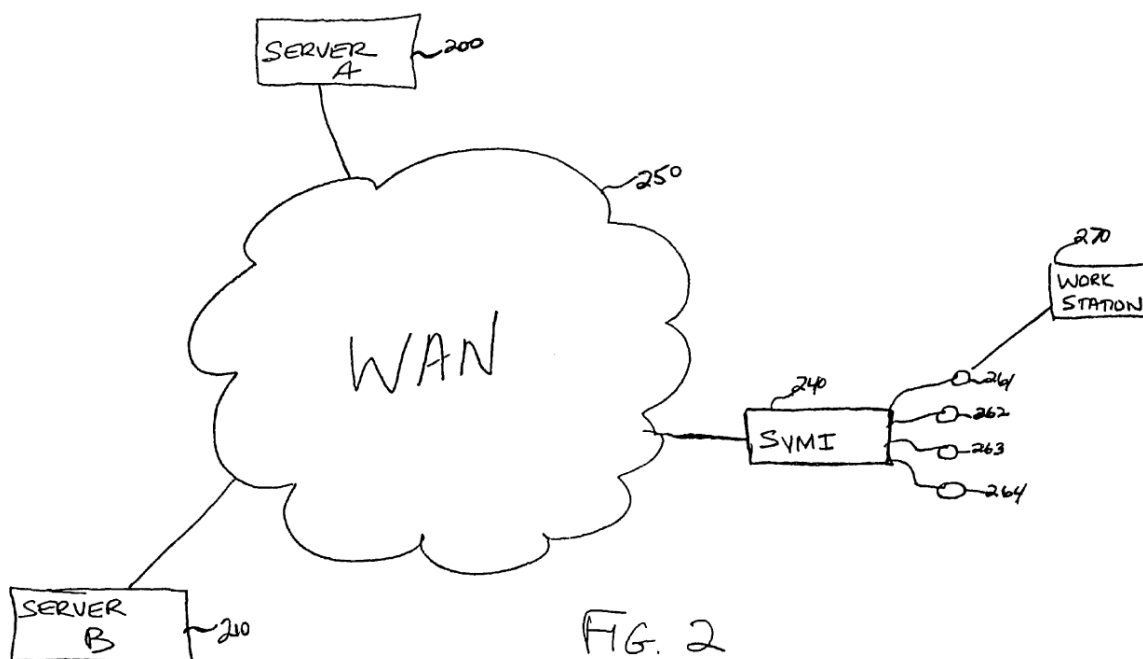


Figure 2, shown above, illustrates “[a]n example of a system in which the present invention may be deployed.” Ex. 1001, 3:22–23. SVIM 240 is pre-authorized to access network resources, such as the resources of server A 200. *Id.* at 3:36–40. Work station 270 is utilized by an end user and may connect to a logical port of SVIM 240. *Id.* at 3:33–35. If SVIM 240 determines that workstation 270 “is allowed to connect to the SVIM, then the end user assumes the virtual identity of the SVIM.” *Id.* at 3:54–57. “In this invention, then, the network resources do not worry about the true identity of the end user. Instead, all that is of significance to the network resources’ security capabilities is that the end user has assumed the identity of the SVIM.” *Id.* at 4:33–37.

IPR2019-00482
Patent 7,373,655 B1

Of the challenged claims, claim 5 is the sole independent claim, and claims 6 and 7 both depend from claim 5. Claim 5 is reproduced below:

5. A method comprising:
arranging a network element in a network, the network element
being pre-authorized to access a set of network resources;
receiving, at the network element, a request from a user to
connect to the network element;
determining whether the user is authorized to connect to the
network element;
if so, allowing the user to assume the identity of the network
element; and
accessing, by the user, one of the set of network resources that
the network element is pre-authorized to access, based on
the user's assuming the identity of the network element.

Ex. 1001, 5:30–6:10.

II. ANALYSIS

A. *Burden of Proof*

In an *inter partes* review, the petitioner has the burden of proving unpatentability by a preponderance of the evidence. 35 U.S.C. § 316(e). That burden never shifts to the patentee. *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015).

B. *Obviousness*

1. *Principles of Law*

The legal question of obviousness is resolved on the basis of underlying factual determinations including: (1) the scope and content of

IPR2019-00482
Patent 7,373,655 B1

the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of ordinary skill in the art; and (4) when in evidence, objective evidence of nonobviousness.⁷ *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 17–18 (1966). One seeking to establish obviousness based on more than one reference also must articulate sufficient reasoning with rational underpinnings to combine teachings. *See KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 398, 418 (2007).

2. Level of Ordinary Skill in the Art

Petitioner asserts that the level of ordinary skill in the art corresponds to “a bachelor’s degree in computer science, computer engineering, electrical engineering, or a related subject, and one to two years of work experience with networking,” where “[a] lack of experience can be remedied with additional education (e.g., a Master’s degree), and likewise, a lack of education can be remedied with additional work experience (e.g., 4–5 years).” Pet. 7–8 (citing Ex. 1003 ¶¶ 38–42).

Patent Owner has not addressed the level of ordinary skill. *See generally* PO Resp.; PO Sur-Reply.

Petitioner’s proposal (unopposed by Patent Owner) is consistent with the ’655 patent specification and the asserted prior art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001); *In re GPAC Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995); *In re Oelrich*, 579 F.2d 86, 91 (CCPA 1978).

⁷ The record does not include allegations or evidence of objective indicia of nonobviousness.

IPR2019-00482
Patent 7,373,655 B1

Accordingly, we adopt the level of ordinary skill as articulated by Petitioner. *Accord* Inst. Dec. 22 (adopting same position).

3. Claim Construction

Because the Petition was filed after November 13, 2018, we interpret claim terms using the same standard as that which applies in civil actions. *See* Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board, 83 Fed. Reg. 51,340, 51,340, 51,358 (Oct. 11, 2018) (amending 37 C.F.R. § 42.100(b) effective November 13, 2018) (now codified at 37 C.F.R. § 42.100(b) (2019)) (“In an *inter partes* review proceeding, a claim of a patent . . . shall be construed using the same claim construction standard that would be used to construe the claim in a civil action.”); *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc) (providing standard for construing claims in a civil action).

Petitioner contends the claim phrases “assume the identity” and “assuming the identity” in claim 5 require construction. Pet. 10. In particular, Petitioner contends a person of ordinary skill in the art “would have understood the phrases ‘assume the identity’ of a machine and ‘assuming the identity’ of a machine to include at least ‘appear[ing] to the network as if it were’ that machine.” *Id.* (alteration in original). In support, Petitioner points to passages from the specification of the ’655 patent and Dr. Reddy’s testimony. *Id.*

In the Decision on Institution, rather than construe “assume the identity” and “assuming the identity,” we provided preliminary constructions

IPR2019-00482
Patent 7,373,655 B1

of the larger claim phrases in which these phrases are found. Inst. Dec. 23–25. In particular, we construed “assume the identity of a network element” to mean “appear to the network as if it were the network element” and, similarly, “assuming the identity of a network element” to mean “appearing to the network as if it were the network element.” *Id.* Neither party’s post-institution briefing addresses claim construction or alleges error in our analysis or preliminary constructions. *See generally* PO Resp.; Pet. Reply; PO Sur-Reply; *see also* Tr. 13:1–10.⁸ Accordingly, for the reasons previously provided (and reproduced below), we adopt these constructions in this Decision.

The intrinsic record for the ’655 patent does not explain these claim phrases, but rather assumes that a person of skill in the art would understand their meaning. *See Phillips*, 415 F.3d at 1313 (“[I]nventors are typically persons skilled in the field of the invention[,] and [] patents are addressed to and intended to be read by others of skill in the pertinent art.”). The Specification states a machine “shares its identity” with a user and “[a]s a

⁸ Although Patent Owner addressed claim construction at the oral hearing (*see generally* Tr. 42:20–56:15), Patent Owner did not do so in its briefs (*see* PO Resp. 12–13 n.5). The oral hearing arguments were untimely and will not be considered. *See* Consolidated Trial Practice Guide (Nov. 2019) (“Consolidated TPG”), 85–86, available at <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf> (“During an oral hearing, a party . . . may only present arguments relied upon in the papers previously submitted.”); Paper 28 at 7 (Scheduling Order) (“Patent Owner is cautioned that any arguments for patentability not raised in the response may be deemed waived.”); *see also* Tr. 88:5–15 (Petitioner objecting to new arguments).

IPR2019-00482
Patent 7,373,655 B1

consequence, the authorized user assumes the identity of the machine and appears to the network as if it were that machine.” Ex. 1001, 2:31–34. “[T]he end user assumes the identity of the [machine] such that the connected end user has all of the access privileges assigned to the [machine].” *Id.* at 3:19–21. The Specification implies that multiple users can assume the identity of the same machine (*id.* at 2:34–36), and the Specification explains “the network resources do not worry about the true identity of the end user” after the user assumes the identity of the machine (*id.* at 4:33–34). Dr. Reddy testifies that, “[b]ased on this disclosure, a [person of ordinary skill in the art] would have understood the phrases ‘assume the identity’ of a machine and ‘assuming the identity’ of a machine to include at least ‘appear[ing] to the network as if it were’ that machine.” Ex. 1003 ¶¶ 46–47 (last alteration in original). On this record, we credit the testimony of Dr. Reddy because it is consistent with and supported by the Specification.

Accordingly, we conclude the claimed phrase “assume the identity of a network element” means “appear to the network as if it were the network element,” and similarly, we conclude “assuming the identity of a network element” means “appearing to the network as if it were the network element.”

We determine that no other terms require explicit construction to resolve the issues presented in this proceeding. *See, e.g., Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (“[W]e need only construe terms ‘that are in controversy, and only to

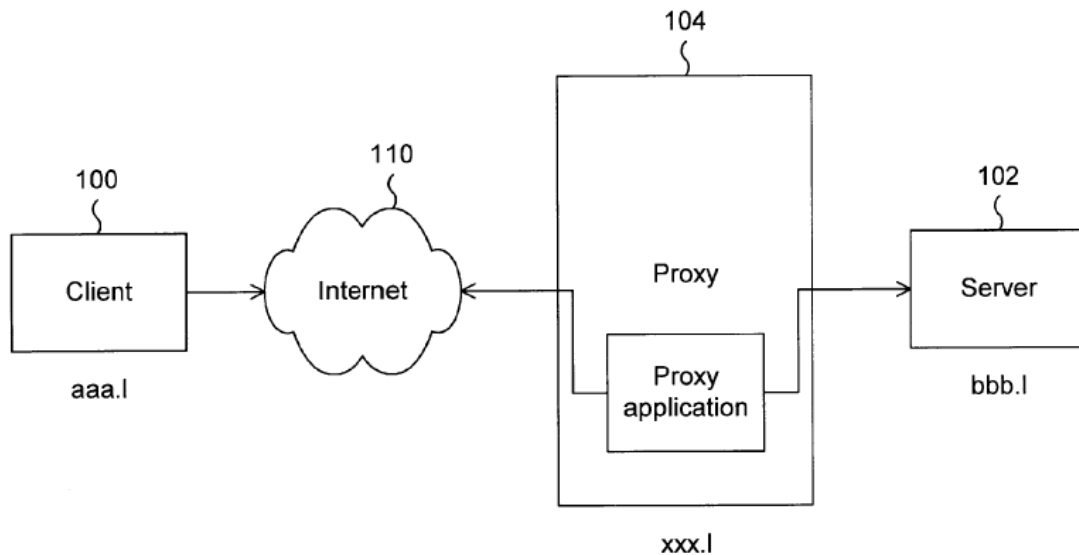
IPR2019-00482
Patent 7,373,655 B1

the extent necessary to resolve the controversy.”)(*quoting Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)).

4. Prior Art References

a. Coile (Ex. 1004)

Coile is titled “Method and Apparatus for Transparently Proxying a Connection.” Ex. 1004, code (54). The Petition cites to Coile’s background section, which describes proxies using an example illustrated in Figure 1. *See id.* at 1:24–3:20. Figure 1 of Coile is reproduced below.



Prior Art

Figure 1

Figure 1 depicts a block diagram showing client 100 (with an IP address of aaa.1) that wishes to obtain information from server 102 (IP address:

IPR2019-00482
Patent 7,373,655 B1

bbb.1).⁹ *Id.* at 2:16–19. “Client 100, however, is not authorized to connect to server 102.” *Id.* at 2:19–20. Instead, client 100 connects to proxy 104 (IP address: xxx.1), which “is authorized to make a connection to server 102.” *Id.* at 2:20–22. Coile teaches:

[C]lient 100 must obtain authorization to log onto proxy 104. Usually, this is done by some sort of authentication or password procedure. Once client 100 has successfully logged on to proxy 104, client 100 may request proxy 104 to make a connection to server 102 and obtain data that is contained on server 102.

. . . Once a connection with the server is established, then proxy 104 reads the data received from the client and relays the data to the server via the server connection. Likewise, the proxy reads the data received from the server and relays the data to the client via the client connection.

Id. at 2:29–34, 2:44–49.

Petitioner has shown by a preponderance of the evidence that Coile qualifies as prior art under 35 U.S.C. § 102(e). *See* Pet. 4. Coile was granted on an application filed July 31, 1997 (Ex. 1004, code (22)), which is prior to the earliest potential priority date on the face of the ’655 patent, i.e., December 22, 1998 (Ex. 1001, code (60)). Patent Owner does not dispute Coile’s status as prior art.

⁹ Coile’s background refers to the client as “the user requesting information” and refers to the server as “the protected machine that is providing information,” “the proxied machine,” and “the target machine.” Ex. 1004, 1:51–62. For clarity, this Decision consistently refers to these components as client 100 and server 102, respectively.

IPR2019-00482
 Patent 7,373,655 B1

b. Templin (Ex. 1005)

Templin is titled “Transparent and Secure Network Gateway.”
 Ex. 1005, code (54). It describes a gateway with a proxy server for intercepting and relaying packets exchanged between two computers. *Id.* at code (57). Figure 5 of Templin is reproduced below.

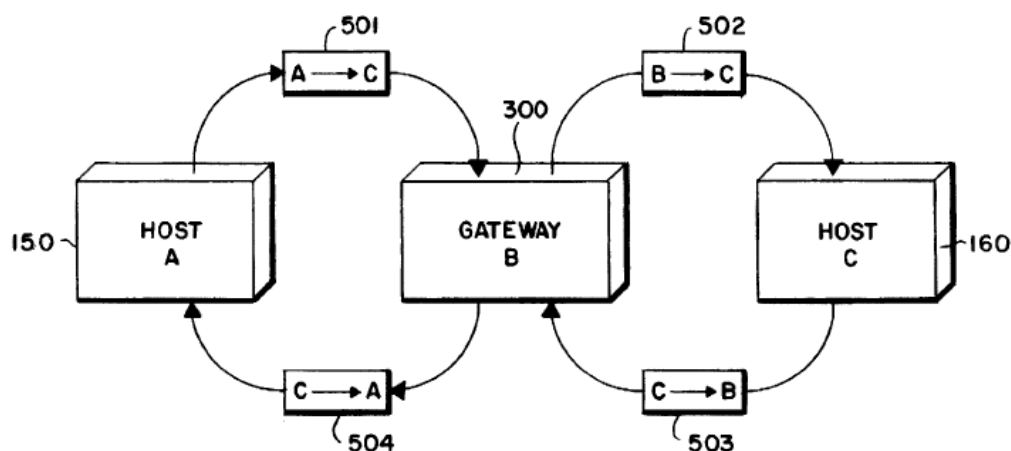


FIG. 5

Figure 5 is a flow diagram of packets, and depicts packets (501–504) exchanged between host A (150) and host C (160) via a gateway B (300). *Id.* at 3:60–61, 8:37–54. Host A generates a packet |A→C| 501 destined for host C. *Id.* at 8:38–40. Gateway B receives and consumes packet 501, and gateway B generates a new packet |B→C| 502. *Id.* at 8:40–43. Host C responds with a packet |C→B| 503 “and never learns of the existence of host A 150.” *Id.* at 8:43–46. After receiving packet 503, gateway B consumes packet 503 and generates a new packet |C→A| 504, such that “host A is spoofed into believing it is directly communicating with host C.” *Id.* at 8:47–50.

IPR2019-00482
Patent 7,373,655 B1

Petitioner contends that Templin qualifies as prior art under 35 U.S.C. § 102(a). Pet. 4. Templin issued on July 14, 1998 (Ex. 1005, code (45)), which is prior to the earliest potential priority date on the face of the '655 patent, i.e., December 22, 1998 (Ex. 1001, code (60)). Accordingly, Petitioner met its initial burden of presenting evidence that Templin is prior art, shifting the burden of production to Patent Owner. *See Dynamic Drinkware*, 800 F.3d at 1379 (stating that once the petitioner meets its initial burden of going forward with evidence that there is anticipating prior art, the patent owner has “the burden of going forward with evidence either that the prior art does not actually anticipate, or . . . that it is not prior art” (quoting *Tech. Licensing Corp. v. Videotek, Inc.*, 545 F.3d 1316, 1327 (Fed. Cir. 2008))).

In its Response, Patent Owner argues—in a single sentence in a footnote—that its invention was conceived prior to Templin’s filing date. PO Resp. 13 n.5 (citing Ex. 2028, 3 (invention disclosure)). However, Patent Owner provides no argument or evidence to establish diligence from conception to reduction to practice. *See id.*; accord Paper 73 (striking Patent

IPR2019-00482
Patent 7,373,655 B1

Owner's belated introduction of diligence arguments in the Sur-Reply).¹⁰ By failing to address diligence, Patent Owner does not meet its burden of production to raise a question regarding Templin's prior art status. *See Purdue Pharma L.P. v. Boehringer Ingelheim GmbH*, 237 F.3d 1359, 1365 (Fed. Cir. 2001) ("To antedate (or establish priority) of an invention, a party must show either an earlier reduction to practice, or an earlier conception followed by a diligent reduction to practice.").

Accordingly, on this record, we are persuaded that Templin qualifies as prior art.

c. Hu (Ex. 1006)

Hu is titled "Method and Apparatus for Authenticating a Client to a Server in Computer Systems Which Support Different Security Mechanisms." Ex. 1006, code (54). It describes an "authentication gateway computer system" that acts as an intermediary between a client and a server.

¹⁰ Moreover, even if we had not struck Patent Owner's belated arguments regarding diligence, we would have been persuaded that Templin is prior art. Patent Owner argues that the mere fact that an "application [was filed] less than six months from the invention disclosure" shows diligence. PO Sur-Reply 21. We disagree, and Patent Owner identifies no authority in support. *Cf. Perfect Surgical Techniques, Inc. v. Olympus Am., Inc.*, 841 F.3d 1004, 1009 (Fed. Cir. 2016) (*cited by* PO Sur-Reply 22) (holding that a patent owner "must show there was *reasonably continuous* diligence" and explaining that "the point of the diligence analysis . . . is to assure that, in light of the evidence as a whole, 'the invention was not abandoned or unreasonably delayed'" (citation omitted)). Because the record includes no evidence of diligence, we would still have found Templin to be prior art.

IPR2019-00482
Patent 7,373,655 B1

Id. at 3:46–51. Hu’s authentication gateway computer system 14 includes an authentication gateway 22 and a proxy server 20. *Id.* at Fig. 3. Hu describes an infrequent “log-in procedure” executed between client 10 and authentication gateway 22, where client 10 transmits its identity and any necessary password or security code. *Id.* at 4:25–32. After authenticating client 10, authentication gateway 22 provides client 10 with an “identifier” for later use by client 10. *Id.* at 4:32–43; *see id.* at code (57) (referencing “access key”). To access the server, client 10 contacts proxy server 20 with the identifier provided by authentication gateway 22, and authentication gateway 22 provides the credentials of client 10 to proxy server 20, which then communicates with the server on the client’s behalf. *Id.* at 4:44–58.

Petitioner has shown that Hu qualifies as prior art under 35 U.S.C. § 102(b). *See* Pet. 4. Hu was issued December 17, 1996, which is more than one year prior to the earliest potential effective filing date of the challenged claims, i.e., December 22, 1998. Ex. 1001, code (60); Ex. 1006, code (45). Patent Owner does not dispute Hu’s status as prior art.

d. Shapiro (Ex. 1007)

Shapiro is titled “User Name Authentication for Gateway Clients Accessing a Proxy Cache Server.” Ex. 1007, code (54). It describes “regulating access to a proxy cache server residing on an institutional intranet.” *Id.* at code (57). The proxy cache server receives a client’s request to access information on an external website. *Id.* If the client’s access is authorized, the proxy cache server delivers the requested information to the client. *Id.* Figure 1 of Shapiro is reproduced below.

IPR2019-00482
 Patent 7,373,655 B1

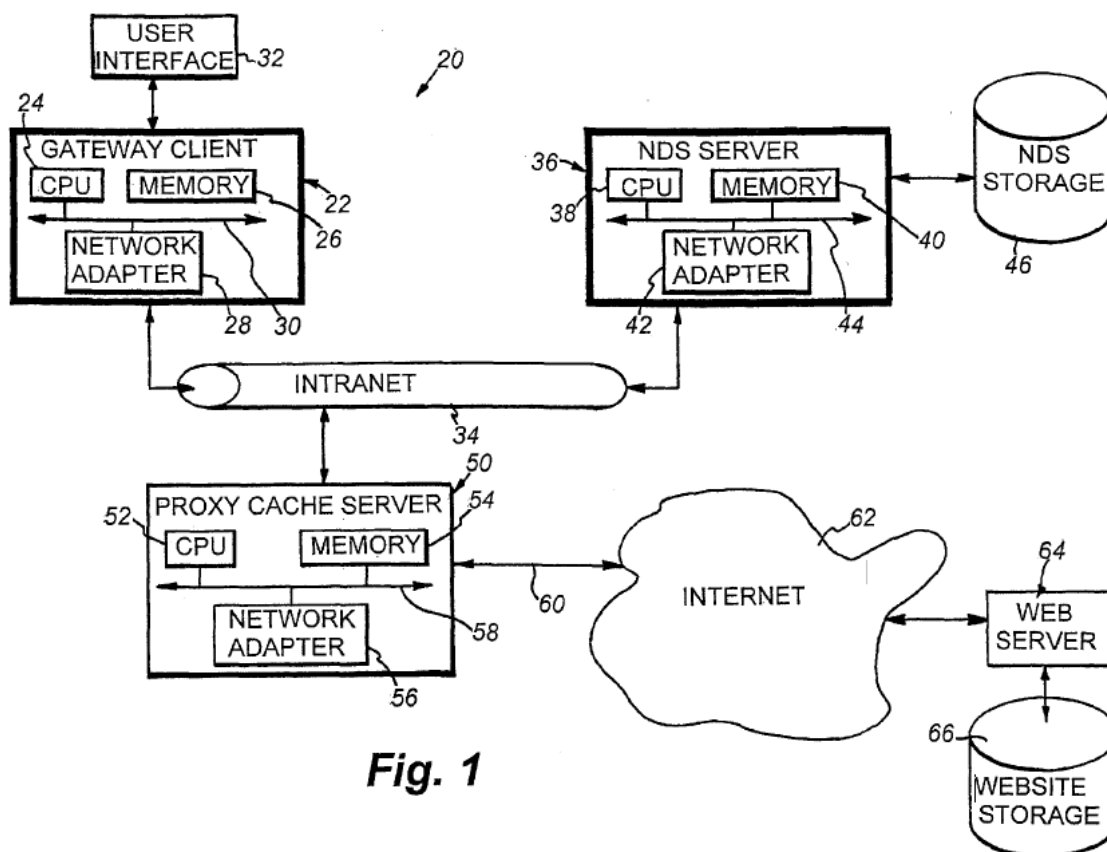


Fig. 1

Figure 1 of Shapiro is a network-architecture level block diagram that shows the connections between gateway client 22, proxy cache server 50, and web server 64. *Id.* at 2:49–51, 2:62–66, 3:24, 3:36–39. Shapiro’s “proxy cache server 50 acts as a ‘firewall’ between the external Internet 62 and the intranet 34.” *Id.* at 3:36–37. When a client requests information on a website (e.g., web server 64), the request is first routed to proxy cache server 50. *Id.* at 3:37–39. “If the client is authorized to request information from a particular web site, then the information is retrieved from the memory 54 (if it [has] already been cached in the memory) or it is, at that time, received from the web site for transfer to the client.” *Id.* at 3:39–43.

IPR2019-00482
Patent 7,373,655 B1

Specifically, the client transmits a modified HTTP request to the proxy cache server. Ex. 1007, 4:61–63, Fig. 2 (step 208). This modified HTTP request includes a Novell Directory Services (NDS) username and the original HTTP request for information from the external website. *Id.* at 2:34–35, 4:30–60. Proxy cache server compares the username and the HTTP request to an access control list and thereby “decides whether access is to be permitted or denied.” *Id.* at 5:36–39. If access is allowed, then the proxy cache server provides the requested information to the client, either from its memory or by retrieving the information from the website. *Id.* at 5:40–58.

Petitioner has shown by a preponderance of the evidence that Shapiro qualifies as prior art under 35 U.S.C. § 102(e). *See* Pet. 4. Shapiro was granted on an application filed August 1, 1997 (Ex. 1007, code (22)), which is prior to the earliest potential priority date on the face of the ’655 patent, i.e., December 22, 1998 (Ex. 1001, code (60)). Patent Owner does not dispute Shapiro’s status as prior art.

5. Alleged Obviousness of Claims 5 and 6 over Coile and Templin

a. Independent Claim 5

Claim 5 recites “[a] method comprising” Ex. 1001, 5:30. We conclude that this preamble is not limiting. *See Allen Eng’g Corp. v. Bartell Indus., Inc.*, 299 F.3d 1336, 1346 (Fed. Cir. 2002) (“Generally, the preamble does not limit the claims.”). But, even if the preamble were limiting, Petitioner has shown that Coile discloses a method, as recited. Pet. 15 (citing Ex. 1004, 1:16–17).

IPR2019-00482
Patent 7,373,655 B1

Claim 5 recites “arranging a network element in a network, the network element being pre-authorized to access a set of network resources.” Ex. 1001, 5:31–33. Petitioner asserts Coile discloses this limitation. Pet. 15–17. Specifically, Petitioner contends that Coile’s proxy 104 (the claimed “network element”) is arranged in the network, shown in Figure 1, and is pre-authorized to access a set of resources provided by server 102. *Id.* at 16–17. In support, Petitioner quotes Coile, stating “[p]roxy 104 is authorized to make a connection to server 102.” *Id.* at 16 (quoting Ex. 1004, 2:16–34) (alteration in original). In addition, Petitioner relies on Dr. Reddy, who opines that a person of skill in the art “would have recognized *Coile*’s proxy as being *pre-authorized* to access network resources because *Coile* describes the proxy as ‘authorized’ prior to its description of client 100 connecting to proxy 104, indicating to a [person of ordinary skill in the art] that *Coile*’s proxy already has authorization to access the server 102 without any further required step of authorization/handshake/validation of the proxy with the server.” Ex. 1003 ¶ 66 (*cited by* Pet. 17).

Patent Owner argues that Petitioner’s contention “read[s] out the limitation of ‘pre-authorized[.]’ altogether.” PO Resp. 13 n.5. Specifically, Patent Owner states:

Unified essentially argues that the claims 5–7 of the 655 patent read on a proxy server. But a proxy server does not allow a user to avoid inputting a separate username and password as taught by the 655 patent. For example, the Board’s institution decision points out that a user must be “successfully logged on to proxy 104 . . . [to] obtain data that is contained on server 102.” Institution Decision at 25–26. But then says that the proxy server is “pre-authorized.” To say that a person has to

IPR2019-00482
Patent 7,373,655 B1

log on to a proxy server and that the same proxy server is “pre-authorized” is to read out the limitation of “preauthorized[”] altogether. . . . And as is clear from the invention disclosure, the 655 patent always considered proxy servers as something separate and distinct from the invention of the 655 patent.

Id. at 12–13 n.5 (first alteration in original). Patent Owner’s briefing does not further explain its contention that Coile’s proxy is not “pre-authorized to access a set of network resources,” as required by claim 1, and Patent Owner does not respond to Petitioner’s rationale as articulated by Dr. Reddy. *See id.*

We are persuaded that Coile’s proxy teaches the claimed “network element” that is “pre-authorized to access” resources provided by server 102, as required by this claim limitation. Coile’s “[p]roxy 104 is authorized to make a connection to server 102.” Ex. 1004, 2:22. Petitioner’s expert, Dr. Reddy, explains that a person of ordinary art would read Coile to teach that Coile’s proxy already has authorization to access the server without requiring any authorization steps, which makes it “pre-authorized.” Ex. 1003 ¶ 66; *see* Ex. 1004, 2:16–37. We find Dr. Reddy’s testimony to be credible, and Patent Owner has not introduced (or identified) any evidence that contradicts it. In addition, Patent Owner identifies no deficiencies in Petitioner’s rationale.

Rather, Patent Owner asserts that Coile’s proxy server is not pre-authorized because the user (i.e., client 100) must first log on to the proxy server. *See* PO Resp. 12 n.5. However, Patent Owner fails to explain (and we do not perceive) why the interaction between the proxy and *the client*,

IPR2019-00482
Patent 7,373,655 B1

identified by Patent Owner, is relevant to whether the proxy is pre-authorized to access network resources *on the server*, as recited by the claim.

Patent Owner also appears to contend that Coile’s proxy cannot meet this claim limitation because it is a proxy server. In support, Patent Owner contends that an invention disclosure form shows that the inventor considered proxy servers to be “separate and distinct from” the invention. PO Resp. 13 n.5 (citing Ex. 2028, 3). Although Patent Owner does not articulate a construction for “pre-authorized,” Patent Owner asserts that a construction of “pre-authorization that includes a proxy server has to be wrong.” Tr. 51:14–16.

Patent Owner’s arguments are not persuasive. Claim 5 includes no express limitation that would exclude a proxy server (*see* Ex. 1001, 5:30–6:10), and we perceive no reason to exclude proxy servers from the scope of this claim. The invention disclosure form (Exhibit 2028) was not presented to the Examiner during prosecution to limit the scope of the invention in any way and, thus, is extrinsic evidence. *See* Tr. 50:9–15; *also compare* Ex. 2028 (invention disclosure), *with* Ex. 1002 (prosecution history). Such evidence cannot support an exclusion of claim scope—“[t]he claims, specification, and file history, rather than extrinsic evidence, constitute the public record of the patentee’s claim, a record on which the public is entitled to rely.” *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1583 (Fed. Cir. 1996)).

At the oral hearing, Patent Owner contended that the invention disclosure constitutes expert testimony regarding the meaning of claim

IPR2019-00482
Patent 7,373,655 B1

terms. *See* Tr. 50:16–51:20, 53:12–54:3.¹¹ We disagree that the invention disclosure constitutes expert testimony. Further, Patent Owner fails to identify any statements in the invention disclosure that shed any light on the meaning of the term “pre-authorized”—or any other portion of this limitation—to a person of ordinary skill in the art. *See* PO Resp. 13 n.5 (citing Ex. 2028 at 3); Ex. 2028, 3–4 (no reference to “pre-authorized”). And despite Patent Owner’s assertion to the contrary (*see* Tr. 55:8–56:7), an inventor’s subjective intent “when he used a particular term is of little to no probative weight in determining the scope of a claim (except as documented in the prosecution history).” *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 985 (Fed. Cir. 1995) (en banc), *aff’d*, 517 U.S. 370 (1996); *accord Howmedica Osteonics Corp. v. Wright Med. Tech., Inc.*, 540 F.3d 1337, 1347 (Fed. Cir. 2008) (holding that an inventor’s subjective intent in using a term is irrelevant to claim construction). Accordingly, we reject Patent Owner’s attempts to disclaim proxy servers from the scope of claim 5 or to define “pre-authorized” in a way that would exclude proxy servers. Consequently, Petitioner has shown by a preponderance of the evidence that Coile discloses this claim limitation.

Claim 5 also recites “receiving, at the network element, a request from a user to connect to the network element” and “determining whether the user

¹¹ These arguments were not presented in Patent Owner’s briefs (*see* PO Resp. 12–13 n.5) and, thus, were waived. This Decision briefly addresses these arguments, however, because they would not have been persuasive even if they had not been waived.

IPR2019-00482
Patent 7,373,655 B1

is authorized to connect to the network element.” Ex. 1001, 6:1–4. Petitioner asserts that Coile discloses these limitations (Pet. 17–19), and Patent Owner has not argued otherwise. Petitioner’s assertions are supported by the cited evidence and are persuasive. In particular, Coile’s proxy 104 receives a request from client 100 to connect, and proxy 104 authenticates client 100. *E.g.*, Ex. 1004, 1:48–50, 2:23–24, 2:29–30, 2:35–37. Accordingly, we are persuaded that Coile discloses these claim limitations.

Claim 5 further recites “if [the user is authorized to connect to the network element], allowing the user to assume the identity of the network element” and “accessing, by the user, one of the set of network resources that the network element is pre-authorized to access, based on the user’s assuming the identity of the network element.” Ex. 1001, 6:5–10. Petitioner asserts that the combination of Coile and Templin discloses these limitations (Pet. 19–24, 26–28), and in its papers, Patent Owner has not argued otherwise.¹² Petitioner’s assertions are supported by the cited evidence and are persuasive. In particular, in Coile, the client accesses network resources

¹² At the oral hearing, Patent Owner argued that a proxy server does not “assume the identity.” *See generally* Tr. 43:4–52:1. To the extent that this argument is the same as Patent Owner’s argument that proxy servers are “separate and distinct from the invention” (*see* PO Resp. 13 n.5), the argument is without merit for the reasons discussed above. If there is anything more to this argument, it has not been sufficiently explained, and it constitutes a belated argument first raised at oral hearing, which we decline to consider. *See Dell Inc. v. Acceleron, LLC*, 818 F.3d 1293, 1301 (Fed. Cir. 2016).

IPR2019-00482
Patent 7,373,655 B1

on the server via a proxy after successfully authenticating with the proxy. *E.g.*, Ex. 1004, 1:36–47, 2:16–38, 2:44–49. According to Dr. Reddy, a person skilled in the art would have understood Coile’s client to use the proxy’s authorization to access these network resources. Ex. 1003 ¶ 77. In addition, Templin teaches that host A communicates with host C using gateway B and its address. Ex. 1005, 8:37–54. Templin’s host C “believ[es] it is communicating with a ‘host’” and “never learns of the existence of host A.” *Id.* at 8:44–46. Dr. Reddy explains that Templin teaches that host A “assume[s] the identity” of gateway B, as required by claim 5, because host A appears to the network (including, for example, host C) as if it were gateway B. Ex. 1003 ¶¶ 78–82; *see supra* § II.B.3 (construing “assume the identity of a network element” to mean “appear to the network as if it were the network element”). Patent Owner has not identified any evidence that contradicts this testimony, and we find Dr. Reddy’s testimony to be credible. Further, Patent Owner has not identified any deficiencies in Petitioner’s rationale. Accordingly, we are persuaded that the combination of Coile and Templin discloses these limitations.

Finally, Petitioner asserts that a person of ordinary skill in the art would have been motivated to combine these references as proposed (Pet. 25–26), and Patent Owner has not argued otherwise. Dr. Reddy testifies that a person of ordinary skill in the art would have been motivated to combine the identified portions of Coile and Templin to yield the claimed invention, and Dr. Reddy explains the facts and rationale on which this testimony is based. Ex. 1003 ¶¶ 83–86. We find Dr. Reddy’s testimony to be credible, and we perceive no evidence that contradicts this testimony.

IPR2019-00482
Patent 7,373,655 B1

Further, Petitioner’s rationale for combining the teachings of Coile and Templin is logical, consistent with, and supported by the cited evidence. Accordingly, we are persuaded that a person of ordinary skill in the art would have been motivated to combine Coile and Templin as proposed by Petitioner.

For the foregoing reasons, Petitioner has proved by a preponderance of the evidence that claim 5 would have been obvious over Coile and Templin.

b. Dependent Claim 6

Claim 6 depends from claim 5 and further recites that “the network element is coupled to one or more network servers providing the set of network resources.” Ex. 1001, 6:11–13. Petitioner has shown that Coile’s server 102 is a network server. Pet. 29; *see also* Ex. 1004, Fig. 1, 2:37–41; Ex. 1003 ¶ 96. Patent Owner does not present any contrary arguments. Accordingly, Petitioner also has proved by a preponderance of the evidence that claim 6 would have been obvious over Coile and Templin.

6. Alleged Obviousness of Claim 7 over Coile, Templin, and Hu

Claim 7 depends from claim 5 and further recites “checking an identity characteristic of the user to determine whether the user is authorized to connect to the network element.” Ex. 1001, 6:14–16. Petitioner has shown that Coile suggests and Hu teaches this limitation (Pet. 30–31), and Patent Owner has not presented any contrary arguments. In particular, Coile teaches that client 100 can log onto proxy 104 via an “authentication or

IPR2019-00482
Patent 7,373,655 B1

password procedure” (Ex. 1004, 2:29–31), and Dr. Reddy testifies that a person of ordinary skill in the art would understand that this procedure “generally involves an identity characteristic of the user, such as a username or similar identifier” (Ex. 1003 ¶ 101 (emphasis omitted)). Accordingly, we are persuaded that Coile suggests this limitation. In Hu, a client transmits its identity to an authentication gateway computer system, which authenticates the client during a “log-in procedure.” Ex. 1006, 3:30–4:43. Accordingly, we are persuaded that Hu teaches this limitation.

Petitioner has shown that a person of ordinary skill in the art would have been motivated to combine these references as proposed (Pet. 31–33), and Patent Owner does not present any contrary arguments. In particular, Dr. Reddy testifies that a person of ordinary skill in the art would have been motivated to combine the identified portions of Coile and Hu to yield the claimed invention, and Dr. Reddy explains the facts and rationale on which this testimony is based. Ex. 1003 ¶¶ 103–106. We find Dr. Reddy’s testimony to be credible, and we perceive no evidence that contradicts this testimony. Further, Petitioner’s rationale for combining the teachings of Coile and Hu is logical, consistent with, and supported by the cited evidence. Accordingly, we are persuaded that a person of ordinary skill in the art would have been motivated to combine Coile, Templin, and Hu as proposed by Petitioner.

Accordingly, Petitioner has proved by a preponderance of the evidence that claim 7 would have been obvious over Coile, Templin, and Hu.

IPR2019-00482
Patent 7,373,655 B1

7. Alleged Obviousness of Claims 5–7 over Shapiro, Coile, and Templin

a. Independent Claim 5

Claim 5 recites “[a] method comprising” Ex. 1001, 5:30. As noted above (*supra* § II.B.5.a), we conclude that this preamble is not limiting. But, even if the preamble were limiting, Petitioner has shown that Shapiro discloses a method, as recited. Pet. 35 (citing Ex. 1007, 2:1–7).

Claim 5 recites “arranging a network element in a network, the network element being pre-authorized to access a set of network resources.” Ex. 1001, 5:31–33. According to Petitioner, Shapiro teaches arranging a network element in a network that can access a set of network resources, and Shapiro suggests that the network element is pre-authorized to access the network resources. Pet. 35–37. Additionally, Petitioner asserts that Coile explicitly teaches a network element that is pre-authorized to access network resources. *Id.* at 37–38. Petitioner’s assertions are supported by the cited evidence.

Patent Owner does not specifically address Petitioner’s contentions regarding Shapiro, but Patent Owner contends that proxy servers are not included in the scope of claim 5 and that Coile’s proxy server is not pre-authorized. *See* PO Resp. 12–13 n.5. These arguments are not persuasive, as explained above (*supra* § II.B.5.a (addressing Coile-Templin ground)), and Patent Owner does not otherwise dispute Petitioner’s showing for this claim limitation.

Petitioner has shown that Shapiro suggests this limitation. Shapiro’s proxy cache server 50 is a “network element” arranged in a network, as

IPR2019-00482
Patent 7,373,655 B1

shown in Figure 1, and it accesses network resources provided by external websites (e.g., web server 64). Ex. 1007, Fig. 1, 1:28–30, 4:38–48, 4:61–63, 5:35–64. In addition, we are persuaded that Shapiro suggests that proxy cache server 50 is pre-authorized to access the network resources. Dr. Reddy testifies that a person of ordinary skill in the art would have recognized Shapiro’s “description of establishing a TCP connection, absent any additional specificity as to the connection process with the web site, as implying that the proxy cache server in Shapiro does not require any additional handshaking or authorization procedures with the web site, and thus, Shapiro suggests that its proxy cache server is pre-authorized to access the web sites.” Ex. 1003 ¶ 117 (citing Ex. 1007, 5:47–49) (emphasis omitted). We find Dr. Reddy’s testimony to be credible, and Patent Owner has not identified any evidence that contradicts this testimony. In addition, Patent Owner identifies no deficiencies in Petitioner’s rationale. Accordingly, we are persuaded that Shapiro suggests this claim limitation.

Moreover, Petitioner also has shown that the combination of Shapiro and Coile discloses this limitation. Petitioner has shown that Coile discloses a pre-authorized proxy server (*see supra* § II.B.5.a (addressing Coile-Templin ground)), and as explained above, Petitioner has shown that Shapiro discloses the rest of this claim limitation. Accordingly, we are further persuaded that the combination of Shapiro and Coile teaches this claim limitation.

Claim 5 also recites “receiving, at the network element, a request from a user to connect to the network element” and “determining whether the user is authorized to connect to the network element.” Ex. 1001, 6:1–4.

IPR2019-00482
Patent 7,373,655 B1

Petitioner asserts that Shapiro discloses these limitations (Pet. 39–42), and Patent Owner has not argued otherwise. Petitioner’s assertions are supported by the cited evidence and are persuasive. In particular, Shapiro’s client transmits a modified HTTP request to proxy cache server (step 208). Ex. 1007, 2:7–17, 4:38–63. Dr. Reddy testifies that a person of ordinary skill would have understood the modified HTTP request to disclose a request to connect to the proxy cache server. Ex. 1003 ¶¶ 123–125. After receiving the modified HTTP request, Shapiro’s proxy cache server “inspects the message for the NDS username header” and, “[b]ased upon a comparison of the username and the HTTP request data to the access control list,” it decides “whether access is to be permitted or denied.” Ex. 1007, 4:64–5:37; *see id.* at 3:59–61. Dr. Reddy testifies that, in these passages, Shapiro’s proxy cache server “checks to see whether the user is permitted, or *authorized*, to connect to it.” Ex. 1003 ¶¶ 127–130. Patent Owner has not identified any evidence that contradicts this testimony, and we find Dr. Reddy’s testimony to be credible. Accordingly, we are persuaded that Shapiro discloses these limitations.

Claim 5 further recites “if [the user is authorized to connect to the network element], allowing the user to assume the identity of the network element.” Ex. 1001, 6:5–6. Petitioner asserts that the combination of Shapiro and Templin discloses this limitation (Pet. 42–47), and in its papers,

IPR2019-00482
Patent 7,373,655 B1

Patent Owner has not argued otherwise.¹³ Petitioner’s assertions are supported by the cited evidence and are persuasive. In particular, as explained above, Petitioner has shown Shapiro teaches determining whether a user is authorized to connect to the network element. Shapiro also states that, after deciding that access is permitted, information from the web site is retrieved and sent to the client. Ex. 1007, 5:36–64. Moreover, Petitioner has shown that Templin discloses allowing a user to assume the identity of a network element, as Templin’s host A appears to the network as if it is gateway B. *See supra* § II.B.5.a (addressing Coile-Templin ground). Accordingly, we are persuaded that the combination of Shapiro and Templin discloses these limitations.

Claim 5 further recites “accessing, by the user, one of the set of network resources that the network element is pre-authorized to access, based on the user’s assuming the identity of the network element.” Ex. 1001, 6:7–10. Petitioner asserts that the combination of Shapiro, Coile, and Templin discloses this limitation (Pet. 49–51), and Patent Owner has not argued otherwise. Petitioner’s assertions are supported by the cited evidence and are persuasive. In particular, Shapiro discloses allowing the user to access the network resource via Shapiro’s proxy cache server (Ex. 1007,

¹³ During the oral hearing, Patent Owner argued that a proxy server does not “assume the identity. *See generally* Tr. 43:4–52:1. To the extent this is the same argument articulated in Patent Owner’s brief (*see* PO Resp. 13 n.5), this argument is without merit for the reasons explained above (*supra* § II.B.5.a (addressing Coile-Templin ground). Otherwise, the argument has not been sufficiently explained, and it is a belated argument, which we do not consider (*see id.*).

IPR2019-00482
Patent 7,373,655 B1

2:25–33, 5:36–65); Shapiro suggests and Coile discloses a proxy server that is pre-authorized to access the network resources (Ex. 1003 ¶ 117 (citing Ex. 1007, 5:47–49); *supra* § II.B.5.a (addressing Coile-Templin ground)); and Templin discloses accessing information based on assuming the identity of the network element (*supra* § II.B.5.a (addressing Coile-Templin ground)). Accordingly, we are persuaded that the combination of Shapiro, Coile, and Templin teaches this limitation.

Finally, Petitioner asserts that a person of ordinary skill in the art would have been motivated to combine these references as proposed. Pet. 38–39, 47–49. Patent Owner has not argued otherwise. Dr. Reddy testifies that a person of ordinary skill in the art would have been motivated to combine the identified portions of Shapiro, Coile, and Templin to yield the claimed invention, and Dr. Reddy explains the facts and rationale on which this testimony is based. Ex. 1003 ¶¶ 119–121, 142–145. We find Dr. Reddy’s testimony to be credible, and we perceive no evidence that contradicts this testimony. Further, Petitioner’s rationale for combining the teachings of Shapiro, Coile, and Templin is logical, consistent with, and supported by the cited evidence. Accordingly, we are persuaded that a person of ordinary skill in the art would have been motivated to combine Shapiro, Coile, and Templin as proposed by Petitioner.

For the foregoing reasons, Petitioner has proved by a preponderance of the evidence that claim 5 would have been obvious over Shapiro, Coile, and Templin.

IPR2019-00482
Patent 7,373,655 B1

b. Dependent Claim 6

Claim 6 depends from claim 5 and further recites that “the network element is coupled to one or more network servers providing the set of network resources.” Ex. 1001, 6:11–13. Petitioner has shown that Shapiro’s web server 64 is a network server. Pet. 51–52; *see also* Ex. 1007, Fig. 1, 3:24–35. Patent Owner does not present any contrary arguments. Accordingly, Petitioner also has proved by a preponderance of the evidence that claim 6 would have been obvious over Shapiro, Coile, and Templin.

c. Dependent Claim 7

Claim 7 depends from claim 5 and recites “checking an identity characteristic of the user to determine whether the user is authorized to connect to the network element.” Ex. 1001, 6:14–16. Petitioner has shown that Shapiro’s NDS username is an “identity characteristic of the user” and that Shapiro compares this username to an access control list to decide whether to permit or deny access. Pet. 53; *see also* Ex. 1007, 4:64–5:37; Ex. 1003 ¶ 157. Patent Owner does not present any contrary arguments. Accordingly, Petitioner also has proved by a preponderance of the evidence that claim 7 would have been obvious over Shapiro, Coile, and Templin.

C. Real Party in Interest Dispute

In accordance with 35 U.S.C. § 312(a)(2) and 37 C.F.R. § 42.8(b)(1), Petitioner identifies itself as the only real party in interest (“RPI”). Pet. 1. Patent Owner contends that [REDACTED] (the

IPR2019-00482
Patent 7,373,655 B1

“Member”)¹⁴ also should have been named as an RPI in the Petition. *See generally* PO Resp., PO Sur-Reply. Notably, there is no allegation that the Petition would have been time-barred under 35 U.S.C. § 315(b) if Member had been named as an RPI in the originally-filed Petition; rather, Patent Owner alleges a failure to comply with the requirements of 35 U.S.C. § 312(a)(2). As a result, the dispute is limited to whether Member should have been named as an RPI, not whether Member was in privity with Petitioner.

According to 35 U.S.C. § 312(a)(2), “[a] petition may be considered only if . . . the petition identifies all real parties in interest.” In its pre-institution preliminary response and sur-reply, Patent Owner argued that the Petition should be denied because Petitioner failed to identify Member as an RPI. *See generally* Paper 6 (Patent Owner preliminary response); Paper 16 (Patent Owner pre-institution sur-reply). After analyzing the evidence presented by the parties, we determined that Petitioner had sufficiently shown that Member is not an RPI. Inst. Dec. 6–21.

In its Response and Sur-Reply, Patent Owner maintains that the Petition fails to comply with § 312(a)(2) because Petitioner failed to identify

¹⁴ In a footnote, Patent Owner also contends that a particular affiliate of Member was also an unnamed RPI when the petition was filed. PO Resp. 20 n.9. However, Patent Owner’s one-sentence assertion, presented only in a footnote, is insufficient to raise an RPI dispute. *See Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237, 1244 (Fed. Cir. 2018) (“A mere assertion that a third party is an unnamed real party in interest, without any support for that assertion, is insufficient to put the issue into dispute.”).

IPR2019-00482
Patent 7,373,655 B1

Member as an RPI. *See generally* PO Resp.; PO Sur-Reply. Petitioner maintains that it correctly identified itself as the only RPI. *See generally* Pet. Reply. The parties introduce additional evidence in support of their respective positions.

After considering the complete record presented at trial, and for the reasons explained below, we again are persuaded that the Petition complied with 35 U.S.C. § 312(a)(2) because Member is not an RPI.

1. Principles of Law

A petition for *inter partes* review must identify “all real parties in interest.” 35 U.S.C. § 312(a)(2). “The typical common-law expression of the ‘real party in interest’ . . . [is] the party who, according to the governing substantive law, is entitled to enforce the right” Consolidated TPG 13–14 (quotation omitted); *see* Black’s Law Dictionary (11th ed. 2019) (defining real party in interest as “[a] person entitled under the substantive law to enforce the right sued on and who generally, but not necessarily, benefits from the action’s final outcome”). This common-law definition of RPI “does not fit directly into the AIA trial context” because it “reflects standing concepts” that are not required for IPRs. Consolidated TPG 14. But, “at a general level, the ‘real party in interest’ [in an IPR] is the party that desires review of the patent,” which may be Petitioner itself and/or a party “at whose behest the petition has been filed.” *Id.*

Determining whether an unnamed party is an RPI is a “highly fact-dependent question” that is handled “on a case-by-case basis taking into consideration how courts have viewed [that] term[.]” *Ventex Co. Ltd. v.*

IPR2019-00482
Patent 7,373,655 B1

Columbia Sportswear N. Am., Inc., IPR2017-00651, Paper 152 at 6 (PTAB Jan. 24, 2019) (precedential) (alteration in original) (quoting Trial Practice Guide, 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012));¹⁵ *accord Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1351 (Fed. Cir. 2018) (“*AIT*”) (“Determining whether a non-party is a ‘real party in interest’ demands a flexible approach that takes into account both equitable and practical considerations, with an eye toward determining whether the nonparty is a clear beneficiary that has a preexisting, established relationship with the petitioner.”).

“A common consideration is whether the non-party exercised or could have exercised control over a party’s participation in a proceeding.” Consolidated TPG 16 (citing *Taylor v. Sturgell*, 553 U.S. 880, 895 (2008); Charles Alan Wright, Arthur R. Miller & Edward H. Cooper, Federal Practice & Procedure (“Wright & Miller”) § 4451); *see Taylor*, 553 U.S. at 895 (noting “such a person . . . has already had his day in court even though he was not a formal party to the litigation” (quotations omitted)).¹⁶

In addition, a nonparty may be determined to be an RPI when it litigates through an agent or proxy. *See AIT*, 897 F.3d at 1349 (“[A]n

¹⁵ The quoted language also appears in the current version of the Trial Practice Guide. *See* Consolidated TPG 13.

¹⁶ The Supreme Court’s *Taylor* framework, which addresses nonparty preclusion generally, applies to real party in interest and privity analyses. *AIT*, 897 F.3d at 1360 (Reyna, concurring). In this Decision, we address only real party in interest rather than the “more expansive notion of privity.” *Id.* at 1363 (Reyna, concurring) (quotation omitted).

IPR2019-00482
Patent 7,373,655 B1

attorney-in-fact or an agent solely for the purpose of bringing suit is viewed as a nominal rather than a real party in interest and will be required to litigate in the name of the principal rather than the agent's own name.” (quoting Wright & Miller § 1553)); *see also Taylor*, 553 U.S. at 895. On the other hand, when a trade association files a petition, its member does not become a real party in interest simply by virtue of its membership. Consolidated TPG 17; *accord* Wright & Miller § 1552 (explaining that an association is “the real party in interest for purposes of enforcing any right it has as an entity,” but noting it may acquire its member's rights by assignment) (*cited by AIT*, 897 F.3d at 1349). But, a nonparty's membership in an organization may still be relevant to determining whether the member is an RPI. Consolidated TPG 17–18. We consider factors such as the non-party's relationship with the petition, the non-party's relationship with the petitioner, and “the nature of the entity filing the petition.” *Id.*; *accord AIT*, 897 F.3d at 1353 (“The point is not to probe [the petitioner's] interest (it does not need any); rather, it is to probe the extent to which [the nonparty]—as [the petitioner's] client—has an interest in and will benefit from [the petitioner's] actions, and inquire whether [the petitioner] can be said to be representing that interest after examining its relationship with [the nonparty].”).

Finally, when analyzing these issues, we are mindful that “[i]t is a principle of general application in Anglo–American jurisprudence that one is not bound by a judgment *in personam* in a litigation in which he is not designated as a party or to which he has not been made a party by service of process,” unless an exception to this rule against nonparty preclusion

IPR2019-00482
Patent 7,373,655 B1

applies. *Taylor*, 553 U.S. at 884; *see* Wright & Miller § 4448 (“[O]rdinarily nonparties are not bound” by a proceeding unless there is “[s]ome substantial justification . . . to justify preclusion of [the] nonparty.”).

Moreover, we must be careful that our fact-specific, case-by-case analysis does not devolve into an “amorphous balancing test” divorced from discrete exceptions recognized by courts. *Taylor*, 553 U.S. at 898–900; *see id.* at 898 (The Supreme Court “ha[s] endeavored to delineate discrete exceptions that apply in limited circumstances.” (quotation omitted)).¹⁷

2. Analysis

It is uncontested that Member neither exercised nor had any right to exercise any control over this proceeding. *See* Ex. 2017 (“Membership Agreement”) §§ 3.2 [REDACTED]
[REDACTED] 7.3.3 [REDACTED]
[REDACTED]; *see also* Ex. 2021 (Jakel deposition),¹⁸ 113:17–115:10, 181:11–18 (testifying that Member cannot control Petitioner or its IPRs). Patent Owner does not contend otherwise. *See* PO Resp. 26–27 (arguing absence of direction and

¹⁷ “Preclusion doctrine, it should be recalled, is intended to reduce the burden of litigation on courts and parties. In this area of the law, . . . crisp rules with sharp corners are preferable to a round-about doctrine of opaque standards.” *Taylor*, 553 U.S. at 901 (citation and quotations omitted).

¹⁸ Mr. Kevin Jakel is the CEO of Petitioner. Ex. 2021, 4:15–17. In addition, Mr. Jakel founded Petitioner, and as of October 2019, he was the only person on its board of directors. *Id.* at 42:11–14, 167:15.

IPR2019-00482
Patent 7,373,655 B1

control by Member is not dispositive); *cf.* Tr. 63:20–64:12 (responding to question about control by arguing that Member’s zone-based subscription fees allow Member to direct the kind of patent to target).

In addition, Petitioner was not Member’s agent pursuant to any formal or written agreement, and Petitioner was not Member’s attorney. *See generally* Ex. 2017; *see also* Ex. 2021, 135:7–14 (testifying that Petitioner is not Member’s attorney), 190:4–6 (testifying that communications with members are not privileged); Ex. 2001, 1. Patent Owner identifies (and we perceive) no agency relationship that arises from the Membership Agreement. *See* Restatement (Third) Of Agency § 1.01 (2006) (“Agency is the fiduciary relationship that arises when one person (a ‘principal’) manifests assent to another person (an ‘agent’) that the agent shall act on the principal’s behalf and subject to the principal’s control, and the agent manifests assent or otherwise consents so to act.”).

However, these determinations do not conclusively establish whether the Petition was filed at Member’s “behest,”¹⁹ or whether Petitioner can otherwise be said to have been, at least in part, enforcing *Member’s* right when it filed the Petition. Consolidated TPG 13–14; *see AIT*, 897 F.3d at 1353 (directing inquiry into whether the petitioner “can be said to be representing” the alleged RPI’s interest in the proceeding “after examining

¹⁹ Merriam-Webster defines “behest” as “an authoritative order: COMMAND” or, alternatively, “an urgent prompting.” *Merriam-Webster Online Dictionary*, available at <https://www.merriam-webster.com/dictionary/behest> (retrieved June 3, 2020).

IPR2019-00482
Patent 7,373,655 B1

[their] relationship”). Accordingly, we consider the facts presented in this proceeding, including those facts already determined above, and we evaluate those facts to determine whether Member is an RPI.

a. Findings of Fact

Most of the relevant facts are not in dispute.²⁰ We make the following findings of fact regarding “the nature” of Petitioner, the relationship between Member and Petitioner, Member’s relationship with the Petition, and Member’s relationship with the ’655 patent. *See* Consolidated TPG 17–18.

1. The Nature of Petitioner

Petitioner is a for-profit, patent risk management provider organized around specific technology areas, called “zones.” Ex. 2001, 1; Ex. 2002, 4 (article cited by Ex. 2007, 2 (archived page of Petitioner’s website)); Ex. 2021, 42:18–19, 48:10–17. Petitioner has approximately 200 members—approximately fifty of those members pay a yearly subscription fee based on annual revenue, but small companies pay nothing. Ex. 2001, 1; Ex. 2008; Ex. 2021, 148:10–150:21, 154:10–14. Subscription fees are

²⁰ Patent Owner’s complaints about the discovery process (*see* PO Resp. 5–7) were waived by failing to timely raise them with the Board. Specifically, after seeking authorization to file a motion seeking additional discovery less than three weeks before the original Response deadline, Patent Owner withdrew its request when the parties agreed to voluntary additional discovery. *See* Paper 40 (memorializing agreement). Patent Owner did not thereafter seek permission to file any discovery motions (e.g., for additional discovery or to compel production of agreed discovery). Thus, Patent Owner’s complaints are untimely and will not be considered.

IPR2019-00482
Patent 7,373,655 B1

assessed per zone, and fees received for one zone are not used for activities in other zones. Ex. 2001, 2; Ex. 2021, 148:10–20.

Petitioner advertises that it “seeks to improve patent quality and deter unsubstantiated or invalid patent assertions” by non-practicing entities (NPEs) in its zones. Ex. 2001, 1. Although Petitioner engages in various deterrence activities (*see, e.g.*, Ex. 2001, 3), Petitioner’s primary activity is filing IPRs. *See* Ex. 2021, 117:4–118:13, 119:15–120:21, 123:14–16, 127:20–128:16, 129:14–130:1; *see also* Ex. 2034 (page from Petitioner’s website) (“Unified was the #6 most prolific all time PTAB petitioner and #5 for 2018.”). Petitioner has filed at least some IPRs challenging patents that were, at the time, not being asserted against a member of Petitioner. Ex. 1013 ¶ 5 (Jakel declaration).

Petitioner operates independently of its members. For example, Petitioner does not discuss specific patents or specific IPRs with its members before they are filed, and members have no control over or prior knowledge of Petitioner’s strategy or licensing and settlement discussions. Ex. 2021, 57:19–20, 111:5–12, 137:9–15, 181:5–18; *see id.* at 133:18–134:15 (explaining that the business case for membership is that “all boats will rise with the tide if ultimately we’re successful”), 167:9–168:21 (identifying reasons for independence and lack of control by members). As a result, Petitioner does not know or determine whether its interpretation of a patent is consistent with, or in conflict with, a member’s litigation strategy. *Id.* at 136:7–17, 165:14–167:8; *see id.* at 110:9–10 (testifying that “[w]e’re not solving that litigation for them”). When Petitioner settles with an NPE, it obtains a zero dollar license [REDACTED]. *Id.* at

IPR2019-00482
Patent 7,373,655 B1

53:17–21, 55:8–9, 57:10–14, 106:19–109:2. These licenses are not isolated incidents, but rather comprise a significant percentage of Petitioner’s resolution of matters. Ex. 2034 (attributing 19% of Petitioner’s successes in 2018 to “settlement” and an additional 7% to “pre-IPR license”); Ex. 2021, 123:17–124:10.²¹

2. *The Relationship Between Petitioner and Member*

Member has subscribed to Petitioner’s Content zone since [REDACTED] and pays [REDACTED] per year. Ex. 2017, Ex. A; *see* Ex. 2021, 31:12–14 (Member only participates in one zone: the Content zone). The Membership Agreement obligates Petitioner to [REDACTED] [REDACTED] in the zone by engaging in deterrence activities, which can include filing IPRs on patents in the zone. Ex. 2017, § 3.1. Member has no right to control which patents are challenged by Petitioner, the contents of any petition filed, or the prosecution of any resulting IPRs (*id.* § 3.2); [REDACTED]
[REDACTED]
[REDACTED]. Petitioner must [REDACTED]
[REDACTED]. Ex. 2017, § 3.1(v); *see, e.g.*, Ex. 2023 (“Member Report”).

²¹ We do not rely on the exhibits containing archived versions of Petitioner’s website from 2013 (*see* Exs. 2004, 2005, 2009) because there is no evidence to show these documents are representative of Petitioner’s business practices during the relevant time period (i.e., late [REDACTED] to present).

IPR2019-00482
Patent 7,373,655 B1

The Member Report, from late 2018, identifies Member’s membership rate, the amount of money spent on various activities in the Content zone, the number of IPRs filed, and the licenses for the prior year. Ex. 2023, UP0035–38. In particular, according to the Member Report, the fee paid by Member is slightly greater than [REDACTED] of the cost of all activities in the Content zone, and “Deterrence Activities” (which are dominated by IPRs) account for over [REDACTED] of the total spend in the zone. *See id.* at UP0035–36 (listing dollar amounts for each); Ex. 1026 (identifying which deterrence activities have a corresponding IPR). The Member Report identifies [REDACTED] individual deterrence activities (Ex. 2023, UP0036)—of these, [REDACTED] correspond to an IPR filed by Petitioner, and [REDACTED] of those IPRs²² also correspond to a patent asserted against Member (*see* Ex. 1026). *But see* Ex. 2021, 164:15–165:5 (testifying that IPRs are not based on whether a member has been sued, but explaining that members include “some of the biggest companies in the world” so there will be “lots of overlap” between work on behalf of the zone and assertions against those large companies). The Member Report also identifies [REDACTED] license agreements executed during the prior year (Ex. 2023, UP0035, UP0037–38); of those, only [REDACTED] are associated with IPRs filed by Petitioner (*compare id. with* Ex. 1026).

²² Petitioner submits that [REDACTED] of these [REDACTED] IPRs were filed after Member’s litigation had terminated. Pet. Reply 14. This minor difference (i.e., [REDACTED] versus [REDACTED] would not affect our analysis.

IPR2019-00482
Patent 7,373,655 B1

Reports such as the Member Report are presented to Member at in person meetings, which occur approximately three times per year, and during which Mr. Jakel encourages Member to renew its membership and to become a member of additional zones. Ex. 2021, 87:3–20, 88:7–90:16; *see id.* at 97:6–13 (testifying that Petitioner and Member do not discuss which IPRs involve Member), 104:21–105:9 (testifying Petitioner does not tell Member the percentage of their subscription fees going to IPRs). In addition, Petitioner and Member have a scheduled monthly phone call, although Member’s representative only dials-in to the call “a couple of times a year.” *Id.* at 84:1–85:20; *see id.* at 85:9–16 (testifying Petitioner summarizes its activity on the calls), 86:6–87:2 (testifying that calls actually occur around renewal time). There are no written communications between Petitioner and Member that identify a patent or types of patents to be considered for an IPR or that express Member’s preferences, suggestions, or desires for such IPRs. *Id.* at 9:20–11:14; *see also id.* at 181:5–18 (“No one is giving us suggestions about particular patents . . . no types of patents have been identified of which ones they want us to go after.”).

3. Member’s Relationship with the Petition

Petitioner sent two emails to Member regarding this Petition. Exs. 2019, 2020; *see* Ex. 2021, 13:14–15:18 (testifying that these emails are sent to Petitioner’s members “every time we do something”). The first email stated that Petitioner filed the Petition and that the challenged patent was asserted in district court against “TCL, LG, Samsung, Sharp, Acer, Huawei and others.” Ex. 2019. The second email stated that the Board instituted

IPR2019-00482
Patent 7,373,655 B1

this proceeding, noting that our decision analyzed RPI allegations and “rejected Patent Owner’s argument that a Unified member should have been named as an RPI.” Ex. 2020. Both emails were sent to approximately 200 email addresses, including several dozen email addresses associated with Member (Exs. 2019, 2020), and the information contained in each email was concurrently distributed via Petitioner’s twitter account (Exs. 1032, 1033).

This evidence indicates that Member was not aware of the Petition before it was filed. *See* Ex. 2021, 9:20–11:14 (testifying that there were no written communication with Member regarding patents to be considered for IPR), 140:1–5 (testifying “I don’t recall any conversation with [Member] about any specific litigation”), 140:6–13 (testifying that Petitioner does not contact a member if a lawsuit is filed against it). There is no evidence that Member funded the Petition—indeed, there is no evidence that Member paid anything other than the subscription fees pursuant to the Membership Agreement established in 2015. *Cf. id.* at 29:16–30:16 (identifying Petitioner’s sources of revenue), 148:10–20 (fee schedule determines subscription fees).

4. Member’s Relationship with the ’655 Patent

On September 24, 2018—before the Petition was filed—Patent Owner filed a complaint against Member, alleging infringement of the ’655 patent and four U.S. patents not at issue here. [REDACTED]
The complaint alleges that Member infringes claim 5 of the ’655 patent—the same independent claim challenged in the Petition. *Id.*; *but see* Tr. 119:4–120:14 (claim 5 was also identified in complaints filed against other

IPR2019-00482
Patent 7,373,655 B1

companies); *e.g.*, Ex. 1012 (Huawei complaint). On [REDACTED]—after the filing of the Petition and Patent Owner’s Preliminary Response, but before the Institution Decision—Patent Owner and Member filed a joint motion to stay the pending district court litigation, stating that they had “reached a settlement in principle resolving all matters in controversy between the parties.” [REDACTED] On [REDACTED] [REDACTED]—after the Institution Decision—Patent Owner and Member filed a joint motion to dismiss, which was promptly granted by the district court, terminating the litigation with prejudice. *American Patents LLC v.* [REDACTED] [REDACTED]. The record reveals neither the execution date nor the contents of any settlement agreement between Patent Owner and Member.

There is no evidence that any other complaints, petitions, or other proceedings relating to the ’655 patent were filed against or by Member.

b. Evaluation of the Facts

As noted above, we evaluate the facts in the full record to determine whether the Petition was filed at Member’s “behest,” or whether Petitioner can otherwise be said to have been, at least in part, enforcing *Member’s* right when it filed the Petition. Consolidated TPG 13–14; *see AIT*, 897 F.3d at 1353 (directing inquiry into whether the petitioner “can be said to be representing” the alleged RPI’s interest in the proceeding “after examining [their] relationship”). Analyzing the evidence within this framework, we are persuaded that the full record shows that Petitioner properly named itself as

IPR2019-00482
Patent 7,373,655 B1

the only RPI, and we decline to alter the Institution Decision’s finding that Petitioner complied with § 312(a)(2).

Some facts suggest an implied agreement for Petitioner to take actions that will (directly or indirectly) benefit Member. For example, Petitioner receives a substantial subscription fee from Member for the Content Zone in which it participates (*see* Ex. 2017, Ex. A),²³ and Petitioner’s primary activity is to prepare and file IPR petitions (*see* Ex. 2023, UP0035–36; Ex. 1026; Ex. 2001, 2; Ex. 2034). These efforts can (and do) result in patent invalidations or licenses that benefit Member, and in at least some cases, Petitioner’s activity has resulted in the dismissal of a litigation filed against Member. *See* Ex. 2023, UP0036; Ex. 1026. In one year, by virtue of Petitioner’s efforts, Member received [REDACTED] licenses. Ex. 2023, UP0037–38. In addition, there are periodic discussions between Petitioner and Member that occur on the phone or in person. *E.g.*, Ex. 2021, 84:1–85:20, 87:3–20, 88:7–90:18.

But the evidence also shows that Petitioner operates independently of Member. Mr. Jakel testified that there are no discussions between Petitioner and its members regarding potential IPRs before they are filed, and Petitioner does not discuss settlement or litigation strategies with its

²³ The evidence indicates that a “zone” includes a large number of patents in a broadly-defined technology area. *See* Ex. 1013 ¶ 4 (referencing “Cloud, Content, and Mobile” as three zones). As a result, we are not persuaded by Patent Owner’s argument (*see* PO Resp. 33) that subscription to a zone itself provides a member with any material control or direction over the petitions that are filed.

IPR2019-00482
Patent 7,373,655 B1

members. *E.g.*, Ex. 2021, 57:19–20, 111:5–12, 137:9–15, 181:5–18; *see id.* at 165:14–167:8 (noting that lack of communication between Petitioner and its members could result in conflicting strategies). There is no evidence to suggest that Petitioner had any such discussions with Member. The agreement between Petitioner and Member precludes Member from exercising any control over whether an IPR is filed or what arguments are presented therein. Ex. 2017 § 3.1; *see* Ex. 2021, 181:13–18 (no side agreements with members). According to Mr. Jakel, the reason for Petitioner’s autonomy is that Petitioner “works on behalf of an industry or technology” as a whole, and Petitioner’s “mission” is to disincentivize the assertion of invalid patents in its zones. Ex. 2021, 52:6–53:16; *see id.* at 133:18–134:15 (explaining that business case for membership is that “all boats will rise with the tide”). Mr. Jakel testified that there are no written communications between Petitioner and Member that identify any patents or types of patents to consider for IPR, or that express Member’s preferences, suggestions, or desires for such IPRs (*id.* at 9:20–11:14), and that he could not recall any conversations with Member about any specific litigations filed against Member (*id.* at 140:1–5). We find this testimony of Mr. Jakel to be credible, as it is logical and consistent with the other evidence of record.

More importantly, the evidence fails to show any material links between Member and this Petition. *See* Ex. 2021, 62:5–18 (testifying that the Petition “has nothing to do with [Member]” and “was never about [Member] and its litigation with [Patent Owner]”). The record includes only two emails exchanged between Petitioner and Member (Exs. 2019, 2020), and neither suggests any link between Member and this Petition. Indeed,

IPR2019-00482
Patent 7,373,655 B1

both emails included generalized information, were sent after the Petition was filed, and conveyed information that Petitioner also broadcast via Twitter. *Compare* Exs. 2019, 2020 *with* Exs. 1032, 1033; *see also* Ex. 2021, 13:14–15:18 (testifying that these emails are regularly sent to Petitioner’s members). Although the Petition challenges the same claim as was asserted in a lawsuit against Member, Patent Owner’s various litigations all asserted this claim. Tr. 119:4–120:14; *e.g.*, Ex. 1012. Also, before the Board mailed the Institution Decision, Member and Patent Owner had agreed, in principal, to settle their litigation. [REDACTED] Finally, at the time the Petition was filed, Member was not time-barred from filing its own IPR. *Cf. Ventex*, IPR2017-00651, Paper 152 at 8 (“[I]t follows readily that Ventex represents Seirus’s interests in this proceeding. Importantly, Ventex seeks relief in this forum that Seirus is barred under § 315(b) from seeking for itself.”).

On all of the facts before us, we are persuaded that the Petition was not filed at Member’s behest, and we determine that Petitioner was not enforcing Member’s right when it filed the Petition. Accordingly, we conclude that Petitioner properly named itself as the only RPI.

Moreover, Patent Owner provides no sufficient justification for concluding that Petitioner can be said to have been representing Member’s interest in this Proceeding. Patent Owner does not allege that Member expressly or impliedly authorized the filing of the Petition. *See Wright & Miller* § 4449 (“Unauthorized commencement of an action by another ordinarily should not make [one] a party, unless [one] has himself done something that makes it reasonable for an adversary to believe the action is authorized.”). And, although Patent Owner briefly references an agency or

IPR2019-00482
Patent 7,373,655 B1

proxy relationship (*see* PO Resp. 28 (quoting *AIT*, 897 F.3d at 1357); PO Sur-Reply 7), Patent Owner articulates (and we perceive) no basis for concluding that Petitioner was Member’s agent or proxy.²⁴ Patent Owner also contends that Member was “adequately represented” by Petitioner because Petitioner is represented by an “internationally recognized” law firm. PO Sur-Reply 7. We are not persuaded by Patent Owner’s conclusory assertion, which departs from the relevant legal standard. *See Taylor*, 553 U.S. at 894 (noting that adequate representation may be found, for example, in “properly conducted class actions, and suits brought by trustees, guardians, and other fiduciaries” (citations omitted)).

In addition, Patent Owner argues that Member and Petitioner had an implicit agreement that Petitioner will benefit Member by filing *some IPRs* and obtaining some licenses. *See* PO Resp. 18–21; Tr. 82:5–17. But even if we were to agree with this inference, Patent Owner identifies (and we perceive) no support for concluding that Member would be an RPI in *this*

²⁴ “A mere whiff of ‘tactical maneuvering’ will not suffice” to find preclusion on the basis that one party is “a litigating agent” for another. *Taylor*, 553 U.S. at 906 (“[I]nstead, principles of agency law . . . indicate that preclusion is appropriate only if the putative agent’s conduct of the suit is subject to the control of the [other] party.” (citing Restatement (Second) of Agency § 14, p. 60 (1957))).

IPR2019-00482
Patent 7,373,655 B1

IPR by virtue of such an agreement. *See* Pet. Reply 4–5 (alleging lack of support).²⁵

Patent Owner also asserts that, under *AIT*, Petitioner can be said to be representing Member’s interest in this proceeding because of the preexisting relationship between Petitioner and Member and because Member would benefit from this Petition if the patent is invalidated. PO Resp. 2, 17, 34–35. Patent Owner argues that Petitioner’s business model is, in all material respects, the same as the petitioner in *AIT*. PO Resp. 29–31 (citing Exs. 2001–2007).

We disagree. In *AIT*, it was undisputed that Salesforce was a member of RPX and was accused of infringing the patent at issue. *AIT*, 897 F.3d at 1339. But these facts did not resolve the RPI inquiry. Instead, the Court in *AIT* proceeded deeper to ascertain the nature of the relationship between Salesforce, RPX, and the specific IPRs filed and the nature of the benefit to Salesforce from RPX’s IPRs. *Id.* at 1351–58. Crucially, the court identified evidence indicating that Salesforce desired review of the patent, but was time-barred from filing an IPR. *Id.* at 1353, 1355, 1356. The Federal Circuit, finding extensive and specific ties between the RPX and Salesforce as they related to the IPRs, vacated the Board’s decision and remanded with

²⁵ *See* Wright & Miller § 4451 (“Lesser measures of participation without control,” such as helping to finance a litigation, are not sufficient to make one bound to a judgement.); *but see* *Gen. Foods Corp. v. Massachusetts Dep’t of Pub. Health*, 648 F.2d 784, 787–788 (1st Cir. 1981) (holding that, by financing a particular litigation, a party impliedly authorized the litigating party to represent its interests).

IPR2019-00482
Patent 7,373,655 B1

instructions for the Board to consider “the full range of relationships under § 315(b) and the common law that could make Salesforce a real party in interest.” *Id.* at 1358. As explained above, the evidence presented in this case is materially different from that considered by the Federal Circuit in *AIT*.

Patent Owner also asserts that *Ventex* confirms that Member is an RPI (see PO Sur-Reply 2–3, (citing *Ventex*, IPR2017-00651, Paper 148)), but the facts of that case are also materially different than those presented here. In *Ventex*, it was important that the unnamed RPI (Seirus) would have been time-barred from filing the petition. IPR2017-00651, Paper 152 (public version of Paper 148) at 8. No such time-bar exists in this case. In addition, the circumstances in *Ventex* “call[ed] into considerable question Ventex’s premise that Seirus [was] an entity divorced from this proceeding.” *Id.* at 9. For example, Ventex and Seirus had an existing supplier agreement, but, after a litigation was filed against Seirus accusing Ventex’s products, they entered into an agreement where Seirus provided Ventex with “an exclusivity fee” in exchange for Ventex agreeing to manufacture the accused product only for Seirus. *Id.* at 7, 9. Ventex then filed the petition. See *id.* at 5, 7. However, unlike *Ventex*, the facts of record do not indicate that Petitioner was representing Member’s interest in this proceeding.

In sum, for the reasons explained above, we are persuaded that Member is not an RPI in this proceeding. Accordingly, Petitioner complied with 35 U.S.C. § 312(a)(2) by identifying itself as the only RPI, and we decline to alter the Institution Decision’s finding to that effect.

IPR2019-00482
Patent 7,373,655 B1

D. Patent Owner's Motion to Exclude

Patent Owner moves to exclude Petitioner's Exhibits 1008, 1027–29, 1034, 1038, 1039, and 1043–49, alleging these exhibits each violate one or more of the Federal Rules of Evidence (“FRE”). Paper 70 (“Mot. to Exclude”). These exhibits were introduced to support Petitioner's argument that Member should not have been named an RPI. Petitioner opposed the Motion to Exclude (Paper 72 (“Opp. to Mot. to Exclude”)), and Patent Owner filed a reply (Paper 74 (“Reply to Mot. to Exclude”)).

In rendering this Decision, we did not rely on Exhibits 1027–29, 1034, 1038, 1039, and 1043–49. Accordingly, Patent Owner's Motion to Exclude as to these exhibits is dismissed as moot.

Exhibit 1008 is highly probative to the RPI analysis and was extensively cited by the parties; however, it is not admissible evidence. In particular, we grant Patent Owner's Motion to Exclude Exhibit 1008 as inadmissible hearsay under FRE 802. We dismiss Patent Owner's other objections to this exhibit as moot. *See* Mot. to Exclude 2 (alleging Exhibit 1008 violates FRE 802, 403 and 1002, and 37 C.F.R. § 1.68).

Exhibit 1008 is titled “Petitioner's Voluntary Interrogatory Responses.” Ex. 1008, 1. It includes five interrogatories, each drafted by Petitioner, along with Petitioner's responses for each. *Id.* at 2–7 (responding to each interrogatory with “UNIFIED states” followed by a statement). The document was signed by counsel for Petitioner (*id.* at 8) and verified by Mr. Jakel, CEO of Petitioner (*id.* at 9). Prior to institution, Patent Owner contended that Exhibit 1008 was not competent evidence. Paper 16, 6–7.

IPR2019-00482
Patent 7,373,655 B1

Specifically, Patent Owner argued that “it is black-letter law that a party cannot use its responses to another party’s interrogatories as evidence,” so Exhibit 1008 (which includes interrogatories drafted and answered by Petitioner) cannot be admitted as evidence. *Id.* In the Institution Decision, we were not persuaded by this argument because we “treat[ed] the Voluntary Interrogatories as a declaration of Mr. Jakel.” Inst. Dec. 11 n.5 (noting that Patent Owner acknowledged that Exhibit 1008 is “substantively equivalent to a declaration” (quoting Paper 6, 15)).

In its Motion to Exclude, Patent Owner argues that “[t]reating Exhibit 1008 as Mr. Jakel’s declaration makes it inadmissible” under FRE 802, 403 and 1002, and 37 C.F.R. § 1.68. Mot. to Exclude 2–4; *see* Paper 35 (objecting to “Ex. 1008 as Mr. Jakel’s declaration”). In response, Petitioner contends that Exhibit 1008 “is not” “a declaration” and, thus, Patent Owner has not carried its burden to show that Exhibit 1008 is inadmissible. Opp. to Mot. to Exclude 3. Petitioner explains that this exhibit is “a party statement” and asserts that “[t]he Federal Rules of Civil Procedure acknowledge interrogatories as a valid form of evidence.” *Id.* at n.1 (citing Fed. R. Civ. P. 33);²⁶ *see also* Tr. 37:12–16 (confirming that Exhibit 1008 should be treated as a party statement verified by Mr. Jakel, not Mr. Jakel’s declaration). Patent Owner replies that “if Ex. 1008 is not treated as a declaration, there is even less reason to admit it,” citing back to its pre-institution argument that

²⁶ *But* Fed. R. Civ. P. 33(c) (“An answer to an interrogatory may be used to the extent allowed by the Federal Rules of Evidence.”).

IPR2019-00482
Patent 7,373,655 B1

an interrogatory answer is inadmissible. Reply to Mot. to Exclude 1 (citing Paper 16, 6–7 & n.2).

We accept Petitioner’s representation that Exhibit 1008 is a party statement, not a declaration, and in this Decision, we treat it as such.²⁷ Consequently, we agree with Patent Owner that Exhibit 1008 is hearsay.

A statement is hearsay if it was made out of court and is offered to prove the truth of the matter asserted. Fed. R. Evid. 801(c). Hearsay is inadmissible unless an exception applies. *Id.* at 802; *see also* 37 C.F.R. § 42.62(a) (“[T]he Federal Rules of Evidence shall apply to a[n IPR] proceeding.”). It is undisputed Petitioner seeks to introduce Exhibit 1008 to prove the truth of the matter asserted.

In addition, Exhibit 1008 is an out of court statement. To be an in-court statement, our regulations specify that “[u]ncompelled direct testimony must be submitted in the form of an affidavit,” which includes either an “affidavit or [a] declaration under § 1.68 of this chapter.” 37 C.F.R. §§ 42.2, 42.53. Petitioner represents that Exhibit 1008 is neither an affidavit nor a declaration. Tr. 37:12–16, 38:6–9. Thus, Exhibit 1008 cannot be admitted as direct testimony in this proceeding and, consequently, is an out of court

²⁷ At the end of the oral hearing, Petitioner attempted to withdraw this position. *See* Tr. 109:6–110:6. We do not accept this withdrawal because it occurred after repeated representations to the panel, during both the pre-hearing conference and the oral hearing, that this exhibit is not a declaration. The withdrawal came too late and represents a belated change of argument or litigation strategy.

IPR2019-00482
Patent 7,373,655 B1

statement. *See* 37 C.F.R. §§ 42.53, 42.61(a) (“Evidence that is not taken, sought, or filed in accordance with this subpart is not admissible.”).

No exception applies to make the hearsay in Exhibit 1008 admissible. *See* Fed. R. Evid. 802; *see also id.* at 803–04 (providing hearsay exceptions). Petitioner submits that Exhibit 1008 should be admitted under the residual exception in FRE 807. Opp. to Mot. to Exclude 6 (“[T]o the extent Exhibit 1008 includes any hearsay, it should not be excluded based on the residual exception under FRE 807.”). According to Petitioner, Mr. Jakel’s verification of the interrogatory responses provides “sufficient guarantees of trustworthiness,” and “the responses are ‘more probative on the point for which [they are] offered’ than other evidence” because they include statements phrased in the negative (e.g., “no communications with third parties exist” regarding this proceeding). *Id.* (alteration in original).

However, Petitioner seeks to introduce its own responses to interrogatories—and it is black-letter law that a party may not do so, absent exceptions not applicable here. Wright & Miller § 2180 (“[A] party’s own statements are hearsay when offered by the party to prove the truth of the matter asserted.”); *see, e.g., Luster v. Illinois Dep’t of Corr.*, 652 F.3d 726, 731 n.2 (7th Cir. 2011) (noting that a party’s “own interrogatory answer . . . is almost certainly hearsay when offered by that party himself to prove the truth of its contents”); *Grace & Co. v. City of Los Angeles*, 278 F.2d 771, 776 (9th Cir. 1960) (“Normally, a party may not introduce his self-serving answers to an opponent’s interrogatories.”). Accordingly, we are not persuaded that it is appropriate to admit Exhibit 1008 under the residual exception. *Cf. Conoco Inc. v. Dep’t of Energy*, 99 F.3d 387, 392 (Fed. Cir.

IPR2019-00482
Patent 7,373,655 B1

1996), *as amended on reh'g in part* (Jan. 2, 1997) (explaining that the residual exception is not “a broad license” to admit hearsay statements); Fed. R. Evid. 807 (Advisory Committee Notes with 2019 Amendments) (noting the residual exception may be used when there is a “near-miss” of one of the exceptions specified in FRE 803 and 804).

Moreover, we are not persuaded that Exhibit 1008 provides sufficient guarantees of trustworthiness. We agree with Petitioner that Mr. Jakel’s verification and cross-examination contribute to the trustworthiness of the document; however, these factors are offset by the facts that: (1) Exhibit 1008 was prepared for this litigation, (2) it includes statements not corroborated by other evidence, and (3) Petitioner has every motivation to present the facts in the light most favorable to its position. *See Kirk v. Raymark Indus., Inc.*, 61 F.3d 147, 167 (3d Cir. 1995) (finding district court erred in admitting an interrogatory response of a co-defendant in part because it lacks “circumstantial guarantees of trustworthiness,” noting the party “had every incentive to set forth the facts in a light most favorable to itself”).

According to Petitioner, Patent Owner failed to meet its burden to show that Exhibit 1008, when treated as a party statement, should be excluded because Patent Owner’s Motion to Exclude was premised on the assumption that this exhibit was a declaration. *See* Tr. 37:17–21, 38:12–39:7 (arguing that Patent Owner waived any such argument by failing to raise it in the Motion to Exclude). Patent Owner responds that it sufficiently argued this point in the briefing and during the prehearing conference where

IPR2019-00482
Patent 7,373,655 B1

the issue was discussed extensively. Tr. 57:8–58:9 (referencing Reply to Mot. to Exclude 1; Paper 16, 6–7 & n.2).

We are not persuaded by Petitioner’s arguments. First, as explained above, when treated as a party admission, Exhibit 1008 is plainly inadmissible. Indeed, if Petitioner had made it clear prior to institution that Exhibit 1008 was not a declaration, we would have sustained Patent Owner’s objection to it at that time. Second, it would be inequitable to find that Patent Owner had waived this argument given Petitioner’s actions (and inaction). Petitioner generated Exhibit 1008 and labeled it Petitioner’s “Voluntary Interrogatories”—an ambiguous title.²⁸ Prior to Institution, Patent Owner argued that an interrogatory response was not competent evidence, and in our Institution Decision, we rejected that argument because we treated Exhibit 1008 as Mr. Jakel’s declaration. Inst. Dec. 11 n.5; *accord Unified Patents Inc. v. Digital Stream IP, LLC*, IPR2016-01749, Paper 13 at 2 (PTAB June 14, 2017) (treating Petitioner’s “Voluntary Interrogatory Responses” as a declaration). Petitioner did not then clarify what this document was—rather, Petitioner waited until its Opposition to the Motion to Exclude to provide this clarification. Consequently, when filing its Motion to Exclude, Patent Owner reasonably assumed that Exhibit 1008 would be treated as a declaration. Accordingly, in the circumstances of this case, we find Patent Owner timely presented this argument.

²⁸ Neither our rules nor the Federal Rules of Civil Procedure provide for a “voluntary” interrogatory. *Cf.* Fed. R. Civ. P. 33(a) (providing for written interrogatories that are served on *another* party).

IPR2019-00482
Patent 7,373,655 B1

As a result, Exhibit 1008 is inadmissible because it is hearsay that is not subject to a hearsay exception. Accordingly, we grant Patent Owner's motion to exclude Exhibit 1008 under FRE 802.

E. Petitioner's Motions to Seal

Earlier in this proceeding, we provisionally granted-in-part Petitioner's pre-institution motions to seal various papers and exhibits to the extent they reference Member's identity. Paper 29 ("Provisional Order"), 6–7, 11 (sealing Papers 6, 9, 16, 21, 23, and 26, and Exhibits 1013, 2014, 2015, and 3003). In this Decision, we revisit and finalize that order, for the reasons provided below.

Also before us are Petitioner's Fifth and Sixth Motions to Seal (Papers 51, 59), Patent Owner's oppositions to those motions (Papers 54, 66) and Petitioner's replies (Papers 55, 80). With our authorization (Paper 89), Petitioner filed a table identifying papers filed after the Fifth and Sixth Motions to Seal that should be sealed for the reasons previously briefed (Paper 90), and Patent Owner filed a table responding to Petitioner's table (Paper 100). Following a conference call with the Board on June 30, 2020, both parties filed authorized updates to reduce and streamline the issues disputed in those tables. Papers 101, 102.²⁹

²⁹ In these updates, the parties agreed to expunge each party's oral hearing demonstratives, mooted that aspect of Petitioner's request. Papers 101, 102. Accordingly, the Board orders that Paper 75 (Petitioner's demonstratives), Paper 76 (Patent Owner's demonstratives), and Paper 96 (proposed redacted version of Paper 76) be expunged.

IPR2019-00482
Patent 7,373,655 B1

All information sought to be redacted relates only to the parties' RPI dispute, not the substantive patentability of the '655 patent. We first summarize the legal standard and then address the parties' arguments.

1. Legal Standard

There is a strong public policy in favor of making information filed in an *inter partes* review open to the public, especially because the proceeding determines the patentability of claims in an issued patent and, therefore, affects the rights of the public. *See Garmin Int'l v. Garmin Speed Tech's, LLC*, IPR2012-00001, Paper 34 (PTAB Mar. 14, 2013). Under 35 U.S.C. § 316(a)(1) and 37 C.F.R. § 42.14, the default rule is that all papers filed in an *inter partes* review are open and available for access by the public.

A party seeking to depart from the default rule may file a motion to seal. If such a motion is filed, the moving party bears the burden of proof in showing entitlement to the requested relief. 37 C.F.R. § 42.20(c). The standard for granting a motion to seal is "for good cause." *Id.* § 42.54(a). "The rules aim to strike a balance between the public's interest in maintaining a complete and understandable file history and the parties' interest in protecting truly sensitive information." Consolidated TPG 19.

2. Member's Identity

Before institution, Petitioner filed four opposed motions to seal. Concurrently with the Institution Decision, we mailed an order provisionally granting these motions with respect to Member's identity. Provisional Order 6-7, 11. In the Provisional Order, we explained that "Member's

IPR2019-00482
Patent 7,373,655 B1

identity is confidential information and, currently, is not publicly available.” *Id.* at 6. “Although Patent Owner surmised Member’s identity from a statement made by another party in a public brief, that brief is no longer publicly available.” *Id.* We were persuaded by Petitioner’s identification of harm that could result from disclosure of this information, and we found that “the understandability of the public record will not be substantially diminished by these limited redactions, at least in the current posture of the case, in which we find, preliminarily, that Member is not a real party in interest.” *Id.* at 7. “After balancing the public’s interest in maintaining a complete and understandable file history with Petitioner’s interest in protecting this information, we [were] persuaded that there [was] good cause to seal the information at [that] time.” *Id.*

According to the parties, the facts relied upon in the Provisional Order have not changed (Paper 89, 3), and for the reasons previously provided, we remain persuaded that there is good cause to seal Member’s identity. After considering the full record, we find that Member is not a real party in interest (*supra* § II.C), and we do not change the Institution Decision’s finding to that effect. As before, the understandability of the public record will not be substantially diminished by the limited redactions required to obscure the Member’s identity.

In its Opposition to the Fifth Motion to Seal, Patent Owner argues that the Board’s Provisional Order was incorrect. Paper 54, 4–6; *see also* Paper 66, 3–5 (restating arguments in Opposition to Sixth Motion to Seal). Patent Owner reiterates its argument that Member’s identity should be public because Patent Owner “discovered this information independently”

IPR2019-00482
Patent 7,373,655 B1

and “the information remains legitimately in [its] possession.” Paper 54, 5–6 (emphasis omitted). According to Patent Owner, the parties’ agreed Protective Order “provides the standard for what constitutes confidential information,” and Member’s identity does not qualify as “Confidential Information” therein. *Id.* at 1–2, 5–6 (citing Paper 44 (Protective Order) ¶ 2).

Despite Patent Owner’s arguments, we remain persuaded that good cause exists to seal Member’s identity in this proceeding. Although Patent Owner discovered a document (a brief filed by a third party in an unrelated proceeding) independently of Petitioner, this fact does not defeat Petitioner’s request to redact Member’s identity from the public record. As we explained in the Provisional Order, Petitioner has secured the removal of that document from the public record, and Patent Owner presents no evidence that the document is currently available to the public. Moreover, contrary to Patent Owner’s argument, Patent Owner did not independently possess the fact that Member is *actually* a member of Petitioner (and was a member at the relevant time)—rather, the document located by Patent Owner contains only a third party’s *allegation* that a membership agreement existed, at some point in time, between Petitioner and Member. After Patent Owner raised an RPI dispute, Petitioner volunteered information not in Patent Owner’s possession—e.g., confirmation that Member was a member at the relevant times. Consequently, the information independently located by Patent Owner (i.e., the singular document) has been inextricably merged with confidential information provided by Petitioner. For these reasons, we remain unpersuaded by Patent Owner’s arguments.

IPR2019-00482
Patent 7,373,655 B1

On balance, we find that the public interest in specifically naming the Member is outweighed by Petitioner’s interest in protecting Member’s identity. Accordingly, we are persuaded that there is good cause to seal the Member’s identity, and we finalize our provisional ruling to that effect.

In addition, Petitioner’s Fifth and Sixth Motions to Seal seek to seal documents that identify Member, and those motions are granted to the extent they include information that would reveal Member’s identity. This includes certain information proposed for redaction from Papers 50, 54, 57, 61, 66, 68, 70, 82, 86, and 88 and Exhibits 1026–1027 and 2017–2024. In particular, we grant Petitioner’s request to redact the name of Member and its affiliate, as well as Petitioner’s request to redact other terms and phrases from which Member’s identity can be readily ascertained, given information available in the public record. This includes,³⁰ for example: [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

However, we do not find good cause to seal the term “Asia” or the fact that Petitioner sent emails to “38” of Member’s “employees,” “people,” or email “addresses.” Petitioner’s motions to seal

³⁰ Patent Owner expressly agrees that some of these redactions rise or fall with this dispute (*see generally* Paper 102); for the remaining ones, Patent Owner does not persuasively explain why they should be treated differently.

IPR2019-00482
Patent 7,373,655 B1

do not sufficiently explain why redaction of any of these terms is appropriate, and Petitioner does not consistently propose these terms for redaction. *See, e.g.*, Paper 91, 7 (proposed redaction for Paper 54 does not redact “Asia”); *see also* Paper 101, 1 (Petitioner agreeing that “38” and “employees” should not be redacted).

3. Exhibits

Petitioner’s Fifth and Sixth Motions to Seal request that the Board seal ten exhibits that each relate only to the parties’ RPI dispute: Exhibits 1026–1027 and 2017–2024. Most of these exhibits either were voluntarily produced by Petitioner, or are related to the deposition of Petitioner’s CEO, Mr. Jakel. For the reasons provided below, we find good cause to seal these exhibits.

a. Membership Agreement & 2018 Report (Exhibits 2017 & 2023)

Petitioner voluntarily produced Exhibits 2017 and 2023: the former is a copy of the membership agreement between Petitioner and Member, and the latter is a copy of an annual report provided by Petitioner to Member in 2018. Petitioner argues that these exhibits contain confidential and sensitive commercial information, such as the individual contractual terms between Petitioner and Member, and Petitioner sufficiently explains why disclosure of this information would harm Petitioner. Paper 51, 4–6.

IPR2019-00482
Patent 7,373,655 B1

Patent Owner does not dispute Petitioner’s showing, and Patent Owner does not articulate any objection to sealing Exhibits 2017 and 2023 in their entirety.³¹ Paper 54, 1, 13.

We are persuaded that Petitioner’s membership agreement with and annual report to Member is confidential information. We find persuasive Petitioner’s concerns that disclosing this information could harm Petitioner by enabling others to replicate its business, and we are persuaded that unsealing such information would have an adverse effect on future voluntary discovery. The understandability of the public record will not be substantially diminished by the sealing of these exhibits. We are persuaded that Petitioner has shown good cause for maintaining this information under seal.

Accordingly, we grant Petitioner’s motion to seal Exhibits 2017 and 2023.

b. Jakel Deposition Transcript (Exhibit 2021)

Exhibit 2021 is the transcript of Mr. Jakel’s deposition, and Petitioner seeks to redact some information therein. Paper 51, 9–11; *see* Exhibit 1021

³¹ Patent Owner classifies its lack of objection as “provisional[]” and purports to “reserve the right to challenge the confidentiality and/or maintenance under seal of these documents and information . . . following a final written decision in this proceeding.” Paper 54, 13. Patent Owner had ample opportunity to challenge these confidentiality designations, and we do not grant Patent Owner leave to present its arguments after the Board’s ruling on the matter. *See* Paper 55, 2 (“By not presenting any arguments in opposition to the Motion, PO has waived its challenge . . .”).

IPR2019-00482
Patent 7,373,655 B1

(proposed public version). According to Petitioner, the redacted information relates to: (1) Member’s identity, (2) details of Exhibit 2017, discussed above, (2) details of Exhibit 2023, discussed above, or (4) “confidential business information of Petitioner, including its revenue and salary information *and the terms of Petitioner’s license agreements.*” Paper 51, 9 (emphasis added to identify parties’ dispute).

Most of these redactions are not disputed. Patent Owner expressly does not object to redacting revenue and salary information (Paper 54, 1, 13), and Patent Owner does not respond to the redactions obscuring details of Exhibits 2017 or 2023 (*see generally id.*). Although Patent Owner argues that the identities of Petitioner’s other members found in Exhibit 2021 should be public (Paper 54, 8), this argument appears to rise or fall with Member’s identity,³² which is discussed above. We have reviewed these proposed redactions and Petitioner’s motion, and we are persuaded that good cause exists for the redaction of this information. The understandability of the public record will not be substantially diminished by these redactions.

However, the parties disagree on redaction of the discussion of Petitioner’s licensing strategy and terms. *See* Paper 51, 9–11; Paper 54, 10–13. Petitioner argues that the terms of its license agreements are non-public, “highly confidential and extremely sensitive commercial information” that is

³² Patent Owner does not specifically identify any disputed redactions from Exhibit 2021; however, our review reveals that most of the company names proposed for redaction are necessary to obscure the Member’s identity, and the remaining redactions of members’ names and information are limited to information that is irrelevant to this proceeding.

IPR2019-00482
Patent 7,373,655 B1

“related to Petitioner’s core business.” Paper 51, 9–10. Petitioner contends that disclosure of this information “would provide Petitioner’s competitors and would-be business rivals with a roadmap of how to replicate Petitioner’s unique, valuable business model,” and Petitioner submits that the Board has previously appreciated the confidentiality of licensing agreements and their terms. *Id.* at 10–11.

According to Patent Owner, Petitioner wants to keep this information secret, “not for competitive reasons,” but because this information “weakens [Petitioner’s] case against its members being RPIs.” Paper 54, 11; *see also* Paper 66, 5–6 (restating arguments in Opposition to Sixth Motion to Seal). Patent Owner contends that Petitioner advertises some aspects of its licensing strategy (Paper 54, 11 (citing Ex. 2034)), and Patent Owner submits that Petitioner has not shown that the remaining details are confidential (*id.* at 11–12). According to Patent Owner, because these additional details are provided to members “outside of attorney-client privilege,” the information cannot be “truly confidential.” *Id.* at 12. Further, Patent Owner argues that Petitioner fails to identify a sufficiently concrete harm, and the public interest weighs in favor of disclosure because the redacted information is “strong evidence” that Petitioner’s members are RPIs. *Id.* at 12–13.

Petitioner replies that the identified redactions relate to specific licensing practices, and the terms of its license agreements are “closely held, highly confidential information” that “have always remained confidential.” Paper 55, 4–5. Petitioner submits that Patent Owner identifies no evidence

IPR2019-00482
Patent 7,373,655 B1

to the contrary, and according to Petitioner, its “licensing terms are never shared without a non-disclosure agreement or similar protections.” *Id.* at 5.

We are persuaded that the portion of Mr. Jakel’s transcript discussing Petitioner’s licensing strategy and the terms of its licenses is confidential information. Patent Owner’s arguments to the contrary are not persuasive. First, Patent Owner identifies no proposed redactions that cover publicly available information.³³ Second, Petitioner’s public disclosure of some aspects of its licensing strategy does not eliminate the confidentiality of other, more-specific details of that strategy. Third, Patent Owner’s arguments regarding Petitioner’s alleged disclosure of this information to members are not persuasive: even if we were to speculate that Petitioner discloses the terms of its licenses to members, that disclosure would not erase confidentiality when the recipient has an obligation to keep the information confidential.³⁴ *See* Paper 55, 5; *see also* Ex. 2017 §§ 6.1–6.2 (confidentiality provisions).

Petitioner identifies harm that could result from disclosure of this confidential information, and given the nature of the information at issue, we

³³ Patent Owner asserts that some of the identified information is publicly known and, in support, points to a post by “JPM” (author not otherwise unidentified) responding to a third party’s blog article. Paper 54, 11 (citing Exhibit 2033, 7). This evidence is neither credible nor persuasive.

³⁴ Patent Owner’s argument conflates privilege and confidentiality. Although a confidential document transmitted under the attorney-client privilege will remain confidential, the lack of privilege between a sender and recipient will not strip a document of its confidentiality.

IPR2019-00482
Patent 7,373,655 B1

are sufficiently persuaded that harm could result from disclosure. Although some of the redacted information is necessary for the analysis of whether the Petition properly names all RPIs, the understandability of the public record will not be substantially diminished by these tailored redactions. Indeed, as explained above, we do not find the redacted information to be particularly probative, and we ultimately determine that Member is not an RPI.

Accordingly, after balancing the public's interest in maintaining a complete and understandable file history with Petitioner's interest in protecting this information, we are persuaded that there is good cause to seal the information proposed for redaction from Exhibit 2018, except as otherwise provided herein.

c. Tables Derived From Exhibit 2023 (Exhibits 1026 & 1027)

Exhibit 1026 contains a table identifying matters listed in confidential Exhibit 2023 and, for each: the corresponding IPR proceeding (if any), the corresponding patent, and whether the patent was asserted against Member. Similarly, Exhibit 1027 contains a table identifying different matters listed in Exhibit 2023 and specifying whether each corresponds to a patent asserted against Member.

Petitioner seeks to seal these exhibits in their entirety because they contain (or would reveal) the confidential information of Exhibit 2023, which was voluntarily produced. Paper 59, 8–9. Petitioner agrees that a summary of the information contained in Exhibit 1026 is not confidential and need not be sealed. *See* Paper 101, 1.

IPR2019-00482
Patent 7,373,655 B1

Patent Owner contends that “Exhibits 1026 and 1027 contain public information that cannot be sealed.” Paper 66, 8–9. Patent Owner does not object to sealing the matter names identified in these exhibits (which refer to matters listed in Exhibit 2023), but contends that the remaining information should not be redacted. *Id.* at 8 n.4. According to Patent Owner, the information in this table can be found in the public domain and, thus, should not be sealed. *See id.* at 8–9.

We are persuaded that good cause exists to seal these exhibits in their entirety. Exhibits 1026 and 1027 contain confidential information because the information therein could easily be used to ascertain Member’s identity and the confidential information of Exhibit 2023. For example, with straightforward research, one could derive Member’s identity because Exhibit 1026 identifies patents and specifies, for each, whether it was asserted against Member. Similarly, one could derive the confidential matter names of Exhibit 2023 from the patent numbers or IPR proceedings listed in Exhibit 1026. Although each individual piece of information can be found in the public record (e.g., a patent number is publicly available), the specific collection of this information and the correlation to other pieces of information (i.e., whether a patent was asserted against Member) reveals non-public information.

Further, the public interest in these exhibits is minimal, and the redacted information is not necessary to this Decision. We do not rely on Exhibit 1027 at all, and we rely on Exhibit 1026 only to explain information in Exhibit 2023 and for a basic proposition—that some number of IPRs filed by Petitioner challenged a patent asserted against Member. *See* Paper 101, 1

IPR2019-00482
Patent 7,373,655 B1

(agreeing similar information is not confidential). Consequently, after balancing the public's interest in maintaining a complete and understandable file history with Petitioner's interest in protecting this information, we are persuaded that there is good cause to seal these exhibits.

Accordingly, we grant Petitioner's motion with respect to Exhibits 1026 and 1027.

d. Petitioner's Emails to Membership (Exhibits 2019 & 2020)

Petitioner voluntarily produced Exhibits 2019 and 2020, which each contain an email sent from Petitioner to its membership and a table identifying the email's recipients. Petitioner seeks to redact only the table identifying the recipients. *Compare* Exs. 2019, 2020 (confidential versions), *with* Exs. 1019, 1020 (public versions). Petitioner argues that it guards this information as core business information "to protect its members as well as its own business," as public disclosure of its members and their contact information would provide competitors with a targeted list of potential clients. Paper 51, 7.

Patent Owner argues that Petitioner has not shown that the identity of each member listed in the table is confidential. Paper 54, 8–9. Patent Owner submits that some of the recipient companies are identified on Petitioner's homepage or have been otherwise disclosed to the public. *Id.*

IPR2019-00482
Patent 7,373,655 B1

(citing Exs. 1021, 2012, 2032).³⁵ However, Patent Owner agrees to redact “information that would identify individual employees—for example, the names, phone numbers, and the portion of email address before the ‘@,’” but not the domain name of the email. *Id.* at 10 n.4. Petitioner offers to limit the redactions, as suggested by Patent Owner, “to the extent that the information is itself not subject to confidentiality protections (e.g., in other member agreements),” but Petitioner also argues that “information relating to other Unified members is irrelevant” to this proceeding. Paper 55, 4.

We are persuaded that good cause exists to redact the information originally identified by Petitioner. *See* Exs. 1019, 1020 (public versions of Exhibits 2019 and 2020, respectively). Petitioner voluntarily produced Exhibits 2019 and 2020, and Petitioner proposes limited redactions to those exhibits to obscure a table identifying the recipients of these emails. The only relevance of that table is the fact that each email was sent to approximately 200 recipients, of which thirty-eight are employees of Member. *See* PO Resp. 22–23 (relying on this high-level summary, but no details in the table). We are not persuaded that this high-level summary information is confidential. *See* Paper 101, 1 (agreeing “38” and “employees” should not be redacted); *see also, e.g.*, Ex. 2019 (redactions

³⁵ Patent Owner also argues that this information is not confidential because some companies were identified to Member as members of Petitioner. Paper 54, 9 (citing Ex. 2023, 3). We disagree. The Membership Agreement between Petitioner and Member includes confidentiality provisions (Ex. 2017 §§ 6.1–6.2), so information shared between them may be confidential.

IPR2019-00482
Patent 7,373,655 B1

show individual rows in the table). But the table itself and the specific details therein could reveal the identity of Member (which is sealed *supra*) or the identity of another confidential member of Petitioner (which is irrelevant to this proceeding).

In sum, the information proposed for redaction was voluntarily provided and is not necessary to and was not relied upon in reaching our Decision. Accordingly, these redactions will not diminish the understandability of the public record of these proceedings. Accordingly, we find that Petitioner's desire to keep this information confidential outweighs the public interest and Petitioner has shown good cause to seal this information.

Accordingly, we grant Petitioner's motion with respect to Exhibits 2019 and 2020.

e. Exhibit from Jakel Deposition (Exhibit 2018)

Exhibit 2018 is a collection of documents introduced during the deposition of Mr. Jakel. Petitioner requests that Exhibit 2018 be sealed because it includes a copy of Exhibits 2017, 2019, and 2020, addressed above. Paper 51, 7–8. We agree. Petitioner proposes redactions to Exhibit 2018 to obscure the same confidential information as discussed above with respect to those exhibits. *Compare* Ex. 2018 (confidential version), *with* Ex. 1018 (public version). Patent Owner does not oppose this aspect of Petitioner's motion. *See generally* Paper 54.

Accordingly, we grant Petitioner's motion with respect to Exhibit 2018.

IPR2019-00482
Patent 7,373,655 B1

f. Email Chains Between Counsel (Exhibits 2022 & 2024)

Exhibits 2022 and 2024 are copies of correspondence between counsel for the parties, one of which was introduced as an exhibit during Mr. Jakel's deposition. Petitioner seeks limited redactions to these exhibits, and Petitioner submitted Exhibit 1022 and 1024 to be the publicly available versions of Exhibits 2022 and 2024, respectively. Paper 51, 8–9. Patent Owner articulates no objections to Petitioner's proposed redactions that have not already been addressed above. *See generally* Paper 54.

Patent Owner relied on these exhibits to summarize some of the parties' discussion regarding document production in this proceeding (*see* PO Resp. 5 n.1, 6 n.2, 8), but no objections to the discovery process were preserved (*see supra* n. 20). As a result, we do not rely on either Exhibit 2022 or Exhibit 2024, and the redacted information therein is not necessary to our Decision. Accordingly, we find that Petitioner's desire to keep this information confidential outweighs the public interest in maintaining a complete and understandable record of these proceedings.

Accordingly, we grant Petitioner's motion with respect to Exhibits 2022 and 2024.

4. Papers

Petitioner's Fifth and Sixth Motions to Seal (Papers 51, 59), along with its authorized table (Paper 90), collectively request that the Board seal

IPR2019-00482
Patent 7,373,655 B1

Papers 50, 54, 57, 61, 66, 68, 70, 82, 86, and 88³⁶ because, according to Petitioner, these papers contain confidential information derived from Exhibits 1026–1027 and 2017–2024, addressed above, including “the identity of one of Petitioner’s members, details of Petitioner’s membership agreement, details of Petitioner’s annual reports, and the terms of Petitioner’s license agreement.” Paper 51, 11; Paper 59, 5–8; *see* Paper 90. Petitioner filed public versions with proposed redactions for each of these papers. *See* Papers 52, 60, 91–99 (public versions of Papers 50, 57, 54, 61, 66, 68, 70, 76, 82, 86, and 88, respectively).

Patent Owner opposes these motions for the reasons addressed above with respect to Member’s identity and with respect to the exhibits. *See generally* Papers 54, 66, 100. In addition, Patent Owner generally argues that “[a]ny information not explicitly contained in the membership agreement and annual report does not meet the definition of Confidential Information.” Paper 66, 7; *but see id.* (explaining that Patent Owner has no objection “to the extent” the redactions “quote[] directly from the membership agreement or annual report, or purport[] to summarize or describe the confidential terms of those documents”). To that end, Patent Owner identifies selected redactions that it contends are improper. *Id.* at 5, 7; Paper 100, 2–5, 8–11. After a meet and confer with Patent Owner, Petitioner filed an update identifying various terms and phrases that Petitioner agrees should not be redacted from particular documents.

³⁶ Petitioner also requests that Paper 76 be sealed, but this request is moot in light of the parties’ agreement to expunge demonstratives. Papers 101–102.

IPR2019-00482
Patent 7,373,655 B1

Paper 101, 1–2. In addition, Patent Owner filed an update identifying issues not addressed by prior briefing and withdrawing certain objections.

Paper 102. In a conference call with the Board on July 2, 2020, Patent Owner further agreed to withdraw its objection to one proposed redaction (i.e., the names of other members of Petitioner (*see* Paper 54, 9)).


Consequently, only a few proposed redactions remain disputed by the parties. In particular, Patent Owner specifically disputes redactions appearing in Paper 57 at pages 14, 17, and 21 (in footnote 16) (*see* Paper 66, 5, 7) and in Paper 82 at page 116 (*see* Paper 102, 9). We have reviewed these proposed redactions and considered the parties’ arguments.

As for page 14 of Paper 57, we are persuaded that that some of these redactions include confidential information—i.e., the numbers provided on this page and the redaction appearing after “[f]or two”—and we are persuaded that there is good cause to seal this information, for the reasons explained above with respect to the corresponding exhibits. However, we are not persuaded that the remaining redactions on this page include confidential information. For example, Petitioner has not shown that the phrase “consistent with Unified’s practice of reporting to its members public, non-privileged NPE litigation activity and deterrence activity” is confidential, and the record indicates that this information is publicly available. *See, e.g.*, Exs. 1019 (Petitioner’s email reporting deterrence activity), 1020 (same), 2001 (Petitioner “provides [] analytics to subscribed members”); *see also* Paper 80, 5 (responding to Patent Owner’s objections).

IPR2019-00482
Patent 7,373,655 B1

As for page 17 of Paper 57, we are persuaded that there is good cause for these redactions, for the reasons provided above regarding Petitioner’s licensing strategy and terms.

As for footnote 16 on page 21 of Paper 57, we do not find good cause to redact the term “Content zone.” *See* Paper 57, 21 n.16. Petitioner does not explain why this term is confidential as used in this paper, and Petitioner has not consistently proposed this term for redaction. *E.g.*, Paper 60, 14 n.11, 21 n.16 (public version of Paper 57 refers to the “Content zone” in the next sentence and a few pages above). Petitioner fails to explain why this term should be redacted in some places and not in others. Moreover, we note that Petitioner’s proposed redactions of the quote from Patent Owner’s Response are inconsistent. *Compare* Paper 60, 21 n.16 (proposed redaction of Paper 57, redacting quote from Paper 50), *with* Paper 52, 25 (proposed redaction of Paper 50, redacting only part of the quote). We do not find good cause to redact additional portions of Patent Owner’s argument. However, we are persuaded that there is good cause to redact the term

 This is confidential information describes the information provided in Exhibit 2023 (*see* Ex. 2023 at UP0028), and Patent Owner did not object to sealing this term in response to Petitioner’s Fifth Motion to Seal, which originally proposed this term for redaction. *See* Paper 51 (arguing Paper 50 should be sealed because it includes confidential information from the exhibits); Paper 52, 25 (proposed redaction of term from Paper 50); Paper 54 (articulating different objections to sealing of and proposed redactions to Paper 50). Moreover, we do not rely on this information in reaching this Decision. On balance, the public interest in

IPR2019-00482
Patent 7,373,655 B1

having access to this minor detail is outweighed by Petitioner's interest in maintaining the confidentiality of it.

As for Paper 82, page 116, lines 13–17, we are persuaded that there is good cause to redact this information. The redacted material describes the contents of Exhibit 2023. Even though the words do not quote from Exhibit 2023, we are persuaded that they summarize confidential information in that exhibit, and for the reasons explained above, we are persuaded that harm could result from this disclosure. Although this summary is necessary for the analysis of whether Member is an RPI, we find, on balance, that the public record will not be substantially diminished by this limited redaction, in part because we determine that Member is not an RPI.

Finally, we have reviewed the remaining proposed redactions to the papers, and we are persuaded that they are sufficiently tailored to protect Petitioner's confidential information, including details that would reveal the identity of one of Petitioner's members and details of the confidential exhibits. Some of these redactions are direct quotes from and reproductions of a confidential exhibit; others restate or summarize confidential information. For the reasons explained above, after balancing the public's interest in maintaining a complete and understandable file history with Petitioner's interest in protecting this information, we are persuaded that there is good cause to seal these papers.

5. Conclusion

We confirm and finalize our provisional ruling in the Provisional Order (Paper 29), and Petitioner's Fifth and Sixth Motions to Seal are

PUBLIC VERSION

IPR2019-00482
Patent 7,373,655 B1

granted-in-part and otherwise denied. We order that Papers 50, 54, 57, 61, 66, 68, 70, 82, 86, and 88 and Exhibits 1026–1027 and 2017–2024 remain sealed.

A corresponding publicly available version of some of these documents has been filed. However, Petitioner’s proposed redactions to Exhibit 2021 and Papers 50, 54, 57, 61, 66, 82, and 88 must be modified in light of the Board’s order herein and/or to de-designate terms and phrases that Petitioner has since agreed should not be redacted. *See* Paper 101. Redaction of the terms and phrases should be removed consistently from papers in this record, unless otherwise provided herein. Accordingly, within 14 days of this Decision, Petitioner shall file redacted versions of Papers 50, 54, 57, 61, 66, 82, and 88 and Exhibit 2021, with Patent Owner’s prior approval, that are consistent with this Decision. The parties are required to meet and confer via a telephone call between lead counsel prior to contacting the Board regarding any disputes.

Publicly available versions of Exhibits 1026, 1027, 2017, and 2023 are not required. We are persuaded that each of these exhibits includes extensive confidential information throughout, and redaction of the confidential information would either obscure the entire document or would provide little to no information to the public.

The following table³⁷ identifies the confidential documents cited in this Decision and the corresponding public version, if any:

³⁷ The Board will provide an update to this table in an exhibit released concurrently with the public version of this Decision.

PUBLIC VERSION

IPR2019-00482
Patent 7,373,655 B1

Confidential Version	Public Version
Exhibit 1026	N/A
Exhibit 1027	N/A
Exhibit 2017	N/A
Exhibit 2018	Exhibit 1018
Exhibit 2019	Exhibit 1019
Exhibit 2020	Exhibit 1020
Exhibit 2021	<i>to be filed</i>
Exhibit 2022	Exhibit 1022
Exhibit 2023	N/A
Exhibit 2024	Exhibit 1024
Exhibit 2028	Exhibit 2030
Paper 6	Paper 31
Paper 16	Paper 32
Paper 27	Paper 36
Paper 50	<i>to be filed</i>
Paper 54	<i>to be filed</i>
Paper 57	<i>to be filed</i>
Paper 61	<i>to be filed</i>
Paper 66	<i>to be filed</i>
Paper 68	Paper 94
Paper 70	Paper 95
Paper 82	<i>to be filed</i>
Paper 86	Paper 98
Paper 88	<i>to be filed</i>

IPR2019-00482
Patent 7,373,655 B1

III. CONCLUSION

Based on the evidence presented with the Petition, the evidence introduced during the trial, and the parties' respective arguments, Petitioner has shown by a preponderance of the evidence that claims 5 and 6 would have been obvious over Coile and Templin, claim 7 would have been obvious over Coile, Templin, and Hu, and claims 5–7 would have been obvious over Shapiro, Coile, and Templin.

In summary:

Claims	35 U.S.C. §	Reference(s) /Basis	Claims Shown Unpatentable	Claims Not Shown Unpatentable
5, 6	103(a)	Coile, Templin	5, 6	
7	103(a)	Coile, Templin, Hu	7	
5–7	103(a)	Shapiro, Coile, Templin	5–7	
Overall Outcome			5–7	

IPR2019-00482
Patent 7,373,655 B1

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that claims 5–7 of the '655 patent are determined to be unpatentable;

FURTHER ORDERED that Patent Owner's Motion to Exclude (Paper 70) is granted-in-part and dismissed-in-part, as set forth above;

FURTHER ORDERED that the Board's provisional ruling in Paper 29 is made final;

FURTHER ORDERED that Petitioner's Fifth and Sixth Motions to Seal (Papers 51, 59) are granted-in-part and otherwise denied;

FURTHER ORDERED that Papers 75, 76, and 96 shall be expunged;

FURTHER ORDERED that Petitioner shall, no later than 14 days from the entry of this Decision, file redacted versions of Papers 50, 54, 57, 61, 66, 82, and 88 and Exhibit 2021, with Patent Owner's prior approval, that are consistent with this Decision;

FURTHER ORDERED that the parties shall, no later than 14 days from the entry of this Decision, jointly email a proposed redacted version of this Decision, which identifies proposed redactions with red highlighting, to Trials@uspto.gov; and

FURTHER ORDERED that, because this is a Final Written Decision, parties to the proceeding seeking judicial review of the decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

IPR2019-00482
Patent 7,373,655 B1

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