

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PAYPAL, INC.,
UPWORK GLOBAL INC.,
SHOPIFY, INC., SHOPIFY (USA), INC.,
STRAVA, INC.,
VALASSIS COMMUNICATIONS, INC.,
RETAILMENOT, INC., and
DOLLAR SHAVE CLUB, INC.,
Petitioner,

v.

PERSONALWEB TECHNOLOGIES, LLC¹
Patent Owner.

IPR2019-01111
Patent 7,802,310 B2

Before JONI Y. CHANG, MICHAEL R. ZECHER, and
DAVID C. McKONE, *Administrative Patent Judges*.

CHANG, *Administrative Patent Judge*.

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

¹ The caption of the Petition lists Level 3 Communications as a patent owner. Patent Owner's Mandatory Notices indicates that PersonalWeb Technologies, LLC, is the patent owner, while Level 3 Communications, LLC, is a real party in interest. Paper 9, 1.

I. INTRODUCTION

On May 20, 2019, the following Petitioner Entities² collectively filed a Petition requesting an *inter partes* review (“IPR”) of claims 20 and 69 (“the challenged claims”) of U.S. Patent No. 7,802,310 B2 (Ex. 1001, “the ’310 patent”): PayPal, Inc. (“PayPal”), Upwork Global Inc. (“Upwork Global”), Shopify, Inc. and Shopify (USA), Inc. (collectively “Shopify”), Strava, Inc. (“Strava”), Valassis Communications, Inc. (“Valassis”), RetailMeNot, Inc. (“RetailMeNot”), and Dollar Shave Club, Inc. (“Dollar Shave Club”). Paper 1 (“Pet.”).

PersonalWeb Technologies, LLC (“Patent Owner”³) filed a Preliminary Response. Paper 14 (“Prelim. Resp.”). Patent Owner argues, among other things, that the Petition is time-barred under 35 U.S.C. § 315(b) because the district court in the related litigation found that Petitioner Entities are in privity with Amazon.com, Inc., and Amazon Web Services, Inc. (collectively “Amazon”), and Amazon was served with a complaint alleging infringement of the ’310 patent more than seven years prior to the filing of the Petition. *Id.* at 15–23; Ex. 2008. Pursuant to our Order (Paper 23), Petitioner Entities filed a Reply (Paper 24) to address whether Amazon is a privy of Petitioner Entities, and Patent Owner also filed a Sur-reply (Paper 26).

For the reasons stated below, we determine that Amazon, a time-barred party, is a privy of several Petitioner Entities. As such, we deny the Petition, as it is time-barred under § 315(b), and we do not authorize an *inter partes* review to be instituted.

² The parties’ briefs use “Petitioners.” *See, e.g.*, Reply 1; Sur-reply 1.

³ The parties’ briefs use “PersonalWeb.” *See, e.g.*, Reply 1; Sur-reply 1.

A. Related Proceedings

Petitioner Entities filed four other Petitions, challenging certain subsets of claims of U.S. Patent Nos. 6,928,442 B2 (IPR2019-01092), 7,945,544 B2 (IPR2019-01093), and 8,099,420 B2 (IPR2019-01089 and IPR2019-01091). Paper 9 (Patent Owner's Mandatory Notices), 16. The parties also identify other related proceedings, including those discussed below in the Relevant Facts section. *Id.* at 1–16; Pet. 2–3.

B. The '310 patent

The '310 patent relates to a data processing system that identifies data items using substantially unique identifiers, otherwise referred to as True Names, which depend on all of the data in the data item and only on the data in the data item. Ex. 1001, 1:44–48, 3:52–55, 6:20–24. According to the '310 Patent, the identity of a data item depends only on the data and is independent of the data item's name, origin, location, address, or other information not derivable directly from the data associated therewith. *Id.* at 3:55–58. The invention of the '310 patent also provides that the system can publish data items, allowing other, possibly anonymous, systems in a network to gain access to the data items. *Id.* at 4:32–34.

D. Illustrative Claim

Both challenged claims 20 and 69 are independent. Claim 20 is illustrative and is reproduced below:

20. A computer-implemented method operable in a system which includes a plurality of computers, the method comprising: controlling distribution of content from a first computer to at least one other computer, in response to a request obtained by a first device in the system from a second device in the system, the first device comprising hard ware including at least one processor, the request including at least a content-dependent

name of a particular data item, the content-dependent name being based at least in part on a function of at least some of the data comprising the particular data item, wherein the function comprises a message digest function or a hash function, and wherein two identical data items will have the same content-dependent name,

based at least in part on said content-dependent name of said particular data item, the first device (A) permitting the content to be provided to or accessed by the at least one other computer if it is not determined that the content is unauthorized or unlicensed, otherwise, (B) if it is determined that the content is unauthorized or unlicensed, not permitting the content to be provided to or accessed by the at least one other computer.

Ex. 1001, 39:8–31.

E. Prior Art Relied Upon

Petitioner relies upon the references listed below. Pet. 4–5.

Name	Reference	Date	Exhibit
Francisco	U.S. Patent No. 4,845,715	July 4, 1989	1003
Grube	U.S. Patent No. 5,483,658	Jan. 9, 1996	1004

F. The Asserted Grounds of Unpatentability

Petitioner asserts the grounds listed below. Pet. 5.

Claims Challenged	35 U.S.C. §	Reference(s)
20, 69	103(a) ⁴	Francisco
20, 69	103(a)	Francisco, Grube

⁴ The Leahy-Smith America Invents Act (“AIA”), which amended 35 U.S.C. § 103, was signed into law in 2011. Changes to § 103 apply to applications filed on or after March 16, 2013. Because the ’310 patent’s filing date is prior to March 16, 2013, we refer to the pre-AIA version of § 103.

II. ANALYSIS

A. *Relevant Facts*

In December of 2011, Patent Owner filed a complaint against Amazon and Amazon’s customer, DropBox, Inc., in the Eastern District of Texas, alleging infringement of one or more claims of the ’310 patent based on Amazon’s Simple Storage Service (“S3”), in *PersonalWeb Technologies, LLC v. Amazon Web Services LLC*, No. 6:11-cv-00658 (E.D. Tex. dismissed on June 9, 2014) (“the Texas Action”). Prelim. Resp. 15; Ex. 2008 (Complaint in the Texas Action). None of Petitioner Entities was named expressly as defendant. Ex. 2008. In its complaint, Patent Owner alleged that Amazon was liable for direct and indirect infringement, and that “[f]or PersonalWeb’s claims of indirect infringement, Amazon’s end-user customers and consultants [were] direct infringers of the Patents-in-Suit,” including the ’310 patent. *Id.* at 12. The Texas Action was dismissed with prejudice for “all claims” in that action, including the noted infringement claims against Amazon and its end-user customers. Ex. 2009 (Order of Dismissal with Prejudice).

In 2018, Patent Owner filed a number of lawsuits against Amazon’s customers, including “the eight Petitioners, alleging infringement [of the ’310 patent] based on their use of Amazon S3.” Prelim. Resp. 15–17. For instance, the ’310 patent is involved in the following proceedings in the Northern District of California (Pet. 2, Paper 9, 1–14):

- (1) *PersonalWeb Technologies, LLC v. Venmo, Inc.*, No. 5:18-cv-00177 (N.D. Cal. filed Jan. 8, 2018) (“the *Venmo/PayPal* case”)⁵;

⁵ Petitioner Entities indicate that “[t]he *Venmo* case was refiled naming PayPal, Inc., as the proper defendant.” Reply 3 n.1; *see also* Pet. 2 (referring

- (2) *PersonalWeb Technologies, LLC v. Upwork Global, Inc.*, No. 5:18-cv-05624 (N.D. Cal. filed Sept. 13, 2018) (“the *Upwork Global* case”);
- (3) *PersonalWeb Technologies, LLC v. Shopify, Inc.*, No. 5:18-cv-04626 (N.D. Cal. filed July 31, 2018) (“the *Shopify* case”);
- (4) *PersonalWeb Technologies, LLC v. Strava, Inc.*, No. 5:18-cv-04627 (N.D. Cal. filed Aug. 1, 2018) (“the *Strava* case”);
- (5) *PersonalWeb Technologies, LLC v. Valassis Communications, Inc.*, No. 5:18-cv-05206 (N.D. Cal. filed Aug. 23, 2018) (“the *Valassis* case”);
- (6) *PersonalWeb Technologies, LLC v. RetailMeNot, Inc.*, No. 5:18-cv-05966 (N.D. Cal. filed Sept. 28, 2018) (“the *RetailMeNot* case”); and
- (7) *PersonalWeb Technologies, LLC v. Dollar Shave Club*, No. 5:18-cv-05373 (N.D. Cal. filed Aug. 31, 2018) (“the *Dollar Shave Club* case”).⁶

Additionally, in February of 2018, Amazon filed a declaratory judgment (“DJ”) action against Patent Owner, asserting non-infringement of the ’310 patent and “seeking to preclude infringement actions against Amazon’s S3 customers,” in *Amazon.com, Inc. v. PersonalWeb Technologies, LLC*, No. 5:18-cv-00767 (N.D. Cal. filed Feb. 5, 2018) (“the Amazon DJ Action”). Ex. 2011 (Amazon’s DJ Complaint), 1, 13–14, 17.

Subsequently, Patent Owner amended its complaints in the customer cases, adding infringement allegations based on non-Amazon S3 products.

to this case as “*PersonalWeb Technologies, LLC v. PayPal, Inc.*”); Prelim. Resp. 15 (referring to this case as suit against “Venmo/PayPal.”); Ex. 2010.

⁶ These cases and other lawsuits filed by Patent Owner against Amazon’s customers, alleging infringement of the ’310 patent, are referred to as “the customer cases.” See, e.g., Ex. 2012, 3; Ex. 2013, 1.

See, e.g., Ex. 1014, 1, 13–17⁷; Ex. 1017, 2–4⁸ (a chart on infringement activity categories: category 3 encompasses Amazon S3, while categories 1, 2, and 4 do not).

Many of the customer cases, including those involving Petitioner Entities, and the Amazon DJ Action were transferred and assigned to Multidistrict Litigation (“MDL”) as *In re PersonalWeb Technologies, LLC et al. Patent Litigation*, No. 5:18-md-02834-BLF (N.D. Cal. assigned June 7, 2018). Ex. 2012, 2.

On November 28, 2018, Amazon filed a motion for summary judgment in the MDL proceeding, arguing that “PersonalWeb’s infringement claims against Amazon and its customers are barred by the doctrine of claim preclusion and the Supreme Court’s decision in *Kessler v. Eldred*, 206 U.S. 285 (1907).” Ex. 2014 (Amazon’s Motion for Summary Judgment), 1.

On March 13, 2019, the court in the MDL proceeding issued an Order Granting-in-Part and Denying-in-Part Amazon’s Motion for Summary Judgment. Ex. 2012. In this order, the MDL court determined that “the defendants in the customer cases,” including Petitioner Entities, “are in privity with Amazon because they share the same interest in the unfettered use of Amazon’s web services, and Amazon adequately represented this interest in the Texas Action.” *Id.* at 14. According to the MDL court’s order, Amazon’s motion for summary judgment was granted with respect to

⁷ Citations to Exhibit 1014 are to the page number added by Petitioner Entities, in the bottom, left corner of each page.

⁸ Citations to Exhibit 1017 are to the page number on the top of each page, in blue.

allegations involving use of S3, and Patent Owner is barred from asserting any infringement claim against Amazon or its customers based on use of S3. *Id.* at 26–27.

Subsequently, in the Stipulation Re Remaining Customer Cases (Ex. 2013, “Stipulation”) filed in the MDL proceeding, Patent Owner and Amazon stipulated that the MDL court’s order “fully adjudicates all claims alleging patent infringement based solely on the customer’s use of Amazon S3” in a number of customer cases, including those involving five of Petitioner Entities (i.e., PayPal, Strava, Valassis, Upwork Global, and RetailMeNot). *Id.* at 3–6.

Patent Owner appealed the MDL court’s order to the U.S. Court of Appeals for the Federal Circuit (“the Federal Circuit”), and Amazon filed an unopposed motion for leave to intervene in *In re: PersonalWeb Technologies, LLC v. Patreon, Inc.*, No. 2019-1918 (Fed. Cir. filed Aug. 30, 2019). Ex. 2017 (Patent Owner’s Appeal Brief); Ex. 2018 (Amazon’s Motion to Intervene).

B. Principles of Law

Section 315(b) of Title 35 of the United States Code (emphasis added) provides:

(b) PATENT OWNER’S ACTION.—An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or *privy of the petitioner* is served with a complaint alleging infringement of the patent. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).

“[T]he IPR petitioner bears the burden of persuasion to demonstrate that its petitions are not time-barred under § 315(b).” *Worlds Inc. v. Bungie*,

Inc., 903 F.3d 1237, 1242 (Fed. Cir. 2018) (addressing the burden issue in the context of a real party in interest analysis); *see also Ventex Co. v. Columbia Sportswear N. Am., Inc.*, IPR2017-00651, Paper 148 at 4–5 (PTAB Jan. 24, 2019) (precedential) (placing “the burden on IPR petitioners to demonstrate that its petitions are not time-barred under § 315(b) based on a complaint served on a privy more than a year before a petition is filed”).

“The Board’s decision under § 315(b) is whether to institute or not. The condition precedent for this decision is *whether a time-barred party* (a party that has been served with a complaint alleging infringement of the patent more than one year before the IPR was filed) is the petitioner, real party in interest, or *privy of the petitioner*.” *Power Integrations, Inc. v. Semiconductor Components Indus., LLC*, 926 F.3d 1306, 1314 (Fed. Cir. 2019) (emphases added). In the Federal Circuit’s view, the language of the statute makes privy and real parties in interest relationships that may arise “*before institution* relevant to the § 315(b) time-bar analysis.” *Id.* at 1315 (emphasis added).

It is not necessary to show that all of the petitioner entities are in privy with the time-barred party because the Federal Circuit has held that a petition is time-barred under § 315(b) if at least one of the petitioner entities is in privy with a time-barred party. *Click-to-Call Techs., LP v. Ingenio, Inc.*, 899 F.3d 1321, 1338–39 (Fed. Cir. 2018) (en banc in part) (noting that both § 315(b) and the implementing regulation, 37 C.F.R. § 42.101(b), “treat a petition as if there is a single petitioner for purposes of the one-year rule”), *cert. granted, Dex Media, Inc. v. Click-to-Call Techs., LP*, 139 S. Ct. 2742 (2019) (mem.) (granting cert. to determine whether § 314(d) permits appeal of the Board’s decision to institute an IPR upon finding that § 315(b)’s time bar did not apply).

The term “privity” is not defined in the statute, but it “is a well-established common-law term.” *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1317 (Fed. Cir. 2018). “[W]hen Congress uses language with a settled meaning at common law, Congress presumably knows and adopts the cluster of ideas that were attached to each borrowed word in the body of learning from which it was taken.” *Beck v. Prupis*, 529 U.S. 494, 500–01 (2000); *see also* 154 CONG. REC. S9987 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl) (“The concept of privity, of course, is borrowed from the common law of judgments.”).

The concept of “privity” is more expansive than real parties in interest. Office Patent Trial Practice Guide (“Trial Practice Guide”), 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012). The term “privity” is used “more broadly, as a way to express the conclusion that nonparty preclusion is appropriate on any ground.” *Taylor v. Sturgell*, 553 U.S. 880, 894 n.8 (2008) (citing 18A Charles Alan Wright, Arthur R. Miller & Edward H. Cooper, *Federal Practice and Procedure* § 4449, pp. 351–53 & n.33 (2d ed. 2002) (hereinafter “Wright & Miller”)); *WesternGeco*, 889 F.3d at 1318–19. The legislative history of the AIA endorsed the expression of “privity” as follows:

The word “privity” has acquired an expanded meaning. The courts, in the interest of justice and to prevent expensive litigation, are striving to give effect to judgments by extending “privies” beyond the classical description. *The emphasis is not on the concept of identity of parties, but on the practical situation. Privity is essentially a shorthand statement that collateral estoppel is to be applied in a given case; there is no universally applicable definition of privity. The concept refers to a relationship between the party to be estopped and the unsuccessful party in the prior litigation which is sufficiently*

close so as to justify application of the doctrine of collateral estoppel.

154 CONG. REC. S9987 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl) (emphases added) (citing *Cal. Physicians' Serv. v. Aoki Diabetes Research Inst.*, 163 Cal. App. 4th 1506 (Cal. App. 2008)); 157 CONG. REC. S1376 (daily ed. Mar. 8, 2011) (incorporating prior 2008 statement).

The Federal Circuit also has explained that, “in drafting § 315(b), Congress ‘chose language that bars petitions where proxies or privies would *benefit* from an instituted IPR *even where the petitioning party might separately have its own interest in initiating an IPR.*’” *Power Integrations*, 926 F.3d at 1316 (second emphasis added) (quoting *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1347 (Fed. Cir. 2018) (“AIT”)).

The determination of whether a time-barred party is in privity with a petitioner is a “highly fact-dependent question.” Trial Practice Guide, 77 Fed. Reg. at 48,759. Importantly, “the standards for the privity inquiry must be grounded in due process.” *WesternGeco*, 889 F.3d. at 1319. “[T]he privity inquiry in this context naturally focuses on *the relationship* between the named IPR petitioner and the party *in the prior lawsuit*. For example, it is important to determine whether the petitioner and the prior litigant’s relationship—as it relates to the lawsuit—is sufficiently close that it can be fairly said that the petitioner had a full and fair opportunity to litigate the validity of the patent in that lawsuit.” *Id.* (emphases added).

In *Taylor*, the U.S. Supreme Court identified a non-exhaustive list of six categories under which nonparty preclusion based on a privity relationship may be found: (1) an agreement between the parties to be bound; (2) pre-existing substantive legal relationships between the parties; (3) adequate representation by the named party; (4) the nonparty’s control of

the prior litigation; (5) where the nonparty acts as a proxy for the named party to re-litigate the same issues; and (6) where special statutory schemes foreclose successive litigation by the nonparty (e.g., bankruptcy or probate). *Taylor*, 553 U.S. at 893–95, 893 n.6. The Supreme Court noted that this list of the six “established grounds for nonparty preclusion” is “meant only to provide a framework . . . , not to establish a definitive taxonomy.” *Id.* at 893 n.6. Each ground alone is sufficient to establish privity between a nonparty and a named party in the prior litigation. *WesternGeco*, 889 F.3d at 1319–20.

Here, for the reasons stated below, at least the second, third, and fifth categories of *Taylor* support our determination that Amazon is a privy of several Petitioner Entities.

C. Parties’ Contentions

1. Patent Owner’s Arguments in Preliminary Response

In its Preliminary Response, Patent Owner argues that the instant Petition is time-barred under § 315(b) because the MDL court found that Petitioner Entities are in privity with Amazon as to their use of S3. Prelim. Resp. 15–23. As support for this argument, Patent Owner notes that it filed a complaint against Amazon in 2011, alleging infringement of the ’310 patent based on S3, more than *seven years* prior to the filing of the instant Petition. Exs. 2008, 2012. Patent Owner contends that Amazon is defending and indemnifying the defendants in the customer cases, including several Petitioner Entities. Prelim. Resp. 16–17 (citing Ex. 2014, 9 (Amazon stated that it “has expressly assumed the defense of the 60 customers who have sought Amazon’s aid, and has not turned away any

customer who has asked for it.”); Ex. 2015, 3–4⁹ (Amazon admitted that it is indemnifying PayPal and Dollar Shave Club.); Ex. 2013, 2–6 (Amazon agreed that the *Upwork*, *Shopify*, *Strava*, *Valassis*, and *RetailMeNot* cases are covered by the stipulation.)).

Patent Owner also avers that Amazon “unequivocally assert[ed] that its customers are its privies.” *Id.* at 20 (citing Ex. 2014, 8 (Amazon stated that “the actions involve the same parties *and their privies*” and that “PersonalWeb’s other actions in this district involve Amazon’s customers . . . *who are Amazon’s privies.*”), 9 (Amazon stated that “*Amazon is in privity with its customer . . . [because] Amazon is indemnifying its customer.*”) (emphases added)). Patent Owner notes that Amazon asserted that “[t]he interests of Amazon’s S3 customers are *indisputably aligned* with those of Amazon; they are *identically interested* in using the accused technology without the threat of molestation by PersonalWeb.” *Id.* (citing Ex. 2014, 8).

According to Patent Owner, the MDL court “agree[d] with Amazon that *the defendants in the customer cases are in privity with Amazon* because they share the same interest in the unfettered use of Amazon’s web services, and Amazon adequately represented this interest in the Texas Action.” Prelim. Resp. 21 (quoting Ex. 2012, 14). Patent Owner notes that the MDL court found that “Amazon’s customer agreement has contained an indemnification provision since June 2017” and “Amazon agreed to indemnify its customer.” *Id.* (citing Ex. 2012, 14). Patent Owner further argues that Petitioner Entities “have already reaped the benefits,” in that “Amazon and PersonalWeb stipulated that the MDL Order ‘fully adjudicates

⁹ The citations to Exhibit 2015 are to the page number on the top of each page, in blue.

all claims alleging patent infringement based solely on the customer's use of Amazon S3' against five co-Petitioners.” *Id.* at 19 (citing Ex. 2013, 2–6).

Patent Owner also avers that the MDL court's privity determination comports with binding precedent and PTAB practice. *Id.* at 22–23. In Patent Owner's view, the MDL court's application of Ninth Circuit law is sufficient to establish that Amazon and Petitioner Entities are in privity under the *Taylor* framework. *Id.* For example, Patent Owner contends that the MDL court found that the indemnification agreement shows “that there is privity between Amazon and its customers” and that this indemnification shows that there were “agreements between the parties to be bound” under the first *Taylor* category, and “pre-existing substantive legal relationships” under the second *Taylor* category. *Id.*

2. Petitioner Entities' Reply Arguments

In their Reply, Petitioner Entities counter that the instant Petition is not time-barred under § 315(b) because Amazon is not in privity with Petitioner Entities. Reply 1–10. Petitioner Entities argue that the MDL court's finding of privity is irrelevant to this proceeding because Petitioner Entities “possessed unique motivations for filing this Petition that were (and are) wholly independent of Amazon's dispute with PersonalWeb.” *Id.* at 1.

As support for this argument, Petitioner Entities argue that the Board is not bound by the MDL court's finding of privity because the MDL court did not examine whether Amazon was a privy under § 315(b), but instead “it examined under Ninth Circuit law whether privity existed to resolve a discrete issue of collateral estoppel.” *Id.* at 4. According to Petitioner, “courts examine privity for specific purposes, and not in a binary or absolute matter.” *Id.* at 4–5 (citing *Chase Manhattan Bank, N.A. v. Celotex Corp.*, 56

F.3d 343, 346 (2nd Cir. 1995); *Manning v. S.C. Dep’t of Highway & Pub. Transp.*, 914 F.2d 44, 48 (4th Cir. 1990)).

Petitioner Entities also aver that the MDL court’s privity finding is only related to allegations involving S3. *Id.* at 4–5. In Petitioner Entities’ view, the MDL court’s finding of privity is unrelated to “Petitioners’ ability to independently defend themselves in the PTAB due to *non*-S3 allegations,” because it involved estoppel issues resulting from the dismissal of the Texas Action. *Id.* at 5 (citing Ex. 2012, 26–27).

Petitioner Entities further argue that Patent Owner mischaracterizes the record because the MDL proceeding involves both Amazon S3 and non-Amazon products. *Id.* at 1–3. Petitioner Entities note that Patent Owner “amended its complaints to add non-S3 allegations” and the MDL court found that “Amazon could not adequately represent the defendants’ interests, as ‘a verdict against Amazon in the Amazon DJ Action may leave unresolved issues as to the liability of the defendants in the customer cases.’” *Id.* at 1–3 (citing Exs. 1014–1018). Petitioner Entities contend that “Amazon moved for summary judgment only that allegations related to S3 were barred by estoppel,” and that Patent Owner “argued in its opposition that Amazon’s motion did not impact its infringement allegations related to non-Amazon products.” *Id.* at 2 (citing Ex. 2014; Ex. 2019). According to Petitioner, the MDL “court’s finding of ‘privity . . . for the specific purpose of determining the preclusive effect of the first judgment’ was limited *only to allegations related to S3.*” *Id.* at 3 (quoting Ex. 2012, 26–27¹⁰).

¹⁰ Although Petitioner cites to Exhibit 2012, 26–27 (Reply 3), we found this quote at Exhibit 2012, 15, which further quotes *Transclean Corp. v. Jiffy Lube Int’l, Inc.*, 474 F.3d 1298, 1306 (Fed. Cir. 2007).

Petitioner Entities argue that none of Amazon’s motion, the MDL court’s order, or Patent Owner’s stipulations “affected the non-S3 infringement claims.” *Id.*

Petitioner Entities also argue that they “never had a previous opportunity to challenge PersonalWeb’s patents in litigation,” as Petitioner Entities were not sued in the Texas Action. *Id.* at 5–7. In Petitioner Entities’ view, the fact that Amazon offered to indemnify Petitioner Entities does not make them privies for purposes of filing the instant Petition because “Amazon’s indemnity only extends to the Petitioner’s use of Amazon products.” *Id.* at 6 (citing Ex. 1021, 7¹¹). Petitioner Entities aver that they “are left to defend against PersonalWeb’s remaining infringement allegations that were untouched by the court’s order and PersonalWeb’s stipulation.” *Id.* (citing Ex. 1017). Petitioner Entities further contend that the primary concern of privity under § 315(b)—to “prevent successive challenges to a patent by those who previously have had the opportunity to make such challenges in prior litigation”—is inapplicable. *Id.* at 5–7. According to Petitioner, “any ‘successive challenges’ to the validity of PersonalWeb’s patents are self-inflicted.” *Id.*

Lastly, Petitioner Entities assert that each category articulated in *Taylor* indicates a finding of no privity. *Id.* at 7–9. For example, as to the second category of *Taylor*, Petitioner Entities argue that “[a]ny pre-existing relationship is limited to Amazon products,” and that “Petitioners and Amazon have no pre-existing relationship relating to the infringement allegations remaining in PersonalWeb’s cases against the Petitioners.” *Id.* at

¹¹ The citations to Exhibit 1021 refer to the original page number on the bottom, center of each page.

7. Petitioner Entities further argue that “[t]he only salient relationship between Amazon and Petitioners relates to claims that the court barred prior to the filing of this Petition.” *Id.* (citing Ex. 2012, 26–27). With respect to the third category of *Taylor*, Petitioner Entities argue that “Amazon cannot adequately defend Petitioners in litigation on non-Amazon products.” *Id.* at 7–8. As to the fifth category of *Taylor*, Petitioner Entities argue that they filed the Petition as a defensive measure in response to Patent Owner’s lawsuit against them, rather than at Amazon’s instruction. *Id.* at 8.

3. Patent Owner’s Sur-reply Arguments

In its Sur-reply, Patent Owner argues that Petitioner Entities’ motivations related to the use of non-Amazon products “do not negate the close relationship that does exist, which stems from Petitioners’ undisputed use of Amazon’s products.” Sur-reply 1. Patent Owner contends that the real issue is “whether Petitioner and Amazon have a sufficiently close relationship based on the use of Amazon S3 products.” *Id.*

Patent Owner also argues that the MDL court’s order “comports with Congressional intent, [Federal Circuit] case law, and Supreme Court precedent.” *Id.* at 3–4. Patent Owner disagrees with Petitioner Entities’ argument that the estoppel issues, resulting from the dismissal with prejudice in the Texas Action, is unrelated to Petitioner Entities’ ability to independently defend themselves due to non-S3 allegations. *Id.* at 4. Patent Owner notes that the MDL courts found that “PersonalWeb’s indirect infringement accusations against ‘Amazon’s end-user customers and defendants’ in the Texas Action further support the conclusion that Amazon and its customer share the same interest in the use of S3.” *Id.* (quoting Ex. 2012, 14). Patent Owner contends that the time bar under § 315(b)

applies where “proxies or privies would benefit from an instituted IPR, *even where the petitioning party might separately have its own interest in initiating an IPR.*” *Id.* (quoting *AIT*, 897 F.3d at 1347).

Patent Owner also avers that both Patent Owner and Amazon accepted the MDL court’s privity finding, while “Petitioners here advance positions contrary to what the District Court has found, and to what its supplier-indemnitor *has told* the District Court and *is telling* the [Federal Circuit].” *Id.* at 2. Patent Owner notes (*id.*) that Amazon stated in its motion to intervene that “[t]he judgment . . . came about only because of Amazon’s indemnification of S3 customers and its summary judgment motion.” Ex. 2018, 12¹². Patent Owner further contends that “Amazon adequately represented Petitioners’ interests in using S3 products in the Texas Action where accusations against customer defendants were made, and Amazon continues to represent adequately Petitioners’ interests in the MDL and [Federal Circuit] Appeal.” *Id.* at 2–3.

D. Privity Analysis

Upon consideration of the parties’ arguments and evidence, we agree with Patent Owner that the instant Petition is time-barred under § 315(b) because Amazon, an undisputed time-barred party, is a privy of several Petitioner Entities. As we note above, demonstrating that Amazon is a privy of at least one Petitioner Entity is sufficient to show that Amazon is a “privy of the petitioner” for purposes of § 315(b). *See Click-to-Call*, 899 F.3d at 1338–39.

¹² The citations of Exhibit 2018 are referring to the page number on the top of each page.

Notably, the MDL court found “that the defendants in the customer cases are in privity with Amazon because they share the same interest in the unfettered use of Amazon’s web services, and Amazon adequately represented this interest in the Texas Action.” *Id.* at 14. The MDL court also found that an indemnification agreement provided another “basis to find that there is privity between Amazon and its customers for the specific ‘purpose[] of determining the preclusive effect of the first judgment.’” *Id.* at 15 (quoting *Transclean*, 474 F.3d at 1306). Petitioner Entities do not contest the MDL court’s privity findings, but argue that they are irrelevant to the privity determination under § 315(b) in this IPR proceeding. *See generally* Reply.

Although we are not bound by the MDL court’s ruling “under Ninth Circuit law” as argued by Petitioner Entities (Reply 5), we find the reasoning and analysis presented by the MDL court as to its finding of privity persuasive. Ex. 2012, 12–16. For example, the MDL court’s privity determination considered case law that is grounded in due process, similar to the privity determination under § 315(b) in *WesternGeco*. *WesternGeco*, 889 F.3d at 1319. In its order, the MDL court expressly explained that “a manufacturer ‘typically is not in privity with a [customer],’” but recognized that “privity exists between a manufacturer and customer ‘when the parties are so closely related and their interests are so nearly identical that it is fair to treat them as the same parties for purposes of determining the preclusive effect of the first judgment.’” Ex. 2012, 13–14 (quoting *Transclean*, 474 F.3d at 1306). This is similar to the consideration set forth in *WesternGeco*. *WesternGeco*, 889 F.3d at 1319.

The MDL court also recognized that “the Ninth Circuit has concluded that privity exists when the interests of the party in the subsequent action

were shared with and adequately represented by the party in the former action,” and found that “Amazon adequately represented [the S3 customers’] interest in the Texas Action.” Ex. 2012, 13–14 (citing *Shaw v. Hahn*, 56 F.3d 1128, 1131–32 (9th Cir. 1995)). This consideration is very similar, if not identical, to the third *Taylor* category (adequate representation by the named party), where nonparty preclusion based on a privity relationship may be found. Compare *Shaw*, 56 F.3d at 1131–32, with *Taylor*, 553 U.S. at 894–95. Therefore, we find the reasoning and analysis presented by the MDL court as to its finding of privity persuasive.

More importantly, upon consideration of the parties’ contentions and evidence before us, we similarly determine that Amazon is a privy of several Petitioner Entities under the *Taylor* framework. See *Taylor*, 553 U.S. at 894–95. Here, at least the second, third, and fifth categories of *Taylor* support our determination that these Petitioner Entities are in privity with Amazon, a time-barred party.

Second Taylor Category

As to the second *Taylor* category, the record shows a pre-existing substantive legal relationship between Amazon and several Petitioner Entities—namely, PayPal, Strava, Valassis, Upwork Global, and RetailMeNot. The evidence of record shows that the relationship between Amazon and these Petitioner Entities went beyond typical transactions between supplier and buyer because there exists a substantive legal relationship between them that is defined by legal obligations and a sufficient degree of commonality of interest.

As Patent Owner notes, when Patent Owner “sued the eight Petitioners, alleging infringement [of the ’310 patent] based on their use of

Amazon S3,” Amazon “defend[ed] and indemnify[ied] the Petitioners in court.” Prelim. Resp. 16. Indeed, in its motion for summary judgment filed in the MDL proceeding, Amazon stated that “Amazon is indemnifying its customers in this case[,] has expressly assumed the defense of 60 customers who have sought Amazon’s aid, and has not turned away any customer who has asked for it.” Ex. 2014, 9. Amazon also stated that “[t]he interests of Amazon’s S3 customers are indisputably aligned with those of Amazon; they are identically interested in using the accused technology without the threat” from Patent Owner. *Id.* at 8. Amazon further stated that it “has stepped into the shoes of its customers and shares their interests.” *Id.* (citing *SpeedTrack, Inc. v. Office Depot, Inc.*, No. C 07-3602 PJH, 2014 WL 1813292, at *5–6 (N.D. Cal. May 6, 2014) (finding privity where manufacturer was contractually obligated to indemnify customers against claims for infringement), *aff’d*, 791 F.3d 1317 (Fed. Cir. 2015)). Petitioner Entities do not contest those statements made by Amazon, nor point out where they contested those statements in the MDL proceeding. *See generally* Reply.

In Amazon’s reply in support of its motion for summary judgment, Amazon also stated that “it is undisputed that the AWS customer agreement has included an indemnification provision since June 2017.” Ex. 1021, 7. Amazon further stated that its obligation in the indemnification provision “applies to ‘any third-party claim’ made after June 2017[,] and alleging that Amazon’s products, including S3, ‘infringe[] or misappropriate[] that third-party’s intellectual property rights.’” *Id.* (citation omitted). The MDL court also found that “Amazon assumed the indemnification of its customers prior to the consolidation of the MDL, and Amazon has not turned away any customer who has asked for indemnification.” Ex. 2012, 16.

The MDL court further recognized “Amazon is obligated to indemnify most of the customer defendants” (Ex. 1018, 3) and specified that Amazon’s “customer cases” involve “any case comprising this MDL other than the Amazon DJ Action.” Ex. 2012, 2. These cases, according to the Stipulation Re Remaining Customer Cases (Ex. 2013) filed in the MDL proceeding, include the customer cases that involve the following defendants: PayPal, Strava, Valassis, Upwork Global, and RetailMeNot. Ex. 2013, 4–6. As such, the record before us shows PayPal, Strava, Valassis, Upwork Global, and RetailMeNot are customers Amazon has been indemnifying and defending in the MDL proceeding.

PayPal, Strava, Valassis, Upwork Global, and RetailMeNot also are Petitioner Entities in this IPR proceeding. Pet. 1. The record, thus, reflects that an indemnification agreement existed between Amazon and these Petitioner Entities prior to our determination to institute this proceeding. Ex. 2012, 15–16. Tellingly, Petitioner Entities do not deny the existence of the indemnification agreements, nor contest that those indemnification agreements pertained to Amazon’s S3, one of the accused products. *See generally* Reply.

As noted by the Federal Circuit, “an indemnification agreement . . . has alone been enough to find privity.” *Intel Corp. v. U.S. Int’l Trade Comm’n*, 946 F.2d 821, 839 (Fed. Cir. 1991); *see also Taylor*, 553 U.S. at 894 (“Qualifying relationships include, but are not limited to, preceding and succeeding owners of property, bailee and bailor, and assignee and assignor.”); *AIT*, 897 F.3d at 1362 (Reyna, J., concurring) (Under *Taylor*, “non-party preclusion could apply between an indemnitor and an indemnitee.”) (citing *Intel Corp.*, 946 F.2d at 839). We recognize that, under certain circumstances, the mere existence of an indemnity agreement

might not be enough to find privity. *See, e.g., WesternGeco*, 889 F.3d at 1321. However, Amazon here also performed pursuant to the indemnity agreement, defended several Petitioner Entities, and secured summary judgment related to infringement allegations of the '310 patent as to Amazon's S3 product, in favor of those Petitioner Entities. *See, e.g.,* Ex. 2014, 9 (stating that Amazon "has stepped into the shoes of its customers and shares their interests"); Ex. 2012, 3 (including the '310 patent as part of the infringement action), 14 (stating that "[a]s to the effect of the indemnification agreement, it is undisputed that . . . Amazon agreed to indemnify its customers"), 16 (stating that "Amazon assumed the indemnification of its customers . . . , and Amazon has not turned away any customer who has asked for indemnification"), 23 (finding that claim preclusion applied because, inter alia, the Texas Action involved the same parties or privies as the MDL proceeding), 26 (granting the DJ Action with respect to the allegations involving use of S3).

Thus, unlike the facts in *WesternGeco*, 889 F.3d at 1321, in which "the evidence did not show any obligation of [indemnitor] to defend [indemnitee] from a patent infringement lawsuit, reimburse or pay for a lawsuit," Amazon here actually assumed control of the lawsuits involving its customers, defended them, secured relief on their behalf, and intervened in the appeal. We find this to be much stronger evidence that supports a substantive legal relationship between Amazon and several Petitioner Entities, than that shown in *WesternGeco*.

Moreover, Amazon and these Petitioner Entities continue to share the same interest in their use of S3. Although Patent Owner "accepted the District Court's privity analysis," Patent Owner appealed the MDL court's summary judgment ruling that bars Patent Owner from asserting any patent

infringement claim against Amazon or Amazon customers based on their use of S3. Sur-reply 1–2; Ex. 2017, 41, 64–86.¹³ Notably, Amazon continues to defend and indemnify its customers by filing a motion to intervene in Patent Owner’s appeal. Ex. 2018, 5, 8–12. In its motion to intervene, Amazon stated that, “as the supplier of the S3 technology and the indemnitor of the customer defendants, Amazon has an interest in protecting itself and all S3 customers from PersonalWeb’s lawsuits, an interest that PersonalWeb now tests on appeal.” *Id.* at 6. The briefs from Patent Owner and Amazon filed in the appeal indicate that the customer cases, in which PayPal, Strava, Valassis, Upwork Global, and RetailMeNot are defendants, “will directly affect or be directly affected by this Court’s decision in the pending appeal.” Ex. 2017, 6–12; Ex. 2018, 14–18. Therefore, the evidence of record shows that Amazon and these Petitioner Entities continue to share the same interest in their use of S3.

For the foregoing reasons, the evidence in this record (including the submitted portions of the MDL record) shows a pre-existing substantive legal relationship between Amazon and several Petitioner Entities—namely, PayPal, Strava, Valassis, Upwork Global, and RetailMeNot.

We have considered Petitioner Entities’ arguments and supporting evidence, but we do not find them persuasive. As noted above, Petitioner Entities have the burden to show that their Petition is not time-barred. Amazon is a time-barred party because it is undisputed that Amazon was served with a complaint alleging infringement of the ’310 patent based on Amazon’s S3 in 2011, more than one year prior to the filing of the instant

¹³ The citations to Exhibit 2017 are referring to the page number on the top of each page.

Petition on May 20, 2019. Prelim. Resp. 15; Reply 1; Ex. 2008. We determine Petitioner fails to establish sufficiently that none of Petitioner Entities is in privity with Amazon.

As discussed above, although we are not bound by the MDL court's ruling "under Ninth Circuit law" as argued by Petitioner Entities (Reply 5), we find the reasoning and analysis presented by the MDL court as to its finding of privity persuasive. Moreover, we similarly find that Amazon is a privy of several Petitioner Entities under the *Taylor* framework. Therefore, Petitioner's argument that we are not bound by the MDL court's finding of privity is unavailing.

Petitioner Entities' other arguments mainly rest on the premise that Amazon is not a privy because they have additional interests related to non-Amazon products, "[a]ny pre-existing relationship is limited to Amazon products," and Amazon's indemnity, defense, and interest do not extend to infringement allegations related to *non-Amazon products*. Reply 1–9. For example, Petitioner Entities argue that they have "unique motivations for filing this Petition that were (and are) wholly independent of Amazon's dispute with PersonalWeb." *Id.* at 1. Petitioner Entities also argue that Patent Owner mischaracterizes the District Court record by not discussing the non-Amazon products. *Id.* at 1–3. Petitioner Entities additionally argue that the MDL court's finding of privity "had nothing to do with the Petitioners' ability to independently defend themselves in the PTAB due to *non-S3* allegations." *Id.* at 5. Petitioner Entities argue that "Amazon's indemnity only extends to Amazon products," and that "the lasting effect of Amazon's indemnity was limited at best." *Id.* at 6 (citing Ex. 1029, 7); *id.* at 7. Petitioner Entities further assert that Amazon has no pre-existing relationship with Petitioner Entities "relat[ed] to the infringement allegations

remaining in PersonalWeb’s cases against the Petitioner[]” entities. *Id.* at 7 (citing Ex. 2012, 26–27).

Petitioner Entities’ arguments are unavailing, however. The Federal Circuit has explained that, “in drafting § 315(b), Congress ‘chose language that bars petitions where proxies or privies would *benefit* from an instituted IPR, *even where the petitioning party might separately have its own interest in initiating an IPR.*’” *Power Integrations*, 926 F.3d at 1316 (second emphasis added) (quoting *AIT*, 897 F.3d at 1347). Thus, representing their own interests in addition to those of Amazon’s does not negate a finding a privity. Similarly, Petitioner Entities’ potential liability concerning the non-S3 products does not negate the shared interest in S3 or Amazon’s indemnity obligations and defense related to their shared interest in S3.

Additionally, Petitioner Entities do not explain persuasively why the non-S3 infringement allegations remaining in the MDL proceeding, as argued (*see* Reply 6–8), should negate a finding of privity based on the shared interests of Petitioner Entities and Amazon in potential infringement liability due to S3 use. Petitioner Entities do not contest that a substantive legal relationship exists between Amazon and several Petitioner Entities regarding their use of S3. *See generally* Reply. Significantly, the MDL court already found that, “in the instant MDL, PersonalWeb sues Amazon’s customers for infringement of the *same patents* related to use of *the same technology* as PersonalWeb sued Amazon for in the Texas Action.”

Ex. 2012, 14 (emphases added). The MDL court also found that “PersonalWeb’s indirect infringement accusations against ‘Amazon’s end-user customers and defendants’ in the Texas Action further support the conclusion that *Amazon and its customer share the same interest in the use of S3.*” *Id.* Moreover, in this IPR proceeding, Petitioner Entities challenge

the same claims and the same patent (claims 20 and 69 of the '310 patent) as Patent Owner sued Amazon for in the Texas Action, and as Patent Owner sued Amazon's customers (including several Petitioner Entities) for in the MDL proceeding, based on their use of S3. *See, e.g.*, Ex. 2008, 1, 7–8; Ex. 2010, 1, 16–18. The outcome of this IPR proceeding still could affect the MDL proceeding as it pertains to claims 20 and 69 of the '310 patent. Therefore, the evidence of record shows a sufficiently close relationship between Amazon and several Petitioner Entities, as it relates to the prior lawsuits.

Furthermore, Petitioner Entities already received the benefits from Amazon's defense and indemnity because the MDL court's order "fully adjudicates all claims alleging patent infringement based solely on the customer's use of Amazon S3" against five Petitioner Entities—namely, PayPal, Strava, Valassis, Upwork Global, and RetailMeNot. Ex. 2013, 3–6. These Petitioner Entities continue to maintain a substantive legal relationship with Amazon even after the MDL court's summary judgment ruling. In its motion to intervene filed in the appeal, Amazon stated that "as the supplier of the S3 technology and the indemnitor of the customer defendants, Amazon has an interest in protecting itself and all S3 customers from PersonalWeb's lawsuits, an interest that PersonalWeb now tests on appeal." Ex. 2018, 6. Therefore, the close relationship between Amazon and these Petitioner Entities continues to be defined by legal obligations and a sufficient degree of commonality of interest, as related to S3 technology.

We find that the form of substantive legal relationship between Amazon and these Petitioner Entities precisely is that which defines privity. *Taylor*, 553 U.S. at 894; *AIT*, 897 F.3d at 1362 (Reyna, J., concurring). We do not find Petitioner Entities' separate interests negate a finding of privity.

Power Integrations, 926 F.3d at 1316; *AIT*, 897 F.3d at 1347. In view of the foregoing, we are not persuaded by Petitioner Entities' arguments that they have additional interests related to non-Amazon products that somehow obviates a finding of privity with respect to S3 technology. Reply 1–9.

We also are not persuaded by Petitioner Entities' arguments that they “never had a previous opportunity to challenge PersonalWeb’s patents in litigation,” and that the concern of preventing successive challenges is inapplicable here. Reply 5–7. Of import, § 315(b) concerns “a petitioner, real party in interest, or privy of the petitioner . . . served with a complaint alleging infringement of the patent.” This statute does not carve out an exception for those parties who are served with a complaint alleging infringement of multiple accused technologies (e.g., S3 and non-S3), but its privy is only a privy for one accused technology (e.g., S3). We agree with Patent Owner that “[a]sking whether some co-Petitioners might have had some products implicated by some non-S3 allegations is irrelevant and obfuscates the real issue behind the privity and RPI analyses.” Sur-reply 1.

We further are not persuaded by the case law from the Second and Fourth Circuits cited by Petitioner Entities. Reply 5. Those cited cases do not support Petitioner’s position that Amazon is not a privy of Petitioner Entities. Petitioner Entities cite *Chase Manhattan Bank* for the premise that “[p]rivity may exist for the purpose of determining one legal question but not another depending on the circumstances and legal doctrines at issue.” *Id.* (citing *Chase Manhattan Bank*, 56 F.3d at 346). Similarly, Petitioner Entities cite *Manning* for the premise that “[p]rivity’ as used in the context of res judicata or collateral estoppel, does not embrace relationships between persons or entities, but rather it deals with a person’s relationship to the

subject matter of the litigation.” *Id.* at 5 (citing *Manning*, 914 F.2d at 48 (quoting *Richburg v. Baughman*, 351 S.E.2d 164, 166 (1986))).

Petitioner Entities do not contest the MDL court’s finding of privity between Amazon and several Petitioner Entities as to Amazon’s S3 technology. *See generally* Reply. Petitioner Entities’ argument, then, is that privity existing at that time no longer exists in the instant IPR proceeding because the only remaining allegations at issue in the MDL proceeding involve whether non-S3 products infringe claims of the ’310 patent. *See, e.g.*, Reply 5 (asserting the MDL court’s finding of privity “had nothing to do with the Petitioners’ ability to independently defend themselves in the PTAB due to *non*-S3 allegations”), 6 (arguing that “at the time the instant Petition was filed, the lasting effect of Amazon’s indemnity was limited at best”), 7 (“Petitioners and Amazon have no pre-existing relationship relating to the infringement allegations remaining in PersonalWeb’s cases against the Petitioners. The only salient relationship between Amazon and Petitioners relates to claims that the court barred prior to the filing of this Petition.”).

However, as explained above, this contention is misplaced. Patent Owner has appealed the MDL court’s summary judgment ruling and Amazon has filed a motion to intervene in the appeal. Sur-reply 1–2; Ex. 2017 (Patent Owner’s Appeal Brief); Ex. 2018 (Amazon’s Motion to Intervene), 8 (stating that “Amazon has also agreed to indemnify its customer, including those in the current appeal”), 10 (stating that “as the supplier of the S3 technology and the indemnitor of the customer defendants, Amazon has an interest in protecting itself and all S3 customers from PersonalWeb’s lawsuits, an interest that PersonalWeb now tests on appeal”). Moreover, depending on the result of that appeal, Amazon may be called to defend its customers further. Petitioner Entities have not shown

that the MDL court's summary judgment ruling has extinguished Amazon's indemnity obligations. By the same token, Amazon still has a shared interest in the outcome of this IPR proceeding, in which Petitioner Entities are challenging *the same claims and the same patent* (claims 20 and 69 of the '310) as Patent Owner sued Amazon's customers for in the MDL proceeding, based on their use of S3. Ex. 2010, 1, 16–18.

For the foregoing reasons, we do not find Petitioner Entities' arguments persuasive, and we determine that Amazon and several Petitioner Entities have a pre-existing substantive legal relationship. This provides at least one ground of nonparty preclusion under *Taylor* that supports our determination that Amazon is a privy of these Petitioner Entities.

Third Taylor Category

Turning to the third *Taylor* category of nonparty preclusion based on a privy relationship, *Taylor* states, “‘in certain limited circumstances,’ a nonparty may be bound by a judgment because she was ‘adequately represented by someone with the same interests who [wa]s a party’ to the suit.” *Taylor*, 553 U.S. at 894 (quoting *Richards v. Jefferson County*, 517 U.S. 793, 798 (1996)). As previously noted, the MDL court specifically found “that the defendants in the customer cases are in privy with Amazon because they share the same interest in the unfettered use of Amazon's web services, and Amazon adequately represented this interest in the Texas Action.” Ex. 2012, 14.

Based on the evidence in this IPR proceeding, we reach the same conclusion. Patent Owner's complaint in the Texas Action included alleged infringement of the '310 patent, which is the same patent at issue in this proceeding. Compare Ex. 2008, 1, 7–8, with Pet. 1. Specifically, Patent

Owner asserted in the Texas Action that “Amazon has infringed and continues to infringe the ’310 patent by its manufacture, use, sale, importation, and/or offer for sale of the following products and services: Amazon Simple Storage Service (S3) and Amazon ElastiCache.” Ex. 2008, 7–8. Count one of the complaint also states, “[f]or PersonalWeb’s claims of indirect infringement, Amazon’s end-user customers and consultants are direct infringers of the Patents-in-Suit,” which include the ’310 patent. *Id.* at 12. The Texas Action was dismissed with prejudice for “all claims” in that action, including the noted infringement claims against Amazon and its end-user customers. Ex. 2009.

When Patent Owner sued Amazon’s customers (including several Petitioner Entities) in 2018, alleging infringement of the ’310 patent based on their use of S3, Amazon began to defend and indemnify its customers by filing a DJ Action and a motion for summary judgment in the MDL proceeding. Ex. 2011; Ex. 2012, 3, 5–8; Ex. 2013, 3–6; Ex. 2014. For example, the *Venmo/PayPal* complaint (Ex. 2010) includes (1) the ’310 patent as one of the “Patents-in-Suit” (*id.* at 1), (2) Patent Owner’s assertion that defendant has infringed at least claims 20, 69, and 71 of the ’310 patent (*id.* at 16–18), and (3) a description of defendant’s action as involving uploading files to and subsequent actions that occur on an “Amazon S3 host system” (*id.* at 6). During the MDL proceeding, Amazon further stated that “[t]he interests of Amazon’s S3 customers are indisputably aligned with those of Amazon; they are identically interested in using the accused technology” Ex. 2014, 8.

This further demonstrates that Amazon and Petitioner Entities share the same interest in using S3, which as previously noted, concerns the ’310 patent, including the claims at issue (i.e., claims 20 and 69) in this IPR

proceeding. *See* Pet. 1. The evidence identified above substantiates that some Petitioner Entities (e.g., PayPal) and Amazon, a prior litigant to the Texas Action, are “‘so closely related’ . . . that it is fair to treat them as the same parties for purposes of determining” privity. *Transclean*, 474 F.3d at 1306 (citation omitted); *see also WesternGeco*, 889 F.3d. at 1319.

Thus, like the MDL court, we find that Petitioner Entities in this proceeding are challenging “the same patents related to use of the same technology as PersonalWeb sued Amazon for in the Texas Action” (Ex. 2012, 14), and “the very same S3 at issue in the Texas Action is again at issue here” (*id.* at 12) in the Petition. As explained in detail above, Petitioner Entities are still advancing, in the Petition, the interest they share with Amazon in avoiding liability based on S3. We, therefore, conclude that Petitioner Entities have the same interest as Amazon and we agree with the District Court’s finding that those interests have been adequately represented by Amazon in the Texas Action (Ex. 2012, 14), providing yet another basis under *Taylor* to show that Amazon is a privity of Petitioner Entities. We further conclude that the above evidence shows that Amazon shares the same interest with at least some of Petitioner Entities in this proceeding and that Amazon’s representation in the Texas Action was adequate to establish a privity relationship for purposes of the statutory bar under § 315(b).

Petitioner Entities assert that they “possess[] unique motivations for filing this Petition that were (and are) wholly independent of Amazon’s dispute with PersonalWeb.” Reply 1. Petitioner Entities state that “[n]o Petitioner was ever implicated in a prior PersonalWeb litigation, including the *Amazon* case filed in 2011” and “[n]o Petitioner ever had a reason before now to file the instant Petition.” *Id.* at 5 (citing Pet. 19). Petitioner Entities contend they are not time-barred, asserting that the MDL court found that

“Amazon could not adequately represent the defendant’s interests” because Amazon’s involvement in the infringement allegations of the MDL proceeding was “limited.” *Id.* at 2 (citing Ex. 1026, 1); *see id.* at 6–7. More specifically, Petitioner Entities assert that Amazon’s motion for summary judgment only concerns “allegations related to S3 [that] were barred by estoppel” (*id.* at 2 (citing Ex. 2014)), without affecting “the *non*-S3 infringement claims that Petitioners . . . still face today” (*id.* at 3). Petitioner Entities argue that the MDL court’s order only concerns alleged “‘patent infringement based solely on the customer’s use of Amazon S3’ in the *Venmo*, *Strava*, *Valassis*, *Upwork* and *RetailMeNot* cases,” but does not affect non-S3 infringement claims. *Id.* (citing Ex. 2013). Thus, Petitioner Entities contend, “Amazon cannot adequately defend Petitioners in litigation on non-Amazon products.” *Id.* at 7. Even so, as we explained above, advancing an interest in addition to the shared interest with Amazon does not negate privity. *See Power Integrations*, 926 F.3d at 1316; *AIT*, 897 F.3d at 1347.

As we explained previously, § 315(b) concerns “a petitioner, real party in interest, or privy of the petitioner . . . served with a complaint alleging infringement of the patent.” Notably, this statute does not carve out an exception for those parties who are served with a complaint alleging infringement of multiple accused technologies (e.g., S3 and non-S3), but its privy is only a privy for one accused technology (e.g., S3). We agree with Patent Owner that “[a]sking whether some co-Petitioners might have had some products implicated by some non-S3 allegations is irrelevant and obfuscates the real issue behind the privity and RPI analyses.” *See Sur-reply* 1. Once again, the record shows that Amazon is a privy of some Petitioner Entities (e.g., PayPal) and was served in 2011 with a complaint alleging

infringement of the '310 patent, including through use of S3. See Exs. 2008, 2010, 2012.

We agree that the MDL proceeding involves four categories of infringement activity, and categories 1, 2, and 4 were not considered by the MDL court in its order granting in part Amazon's motion for summary judgment. That is, the MDL court stated that its order's scope applies to "Category 3 infringement," which "involves ETags for webpage asset files generated by S3 web servers," and Patent Owner "alleges customer infringement in this category involves use of both S3 and Cloudfront." Ex. 2012, 9. Even so, the MDL court stated, and we agree, that "it is undisputed that the infringement contentions in Category 3 involve the use of Amazon S3, the same product in dispute in the Texas Action." *Id.* at 17.

Accordingly, based on the collective evidence discussed above, we conclude that Petitioner Entities have been adequately represented by Amazon, who has the same interests as at least one Petitioner Entity (e.g., PayPal) and who was a party to an earlier suit (i.e., the Texas Action), thereby providing an additional basis to conclude that there is privity between Amazon and Petitioner Entities in this proceeding pursuant to § 315(b).

Fifth Taylor Category

We further turn to the fifth *Taylor* category on which nonparty preclusion based on a privity relationship may be found—"a party bound by a judgment may not avoid its preclusive effect by relitigating through a proxy." *Taylor*, 553 U.S. at 895. Specifically, we find that Petitioner Entities are representing Amazon's interests in this proceeding. We are not persuaded by Petitioner Entities' argument that they filed the Petition as a

defensive measure in response to Patent Owner's lawsuit against them, rather than at Amazon's instruction. Reply 8.

As we explained above, the infringement dispute between Patent Owner and Petitioner Entities/Amazon regarding S3 is ongoing and on appeal. We agree with the District Court's finding (which Petitioner Entities do not contest) that Amazon agreed to indemnify and defend its customers, including the above-noted Petitioner Entities, as to potential infringement liability for S3. Ex. 2012, 14. As it pertains to S3, then, it is Amazon, not Petitioner Entities, that ultimately will bear the cost should the Federal Circuit overturn the MDL court's summary judgment ruling and the MDL court ultimately find infringement of the '310 patent. Petitioner Entities, then, are representing Amazon's continued interests, as well as their own, in the instant IPR proceeding, at least as to those interests pertain to S3 and the '310 patent. We, thus, conclude that Petitioner Entities are serving as proxies of Amazon. *See Taylor*, 553 U.S. at 895 (“[A] party bound by a judgment may not avoid its preclusive force by relitigating through a proxy. Preclusion is thus in order when a person who did not participate in a litigation later brings suit as the designated representative of a person who was a party to the prior adjudication.”).

As such, Amazon has the same interest as Petitioner Entities in this proceeding, and has already pursued that interest in district court. Amazon should not be permitted to relitigate the unpatentability of the '310 patent claims through Petitioner Entities acting as proxies for Amazon. This provides yet another basis to conclude that Amazon is a privy of at least some Petitioner Entities (e.g., PayPal) in this proceeding for purposes of determining whether Amazon's statutory bar under § 315(b) also should apply to Petitioner Entities.

Summary of the Privity Analysis

In summary, based on the record as a whole, we find that Amazon is in privity with at least one Petitioner Entity because (1) of a pre-existing substantive legal relationship between Amazon and at least one Petitioner Entity (e.g., PayPal), (2) at least one Petitioner Entity (e.g., PayPal) has the same interests as Amazon, which adequately represented these interests in the Texas Action, and (3) Petitioner Entities are acting as proxies for Amazon, and are representing Amazon's interests, at least as they pertain to S3. Because Amazon, a privy of at least one Petitioner Entity, was served with a complaint alleging infringement of the '310 patent in 2011, which is more than one year prior to the filing of the instant Petition, the instant Petition is time-barred under § 315(b).

III. CONCLUSION

For the above reasons, the Petition is time-barred under § 315(b). As such, we deny institution of an *inter partes* review.

IV. ORDER

For the above reasons, it is

ORDERED that the Petition is *denied* as to the challenged claims of the '310 patent, and no *inter partes* review is instituted.

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Patent 7,802,310 B2

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