

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

BILLJCO LLC,
Patent Owner.

IPR2022-00131
Patent 8,639,267 B2

Before LYNNE H. BROWNE, STACEY G. WHITE, and GARTH D.
BAER, *Administrative Patent Judges*.

BAER, *Administrative Patent Judge*.

JUDGMENT
Final Written Decision
Determining All Challenged Claims Unpatentable
35 U.S.C. § 318(a)
Denying as Moot Patent Owner's Motion to Exclude
37 C.F.R. § 42.64

I. INTRODUCTION

A. BACKGROUND

Apple Inc. (“Petitioner”) filed a Petition (Paper 2, “Pet.”) requesting an *inter partes* review of claims 1, 5, 13, 20, 21, 29, 30, 34, 42, and 49 (“the challenged claims”) of U.S. Patent No. 8,639,267 B2 (Ex. 1001, “the ’267 patent”). BillJCo, LLC (“Patent Owner”) filed a Preliminary Response (Paper 5, “Prelim. Resp.”) to the Petition. Pursuant to 35 U.S.C. § 314, we instituted this *inter partes* review as to all challenged claims and all grounds raised in the Petition. Paper 7 (“Institution Dec.”).

Following institution, Patent Owner filed a Response. Paper 13 (“PO Resp.”). Subsequently, Petitioner filed a Reply to Patent Owner’s Response (Paper 23, “Pet. Reply”), and Patent Owner filed a Sur-reply (Paper 26, “PO Sur-reply”). Patent Owner also filed a Motion to Strike (Paper 27), which Petitioner opposes (Paper 32). On February 23, 2023, we held an oral hearing. A transcript of the hearing is included in the record. Paper 36.

We have jurisdiction under 35 U.S.C. § 6. This decision is a Final Written Decision issued pursuant to 35 U.S.C. § 318(a). For the reasons we discuss below, we determine that Petitioner has proven by a preponderance of the evidence that claims 1, 5, 13, 20, 21, 29, 30, 34, 42, and 49 are unpatentable.

B. RELATED PROCEEDINGS

The parties indicate that the ’267 patent is the subject of the following district court cases: 1) *BillJCo, LLC v. Apple Inc.*, No. 6:21-cv-00528 (W.D. Tex.) (“District Court Litigation”); 2) *BillJCo, LLC v. Cisco Systems, Inc.*, No. 2:21-cv-00181 (E.D. Tex.); and 3) *BillJCo, LLC v. Hewlett Packard Enterprise Co.*, No. 2:21-cv-00183 (E.D. Tex.). Pet. 1; Paper 4, 2.

C. REAL PARTIES IN INTEREST

The parties identify themselves as the only real parties in interest.
Pet. 1; Paper 4, 2.

D. THE '267 PATENT

The '267 patent relates to “location based exchanges of data between distributed mobile data processing systems for locational applications.” Ex. 1001, 1:19–23. The '267 patent states that the “[a]dvantages of having a service as the intermediary point between clients, users, and systems, and their associated services, include[] centralized processing, centralized maintaining of data, . . . [and] having a supervisory point of control.” *Id.* at 1:38–45. But “[w]hile a centralized service has its advantages, there are also disadvantages.” *Id.* at 1:65–66. For example, according to the '267 patent, a centralized service may “suffer from performance and maintenance overhead” and presents concerns about the “privacy” of users’ “personal information.” *Id.* at 2:5–6, 2:42–52. To address these alleged disadvantages, the '267 patent states that “[a] reasonable requirement is to push intelligence out to the mobile data processing systems themselves, for example, in knowing their own locations and perhaps the locations of other nearby mobile data processing systems.” *Id.* at 2:58–61. Specifically, the '267 patent describes “a new terminology, system, and method referred to as Location Based eXchanges (LBX).” *Id.* at 3:56–58. It is a “foundation requirement” of LBX “for each participating [mobile data processing system] to know, at some point, their own whereabouts.” *Id.* at 4:8–10. “When two or more [mobile data processing systems] know their own whereabouts, LBX enables distributed locational applications whereby a server is not required to

middleman social interactions between the [mobile data processing systems].” *Id.* at 4:13–16.

E. CHALLENGED CLAIMS

Of the challenged claims, claims 1 and 29 are independent. Claim 1 is reproduced below:

1. A method for automatic location based exchange processing by a mobile data processing system, the method comprising:

presenting a user interface to a user of the mobile data processing system, the user interface for configuring privilege data relating the mobile data processing system with a remote data processing system, the privilege data stored local to the mobile data processing system and searched upon receipt of whereabouts data received for processing by the mobile data processing system;

receiving, for processing by the mobile data processing system, the whereabouts data including an originating identity of the whereabouts data;

searching, by the mobile data processing system, the privilege data stored local to the mobile data processing system for a matching privilege upon the receiving, for processing by the mobile data processing system, the whereabouts data, wherein the matching privilege is configured for relating the originating identity of the whereabouts data with a destination identity of the whereabouts data to permit trigger of a privileged action for the receipt of whereabouts data received for processing by the mobile data processing system; and

performing the privileged action at the mobile data processing system upon finding the matching privilege, after the searching, by the mobile data processing system, the privilege data stored local to the mobile data processing system.

Ex. 1001, 284:14–41.

F. ASSERTED GROUNDS OF UNPATENTABILITY

Petitioner asserts the following grounds of unpatentability. Pet. 4.

Claims Challenged	35 U.S.C. § ¹	Reference(s)/Basis
1, 5, 13, 20, 21, 29, 30, 34, 42, 49	103	Haberman ²
1, 5, 13, 20, 21, 29, 30, 34, 42, 49	103	Haberman, Boger ³
1, 5, 13, 20, 21, 29, 30, 34, 42, 49	103	Vanluijt ⁴

Petitioner also relies on a declaration from Dr. Thomas La Porta (Ex. 1002).

II. PRELIMINARY MATTERS

A. LEVEL OF ORDINARY SKILL

Petitioner contends a person of ordinary skill in the art would have had “a bachelor’s degree in computer science, computer engineering, or an equivalent, and two years of experience relating to wireless communications.” Pet. 5 (citing Ex. 1002 ¶¶ 42–43). Patent Owner does not dispute Petitioner’s formulation. PO Resp. 6. We adopt Petitioner’s description as it is consistent with the prior art and patent specification before us and supported by credible expert testimony. *See Okajima v. Bourdeau*,

¹ Because the parties agree that the challenged claims have an effective filing date before March 16, 2013, we apply the pre-AIA (“America Invents Act”) version of § 103. Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 285–88 (2011).

² US 2005/0096044 A1, published May 5, 2005 (Ex. 1004, “Haberman”).

³ US 2002/0159401 A1, published Oct. 31, 2002 (Ex. 1005, “Boger”).

⁴ US 2002/0132614 A1, published Sept. 19, 2002 (Ex. 1006, “Vanluijt”).

261 F.3d 1350, 1355 (Fed. Cir. 2001) (prior art itself may reflect an appropriate level of skill).

B. CLAIM CONSTRUCTION

In an *inter partes* review proceeding, a claim of a patent is construed using the same standard used in a civil action under 35 U.S.C. § 282(b), including construing the claim in accordance with the ordinary and customary meaning of the claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent. 37 C.F.R. § 42.100(b).

1. privilege

Patent Owner proposes construing the term “privilege” in claims 1 and 29 to exclude preferences. PO Resp. 13. According to Patent Owner, preferences merely “indicate a desire for certain information over other information” while privileges are “a right or authorization granted to permit the performance of certain computer functions.” *See* PO Sur-reply 5. We do not adopt Patent Owner’s proposed construction. Patent Owner’s argument appears to be that anything labeled as a “preference” in a data processing system cannot be a “privilege,” even if the preference is enforced so as to actually limit or govern the system’s functionality. *See* PO Resp. 12–14, 20, 22, 23. The ’267 patent indicates that privileges include “[a]ny configurable privilege granted by one identity to another identity that can limit, enable, disable, delegate, or govern actions, feature(s), functionality, behavior(s), or any subset(s) thereof.” Ex. 1001, 124:15–24. Patent Owner does not explain sufficiently how this description of privileges excludes anything labeled as a preference. Thus, we are not persuaded to construe the term “privilege” to exclude preferences. No further construction of the term “privilege” is

necessary to resolve the parties' disputes. *See Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999) (“[O]nly those terms need be construed that are in controversy, and only to the extent necessary to resolve the controversy.”).

2. “destination identity”

Patent Owner proposes construing the phrase “destination identity” in claims 1 and 29 as “relat[ing] to privilege data configuration” and “pertain[ing] to the matching privilege configuration.” PO Resp. 15; *See* PO Sur-reply 9, 10. We do not see how Patent Owner's proposed construction impacts any disputed issue in this case. We, therefore, decline to adopt Patent Owner's construction of “destination identity” and decline to further construe the term, because doing so is not necessary to resolving the parties' dispute. *See Vivid Techs.*, 200 F.3d at 803.

III. 35 U.S.C. § 325(d)

Patent Owner argues that Petitioner's patentability challenges fail because the asserted prior art is cumulative or less relevant than the prior art considered during prosecution. PO Resp. 17–18 (citing 35 U.S.C. § 325(d)). We disagree with Patent Owner's argument. Under § 325(d), whether the same or substantially the same prior art or arguments previously were presented to the Office may impact a decision “whether to institute” *inter partes* review. We decline to extend § 325(d) to this already-instituted *inter partes* review, as Patent Owner suggests.

IV. UNPATENTABILITY ANALYSIS

A. SUMMARY ASSERTED PRIOR ART

Haberman is titled “Transmitter at Specific Address Transmitting Address-Specific Informational Content.” Ex. 1004, code (54). Haberman teaches “[a] method for presenting to a person using a mobile device informational content pertaining to a specific address when the mobile device is within proximity to the specific address.” *Id.* at code (57).

B. OBVIOUSNESS OF CLAIM 1 BASED ON HABERMAN

Petitioner argues that claim 1 would have been obvious over Haberman. Pet. 7–26. For the reasons explained below, we find Petitioner has shown by a preponderance of evidence that claim 1 would have been obvious over Haberman.

1. “privilege data”

Claim 1 recites “presenting a user interface to a user of the mobile data processing system, the user interface for configuring privilege data relating the mobile data processing system with a remote data processing system, the privilege data stored local to the mobile data processing system and searched upon receipt of whereabouts data received for processing by the mobile data processing system.” Ex. 1001, 284:17–23. Petitioner presents evidence that Haberman teaches providing an interface that allows a user to select the types of informational content that are preferred. Pet. 14–15 (citing Ex. 1004 ¶¶ 25, 121, 164, 176, 181). Petitioner also presents evidence that Haberman teaches storing the user’s preferences in a preference profile on the mobile device. *Id.* at 15–16 (citing Ex. 1004 ¶¶ 165–166). Further, Petitioner presents evidence that Haberman teaches receiving a broadcast including informational content pertaining to a particular location and searching the

user's preference profile to determine if the broadcast's identifying information matches the user's preferences. *Id.* at 16–18 (citing Ex. 1004 ¶¶ 13, 18, 31, 33, 70, 118, 122, 129, 168). With this analysis, we agree with Petitioner that Haberman teaches claim 1's user-interface and privilege-data limitation.

Patent Owner's only argument related to this limitation is that Haberman does not teach privilege data because Haberman's preferences are not privileges. PO Resp. 20–23. We disagree with Patent Owner's argument because it relies on Patent Owner's proposed construction of the term “privilege data,” which we do not adopt. As discussed above, we disagree with Patent Owner that the term “privilege” should exclude anything labeled as a preference. As Petitioner explains, Haberman's preferences are privileges because they are enforced to determine what content is actually presented. PO Reply 7–8 (citing Ex. 1004 ¶ 179).

2. “destination identity”

Claim 1 recites “wherein the matching privilege is configured for relating the originating identity of the whereabouts data with a destination identity of the whereabouts data to permit trigger of a privileged action for the receipt of whereabouts data received for processing by the mobile data processing system.” Ex. 1001, 284:31–36. Petitioner presents evidence that Haberman teaches matching a broadcast's identifying information (i.e., the originating identity) with the user's preferences profile on the mobile device (i.e., a destination identity). Pet. 23–25 (citing Ex. 1004 ¶¶ 26–27, 130, 176, 181). Petitioner also presents evidence that Haberman teaches presenting the broadcast's informational content to the user when there is a match between the broadcast's identifying information and the user's preferences profile. *Id.*

at 25 (citing Ex. 1004 ¶ 168). Given this analysis, we agree with Petitioner that Haberman teaches “wherein the matching privilege is configured for relating the originating identity of the whereabouts data with a destination identity of the whereabouts data to permit trigger of a privileged action for the receipt of whereabouts data received for processing by the mobile data processing system.”

Although Patent Owner’s Response includes a separate section challenging Haberman’s disclosure of the claimed “destination identity,” the section’s substance is not sufficiently clear why Haberman is lacking, beyond reiterating Patent Owner’s preferences-are-not-privileges argument. *See* PO Resp. 24–25. At oral argument, Patent Owner’s counsel explained that Patent Owner’s destination-identity argument is the same as its privilege argument. *See* Paper 36, 44:21–46:2. For the reasons explained above, we disagree with Patent Owner that Haberman’s privileges are not preferences, as claim 1 requires. Further, we agree with Petitioner that Haberman teaches the claimed destination identity.

3. Additional Undisputed Elements in Claim 1

Petitioner asserts that Haberman teaches the additional undisputed elements in claim 1. Specifically, Petitioner presents evidence that Haberman teaches providing informational content pertaining to a particular location to a mobile device, and thus teaches “[a] method for automatic location based exchange processing by a mobile data processing system,” as claim 1 requires.⁵ Pet. 10–12 (citing Ex. 1004 ¶¶ 8, 16, 66, 118, 120, 129).

⁵ Because Petitioner presents evidence that the prior art teaches the recitations in the preamble of claim 1, we need not decide whether the preamble is limiting.

Claim 1 further recites “receiving, for processing by the mobile data processing system, the whereabouts data including an originating identity of the whereabouts data.” Ex. 1001, 284:24–26. Petitioner presents evidence that Haberman teaches receiving a broadcast including informational content pertaining to a particular location (i.e., whereabouts data), as well as a transmitting party identification and broadcast identifying information (i.e., an originating identity). Pet. 18–21 (citing Ex. 1004 ¶¶ 18, 27, 31, 33, 66–67, 118, 122, 129).

Claim 1 further recites “searching, by the mobile data processing system, the privilege data stored local to the mobile data processing system for a matching privilege upon the receiving, for processing by the mobile data processing system, the whereabouts data.” Ex. 1001, 284:27–31. Petitioner presents evidence that Haberman teaches searching the user’s preference profile on the mobile phone to determine if a broadcast includes identifying information that matches the user’s preferences. Pet. 22–23 (citing Ex. 1004 ¶¶ 70, 130, 168).

Claim 1 further recites “performing the privileged action at the mobile data processing system upon finding the matching privilege, after the searching, by the mobile data processing system, the privilege data stored local to the mobile data processing system.” Ex. 1001, 284:37–41. Petitioner presents evidence that Haberman teaches presenting the broadcast’s informational content to the user when there is a match between the broadcast’s identifying information and the user’s preferences profile. Pet. 26 (citing Ex. 1004 ¶¶ 168, 173).

4. Objective Indicia of Nonobviousness

Patent Owner asserts that objective evidence of nonobviousness demonstrates that the challenged claims were not obvious. *See* PO Resp. 30–38. We address Patent Owner’s arguments below.

a. Copying

Patent Owner suggests that evidence of copying supports that the challenged claims are not obvious. PO Resp. 31–36. According to Patent Owner, we should infer copying based on Petitioner’s access to the ’267 patent and Petitioner’s release of products that embody the challenged claims. *Id.* (citing *Liqwd, Inc. v. L’Oreal USA, Inc.*, 941 F.3d 1133, 1138 (Fed. Cir. 2019)). As the court in *Liqwd* recognized, access to a patent coupled with circumstantial evidence showing changes to a competitor’s design can be sufficient to support copying. *Liqwd, Inc. v. L’Oreal USA, Inc.*, 941 F.3d 1133, 1138 (Fed. Cir. 2019). This may happen when, for example, “the defendant’s engineering design team had settled on one design and ‘suddenly changed direction’ to adopt a feature disclosed in the patent as soon as it issued.” *Id.* (quoting *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314, 1328 (Fed. Cir. 2009)).

Here, we find the circumstantial evidence is not sufficient to suggest that Petitioner copied the patented technology. As Petitioner notes, the only alleged access involves unsolicited communications between 2010 and 2014 sent to Petitioner’s agent seeking to monetize Patent Owner’s then-pending patent applications. *See* Pet. Reply 19–20; PO Resp. 32–33. Patent Owner further alleges that “[i]n or around June 2013,” Petitioner “publicly announced its rollout of iOS7,” which Patent Owner alleges embodies the challenged claims. PO Resp. 33. These general allegations are not sufficient

to infer that Petitioner changed its design to incorporate the patented features based on its access to Patent Owner's technology. *See Liqwd*, 941 F.3d at 1138 (noting the "primary concern . . . to avoid treating mere infringement as copying simply because the claims of a patent arguably read on a competitor product").

b. Commercial Success

Patent Owner suggests that evidence of commercial success further supports that the challenged claims are not obvious. Specifically, according to Patent Owner, the claimed features were commercially successful because "Petitioner touted the claimed features of the invention in connection with products using the iBeacon technology covered by the '267 patent." PO Resp. 36. In addition, Patent Owner asserts that several companies "have [licensed] the patented technology covered by the '267 patent." *Id.* at 37.

We find Patent Owner's evidence unconvincing for several reasons. First, the alleged touting relates to the products' functionality, not their commercial success. *See* PO Resp. 36–37. In addition, Patent Owner's licensing is unconvincing because, as Petitioner notes, the asserted licenses address some 30+ patents, only one of which is the '267 patent, and Patent Owner "failed to provide any evidence regarding the weight or importance of the '267 Patent to these agreements." Pet. Reply 21.

In sum, we have reviewed Patent Owner's arguments and evidence regarding objective evidence of non-obviousness and, for the reasons outlined above, do not find them persuasive enough to outweigh Petitioner's evidence that the challenged claims would have been obvious.

5. Claim 1 Conclusion

Other than the arguments addressed above, Patent Owner does not additionally challenge Petitioner's showing. We have reviewed Petitioner's arguments and evidence and, based on Petitioner's analysis outlined above, we find that Petitioner has shown by a preponderance of the evidence that claim 1 would have been obvious over Haberman.

C. OBVIOUSNESS OF CLAIMS 5, 13, 20, 21, 29, 30, 34, 42, AND 49 BASED ON HABERMAN

Independent claim 29 recites limitations similar to those discussed above for claim 1. Dependent claims 5, 13, 20, 21, 30, 34, 42, and 49 depend from claims 1 or 29. Petitioner presents evidence that Haberman teaches the limitations of claims 5, 13, 20, 21, 29, 30, 34, 42, and 49. Pet. 10–32. Other than the arguments discussed above for claim 1, Patent Owner does not additionally challenge Petitioner's obviousness showing. Having reviewed the arguments and weighed the evidence, we find that Petitioner has shown by a preponderance of the evidence that claims 5, 13, 20, 21, 30, 34, 42, and 49 would have been obvious over Haberman.

D. ADDITIONAL OBVIOUSNESS GROUNDS

Petitioner argues that claims 1, 5, 13, 20, 21, 29, 30, 34, 42, and 49 also would have been obvious over Haberman and Boger (Pet. 33–42) and over Vanluijt (Pet. 42–64). Because Petitioner has shown these same claims would have been obvious over Haberman, we do not address these alternative grounds.

V. PATENT OWNER'S MOTION TO EXCLUDE EVIDENCE

Patent Owner filed a Motion (Paper 27) seeking to exclude Dr. La Porta's supplemental declaration (Ex. 1012) and "all argument's in

Petitioner's Reply based on the Supplemental Declaration." Paper 27, 2. Because this decision does not rely on the supplemental declaration or arguments based on the declaration in question, we deny Patent Owner's motion as moot.

VI. CONCLUSION

For the foregoing reasons, we determine Petitioner has demonstrated by a preponderance of the evidence that claims 1, 5, 13, 20, 21, 29, 30, 34, 42, and 49 of the '267 patent are unpatentable.⁶ Our conclusions are summarized in the following table.

⁶ Should Patent Owner wish to pursue amendment of the challenged claims in a reissue or reexamination proceeding subsequent to the issuance of this decision, we draw Patent Owner's attention to the April 2019 *Notice Regarding Options for Amendments by Patent Owner Through Reissue or Reexamination During a Pending AIA Trial Proceeding*. See 84 Fed. Reg. 16,654 (Apr. 22, 2019). If Patent Owner chooses to file a reissue application or a request for reexamination of the challenged patent, we remind Patent Owner of its continuing obligation to notify the Board of any such related matters in updated mandatory notices. See 37 C.F.R. § 42.8(a)(3), (b)(2).

Claim(s)	35 U.S.C. §	Reference(s)/Basis	Claims Shown Unpatentable	Claims Not shown Unpatentable
1, 5, 13, 20, 21, 29, 30, 34, 42, 49	103	Haberman	1, 5, 13, 20, 21, 29, 30, 34, 42, 49	
1, 5, 13, 20, 21, 29, 30, 34, 42, 49	103	Haberman, Boger ⁷		
1, 5, 13, 20, 21, 29, 30, 34, 42, 49	103	Vanluijt ⁸		
Overall Outcome			1, 5, 13, 20, 21, 29, 30, 34, 42, 49	

VII. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that claims 1, 5, 13, 20, 21, 29, 30, 34, 42, and 49 of the '267 patent are unpatentable; 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;

⁷ We do not reach this ground because it would not change the outcome of this case.

⁸ We do not reach this ground because it would not change the outcome of this case.

IPR2022-00131
Patent 8,639,267 B2

and

FURTHER ORDERED that Patent Owner's Motion to Strike
(Paper 27) is DENIED as moot.

IPR2022-00131
Patent 8,639,267 B2

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