

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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ZILLOW GROUP, INC. and ZILLOW, INC.,  
Petitioner,

v.

INTERNATIONAL BUSINESS MACHINES CORP.,  
Patent Owner.

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IPR2023-00259  
Patent 7,631,346 B2

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Before DAVID C. McKONE, MICHELLE N. WORMMEESTER, and  
ARTHUR M. PESLAK, *Administrative Patent Judges*.

McKONE, *Administrative Patent Judge*.

DECISION

Granting Institution of *Inter Partes* Review  
Granting Motion for Joinder  
*35 U.S.C. § 314; 35 U.S.C. § 315(c)*

## I. INTRODUCTION

Zillow Group, Inc., and Zillow, Inc. (collectively, “Petitioner”) filed a Petition (Paper 2, “Pet.”) requesting *inter partes* review of claims 1–20 of U.S. Patent No. 7,631,346 B2 (Ex. 1001, “the ’346 patent”). International Business Machines Corp. (“Patent Owner”) did not file a preliminary response to the Petition by the deadline to do so.

Additionally, Petitioner filed a Motion for Joinder Under 35 U.S.C. § 315(c) and 37 C.F.R. §§ 42.22 and 42.122(b) to Related *Inter Partes* Review IPR2022-00646. Paper 3 (“Joinder Mot.”). Patent Owner did not file an opposition to the Joinder Motion.

We have authority to determine whether to institute an *inter partes* review. *See* 35 U.S.C. § 314 (2016); 37 C.F.R. § 42.4(a) (2019). The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a), which provides that an *inter partes* review may not be instituted “unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” For the reasons explained below, we institute an *inter partes* review of the ’346 patent. We also join Petitioner as a party to IPR2022-00646.

## II. BACKGROUND

### A. Related Proceedings

Petitioner identifies the following related Federal district court cases: (1) *International Business Machines Corp. v. Rakuten, Inc.*, Civil Action No. 1:21-cv-00461-GBW (D. Del.); and (2) *International Business Machines Corp. v. Zillow Group Inc.*, Civil Action No. 2:20-cv-00851-TSZ (W.D. Wash.) (“Zillow litigation”). Pet. 1.

Petitioner also identifies several related requests for *inter partes* review, including *Kayak Software Corp. v. International Business Machines Corp.*, IPR2016-00608 and *Ebates Performance Marketing, Inc. dba Rakuten Rewards v. Int’l Business Machines Corp.*, IPR2022-00646 (“the Rakuten IPR”). *Id.* at 2. The Kayak IPR proceeded to a Final Written Decision (Ex. 1020 (IPR2021-00608, Paper 67)), was appealed to the United States Court of Appeals for the Federal Circuit, which reversed and remanded the decision (*International Business Machines Corp. v. Iancu*, 759 Fed. Appx. 1002 (Fed. Cir. Apr. 1, 2019) (Ex. 1006, “*IBM v. Iancu*”)), and settled after remand. Pet. 5.

The Board instituted an *inter partes* review in the Rakuten IPR. Rakuten IPR, Paper 10 (“Rakuten DI”). The Board denied rehearing of that decision. Rakuten IPR, Paper 33. Petitioner’s Joinder Motion seeks joinder with the Rakuten IPR. Joinder Mot. 1.

### III. INSTITUTION OF INTER PARTES REVIEW

#### *B. Evidence*

Petitioner relies on the references listed below.

| Reference          |                                                                                      | Date               | Exhibit No. |
|--------------------|--------------------------------------------------------------------------------------|--------------------|-------------|
| Sunada             | Japanese Publ’n No. Tokkai 2004-302907A <sup>1</sup>                                 | pub. Oct. 28, 2004 | 1005        |
| OASIS <sup>2</sup> | Assertions and Protocol for the OASIS Security Assertion Markup Language (SAML) V1.1 | Sept. 2, 2003      | 1013        |

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<sup>1</sup> We rely on a certified translation of the Japanese publication.

<sup>2</sup> According to SAML Conformance Program Specification, Exhibits 1014–1016 and 1023 “comprise the Version 1.1 specification set for SAML.” Ex. 1015, 6.

| Reference |                                                                                                  | Date               | Exhibit No. |
|-----------|--------------------------------------------------------------------------------------------------|--------------------|-------------|
|           | Bindings and Profiles for the OASIS Security Assertion Markup Language (SAML) V1.1               | Sept. 2, 2003      | 1014        |
|           | Conformance Program Specification for the OASIS Security Assertion Markup Language (SAML) V1.1   | Sept. 2, 2003      | 1015        |
|           | Security and Privacy Considerations for the OASIS Security Assertion Markup Language (SAML) V1.1 | Sept. 2, 2003      | 1016        |
|           | Glossary for the OASIS Security Assertion Markup Language (SAML) V1.1                            | Sept. 2, 2003      | 1023        |
| Dutcher   | US 6,092,199                                                                                     | iss. July 18, 2000 | 1007        |

Petitioner also relies on the Declaration of Mark E. Crovella, Ph.D (Ex. 1011).

*C. The Asserted Grounds of Unpatentability*

Petitioner contends that claims 1–20 are unpatentable under the following grounds. Pet. 4.

| Claims Challenged    | 35 U.S.C. §         | References                                  |
|----------------------|---------------------|---------------------------------------------|
| 1, 3, 12, 14, 15, 18 | 102(a) <sup>3</sup> | Sunada                                      |
| 1, 3, 12, 14, 15, 18 | 103(a)              | Sunada                                      |
| 1, 3, 12, 14, 15, 18 | 103(a)              | Sunada, Applicant Admitted Prior Art (AAPA) |
| 1–9, 11, 12, 14–20   | 103(a)              | Sunada, OASIS                               |

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<sup>3</sup> The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 287–88 (2011), amended 35 U.S.C. §§ 102 and 103. Because the ’346 patent was filed before March 16, 2013, the effective date of the relevant amendment, the pre-AIA versions of §§ 102 and 103 apply.

| Claims Challenged | 35 U.S.C. § | References             |
|-------------------|-------------|------------------------|
| 10, 13            | 103(a)      | Sunada, OASIS, Dutcher |

*D. Institution of Inter Partes Review*

This Petition is substantially identical to the petition in the Rakuten IPR, challenging the same patent and claims, based on the same grounds of unpatentability, and relying upon the same evidence (including the same prior art combinations supported by the same expert declaration). According to Petitioner, the Petition

involves the same patent, challenges the same claims, relies on the same expert declaration, and is based on the same grounds and combinations of prior art submitted in the Rakuten Petition. The Zillow Petition is substantively identical to the Rakuten Petition, containing only minor differences related to formalities of a different party filing the petition. Otherwise, the facts, citations, evidence, and arguments presented in the Zillow Petition are the same.

Joinder Mot. 5 (internal citations omitted); *see also id.* at 7 (The Petition “presents the unpatentability of the same claims of the same patent in the same way as the Rakuten Petition,” and “propose[s] no new grounds of unpatentability.”).

Patent Owner has not filed a preliminary response in this proceeding, and the deadline has passed for doing so. Therefore, at this stage and in this proceeding, Patent Owner has not raised any arguments in response to the substantive grounds of the Petition. Petitioner undertakes, if the Petition and Joinder Motion are granted, to assume an “understudy” role, and will not take an active role in the *inter partes* review proceeding unless the petitioner in the Rakuten IPR ceases to participate in the instituted IPR. Joinder Mot. 1, 5, 6. Petitioner contends that the proposed joinder will neither unduly

complicate the Rakuten IPR nor delay its schedule. *Id.* at 7–9. As such, Petitioner asserts, the joinder will promote efficiency in determining patentability of the '346 patent in the Rakuten IPR without prejudice to Patent Owner. *Id.*

In view of these representations by Petitioner, and having reviewed the Petition, we determine that, under the current circumstances, it is appropriate to exercise our discretion to institute *inter partes* review of the challenged claims based upon the same grounds authorized and for the same reasons discussed in the Rakuten DI. Petitioner has shown a reasonable likelihood that it would prevail with respect to each of the claims challenged in the Petition for the same reasons given in the Rakuten DI considering the same issues.

#### IV. PETITIONER'S JOINDER MOTION

As noted above, Petitioner requests joinder of this proceeding with the Rakuten IPR. Joinder Mot. 1.

Joinder in inter partes review proceedings is subject to the provisions of 35 U.S.C. § 315(c):

(c) JOINDER.—If the Director institutes an inter partes review, the Director, in his or her discretion, may join as a party to that inter partes review any person who properly files a petition under section 311 that the Director, after receiving a preliminary response under section 313 or the expiration of the time for filing such a response, determines warrants the institution of an inter parties review under section 314.

“To join a party to an instituted [inter partes review (IPR)], the plain language of § 315(c) requires two different decisions.” *Facebook, Inc. v. Windy City Innovations, LLC*, 973 F.3d 1321, 1332 (Fed. Cir. 2020). “First,

the statute requires that the Director (or the Board acting through a delegation of authority) . . . determine whether the joinder applicant's petition for IPR 'warrants' institution under § 314." *Id.* "Second, to effect joinder, § 315(c) requires the Director to exercise h[er] discretion to decide whether to 'join as a party' the joinder applicant." *Id.*

As the moving party, Petitioner bears the burden of proving that it is entitled to joinder. *See* 37 C.F.R. § 42.20(c). A motion for joinder should: (1) set forth the reasons joinder is appropriate; (2) identify any new grounds of unpatentability asserted in the petition; and (3) explain what impact (if any) joinder would have on the trial schedule for the existing review. *See Kyocera Corp. v. Softview LLC*, IPR2013-00004, Paper 15 at 4 (PTAB Apr. 24, 2013).

A motion for joinder must be filed "no later than one month after the institution date of any inter partes review for which joinder is requested." 37 C.F.R. § 42.122(b). Petitioner argues that the Joinder Motion is timely because it was filed within one month of the October 25, 2022, Rakuten DI. Joinder Mot. 3.

Petitioner argues that the Petition "is . . . narrowly tailored to the same claims, prior art, and grounds for unpatentability that are the subject of the Rakuten IPR." *Id.* at 1; *see also id.* at 4–5 ("[J]oinder will have minimal, if any, impact on the trial schedule, as all issues are substantively identical between the Zillow Petition and the Rakuten Petition."). As we explain above, the Petition is substantially identical to the petition in the Rakuten IPR.

Petitioner is "willing to streamline discovery and briefing and take an 'understudy' role." *Id.* at 1; *see also id.* at 5 ("Petitioners agree to take an

‘understudy’ role, so long as Rakuten is a party to the Rakuten IPR proceedings.”), 6 (“Petitioner[] agree[s] to accept an ‘understudy’ role in the Rakuten IPR to simplify discovery and minimize the burden on the parties and the Board.”). “Petitioner[] explicitly consent[s] to the existing trial schedule and agree[s] to take an ‘understudy’ role in the joined proceeding so long as Rakuten remains an active party in the joined proceeding.” *Id.* at

9. In particular, Petitioner agrees to the following terms:

- (a) all filings by Petitioner[s] in the joined proceeding be consolidated with the filings of the [Rakuten Petitioner], unless a filing solely concerns issues that do not involve [Rakuten Petitioner];
- (b) Petitioner[s] shall not be permitted to raise any new grounds not already instituted by the Board in the [Rakuten IPR], or introduce any argument or discovery not already introduced by [Rakuten Petitioner];
- (c) Petitioner[s] shall be bound by any agreement between Patent Owner and the [Rakuten Petitioner] concerning discovery and/or depositions; and
- (d) Petitioner[s] at deposition shall not receive any direct, cross examination or redirect time beyond that permitted for the [Rakuten Petitioner] alone under either 37 C.F.R. § 42.53 or any agreement between Patent Owner and the [Rakuten Petitioner].

*Id.* at 10 (quoting *Apple Inc. v. Solas OLED, Ltd.*, IPR2020-01275, Paper 7 at 3–6 (PTAB Dec. 21, 2020) (alterations by Petitioner)).

Petitioner also represents that it “[has] conferred with counsel for the Rakuten Petitioner, and the Rakuten Petitioner does not oppose Petitioner[] joining in the Rakuten IPR in an ‘understudy’ role.” *Id.* at 10–11.

*A. Whether the Petition Warrants Institution*

“The statute makes clear that the joinder decision is made *after* a determination that a petition warrants institution, thereby affecting the manner in which an IPR will proceed.” *Facebook*, 973 F.3d at 1332 (citing *Thyrv, Inc. v. Click-to-Call Techs., LP*, 140 S.Ct. 1367, 1377 (2020)).

As we explain above, Petitioner has shown a reasonable likelihood that it would prevail with respect to each of the claims challenged in the petition. Thus, Petitioner has shown that the Petition warrants institution.

*B. Whether to Join Petitioner as a Party to the Rakuten IPR*

The Joinder Motion, filed on November 25, 2022, was filed one month after the October 25, 2022, date of the Rakuten DI. Thus, the Joinder motion is timely. *See* 35 U.S.C. § 316(a)(12) (“The Director shall prescribe regulations— . . . (12) setting a time period for requesting joinder under section 315(c).”); 37 C.F.R. § 42.122(b) (“Any request for joinder must be filed, as a motion under § 42.22, no later than one month after the institution date of any *inter partes* review for which joinder is requested.”).

Patent Owner filed neither a preliminary response nor an opposition to the Joinder Motion. Thus, Petitioner’s Joinder Motion is unopposed.

The Petition does not present any new grounds or issues. Joinder Mot. 1, 4–5, 7. Petitioner agrees to the schedule in the Rakuten IPR and, thus, has shown that the trial schedule is not likely to be affected by joinder. *Id.* at 9. No changes in the schedule are anticipated or necessary, and the limited participation, if at all, of Petitioner will not impact the timeline of the ongoing trial.

Petitioner has agreed to an “understudy” role, which will simplify matters in the ongoing Rakuten IPR and will be an efficient use of resources. *Id.* at 1, 5, 6, 9–10. Petitioner will assume a primary role only if the Rakuten IPR petitioner ceases to participate in the IPR. *Id.*

Accordingly, we determine that Petitioner has met its burden of showing that we should exercise our discretion to join Petitioner to the Rakuten IPR (IPR2022-00646).

## V. CONCLUSION

Petitioner has established a reasonable likelihood that it would prevail with respect to at least one claim of the ’346 patent.

Our factual findings, conclusions of law, and determinations at this stage of the proceeding are preliminary, and based on the evidentiary record developed thus far. This is not a final decision as to the patentability of claims for which *inter partes* review is instituted. Our final decision will be based on the record as fully developed during trial.

Petitioner has shown that we should exercise our discretion to join Petitioner to the Rakuten IPR (IPR2022-00646)

## VI. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that pursuant to 35 U.S.C. § 314(a), an *inter partes* review is instituted as to claims 1–20 of the ’346 patent on the grounds set forth in the Petition; and

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial; the trial will commence on the entry date of this decision;

FURTHER ORDERED that Petitioner's Motion for Joinder with IPR2022-00646 (Paper 3) is granted, and Zillow Group, Inc., and Zillow, Inc., are hereby joined with Ebates Performance Marketing, Inc. DBA Rakuten Rewards as petitioner entities in IPR2022-00646;

FURTHER ORDERED that the grounds on which trial in IPR2022-00646 were instituted are unchanged, and no other grounds are added in IPR2022-00646;

FURTHER ORDERED that the Scheduling Order entered in IPR2022-00646 (Paper 11) and schedule changes agreed to by the parties in IPR2022-00646 (pursuant to the Scheduling Order) shall govern the trial schedule in IPR2022-00646;

FURTHER ORDERED that Petitioner's role in IPR2022-00646 shall be limited as stated by Petitioner in the Joinder Motion (Joinder Mot. 10) unless and until Ebates Performance Marketing, Inc. DBA Rakuten Rewards is terminated from that proceeding;

FURTHER ORDERED that the case caption in IPR2022-00646 shall be changed to reflect joinder of Zillow Group, Inc., and Zillow, Inc., as petitioner entities in accordance with the attached example;

FURTHER ORDERED that a copy of this Decision be entered into the record of IPR2022-00646; and

FURTHER ORDERED that all further filings shall be made in IPR2022-00646.

IPR2023-00259  
Patent 7,631,346 B2

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Patent 7,631,346 B2

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IPR2023-00259  
Patent 7,631,346 B2

PETITIONER:

Shawn D. Blackburn, Ph.D.  
SUSMAN GODFREY LLP  
sblackburn@susmangodfrey.com

PATENT OWNER:

Taeg Sang Cho  
Yung-Hoon Ha  
DESMARAIS LLP  
tcho@desmaraisllp.com  
yha@desmaraisllp.com