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Paper 17
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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BOX, INC. and DROPBOX, INC.,
Petitioner,

v.

TOPIA TECHNOLOGY, INC.,
Patent Owner.

IPR2023-00427
Patent 9,143,561 B2

Before THOMAS L. GIANNETTI, CHARLES J. BOUDREAU, and JOHN R. KENNY, *Administrative Patent Judges.*

GIANNETTI, *Administrative Patent Judge.*

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314
Granting Motions to Seal
37 C.F.R. § 42.14

I. INTRODUCTION

Box, Inc. and Dropbox, Inc. ("Petitioner") filed a Petition (Paper 3, "Pet.") requesting *inter partes* review of claims 1, 3, 4, 8, 10, and 11 (the "challenged claims") of U.S. Patent No. 9,143,561 B2 (Ex. 1001, "the '561 patent"). Topia Technology, Inc. ("Patent Owner") filed a Preliminary Response (Paper 7, "Prelim. Resp."). With our authorization, Petitioner filed a Preliminary Reply to Patent Owner's Preliminary Response (Paper 10, "Prelim. Reply"), and Patent Owner filed a Sur-reply to Petitioner's Preliminary Reply (Paper 14, "Prelim. Sur-reply").

The Board has authority to determine whether to institute *inter partes* review. *See* 35 U.S.C. § 314; 37 C.F.R. § 42.4(a). Under 35 U.S.C. § 314(a), we may not authorize an *inter partes* review unless the information in the petition and the preliminary response "shows that 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 stated below, we determine that Petitioner has established a reasonable likelihood that it would prevail with respect to at least one challenged claim. We therefore institute *inter partes* review as to all of the challenged claims of the '561 patent and all of the asserted grounds of unpatentability in the Petition.

II. BACKGROUND

A. Related Matters

The parties identify the following district court proceedings involving the '561 patent:

Topia Technology, Inc. v. Box, Inc., 6:21-cv-01372-ADA (W.D. Tex.)[1]

Topia Technology, Inc. v. Dropbox, Inc., SailPoint Technologies Holdings, Inc., and Clear Channel Outdoor Holdings, Inc., 6:21-cv-01373-ADA (W.D. Tex.)

Topia Technology, Inc. v. Egnyte, Inc., 1:21-cv-01821-CJB (D. Del.)

Topia Technology, Inc. v. Box, Inc., SailPoint Technologies Holdings, Inc., and Vistra, Inc., 6:20-cv-01175-ADA (W.D. Tex.)

Topia Technology, Inc. v. Box, Inc., 3:23-cv-00063-LB (N.D. Cal.)

Topia Technology, Inc. v. Dropbox, Inc., 3:23-cv-00062-AGT (N.D. Cal.)

Pet. 2; Paper 5, 1.

The parties identify the following related patents: U.S. Patent Nos. 10,067,942; 10,642,787; 10,289,607; 10,754,823; and 11,003,622. Pet. 3; Paper 5, 2.

The parties identify the following *inter partes* review proceedings involving the related patents: IPR2022-00782, IPR2023-00429, IPR2023-00430, IPR2023-00431, IPR2023-00432, and IPR2023-00433. Pet. 3; Paper 5, 3.

B. Real Parties-in-Interest

Petitioner identifies Box, Inc. and Dropbox, Inc. as the real parties-in-interest. Pet. 2. Petitioner states that "[t]he other defendants in the pending litigations, Vistra Corp., SailPoint Technologies Holdings, Inc., Clear Channel Outdoor Holdings, Inc., and Egnyte, Inc., are not real-parties-in-

[1] This case was transferred to the Northern District of California. *See* Ex. 2020, 2–3.

interest and have had no involvement with this proceeding but are identified here in the interest of over-inclusion." *Id.* Patent Owner contests this identification and contends that Petitioner fails to name Egnyte, Inc. ("Egnyte") as a real party-in-interest. Prelim. Resp. 1. We further discuss this issue *infra*.

Patent Owner identifies Topia Technology, Inc. as the real party-in-interest. Paper 5, 1.

C. The '561 Patent (Ex. 1001)

The '561 patent is titled "Architecture for Management of Digital Files Across Distributed Network." Ex. 1001, (54). The '561 patent relates to sharing files between electronic devices and aims to improve file transfer and synchronization between a user's multiple computing devices. *Id.* at 1:16–30, 4:41–46. Figure 2 of the '561 patent is reproduced below.

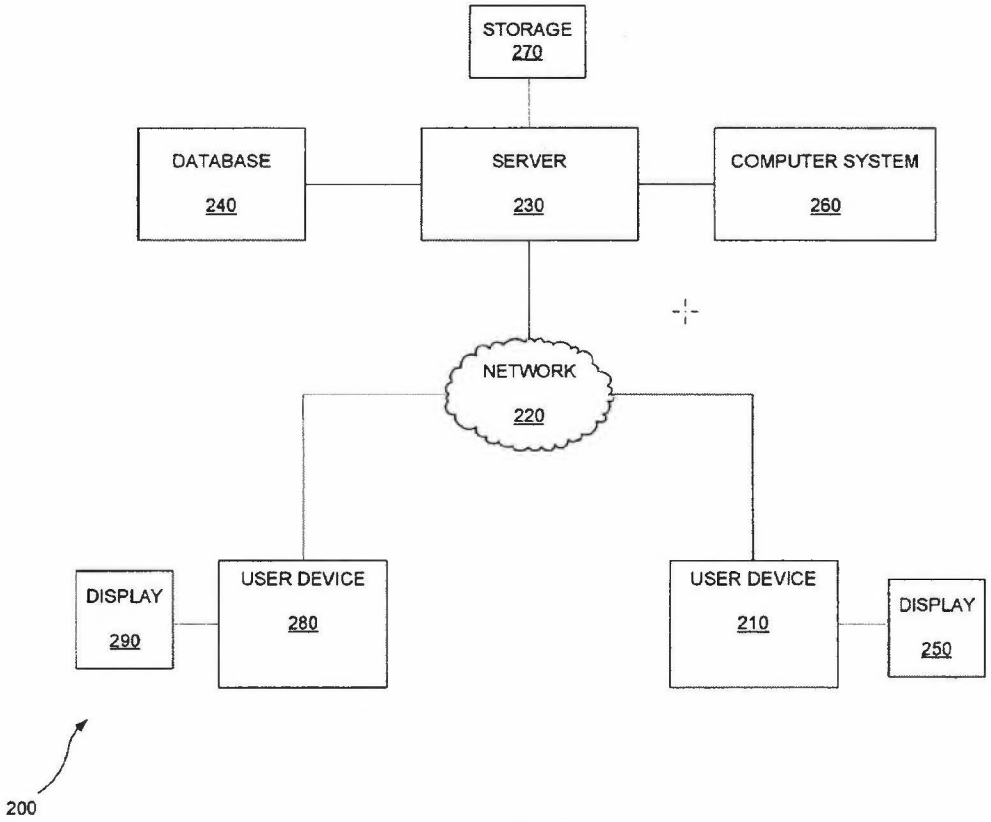


FIG. 2

Figure 2 shows computer network system 200 including electronic user devices 210, 280, such as personal computers or workstations, that are linked via network 220 (e.g., the Internet) to an electronic device or system, such as server 230. *Id.* at 7:14–20. Applications running on one or more user devices 210, 280 can cooperate in two-way communication with server 230 and one or more applications running on server 230. *Id.* at 7:36–41. A file-transfer and/or synchronization application installed on user devices 210, 280 having a user interface allows a user to view, access, and/or organize files to be synched among the user devices. *Id.* at 7:52–8:2.

In operation, a file that the user desires to be synched or shared is uploaded by user device 210 and received by server 230. *Id.* at 8:3–5, 8:19–31. Server 230 stores the received file to storage 270 if destination user device 280 is offline or otherwise temporarily not in communication with server 230. *Id.* at 8:12–15, 8:32–50. Upon resuming communication with destination user device 280, server 230 transfers the temporarily stored file to user device 280, whereupon the previous version of the file on user device 280 is replaced with the latest version of the file modified on user device 210. *Id.* at 8:15–18, 8:38–46. A similar reverse-direction synchronization process may be performed with regard to a file modified on user device 280 and synchronized to user device 210. *Id.* at 8:50–54.

D. Illustrative Claim

The Petition challenges claims 1, 3, 4, 8, 10, and 11, of which claims 1 and 8 are independent. Claim 1 is illustrative of the claimed subject matter and is reproduced below:[2]

> 1. [preamble] A system, comprising:
>
> [1a] a first electronic device configured to selectively execute a first application, the first electronic device being in communication with a second electronic device and a third electronic device, each associated with a user wherein the first electronic device is configured to:
>
> [1b] receive from a second application executable on the second electronic device a copy of a first electronic file automatically transferred from the second application when the user modifies a content of the first electronic file; and

[2] References provided by Petitioner appear in square brackets. *See* Pet. App. A.

[1c] wherein the first electronic device is further configured to receive from a third application executable on the third electronic device a copy of a second electronic file automatically transferred from the third application when the user modifies a content of the second electronic file; and

[1d] wherein the first application is further configured to automatically transfer the modified first electronic file copy to the third electronic device to replace an older version of the first electronic file stored on the third electronic device with the modified first electronic file copy having the content modified by the user; and

[1e] automatically transfer the modified second electronic file copy to the second electronic device to replace an older version of the second electronic file stored on the second electronic device with the modified second electronic file copy having the content modified by the user;

[1f] wherein the second application automatically transfers the copy of the modified first electronic file to the first electronic device upon determining that a save operation has been performed on the modified first electronic file.

Ex. 1001, 10:47–11:9.

E. Prior Art References and Other Evidence

Petitioner relies on the following references (Pet. 5):

1. U.S. Patent Application Publication 2007/0174246 A1 (July 26, 2007) (Ex. 1016, "Sigurdsson");

2. U.S. Patent Application Publication 2005/0091289 A1 (April 28, 2005) (Ex. 1020, "Shappell");

3. U.S. Patent 7,035,847 B2 (April 25, 2006) (Ex. 1025, "Brown"); and

4. U.S. Patent Application Publication 2005/0120082 A1 (June 2, 2005) (Ex. 1026, "Hesselink").

In addition to these references, Petitioner relies on a Declaration of Dr. Ravin Balakrishnan. Ex. 1028 ("Balakrishnan Decl."). Patent Owner has submitted a declaration of Prashant Shenoy, Ph.D. Ex. 2013 ("Shenoy Decl.").

F. The Asserted Grounds of Unpatentability

Petitioner asserts the following grounds of unpatentability. Pet. 5.

Claim(s) Challenged	35 U.S.C. §[3]	Reference(s)
1, 3, 4, 8, 10, 11	103(a)	Sigurdsson, Shappell
1, 3, 4, 8, 10, 11	103(a)	Brown, Hesselink

III. DISCRETIONARY DENIAL

Patent Owner contends that the Board should exercise its discretion to deny the Petition for two reasons. Prelim. Resp. 1–2. First, Patent Owner contends that "[Petitioner's] failure to name all real parties-in-interest ('RPIs'), including time-barred Egnyte, Inc. ('Egnyte'), necessitates denial of institution under 35 U.S.C. §315(b)." *Id.* Second, Patent Owner contends that "the Board should exercise its discretion to deny under 35 U.S.C. §314(a) 'because institution of a trial at the PTAB would be an inefficient use of Board resources in light of the 'advanced state' of the parallel district court litigation in which the petitioner had raised the same invalidity challenges' and would reward Petitioners' gamesmanship in their invalidity

[3] Because the earliest application from which the '561 patent issued was filed before March 16, 2013, the pre-AIA ("America Invents Act") version of § 103 applies. Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 285–88 (2011).

defense strategy." *Id.* at 3 (quoting *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 2 (PTAB Mar. 20, 2020) (precedential) ("*Fintiv*")). We address these in turn.

A. Failure to Name All RPIs

Patent Owner contends that Egnyte, the defendant in *Topia Technology, Inc. v. Egnyte, Inc.*, 1:21-cv-01821-CJB (D. Del.) (the "Egnyte Litigation"), should have been named in the Petition as a real party-in-interest. Prelim, Resp. 1–2. Patent Owner asserts that because Egnyte is "time-barred," naming Egnyte as a real party-in-interest "necessitates denial of institution under 35 U.S.C. §315(b)." *Id.*

Patent Owner contends that "[t]he facts demonstrate that Egnyte is both an RPI to this petition and a privy of [Petitioner]." *Id.* at 4. Patent Owner argues that "[f]or over 17 months, [Petitioner] and Egnyte have been intertwined with respect to not only this Petition, but also the co-pending litigations which involve the '561 Patent and its five related patents." *Id.* at 5. Patent Owner relies mainly on the alleged facts that Petitioner and Egnyte "share litigation counsel," specifically, Ms. Heidi L. Keefe, a partner at the law firm Cooley LLP and lead counsel in this proceeding, and further, that Petitioner and Egnyte "are pursuing a single and unified invalidity defense strategy in all forums." *Id.* Patent Owner asserts also that Egnyte and Petitioner "are parties to a joint defense agreement," and "have submitted *identical* invalidity contentions, of which the grounds in the Petition overlap." *Id.*

Petitioner responds that "Egnyte is not an RPI or privy" of Petitioner. Prelim. Reply 1–6. With its response, Petitioner submits a declaration from

Ms. Keefe. Ex. 1029 ("Keefe Decl."). Ms. Keefe testifies that her involvement in the Egnyte Litigation was limited to arguing a motion to dismiss based on 35 U.S.C. § 101 (lack of statutory subject matter). *Id.* ¶¶ 5, 16. She testifies that "[m]y oral argument on the Section 101 motion was the full extent of my representation of Egnyte. Neither I nor any other counsel for Petitioners involved in these IPRs have represented Egnyte on any other issue." *Id.*

Ms. Keefe also addresses the joint defense agreement ("JDA"). Keefe Decl. ¶ 6. She testifies that the JDA [redacted] *Id.* Further, she testifies that the JDA states that [redacted] *Id.*

As to Egnyte's "identical" preliminary invalidity contentions, Ms. Keefe testifies that "[n]either I nor anyone else at Cooley LLP advised Egnyte regarding what to include in its preliminary invalidity contentions." *Id.* ¶ 11. She states that [Petitioner] and Egnyte are "competitors" and "did

not collaborate in any way in developing [Petitioner's] IPRs." *Id.* ¶ 23. She testifies that Petitioner "independently prepared, funded, and filed the IPRs for [its] own benefit, without considering Egnyte's interests and with no input from Egnyte." *Id.* ¶ 20.

At her deposition, under cross-examination by Patent Owner's counsel, Ms. Keefe confirmed the statements in her declaration. She testified that her representation of Egnyte was "narrow." Ex. 2018, 37:9–12 ("[I] entered a pro hac [in the Egnyte Litigation] in order to represent Egnyte in the 101 hearing in Delaware. That was my narrow engagement. That is all I did. That's all I've ever done."). [redacted] *Id.* at 58:3–7, 58:16–19. She testified that she is not Egnyte's counsel in the litigation, but that they are represented by another firm, FisherBroyles. *Id.* at 48:7–8. She testified that her representation of Egnyte ended with arguing the 101 motion. *Id.* at 48:20–23. She testified, emphatically, that "I am not, have not, and will not represent Egnyte in the district court litigation in Delaware for anything other than the 101 oral argument that I represented them in." *Id.* at 85:15–18. On the subject of Egnyte's "identical" preliminary invalidity contentions, she confirmed that neither she nor Cooley advised Egnyte in preparing those contentions. *Id.* at 158:3–9. And she confirmed that the JDA [redacted]. *Id.* at 146:2–7.

Patent Owner responds that "in the midst of preparing the Petitions, lead counsel Ms. Keefe orchestrated a back-room, off-the-books deal to

represent long time Cooley client Egnyte in furtherance of a three-part master plan to circumvent the IPR statutory time bar and estoppel provisions." Prelim. Sur-reply 1. We do not agree. The evidentiary record before us, summarized *supra*, does not support the existence of any such "deal." Nor is there evidence before us that Egnyte was a "long time Cooley client."[4] Instead, the testimony of Ms. Keefe, undisputed at this stage, establishes that it was "agreed" she would argue the Section 101 motion for Egnyte because of her prior "extensive experience" arguing such motions in the District of Delaware. Keefe Decl. ¶ 4. She argued the motion on December 20, 2022, and at that point, her involvement and that of her firm in the Egnyte Litigation ended. *Id.* ¶¶ 4–5. We find, therefore, that there is no record support for Patent Owner's allegation of collusion between Ms. Keefe and Egnyte "to circumvent the IPR statutory time bar and estoppel provisions." *See* Prelim. Resp. 1.

As Petitioner points out, the sharing of trial counsel in district court by a non-party to an IPR accused of infringing the same patent as the petitioner is a common occurrence, and by itself it is insufficient to make that non-party a real party-in-interest. Prelim. Reply 4 (citing *Adobe Inc. v. Rah Color Technologies LLC*, IPR2019-00629, Paper 35 at 12–13 (PTAB Sept. 4, 2019)). That is especially true here, where any overlapping representation was "narrow," and the accused products in the pending litigations are different. *Id.*; *see* Keefe Decl. ¶ 14 ("PO is accusing different

[4] Ms. Keefe was unsure whether Egnyte was a former or current client of Cooley. Ex. 2018, 36:5–7.

products of infringement in the Egnyte litigation from those accused in the litigations involving [Petitioner].").

Patent Owner relies heavily on *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336 (Fed. Cir. 2018) ("*AIT I*"), on remand, *RPX Corp. v. Applications in Internet Time, LLC*, IPR2015-01750, Paper 128 at 5 (PTAB Oct. 2. 2020) (precedential) ("*AIT II*"). Prelim. Resp. 6; Prelim. Sur-reply 4–7. In *AIT I*, the Federal Circuit, in remanding the case to the Board, instructed that "[d]etermining whether a non-party is a 'real party in interest' demands a flexible approach that takes into account both equitable and practical considerations, with an eye toward determining whether the non-party is a clear beneficiary that has *a preexisting, established relationship with the petitioner*." *AIT I*, 897 F.3d at 1351 (emphasis added).

According to Patent Owner, "[t]he focus of the real-party-in-interest inquiry is on the patentability of the [challenged] claims . . . , *bearing in mind who will benefit* from having those claims canceled or invalidated." Prelim. Resp. 6–7 (quoting *AIT II*, Paper 128 at 5) (second and third alterations in original). We do not agree that either *AIT I* or *AIT II* supports this argument as presented by Patent Owner on the facts before us. The Federal Circuit's analysis in *AIT I* went far beyond determining only whether a party benefits from the filing of the petition. For example, the Federal Circuit's analysis required determining whether "the non-party . . . has a preexisting, established relationship with the petitioner." *AIT I*, 897 F.3d at 1351. The record in this case provides no persuasive evidence of such a "preexisting, established relationship" between Petitioner and Egnyte.

Many other facts were considered by the Federal Circuit in *AIT I*, including evidence of close cooperation between RPX and Salesforce (the unnamed alleged RPI). Those facts included, for example, the following:

> 1. Testimony regarding "six communications between RPX and Salesforce employees in which the AIT-Salesforce Litigation and/or the AIT Patents were mentioned or discussed."
>
> 2. The first of these communications was initiated by RPX, during which RPX "mentioned that RPX had become aware that Salesforce had been sued by AIT"; "provided a small amount of information" that RPX knew about the litigation; indicated that, although RPX did not have knowledge of AIT's expectations for its litigation campaign, it had previous dialogue on other matters with the same counsel who was representing AIT in the litigation; and offered to reach out to that counsel.
>
> 3. The following month, after Salesforce "had just renewed its membership agreement with RPX," an in-person meeting was held during which Salesforce "indicated that it would be interested if RPX could reach out to AIT and find out any information regarding AIT's expectations for its litigation campaign."
>
> 4. During a phone call, Salesforce "again indicated that it would be interested in any information RPX could obtain concerning AIT's expectations for its litigation campaign." Shortly after this third communication, Salesforce filed its CBM petitions.
>
> 5. RPX initiated a call to Salesforce approximately two weeks later, during which Salesforce informed RPX that it had filed the CBM petitions, that a stay would therefore be granted in the district court litigation, and that Salesforce no longer was interested in having RPX reach out to AIT to obtain information about AIT's expectations for that litigation.

AIT I, 897 F.3d at 1342. These facts were considered in the Board's decision on remand, along with the nature of RPX's "business model" and Salesforce's "relationship with RPX." *AIT II*, Paper 128 at 10–15, 20–23.

Unlike in *RPX*, there is no evidence of record that Petitioner's "business model" involves filing patent challenges for the benefit of other entities. *See AIT II*, Paper 128 at 13 ("[A]s the Federal Circuit noted, RPX's SEC filing states that one of [RPX's] strategies for transforming the patent market is the facilitation of challenges to patent validity.") (citing *AIT I*, 897 F.3d at 1351) (alterations in original) (internal quotation marks omitted). And here, in contrast to *AIT I* and *AIT II*, there is no evidence of record of any preexisting relationship or close cooperation between Petitioner and Egnyte regarding the contents of the Petition. *See* Keefe Decl. ¶ 23 (Petitioner and Egnyte "had no pre-filing communications regarding the potential content of [Petitioner's] IPR petitions."). Nor is there any evidence of the other factors considered by the Federal Circuit in *AIT I*, such as evidence of a "very significant payment shortly before" the petition was filed, *AIT I*, 897 F.3d at 1342, or evidence that Petitioner has held itself out as an "extension of a client's in-house legal team," *id.* at 1357.[5] Nor is there any evidence here of overlapping board of director members between the petitioner and the unnamed party, as there was in *AIT I*. 897 F.3d at 1354; *see* Keefe Decl. ¶ 23 ("Petitioners and Egnyte are competitors, share no board members, and had no pre-filing communications regarding the potential content of Petitioners' IPR petitions.").

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[5] Ms. Keefe testified that [redacted]. Ex. 2018, 58:3–8.

These factors from *AIT I* are cited and relied on by the Board on remand in *AIT II*. *See, e.g.*, *AIT II*, Paper 128 at 11 (business model), 20 (pre-existing relationship). 27 (overlapping board members), 29 (communications with petitioner). Having considered the facts of record in this case, at this stage, we determine that Patent Owner's reliance on *AIT I* and *AIT II* as support for its dismissal argument is misplaced. For the foregoing reasons, on this record, we determine that Petitioner has met its burden of identifying all RPIs. We therefore deny Patent Owner's request to dismiss the Petition because of a failure to name Egnyte as a real party-in-interest.

We now address Patent Owner's passing argument that Egnyte is a privy of Petitioner. Prelim. Resp. 4. Citing *Taylor v. Sturgell*, 553 U.S. 880 (2008), our Consolidated Trial Practice Guide[6] explains that "[t]here are multiple factors relevant to the question of whether a non-party may be recognized as a . . . privy." *Id.* at 15 (internal quotation marks omitted). *Taylor* provides a well-known listing of factors that "provide a framework" for determining privity. *Taylor*, 553 U.S. at 893 & n.6. One such factor asks "whether the relationship between the purported 'privy' and the relevant other party is sufficiently close such that both should be bound by the trial outcome and related estoppels." Consolidated Trial Practice Guide at 14–15.

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[6] Patent Trial and Appeal Board Consolidated Trial Practice Guide (November 2019), available at https://www.uspto.gov/TrialPracticeGuideConsolidated.

Other than its passing reference to privity, Patent Owner does not address the *Taylor* framework or otherwise support its assertion of privity between Petitioner and Egnyte. For the reasons discussed, we conclude that the sparse record before us does not demonstrate that Egnyte is a privy of Petitioner.

B. Fintiv

Patent Owner contends that "the Board should exercise its authority and deny institution in view of *Fintiv* and judicial economy." Prelim. Resp. 18–28. Patent Owner asserts that "[d]iscretionary denial is warranted here because institution would be an inefficient duplication of multiple parallel district court litigations and would unjustly reward Egnyte's and Petitioners' strategic gamesmanship to use this Petition as a consequence-free trial balloon for arguments and evidence that will be used in their district court litigation involving the . . . '561 patent." *Id.* at 21.

The Board's precedential decision in *Fintiv* identifies a non-exclusive list of factors we may consider when there is a related, parallel district court action to determine whether such action provides any basis for discretionary denial. *Fintiv*, Paper 11 at 5–16. Those factors include:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;

5. whether the petitioner and the defendant in the parallel proceeding are the same party; and

6. other circumstances that impact the Board's exercise of discretion, including the merits.

Id. at 5–6. In evaluating the *Fintiv* factors, we take "a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review," recognizing that "there is some overlap among these factors" and that "[s]ome facts may be relevant to more than one factor." *Id.* at 6.

On June 21, 2022, the Director of the United States Patent and Trademark Office issued a Memorandum setting forth an "Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation," ("Guidance Memo"). Ex. 2007. The Director's Guidance Memo states that "[w]hen a petitioner stipulates not to pursue in a parallel district court proceeding the same grounds as in the petition or any grounds that could have reasonably been raised in the petition, it mitigates concerns of potentially conflicting decisions and duplicative efforts between the district court and the PTAB." *Id.* at 7 (citing *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 18–19 (PTAB Dec. 1, 2020) (precedential)). In discussing the impact of filing this so-called *Sotera* stipulation, the Guidance Memo instructs: "[T]he PTAB *will not discretionarily deny institution* . . . where a petitioner stipulates not to pursue in a parallel district court proceeding the same grounds as in the petition or any grounds that could have reasonably been raised in the petition." *Id.* (emphasis added).

Petitioner responds to Patent Owner's argument for discretionary denial under *Fintiv* by stating that "Petitioners have now submitted a binding *Sotera* stipulation that negates any argument against institution under *Fintiv*." Prelim. Reply 6–7. Patent Owner responds that Petitioner's stipulation is "woefully deficient." Prelim. Sur-reply 8. Patent Owner argues that the stipulation is "deficient" because it has not been filed in district court. *Id.* at 7–8. This argument is unavailing. At this stage, we have no reason to question that Petitioner will honor its stipulation and, if necessary, Patent Owner or Petitioner can file the stipulation in district court. *See* Ex. 1034. Nor are we persuaded by Patent Owner's argument that the Director's Guidance Memo did not "contemplate the present circumstances where an unnamed RPI and privy of Petitioners is, absent intervention, free to raise Petitioners' same (and more) invalidity contentions." *Id.* at 8. This argument is speculative in two ways: first, in opining on what was in the minds of the Director and her staff in formulating the Guidance Memo, and second, in predicting the ultimate effect the stipulation will have on the pending litigations, which will be determined by the respective district court judges.

While we are not persuaded by Patent Owner's arguments that we should dismiss the Petition under *Fintiv*, and notwithstanding the Guidance Memo's instruction that the PTAB "will not discretionarily deny institution" where the petitioner files a *Sotera* stipulation, even absent the stipulation, we would not be persuaded that the *Fintiv* factors compel discretionary dismissal.

The litigation involving Petitioner and Patent Owner has been transferred from Texas to California. Prelim. Resp. 20. According to Patent Owner, discovery in California is "ongoing." We have not been further apprised of a trial date or the progress of the California case since the transfer. Thus, we cannot say that there is a trial date to compare with our final written decision due date to assess its proximity, or that there has been a "substantial investment" in the case. *See Fintiv* factors 2 and 3, *supra*.

Instead, Patent Owner relies on the activities and scheduled trial date (July 22, 2024) in the Egnyte Litigation. That projected trial date (if it holds) is less than a month before the due date of our Final Written Decision, and this projection does not take into account the Guidance Memo's instruction that "[p]arties may present evidence regarding the most recent statistics on median time-to-trial for civil actions in the district court in which the parallel litigation resides for the PTAB's consideration." Guidance Memo 7–8 (footnote omitted).

In *Fintiv*, the IPR and district court litigation involved the same parties. *See Apple Inc. v. Fintiv Inc.*, IPR2020-00019, Paper 15 at 15 (PTAB May 13, 2020). Here, Petitioner is not a party to the Egnyte Litigation.

In summary, even if we were to disregard Petitioner's stipulation and consider the Egnyte Litigation, the relevant *Fintiv* factors do not favor discretionary denial of the Petition. Neither case has been stayed. *See Fintiv* factor 1, *supra*. As far as we are aware, no trial date is scheduled in the California case. The scheduled trial date in the Egnyte Litigation is close to the final decision due date. *See Fintiv* factor 2, *supra*. There is insufficient

evidence of a heavy investment in either litigation. *See Fintiv* factor 3. *supra*. And the Egnyte Litigation involves different parties. *See Fintiv* factor 5, *supra*. Thus, even without Petitioner's stipulation, we would not be inclined to exercise our discretion to dismiss the Petition under *Fintiv*.[7]

C. General Plastic

Patent Owner's argument for dismissal under *General Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16 (PTAB Sept. 6, 2017) (precedential in relevant part), is likewise unavailing. Prelim. Resp. 28–34. Patent Owner relies on a petition in IPR2022-00782 previously filed by Unified Patents LLC ("Unified") challenging U.S. Patent No. 10,067,942. *Id.* at 28. According to Patent Owner, the patent challenged by Unified is related to the '561 patent. *Id.* Patent Owner contends that one of the petitioners in this case (Dropbox) is "a member of Unified's 'cloud zone' technology group, which . . . demonstrates an RPI relationship with Unified." *Id.* Patent Owner claims that Petitioner was able to use the filings in Unified's case (which was terminated after institution) "as a roadmap." *Id.*

In *General Plastic*, the Board articulated a list of non-exclusive factors to be considered in determining whether to exercise discretion under § 314(a) to deny a petition:

1. whether the same petitioner previously filed a petition directed to the same claims of the same patent;

[7] Because the *Fintiv* factors do not favor denial even apart from Petitioner's stipulation, whether Egnyte agrees to the stipulation is not material to our analysis.

2. whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it;

3. whether at the time of filing of the second petition the petitioner already received the patent owner's preliminary response to the first petition or received the Board's decision on whether to institute review in the first petition;

4. the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition;

5. whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;

6. the finite resources of the Board; and

7. the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.

General Plastic, Paper 19 at 16.

We do not find Patent Owner's arguments for denial under *General Plastic* to be persuasive. As Patent Owner itself recognizes, "Unified challenged different claims on a different patent." Prelim. Resp. 30. Furthermore, different prior art was involved in the earlier proceeding, and there is no indication that the prior art presented here responds to any identified deficiencies in the earlier art, thus diminishing the possibility of "road mapping." Prelim. Reply 7. The Unified IPR was terminated before a final written decision, further limiting any information Petitioner may have received from that proceeding. *Id.* at 8. Thus, at least *General Plastic* factors 1 and 3 weigh against exercising our discretion to deny the petition.

The remaining *General Plastic* factors do not favor denying institution for the reasons given by Petitioner. *See* Prelim. Reply 7–8. In view of the weight of these other factors disfavoring dismissal, we need not reach whether Dropbox and Unified have "an RPI relationship."

IV. ANALYSIS OF THE CHALLENGED CLAIMS

A. Obviousness

A claim is unpatentable under 35 U.S.C. § 103(a) if the differences between the claimed subject matter and the prior art are such that the subject matter, as a whole, would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007).

The question of obviousness is resolved on the basis of underlying factual determinations, including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of skill in the art; and (4) so-called "secondary considerations," including commercial success, long-felt but unsolved needs, failure of others, and unexpected results. *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966). At this stage, neither party has presented any evidence on the fourth *Graham* factor.

B. Level of Ordinary Skill in the Art

According to Petitioner, a person of ordinary skill in the pertinent art "would have possessed a bachelor's degree in computer science (or similar degree), and two years of work experience developing software, including at least some experience with storage, synchronization, and human-computer interaction technologies." Pet. 7 (citing Balakrishnan Decl. ¶¶ 15–21).

Petitioner adds that "[a] person could also have qualified with more formal education and less technical experience, or vice versa." *Id.* (citing Balakrishnan Decl. ¶¶ 17, 21).

Patent Owner does not provide a description of the person of ordinary skill.

We adopt the formulation of the level of ordinary skill in the art proposed by Petitioner as it is consistent with the prior art before us in this proceeding.

C. Claim Construction

Neither party proposes claim constructions for our consideration. Petitioner "do[es] not believe express claim construction is presently necessary." Pet. 7 (citing Balakrishnan Decl. ¶¶ 22–27). Petitioner indicates that in the pending litigation, Patent Owner proposes that no terms need construction and Petitioner proposes a construction for transferring a file "when" the user modifies the file. *Id.* at 7–8 (citing Ex. 1027). According to Petitioner, that construction is satisfied by the grounds asserted by Petitioner in this proceeding. *Id.*

We construe claim terms only as relevant to the parties' contentions and only to the extent necessary to resolve the issues in dispute. *See Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999); *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017). At this stage, we do not see the need to construe claim terms to resolve the issues in dispute.

D. Description of the Prior Art References

1. Sigurdsson (Ex. 1016)

Sigurdsson discloses a system for sharing and synchronizing content across a user's multiple computing devices. Ex. 1006 ¶¶ 2, 4, 16. Figure 4 of Sigurdsson is reproduced below.

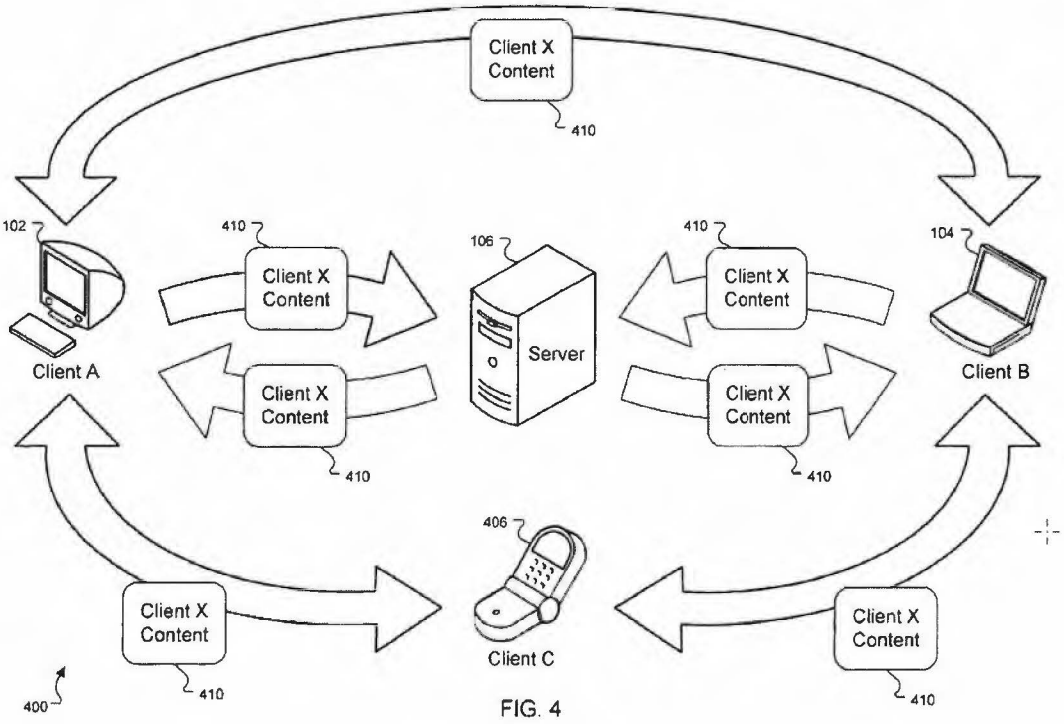


FIG. 4

Figure 4 of Sigurdsson is a schematic showing system 400 for sharing and synchronizing content using a mixed peer-to-peer and client/server architecture. *Id.* ¶ 51. Server 106 is used to share content among Client A 102, Client B 104, and Client C 406, which may include, e.g., home computers, work computers, and mobile computers such as cell phones. *Id.* ¶¶ 27, 51.

For example, a user at Client A 102 may edit and save a document on their work computer. *Id.* ¶ 52. Client X content 410 originating on

Client A 102, which can include a copy of the document saved by the user as well as metadata, is posted to server 106. *Id.* ¶ 54. Server 106 stores Client X content 410 and, upon receiving a request for missing content from, e.g., client B 104, transmits Client X content 410 to Client B 104. *Id.* ¶¶ 46, 55. Each of Clients 102, 104, 408 can push new data to other clients instead of waiting until the other clients send a request for missing content. *Id.* ¶ 84.

System 400 can enable peer-to-peer content sharing and synchronization for clients that are currently online to share Client X content 410 directly between the clients. *Id.* ¶ 62. For system 400 to supply client X content 410 to an offline client, server 106 can be used as a drop box for Client X content 410 until the offline client comes online again. *Id.* ¶ 62.

2. Shappell (Ex. 1020)

Shappell discloses a computer network system that enables users to share files in a server-less shared memory space. Ex. 1020, (57), ¶ 1. Files in the shared space can be copied to a user's local machine. *Id.* ¶ 62. When a modification of a file contained in the shared space occurs, machines that have previously obtained a copy of the shared file will remove the local copy of the out-of-date file and obtain an updated version of the file. *Id.* ¶ 81.

3. Brown (Ex. 1025)

Brown discloses client machines synchronizing with each other by synchronizing to a common server account. Ex. 1025, 2:65–67. Figure 1 of Brown is reproduced below.

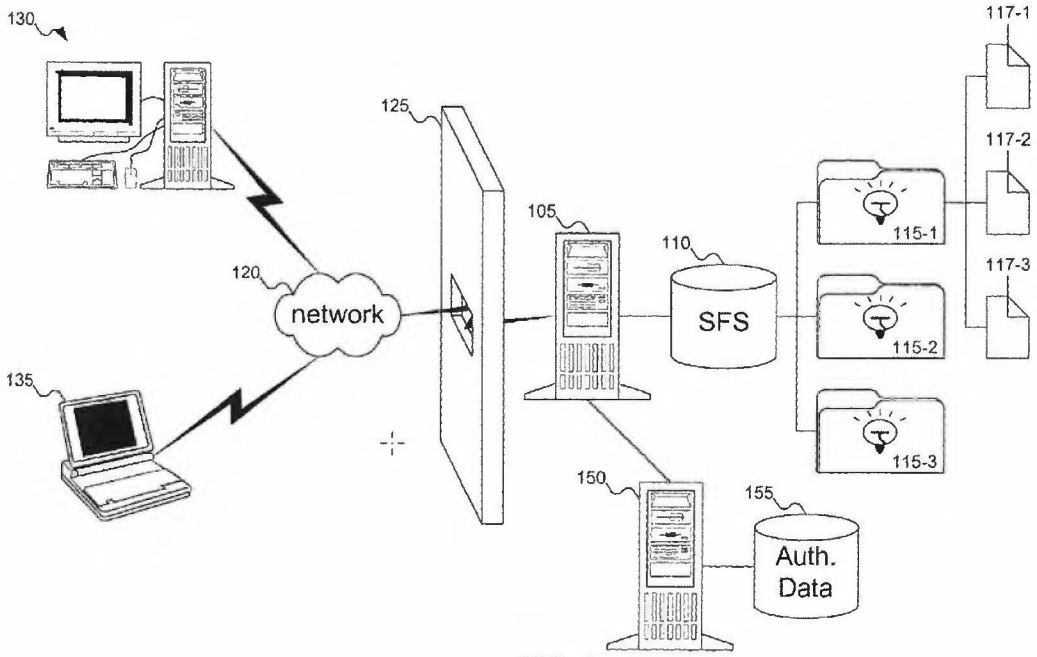


FIG. 1

Figure 1 of Brown shows server 105 with clients 130, 135 accessing files stored on server 105. *Id.* at 3:54–56. Server 105 includes server Synchronization File System (SFS) 110 with a functional interface and metadata organization that enables synchronization by clients 130, 135. *Id.* at 2:59–62. Clients 130, 135 include a client Synchronization Application (SA) that uses server SFS 110 to synchronize local client data with server 105. *Id.* at 2:63–65. The synchronization process is initiated by a client SA when it makes a sync poll call to server 105, passing to it a client sync index (CSI) identifying its current known state of the server account. *Id.* at 5:14–17.

If a server sync index (SSI) value representing the state of the server account matches the CSI value passed in by the polling client, the client is up to date with the current state of its server account. *Id.* at 5:3–13, 5:17–19.

In that case, server SFS 110 returns the SSI (having the same value as the CSI) back to the client. *Id.* at 5:19–21. Otherwise, server SFS 110 returns the SSI along with server metadata information the client needs to transition its account from its current state to the current state of server 105. *Id.* at 5:21–24. The client SA also monitors local file system activity on the client and sends changes to server SFS 110 during synchronization. *Id.* at 3:46–50.

4. Hesselink (Ex. 1026)

Hesselink discloses synchronization of files among a user's multiple computers. Ex. 1026 ¶ 210. "[A] user may choose to always synchronize all copies of a file, wherein, whenever the user makes a change to that file locally, at any location, then all of the devices which subscribe to that file are automatically updated immediately." *Id.*

E. Obviousness of Claims 1, 3, 4, 8, 10, and 11 Based on Sigurdsson and Shappell

1. Claim 1

Petitioner asserts that claim 1 would have been obvious in light of Sigurdsson and Shappell. Pet. 12–33. Petitioner provides an element-by-element claim analysis,[8] supported by expert testimony. *See id.*; Balakrishnan Decl. ¶¶ 500–537.

Petitioner contends that each element of claim 1 is met by Sigurdsson and Shappell.

[8] Our analyses in this and the following sections track Petitioner's paragraph references for the claim limitations. *See* Pet. App. A.

a) Preamble[9]

Petitioner contends the preamble of claim 1 ("A system comprising . . . .") is met by the system comprising Sigurdsson's Clients A-C and server 106 in Figure 4, reproduced in Section IV.D.1, *supra*. Pet. 14.

b) Limitation 1a

Petitioner identifies server 106 in Figure 4 of Sigurdsson as the "first electronic device" in claim limitation 1a. Pet. 15. Petitioner identifies Synchronization Manager 332, included within server 106, as the claimed "first application." *Id.* Petitioner identifies Sigurdsson's Client A and Client C as the second and third electronic devices, respectively. *Id.* at 17.

c) Limitation 1b

Petitioner contends this limitation is met by Sigurdsson. Pet. 19–21. Petitioner contends that Sigurdsson's server 106 is "configured to receive . . . a copy of a first electronic file in the form of, for example, a very large maintenance manual." *Id.* at 19 (internal quotation marks omitted) (alteration in original). Petitioner contends that in Sigurdsson, "Client A may automatically transfer a copy of a first electronic file (maintenance manual) from the second application (HTTPS Client/server) when the user modifies a content of the first electronic file." *Id.* (internal quotation marks and emphasis omitted).

d) Limitation 1c

Petitioner contends this limitation is met by Sigurdsson. Pet. 21–22. Petitioner explains that "Sigurdsson describes Client C as operating similarly

[9] We do not express a view on whether the preambles of claims 1 or 8 are limiting.

to Client A, and it would have been obvious to include the same components in Clients A and C to implement the functionality recited in claim [1b] using Client C to automatically transfer a file to the server." *Id.*

e) Limitation 1d

Petitioner relies on Sigurdsson and Shappell as teaching or suggesting this limitation. Pet. 23–29. Petitioner explains that "[i]n connection with the embodiment in Figure 6, Sigurdsson explains that Server 106 may send content, such as the modified maintenance manual received from Client A, to another client, such as Client C, in order to keep Client C up-to-date with the latest file changes from other clients." *Id.* at 23 (citing Ex. 1016 ¶ 80). Petitioner contends that "[i]t would have been obvious to practice this limitation in view of additional examples in Sigurdsson, which teach or suggest receiving Client A content at Server 106 and automatically transferring the content to Client B, C, or any other client. *Id.* (citing Ex. 1016 ¶ 68; Balakrishnan ¶¶ 521–523). Petitioner contends further that "[a person of ordinary skill] would have been motivated to use these teachings and Server 106 to automatically transfer the modified first electronic file copy (e.g., maintenance manual) to the third electronic device (Client C)." *Id.* at 24 (citing Balakrishnan Decl. ¶¶ 521–525) (internal quotation marks and emphases omitted).

Petitioner contends further that "[i]t would have been obvious in view of Sigurdsson that the first electronic file could be received and stored on the third electronic device." *Id.* at 25 (citing Ex. 1016 ¶ 81) (internal quotation marks and emphases omitted). Also, "[i]t would have been obvious in view of Sigurdsson in combination with Shappell to replace an older version of

the first electronic file stored on the third electronic device with the modified first electronic file copy having the content modified by the user." *Id.* at 26–27 (citing Balakrishnan Decl. ¶¶ 527–533) (internal quotation marks and emphases omitted).

Petitioner contends it would have been obvious to combine Sigurdsson and Shappell: "It would have been obvious to combine Sigurdsson with Shappell's teachings, predictably resulting in Sigurdsson's system where a modified file received from an originating client is automatically forwarded to a receiving client after receipt of the file at Server 106, to replace an older version of the file stored at the receiving client." *Id.* at 30. Petitioner explains that "[t]he combination would have straightforwardly combined prior art elements according to known techniques." *Id.* Petitioner continues that the combination would "predictably improve Sigurdsson's system in the same way the relevant features enhance Shappell's disclosed systems." *Id.* (citing Balakrishnan ¶¶ 183, 533).

Patent Owner's response to this challenge to claim 1 focuses mainly on this claim limitation, and, to a lesser degree, claim limitation 1e. Prelim. Resp. 34. Patent Owner contends that Sigurdsson does not disclose "a first electronic device configured to automatically transfer the modified first electronic file copy to the third electronic device." *Id.* at 35–47. Patent Owner argues that "Sigurdsson discloses anything but a server automatically transferring a modified first electronic file copy." *Id.* at 36. This argument by Patent Owner will be discussed *infra*.

f) Limitation 1e

Petitioner's analysis of this limitation refers back to claim limitations 1c and 1d. Pet. 31–32. Petitioner contends that "[f]or the reasons discussed above in connection with claims [1c] and [1d], it would have been obvious to automatically transfer the modified second electronic file copy (small office memo) from the server, via the server's first application, to Client A (second electronic device) to replace an older version of the second electronic file stored on the second electronic device with the modified second electronic file copy having the content modified by the user." *Id.* at 31 (citing Balakrishnan Decl. ¶¶ 534–535) (internal quotation marks and emphases omitted).

Patent Owner contends that Sigurdsson and Shappell do not disclose this limitation. Prelim. Resp. 34. Patent Owner's argument is similar to its contention for claim limitation 1d. Prelim. Resp. 34. These arguments will be discussed *infra*.

g) Limitation 1f

To meet this limitation, Petitioner relies on Sigurdsson. Pet. 32–33. Petitioner explains that "Sigurdsson discloses that the second application (e.g., the HTTPS Client/server on Client A) may automatically transfer[] the copy of the modified first electronic file to the first electronic device upon determining that a save operation has been performed on the modified first electronic file." *Id.* at 32 (citing Balakrishnan ¶¶ 536–537) (internal quotation marks and emphases omitted) (alteration in original).

h) Discussion

Patent Owner's response to Petitioner's claim 1 analysis focuses on the "automatic transfer" recitation in limitation 1d: "wherein the first application is further configured to *automatically transfer* the modified first electronic file copy to the third electronic device." Prelim. Resp. 35–47; Ex. 1001, 10:62–64 (emphasis added). Patent Owner contends that "[a]ccording to the claims of the '561 Patent, it is the first electronic device that 'automatically transfers' the modified first electronic file copy to the third electronic device." Prelim. Resp. 36. Patent Owner contends that "[t]o the contrary, Sigurdsson discloses a system, in which, a receiving device (i.e., a Client C 406) performs several operations before *requesting a copy* of missing content." *Id.* at 35–36 (emphasis added). Patent Owner contends that Shappell does not "cure the deficiencies of Sigurdsson." *Id.* at 47.

We disagree with Patent Owner's argument that Sigurdsson does not teach or suggest the automatic transfer of a modified file from the server to a third electronic device. Sigurdsson expressly teaches the transfer of a modified file from its server 106 to its Client C (the third electronic device) in its descriptions of step 626 and of the "alternative embodiment of step 606" in the sequence diagram of Figure 6. Ex. 1016 ¶¶ 68, 80, Fig. 6. "In step 626, the server sends the missing content to the third client. For example, referring to FIG. 4, the Server 106 sends the Client X Content 410 to the Client C 406." *Id.* ¶ 80. Similarly, with the alternative embodiment of step 606, "the Client X Content 410 can be sent directly to the Server 106, thus bypassing the Client B 104. The *Server 106 can then transmit the content to* the remaining client peers, such as the *Clients B and C*." Ex. 1016 ¶ 68 (emphasis added).

Patent Owner argues that the transfer in step 626 is not automatic (from the perspective of the server) because Sigurdsson describes this transfer as being initiated by requests from Client C: a list of missing content in step 612 and a request for missing content in step 618. Prelim. Resp. 36–41. Petitioner does not appear to contend otherwise. Pet. 26.

Sigurdsson, however, does not describe the transfer of a modified file with the alternative embodiment of step 606 as resulting from any request from Client C. Ex. 1016 ¶ 68. Referring to Figure 6 of Sigurdsson, Patent Owner nevertheless implicitly argues that, in context, the transfer described in the alternative embodiment of step 606 is only the transfer described in step 626. Prelim. Resp. 42 ("[W]hen viewed under proper context, Sigurdsson discloses that only if the server 106 receives a request for the content from the Client C 406 (step 620), will the server provide the content to the client (step 626)."). We do not read Sigurdsson's disclosure so narrowly. Figure 6 is described as a "sequence diagram showing an illustrative method for sharing and synchronizing content . . . when a client that is offline comes online." Ex. 1016 ¶ 21. Sigurdsson does not preclude step 620 and its associated steps 612–618 and 626–630 from performing the transfer described in the alternative embodiment of step 606 "when a client that is offline comes online." But Sigurdsson does not limit the transfer described for the alternative embodiment of step 606 to step 620 and its associated steps 612–618 and 626–630. For example, if Client C were online when the server sought to transfer the modified file to Client C, there would be no apparent reason to use steps 612–620 and 626–630 since the process of those steps concern how to transfer files to Client C when Client

C is offline at the time of the desired transfer and subsequently comes online. *Id.*, Fig. 6. On this record, therefore, Sigurdsson's alternative embodiment for step 606 at least suggests the automatic transfer of a modified file from the server to Client C. Ex. 1028 ¶¶ 521–523.

Sigurdsson describes automatic transfer of files from other computers to clients, for example, with client to client transfers. Ex. 1016 ¶ 31 ("When the Client A 102 (e.g., the user's home computer) connects to the Server 106, Client B Content 112 originating from the Client B 104 is automatically copied to the Client A 102, as indicated by arrow 116. . . . Similarly, whenever the Client B 104 (e.g., the user's work computer) connects to the Server 106, any missing Client A Content 108 is copied automatically to the Client B 104, as indicated by arrow 118."). This description also suggests making the transfer of files from server 106 to Client C automatic. Balakrishnan Decl. ¶¶ 524–529.

Dr. Balakrishnan testifies that "[i]t would have been obvious to use Server 106 to automatically send the modified first electronic file copy responsive to receiving the file copy from the second electronic device." *Id.* ¶ 522. He explains that "[a person of ordinary skill] would have understood and found it obvious that Sigurdsson's reference to 'synchroniz[ing]' content stored on and shared between clients would have encompassed using the Synchronization Manager to automatically send, via the first application, the modified first electronic file copy to a third electronic device responsive to receiving the modified first electronic file copy from the second electronic device." *Id.* ¶ 521 (alteration in original). He further testifies that "Sigurdsson explains that Client A content received at the Server could be

automatically transferred by the Server to Client B, C, or any other client." *Id.* ¶ 523 (citing Ex. 1016 ¶ 68). Dr. Balakrishnan's testimony is supported by the ordinary understanding of the term "synchronization."

We have considered additional arguments by the Patent Owner on this issue, and at this stage, do not find them persuasive. *See* Prelim. Resp. 35–48. For example, Patent Owner argues that "the issue here is not merely whether Sigurdsson discloses an automatic synchronization from a user's perspective." *Id.* at 38. Patent Owner continues that "the issue is whether Sigurdsson discloses a first electronic device (i.e., a server) that automatically transfers the modified first electronic file copy to the third electronic device. It does not." *Id.* (emphasis omitted). As discussed above, Sigurdsson teaches or suggests a transfer from its server to its client that is automatic, not just from the perspective of a user, but also from the perspective of the first electronic device.

Patent Owner's other arguments directed to Sigurdsson are similarly unavailing. *See* Prelim. Resp. 42–48. For example, we do not agree with Patent Owner that Dr. Balakrishnan "attempts to make up for Sigurdsson's deficiencies with respect to [the] 'automatically send' feature by plucking out the following statement from Sigurdsson 'The Server 106 can then transmit the content to the remaining client peers, such as the Clients B and C.'" Prelim. Resp. 41–42. Patent Owner's argument is not supported by the record. We agree with Dr. Balakrishnan that this statement in Sigurdsson teaches automatic transfer of content, not polling. Balakrishnan Decl. ¶ 523. Also unsupported by the record is Patent Owner's argument that it would not be obvious to "replace" Sigurdsson's "HTTP client/server

architecture" which "requires a request then response approach." Prelim. Resp. 44–48. As discussed, the Petition relies on Sigurdsson's alternative embodiment that does not require client requests to "transmit content." Ex. 1016 ¶ 68.

Also unavailing at this stage is Patent Owner's argument that "both the Petitioners and Dr. Balakrishnan acknowledge that Sigurdsson discloses a request-response based system." *Id.* This generalization is inaccurate in that it mischaracterizes Petitioner's arguments and Dr. Balakrishnan's detailed testimony demonstrating that Sigurdsson and Shappell meet limitation 1d, including the "automatically transfer" recitation. Pet. 23–29; Balakrishnan Decl. ¶¶ 520–533.

Further, we do not agree with Patent Owner that because Shappell discloses a peer-to-peer network, it "expressly teaches away from using a server." Prelim. Resp. 47 (emphasis omitted). "[A] reference does not teach away if it merely expresses a general preference for an alternative invention but does not criticize, discredit or otherwise discourage investigation into the invention claimed." *UCB, Inc. v. Actavis Lab'ys UT, Inc.*, 65 F.4th 679, 692 (Fed. Cir. 2023) (internal quotation marks omitted).

In a fashion similar to claim limitation 1d, claim limitation 1e requires automatic transfer of a modified electronic file by the first electronic device. Patent Owner does not provide a separate analysis, but refers back to its arguments directed to claim limitation 1d discussed *supra*. Prelim. Resp. 48. At this stage, those arguments are not persuasive for reasons given for claim limitation 1d.

At this stage, Patent Owner does not challenge Petitioner's analysis of other limitations of claim 1 for this ground.

For the reasons given, we determine that Petitioner has demonstrated a reasonable likelihood of prevailing on its challenge to claim 1 as obvious in light of Sigurdsson and Shappell. The Petition demonstrates sufficiently that this combination of references teaches or suggests each limitation of the claim and that a person of ordinary skill would have combined the references.

2. Claim 8

Petitioner states that "Claim 8, is substantially similar to claim 1 except for the preamble." Pet. 35. Petitioner's obviousness analysis of this claim relies on its analysis of claim 1. *Id.* Petitioner's analysis concludes that the claim would have been obvious in light of Sigurdsson and Shappell. *Id.* at 35–36; Balakrishnan Decl. ¶¶ 544–548.

Claim limitation 8d is similar to limitation 1d and includes the "automatically transfer" limitation. Ex. 1001, 12:14–18. At this stage, Patent Owner does not provide a separate analysis, but refers back to its arguments directed to claim limitation 1d discussed *supra*. Prelim. Resp. 48.

For the reasons given, we determine that Petitioner has demonstrated a reasonable likelihood of prevailing on its challenge to claim 8 as obvious in light of Sigurdsson and Shappell. The Petition demonstrates sufficiently that this combination of references teaches or suggests each limitation of the claim.

3. Dependent Claims 3, 4, 10, and 11

Claims 3 and 4 depend from claim 1. Claims 10 and 11 depend from claims 8 and recite similar limitations. Petitioner provides analyses for each of these dependent claims. Pet. 33–35, 37–38. At this stage, Patent Owner does not separately respond to the dependent claims.

For the reasons given for claims 1 and 8, and for those presented in the Petition, we determine that Petitioner has demonstrated a reasonable likelihood of prevailing on its challenge to claims 3, 4, 10, and 11 as obvious in light of Sigurdsson and Shappell.

4. Conclusion – Sigurdsson and Shappell

In sum, after considering the arguments presented in the Petition and Patent Owner's responses, we determine that, for the reasons given, Petitioner has demonstrated a reasonable likelihood of prevailing on this challenge.

F. Obviousness of Claims 1, 3, 4, 8, 10, and 11 Based on Brown and Hesselink

1. Claim 1

Petitioner asserts that claim 1 would have been obvious in light of Brown and Hesselink. Pet. 38–59. Petitioner provides an element-by-element claim analysis, supported by expert testimony. *See id.*; Balakrishnan Decl. ¶¶ 601–611, 867–907.

a) Preamble

Petitioner shows that the preamble of claim 1 is disclosed in Figure 1 of Brown, reproduced in Section IV.D.3, *supra*. *Id.* at 38 (citing Balakrishnan Decl. ¶¶ 577–580).

b) Limitations 1a–1c

For limitation 1a, Petitioner identifies server 105 in Brown as the claimed "first electronic device," and the Synchronization File System ("SFS") as the claimed "first application." *Id.* at 39. Petitioner identifies client 130 as an "exemplary" "second client device" and client 135 as an "exemplary" "third client device." *Id.* at 40.

For claim limitation 1b, Petitioner relies on Brown and Hesselink. *Id.* at 41–45. Petitioner explains that "Brown describes in detail an exchange of metadata information between client 130 and server 105 to determine file changes on the client and server." Pet. 40–42 (citing Ex. 1025, Figs. 4A–4C, 5, 8A–11F, 10:7–9, 10:7–11:52, 11:64–66, 13:57–16:39; Balakrishnan Decl. ¶ 877). Petitioner explains further that "Brown also teaches that client 130's SA may monitor activity in its local file system to identify modified files to send to the server." *Id.* (citing Ex. 1025, 3:47–50).

Petitioner explains that "Brown discloses that such synchronization of modified files may be performed 'automatically' using the client's SA to transfer modified files to the server." *Id.* at 43 (citing Ex. 1025, 3:40–47) (emphasis omitted). Petitioner adds that "it would have been obvious in view of Brown in combination with Hesselink to automatically receive a copy of a modified file from client 130 at server 105 when the user modifies the file." *Id.* (citing Balakrishnan Decl. ¶¶ 884–891). Petitioner contends further that "[i]t would have been obvious to combine the teachings of Brown and Hesselink, predictably resulting in the synchronization system of Brown in which the scheduling algorithm causes the upload of a modified file from a user device responsive to the user modifying the file as taught by Hesselink." *Id.* at 45–46 (citing Balakrishnan Decl. ¶¶ 601, 891).

For limitation 1c, Petitioner asserts "[i]t would have been obvious to implement the functionality performed by client 130 in claim [1b] but instead using client 135 (third electronic device) and client 135's SA (a third application executable on the third electronic device) to automatically transfer a copy of a second electronic file to the server when the file is modified." *Id.* at 52–53 (citing Balakrishnan Decl. ¶¶ 892–894) (internal quotation marks and emphases omitted).

c) Limitation 1d

For claim element 1d, Petitioner relies on Brown and Hesselink. *Id.* at 55–57. Petitioner argues that "[a person of ordinary skill] would have found it obvious to 'automatically' send the modified first electronic file copy to laptop client 135, particularly in view of Hesselink's teachings discussed above for claim 1[b] regarding automatically and immediately forwarding file updates to all synchronizing clients." *Id.* at 55 (citing Balakrishnan Decl. ¶¶ 898–902) (emphasis omitted).

d) Limitations 1e–1f

For claim limitation 1e, Petitioner explains that "[f]or the reasons discussed above for claim [1c], Brown's clients operate similarly and interchangeably." *Id.* at 57. For claim limitation 1f, Petitioner relies on Brown and Hesselink and explains "it would have been obvious to use client 130's SA (second application) to practice this limitation by detecting file save operations using the SA and automatically transferring modified/saved files in response to detection of such operations." *Id.* at 57–58 (internal quotation marks and emphases omitted).

e) Discussion

Patent Owner contends that Brown does not disclose the following from claim limitation 1d: "automatically transferring the modified first electronic file copy to the third electronic device." Prelim. Resp. 48–54. Patent Owner also cites, but does not discuss further, the automatic transfer feature of claim limitations 1e, 1c, and 8d. *Id.* at 48–49. At this stage, Patent Owner does not challenge Petitioner's analysis of other limitations of claim 1 for this ground.

Patent Owner repeats its argument distinguishing processes that are "automatic" from the user's perspective and those that are "automatic" from the perspective of the server. *Id. at* 49–50. While we recognize that Brown uses the phrase "from the user's perspective" in connection with file synchronization, we do not believe this limits Brown's disclosure in the manner suggested by Patent Owner's argument.

In any event, the argument is unavailing in that it does not address the combination of Brown and Hesselink relied on by Petitioner. *See* Pet. 55 ("A [person of ordinary skill] would have found it obvious to 'automatically' send the modified first electronic file copy to laptop client 135, particularly in view of Hesselink's teachings . . . regarding automatically and immediately forwarding file updates to all synchronizing clients." (emphasis omitted)). As Dr. Balakrishnan testifies, Hesselink discloses "determining whether a client is offline and, if so, storing a file for later transmission to the offline client." Balakrishnan Decl. ¶ 901 (citing Ex. 1006 ¶ 183). Furthermore, he testifies that Hesselink discloses that "[c]omputers that are offline at such a time will be automatically updated as soon as those computers go online again." *Id.* (citing Ex. 1026 ¶ 183). He adds that "a

[person of ordinary skill] would have found it obvious in view of Hesselink to use Brown's server to automatically push updates from the server to connected clients as soon as file updates occur." *Id.* ¶ 902.

Patent Owner responds that "[j]ust like in Brown, Hesselink uses a pull mechanism in its file synchronization process." Prelim. Resp. 56–59. We disagree with this argument as it is not consistent with the record. Hesselink states: "As noted above, when data is updated, such as when a file is edited, for example, the system may be configured to automatically update all or some designated subset of computers on the network as soon as the update has been performed at one location." Ex. 1026 ¶ 183. Patent Owner's argument is not persuasive as it is contrary to this explicit disclosure in Hesselink.

For similar reasons, Patent Owner's argument that Hesselink is "based on a peer-to-peer connection" and "cannot be modified" is unavailing. *See* Prelim. Resp. 61–64. Patent Owner's similar argument that Brown's "architecture" cannot be modified by Hesselink's teachings (*see* Prelim. Resp. 54–64) also is flawed. The Federal Circuit has cautioned against such arguments: "[W]e have consistently held . . . that '[t]he test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference; nor is it that the claimed invention must be expressly suggested in any one or all of the references. Rather, the test is what the combined teachings of the references would have suggested to those of ordinary skill in the art." *MCM Portfolio LLC v. Hewlett-Packard Co.*, 812 F.3d 1284, 1294 (Fed. Cir. 2015) (quoting *In re Keller*, 642 F.2d 413, 425 (CCPA 1981)) (third alteration in original).

We are not persuaded at this at this stage by Patent Owner's argument limiting Hesselink's teachings of automatically updating to a "peer-to-peer connection between computers." Prelim. Resp. 62–64. The Federal Circuit instructs that "if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill." *Intel Corp. v. PACT XPP Schweiz, AG*, 61 F.4th 1373, 1380 (Fed. Cir. 2023) (quoting *KSR*, 550 U.S. at 417). As the Federal Circuit further explains, "[t]his is the so-called 'known-technique' rationale. And if there's a known technique to address a known problem using 'prior art elements according to their established functions,' then there is a motivation to combine." *Id.* (quoting *Intel Corp. v Qualcomm, Inc.*, 21 F.4th at 799–800 (Fed. Cir. 2021)).

As noted *supra*, claim limitation 1e requires automatic transfer of a modified electronic file by the first electronic device. For this limitation, Patent Owner does not present a separate argument, but refers to its arguments directed to claim limitation 1d. Prelim. Resp. 48–49.

In sum, for the reasons given, we are not persuaded at this stage by Patent Owner's arguments that Petitioner has failed to sufficiently show that the recitation of "automatically transfer" in claim 1 is met by Brown and Hesselink. After considering the arguments presented in the Petition and Patent Owner's responses, we determine that, for the reasons given, Petitioner has demonstrated a reasonable likelihood of prevailing on this challenge. The Petition demonstrates sufficiently that this combination of

references teaches or suggests each limitation of the claim and that a person of ordinary skill would have combined the references.

2. Claim 8

Petitioner's obviousness analysis of this claim relies on its analysis of claim 1. Pet. 63. Petitioner's analysis concludes that the claim would have been obvious in light of Brown and Hesselink. *Id.*; Balakrishnan Decl. ¶¶ 913–915.

At this stage, Patent Owner presents no new arguments and refers back to its arguments directed to claim limitation 1d, discussed *supra*. Prelim. Resp. 48–49.

For the reasons given, we determine that Petitioner has demonstrated a reasonable likelihood of prevailing on its challenge to claim 8 as obvious in light of Brown and Hesselink.

3. Dependent Claims 3, 4, 10, and 11

Petitioner provides analyses for each of these dependent claims. Pet. 59–64; Balakrishnan Decl. ¶¶ 908–912, 916–917. At this stage, Patent Owner does not separately respond to the dependent claims.

For the reasons given for claims 1 and 8, and for those in the Petition, we determine that Petitioner has demonstrated a reasonable likelihood of prevailing on its challenge to claims 3, 4, 10, and 11 as obvious in light of Brown and Hesselink.

4. Conclusion – Brown and Hesselink

In sum, after considering the arguments presented in the Petition and Patent Owner's responses, we determine that, for the reasons given,

Petitioner has demonstrated a reasonable likelihood of prevailing on this challenge.

V. CONCLUSION

For the foregoing reasons, we have determined that there is a reasonable likelihood that Petitioner would prevail with respect to at least one of the claims challenged in the Petition. We therefore institute trial as to all challenged claims on all grounds stated in the Petition.

VI. MOTIONS TO SEAL

The parties have filed two unopposed motions to seal. Papers 9; 13. The first motion, filed by Petitioner, requests sealing of Exhibit 1030 (joint defense agreement) and paragraph 6 of Exhibit 1029 (declaration of Heidi L. Keefe). Paper 9, 2. The first motion also includes a request to enter an agreed protective order. *See id.*, Appendix A.

The second motion, filed by Patent Owner, requests sealing of its Preliminary Sur-reply (Paper 14) and Exhibit 2018 (transcript of Ms. Keefe's deposition).

We have reviewed these motions and the documents at issue and have considered the explanations of the confidential nature of the materials for which sealing is sought. We find there is good cause and therefore we grant the motions to seal and the associated request to enter the parties' agreed protective order.

VII. ORDER

Upon consideration of the record before us, it is:

ORDERED that *inter partes* review of claims 1, 3, 4, 8, 10, and 11 of the '561 patent is instituted on all grounds in the Petition;

FURTHER ORDERED that the request to enter the parties' agreed protective order is granted;

FURTHER ORDERED that the Motions to Seal (Papers 9, 13) are granted;

FURTHER ORDERED that, no later than ten business days after the issuance of this Institution Decision, the parties may file a joint motion to seal portions of this Institution Decision, explaining why portions of it should remain under seal, and including as an attachment a redacted version of the Institution Decision that can be made publicly available;

FURTHER ORDERED that the present decision shall remain under seal until any joint motion to seal the Institution Decision is resolved;

FURTHER ORDERED that the present decision shall be made public if, after the expiration of the time for the parties to file a joint motion to seal, no such motion has been filed; 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.

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