

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMAZON WEB SERVICES, INC.
AND AMAZON.COM SERVICES LLC,
Petitioner,

v.

ZENTIAN LIMITED,
Patent Owner.

IPR2023-01194
Patent 10,062,377

Before KEVIN F. TURNER, JEFFREY S. SMITH, and
CHRISTOPHER L. OGDEN, *Administrative Patent Judges*.

TURNER, *Administrative Patent Judge*.

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314
Granting Motion for Joinder
35 U.S.C. § 315(c); 37 C.F.R. § 42.122

I. INTRODUCTION

Amazon.com Services LLC and Amazon Web Services, Inc. (collectively “Petitioner”) filed a Petition (Paper 2, “Pet.”) requesting institution of *inter partes* review of claims 1–6 of U.S. Patent No. 10,062,377 B2 (Ex. 1001, “the ’377 Patent”), assigned to Zentian Limited (“Patent Owner”). Petitioner also filed a motion for joinder to be joined as a petitioner to *Apple Inc. v. Zentian Limited*, IPR2023-00035, filed November 15, 2022, and instituted June 12, 2023 (“the Apple IPR” with the petitioner in that matter referred to herein as “Apple”). Paper 3 (“Mot.”).

Patent Owner filed a Preliminary Response and Contingent Joiner Opposition. Paper 7 (“Opp.”). Based on an email sent November 1, 2023, we authorized Petitioner to file a Reply to the Preliminary Response and Contingent Joiner Opposition (Paper 8, “Pet. Reply”), and authorized Patent Owner to file a Sur-reply (Paper 9, “PO Sur-reply”) in response to Petitioner Reply.

For the reasons described below, we institute an *inter partes* review of the challenged claims and grant Petitioner’s Motion for Joinder.

II. RELATED PROCEEDINGS

Both parties identify the following judicial or administrative matters that would affect, or be affected by, a decision in this proceeding: *Zentian Ltd. v. Apple Inc.*, Case No. 6:22-cv-00122 (W.D. Tex.); *Zentian Ltd. v. Amazon.com, Inc.*, Case No. 6:22-cv-00123 (W.D. Tex.). Pet. 76; Paper 3, 1. Both parties also identify related *inter partes* reviews: IPR2023-00033, IPR2023-00034, IPR2023-00036, and IPR2023-00037. *Id.*

Petitioner asserts the following grounds of unpatentability (Pet. 5.), supported by the declaration of Mr. Christopher Schmandt (Ex. 1003):

Claims Challenged	35 U.S.C. §	Reference(s)/Basis
1	103(a) ¹	Jiang, ² Smyth ³
2, 3	103(a)	Jiang, Smyth, Nguyen ⁴
4	103(a)	Jiang, Smyth, Nguyen, Boike ⁵
5	103(a)	Jiang, Smyth, Nguyen, Baumgartner ⁶
6	103(a)	Jiang, Smyth, Nguyen, Boike, Baumgartner

III. DISCRETIONARY DENIAL OF INSTITUTION OF *INTER PARTES* REVIEW

Under 35 U.S.C. § 314(a), institution of *inter partes* review is discretionary. *See Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016); *see also* 35 U.S.C. § 314(a). In *Amazon Inc. v. Fintiv, Inc.*,

¹ The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 285–88 (2011), revised 35 U.S.C. § 103 effective March 16, 2013. Because the challenged patent claims priority to an application filed before March 16, 2013, we refer to the pre-AIA version of § 103.

² U.S. Patent No. 6,374,219 B1, filed Feb. 20, 1998, issued Apr. 16, 2002 (Ex. 1004, “Jiang”).

³ U.S. Patent No. 5,819,222, issued Oct. 6, 1998 (Ex. 1005, “Smyth”).

⁴ U.S. Patent No. 6,879,954 B2, filed Apr. 22, 2002, issued Apr. 12, 2005 (Ex. 1047, “Nguyen”).

⁵ U.S. Patent No. 6,959,376 B1, filed Oct. 11, 2001, issued Oct. 25, 2005 (Ex. 1006, “Boike”).

⁶ U.S. Patent Publication 2002/0049582 A1, published Apr. 25, 2002 (Ex. 1007, “Baumgartner”).

IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential), the Board set forth six non-exclusive factors for determining “whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Id.* at 6. These factors are as follows:

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 these factors, we take a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review. *Id.* at 6. The Director has also issued interim guidance to the Board on applying the factors. *See* Katherine K. Vidal, Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation (June 21, 2022) 9, https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621.pdf (“Interim Procedure”).

Patent Owner argues that “*Fintiv* factors 1–5 here warrant non-institution and denial of joinder” because in the parallel district court proceeding, (1) Petitioner has served invalidity contentions presenting “many of the same art and arguments raised in its Petition” including reliance on Jiang, Nguyen, Smyth, and Baumgartner; (2) the proceeding has not been stayed; (3) the proceeding “is set for trial on September 23, 2024;” (4) Petitioner’s “invalidity expert report is due by May 2, 2024;” and (5) Patent Owner’s “rebuttal report is due on May 30, 2024.” Opp. 1–2 (citing Ex. 2001, 8–10; Ex. 2002, 3)⁷; *see also* PO Sur-reply 1–2.

Petitioner argues that *Fintiv* factor 2 weighs against discretionary denial because trial in the parallel case would be “more than three months *after* the expected date of the final written decision.” Pet. Reply 1. Petitioner also contends, as to factor 3, that under the district court’s current schedule, major invalidity-related work is not due until after our institution decision (e.g., final invalidity contentions are not due until February 22, 2024 and the parties do not narrow their prior art assertions until March 14, 2024). *Id.* Petitioner also argues that under *Fintiv* factor 4, “there is little risk of overlap or conflicting decisions because [Petitioner] will be subject to estoppel well before trial” in the district court case. *Id.* at 1–2.

Of the first five *Fintiv* factors, we consider factor 2 (proximity to trial in the parallel case) most significant under these circumstances. According

⁷ We note that the section of Exhibit 2001, cited by Patent Owner, pages 8 through 10, addresses invalidity contentions regarding a related patent, U.S. Patent No. 7,979,277 (*see* Ex. 2001, 1–2); the invalidity contentions regarding instant patent, the ’377 Patent, are discussed at pages 20 through 26 of the same document.

to Patent Owner, trial is scheduled for September 23, 2024. Opp. 1. However, a final written decision in the instituted Apple IPR (and in the combined proceeding after joinder) will be due on June 12, 2024, more than three months before the trial date in district court. Thus, factor 2 weighs heavily against discretionary denial.

The other factors do not outweigh factor 2. As to factor 1, there is no evidence as to whether there will be a stay in the parallel case, so we regard this factor as neutral. As to factor 3, there has been some preliminary activity in the parallel case, but overall, the proceeding is in its early stages, so we do not regard this factor as weighing substantially in favor of discretionary denial. As to factor 4, the district court may ultimately consider Jiang, Nguyen, and Smyth, cited in the invalidity contentions (Ex. 2001, 24), but not Boike and Baumgartner, and not necessarily in the same combinations as asserted in the Petition. *See* Ex. 2001, 20–26. As such, factor 4 weighs somewhat but not heavily in favor of discretionary denial. As to factor 5, the parties in the parallel proceeding are not different from the parties here, so we regard this factor as neutral.

Next, we turn to Fintiv factor 6. According to Patent Owner, this factor “warrants non-institution unless the Board requires [Petitioner] to enter the same *Sotera* stipulation to which Apple agreed, and on which the Board relied, in underlying proceeding IPR2023-00035, which [Petitioner] seeks to join.” Opp. 2.

The Interim Procedure states that, “[c]onsistent with *Sotera Wireless, Inc.*, the PTAB will not discretionarily deny institution in view of parallel district court litigation where a petitioner presents a stipulation not to pursue in a parallel proceeding the same grounds or any grounds that could have

reasonably been raised before the PTAB.” Interim Procedure 3 (footnote omitted) (citing *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential as to § II.A)). The Interim Procedure explains that a *Sotera* stipulation “mitigates concerns of potentially conflicting decisions and duplicative efforts between the district court and the PTAB . . . and allows the PTAB to review grounds that the parallel district court litigation will not resolve.” *Id.* at 7–8.

In the Apple IPR, the Board declined to deny institution under 35 U.S.C. § 314(a) because Apple offered a *Sotera* stipulation that it “will not pursue in the parallel district court proceeding the same grounds as in the Petition or any grounds that could have reasonably been raised in the pending Petition.” IPR2023-00035, Paper 10 at 33 (PTAB June 12, 2023) (quoting IPR2023-00035, Paper 9 at 1).

Unlike Apple, Petitioner has not offered a *Sotera* stipulation. Patent Owner contends that Petitioner would be time-barred absent its ability to join the Apple IPR and Petitioner “effectively seeks to enjoy the benefits of joining Apple’s instituted proceeding on the same terms and conditions through which Apple obtained institution.” Opp. 3. Thus, according to Patent Owner, “it would be unfair and prejudicial to [Patent Owner] if [Petitioner] were permitted to join without being bound by the same *Sotera* stipulation to which Apple has agreed, and on which the Board’s institution decision relied.” *Id.*; see also PO Sur-reply 2–3 (asserting that factors 1–5 weigh in favor of discretionary denial and arguing that by submitting a *Sotera* stipulation, Apple avoided the necessity of showing “compelling merits” under factor 6).

In its Reply, Petitioner contends that Apple entered its *Sotera* stipulation under different circumstances because “the operative trial date in its case was two months *before* the expected written decision date,” but here, the “trial date is three months *after* the Board is expected to render its final written decisions.” Pet. Reply 2–3 (citing Exs. 1061, 2002). Petitioner also argues that as a subordinate petitioner in the combined proceeding with Apple, Petitioner’s estoppel would be evaluated differently than Apple’s. *Id.* at 3 (citing *Network-1 Techs., Inc. v. Hewlett-Packard Co.*, 981 F.3d 1015, 1027 (Fed. Cir. 2020)). Given the different circumstances, Petitioner argues that it would be unfair to require Petitioner to enter the same stipulation as Apple. *Id.* Petitioner also argues that under prior Board practice, “a *Sotera*-style stipulation [is not] a prerequisite for institution.” *Id.* at 2 (alteration in original) (quoting *Zhuhai Cosmx Battery Co., Ltd. v. Maxell, Ltd.*, IPR2022-00984, Paper 8 at 4 (Sept. 29, 2022)).

In its PO Sur-reply, Patent Owner argues that, unlike the petitioner in *Zhuhai*, Petitioner would be time-barred absent joinder. PO Sur-reply 2.

We disagree with Patent Owner that, under the circumstances, we should deny institution in the absence of a *Sotera* stipulation from Petitioner. First, we find no unfairness or prejudice in the fact that Apple has submitted a *Sotera* stipulation but Petitioner has not. In this proceeding, *Fintiv* factors 1–5, as a whole, weigh heavily against discretionary denial even without Petitioner offering a *Sotera* stipulation and without any showing of compelling merits. Most significantly, the Board will be deciding the patentability issues raised in the Petition well before the scheduled trial date in the parallel district court proceeding. Thus, even if Petitioner had submitted a *Sotera* stipulation, this would not change our decision to

institute an *inter partes* review and join this case to the Apple IPR.

Although a petitioner has the option to submit a *Sotera* stipulation, no such stipulation is required where the *Fintiv* factors as a whole do not otherwise weigh in favor of discretionary denial.

For the above reasons, we determine that the efficiency and integrity of the patent system are best served by instituting *inter partes* review, and we decline to deny institution discretionarily under 35 U.S.C. § 314(a).

IV. INSTITUTION OF *INTER PARTES* REVIEW

We instituted *inter partes* review in the Apple IPR on all challenged claims and all asserted grounds of unpatentability. IPR2023-00035, Paper 10. Petitioner’s Petition challenges the same claims and asserts the same grounds of unpatentability as those on which we instituted the Apple IPR, relying on substantially the same testimonial evidence. *See* Mot. 2 (“The Instant Petition is intentionally identical in substance to the Apple Petition.”); Ex. 1071 ¶ 26 (adopting the opinions set forth in the declaration of Christopher Schmandt (Ex. 1003) that Apple relied on in Apple IPR).

Because the issues presented in the instant Petition are identical to those in the Apple IPR, we determine for the same reasons that there is a reasonable likelihood that Petitioner would prevail in showing that at least one of claims 1–6 of the ’377 Patent is unpatentable under the grounds of the Petition. Therefore, we institute *inter partes* review for the same reasons stated in our Decision on Institution in the Apple IPR. *See* IPR2023-00035, Paper 10.

V. MOTION FOR JOINDER

As the moving party, Petitioner bears the burden of proving that it is entitled to the requested joinder. *See* 37 C.F.R. § 42.20(c). The statutory provision governing joinder in *inter partes* review proceedings is 35 U.S.C. § 315(c), which reads:

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 partes* review under section 314.

A motion for joinder should (1) set forth reasons why joinder is appropriate; (2) identify any new grounds of unpatentability asserted in the petition; (3) explain what impact (if any) joinder would have on the trial schedule for the existing review; and (4) address specifically how briefing and discovery may be simplified. *See Kyocera Corp. v. Softview LLC*, Case IPR2013-00004, 4 (PTAB Apr. 24, 2013) (Paper 15); Patent Trial and Appeal Board, Consolidated Trial Practice Guide, 76 (Nov. 2019), <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf>.

Petitioner's Motion addresses each of these considerations. Mot. 1–6. According to Petitioner, its “Petition is intentionally identical in substance to the Apple Petition.” Mot. 2; *see also* Mot. 4. Petitioner also argues that the schedule of the joined cases “would be unaffected, no additional briefing or discovery would be required, and no additional burdens would be placed on Patent Owner.” Mot. 3; *see also* Mot. 4. Further, Petitioner “agree[s] to take an ‘understudy’ role as long as Apple remains a party to the Apple IPR,” and that it “will not make any substantive filings and shall be bound

by the filings of Apple,” and will not pursue its own arguments, evidence, or discovery unless the matter of termination or settlement arises or there are issues involving only Petitioner. Mot. 5–6. Thus, according to Petitioner, Patent Owner would not suffer prejudice if the two proceedings are joined. Mot. 6.

Apart from its arguments discussed above in the context of discretionary denial, Patent Owner does not dispute the above contentions by Petitioner and does not point to any particular prejudice relating to joining the two proceedings. In light of these considerations, Petitioner has shown that joinder to the Apple IPR is appropriate in this case. Therefore, we grant Petitioner’s Motion for Joinder.

VI. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review of claims 1–6 of the ’377 Patent is instituted with respect to all the grounds set forth in the Petition;

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, *inter partes* review of ’377 Patent commences on the entry date of this Order, and the Board hereby gives notice of the institution of a trial;

FURTHER ORDERED that Petitioner’s Motion for Joinder is granted and Amazon Web Services, Inc. and Amazon.com Services LLC are joined as parties to IPR2023-00035;

FURTHER ORDERED that the grounds of unpatentability on which the Board instituted trial in IPR2023-00035 are unchanged and remain the only grounds on which trial has been instituted;

FURTHER ORDERED that the Scheduling Order and any of its modifications entered in IPR2023-00035 will govern the schedule of the joined proceedings;

FURTHER ORDERED that any filings by the petitioner parties in IPR2023-00035 will be consolidated, and that filings by Petitioner, alone, are not permitted without the Board's prior approval;

FURTHER ORDERED that a copy of this Decision will be entered into the record of IPR2023-00035; and

FURTHER ORDERED that the case caption in IPR2023-00035 will be modified in accordance with the attached example to reflect joinder with this proceeding.

IPR2023-01194
Patent 10,062,377 B2

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Example Case Caption for Joined Proceeding

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC., AMAZON WEB SERVICES, INC., and
AMAZON.COM SERVICES LLC
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ZENTIAN LIMITED,
Patent Owner.

IPR2023-00035⁸
Patent 10,062,377 B2

⁸ IPR2023-01194 has been joined with this proceeding.