UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

EBAY, INC.,

Petitioner,

v.

LEXOS MEDIA IP, LLC,

Patent Owner.

Case IPR2024-00336

U.S. Patent No. 5,995,102

REPLY TO PATENT OWNER'S OPPOSITION TO MOTION FOR JOINDER TO *INTER PARTES* REVIEW IPR2023-01000

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I. PATENTEE'S FACTUAL OMISSIONS

Patentee's opposition includes several factual allegations but omits key items. (Opp., §II.) *First*, the Board instituted trial in the related IPR on Dec. 12, 2023 and eBay's joinder motion was expeditiously filed <u>*only eight days later*</u>, which favors institution. *Kioxia Corp. et al. v. Viasat, Inc.*, IPR2023-00408, Paper 9 at 9 (Jul. 11, 2023) (joinder motion filed within ten days of institution weighs against discretionary denial). *Second*, after filing its complaint on June 22, 2022, Patentee took no meaningful action in the litigation for over ten months, resulting in the W.D. Tex. court issuing an order to show cause on April 26, 2023, which required Patentee to explain why the court should not dismiss its case. After this admonishment, Patentee filed the required Case Readiness Status Report on May 1, 2023, the court entered a Scheduling Order on May 29, 2023, and gave eBay until June 13, 2023 to file a motion for transfer, which eBay did along with a motion to dismiss. The case was transferred to N.D. Cal. on December 6, 2023, where eBay's motion to dismiss remains pending. (Mot., 2.) Despite this, Patentee argues eBay's joinder motion should be denied because of delay. (Opp., 1.) But eBay's election to conserve resources during the relevant time is justified given Patentee's failure to take any meaningful action for over ten months. Patentee also alleges "Amazon refutes eBay's assertion that Amazon does not oppose eBay's Joinder Motions." (Opp., 5.)

But Amazon's counsel expressly represented, in writing, that it did not oppose eBay's joinder request. (Ex. 1019.)

Importantly, Patentee does *not* dispute that Petitioner's petition is a copycat petition and Petitioner has already engaged Amazon's IPR expert. (Mot., 9.) These facts favor joinder. *Trend Micro, Inc. v. Open Text Inc*., IPR2023-01459, Paper 7 at 4 (Jan. 24, 2024) (noting the PTAB "routinely grants motions for joinder" in these circumstances) (citing *Samsung Elecs. Co., Ltd. v. Raytheon Co.*, IPR2016-00962, Paper 12 at 9 (Aug. 24, 2016)); *Biocon Biologics Inc. v. Regeneron Pharmaceuticals, Inc*., IPR2024-00201, Paper 11 at 4 (Jan. 16, 2024) (granting motion for joinder supported by the same expert's declaration).

II. DIRECTOR VIDAL'S PRECEDENTIAL *CODE200* DECISION CONTROLS AND CONFIRMS JOINDER SHOULD BE GRANTED

Patentee waits until the end of its opposition brief to address the most relevant case relating to joinder and the present circumstances—the precedential decision in *Code200, UAB v. Bright Data, Ltd.*, IPR2022-00861, Paper 18 (Aug. 23, 2022) ("*Code200*"). (Opp., §III.E.) Patentee fails to distinguish between the present circumstances and those of *Code200*. As explained in the Motion, the present circumstances are even more favorable to granting joinder because Petitioner has not previously filed an IPR against the '102 patent. (Mot., 12.)

Patentee argues that *Code200* was exclusively limited to the *General Plastic* factors and that Director Vidal did not address joinder. (Opp., 13-14.) Not so.

Director Vidal *sua sponte* instituted a rehearing of a PTAB decision denying joinder, found that decision to be incorrect, and remanded the proceeding to the panel for reconsideration. On remand, joinder was granted in view of Dr. Vidal's guidance. *Code200*, IPR2022-00861, Paper 19 (Oct. 19, 2022). Thus, *Code200* shows exactly what should happen here—Petitioner's motion for joinder should be granted.

Patentee argues that "compelling circumstances" were not a part of *Code200* and only relate to *Fintiv*. (Opp., 14.) *Fintiv* is inapplicable here since Petitioner included a *Sotera* stipulation with its Petition. (Mot., 12; Pet., 54.) Patentee also argues that there is no evidence of compelling circumstances but fails to provide any evidence to the contrary. The Amazon IPRs present "compelling circumstances" at least because the Board found two, if not all three, of Amazon's grounds presented a reasonable likelihood of invalidating the challenged claim. (IPR2023-01000, Paper 9 at 27, 29, 33-34.)

Patentee argues *Proppant* counsels against joinder. (Opp., 3, 6, 8) (citing *Proppant Express Inv., LLC v. Oren Techs., LLC*, IPR2018-00914, Paper 38 (Mar. 13, 2019).) *Proppant* issued three years earlier than *Code200*, and portions of *Proppant* were also overturned, so its holdings are suspect. *Facebook, Inc. v. Windy City Innovations, LLC*, 973 F.3d 1321, 1335 (Fed. Cir. 2020) (overturning holding that a party may file motion for joinder to its own IPRs). Even if *Proppant* were informative, it favors Petitioner as Patentee's litigation delay tactics were improper.

Proppant at 16 ("Circumstances which may justify [granting joinder] may include, for example, *actions taken by a patent owner in a co-pending litigation* such as the late addition of new asserted claims.")

Petitioner's other cases either are moot in view of *Code200* or are easily distinguished. The relevant facts in *ZTE (USA) LLC v. Seven Networks,* IPR2019-00460, Paper 18 (Jun. 6, 2019) and *Code200* are alike, so the precedential *Code200* decision controls. Indeed, *Code200* essentially reversed a panel for doing what Patentee seeks here—Patentee's proposal cannot be correct.

Patentee also cites *CommScope, Inc. v. TQ Delta, LLC*, IPR2022-01443, Paper 13 (Dec. 13, 2022). The petitioner in that case previously filed a time-barred IPR and was seeking another IPR chance. *Id.,* 4. eBay has not previously filed an IPR petition against this patent.

Patentee argues the expiration of the one-year statutory period justifies denying joinder. (Opp., 7-8.) Patentee is incorrect as §315(c) expressly permits joinder after the one-year bar and "was plainly designed to apply where time-barred Party A seeks to join an existing IPR timely commenced by Party B *when this would not introduce any new patentability issues*." *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1020 (Fed. Cir. 2017) (concurrence). That is precisely the case here.

III. THE AMAZON IPR SCHEDULE WILL BE MAINTAINED

Patentee argues joinder will impact the trial schedule. (Opp., 11-13.) Not so. Petitioner has already engaged the same expert from the Amazon IPR, Due Date 1 is March 5, the parties can stipulate to a different due date, Petitioner stands ready to schedule the expert's deposition, and Petitioner will use all reasonable efforts to maintain Due Date 2. There is no real risk of missing the one-year FWD deadline.

IV. PUBLIC POLICY SUPPORTS INSTITUTION

Patentee argues that public policy concerns favor termination. Incorrect. (Opp., 1-2, 6, 8, 10-11.) Public policy *may* favor termination *pre*-institution. However, *post*-institution, public policy favors issuing a final decision so there is resolution as to whether the challenged claims are invalid. *Code200*, at 4, 6 (explaining the public policy importance of rendering final decisions on instituted claims). Under Patentee's standard, irrespective of the posture of the proceeding, a motion for joinder should be dismissed. This cannot be the case. It allows for gamesmanship where, as here, a Patentee can delay the litigation for some parties and settle a case with others (just days after institution), leaving the public in the dark as to whether the patent's challenged claims are invalid. (*Id.*) This is the precise circumstances which joinder was designed to address, and a final decision should be issued so the public knows if the challenged claim is invalid.

Dated: February 1, 2024

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the Motion for Joinder has been served on the Patent Owner by ELECTRONIC SERVICE on the following counsel of record:

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