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Paper 9
Entered: June 10, 2019

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PRICELINE.COM LLC and BOOKING.COM B.V.,
Petitioners,

v.

DDR HOLDINGS, LLC,
Patent Owner.

Case IPR2019-00440
Patent 8,515,825 B1

Before CARL M. DeFRANCO, PATRICK M. BOUCHER, and ALYSSA A. FINAMORE, *Administrative Patent Judges*.

BOUCHER, *Administrative Patent Judge.*

DECISION
Petition for *Inter Partes* Review and Motion for Joinder
35 U.S.C. §§ 314(a), 315(c)

Priceline.com LLC and Booking.com B.V. ("Petitioners") filed (1) a Petition (Paper 3, "Pet.") to institute an *inter partes* review of claims 1–8 and 11–18 of U.S. Patent No. 8,515,825 B1 ("the '825 patent"); and (2) a Motion for Joinder (Paper 4, "Mot.") with IPR2018-01014 ("the related IPR"), which was instituted on November 15, 2018. DDR Holdings, LLC

("Patent Owner") expressly waives filing a preliminary response and "consents to Petitioner's Motion for Joinder" but "maintains that the petitions do not show that the patent is invalid, for the reasons given in the response [in IPR2018-01014]." Paper 8, 2.

We grant the Motion for Joinder, joining Petitioners as parties to the related IPR, and terminate this proceeding.

I. BACKGROUND

A. The '82 Patent

1. Disclosure

The '825 patent "relates to a system and method supporting commerce syndication." Ex. 1001, 1:23–24. The patent is particularly focused on the implementation of "affiliate" marketing systems on the Internet, which Petitioner's expert, Peter Kent, describes as follows:

> Commonly known as affiliate marketing (though the world's largest system, owned by Amazon.com, actually uses the term associate rather than affiliate), the concept is simple. If website owner A sends a visitor from his website to the ecommerce site owned by website owner B, and if that visitor makes a purchase from B's website, then B pays A a commission on the sale. A merchant could multiply sales many times by having affiliates market his products.

Ex. 1002 ¶ 20. As the '825 patent itself explains, with such affiliate marketing systems, "companies let third-party website owners list a subset of their goods (e.g., 10 of Amazon.com's millions of books, selected by the website owner) and promote them as they choose within their websites." Ex. 1001, 2:20–23.

Although the '825 patent acknowledges that "[t]he benefits of affiliate programs are significant," it also recognizes that "the greater benefit almost

always accrues not to the affiliate, but to Amazon.com and other online stores." *Id.* at 2:27–33. In particular, the patent identifies a "fundamental drawback of the affiliate programs" as "the loss of the visitor to the vendor," because, with such an arrangement, the vendor is "able to lure the visitor traffic away from the affiliate." *Id.* at 2:33–42. The patent describes a solution to this problem by "includ[ing] a data store including a look and feel description associated with a host website." *Id.* at 4:49–52.

A particular solution relevant to the challenged claims involves three distinct parties: a "host," which is an operator of a website, a "merchant" selling a product, and an "outsource provider" that facilitates maintaining the look and feel of the host website when a link to a product of the merchant is selected:

> The processor performs the tasks of capturing a look and feel description associated with a host website, storing the captured look and feel description in the data store, providing the host website with a link that link correlates the host website with a commerce object for inclusion within a page on the host website and which, when activated, causes the processor to serve an e-commerce supported page via the communication link with a look and feel corresponding to the captured look and feel description of the host website associated with the provided link and with content based on the commerce object associated with the provided link.

Id. at 4:52–63. In other embodiments described by the '825 patent, "[t]his folds into two parties where one party plays the dual role of Host and Merchant." *Id.* at 22:40–41.

According to the '825 patent, "[m]erchants are the producers, distributors, or resellers of the goods to be sold through the outsource provider." *Id.* at 22:45–46. "A Host is the operator of a website that engages in Internet commerce by incorporating one or more link[s] to the e-

commerce outsource provider into its web content." *Id.* at 23:7–9. And the "outsource provider" has a number of functions that provide support services between merchants and hosts, and which may be illustrated with a description of a typical overall transaction process flow. *See id.* at 23:23–51.

In such a typical transaction process, a customer visits a host website and "through contextually relevant content, becomes interested in a product offered." *Id.* at 23:56–57. The customer selects the item by clicking a product image or similar link, "taking her to [] dynamically generated web pages which retain the look and feel of the referring Host and are served by the e-commerce outsource provider." *Id.* at 23:58–63. After browsing through and selecting certain offered products, "the customer initiates the checkout procedure, never leaving the Host website." *Id.* at 23:64–24:6. A secure checkout interface appears, "still consistent in look and feel with the Host's referring website," and the customer provides billing and shipping information. *Id.* at 24:7–12. The customer is returned to another section of the host's website, "possibly just returning to the page in which the offer was placed." *Id.* at 24:13–16. The outsource provider passes the order to the merchant, which receives and logs the order before assembling and shipping the order to the customer. *Id.* at 24:17–23. Settlement is effected by the outsource provider periodically remitting payment to the merchant for filled orders and remitting payment to hosts for commissions earned. *Id.* at 24:24–27.

2. Illustrative Claim

Independent claim 1 is illustrative of the claims at issue, and is reproduced below.

1. A method of an outsource provider serving web pages offering commercial opportunities, the method comprising:

upon receiving over the Internet an electronic request generated by a visitor computer in response to selection of a uniform resource locator (URL) within a source web page that has been served to the visitor computer when visiting a first website, wherein the URL correlates the source web page with at least one commerce object associated with a buying opportunity of a merchant,

(a) automatically, with a server computer associated with a second website, retrieving data pre-stored in a storage device accessible to the server computer, and

(b) automatically, with the server computer, serving to the visitor computer a composite web page of the second website, which composite web page includes:

(i) information associated with the commerce object associated with the URL that has been activated, which commerce object includes at least one product available for sale through the second website after activating the URL, and

(ii) a plurality of visually perceptible elements derived from the retrieved pre-stored data defining an overall appearance of the composite web page that, excluding the information associated with the commerce object, visually corresponds to the source web page,

wherein the owner of the first website is a third party with respect to the owner of the server computer, and the merchant is also a third party with respect to the owner of the server computer.

Ex. 1001, 27:2–30.

B. Evidence Relied Upon

Petitioner relies on the following references.

Moore	US 6,330,575 B1	Dec. 11, 2001	Ex. 1010
Arnold	US 6,016,504	Jan. 18, 2000	Ex. 1011

Digital River Brochure (Ex. 1004)

Digital River April 1997 Website ("April 1997 Website") (Ex. 1005)

Digital River December 1997 Website ("December 1997 Website") (Ex. 1006)

Corel Web Page (July 1998) (Ex. 1007)

21 Software Drive Web Page (April 1998) (Ex. 1008)

21 Software Drive Web Page (April 1998) (Ex. 1009)[1]

Petitioner further relies on the Declaration of its witness, Peter Kent. Ex. 1002.

C. Asserted Grounds of Unpatentability

Petitioner challenges claims 1–8 and 11–18 of the '825 patent on the following grounds. Pet. 7.

Reference(s)	Basis	Claims Challenged
Digital River Publications	§ 103(a)	1–8 and 11–18
Moore	§ 102(a)	1–8 and 11–18
Moore and Arnold	§ 103(a)	1, 3, 11, and 13
Moore and the Digital River Publications	§ 103(a)	1–8 and 11–18

D. Real Parties in Interest

Petitioners identify The Priceline Group Inc., Priceline.com LLC, Priceline Partner Network, Booking.com B.V., Booking.com Holding B.V.,

[1] Petitioner asserts that certain of its challenges "utilize six different printed publications describing the Digital River system and Digital River websites," i.e., Exhibits 1004–1009. Pet. 7 n.1. Patent Owner does not challenge Petitioner's position that "[t]his art may be viewed individually and as two or more together as a whole." *See id.* Consistent with Petitioner's usage, we also refer collectively to the six publications as "the Digital River Publications."

Priceline.com Bookings Acquisition Co., Ltd., Priceline.com International Ltd., Priceline.com Holdco U.K. Ltd., and Priceline.com Europe Holdco, Inc. as real parties in interest. Pet. 1. Patent Owner identifies only itself as a real party in interest. Paper 5, 1.

E. Related Proceedings

The parties identify the following district court proceedings as related to this proceeding: (1) *DDR Holdings, LLC v. Priceline.com, LLC*, No. 1:17-cv-498 (D. Del.); (2) *DDR Holdings, LLC v. Booking.com B.V.*, No. 1:17-cv-499 (D. Del.); (3) *DDR Holdings, LLC v. Ticketnetwork, Inc.*, No. 1:17-cv-500 (D. Del.); (4) *DDR Holdings, LLC v. Shopify, Inc.*, No. 1:17-cv-501 (D. Del.); and (5) *DDR Holdings, LLC v. Travel Holdings, Inc.*, No. 1:17-cv-502 (D. Del.).[2] Pet. 1–2; Paper 5, 1–2. In addition, the parties identify *DDR Holdings, LLC v. Hotels.com, L.P.*, 954 F. Supp. 2d 509 (E.D. Tex. 2013) and the appeal of that district court case in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014). Pet. 2–4; Paper 5, 2–4.

Petitioner further identifies two reexamination proceedings as related, both of which included appeals to the Board: (1) *Ex parte DDR Holdings, LLC*, Appeal No. 2009-0013987, Reexamination Control No. 90/008,374 (BPAI Apr. 16, 2010); and (2) *Ex parte DDR Holdings, LLC*, Appeal No. 2009-0013988, Reexamination Control No. 90/008,375 (BPAI Apr. 16, 2010). Pet. 4–5.

Patent Owner also identifies pending U.S. Patent Appl. No. 15/582,105 as related to the ’825 patent, as well as issued U.S. Patent Nos.

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[2] Patent Owner indicates that these five proceedings were consolidated under No. 1:17-cv-498, and that Nos. 1:17-cv-500 and 1:17-cv-502 have been terminated because the parties settled. Paper 5, 1–2.

6,629,135, 6,993,572, 7,818,399, 9,043,228, and 9,639,876. Paper 5, 4. The following *inter partes* review proceedings involve the '825 patent or one of these related patents: (1) IPR2018-00482; (2) IPR2018-01008; (3) IPR2018-01009; (4) IPR2018-01010; (5) IPR2018-01011; (6) IPR2018-01012; (7) IPR2018-01014; (8) IPR2019-00435; (9) IPR2019-00436; (10) IPR2019-00437; (11) IPR2019-00438; and (12) IPR2019-00449. *See id.* at 4–5.

II. ANALYSIS

In the related IPR, we instituted an *inter partes* review of claims 1–8 and 11–18 on all of the bases set forth above. *Shopify, Inc. v. DDR Holdings, LLC*, Case IPR2018-01014, slip op. at 6–7, 24 (PTAB Nov. 15, 2018) (Paper 10).

Petitioners in this proceeding challenge the same claims challenged in the related IPR on the same grounds of unpatentability. Pet. 7. The Petition also "follows the arguments raised in the Shopify Petition, and is substantively identical to the Shopify Petition." Mot. 1. The principal difference between the instant Petition and the petition filed in the related IPR is that Petitioners rely on testimony of Mr. Kent, rather than testimony of Mr. Shamos. But Mr. Kent expressly "agree[s] with the legal theories and analysis presented in the Shamos Declaration and the [petition filed in the related IPR]." Ex. 1002 ¶ 3. Petitioners represent that they "will not rely on the declaration of Peter Kent (which is substantively the same as Shopify's expert declaration) submitted with the present petition, unless Shopify is terminated from the proceeding prior to the Shopify expert being deposed."

Mot. 3. Under these circumstances, we consider the evidence sufficiently similar that joinder with the related IPR would have minimal impact.[3]

In addition, Petitioners agree to "cooperate with Shopify in the joined proceeding, whether at hearings, at depositions, in filings, or otherwise." *Id.* at 2. In particular, "Petitioners will proceed in a limited 'understudy' role" and "[j]oinder will not impact the trial schedule." *Id.*

A party may be joined to an instituted *inter partes* review in accordance with the following statutory provision:

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

35 U.S.C. § 315(c); *see* 37 C.F.R. § 42.122. As the moving party, Petitioners bear the burden of proving that they are entitled to the requested relief. 37 C.F.R. § 42.20(c). In light of Petitioners' representations, and in light of Patent Owner's express "consent[] to Petitioner's Motion for

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[3] The related IPR was instituted under a claim-construction standard that does not apply to petitions, like the instant Petition, filed after November 13, 2018. *See Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board*, 83 Fed. Reg. 51,340 (Oct. 11, 2018); Pet. 11. Nevertheless "Petitioners submit that the outcome of the [related IPR] will not be changed based on which claim construction standard is applied and therefore this rule change will not burden the present case." Mot. 6 n.1. We agree with Petitioner that "joinder of the Petition with the [related IPR] will not prejudice Patent Owner in any way as the [related IPR] has already been instituted under the broadest reasonable interpretation standard and using a plain and ordinary meaning standard would not adversely impact Patent Owner." *Id.*

Joinder," Paper 8, 2, we determine that Petitioners have demonstrated sufficiently that the arguments in the Petition warrant institution of an *inter partes* review under 35 U.S.C. § 314 with respect to the grounds instituted in the related proceeding. Accordingly, we grant the Motion and terminate this proceeding so that all further filings are made in the related proceeding to which Petitioners are joined.

III. ORDER

It is

ORDERED that Petitioners' Motion for Joinder is *granted* and that Petitioners are hereby joined as parties to IPR2018-01014;

FURTHER ORDERED that the grounds of unpatentability on which trial was instituted in IPR2018-01014 are unchanged and remain the only grounds on which trial has been instituted;

FURTHER ORDERED that the Scheduling Order and any modifications thereto entered in IPR2018-01014 shall govern the schedule of the joined proceeding;

FURTHER ORDERED that the joined parties in IPR2018-01014 shall file all papers jointly in the joined proceeding as consolidated filings, and will identify each such paper as "Consolidated," except for papers that involve fewer than all of the parties;

FURTHER ORDERED that this proceeding is *terminated*;

FURTHER ORDERED that a copy of this Decision shall be entered into the record of IPR2018-01014; and

FURTHER ORDERED that the case caption in IPR2018-01014 shall be modified in accordance with the attached example to reflect joinder of Petitioners.

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Example Case Caption for Joined Proceeding

UNITED STATES PATENT AND TRADEMARK OFFICE

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SHOPIFY, INC., PRICELINE.COM LLC, and BOOKING.COM B.V.,
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Case IPR2018-01014
Patent 8,515,825 B1
