Trials@uspto.gov
571-272-7822

Paper No. 14
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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,
Petitioner,

v.

VIDEOSHARE LLC,
Patent Owner.

CBM2020-00027
Patent 10,362,341 B2

Before JONY Y. CHANG, MICHAEL R. ZECHER, and THOMAS L. GIANNETTI, *Administrative Patent Judges.*

GIANNETTI, *Administrative Patent Judge.*

DECISION
Denying Institution of Covered Business Method Patent Review
35 U.S.C. § 324

I. INTRODUCTION

Google LLC ("Petitioner") filed a Petition (Paper 1, "Pet.") requesting review under the transitional program for covered business method patents ("CBM")[1] of claims 1–7 ("the challenged claims") of U.S. Patent No. 10,362,341 B2 (Ex. 1001, "the '341 patent"). Patent Owner, VideoShare LLC, filed a Preliminary Response. Paper 11 ("Prelim. Resp."). With our authorization, Petitioner filed a Reply (Paper 12, "Reply)" and Patent Owner filed a Sur-reply (Paper 13, "Sur-reply").

A covered business method patent review may not be instituted unless the patent being challenged qualifies as a covered business method patent, and the information presented in the petition, if unrebutted, "would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable." 35 U.S.C. § 324(a). For the reasons that follow, we decline to institute a CBM review of claims 1–7 of the '341 patent.

II. BACKGROUND

The '341 Patent

The '341 patent is titled "Systems and Methods for Sharing Video with Advertisements over a Network." Ex. 1001, (54). According to the '341 patent, a user can create a video segment, upload the segment to a server, indicate an advertisement to be associated with the video, and then send it to a recipient over a computer network. *Id.* at (57).

[1] *See* § 18(a) of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 329 (2011) ("AIA"). Although the transitional CBM program has sunset, CBM proceedings based on petitions filed before September 16, 2020, including this Petition, are still pending.

This process is illustrated by Figure 1B, following.

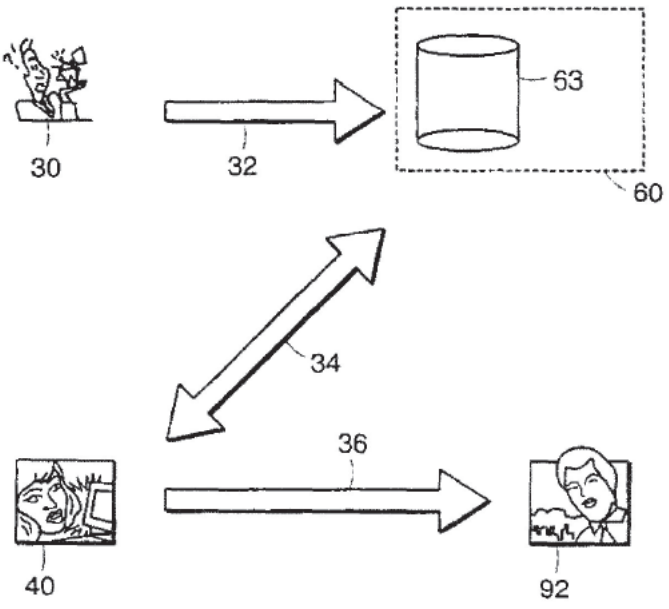


FIG. 1B

Figure 1B is a schematic diagram of a process and system for selecting and associating an advertisement to a video which is obtained, uploaded, and sent to a recipient. Ex. 1001, 4:64–67. In Figure 1B, advertiser 30 submits an advertisement to database 63, which is part of host computer 60. *Id.* at 7:47–49. When sender 40 uploads a video, using a sender computer, to host computer 60, the host computer offers the sender an opportunity to select an advertisement of the one or more advertisements posted to advertisement database 63 to be associated with the video segment that sender 40 has uploaded to host computer 60. *Id.* at 7:59–8:1.

The sender can transmit from the sender computer an indication of an intent to send the video segment and the advertisement over the computer network to recipient 92. *Id.* at 8:23–26. In response to receiving the

indication, the host computer and its associated server computer system automatically perform a series of actions. *Id.* at 8:27–29. These actions include assuring that the video segment is in a streaming video format, creating an identifier for the video segment, associating the video segment and the advertisement, and sending the video segment, the identifier, and the associated advertisement over the computer network to a receiving computer system where recipient 92 can view the video segment and the associated advertisement. *Id.* at 8:29–37.

B. Illustrative Claim

Claim 1 is the only independent claim, and is illustrative of the claimed method. Claim 1 follows:

> 1. A method for sharing video over a structured hierarchical network comprising:
>
> a first server system receiving a first video file in a first format from a first client via the structured hierarchical network;
>
> the first server system creating a second video file in a second format by converting at least a portion of the first video file from the first format to the second format, independent from receiving a command from the first client to perform such conversion;
>
> the first server system storing the first video file and the second video file;
>
> the first server system generating an identifier for video content corresponding to the first video file and the second video file;
>
> the first server system receiving a request to stream the identified video content to a second server system or a second client via the structured hierarchical network;
>
> the first server system sending the stored first video file or the stored second video file corresponding to the identified video content to the second server system or the second client via the structured hierarchical network depending on a compatibility of

> the second server system or a compatibility of the second client with the first format or the second format; and
>
> the first server system sending an advertisement for display with the identified video content sent in the stored first video file or the stored second video file.

Ex. 1001, 25:14–26:14. The remaining challenged claims 2–7 depend directly from claim 1. *Id.* at 26:15–27.

C. Related Matters

The parties indicate that the '341 patent is involved in *VideoShare, LLC v. Google LLC*, No. 6:19-cv-00663-ADA (W.D. Tex.). Pet. 3; Paper 3, 2. Petitioner also filed another petition challenging the same claims of the '341 patent, in IPR2020-01631. Pet. 3.

D. Real Parties-in-Interest

Petitioner identifies Google LLC and YouTube, LLC as real parties-in-interest. Pet. 3. Patent Owner identifies VideoShare LLC as a real party-in-interest. Paper 3, 2. Neither party challenges the sufficiency of these identifications.

E. Ground Asserted

The Petition challenges the '341 patent claims as not directed to patent-eligible subject matter under 35 U.S.C. § 101. Pet. 5, 77–100. No other ground of challenge is asserted.

III. ANALYSIS

A. Standing

Petitioner states that it has standing to seek a covered business method patent review of the '341 patent because it has been sued for alleged infringement of the '341 patent, in *VideoShare, LLC v. Google LLC*, No. 6:19-cv-00663-ADA (W.D.Tex.), and is not estopped from challenging the

patent claims. Pet. 5. Patent Owner does not contest this assertion of standing. We determine, therefore, that Petitioner has standing to seek review of the '341 patent under Section 18 of the AIA. AIA § 18(a)(1)(A); *see* 37 C.F.R. § 42.302.

B. Financial Product or Service

A covered business method patent is "a patent that claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service." AIA § 18(d)(1); *see* 37 C.F.R. § 42.301(a). Petitioner contends that the requirement is met here because the '341 patent claims "expressly recite advertising elements." Pet. 37–38. Further, according to Petitioner, "the written description of the '341 patent's advertising claim elements makes clear that these elements include financial features in all cases." *Id.* at 38. Petitioner asserts "the '341 [patent] includes significant discussion of how advertisers must pay for the advertisements recited in the claims." *Id.* Also, Petitioner contends "the '341 patent further explains a number of ways to 'remunerate' for the advertisements," and "every claim is directed to attaching these paid advertisements to video content." *Id.* at 38–39. We are not persuaded by this analysis.

To determine whether a patent is eligible under AIA § 18(d)(1) for a covered business method patent review, the focus is on the claims. *Blue Calypso, LLC v. Groupon, Inc.*, 815 F.3d 1331, 1340 (Fed. Cir. 2016) (challenged patent eligible for review because the claims recited "an express financial component in the form of a subsidy" that was "central to the operation of the claimed invention"). Thus, "§ 18 (d)(1) directs us to examine the *claims* when deciding whether a patent is a CBM patent." *Blue*

Calypso, 815 F.3d at 1340. More specifically, the focus is on the claims to determine whether there is anything "explicitly or inherently financial in the construed claim language." *Id.*

The claims of the '341 patent are directed to "[a] method for sharing video over a structured hierarchical network." Ex. 1001, 25:14–15. We are not persuaded that this a financial activity. We agree with Patent Owner that the focus of the claims is video sharing technology. Prelim. Resp. 21. The claims describe a series of method steps for sharing video content involving servers and video files. Nowhere do the claims discuss or suggest obtaining payment or remuneration. Thus, the claims are unlike those in *Blue Calypso*, 815 F.3d 1331. In *Blue Calypso*, the claims expressly recited the term "subsidy," which the Board construed as "financial assistance given by one to another." *Id.* at 1339–40. The Federal Circuit explained that based on this understanding, the Board had concluded that the claims "were financial in nature" and instituted CBM review. *Id.* at 1340. The Federal Circuit agreed with the Board's analysis and affirmed its decision to institute CBM patent review: "Significantly, Blue Calypso has not challenged the Board's interpretation of subsidy as 'financial assistance given by one to another.'" *Id.*

Here, the claims recite "sending an advertisement for display with the identified video content sent in the stored first video file or the stored second video file." Ex. 1001, 26:11–13. There is no suggestion in the claims that "sending an advertisement" is itself inherently financial in nature. And unlike the claim construction of "subsidy" in *Blue Calypso*, neither party here has sought a special construction of "advertising," let alone one that is financial in nature.

The claims before us here are more like those in the cases involving advertising cited by Patent Owner, in which institution was denied. Prelim. Resp. 22. In those cases, all involving petitioner Google, the Board concluded that merely claiming facilitation of advertising is insufficient to show a patent is eligible for CBM review. *See, e.g.*, *Google Inc. v. KlausTech*, CBM2016-00096, Paper 10 at 11 (PTAB Feb. 27, 2017) (claims "cover[ing] the facilitation of advertisement, without more, are not enough to justify concluding that a patent is a covered business method patent eligible for review"). The Federal Circuit also has rejected the argument by Google that claiming facilitation of advertising is sufficient, in *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 1376 (Fed. Cir. 2016), vacating the Board's decision to institute a CBM review:

> Google further notes that the specification discusses using the claimed method to facilitate advertising, which would thereby facilitate financial activity. In Google's view, proposed use of the claimed method *in facilitating advertising* is sufficient to support the Board's determination that the '752 patent is a CBM patent. *We disagree*.

841 F.3d at 1379 (emphasis added). The Court went on to reason that "it cannot be the case that a patent covering a method and corresponding apparatuses becomes a CBM patent because its practice *could* involve a potential sale of a good or service. *All patents, at some level, relate to the potential sale of a good or service*." *Id.* at 1382 (emphasis added).

For at least these reasons, Petitioner's arguments based upon the written description of the '341 patent are unavailing. Pet. 39–41. For example, we are not persuaded that Petitioner supports the argument that "the written description of the '341 patent's advertising claim elements makes clear that these elements include financial features *in all cases*." *Id.*

at 38 (emphasis added). We find, at best, examples of potential financial activity of the type discounted in *Unwired Planet*, 841 F.3d at 1382. Thus, the '341 patent explains that "[a]n advertiser *can* be charged a fee for posting and/or storing an advertisement." Ex. 1001, 9:24–25 (emphasis added). Similarly, the patent explains "there are *many ways* that senders 40 and viewers 92 of advertisements may be induced to participate," before discussing remuneration as one example. *Id.* at 9:39–40 (emphasis added).

Petitioner's reliance (Pet. 35) on a non-precedential panel decision in *Dish Network v. Customedia Technologies, L.L.C.*, CBM2017-00032, Paper 50 (PTAB July 25, 2018), is misplaced. There, the panel instituted a covered business method patent review, observing that several of the challenged dependent claims "add express financial elements" to the claims from which they depend. Paper 50, 9 (quoting the panel's institution decision, Paper 10, 8–9). Specifically, the *Dish Network* panel found that dependent claims referring to "monitoring a *product rental or purchase* by an end user" met the financial product or service test for covered business method patent eligibility. *Id.* Here, however, the recitations in the dependent claims cited by Petitioner (Pet. 35) do not add any financial components to the "advertisement" recited in claim 1, from which they depend.

In sum, we conclude that, while the '341 patent discusses optional ways to facilitate the dissemination of advertising, including receiving payments, as examples, we are not persuaded there is sufficient evidence in the claims or specification that "sending an advertisement for display with the identified video content" is a financial activity. *See Unwired Planet*, 841 F.3d at 1382 ("It is not enough [for CBM eligibility] that a sale has occurred

or may occur, or even that the specification speculates such a potential sale might occur.").

C. Technological Invention

The AIA excludes from CBM review patents for a "technological invention." AIA § 18(d)(1). To determine whether a patent is for a "technological invention," we consider "whether the claimed subject matter as a whole recites a technological feature that is novel and unobvious over the prior art; and solves a technical problem using a technical solution." 37 C.F.R. § 42.301(b).

Petitioner asserts that the claims of the '341 patent are not directed to a "technological invention." Pet. 41–77. Patent Owner disputes that Petitioner has carried its burden on this issue. Prelim. Resp. 29–63.

Because we have determined that the '341 patent does not qualify for covered business method patent review, we do not address whether the exception for technological inventions applies.

D. Discretionary Denial

Patent Owner contends that the Board should exercise its discretion to deny the Petition under 35 U.S.C. § 324(a) "because the parallel district court proceeding in the Western District of Texas is at an advanced stage with trial scheduled to conclude in November 2021—well before the Board would be expected to issue any Final Written Decision." Prelim. Resp. 10.

Because we have determined that the '341 patent does not qualify for covered business method patent review, we do not address whether we should exercise our discretion to deny the Petition.

E. Subject Matter Eligibility Under 35 U.S.C. § 101

Petitioner contends that the challenged claims are directed to an abstract idea that is not eligible subject matter for a patent under 35 U.S.C. § 101. Pet. 77. According to Petitioner, "[t]he claims recite the abstract idea of including advertising with appropriately formatted video." *Id.* at 80.

Patent Owner responds that Petitioner has failed to show that the claims recite ineligible subject matter. Prelim. Resp. 64. According to Patent Owner, "[t]he '341 Patent claims recite specific steps that improve the functioning of a video server providing shared video files." *Id.*

Because we have determined that the '341 patent does not qualify for covered business method patent review, we do not address whether the claims recite eligible subject matter under 35 U.S.C. § 101.

IV. ORDER

Accordingly, it is

ORDERED that the Petition is *denied* as to all grounds and all challenged claims of the '341 patent and no trial is instituted.

PETITIONER:

Ben Haber
Amy Liang
O'MELVENY & MYERS LLP
bhaber@omm.com
aliang@omm.com

PATENT OWNER:

Michelle F. Armond
Douglas R. Wilson
ARMOND WILSON LLP
michelle.armond@armondwilson.com
doug.wilson@armondwilson.com