

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNIFIED PATENTS, INC.,
Petitioner,

v.

MV3 PARTNERS LLC,
Patent Owner.

Case IPR2019-00474
Patent 8,863,223 B2

Before JEAN R. HOMERE, JUSTIN T. ARBES, and
CHRISTOPHER M. KAISER, *Administrative Patent Judges*.

HOMERE, *Administrative Patent Judge*.

DECISION

Denying Patent Owner's Request on Rehearing
of Decision Granting Institution of *Inter Partes* Review
35 U.S.C. § 42.71(d)

I. INTRODUCTION

Pursuant to 37 C.F.R. § 42.71(d), MV3 Partners, LLC (“Patent Owner”), requests rehearing of our Decision Granting Institution of *Inter Partes* Review (Paper 9, “Dec.”) of claims 1–6, 8, 10–21, 23–38, 40, 42–53, and 55–61 (“the challenged claims”) of U.S. Patent No. 8,863,223 B2 (Ex. 1001, “the ’223 patent”) on the two grounds of unpatentability presented in the Petition (Paper 2, “Pet.”). Paper 14 (“Req. Reh’g”). Pursuant to an Order Authorizing Filing of Exhibits (Paper 16), Unified Patents, Inc. (“Petitioner”) filed an Authorized Opposition to Patent Owner’s Request for Rehearing. Paper 18, “Opp.” For the reasons set forth below, Patent Owner’s Request for Rehearing is *denied*.

II. STANDARD OF REVIEW

A party requesting rehearing bears the burden of showing that the decision should be modified. 37 C.F.R. § 42.71(d). The party must identify specifically all matters we misapprehended or overlooked, and the place where each matter was addressed previously in a motion, an opposition, or a reply. *Id.* Under 37 C.F.R. § 42.71(c), “[w]hen rehearing a decision on petition, a panel will review the decision for an abuse of discretion.” The abuse of discretion standard of review is the same heightened standard federal appeals courts use to review district court factual findings. *See, e.g., PNY Techs., Inc. v. Phison Elecs. Corp.*, IPR2013-00472, Paper 16 at 2 (PTAB Apr. 23, 2014) (“An abuse of discretion may be determined if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors.” (citing *Star Fruits*

S.N.C. v. United States, 393 F.3d 1277, 1281 (Fed. Cir. 2005))). With this in mind, we address the arguments presented by Patent Owner.

III. ANALYSIS

Patent Owner's Request for Rehearing contains two principal arguments. First, Patent Owner argues the Board overlooked the argument raised in the Preliminary Response that the prior art failed to teach determining whether a user is permitted to provide a first media content to an external device. Req. Reh'g 1. Second, Patent Owner argues that the Board should reconsider the Decision and decline to institute an *inter partes* review under 35 U.S.C. § 314(a) in light of *NHK Spring Co. v. Intri-Plex Technologies, Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) ("*NHK Spring*") (precedential). *Id.* We address these arguments in turn.

a. The Board Did Not Overlook Patent Owner's "Determining" Limitation Argument

Patent Owner argues that the Board erred by overlooking Patent Owner's argument in the Preliminary Response (Paper 6, "Prelim. Resp.") that the prior art does not teach "determining, based on the validity of the user, that the received first media content is permitted to be provided to the display device," as recited in independent claim 1 of the '223 patent. Req. Reh'g 1. According to Patent Owner, the Board's determination that "Petitioner provides evidence that authenticating a user before providing the user access to media content was a well-known feature of [set top boxes ('STBs')] to restrict access or delivery of multimedia content to authorized users only" is irrelevant to the teaching of the '223 patent. *Id.* at 5 (citing Dec. 27). In particular, Patent Owner argues we misapprehended the teaching of the '223 patent by improperly relying on Wang, Romano, Herrington, and Bennett's disclosure of authenticating a user for the purpose

of purchasing content to teach the claimed authentication of whether a user is authorized to send content from a mobile device through a set top box to an external device. *Id.* at 5–6. Patent Owner reiterates that “[b]oth Romano and Bennett teach at most authentication for transactions, performed directly on the STB with no involvement of a user associated with a mobile computing device.” *Id.* at 5 (quoting Prelim. Resp. 31). Patent Owner submits that because Petitioner failed to offer a rationale as to why a person having ordinary skill in the art (“PHOSITA”) would extend the prior art’s authentication performed by a STB in a purchase of content to the claimed STB authentication for determining whether a mobile device user is authorized to provide a particular content to an external device, there is insufficient evidence to support Petitioner’s argument on this point. *Id.* at 6–7.

These arguments are not persuasive because they amount to no more than Patent Owner expressing its disagreement with our Decision rather than identifying any issues we overlooked or misapprehended. A request for rehearing is not an opportunity to provide rebuttal arguments. 37 C.F.R. § 42.71(d). Rather, it is a medium to point out errors arising from the Board misapprehending or overlooking an issue previously raised in the parties’ papers. *Id.* As correctly noted by Petitioner, in our Decision on Institution, we found Petitioner provided sufficient explanation at this stage to support its proposed modification to Wang. Opp. 7–8. In particular, we noted the following:

Petitioner contends that Wang’s disclosure of authenticating a user during a purchase request (e.g., using a mobile device to download media content from the Internet) based upon a mobile device Tag ID and password associated with the user to validate

the user teaches or suggests the cited claim limitation. [Pet.] 39–40 (citing 10:31–11:27, 27:48–28:10). According to Petitioner, although Wang’s disclosed authentication serves to authenticate the user, and does not address the access rights of the individual, Wang, nonetheless, teaches using the authentication information “to access an online account.” *Id.* at 39–40 (citing Ex. 1004, 11:4–27, 27:49–51). Further, Petitioner contends that Wang teaches that its authentication server may reside within a wireless hub (WHUB), which may be integrated into the MTSCM STB. *Id.* at 40 (citing Ex. 1004, 9:36–38). Therefore, Petitioner submits that a PHOSITA would have been motivated to perform the multimedia purchase authentication by using Wang’s MTSCM STB having a WHUB integrated therein to verify the user’s authenticity before converting the mobile device’s multimedia content for display on the external display device. *Id.* at 40–41 (citing Ex. 1003 ¶ 73).

Dec. 22. We also found:

Petitioner provides evidence that authenticating a user before providing the user access to media content was a well-known feature of STBs to restrict access or delivery of multimedia content to authorized users only. *See* Pet. 40–41 (citing Exs. 1003, 1005, 1023, 1024). Therefore, on the present record, we agree with Petitioner that a PHOSITA, being apprised of Wang’s teaching to integrate the authentication feature into the STB, would have understood that the resulting STB would only provide access or broadcast multimedia content to authenticated mobile users. Accordingly, the proposed modification of Wang’s system would predictably result in the STB limiting transmission of multimedia content to cell phones of authorized users *for subsequent display of the media content on an external display*. Pet. 40–41. Further, we do not agree with Patent Owner that Petitioner’s proposed modification of Wang is conclusory because it is corroborated by Petitioner’s Declarant, as well as other prior art (e.g., Romano, Herrington and Bennett) that such feature is indeed widely used to enhance the security of STBs. *Id.* (citing Ex. 1003 ¶¶ 41, 42, 73, 1005; Exs. 1005, 1023, 1024).

Id. at 27 (emphasis added).

As set forth in the portions of the Decision reproduced above, we fully addressed the language of the claims as challenged in the Petition. We are not persuaded that in doing so we misapprehended or overlooked any argument raised by Patent Owner in the Preliminary Response. Rather, we determined that the Petition provided an adequate explanation, based on the current record, for the proposed modification to Wang. In particular, we noted that Petitioner provided sufficient rationale for why a PHOSITA would have integrated the known authentication of a mobile device user (purchasing online content) into Wang's STB, resulting in a STB that provides access or broadcast multimedia content only to authorized users. *Id.* Further, we noted the evidence of record, as corroborated by Petitioner's declarant, would therefore "predictably result in the STB limiting transmission of multimedia content to cell phones of authorized users for subsequent display of the media content on an external display." *Id.*; see Opp. 7–8. We fully addressed the language of the claims as challenged in the Petition, and addressed the same portions of the prior art presently being argued in the Request for Rehearing. Furthermore, as a panel of the Board has explained,

[a] request for rehearing is not an opportunity merely to disagree with the panel's assessment of the arguments or weighing of the evidence, or to present new arguments or evidence. It is not an abuse of discretion to have performed an analysis or reached a conclusion with which Petitioner disagrees, and mere disagreement with the Board's analysis or conclusion is not a proper basis for rehearing.

Sophos, Inc. v. Finjan, Inc., IPR2015-01022, Paper 9 at 3–4 (PTAB Jan. 28, 2016).

Further, as correctly noted by Petitioner, we were unpersuaded by Patent Owner’s argument that Wang’s failure to disclose access rights teaches away from “determining that the received first media content is permitted to be provided to the display device.” Opp. 8 (quoting Dec. 27–28). However, Patent Owner now attempts to reframe the teaching away argument as an argument that the disputed limitation requires an authenticated user being able *to send content* to an external device. Req. Reh’g 5–6. We could not have misapprehended or overlooked an argument not made in the Preliminary Response. Furthermore, based on the current record, we agree with Petitioner that this argument is not commensurate with the scope of the claim, which does not require that the user be *authenticated to send* content to a specific destination. Opp. 8–9. Rather, the claim requires that the user be authenticated to receive the content, and we found Petitioner’s arguments sufficient based on the current record. *Id.* at 9–10 (citing Ex. 1001, 3:11–13, 6:11–12).

For the foregoing reasons, we are not persuaded that our Decision overlooked or misapprehended the parties’ arguments as discussed above.

b. Institution in Light of NHK Spring

Patent Owner argues that the Board should reconsider its Decision to institute *inter partes* review of claims 1–6, 8, 10–21, 23–38, 40, 42–53, and 55–61 of the ’223 patent in light of *NHK Spring*, which was designated precedential on May 7, 2019 (after Patent Owner filed its Preliminary Response in this proceeding). Req. Reh’g 7. Patent Owner requests, in view of the intervening change in controlling law and in the interest of justice,

that the Board decline to institute *inter partes* review of the cited claims. *Id.* (citing 37 C.F.R. § 42.5(b)).

Patent Owner references (1) the February 27, 2019 Scheduling Order in related district court litigation between the parties¹ (Ex. 2008) in which trial is set for June 2020; (2) the July 19, 2019 transcript of a claim construction hearing (Ex. 2009) involving the '223 patent; and (3) Preliminary Invalidity Contentions (Ex. 2010) served by Roku, Inc. (“Roku”) in the concurrent proceeding allegedly setting forth similar invalidity challenges to those asserted by Petitioner in the present *inter partes* review (IPR).² *Id.* at 7–8. Patent Owner indicates the district court declined Roku’s request to stay litigation pending the *inter partes* review of the '223 patent. *Id.* at 8. According to Patent Owner, because the related district court litigation proceeding will have already been resolved in June 2020 and the same issues where the validity of the challenged claims in the '223 patent over the same prior art references and arguments raised in the Petition will be adjudicated using the same claim construction standard the Board would apply in the final written decision in this proceeding due in July 2020, thus leaving no outstanding issues for the Board to resolve, institution of trial would not serve as a “quick and cost effective

¹ *MV3 Partners LLC v. Roku, Inc.*, No. 6:18-cv-00308 (W.D. Tex. Oct. 16, 2018).

² Patent Owner previously filed an unauthorized motion to submit supplemental information with Exhibits 2008–2010, all of which we expunged. *See* Paper 15. However, pursuant to the Order Authorizing Filing of Exhibits under 37 C.F.R. § 42.5(a), we authorized Patent Owner to file these Exhibits to facilitate our review of Patent Owner’s Request for Rehearing. Pursuant 37 C.F.R. § 42.20(d), we also authorized Petitioner to file an opposition to Patent Owner’s Request for Rehearing. *See* Paper 16.

alternative[] to litigation,’ but would rather subject Patent Owner to defending the same arguments in different forums and be highly inefficient.” *Id.* at 8–9 (quoting H.R. Rep. No. 112–98, pt. 1, at 48 (2011)), 9–10 (citing *NHK Spring* and 37 C.F.R. § 42.100(b) and arguing that “institution of trial in this case will serve only to increase the costs and expense incurred by the parties to this proceeding and waste the resources of the Board”). These arguments are not persuasive.

As correctly noted by Petitioner, in *NHK Spring*, the petitioner was also the defendant in the concurrent district court case raising in both the IPR petition and the district court the same invalidity contentions based on the very same prior art. Opp. 2; see *NHK Spring* at 19–20. The panel in *NHK Spring* found that, under § 314(a), institution would be inefficient because the district court trial would resolve the same invalidity issues raised in the IPR six months before the statutory deadline for the Board to issue its final written decision. Opp. 3 (citing *NHK Spring* at 19–20). By contrast, the facts in the current proceeding do not support denial of institution. As correctly noted by Petitioner, in *NHK Spring*, the advanced state of the district court proceeding that would resolve the very same issues raised between the very same parties six months prior to the final written decision deadline weighed in favor of institution denial, whereas the present proceeding involves different parties and different issues and is not at such an advanced stage. *Id.* at 4.

First, unlike in *NHK Spring*, there is no identity of parties between the related district court proceeding and the current IPR. Petitioner is Unified Patents, Inc. and the defendant in the related district court litigation is Roku. We noted the following in our Decision on Institution:

The record also contains no evidence of client-specific or pre-filing communications between Unified and Roku regarding this proceeding or the preparation of the Petition filed in this proceeding.

There is also no specific evidence that the Petition was filed at Roku's behest. In particular, we are not persuaded that the mere fact that Roku asserted invalidity based on Wang in the district court litigation (after the filing of the Petition in this proceeding) is enough, without more, to show that Roku is an unnamed [real party in interest] as Patent Owner contends.

Dec. 43 (citation omitted).

Second, there is no identity of issues between the related district court proceeding and the current IPR. As correctly noted by Petitioner, in the current proceeding, we instituted review of 30 additional claims that are not at issue in the district court proceeding (claims 4, 8, 10–14, 16–20, 24, 26–28, 36, 40, 42–46, 48–52, 58, and 60). Opp. 4. As further correctly noted by Petitioner, Roku's district court invalidity challenges are based on 67 references, only three of which form the basis of the instituted grounds in the instant IPR. *Id.* at 5 (citing Ex. 2010). We thus agree with Petitioner that it is speculative at this stage of the district court proceeding to presume that the three references proffered in the present Petition will be presented as the same combination in Roku's ultimate case at trial. *Id.* We likewise agree with Petitioner that Patent Owner's assertion on whether a final judgment will be entered in the district court proceeding before the Board's statutory deadline of July 16, 2020 is speculative. *Id.* at 5–6. As correctly noted by Petitioner, the trial date of June 1–12, 2020, set by the district court in the Scheduling Order includes no deadlines for post-trial proceedings leading to a final judgment before the Board's statutory deadline. *Id.*

Third, in *NHK Spring*, the related district court case was “nearing its final stages,” with expert discovery nearly completed and a trial scheduled for approximately six months before the final written decision deadline. *NHK Spring* at 20. In the related litigation involving Roku, however, fact and expert discovery will not close until January and March 2020, respectively, and the trial is currently scheduled for June 2020, only one month before the Board’s statutory deadline of July 16, 2020. Ex. 2008.

For the foregoing reasons, we decline to terminate our institution of *inter partes* review of the challenged claims.

ORDER

Accordingly, it is ORDERED that Patent Owner’s Request for Rehearing is *denied*.

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