

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETFLIX, INC.,
Petitioner,

v.

DIVX, LLC,
Patent Owner.

IPR2020-00511
Patent 9,184,920 B2

Before KEVIN F. TURNER, BART A. GERSTENBLITH, and
IFTIKHAR AHMED, *Administrative Patent Judges*.

GERSTENBLITH, *Administrative Patent Judge*.

DECISION

Denying Patent Owner's Request on Rehearing of the
Decision Instituting *Inter Partes* Review
37 C.F.R. § 42.71(d)

I. INTRODUCTION

DivX, LLC (“Patent Owner”) filed a Request for Rehearing (Paper 11, “Rehearing Request” or “Req. Reh’g”) of the Decision Instituting *Inter Partes* Review (Paper 7, “Decision” or “Inst. Dec.”). Patent Owner also requests that the Precedential Opinion Panel (“POP”) review the Decision (Paper 14 (Notification of Receipt of POP Request)), which the POP denied (Paper 17 (Order)).

For the reasons provided below, Patent Owner’s Rehearing Request is *denied*.

II. ANALYSIS

A party requesting rehearing bears the burden of showing that the decision should be modified. 37 C.F.R. § 42.71(d). “The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.” *Id.* When rehearing a decision on a petition, we review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c).

Patent Owner’s Rehearing Request raises two primary arguments: (1) we should have waived application of 37 C.F.R. § 42.108(c) and not viewed Dr. McDaniel’s testimonial evidence, which we found to create a genuine issue of material fact, in the light most favorable to petitioner solely for purposes of deciding whether to institute an *inter partes* review because the Director has proposed changing the rule to remove the presumption in favor of petitioner (Req. Reh’g 2, 3–7), and (2) we should not have found that Dr. McDaniel’s testimony created a genuine issue of material fact because the testimony is not based on facts or data in the record and

Dr. McDaniel’s testimony in other cases has not been found persuasive (*id.* at 2–3, 8–15).

First, we recognize that the Director has proposed changing the language of § 42.108(c) to remove the presumption that testimonial evidence be viewed in the light most favorable to petitioner at the institution stage when presented with a genuine issue of material fact. PTAB Rules of Practice for Instituting on All Challenged Patent Claims and All Grounds and Eliminating the Presumption at Institution Favoring Petitioner as to Testimony Evidence, 85 Fed. Reg. 31,728 (May 27, 2020). Even though we did not discuss the proposed rule change, we did not overlook it. As of the date of the Institution Decision, the rule change remained *proposed*. In other words, the presumption Patent Owner complains of, was still in effect. Additionally, we do not find Patent Owner’s argument that we should waive application of the rule persuasive. Further, Patent Owner’s request for POP review raised the question of applying the presumption, and said request was denied. Paper 17.

Second, we do not agree, on this record, with Patent Owner’s assertions regarding Dr. McDaniel’s testimony. Dr. McDaniel testified that (a) Chen teaches video data streams, (b) “[a]s was widely known in the art, for example as disclosed by Grab-333,^[1] a [person of ordinary skill in the art] would have understood that video data streams were comprised of a series of video frames,” and (c) a person of ordinary skill in the art “would have understood that Chen teaches a plurality of frames of video are encrypted using at least one scrambling key/control word.” Ex. 1003 ¶ 112;

¹ U.S. Patent Application Publication No. US 2004/0081333 A1, published April 29, 2004 (Ex. 1005, “Grab-333”).

see also id. ¶ 120 (“As a [person of ordinary skill in the art] would have understood, digital video includes a series of frames.” (citing Ex. 1005 ¶¶ 3–4)). Dr. McDaniel’s testimony reflects that he relies upon his knowledge of video data streams as well as Grab-333, a reference relied upon by Petitioner in its obviousness challenges. *See id.*; *see also* Pet. 10 (relying upon Grab-333 in each of the asserted grounds). On the record before us at the time, Dr. McDaniel’s testimony was not unsupported. Additionally, we do not base our determination in this proceeding on how testimony by Dr. McDaniel may have been treated in other cases. Our findings are based on the record before us in this proceeding. And, to remind the parties, those findings are preliminary and we have not yet reached a final determination, which will be based on the complete record developed during trial.

Accordingly, having considered Patent Owner’s Rehearing Request, Patent Owner has not persuaded us, for the reasons discussed, that our Decision should be reconsidered.

ORDER

For the foregoing reasons, it is:

ORDERED that Patent Owner’s Rehearing Request (Paper 11) is *denied*.

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For PETITIONER:

Harper Batts
Jeffrey Liang
Chris Ponder
SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
HBatts@sheppardmullin.com
CPonder@sheppardmullin.com
JLiang@sheppardmullin.com

For PATENT OWNER:

Kenneth J. Weatherwax
Bridget Smith
Flavio Rose
Edward Hsieh
Parham Hendifar
Patrick Maloney
Jason C. Linger
LOWENSTEIN & WEATHERWAX LLP
weatherwax@lowensteinweatherwax.com
smith@lowensteinweatherwax.com
rose@lowensteinweatherwax.com
hsieh@lowensteinweatherwax.com
hendifar@lowensteinweatherwax.com
maloney@lowensteinweatherwax.com
linger@lowensteinweatherwax.com