

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETFLIX, INC. and HULU, LLC,

Petitioners,

v.

DIVX, LLC,

Patent Owner.

Case No. IPR2020-00558

U.S. Patent No. 10,225,588

**PETITIONERS' REPLY TO
PATENT OWNER'S PRELIMINARY RESPONSE**

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Patent Owner (“PO”) asks the Board to broaden its exercise of discretion beyond any existing §325(d) caselaw even though all *Becton* factors and the *Advanced Bionics* framework weigh against discretionary denial. The POPR obscures key facts: of the three references combined in the Petition, two were never presented to the USPTO, and one (Chen) was listed in an IDS along with more than 1,000 other references. None of the Petition’s references were ever cited in an Office action or rejection, and the USPTO has never considered this combination of references or the supporting expert testimony.

Nor are the references cumulative of those considered during prosecution. PO argues some cited references teach more claim limitations than references from the Petition and concludes, without comparing the actual disclosures of the references, that they are somehow cumulative. But PO does not cite any case law, and Petitioner is not aware of any, that permits this type of superficial analysis.

I. Background on the Prosecution History of the ’588 Patent

The ’588 patent issued from a prosecution that lasted only four months. Its application was filed September 19, 2018. *See* Ex. 1002, 0002-0086 (Part 1). A Notice of Allowance was issued December 18, 2018. *See* Ex. 1002, 0558-0574 (Part 2). A Corrected Notice of Allowance issued on January 29, 2019 in response to an IDS filed on December 17, 2018. *See* Ex. 1002, 0649-0650 (Part 2). No Office actions were issued during the prosecution.

During prosecution, an agreement was reached to allow the '588 patent prior to the submission of any IDS forms and prior to any significant prior art search. The Notice of Allowance indicates that, during an interview on November 15, 2018, authorization was given for an Examiner's amendment to place the claims in condition for allowance, pending the filing of a terminal disclaimer. *See* Ex. 1002, 0558-0574 (Part 2). During the interview, the Examiner "proposed an examiner amendment... to recite the claim limitations in [a] specific order [to] clarify the claim limitations and to remove 101, 112(b), [d]ouble patenting (DP) rejection[s] and objection issues." Ex. 1002, 0564 (Part 2). An agreement was reached during the interview, and PO gave authorization for the Examiner's amendment. *See id.*

At this time in the prosecution, the Examiner had only conducted searches based on a few general search terms ("Access same control," "Access with control," "internet of things," and "OIT"), Microsoft as an assignee, and two inventors ("Arjmand Samuel" and "Juan Perez"). *See* Ex. 1002, 0627 (Part 2). No IDS forms had yet been submitted at this time in the prosecution.

On November 19, 2018, following the agreement and the authorization for the Examiner's amendment, PO submitted seven IDS forms disclosing ***over a thousand references***, including Chen. *See* Ex. 1002, 0102-0107 (Part 1), 0390-0392 (Part 2), 0405-0407 (Part 2), 0415-0420 (Part 2), 0433-0454 (Part 2), 0467-0472 (Part 2), 0485-0488 (Part 2). The Examiner initialed and drew a line down

each page of the IDS forms, indicating that all references had been considered within a few days of each other. *See* Ex. 1002, 0582-0625 (Part 2); POPR, 11 (stating that review of over 1,000 references happened “[o]ver the course of days”). The Examiner did not exclude any individual references in the IDS forms to indicate that they had not been considered. *See id.* On November 21, 2018, the Examiner conducted a search for 61 references out of the over 1,000 references listed in the IDS forms, not including Chen. *See* Ex. 1002, 0629-0633 (Part 2).

The present Petition includes a single ground that combines Chen, Lindahl, and Hurst. *See* Petition, 12. Chen was included in an IDS form, explained above. Lindahl and Hurst do not appear anywhere in the prosecution of the '588 patent.

II. Legal Standard for 35 U.S.C. § 325(d)

In determining whether to exercise its discretion under §325(d), the Board uses the two-part *Advanced Bionics* framework: (1) whether the same or substantially the same art or arguments were previously presented to the Office; and (2) if so, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims. *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 (PTAB Feb. 13, 2020) (designated precedential) (“*Advanced Bionics*”). Within this two-part framework, the Board considers the non-exclusive factors from *Becton*,

Dickinson & Co. v. B. Braun Melsungen AG, IPR2017-01586, Paper 8 (PTAB Dec. 15, 2017) (designated precedential); *see Advanced Bionics*, 9-11.

“The Board has consistently declined exercising its discretion under Section 325(d) when the only fact a Patent Owner can point to is that a reference was disclosed to the Examiner during the prosecution.” *Amgen Inc. v. Alexion Pharma., Inc.*, IPR2019-00740, Paper 15 at 65-66 (PTAB. Aug. 30, 2019).

III. All *Becton* Factors Weigh in Favor of Institution

Under the *Advanced Bionics* framework, factors (a), (b), and (d) analyze whether the art or arguments presented in the Petition are the same or substantially the same as those previously presented to the Office. *See Advanced Bionics*, 10. Only if the same or substantially the same art or arguments were previously presented does the Board consider whether the Petitioner has demonstrated a material error by the Office, analyzing *Becton* factors (c), (e), and (f). *Id.* Here, the Petition's art and arguments are not substantially the same as those previously presented, and regardless, all *Becton* factors weigh against discretionary denial.

A. The asserted art is not the same or substantially the same art that was previously presented to the Office.

Under *Becton* Factor (a), the asserted art is materially different from the prior art involved during examination. The Petition presents a single ground that combines Chen, Lindahl, and Hurst. None of these references were cited in any

Office action during the prosecution of the '588 patent, let alone an obviousness combination relying upon the three references. *See generally*, Ex. 1002.

Two references, Lindahl and Hurst, were never cited at any point during the prosecution of the '588 patent. *See* Ex. 1001; Ex. 1003, ¶104. Chen was cited in an IDS alongside over 1,000 other references. *See* Ex. 1002, 0433-0454 (Part 2); Ex. 1003, ¶104; *supra* §I. While the Examiner initialed that these references were reviewed, any analysis was cursory because the review of over 1,000 references, including Chen, occurred over the course of a few days. *See* Ex. 1002, 0582-0625 (Part 2); POPR at 11; *supra* §I; *infra* §III.B (*Becton Factor* (c)).

Under *Becton Factor* (b), the asserted art is not cumulative of the prior art evaluated during examination. PO alleges that Chen is cumulative of Braness and that Lindahl and Hurst are cumulative of Amini. *See* POPR, 13-17, 20-24. However, PO relies on a superficial analysis: counting the number of claim limitations taught by each reference and arguing that Braness teaches more limitations of the '588 patent than Chen and that Amini teaches more limitations of the '588 patent than Lindahl and Hurst. *See id.*

PO never compares the **disclosures** of the references. PO offers instead a series of charts that map the limitations of the '588 patent taught by each reference. The charts do not analyze how those limitations are taught, or whether the

Petition's prior art teaches those references in different ways. PO attempts to obscure the material differences between the references.

Chen is not cumulative of Braness. For example, Chen discloses adaptive streaming based on MPD files and segment indices. *See* Ex. 1003, ¶¶107, 165-169; Ex. 1006, ¶¶[0063-0064, 0066-0068, 0119-0120, 0124, 0148]. MPD files and segment indices are known aspects of MPEG-DASH systems, which PO accuses of infringement. *See* Ex. 1003, ¶¶75-78; Ex. 1015, ¶¶422, 425, 429 (accusing MPD and sidx boxes of infringement). Braness does not disclose MPEG-DASH. Furthermore, the '588 purports to improve upon the prior art MKV file format by including byte ranges. *See* Ex. 1001, 19:31-53; Petition, 10. Chen teaches a segment index that provides byte ranges for portions of a selected stream of protected video. *See* Ex. 1006, ¶¶[0119-0120], [0148]; Petition, 46-47; Ex. 1003, ¶¶166-169. In contrast, Braness teaches an SMIL file that can be used to obtain an index to encoded media but does not explicitly disclose what that index contains. *See* Ex. 2009, 16:41-47.

Additionally, Braness does not appear to be permissible prior art for an obviousness rejection because it shares the same assignee with the '588 patent and claims a priority date only one day before the claimed priority date of the '588 patent. *See* Ex. 2009. As §102(e) art with the same assignee, Braness would be barred by §103(c) from being used for obviousness combinations. In contrast, the

Petition presents an obviousness combination based on Chen, which cannot for this reason be considered cumulative of Braness.

Lindahl and Hurst are not cumulative of Amini. For example, PO alleges that partially encrypted video frames “improve[] the security of the video data and reduces the processing resources required to decrypt and play back [a] video.” Ex. 1015, ¶214. Amini does not explicitly disclose partially encrypted video, with encrypted and unencrypted portions of video frames. *See generally*, Ex. 2011. In contrast, Lindahl and Hurst teach partially encrypted frames that are encrypted using a set of common keys. *See* Ex. 1007, ¶¶[0055-0056, 0060, 0066]; Ex. 1008, 18:64-67; Petition at 29-35; Ex. 1003, ¶¶141-153.

Under *Becton Factor (d)*, Petitioner’s arguments do not overlap with the arguments made during examination. Petitioner relies on different prior art, combined in different ways, by combining Chen’s MPEG-DASH teachings with partial encryption and DRM from Lindahl and Hurst. The Examiner never combined teachings in this manner or analyzed the motivation to combine presented in the Petition. *See generally* Ex. 1003, 0558-0574 (Part 2).

No rejections under §§102 and 103 were issued in the prosecution of the ’588 patent. *See supra* §I. In the Notice of Allowance, the Examiner provides brief summaries of Braness, Prlyadarshi, and Gates. *See* Ex. 1003, 0571-0572 (Part 2).

The Examiner does not provide any motivation to combine these references together or with other references. *See id.*

PO alleges that Chen is cumulative of Braness, which was never used as a basis for a rejection during prosecution, and that Lindahl and Hurst are cumulative of Amini, which was not cited during prosecution of the '588 patent (it was only cited in prosecution of parent applications). *See* POPR, 13-17, 20-24. The Examiner never used a combination of Braness and Amini as a basis for a rejection during prosecution. *See generally* Ex. 1002. Therefore, even if the Petition's individual references were cumulative of Braness and Amini (they are not), the combination and related obviousness arguments cannot be cumulative because the Examiner never considered a combination of Braness and Amini.

B. The prosecution history contained material errors because its consideration of the prior art was cursory at best.

Even if the asserted art were substantially the same as previously presented (they are not), the Examiner's analysis contained material errors because the prosecution was not exhaustive and the prior art was only cursorily considered. *See Kayak Software Corp. v. IBM Corp.*, CBM2016-00075, Paper 16 at 11 (PTAB Dec. 15, 2016) (informative).

Under *Becton Factor* (c), none of the three asserted references—Chen, Lindahl, or Hurst—were evaluated during examination. None were used as the

basis for any rejections or cited in any Office actions. *See, e.g., supra* §I; Ex. 1002, 0558-0574 (Part 2); Ex. 1003 ¶104. PO alleges that Chen was considered by the Examiner and that the Examiner only discussed Braness because Chen is cumulative. *See* POPR, 13. This attempted mind-reading by the PO is pure speculation. *See* Ex. 1002, 0582-0625 (Part 2); POPR, 11; *supra* §I.

Under *Becton Factor (e)*, the Examiner erred when evaluating the prior art because any consideration was cursory at best. As described above, Lindahl and Hurst were never cited in the prosecution of the '588 patent, while Chen was included with over 1,000 references in seven IDS forms submitted on the same day. *See* Ex. 1002, 0102-0107 (Part 1), 0390-0392 (Part 2), 0405-0407 (Part 2), 0415-0420 (Part 2), 0433-0454 (Part 2), 0467-0472 (Part 2), 0485-0488 (Part 2). The Examiner initialed and drew a line down all references without marking any individual reference to indicate that it was not considered. *See, e.g.,* Ex. 1003, 0433-0454 (Part 2).

PO contends the Examiner considered all of these references, including Chen, because they were initialed during a “meticulous” and “thoughtful prosecution.” *See* POPR, 10-11. However, PO admits that the Examiner considered these references, over 1,000 total, “[o]ver the course of days.” POPR, 11. If there was any evaluation of Chen, it was cursory at best.

Under *Becton Factor (f)*, the Petition presents additional evidence, including testimony from a leading security expert Dr. Patrick McDaniel, explaining how and why the teachings of Chen, Lindahl, and Hurst would have been combined. The Office has never considered this combination of teachings, nor the rationales and motivations explained by Dr. McDaniel.

Furthermore, the timelines of the prosecution of the '588 patent suggest that the Examiner did not thoroughly review any prior art when evaluating the claims of the '588 patent. The Examiner reached an agreement to allow the claims prior to conducting any meaningful prior art search and prior to submission of any IDS forms. *See supra* §I; Ex. 1002, 0575-0576 (Part 2).

IV. Conclusion

PO attempts to stretch and contort the application of §325(d) beyond any recognizable form. The *Becton* factors evaluated in view of the specific facts of this case establish that the asserted ground and art are not the same or substantially the same as the prior art that was previously presented to the Office. PO points to no caselaw that would allow it to replace an analysis of prior art teachings with a superficial counting of limitations, as advocated in the POPR. And in any case, all *Becton* factors weigh against discretionary denial.

Date: June 23, 2020

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d), the undersigned certifies that the foregoing Petitioners' Reply to Patent Owner's Preliminary Response complies with 37 CFR § 42.6 and the ten-page limit specified by the Board's order granting leave to file this reply. The page count does not include those portions excepted by 37 C.F.R. § 42.24(a)(1).

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on June 23, 2020, true and correct copies of the Petitioners' Reply to Patent Owner's Preliminary Response were served in entirety via email to all parties to this proceeding at the addresses indicated:

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