

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 IPR2020-00558
Patent 10,225,588

**PATENT OWNER'S SURREPLY
TO PETITION FOR INTER PARTES REVIEW**

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2007	Excerpts from U.S. Patent Application No. 15/481,340 File history [340 CON FH]
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2009	U.S. Patent No. 8,806,188 [Braness]
2010	Manning <i>et al.</i> , INTRODUCTION TO INFORMATION RETRIEVAL (2008) (excerpts) [Manning]
2011	U.S. Pat. App. US2009/0290706A1 [Amini]

The untimely arguments that pervade Petitioner's Reply present a misplaced caricature of the examination of this disclosure. The Reply omits the Office's years of examination of ancestor applications that form part of its prior consideration of this subject matter under § 325(d). The Patent's examination was not "cursory," as Petitioner says, but high-quality. The new arguments that the new art is materially different from what the Office already considered ignore the Examiner's contrary findings, none of which is shown to be erroneous. The Petition should be denied.

I. PETITIONER'S § 325(d) ARGUMENTS ARE UNTIMELY.

All the arguments in Petitioner's Reply are inexcusably untimely. The fact that Patent Owner agreed to not oppose this briefing, as a compromise to avoid burdening the Board, does not change that. The Board should take note of the problems and inefficiency this tardiness has caused.

Every argument in the Reply could have, and should have, been made in the Petition. The Petition admits that *Chen*, its primary reference, was considered by the Examiner, but provided only a single conclusory sentence asserting the grounds were not cumulative of the prosecution. Pet., 12, 14. By "acknowledg[ing]" that it "relies, at least in part, on...art applied during examination," and by filing most of the examination as exhibits, Exs. 1002, 1004-05, Petitioner demonstrated it was well aware of the prosecution history. *Fortinet Inc. v. Brit. Telecoms. Pub. Ltd.*, IPR2019-01323, Paper 8, 3 (PTAB Dec. 12, 2019) (denying § 325(d) briefing). It

was “foreseeable that Patent Owner would argue that new art...is duplicative of art... before the Office during prosecution.” *Apple Inc. v. MPH Techs. Oy*, IPR2019-00819, Paper 9, 2 (PTAB Aug. 8, 2019). “Accordingly, Petitioner had an opportunity to address the issue in the Petition,” but nevertheless “chose to file its Petition without analyzing the *Becton Dickinson* factors and without any argument related to § 325(d).” *Merial, Inc. v. Intervet Int’l*, IPR2018-00919, Paper 11, 3 (PTAB Aug. 21, 2018). Petitioners should not be permitted to ignore such foreseeable issues for strategic purposes.

Because Petitioner avoided addressing § 325(d) in its Petition, Patent Owner had no specific arguments to respond to. This forced Patent Owner to address, for example, the cumulativeness of Petitioner’s art for **all** limitations of **all** challenged claims. POPR, 12-24. That inefficiency is Petitioner’s doing. It takes true gall for Petitioner, having refrained from making any noncumulativeness arguments in its Petition, to now argue that the dozens of pages of analysis in the Preliminary Response, which Patent Owner was forced to make because it had no specific arguments to respond to, were “superficial.” Reply, 1, 5-6. The Preliminary Response showed in detail, limitation by limitation, page after page, that the asserted art is cumulative to the art that was the central focus of examination. POPR, 12-24. The Reply’s suggestion that Patent Owner, despite going first on the issue, should have included **even more** § 325(d) argument is sheer makeweight.

II. PETITIONER FAILS TO SHOW ITS ART IS NOT CUMULATIVE.

In its Reply, for the first time, Petitioner argues that its references are not cumulative of art already considered by the Examiner. Reply, 6-7. The Reply's arguments are few and threadbare, and they are wrong. They ignore the Examiner's findings, which directly contradict Petitioner's attorney arguments.

The Reply argues the Petition's primary reference, *Chen*, is "not cumulative of Braness" based on speculation that the Office might find Braness to not be "permissible prior art," and by cherry-picking words from *Chen* (such as "MPEG-DASH" and "SMIL") without showing that these buzzwords are anywhere in the claims or add anything material to what Braness teaches. *Id.*, 6. In particular, the Reply argues *Chen* "provides byte ranges for portions of a selected stream of protected video," and that Braness does not. These arguments, however, ignore the Patent's Notice of Allowability ("NOA")—which expressly identified Braness as "[t]he closest **prior art**," and expressly found that Braness discloses "performing adaptive bitrate streaming using top level index files automatically generated based upon the capabilities of a playback device," where "the top level index file describes a plurality of streams accessible to the playback device **and identifies the location of the streams**[".]” Ex. 2002, 571 (emphases added); POPR, 14. Petitioner fails to show that *Chen*'s "provid[ing] byte ranges" adds anything material to that finding of the Office. It therefore fails to show anything but pure

speculation that *Chen* is not cumulative of Branness.

Petitioner's argument that *Hurst* and *Lindahl* are not cumulative of Amini, i.e., “the second closest prior art” (POPR, 19), is just as meritless. Completely ignoring the Preliminary Response's detailed, limitation-by-limitation comparison of Amini with the disclosures of *Hurst* and *Lindahl*, *id.*, 20-24, the Reply makes only one noncumulateness argument: that “Amini does not explicitly disclose partially encrypted video, which encrypted and unencrypted portions of video frames,” while “in contrast, Lindahl and Hurst teach partially encrypted frames that are encrypted using a set of common keys.” Reply, 7. The Reply offers not a single citation of any portion of Amini in support of this argument, leaving it to the Board to do all the work of this comparison. *Id.* Fortunately, that work is unnecessary. Petitioner has again ignored the Office's express examination findings, which again directly contradict its noncumulateness argument.

In the first Office Action in the examination of the first nonprovisional application presenting the '588 Patent's disclosure (see POPR, 9, 18), Examiner Getachew expressly found that Amini taught “identifying at least a portion of the common cryptographic information used to access the **encrypted portions of the frames** of video,” “where the streams are encrypted” with “the **same keys used for different streams.**” Ex. 1004, 941 (emphases added); POPR, 20. Even beyond this directly relevant disclosure, it is readily apparent that Amini's teachings of

same-key frame encryption are as good or better as those of *Hurst* and *Lindahl*.

POPR, 20 (citing Amini (Ex. 2011), *e.g.*, [0040]-[0041] (teaching that “the cipher text can be decrypted at any location in the cipher text stream, given that exact location in the stream”), [0054] (“In case a very simple key management system is used that allows only a single key per stream, then all alternate streams must use the same key.”), [0060], [0063] (“In the case where a key change is not desirable or possible, for example, when the alternate access units are generated as part of alternate streams, each access unit uses exactly a single key.”)). Thus, Petitioner fails to show that *Hurst* and *Lindahl* are not cumulative of Amini.

Petitioner contends under *Becton* factor (d) that its “arguments do not overlap” with those raised during examination, because the Examiner did not expressly combine these references in obviousness combinations. Reply, 7. But if there was substantially the same art, as there was, there is no requirement to also show substantially the same **arguments**. POPR, 7; *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6, 8 (PTAB Feb. 13, 2020) (precedential). And, in any event, there **is** a substantial overlap in arguments. In the Patent’s Notice of Allowability, the Examiner expressly found that “[n]one of the prior art of record, either taken by itself **or in any combination**, would have anticipated **or made obvious** the invention of the present application at or before the time it was filed.” Ex. 1002, 572 (emphases added). Moreover, as

Patent Owner has already explained, to show art *or* arguments were previously presented, one need not show a rejection based on them, but simply that the Examiner was aware of them. POPR, 19-20. As for Petitioner's new opinion declaration, it adds no substantial new argument under § 325(d). *Id.*, 38, 52.

Petitioner fails to show that the first *Advanced Bionics* step is not met.

III. PETITIONER FAILS TO SHOW AN ERROR BY THE EXAMINER.

The only supposed error by the Examiner that Petitioner can muster is the allegation that “the timelines of the prosecution” necessarily mean that the Patent's Track One examination must not have been “exhaustive.” Reply, 9-10 (asserting that Examiner failed to “evaluate[]” *Chen*, “only cursorily considered” and did not “thoroughly review any prior art when evaluating the claims,” and must therefore have “committed material errors”). This argument exhibits ignorance of basic Office procedures, and disregard of the Examiner's expertise.

Petitioner tries to wipe away years of prosecution by misleadingly asserting that “[t]he '588 patent issued from a prosecution that lasted only four months” with “no rejections.” Reply 1, 7. But where, as here, the same limitations appear throughout the prosecution of this disclosure, it is well-settled that “the relevant prosecution history here includes not only the ['588 Patent] application but also the parent...and grandparent applications” and beforehand. *Mark I Mktg. Corp. v. R.R. Donnelley & Sons Co.*, 66 F.3d 285, 291 (Fed. Cir. 1994); *accord, e.g.*,

Omega Eng'g, Inc. v. Raytek Corp., 334 F.3d 1314, 1334 (Fed. Cir. 2003) (where claim term “is the same throughout all five patents in the geneology”).

This myopia causes the Reply to overlook, Reply, 5, that the Examiner was familiar with *Chen* (to say nothing of Braness and Amini) well before the filing of the application that issued as the Patent. *Chen* was included on an IDS in the Patent's parent, Ex. 2007, 425, retrieved by the Examiner in his own search S54 on December 20, 2017, *id.*, 386, and initialed as considered in that case, *id.*, 216, and in the '588 Patent application, POPR, 13, 24.

Petitioner also ignores established Office procedure, requiring that “[t]he examiner of the continuing application will consider information which has been considered by the Office in the parent application.” MPEP 609.02. Patent Owner did not need to resubmit the IDS in the '588 application, and did so only based on the Office's suggestion that it would ensure all art of record appeared on the face of the Patent. *Id.* Moreover, Patent Owner understands that the EAST System that Examiners use to conduct searches allows extensive options to save searches and results, so Examiner Getachew did not need to search for *Chen* again in each case.

Contrary to Petitioner's suggestion, the fact that the years of prosecution of this disclosure included over 1,000 references of record, and ended in Track One examination of the '588 Patent, POPR, 10, are facts favoring a **denial**, not **grant**, of institution. The Office created Track One examination to allow “the Office to

expand its examination resources” by payment of “an additional fee,” 76 FR 18399, 18404 (Apr. 4, 2011). Track One is expressly designed not for claims merely retreading matter already found patentable, but rather, “substantive examination of claims” not previously submitted. *Id.*, 18405. “Applicants have embraced the Track One program due to the speed with which the applications are handled and ***the high-quality examinations*** that they receive.” Director Iancu et al., *Director’s Forum*, USPTO (Oct. 11, 2019) (emphasis added). Furthermore, “[q]uality metrics used by the Office reveal no loss in examination quality for applications given prioritized examination.” 84 FR 45907, 45908 (Sep. 3, 2019).

There is zero support for Petitioner’s speculation that Examiner Getachew erred. Far from a “ cursory review,” the Examiner spent almost 2 weeks examining this case before contacting Patent Owner to discuss potential amendments to overcome three statutory categories of rejections; and then, in a hallmark of Track One examination, conducted still more searches for over 3 weeks after that to confirm the proposed claims’ validity. Ex. 1002, 575-578, 626-635.

The correct understanding of the facts is that, in the extensive history of this disclosure before the Office, the Examiner gathered and reviewed the most relevant prior art and, when Track One status was granted, proposed appropriate recommendations concerning how the claims could differentiate that art of record. That was not error, but quality examination. There is no need to revisit the claims.

Respectfully submitted,

LOWENSTEIN & WEATHERWAX LLP

Dated: June 29, 2020

By: /Kenneth J. Weatherwax/

Kenneth J. Weatherwax, Reg. No. 54,528

CERTIFICATE OF COMPLIANCE

I hereby certify that the foregoing Patent Owner's Surreply to Petition For Inter Partes Review complies with 37 C.F.R. § 42.6 and the eight-page limit specified by the Board's order granting leave to file this surreply, excluding those portions excepted by 37 C.F.R. § 42.24(a)(1).

Dated: June 29, 2020

By: /Kenneth J. Weatherwax/

Kenneth J. Weatherwax, Reg. No. 54,528

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to 37 C.F.R. § 42.6(e) and with the agreement of counsel for Petitioner, true and correct copies of **PATENT OWNER'S SURREPLY TO PETITION FOR INTER PARTES REVIEW** are being served electronically on June 29, 2020, to the persons below:

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