

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MG FREESITES LTD.,
Petitioner,

v.

SCORPCAST, LLC,
Patent Owner.

IPR2021-00514
Patent 10,205,987 B2

Before MEREDITH C. PETRAVICK, HYUN J. JUNG, and
ARTHUR M. PESLAK, *Administrative Patent Judges*.

PETRAVICK, *Administrative Patent Judge*.

DECISION

Denying Institution of *Inter Partes* Review
35 U.S.C. § 314, 37 C.F.R. § 42.4

I. INTRODUCTION

Petitioner MG FreeSites Ltd. filed a Petition (Paper 1, “Pet.”) requesting *inter partes* review of claims 1–5, 7, 11, 12, 15–20, 23–27, and 30 of U.S. Patent No. 10,205,987 B2 (Ex. 1001, “the ’987 patent”). Patent Owner Scorpcast, LLC filed a Preliminary Response (Paper 7, “Prelim. Resp.”).

With our authorization (Paper 10), Petitioner filed a Reply to the Preliminary Response (Paper 13) to address the factors set forth in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, 5–6 (PTAB Mar. 20, 2020) (precedential) that inform our exercise of discretion under 35 U.S.C. § 314(a). Patent Owner filed a Sur-Reply, stating that in light of recent developments in related litigation, Patent Owner no longer asserts that the factors of *Apple Inc. v. Fintiv, Inc.* favor discretionary denial. Paper 14, 1. We, thus, consider moot Patent Owner’s request for discretionary denial (Prelim. Resp. 25–29).

Under 35 U.S.C. § 314(a), an *inter partes* review may not be instituted unless the information presented in the Petition and any response thereto shows “there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” Taking into account the Petition, the arguments presented in the Preliminary Response, as well as all supporting evidence, we determine that Petitioner has failed to show a reasonable likelihood that at least one of the challenged claims is unpatentable. Accordingly, we do not institute *inter partes* review.

A. Related Matters

The parties state that the ’987 patent was asserted in *Scorpcast, LLC dba HaulStars v. MG Freesites Ltd.*, Case No. 6-20-cv-00877 (W.D. Tex.).

Pet. xxvii; Paper 4, 2. On June 21, 2021, the District Judge transferred this case to the District of Delaware, *Scorpcast, LLC dba HaulStars v. MG Freesites Ltd*, Case No. 1:21-cv-00887. Paper 12, 1–2; Paper 14, 1.

Patent Owner also states that a decision in this proceeding would affect or be affected by numerous other *inter partes* reviews and District Court proceedings. Paper 4, 2–4. The '987 patent is the subject of IPR2021-00515.

B. The '987 Patent

The '987 patent is titled “Interactive Video Distribution System and Video Player Utilizing a Client Server Architecture” and issued on February 12, 2019. Ex. 1001, codes (45), (54). The '987 patent claims priority through a chain of related U.S. Patent Applications to April 19, 2012. *Id.* at code (63).

The '987 patent describes a website receiving and storing user-uploaded videos, for example, product reviews. *Id.* at 20:41–44, 23:29–33. The website also receives and stores a product tag, associated with a reviewed product, and the tag includes pictures. *Id.* at 21:32–55. The tags are displayed during video playback. *Id.* at 12:19–26. The tags are displayed at various locations within the video player, such as part of the video playback scrubber or embedded into the video (*id.* at 8:42–43, 21:48–50), and are selectable by the user (*id.* at 24:31–36).

C. Challenged Claims

Petitioner challenges claims 1–5, 7, 11, 12, 15–20, 23–27, and 30. Claims 1, 20, and 26 are independent claims. Claims 2–5, 11, 12, and 15–19

depend from claim 1. Claims 23–25 depend from claim 20. Claims 27 and 30 depend from claim 26.

Claim 1 is illustrative and reproduced, as corrected by the May 2019 Certificate of Correction, below:¹

[1.P] 1. A video system, comprising:

[1.1] a network interface;

[1.2] at least one processing device;

[1.3] non-transitory memory storing programmatic code that when executed by the at least one processing device, cause the video system to:

[1.4] provide to a first user terminal of a first user interface that enables the first user to upload a first video or provide a link to the first video;

[1.5] receive over a network using the network interface, from the first user terminal of the first user, an upload of a first video or a link thereto;

[1.6] provide over the network, using the network interface, to the first user terminal a second user interface that enables the first user to:

provide at least one of an upload or a link to an image,

add text to be associated with the image,

add a link to be associated with the image;

[1.7] receive via the second user interface:

an upload of or a link to a first image;

¹ Claim 1 is reproduced with Petitioner's labels. Pet. xiv–xvi.

a first item of text; and

a first link, comprising a first destination Uniform Resource Locator (URL);

[1.8] store the upload of or a link to the first image, the first item of text, and the first link;

[1.9] use a content player displayed on the first user terminal to display the first video in association with a scrubber bar;

[1.10] enable the first user to define, using the scrubber bar and a first control, when the first image is to be displayed as an overlay when the first video is played back;

[1.11] receive from the first user a definition as to when the first image is to be displayed as an overlay when the first video is played back;

[1.12] store the definition as to when the first image is to be displayed when the first video is played back;

[1.13] receive via the second user interface:

an upload of or a link to a second image;

a second item of text; and

a second link, comprising a second destination Uniform Resource Locator (URL);

[1.14] store the upload of or a link to the second image, the second item of text, and the second link;

[1.15] enable the first user to define, using the scrubber bar and the first control, when the second image is to be displayed as an overlay when the first video is played back;

[1.16] receive from the first user a definition as to when the second image is to be displayed as an overlay when the first video is played back;

[1.17] store the definition as to when the second image is to be displayed when the first video is played back;

[1.18] provide a video player for display on a second user terminal of a second user;

[1.19] enable the video player to play the first video, and display:

the first image as an overlay in accordance with the definition as to when the first image is to be displayed when the first video is played back;

the second image as an overlay in accordance with the definition as to when the second image is to be displayed when the first video is played back;

[1.20] wherein in response to detecting that the second user has selected the first or the second image, a respective link, comprising a respective destination URL is activated, and a respective network destination corresponding to the respective destination URL is accessed by the second user terminal.

Ex. 1001, 57:6–58:6, Certificate of Correction.

D. Alleged Grounds of Unpatentability

Petitioner asserts the following grounds of unpatentability:

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1, 2, 11, 12, 15–18, 20, 23, 25, 26, 30	102(a),(b),(e)	Lanza ²
3	103(a)	Lanza, Juan ³
4, 19	103(a)	Lanza, Sterner ⁴

² Lanza et al., U.S. Patent No. 7,735,101 B2, issued Jun. 8, 2010 (Ex. 1006)(“Lanza”)

³ Juan et al., U.S. Patent Application Publication No. 2012/0166532A1, published Jun. 28, 2010 (Ex. 1011) (“Juan”).

⁴ Sterner et al., U.S. Patent Application Publication No. 2007/0263984 A1, published Nov. 15, 2007 (Ex. 1008) (“Sterner”).

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
5	103(a)	Lanza, Lerman ⁵
7	103(a)	Lanza, Miller ⁶
24	103(a)	Lanza, Kilar ⁷
27	103(a)	Lanza, Lerman, Sterner

Pet. 1–2. In addition to the references listed above, Petitioner relies on the Declaration of Dr. Adam Porter (Ex. 1002).

II. ANALYSIS

A. Principles of Law

A petition must show how the construed claims are unpatentable under the statutory grounds it identifies. 37 C.F.R. § 42.104(b)(4). Petitioner bears the burden of demonstrating a reasonable likelihood that it would prevail with respect to at least one challenged claim for a petition to be granted. 35 U.S.C. § 314(a).

“A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631 (Fed. Cir. 1987). The elements must be arranged as required by the claim, but this is not an *ipsissimis verbis* test, *i.e.*, identity of terminology is not required. *In re Bond*, 910 F.2d 831 (Fed. Cir. 1990).

⁵ Lerman et al., U.S. Patent No. 7,809,802 B2, issued Oct. 5, 2010 (Ex. 1013) (“Lerman”).

⁶ Michael Miller, *YouTube for Business: Online Video Marketing for Any Business*, second edition, Jan. 2011 (Ex. 1010) (“Miller”).

⁷ Kilar et al., U.S. Patent Application Publication No. 2013/0004138 A1, published Jan. 3, 2013 (Ex. 1012) (“Kilar”).

A claim is unpatentable under § 103(a) if the differences between the claimed subject matter and the prior art are such that the subject matter, as a whole, would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations, including (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of skill in the art; and (4) when in evidence, objective indicia of non-obviousness (i.e., secondary considerations). *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

We analyze the asserted grounds with these principles in mind.

B. Level of Ordinary Skill in the Art

In determining the level of skill in the art, we consider the type of problems encountered in the art, the prior art solutions to those problems, the rapidity with which innovations are made, the sophistication of the technology, and the educational level of active workers in the field. *Custom Accessories, Inc. v. Jeffrey-Allan Indus. Inc.*, 807 F.2d 955, 962 (Fed. Cir. 1986); *Orthopedic Equip. Co. v. U.S.*, 702 F.2d 1005, 1011 (Fed. Cir. 1983).

Petitioner contends that a person of ordinary skill in the art at the time of the invention of the '987 patent would have had the following education and experience: “a Bachelor’s degree in Electrical Engineering, Computer Engineering, or Computer Science (or the equivalent degree) plus approximately two years of work experience with technologies relating to content annotation and/or content sharing among multiple users.” Pet. 17. Petitioner adds that “[m]ore education can supplement work experience and

vice versa.” *Id.* (citing Ex. 1002 ¶¶ 1–21). Patent Owner does not dispute this level of skill. Prelim. Resp. 6.

For purposes of this Decision, we adopt Petitioner’s proposal as reasonable and consistent with the prior art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (the prior art may reflect an appropriate level of skill in the art).

C. Claim Construction

For petitions filed on or after November 13, 2018, the “broadest reasonable interpretation” standard has been replaced with the federal court claim construction standard that is used to construe a claim in a civil action under 35 U.S.C. § 282(b). This is the same claim construction standard articulated in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (*en banc*), and its progeny.

Neither Petitioner nor Patent Owner provides any explicit construction of any claim terms. We determine that for the purposes of this Decision, it is unnecessary to expressly construe any claim terms. *See Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999) (Only terms in controversy must be construed and “only to the extent necessary to resolve the controversy”); *see also Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (citing *Vivid Techs* in the context of an *inter partes* review).

D. Alleged Anticipation by Lanza

Petitioner contends that claims 1, 2, 11, 12, 15–18, 20, 23, 25, 26, and 30 are anticipated by Lanza. Pet. 29–68. Patent Owner disputes Petitioner’s contentions. Prelim. Resp. 6–23.

1. Summary of Lanza

Lanza, a U.S. patent that issued on June 8, 2010, is titled “System Allowing Users to Embed Comments at Specific Points in Time Into Media Presentation.” Ex. 1006, codes (45), (54).

Lanza describes a system and method for allowing a user to insert comments into a video. *Id.* at 2:46–3:12. The comments can include text, graphics, and web links. *Id.* at 3:7–9.

Lanza describes user 155, using client 150 and “software known for browsing the Internet (such as, Internet Explorer, Netscape Navigator, Mozilla, Firefox),” surfs the Internet looking for content of interest, such as a media presentation or video.” *Id.* at 9:13–18. A web server 120 provides a chosen video to client 150, along with any prior comments that have been added. *Id.* at 9:19–10:3. Using user interface 200, client 150 displays the video and associated comments. *Id.* at 10:4–14. User interface 200 has a “FULL” display mode, in which comments are displayed beneath the bottom of a video, and a “COMPACT” display mode in which they overlay the video. *Id.* at 6:22–48; Figs. 2, 3.

Lanza's Figure 2 is reproduced below.

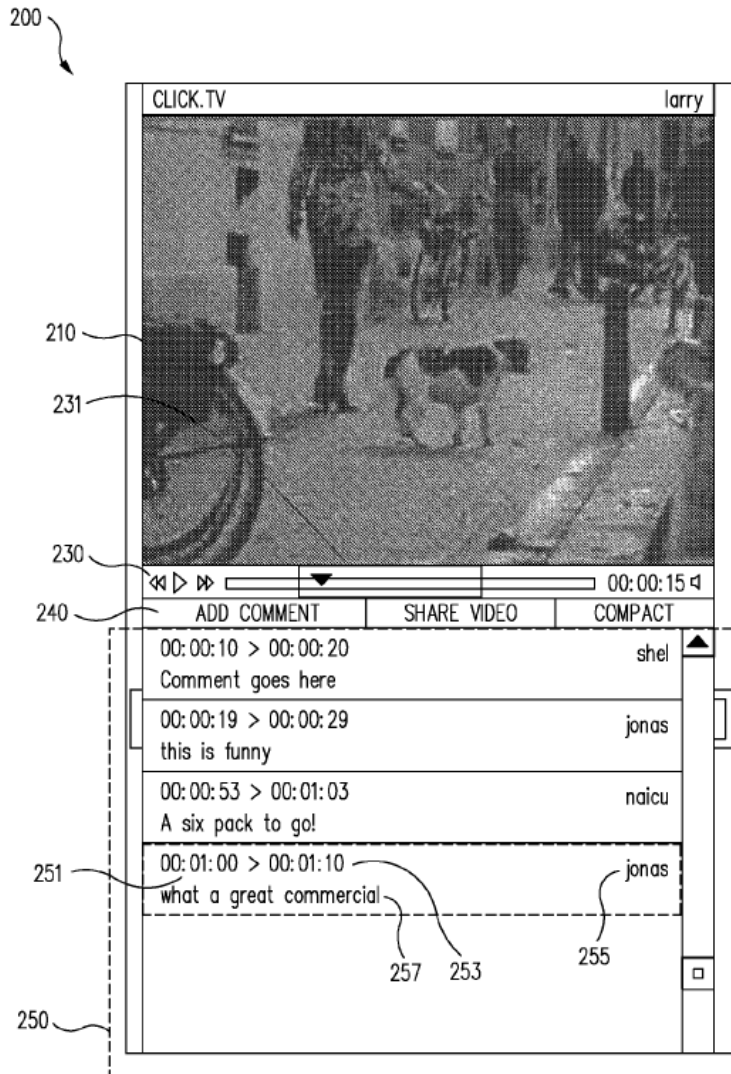


Fig. 2

Figure 2 depicts user interface 200 in "FULL" display mode. *Id.* at 2:21–22, 5:23–25. User interface 200 includes video controls 230. *Id.* at 5:34–52.

Lanza states:

Generally, the video controls 230 include the software buttons play, pause, step back, and step forward. A video position scroll bar, a time index display, and a sound control are also provided. . . . The video position scroll bar gives the user 155 a visual,

relative indication, of how far they have progressed through the video 113.

Id. at 5:37–48.

User interface 200 also includes a set of controls 240 and a scrolling comment panel 250. *Id.* at 5:28–31. A user may add a comment by clicking a button (*e.g.*, “ADD COMMENT” or “+COMMENT”) in controls 240. *Id.* at 7:34–59; Fig. 6. A comment window is then displayed in which the user can enter the comment and submit it to the server. *Id.* at 7:39–53. Figure 6 of Lanza is reproduced below.



Fig. 6

Figure 6 depicts user interface 200 when a comment is added. *Id.* at 2:29–30, 7:35–53. The comment window includes an area that displays time index 253. *Id.* at 7:39–42. Lanza states:

The start time is based on the point in time that the video 113 was at when the user 155 selected the “ADD COMMENT” button. The end time is a predefined length, such as 20 seconds, or at a selected elapsed time from the video 113. The user 155 enters the blurb 257 and can change the start time and end time of the time index 253, such as by moving start and end markers on a time scroll bar. Other ways to edit or change start and end times include selecting up/down rockers or buttons to increase/decrease the time and to pause the video at a desired start/stop time.

Id. at 7:42–51.

2. *Independent Claim 1*

Petitioner contends that Lanza describes all the elements of independent claim 1. Pet. 29–53. Patent Owner disagrees and, in particular, disputes that Lanza describes elements 1.4 and 1.10 of claim 1. Prelim. Resp. 6–15.

[1.4] provide to a first user terminal of [sic]⁸ a first user interface that enables the first user to upload a first video or provide a link to the first video

To meet the claimed first user interface, Petitioner points to Lanza’s description of a user surfing the Internet using a web browser interface. Pet.

⁸ Patent Owner explains: “The word ‘of’ after ‘terminal’ is a remnant of a certificate of correction that removed a repeated term, ‘a first user’ but did not properly remove the leftover term ‘of’ from the claim.” Prelim. Resp. 6, n.2.

35–36; *see also* Ex. 1002 ¶¶ 61–63 (corresponding testimony of Dr. Porter).

Petitioner states:

Lanza describes the system providing a first user interface to the user terminal (*e.g.*, client 150) because at step 911, the user “surfs the Internet looking for content of interest, such as a media presentation or video” using a web browser interface. *Id.*, 9:12–21. The web browser enables the user to provide a link to the video to a remote system (*e.g.*, web server 120) because after locating the video, at step 913 the client requests the video, thereby providing a link to the video to the remote system. *Id.*, 9:12–22, 4:45–47 (embodiments in which media shown “without a surrounding web page), 10:15–20 (“video file can be stored anywhere on the Internet” and “user simply needs to insert the proper URL for the video”).

Id.

Patent Owner argues that Lanza’s web browser interface cannot meet the claimed first user interface because Lanza’s web browser interface was not provided by Lanza’s video server, CLICK.TV server, and/or Web server (*i.e.*, the claimed processing device of element 1.2). Prelim. Resp. 7.

We agree with Patent Owner. Claim 1’s element 1.4 is a function of the programmatic code recited by element 1.3. Element 1.3 recites “non-transitory memory storing programmatic code that when executed by the at least one processing device, cause the video system to:” Ex. 1001, 57:9–11. Thus, claim 1 requires that the first user interface is provided by the processing device.

Petitioner equates the claimed processing device to Lanza’s video server 110, CLICK.TV server 130, and web server 120 and equates Lanza’s web browser interface to the claimed first user interface. Pet. 32, 35–36. Lanza, however, does not describe video server 110, CLICK.TV server 130, and/or web server 120 providing the web browser interface to a first user

terminal. *See, e.g.*, Ex. 1006, 4:45-47, 9:12-22, 10:15-20. To the contrary, Lanza describes the web browser interface as software known for browsing the Internet, such as Internet Explorer, Netscape, etc. *Id.* at 9:16-18.

Petitioner, thus, fails to show that Lanza describes element 1.4 of claim 1.

[1.10] enable the first user to define, using the scrubber bar and a first control, when the first image is to be displayed as an overlay when the first video is played back

To meet the claimed scrubber bar, Petitioner points to an alleged “time scroll bar” depicted as part of user interface 200 in Lanza’s Figure 6. Pet. 42-43; *see also* Ex. 1002 ¶ 71 (corresponding testimony of Dr. Porter). Lanza’s Figure 6, with annotations added by Petitioner, is reproduced below.



Ex. 1006, Fig. 6 (annotated showing video in dashed lines and time scroll bar in solid lines); Ex. 1002, ¶71.

Pet. 43. Annotated Figure 6 depicts the alleged time scroll bar in solid lines.
Id.

Petitioner states:

Lanza describes the system enabling the user to define when the first image is to be displayed as an overlay when the first video is played back, as using the user interface shown in Figure 6, the user can add a comment (which, as discussed above, can include images) that has a start time “based on the point in time that the video 113 was at when the user 155 selected the “ADD COMMENT” button” and an end time that “is a predefined length, such as 20 seconds, or at a selected elapsed time from the video 113.” Ex. 1006, 7:35-45, 6:47-48 (“comment ... can include any combination of text, pictures, and hyperlinks”). Furthermore, because the user can “change the start time and end time of the time index 253 such as by moving start and end markers on a time scroll bar.” *Id.*, 7:45-47; Fig. 6.

Pet. 43–44.

Patent Owner responds: “Although Petitioner refers to the outlined box as a ‘time scroll bar,’ the scroll bar outlined by Petitioner in its markup of Fig. 6 is actually the ‘video position scroll bar’ first introduced with respect to Fig. 2 of Lanza.” Prelim. Resp. 11 (citing Ex. 1006, 5:39–40, 5:45–50). Patent Owner contends that Lanza does not describe the video position scroll bar as a scrubber bar⁹ and that a first user uses the video position scroll bar to define when the first image is to be displayed as an overlap when the first video is played back. Prelim. Resp. 12–13.

We agree with Patent Owner. In the Petition, Petitioner highlights the video position scroll bar of video controls 230 and equates the video position scroll bar to the claimed scrubber bar. *See* Pet. 42–43; Ex. 1006, 5:34–52.

⁹ The ’987 patent describes a scrubber bar as control allows a user to scrub or navigate through the video using the bar. *See* Ex. 1001, 6:15–17, 8:49–53, 44:31–32.

Lanza describes the video position scroll bar as “giv[ing] the user 155 a visual, relative indication, of how far they have progressed through the video 113.” *Id.* at 5:46–48. Lanza, however, does not describe using the video position scroll bar to scrub the video or define when the first image is to be displayed as an overlap when the first video is played back. *See generally, id.* Lanza describes defining the start time based on the point in time that the video 113 was at when the user 155 selected the “ADD COMMENT” button and an end time that “is a predefined length, such as 20 seconds, or at a selected elapsed time from the video 113.” Ex. 1006, 7:43–46.

As Petitioner points out (Pet. 44), Lanza does describe that a user can “change the start time and end time of the time index 253” by “moving start and end markers on a time scroll” or by “selecting up/down rockers or buttons to increase/decrease the time.” *Id.* at 7:46–51. Lanza, however, does not describe that the time scroll used to change the start and end time of the time index is the video position scroll bar of video controls 230, depicted in Figure 6. *See generally, id.* We note that, to the contrary, Lanza, in Figure 6, depicts up and down areas adjacent to a comment time and separate from the video position scroll bar. *Id.* at Fig. 6. Lanza also depicts a time scroll bar that is separate from the video position scroll bar in Figure 8. *Id.* at 8:48–50, Fig. 8; *see* Prelim. Resp. 13–15.

Petitioner, thus, fails to show that Lanza describes element 1.10 of claim 1.

Petitioner, thus, fails to show a reasonable likelihood that claim 1 is anticipated by Lanza.

3. *Independent Claims 20 and 26*

Independent claims 20 and 26 recite similar elements to claim 1's elements 1.4 and 1.10. *See* Ex. 1001, 59:38–40, 59:56–61, 61:6–8, 61:21–25. Both parties refer us to the same arguments provided for claim 1's elements 1.4 and 1.10. Pet. 59–60, 64, 66; Prelim. Resp. 19, 20.

Petitioner does not provide any further explanation or citations to evidence. *See* Pet. 59–60, 64, 66. For the same reasons above, Petitioner fails to show that Lanza discloses all the limitations of independent claims 20 and 26. Petitioner, thus, fails to show a reasonable likelihood that claims 20 and 26 are anticipated by Lanza.

4. *Dependent Claims 2, 11, 12, 15–18, 23, 25, and 30*

Petitioner argues that Lanza anticipates dependent claims 2, 11, 12, 15–18, 23, 25, and 30. Pet. 53–58, 65–64, 68. Patent Owner responds that Petitioner fails to show the limitations of these dependent claims. Prelim. Resp. 17–19, 21, 23. Petitioner's arguments for these claims do not remedy the deficiencies discussed above for the challenged independent claims. Petitioner fails to show that Lanza describes all the limitations of these challenged dependent claims. Petitioner, thus, fails to show a reasonable likelihood that claims 2, 11, 12, 15–18, 23, 25, and 30 are anticipated by Lanza.

E. Remaining Grounds Based on Lanza

Petitioner challenges claim 3 as unpatentable over Lanza and Juan. Pet. 68–71. Petitioner challenges claims 4 and 19 as unpatentable over Lanza and Sterner. *Id.* at 71–75. Petitioner challenges claim 5 as unpatentable over Lanza and Lerman. *Id.* at 75–77. Petitioner also

challenges claim 7 as unpatentable over Lanza and Miller. *Id.* at 77–79. Petitioner further challenges claim 24 as unpatentable over Lanza and Kilar. *Id.* at 79–81. Petitioner additionally challenges claims 27 as unpatentable over Lanza, Lerman, and Sterner. *Id.* at 82–86.

Patent Owner responds that the addition of Juan, Sterner, Lerman, Miller and Kilar do not remedy the deficiencies of Lanza with respect to the independent claims and the “Petition does not so assert.” Prelim. Resp. 23–25.

For the reasons discussed above with respect to the challenged independent claims, Petitioner fails to show that Lanza discloses all the limitations of these challenged dependent claims. *See In re Fritch*, 972 F.2d 1260, 1266 (Fed. Cir. 1992) (“[D]ependent claims are nonobvious if the independent claims from which they depend are nonobvious.”). Petitioner, thus, fails to show a reasonable likelihood that claims 3, 4, 5, 7, 19, 24, and 27 are unpatentable over Lanza and these additional references.

III. CONCLUSION

Petitioner does not show that there is a reasonable likelihood that it would prevail with respect to at least one of the challenged claims.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is denied, and no *inter partes* review is instituted.

IPR2021-00514
Patent 10,205,987 B2

FOR PETITIONER:

Frank M. Gasparo
Jonathan M. Sharret
Stephen K. Yam
VENABLE LLP
fmgasparo@venable.com
jsharret@venable.com
syam@venable.com

FOR PATENT OWNER:

Todd E. Landis
John Wittenzellner
Adam B. Livingston
WILLIAMS SIMONS & LANDIS PLLC
tlandis@wsltrial.com
johnw@wsltrial.com
alivingston@wsltrial.com