

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ROKU, INC. and VIZIO, INC.,
Petitioners,

v.

ANCORA TECHNOLOGIES, INC.,
Patent Owner

Case IPR2021-01406
U.S. Patent No. 6,411,941

**PETITIONERS' BRIEF ON REMAND
(PURSUANT TO PAPER 60)**

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I. Introduction

The Federal Circuit affirmed the Board's finding that Petitioners made a strong obviousness showing and that Patent Owner failed to show a nexus between its alleged industry praise and the claimed invention. Paper 55, 1-15. Thus, on remand, the Board has been tasked with (1) revisiting whether Patent Owner has shown a nexus between the merits of the claimed invention and a single category of objective evidence of nonobviousness (licensing evidence), which Patent Owner advanced with insufficient support in its papers; and, (2) if there is a nexus, weighing the licensing evidence to determine if it overcomes what the Federal Circuit has already determined is a *prima facie* case of obviousness. *Id.*, 20.

Among the approximately dozen licenses that Patent Owner produced—including [REDACTED]—Patent Owner has selected just two (to [REDACTED] and [REDACTED]) that it alleges supports its cause.¹ But that evidence does not save the '941 patent. As to nexus, many factors drive a decision to license a patent (and for how much) having nothing to do with the patent's merits, especially in the coercive setting of

¹ Patent Owner cited a third license in its Sur-Reply. Paper 36, 21-22. But the Board properly refused to consider the license given that it was belatedly produced and not cited in the Patent Owner Response. Paper 49, 52 n.4; 37 C.F.R. § 42.23(b). The Federal Circuit did not disturb that ruling.

litigation that existed here. And so, it is statistically unsurprising that Patent Owner obtained a couple favorable licenses after more than a decade of asserting its patent. But Patent Owner has not shown that [REDACTED] and [REDACTED] took licenses to the '941 patent specifically for reasons related to the patent's strength. It was Patent Owner's burden to do so.

Even assuming there is a nexus, Patent Owner's licenses should not receive significant weight. The licenses reflect a [REDACTED] [REDACTED]. And the significance of those sums is impossible to ascertain without information about [REDACTED]. Further, the licenses are offset by several others taken by sophisticated companies ([REDACTED] [REDACTED], and [REDACTED]) for sums *far below* the median cost of litigation, [REDACTED] [REDACTED]. The only license taken outside of litigation (to [REDACTED]), moreover, likewise resulted in no payment to Patent Owner. These licenses substantially undermine Patent Owner's claim that the '941 patent enjoyed licensing success. At the very least, this mixed bag is inconclusive. *Navico Inc. v. ITC*, 696 F. App'x 989, 999 (Fed. Cir. 2017) (affirming that "both positive and negative evidence in the objective indicia" did not tip the scale in favor of nonobviousness).

Whatever their weight, Patent Owner's licenses "do not overcome" Petitioners' "strong prima facie case of obviousness." *W. Union Co. v. MoneyGram Payment Sys., Inc.*, 626 F.3d 1361, 1373 (Fed. Cir. 2010). Petitioners

presented a straightforward and compelling obviousness case—which the Federal Circuit affirmed—and the market [REDACTED]

[REDACTED] Thus, even if Patent Owner’s licenses are entitled to *some* weight, they do not counterbalance Petitioners’ obviousness showing.

In the end, regardless of whether the Board finds a nexus, it should reaffirm its finding that “Patent Owner’s objective evidence of non-obviousness is weak in comparison to the evidence regarding the prior art under the first three *Graham* factors,” Paper 49, 55, and hold the challenged claims unpatentable.

II. Petitioners presented a strong prima facie case of obviousness, which the Federal Circuit has now affirmed.

The ’941 patent recites just a single independent claim, whose “asserted innovation” is simply to store license records in non-volatile BIOS memory (e.g., EEPROM) rather than in other types of memory. *Ancora Techs., Inc. v. HTC Am., Inc.*, 908 F.3d 1343, 1345 (Fed. Cir. 2018); EX1001, 3:4-9 (describing storing license records in BIOS memory as an “important advantage” over the art); Paper 3, 11-16. But as the Board already found, this so-called innovation was already known in the art and squarely taught by Petitioners’ obviousness combination:

- Hellman teaches a method for restricting access to software by setting up a table in EEPROM corresponding to the number of authorized uses for software programs, and then using the table to verify whether a program is authorized. Paper 49, 38-42; Paper 3, 22-27, 33-40; Paper 32, 8-15.

- Chou explains that sensitive data was traditionally stored in a computer's volatile memory, which could be easily hacked. EX1005, 3:55-60. Chou's solution, like the '941 patent's, is to store such data in BIOS memory. *Id.*, 1:64-66. That way, "any attempt to delete the [data] will result in the BIOS routine being disabled," thus "disabling the boot up process" altogether. *Id.*, 1:66-2:1. This is *nearly identical* to the solution that the '941 patent itself describes. *See* EX1001, 3:4-17 (explaining that "[a]n important advantage" of using BIOS memory to store sensitive data is that tampering could result in "data residing in the BIOS (which is necessary for the computer's operability)" to be "inadvertently changed"); Paper 3, 27-28.
- Storing Hellman's BIOS in EEPROM, where Hellman's license table is stored, "provides extra protection" by "reduc[ing] the risk of tampering with that information," as Chou teaches, and would have been a "combination of familiar prior art elements according to their established functions."² Paper 49, 28, 29, 30, 33, 34, 45; Paper 3, 28-33, 38; Paper 32, 16-21.

In short, Petitioners' obviousness case required nothing more than a minor modification to the storage location of Hellman's BIOS, which was guided by

² Petitioners relied on another reference, Schneck, to disclose encryption as recited in certain dependent claims. Paper 3, 42-63; Paper 32, 21; Paper 49, 36, 43-45.

Chou's express teaching of the very solution described in the '941 patent.

Petitioners' obviousness case is both straightforward and compelling. The Board and the Federal Circuit agreed. Paper 49, 8-45; Paper 55, 1-13.

Faced with Petitioners' strong obviousness showing, Patent Owner attempted to defend its patent by proffering (1) a narrow construction of a term that would exclude hardware and non-OS-level software, which the Board found was inconsistent with both the term's plain meaning *and* Patent Owner's own admissions, Paper 49, 20; and (2) a handful of motivation-to-combine arguments that the Board found "mischaracterize[d] Petitioners' combination," *id.*, 20-21, 31, 33-34, 39, 40. It is not surprising that the Board rejected these arguments, and the Federal Circuit upheld the Board's "prima facie determination of obviousness based on the Hellman/Chou combination." Paper 55, 13. The Federal Circuit's endorsement underscores the strength of Petitioners' obviousness case.

Beyond that, the record confirms that, despite its best efforts, Patent Owner [REDACTED] EX1034, 37:8-38:10, 45:3-13, 46:18-47:5. Patent Owner collaborated with [REDACTED] [REDACTED] to develop such products, but Patent Owner's CEO—also the named inventor of the '941 patent—admitted that [REDACTED] [REDACTED]. EX1034, 48:13; Paper 49, 49; Paper 32, 25. [REDACTED] [REDACTED] Patent Owner's invention further demonstrates its obviousness.

Soverain Software LLC v. Newegg Inc., 705 F.3d 1333, 1346-47 (Fed. Cir. 2013)

(reversing JMOL of nonobviousness where evidence showed that claimed software was ultimately “abandoned by almost all of its initial licensees”).

III. Patent Owner’s licensing evidence does not outweigh Petitioners’ strong obviousness showing.

Patent Owner selectively relies on its licenses to [REDACTED] and [REDACTED] that exceed the cost of what Patent Owner alleges to be the median cost of litigation ([REDACTED]). EX2031; EX2032; Paper 21, 69-70; Paper 36, 21-22. The Federal Circuit did not affirmatively find that these licenses have a nexus to the claimed invention, but rather, directed the Board to reconsider the issue. Paper 55, 20.

To establish nexus, a patentee bears the burden to show that a license was entered into “because of the merits of the claimed invention” and not “as business decisions to avoid litigation, because of prior business relationships, or for other economic reasons.” *In re Antor Media Corp.*, 689 F.3d 1282, 1294 (Fed. Cir. 2012). There are many reasons why a company chooses to settle litigation by taking a license—and dictating how much to pay—including the size of the company and its financial health, as well as the company’s desire to avoid the extraordinary cost of trial, manage risk, prevent business disruption, and preserve business relationships. *EWP Corp. v. Reliance Universal Inc.*, 755 F.2d 898, 907-08 (Fed. Cir. 1985). Thus, even assuming some portion of the value of the [REDACTED] and [REDACTED] licenses could be attributed to the strength of the ’941 patent (an

open question not answered by the record), the licenses' values are likely also attributable to other factors having nothing to do with the patent. In fact, the low-value licenses suggest that [REDACTED] and [REDACTED] paid up for reasons *other than* the patent's strength. *See infra* at 8.

Notably, moreover, the *only* license that Patent Owner entered into outside the litigation context (with [REDACTED]) [REDACTED]

[REDACTED].³ EX2029, ¶ 8.1(2). Without the threat of litigation hanging over their head, companies were not lining up to pay for a license.

Even if they were, successful licensing is not an “infallible guide[] to patentability.” *EWP*, 755 F.2d at 907. As explained below, even assuming there is a nexus, Patent Owner's chosen licenses should not be afforded significant weight and certainly do not overcome Petitioners' strong obviousness showing.

A. The probative value of Patent Owner's chosen licenses is undermined by low-value licenses that Patent Owner ignores.

Patent Owner's licensing activity reveals a story that undercuts Patent Owner's own narrative. As the Federal Circuit recognized, three of the produced licenses (to [REDACTED], [REDACTED] and [REDACTED]) were for “*much less* than anticipated

³ The agreement required [REDACTED]

[REDACTED]. EX2029, ¶¶ 4.2(1)-(2), 8.1(1). [REDACTED]

[REDACTED] EX1034, 48:13; Paper 49, 49.

litigation costs.” Paper 55, 20 (emphasis added). Patent Owner licensed the ’941 patent to [REDACTED] for [REDACTED] and to [REDACTED] for just [REDACTED]. EX1053, 5; EX1052, 1. Even more stark, Patent Owner licensed the patent to [REDACTED] EX1051. Patent Owner does not say why, if the ’941 patent is so strong, Patent Owner licensed it away [REDACTED].

This licensing activity weakens any weight that would otherwise be attributed to Patent Owner’s chosen licenses. *Cole Kepro International, LLC v. VSR Industries, Inc.*, 695 F. App’x 566 (Fed. Cir. 2017), is instructive. There, the patent owner submitted evidence showing that “the vast majority” of the market licensed the patent. *Id.* at 572. But the Board reasoned that “the significance of the licensing evidence” was “weakened by several factors,” including that “one of the license’s royalty rates [was] a ‘de minimis’ amount” and another was “difficult to square with [the patent owner’s assertion] that the total value of each of the licenses exceeded potential litigation costs.” *Id.* The Board thus found that the “licensing evidence, while entitled to weight, did not overcome [the] prima facie case of obviousness.” *Id.* The Federal Circuit affirmed. *Id.*; see *Siemens Mobility, Inc. v. Iancu*, 825 F. App’x 567, 874 (Fed. Cir. 2020) (licenses “afforded little weight” in part because one license was taken “only for a ‘nominal fee’”).

Similarly here, the significance of Patent Owner’s cherry-picked licenses is weakened by the low-value licenses. Even more so because, unlike *Cole Kepro*,

Patent Owner has not shown that the “vast majority” of any industry has licensed the ’941 patent. At best, the evidence is ambiguous as to the strength of the patent. And ambiguity, by definition, is not strong evidence of nonobviousness. *Navico*, 696 F. App’x at 999 (affirming finding that “both positive and negative evidence in the objective indicia” did not tip the scale in favor of nonobviousness). The Board thus appropriately “decline[d] to give significant weight” to the licenses. Paper 49, 54.

B. The totality of the evidence supports a finding of obviousness.

Even if Patent Owner’s chosen licenses provide *some* evidence of nonobviousness, they still do not outweigh Petitioners’ strong case of obviousness. The totality of the record supports a finding of obviousness:

Obviousness Evidence	Patent Owner’s Evidence
<ul style="list-style-type: none">Petitioners presented a strong prima facie case of obviousness involving prior art that describes the purported invention of the ’941 patent’s single independent claim in nearly identical terms as the patent, and the Federal Circuit has <i>already affirmed</i>.Patent Owner tried to commercialize the claimed invention, but [REDACTED]	<ul style="list-style-type: none">Two licenses procured during litigation, without any explanation of [REDACTED] [REDACTED] or what motivated the licenses

Obviousness Evidence	Patent Owner's Evidence
<ul style="list-style-type: none">Patent Owner effectively [REDACTED] [REDACTED] [REDACTED]The only license not procured in litigation resulted in the licensee ([REDACTED]) [REDACTED].	

On this record, the scale tips strongly in favor of obviousness. “This is a textbook case of when the asserted claims involve a combination of familiar elements according to known methods that does no more than yield predictable results.” *Agrizap, Inc. v. Woodstream Corp.*, 520 F.3d 1337, 1344 (Fed. Cir. 2008). And, “where a claimed invention represents no more than the predictable use of prior art elements according to established functions, as here, evidence of secondary indicia are frequently deemed inadequate to establish non-obviousness.” *Ohio Willow Wood Co. v. Alps S., LLC*, 735 F.3d 1333, 1344 (Fed. Cir. 2013).

Thus, regardless of whether the Board finds a nexus, it should find that the licensing evidence does not overcome Petitioners’ obviousness case. *Shoes by Firebug LLC v. Stride Rite Children’s Grp., LLC*, 962 F.3d 1362, 1372 (Fed. Cir. 2020) (affirming nonobviousness ruling where the Board “alternatively found that, even if nexus is presumed, [the] evidence of secondary considerations is weak”). The Board should reaffirm the unpatentability of the challenged claims.

Respectfully submitted,

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CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e))

I certify that the above-captioned **PETITIONERS' BRIEF ON REMAND**
was served in its entirety on August 29, 2025, upon the following parties via
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