

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETFLIX, INC,
Petitioner,

v.

ROBOCAST, INC.,
Patent Owner.

IPR2023-00182
Patent 8,606,819 B2

Before PATRICK M. BOUCHER, MICHELLE N. WORMMEESTER, and
MICHAEL T. CYGAN, *Administrative Patent Judges*.

BOUCHER, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314(a)

Netflix, Inc. (“Petitioner”) filed a Petition pursuant to 35 U.S.C.
§§ 311–319 to institute an *inter partes* review of claims 1, 2, 7–9, 11–12, 15,
and 26–28 of U.S. Patent No. 8,606,819 B2 (Ex. 1001, “the ’819 patent”).

Paper 1 (“Pet.”). Robocast, Inc. (“Patent Owner”) filed a Preliminary Response. Paper 10 (“Prelim. Resp.”). With our authorization, Petitioner filed a Reply and Patent Owner filed a Sur-reply. Papers 11 (“Reply”), 13 (“Sur-reply”).

We have authority under 35 U.S.C. § 314 and 37 C.F.R. § 42.4. Applying the standard set forth in 35 U.S.C. § 314(a), which requires demonstration of a reasonable likelihood that Petitioner would prevail with respect to at least one challenged claim, we deny the Petition and do not institute an *inter partes* review.

I. BACKGROUND

A. The ’819 Patent

The ’819 patent claims the benefit of the filing date of U.S. Patent No. 7,155,451 (Ex. 1010, “the ’451 patent”) and “relates generally to computer networks, and specifically to a method of sequencing and scheduling web pages.” Ex. 1001, code (63), 1:23–25. The ’819 patent explains that, at the time of filing, methods for a user “to access services, information and entertainment on the Web . . . typically require[d] a significant amount of user effort and decision-making to drive the web surfing experience.” *Id.* at 5:51–6:4. For example, the user might “make certain choices, position the mouse pointer and click the mouse buttons appropriately to indicate the decisions,” or “may type in a URL or access a bookmark to visit a favorite search engine.” *Id.* at 5:51–61. This perceived difficulty is addressed by the patent by responding to a “triggering event, such as a mouse click on a single ‘link’ [with] the presentation of a series of resources instead of one resource at a time.” *Id.* at 2:59–61. “This arrangement of resources[] is

defined as a ‘show structure’ or ‘structure,’ which contains a set of nodes,” each of which “represents a resource such as a web page, an executable file, or a data file stored at a predetermined location and accessed via its corresponding address.” *Id.* at 2:61–65.

Figure 2B of the ’819 patent is reproduced below.

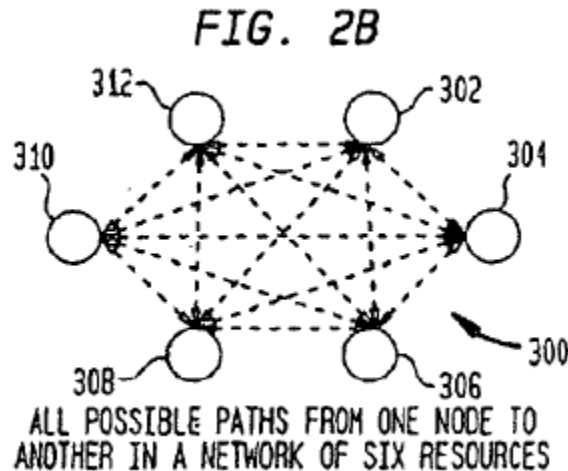


Figure 2B illustrates an array 300 of nodes 302, 304, 306, 308, 310, 312 that are available for presentation, with each node in the array accessible from the other nodes. *Id.* at 7:3–6. “For a typical show or presentations, an arrangement of these nodes or a portion of these nodes is selected for presentation.” *Id.* at 7:6–9. Examples of such arrangements or portions of nodes are provided in Figures 2C–2F (not reproduced here), and include such structures as “a show structure that simultaneously spans multiple paths from the same starting node” or “spans multiple paths concurrently.” *Id.* at 7:12–15, 7:26–28.

Figure 4 is reproduced below:

FIG. 4
RoboSurf

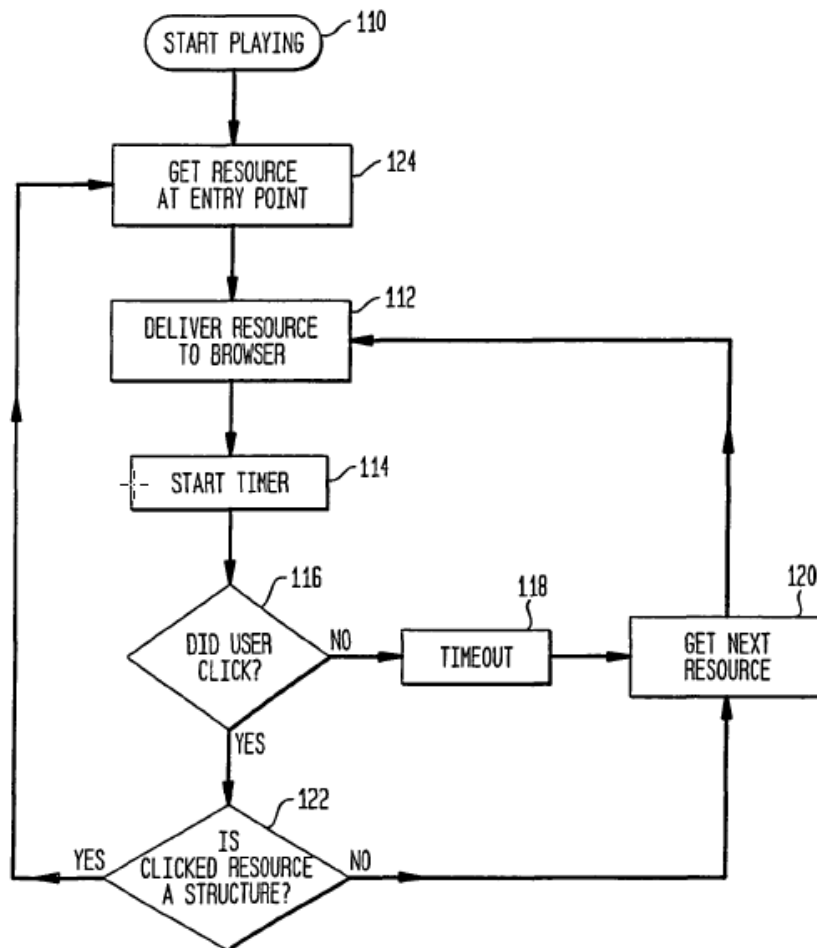


Figure 4 is a flow-chart diagram of a client-side software application that processes URLs and predefined structures automatically while monitoring timer settings and navigation decisions of users. *Id.* at 4:23–26, 10:47–50.

At step 110, the process of Figure 4 accesses a default list of URLs that may be generated by a source such as a web server network, a profiler program, a search engine, or a screen saver's play queue. *Id.* at 10:56–67. A URL is delivered to a user's browser at step 112 and the content referenced by the URL is activated automatically for presentation to the user. *Id.* at 11:1–5. When presentation starts, the process starts a timer

(step 114), and while the timer is running, the process monitors the user's action to determine whether the user wants to manually override the play sequence by clicking a URL (step 116). *Id.* at 11:5–13. If the user selects a link (step 122) and the link is part of a different show structure, the process proceeds to step 124, and the newly selected show structure replaces the current show structure. *Id.* at 11:14–18. If the selected link is not part of another show structure, the process proceeds to step 120 to retrieve the next resource (step 120), the timer is reset, and play continues at step 112. *Id.* at 11:18–21. This scenario is identified as advantageous for “someone who has seen the presented content before, or in the case of content that the viewer chooses to skip (even an advertisement or PSA).” *Id.* at 9:45–48. If the user does not select a link, the timer expires (step 118) and the play sequence continues at step 120. *Id.* at 11:30–31.

B. Illustrative Claims

Challenged independent claims 1 and 22 are representative of the challenged claims, and are reproduced below.

1. A method for providing content via a communications network on a user's computer, obtained from a plurality of resources in an organized arrangement comprising the steps of:
 - creating a show structure of nodes, each node identifying a resource from a plurality of accessible resources, at least some of which are network accessible resources;
 - without requiring user input, automatically accessing a plurality of said network accessible resources identified by a corresponding node;
 - causing content corresponding to each of said accessed resources to be automatically accessed and presented through said user's computer in accordance with said show structureSuch that during said presentation of at least some of said

content from said accessed resources, at least some of said other network accessible resources are being accessed,

wherein said step of creating further comprises the step of providing interactively variable duration information, representing the duration that said content corresponding to said accessed resource is presented so as to enable a user to vary said duration; and

causing advertisement content to be presented to said user in connection with said automatic presentation of said content through said user's computer.

Ex. 1001, 17:43–67.

26. A method for providing content via a communications network on a user's computer, obtained from a plurality of resources in an organized arrangement comprising the steps of:

creating a show structure of nodes, each node identifying a resource from a plurality of accessible resources, at least some of which are network accessible resources;

without requiring user input, automatically accessing a plurality of said network accessible resources identified by a corresponding node;

causing content corresponding to each of said accessed resources to be automatically accessed and presented through said user's computer in accordance with said show structure such that during said presentation of at least some of said content from said accessed resources, at least some of said other network accessible resources are being accessed,

wherein said step of creating further comprises the step of providing interactively variable duration information, representing the duration that said content corresponding to said accessed resource is presented so as to enable a user to vary said duration; and

causing targeted advertisement content to be presented to said user in connection with said automatic presentation of said content through said user's computer.

Id. at 20:4–27.

C. Evidence

Petitioner relies on the following references:

Escobar	US 5,659,793	Aug. 19, 1997	Ex. 1004
Rege	US 5,612,897	Mar. 18, 1997	Ex. 1005
van Hoff	US 5,959,623	Sep. 28, 1999	Ex. 1006
Rakavy	US 5,913,040	Jun. 15, 1999	Ex. 1007

In addition, Petitioner relies on a Declaration by Henry Houh, Ph.D. Ex. 1003. Patent Owner relies on a Declaration by Kevin Almeroth, Ph.D. Ex. 2017.

D. Asserted Grounds of Unpatentability

Petitioner challenges claims 1–2, 7–9, 11–12, 15, and 26–28 on the following grounds. Pet. 11.

Claim(s) Challenged	35 U.S.C. §¹	References
1, 26	103(a)	Escobar
1, 26	103(a)	Escobar, Rege
1–2, 7–9, 11–12, 15, 26–28	103(a)	van Hoff
1–2, 7–9, 11–12, 15, 26–28	103(a)	van Hoff, Rakavy

E. Real Parties in Interest

The parties identify only themselves as real parties in interest. Pet. 85; Paper 3, 2.

¹ The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 287–88 (2011), amended 35 U.S.C § 103. The ’819 patent resulted from an application filed on December 21, 2005, claiming the benefit of the filing dates of earlier applications. Ex. 1001 at codes (60), (63). We accordingly apply the pre-AIA versions of § 103 herein.

F. Related Matters

Both parties identify the following related matters as involving the '819 patent: (1) *Robocast, Inc. v. Netflix, Inc.*, No. 1:22-cv-00305 (D. Del.); and (2) *Robocast, Inc. v. YouTube, LLC*, No. 1:22-cv-00304 (D. Del.) (collectively, “the related litigation”). Pet. 85; Paper 3, 2.

The parties also identify *inter partes* review proceedings before the Office as related matters, including IPR2023-00081 (“the related IPR”), in which Petitioner challenges the patentability of claims of the '451 patent. Pet. 85; Paper 3, 2. Patent Owner further identifies *inter partes* review in IPR2022-01125, involving 8,965,932 B2 (the '932 patent), a continuation of the '451 patent (“the 1125 IPR”). Paper 3, 2. We note that the '451 patent, the '932 patent, and the subject '819 patent are related through various continuation patents such that they share substantially the same written description.

II. JURISDICTION OVER EXPIRED PATENTS

Patent Owner states that “[t]he '819 Patent expired long before the Petition was filed on November 18, 2022,” and that “[w]ith the expiration of the patent, the Board ceased to have jurisdiction over the '819 Patent.” Prelim. Resp. 11. We disagree and conclude that jurisdiction is consistent with our statutory authority in view of Supreme Court and Federal Circuit precedent, and USPTO regulations.

Patent Owner grounds its argument on the Supreme Court’s pronouncement that “patents are public franchises that the Government grants to the inventors of new and useful improvements.” Prelim. Resp. 9–10; *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct.

1365, 1373 (2018). According to Patent Owner, “so long as the public franchise exists, the [U.S. Patent and Trademark Office] may have jurisdiction to amend and cancel the claims of the patent (e.g., via *inter partes* review.)” Prelim. Resp. 9. But “[w]hen a patent expires,” Patent Owner says, “the public franchise ceases to exist and the franchisee (e.g., the patent owner) no longer has the right to exclude others.” *Id.* at 10. Patent Owner reasons that, after the patent expires, “[a]t most, the franchisee may be entitled to collect damages” and thereby that “[e]xpiration removes the patent from the [Office’s] jurisdiction and returns it to the sole jurisdiction of the Article III courts, which have exclusive authority to govern claims for damages.” *Id.*

In *Oil States*, the Supreme Court also explained that “[i]nter partes review is ‘a second look at an earlier administrative grant of a patent.’” *Oil States*, 138 S. Ct. at 1374 (quoting *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2144 (2016)). Other panels of the Board have relied on this statement in concluding that the Board has jurisdiction over expired patents in *inter partes* review proceedings. *Apple, Inc. v. Gesture Tech. Partners, LLC*, IPR2021-00922, Paper 10 at 17–18 (PTAB Nov. 29, 2021); *Apple, Inc. v. Gesture Tech. Partners, LLC*, IPR2021-00921, Paper 24 at 36–38 (PTAB Dec. 5, 2022).

Patent Owner criticizes such reliance because, in *Oil States*, the Supreme Court “emphasize[d] the narrowness of [its] holding” as addressing “only the precise constitutional challenges that *Oil States* raised.” Prelim. Resp. 9 (quoting *Oil States*, 138 S. Ct. at 1379 (alterations by Patent Owner)). According to Patent Owner, “the ‘precise constitutional challenge’ did not involve an expired patent as is the case here, and the Supreme Court

has yet to address the PTAB’s jurisdiction to conduct inter partes review of expired patents.” *Id.* at 10. But even if Patent Owner is correct that the Supreme Court has not specifically addressed whether the Board has jurisdiction over expired patents, that fact does not warrant discounting the logical consequences of what the Supreme Court has decided.

This is particularly so because the Court provided context for its statement, specifically identifying the types of constitutional questions it recognized as left unaddressed by explaining that its “decision should not be misconstrued as suggesting that patents are not property for purposes of the Due Process Clause or the Takings Clause.” *Oil States*, 138 S. Ct. at 1379. In addition, we note that the Supreme Court explicitly recognized that “[t]he America Invents Act replaced inter partes reexamination with inter partes review,” and that *inter partes* reexamination has regularly considered expired patents. *Oil States*, 138 S. Ct. at 1371; *see generally In re Rambus, Inc.*, 753 F.3d 1253, 1255–56 (Fed. Cir. 2014) (discussing procedures for *inter partes* reexamination of expired patent).

The Federal Circuit has also affirmed the Board’s determination with respect to expired claims in *inter partes* review. *See, e.g., Wasica Fin. GmbH v. Cont’l Auto. Sys., Inc.*, 853 F.3d 1272, 1279 (Fed. Cir. 2017) (noting that “[t]he Board construes claims of an expired patent in accordance with *Phillips* . . . [and] [u]nder that standard, words of a claim are generally given their ordinary and customary meaning’.”). This is consistent with our contemporaneous interpretation of our regulations as demonstrating that expired patents are properly considered to be within our jurisdiction. 37 C.F.R. § 42.100(b); *see also, e.g.*, 87 Fed. Reg. 51,341 (Oct. 11, 2018) (Changes to the Claim Construction Standard for Interpreting Claims in

Trial Proceedings Before the Patent Trial and Appeal Board)² (“The claim construction standard adopted in this final rule also is consistent with the same standard that the Office has applied in interpreting claims of expired patents and soon-to-be expired patents.”).

Furthermore, the statutes governing *inter partes* review do not limit them to unexpired patents. *See* 35 U.S.C. §§ 311(b), 311(c), 315. *See also Sony Corp. v. Iancu*, 924 F.3d 1235, 1239–41 (Fed. Cir. 2019) (affirming that a case or controversy before the PTAB existed when a patent was expired; articulating the importance of the Board’s review of expired patents since expired patents can be asserted for past infringement).

Although none of these factors alone is dispositive, they are collectively consistent with the Board’s jurisdiction extending to cover expired patents. More particularly, Patent Owner does not adequately explain why the Board’s authority to take “a second look at an earlier administrative grant of a patent” ends when the patent term expires even though the rights granted by the patent are not yet exhausted. We accordingly disagree that the Board lacks jurisdiction over expired patents.

III. ANALYSIS

A. Legal Principles

A claim is unpatentable for obviousness under 35 U.S.C. § 103 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

² Available at <https://www.federalregister.gov/d/2018-22006/p-13>.

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 nonobviousness, i.e., secondary considerations.³ *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

Additionally, the obviousness inquiry typically requires an analysis of “whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue.” *KSR*, 550 U.S. at 418 (citing *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006) (requiring “articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”)); see *In re Warsaw Orthopedic, Inc.*, 832 F.3d 1327, 1333 (Fed. Cir. 2016) (citing *DyStar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co.*, 464 F.3d 1356, 1360 (Fed. Cir. 2006)).

B. Level of Ordinary Skill in the Art

In determining whether an invention would have been obvious at the time it was made, we consider the level of ordinary skill in the pertinent art at the time of the invention. *Graham*, 383 U.S. at 17. “The importance of resolving the level of ordinary skill in the art lies in the necessity of maintaining objectivity in the obviousness inquiry.” *Ryko Mfg. Co. v. Nu-Star, Inc.*, 950 F.2d 714, 718 (Fed. Cir. 1991). The “person of ordinary skill in the art” is a hypothetical construct, from whose vantage point

³ The parties do not address objective indicia of nonobviousness, which accordingly do not form part of our analysis.

obviousness is assessed. *In re Rouffet*, 149 F.3d 1350, 1357 (Fed. Cir. 1998). “This legal construct is akin to the ‘reasonable person’ used as a reference in negligence determinations” and “also presumes that all prior art references in the field of the invention are available to this hypothetical skilled artisan.” *Id.* (citing *In re Carlson*, 983 F.2d 1032, 1038 (Fed. Cir. 1993)).

Petitioner proposes that a person of ordinary skill in the art “would have had a bachelor’s degree in computer science, computer/electrical engineering, or a similar field with at least two years of experience in computer networks or a master’s degree in computer science, computer/electrical engineering, or a similar field with a specialization in computer networks,” and that “[a] person with less formal education but more relevant practical experience may also meet this standard, or vice versa.” Pet. 16 (citing Ex. 1003 ¶¶ 41–44). Petitioner further argues that a skilled artisan would have had the skills necessary to: (1) design and implement systems to use addresses, e.g., URLs, IP addresses, etc.; (2) deploy, configure, and access content servers, e.g., web and file servers; (3) create and edit structured data such as webpages using HTML, CSS, and XML; (4) implement common data structures, e.g., arrays, linked lists, etc.; (5) collect and record user profiles to select or generate dynamic content, including information related to a user’s selections, preferences, and history; (6) design and implement systems that schedule the access and download of data over networks, including concurrently or at deferred times; (7) implement data structures such as arrays, linked lists, stacks, queues, hash tables, trees, heaps, and graphs; and (8) use APIs and other known technologies to stream, display, and present multimedia content.

Id. at 17 (citing Ex. 1003 ¶ 44).

Patent Owner proposes that a person of ordinary skill in the art “would have the equivalent of a four-year degree from an accredited institution (usually denoted as a B.S. degree) in computer science, computer engineering or the equivalent, and experience with, or exposure to, topics in computer networking, multimedia, and web systems. A person of ordinary skill in the art would also have approximately 3-5 years of professional experience with these topics.” Prelim. Resp. 5. In addition, Patent Owner says that “[a]dditional graduate education could substitute for professional experience, while significant experience in the field might substitute for formal education.” *Id.* (quoting Ex. 2017 ¶ 28).

Both parties support their proposals with testimony by their respective experts. *See* Ex. 1003 ¶ 41–44; Ex. 2017 ¶ 28. Although the proposals differ in certain respects, they do not differ in ways that affect our decision to deny institution of the proceeding. Both proposals include baccalaureate degrees and experience in generally related fields, with both parties indicating that additional education or experience could compensate for some lack in the other. For purposes of this Decision, we adopt Petitioner’s proposal, which we find consistent with the level of skill reflected by 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

The Board uses “the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. 282(b), including construing the claim in accordance with the ordinary and customary

meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent.” 37 C.F.R. § 42.100(b) (2019); *see Phillips v. AWH Corp.*, 415 F.3d 1303, 1312–13 (Fed. Cir. 2005) (en banc).

Both Petitioner and Patent Owner note that a district court has previously construed certain terms for the ’451 patent claims, i.e., for an ancestor of the subject ’819 patent that shares a substantially common written description. Pet. 18–19; Prelim. Resp. 6–8 (citing Ex. 1014 (claim construction order in cases involving Microsoft and Apple)). Patent Owner advocates that we adopt such prior constructions in this proceeding, and Petitioner states that it “does not necessarily agree that the prior district court constructions are correct, but the constructions are nonetheless satisfied by [the asserted] Grounds.” Prelim. Resp. 6–8; Pet. 18–19. Patent Owner also states that the Board panel in the 1125 IPR adopted the same constructions for “show structure of nodes,” “node,” and “interactively variable duration information,” which Patent Owner asserts also appear in relevant claims of the ’819 patent. Prelim. Resp. 8. Since both parties purport to apply these constructions, we do as well for purposes of this Decision. *See* 37 C.F.R. § 42.100(b) (“Any prior claim construction determination concerning a term of the claim in a civil action, or a proceeding before the International Trade Commission, that is timely made of record in the *inter partes* review proceeding will be considered.”). We have thus reviewed the court’s claim-construction order, and adopt its construction of the following terms for purposes of this Decision.

First, we construe “node,” which is recited in multiple claims, as “an identifier of a resource that includes an address to the resource and the

duration for which the resource's content is to be presented by default.” *See* Ex. 1014, 16–17; Pet. 18; Prelim. Resp. 7.

Second, we construe “show structure of nodes,” which is recited in challenged independent claims 1 and 26, as “a structure that is arranged for the display of content by specifying one or more paths through a plurality of nodes. The show structure of nodes specifies the duration of any display,” but there is no durational requirement separate from the construction of “node.” *See* Ex. 1014, 2–13; Pet. 18; Prelim. Resp. 6–7.

Third, we construe “interactively variable duration information,” which is recited in challenged independent claims 1 and 26, as “a parameter specifying how long a content is to be displayed by default before a subsequent content is displayed, where the viewer of the content can change the parameter.” Ex. 1014, 22–23; Pet. 19; Prelim. Resp. 7–8.

For purposes of this Decision, we accord all other terms recited in the challenged claims their plain and ordinary meaning. *See* Ex. 1014, 17–20, 26–29 (court adopting plain and ordinary meaning of “plurality of accessible resources,” “content,” “without requiring user input,” “in accordance with said show structure,” “providing,” and “search results”).

D. Overview of the Prior Art

1. Escobar

Escobar relates to “computer systems for developing and delivering multimedia applications.” Ex. 1004, 1:21–22. A graphical user interface allows a user to place icons representing multi-media assets on multiple timelines and a processor integrates the objects to produce an interactive multi-media application. *Id.*

Figure 1 of Escobar is reproduced below:

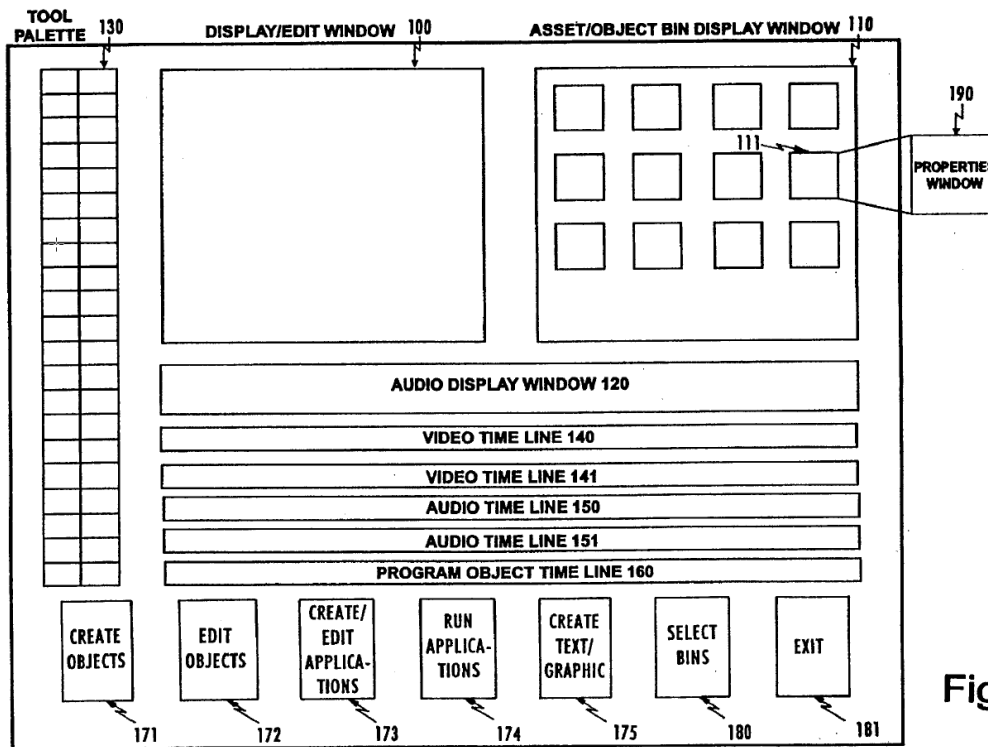


Figure 1

Figure 1 is an illustration of a user interface. *Id.* at 5:29–30.

Display/edit window 100 is a window where currently selected objects can be displayed and edited. *Id.* at 6:11–12. Window 110 displays assets or objects that will be manipulated during authoring of interactive multi-media applications. *Id.* at 6:13–15. Assets or objects are stored in “bins,” or sub-directories, corresponding to particular types or categories (e.g., video objects, audio objects, text/graphical object, special effects, program objects, and applications). *Id.* at 6:15–17, 6:51–56. Audio display window 120 displays audio waveforms to facilitate editing and coordination with the timing of other objects. *Id.* at 6:17–19. Time lines 140, 141, 150, 151, 160 are represented as a plurality of tracks, e.g., two video tracks, two audio tracks, and an interactive object track. *Id.* at 6:22–28. Button 172 invokes the editing of objects to permit changes in their properties, such as

duration. *Id.* at 6:35–36. Button 174 permits part or all of an application under development to be run and displayed, e.g., in display/edit window 100. *Id.* at 6:40–44.

Figure 5 of Escobar is a flow chart of an authoring tool, divided into Figures 5A–5H. *Id.* at 5:39–40. Figure 5A is reproduced below:

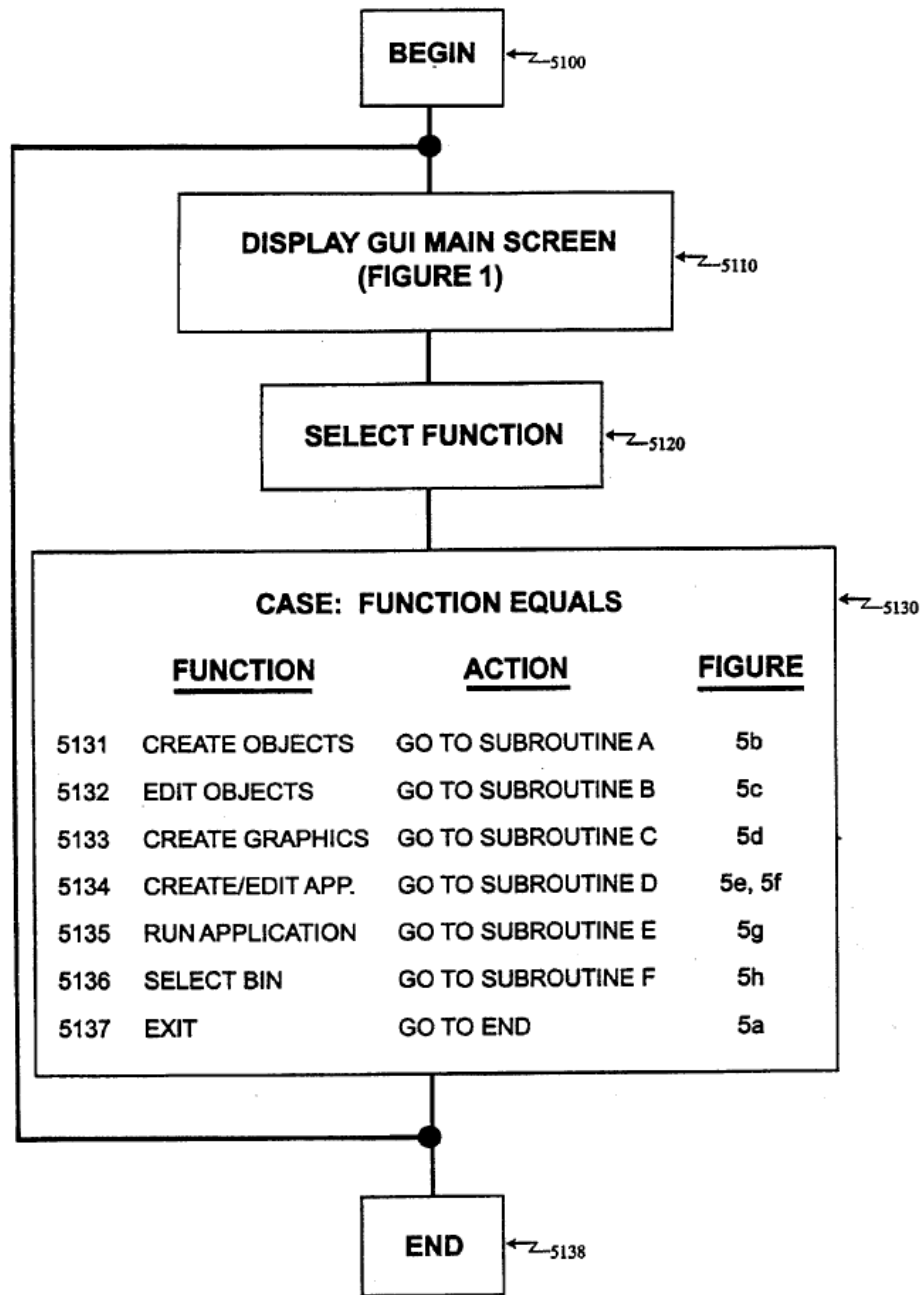


Figure 5A

Figure 5A is a flow chart showing the flow of a main program used with the authorizing tool. *Id.* at 9:1–3. In the main program, a main screen graphical user interface (GUI), corresponding to Figure 1 (reproduced above), is displayed. *Id.* at 9:3–6 (step 5110). A user selects a function (step 5120)

and a selected subroutine option is invoked to implement the selected function (step 5130). *Id.* at 9:6–14.

The steps involved in creating an object are shown in Figure 5B (not reproduced here). An object is identified by filling in a template, the asset from which the object is to be taken is viewed in display/edit window 100, beginning and ending time codes are marked and incorporated into the properties of the object, and a bin and an icon are selected for the object. *Id.* at 9:20–37.

Figure 5C is reproduced below:

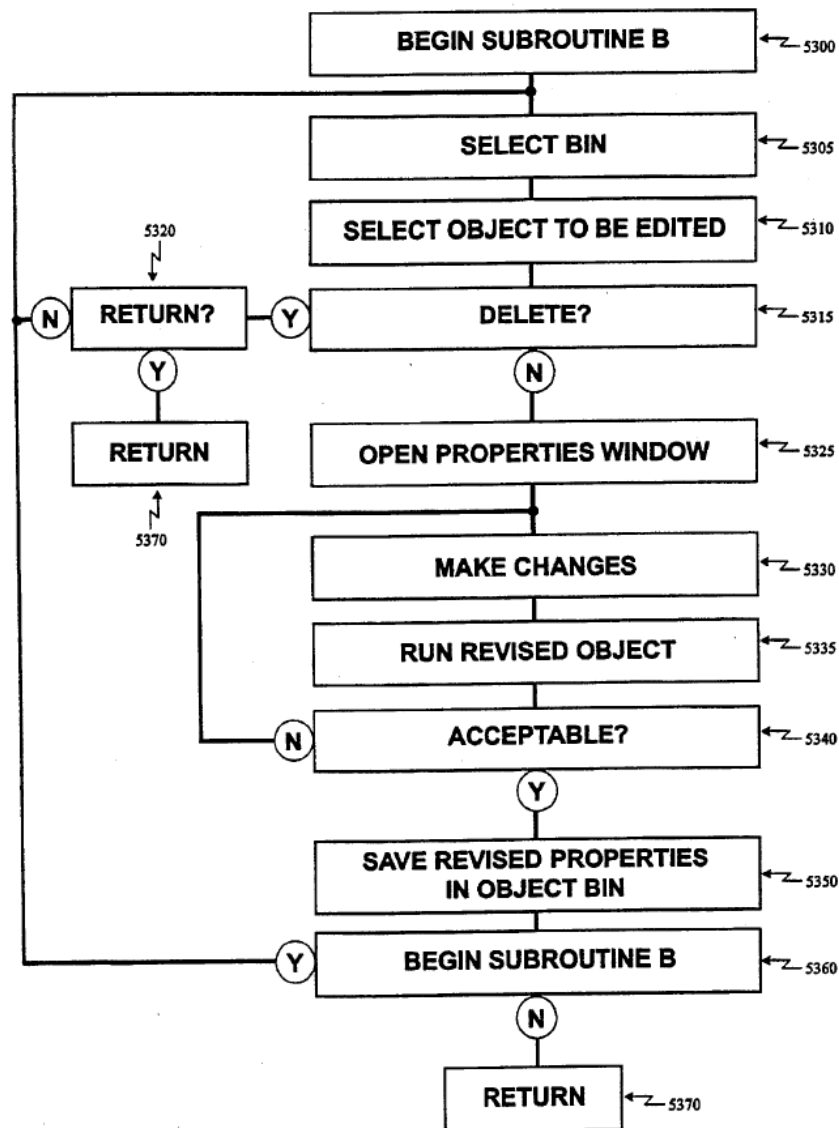


Figure 5C

Figure 5C is a flowchart of a process for editing objects. *Id.* at 9:46. A user selects a bin (step 5305) and an object within the bin to be edited (step 5310). *Id.* at 9:47–49. “[T]he properties window for the selected object is opened (5325), changes are made (5330) and the revised object is run (5335) to determine if the revisions are satisfactory. . . . If the changes are acceptable, the revised properties for the object are saved in the appropriate object bin (5350).” *Id.* at 9:53–60.

Figure 5E is reproduced below:

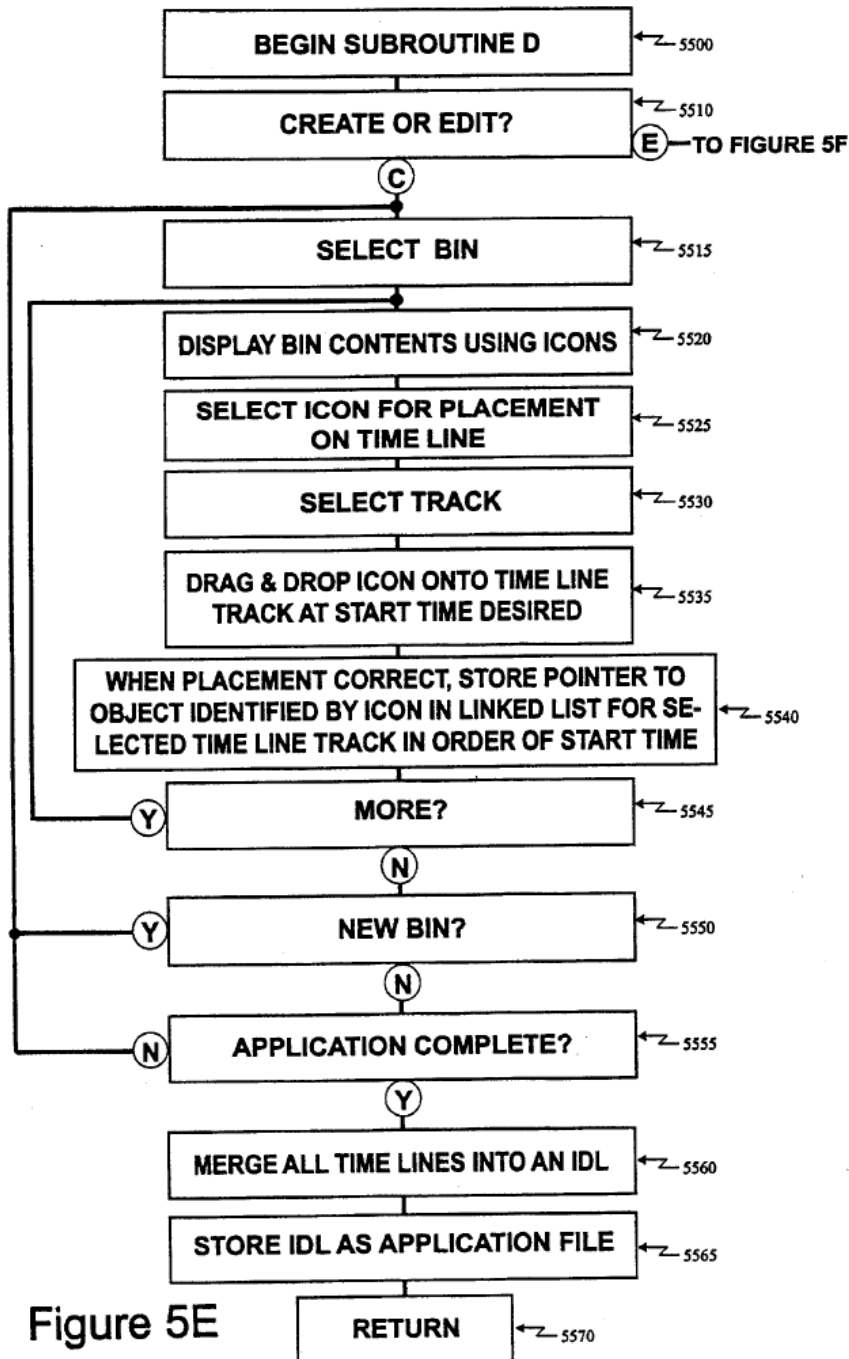


Figure 5E

Figure 5E is a flow chart of a process for authoring multi-media applications. *Id.* at 10:10–11. A user selects a bin (step 5515), the contents of the bin are displayed (step 5520), the user selects an icon (step 5525), the

user selects one of the tracks on which to place the icon (step 5530), the user drags and drops a copy of the icon on the selected track at a desired start time (step 5535), and a pointer to the object identified by the icon is stored in a linked list for the selected track at a location determined by its start time. *Id.* at 10:15–26. Other icons are added to that and other tracks similarly. *Id.* at 10:26–31. The linked lists contain pointers to the memory locations where full descriptions of the objects are stored. *Id.* at 10:37–40.

Figure 6 is reproduced below:

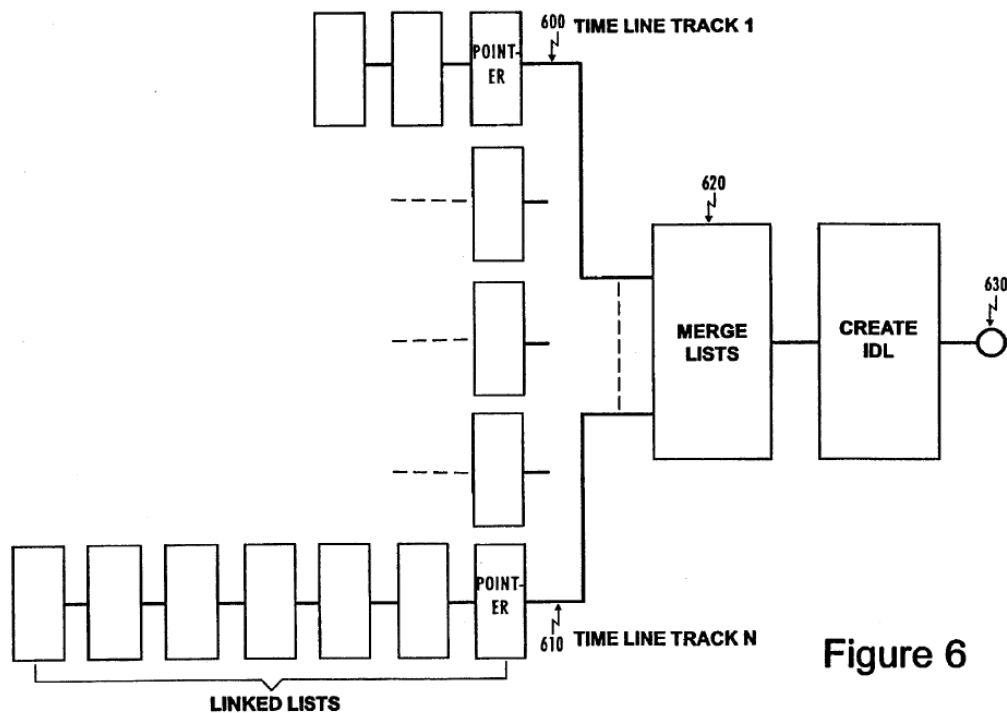


Figure 6

Figure 6 is a block diagram of the management of events queued on respective timelines (600–610 for tracks 1–N) and the merger of those events into an edit decision list (EDL) or interactive decision list (IDL). *Id.* at 5:41–43. A linked list is associated with each time line track, with each entry in the linked list pointing to another data structure that contains the information necessary to execute an object on the time line. *Id.* at

11:31–35. Merge function 620 examines the linked lists, compares the times of execution, sorts the entries into a single ordered list of pointers, retrieves the data structures in the ordered specified, and stores them as an IDL, an example of which is shown in Figure 7, reproduced below. *Id.* at 11:48–57.

	EXECUTION/ PLAYBACK TIME	ACTION/OBJECT	BEGIN	END	TRACK OF ORIGIN
700	XXXX	RUN VIDEO ASSET 275	XXXX	XXXX	VIDEO CHL 1
		⋮			
710	XXXX	RUN VIDEO ASSET 703	XXXX	XXXX	VIDEO CHL 2
720	XXXX	SPECIAL EFFECT 15 (FADE CHL 1 TO CHL 2)	XXXX		SPECIAL EFFECTS CHL 1
730	XXXX	DISPLAY TEXT OVERLAY 120	XXXX	XXXX	VIDEO CHL 1
740	XXXX	DISPLAY OVERLAY 121	XXXX	XXXX	VIDEO CHL 1
		⋮			
760	XXXX	RUN VIDEO ASSET 132	XXXX	END	
		⋮			
770	XXXX	LOAD & EXECUTE PROGRAM OBJECT 172 (CREATE YES/NO BUTTON SET WITH TEXT SPECIFIED AS A PARAMETER AND DETECT RESPONSE			
		⋮			
780	XXXX	END			

Figure 7

Figure 7 is a picture of an IDL created as shown in Figure 6. *Id.* at 5:44, 11:61–62. An IDL is a text file, typically represented in ASCII. *Id.* at 4:29–30.

During playback, the commands on the IDL are executed sequentially. “Software known as an interpreter may be used to interpret the IDL or EDL one statement at a time to generate the necessary commands to carry out the edit decision reflected in statements on the list.” *Id.* at 4:44–47.

For each command, a send command is issued to the server to retrieve the object from the asset, and when the playback time equals the time code

for the object display, the digital data from the object is output to a desired output track. *Id.* at 10:58–11:10 (Fig. 5G).

2. *Rege*

Rege relates to “computer systems for delivering multimedia content on-demand.” Ex. 1005, 1:8–9. The network includes a plurality of substantially similar nodes connected in a symmetric mesh. *Id.* at 2:30–33. Each node includes a store-and-forward switch and a server with disk storage for multimedia content (e.g., movies, databases, music). *Id.* at 2:33–36, 2:56–57. Associated with each node is a unique address, and the addresses are used to route data and control packets between the nodes. *Id.* at 2:45–47, 4:12–21. Source nodes fetch multimedia content from disks, routing nodes transport data among nodes, and destination nodes transport data to the communications network. *Id.* at 2:50–55.

3. *van Hoff*

Van Hoff relates to “a system and method in which a user’s computer displays a sequence of advertisements or other informational images, where the user selects topic areas or information sets of interest to the user.” Ex. 1006, 1:7–9. The system and method display user selectable advertising information or other user selectable informational images on a host computer. *Id.* at 2:9–11. User selectable advertising information is displayed in an advertising application and executed concurrently with a browser application. *Id.* at 2:11–15. The advertising application includes a data structure for storing methods and data pointers, and the data pointers point to particular advertising services, topical informational services or

other services that have been selected by a user for display. *Id.* at 2:17–26. The Ad window Application program displays informational images on a portion of a user’s display and has associated with it a user-selected list of preferred advertising lists, “each of which is essentially a URL reference to a list of advertisements maintained by a corresponding advertisement provider.” *Id.* at 3:14–18.

Figure 2 of van Hoff is reproduced below.

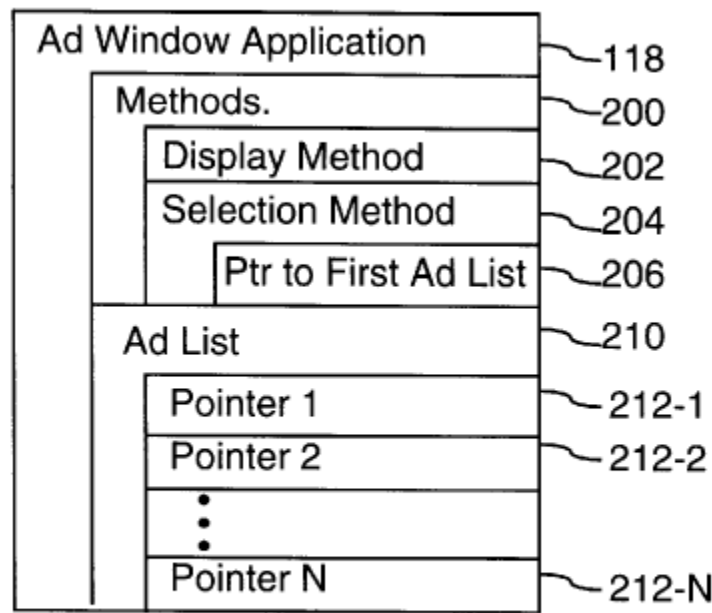


FIGURE 2

Figure 2 illustrates a block diagram of a data structure for an Ad window application. The Ad window application allows a user to establish a preferred advertising list 210 comprising a plurality of pointers 212-1 through 212-n associated with informational images. *Id.* at 4:5-9. The selection method 204 selects the informational images to be displayed as well as other operational parameters such as timing, sequencing, etc. associated with the displayed informational image. *Id.* at 4:15–19. The

pointers 212-1 through 212-N point to locations that contains the Ad lists, which may be on a server computer, to be displayed. *Id.* at 4:24–27.

Figure 3 of van Hoff is reproduced below.

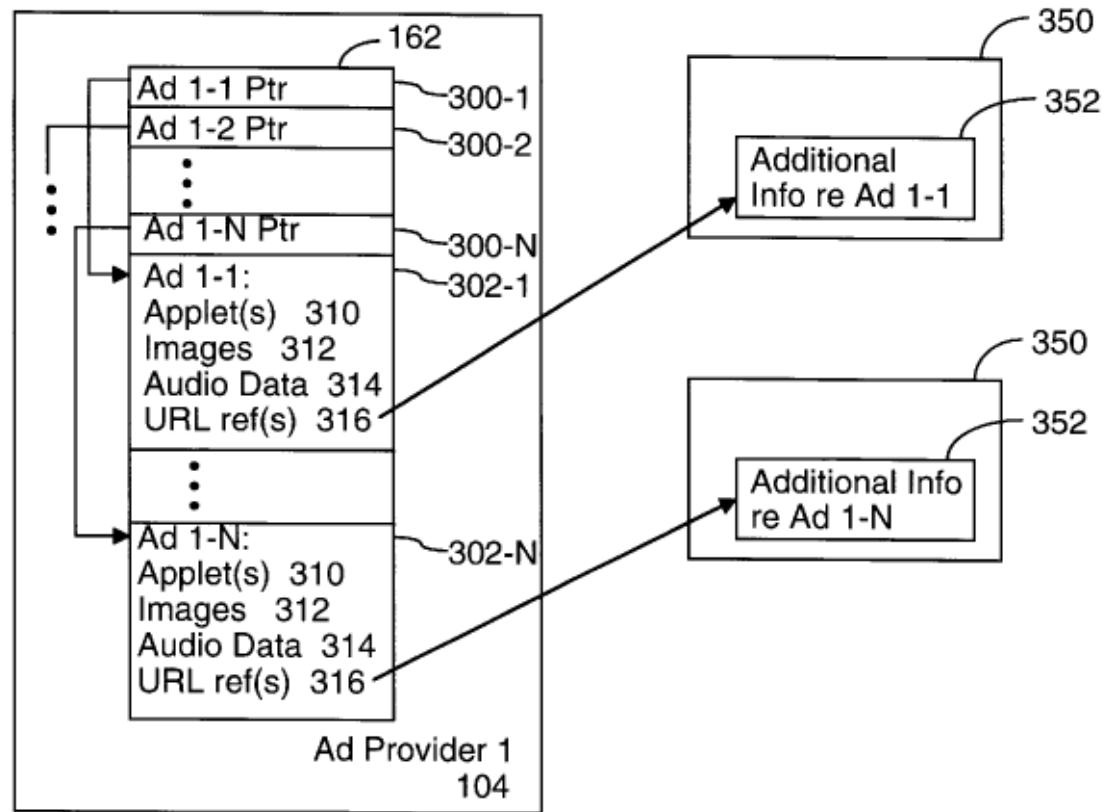


FIGURE 3

Figure 3 is a block diagram of a data structure for an Ad list. *Id.* at 2:42–43. The Ad list 162 contain a plurality of pointers 300-1 through 300-n and associated advertisement programs 302-1 through 302-n, with each advertisement program including one or more applet(s) 310, images 312, audio data 314 and informational references 316. *Id.* at 4:37–45. “The applet(s) define the operational parameters associated with how long images are displayed, in what sequence, how they appear and disappear (fade or

flash), as well as other display parameters if different from the default values.” *Id.* at 4:47–51. The informational references 316 take the form of a URL linked to a World Wide Web site, and the applets may use the associated informational references 316 “to access remotely located information that is to be incorporated into the advertisement or informational message.” *Id.* at 5:3–19.

Figure 5 of van Hoff is reproduced below.

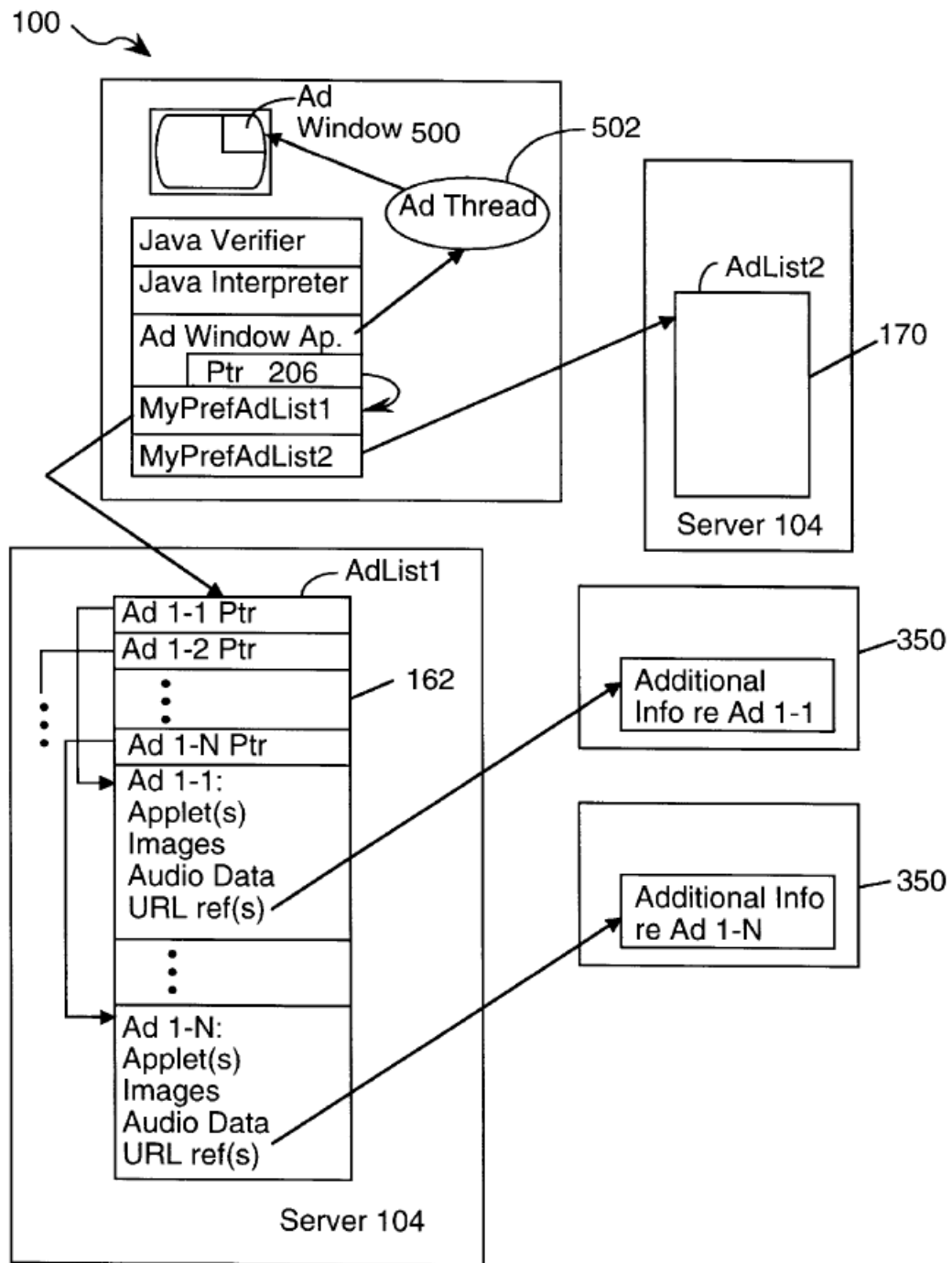


FIGURE 5

Figure 5 is a block diagram showing the relationship between the various programming elements of the invention required to present the advertising images in an ad window. *Id.* at 2:48–51. Upon accessing the internet, a user

can access advertisement images by launching the Ad window application out of the browser, or the Ad Window application can be automatically launched. *Id.* at 5:61–6:7. Pointer 206 indicates the first Ad list, for example Ad List 1 (162), in the list of preferred advertising lists 210 to be displayed. *Id.* at 6:44–48. All images and any appropriate audio accompaniment will be displayed in the display window 500 in order as designated in the Ad list until the last image in the Ad list is reached. *Id.* at 6:62–64, 7:21–30.

4. Rakavy

Rakavy relates to “advertisement computer display systems and more particularly to a method and system for displaying advertisements and other information on a computer based on general user selected criteria and transmitting such information from a remote network to the local computer.” Ex. 1007, 1:7–12. Advertisements are selected and transferred to a user’s local computer and displayed. *Id.* at 5:32–36. The system collects user feedback information and their preferences as the users interact with the advertisements by directly choosing categories of advertising or through interactive games, messages, or requesting/ordering product information. *Id.* at 3:34–47.

Rakavy further provides a method and system of downloading and presenting individualized advertisements with “minimal interference with other data being transmitted between the network and the local computer.” *Id.* at 3:9–14. Rakavy describes preferably displaying the advertisements “during idle time as a screen saver utility when the computer is not receiving keyboard input or updating the user’s display.” *Id.* at 3:27–29.

E. Challenges over Escobar and Rege

Petitioner challenges independent claims 1 and 26 as unpatentable for obviousness over Escobar alone or in combination with Rege. Pet. 18–50.

1. Independent Claim 1

In setting forth its challenge to independent claim 1 based on Escobar alone, Petitioner identifies Escobar’s “decision list or timeline” of “entries” as corresponding to the “show structure of nodes” recited in the claim and identifies Escobar’s “objects/assets” as corresponding to the recited “resource from a plurality of accessible resources.” Pet. 23. Petitioner further draws a correspondence between the recited “causing the content corresponding to each of said accessed resources to be automatically accessed and presented” with Escobar’s disclosure of displaying or playing objects identified in its decision list or timeline on a digital entertainment terminal (“DET”). *Id.* at 42–45. As Petitioner observes, Escobar discloses that such “objects/assets are retrieved and played back automatically following the sequence of nodes in the decision list and timelines.” *Id.* at 43 (citing Ex. 1004, 4:36–44).

In addressing its alternative combination with Rege, Petitioner relies on Rege to “reinforce[] Escobar with additional teachings for implementing network access using addresses.” *Id.* at 36. Supported by Dr. Houh’s testimony, Petitioner provides reasons why a person of ordinary skill in the art would effect such a combination of teachings. *Id.* at 19–22. Although we have reviewed Petitioner’s analysis, we need not address this challenge in detail because we agree with Patent Owner that Petitioner’s analysis is

deficient with respect to a different limitation of independent claim 1. *See* Prelim. Resp. 36–37.

That is, we focus on claim 1’s requirement of “causing advertisement content to be presented to said user in connection with said automatic presentation of said content through said user’s computer.” *See* Ex. 1001, 17:65–67. Petitioner addresses this advertisement limitation by observing that “Escobar teaches gateways that provide ‘targeted advertisement insertion, previews, and trailers, etc.’ from video information providers (VIPs) implemented using the Escobar system.” Pet. 49 (citing Ex. 1004, 15:27–32, 17:61–18:11). Petitioner also cites Escobar’s statement that “[t]he asset and object server of this invention can be used as a VIP when development of an interactive multimedia application occurs over the network.” *Id.*; Ex. 1004, 15:27–29.

It is worth emphasizing how sparse Escobar’s disclosure is with respect to advertising. What Patent Owner characterizes as Escobar’s “sole reference to an ‘advertisement’” is the following:

A level 2 gateway provides a number of services for the Information Providers. These services include transmission of menus of available information to subscribers, searches of available information, *targeted advertisement insertion*, previews, trailers, etc.

Ex. 1004, 17:61–65 (emphasis added); *see* Prelim. Resp. 36. From this limited disclosure, Petitioner concludes that claim 1’s advertisement limitation is met because, “when content is presented according to the decision list/timelines, advertisement content is also presented to the user.” Pet. 49.

Patent Owner disputes this reasoning by contending that Escobar “does not present advertisement content to the user ‘in connection with’ the playback of Escobar’s *show structure*.” Prelim. Resp. 36. Rather, as Patent Owner asserts, “Petitioner has defined the show structure as being Escobar’s ‘decision lists’” and “Escobar does not teach that the advertisement is presented ‘in connection with’ the decision lists but, rather, in connection with ‘video or audio’ menus that the VIP causes to be downloaded to the DET ‘for display’ to the end user subscriber.” *Id.* at 36–37 (citing Ex. 1004, 17:65–18:1).

In the context of this argument, we note that Escobar describes a system in which a DET interacts with VIPs to provide users video and interactive multi-media services. Ex. 1004, 15:7–11. The network architecture of the DET uses two gateway levels: the “level 1 gateway 921 performs a variety of network connectivity related functions, including communications port management of transmissions of information between subscribers and servers,” and the “level 2 gateway provides a number of services [that] include transmission of menus, . . . targeted advertisement insertion, previews, trailers, etc.” *Id.* at 17:32–41, 61–65. The level 1 gateway transmits an IDL of a VIP selection menu to the DET, which interprets the IDL, orders the objects, and displays a selection menu for the subscriber. *Id.* at 18:53–65. Escobar’s level 2 gateway is initiated after a level 1 gateway uses subscriber identifier information and VIP selection input to initiate a call to the level 2 gateway to see whether the subscriber is a valid customer to the particular VIP. *Id.* at 19:7–15. If the subscriber is valid, the level 1 gateway sends a control to set up a downstream broadband link from the VIP’s file server to the subscriber’s DET, and the VIP’s level 2

gateway initiates a call to the DET, with a video session between the VIP and subscriber's DET being established upon completion of the broadband link and the communication link. *Id.* at 19:15-25.

With this understanding of Escobar, we agree with Patent Owner's argument. That is, independent claim 1 defines a method in which presentation of the "advertisement content" occurs in connection with automatic presentation of other content, namely "content . . . presented . . . in accordance with said show structure." Ex. 1001, 17:53–56, 17:65–67. Escobar's two-level gateway structure is not consistent with this requirement, and neither Petitioner nor Dr. Houh provides sufficient explanation of how Escobar's advertisement insertions are otherwise presented in connection with the automatic presentation of the objects/assets.

Because Petitioner does not sufficiently show that this aspect of the claim is disclosed by, or would have been obvious over, Escobar, we conclude that Petitioner does not demonstrate a reasonable likelihood of prevailing on its challenge of independent claim 1 as unpatentable under 35 U.S.C. § 103(a) over Escobar alone or over Escobar in combination with Rege.

2. Independent claim 26

Independent claim 26 recites nearly identical claim limitations to those of independent claim 1, except that the recited "advertisement content" is also required to be "targeted." *Compare* Ex. 1001, 17:43–67, *with id.* at 20:4–27, notably *id.* at 17:65 ("causing advertisement content"), *with id.* at 20:25 ("causing targeted advertisement content"). Except for the "targeted" requirement, Petitioner's arguments for claim 26 merely incorporate by

reference its arguments for claim 1. Pet. 50. Although Petitioner observes that Escobar’s limited reference to “advertisement insertion” refers to it as “targeted,” that observation does not cure the deficiencies identified above.

Thus, for the reasons given above, we conclude that Petitioner is not reasonably likely to prevail in showing that independent claim 26 is unpatentable under 35 U.S.C. §103(a) over Escobar alone, or over Escobar and Rege.

F. Challenges over van Hoff and Rakavy

Petitioner challenges claims 1–2, 7–9, 11–12, 15, and 26–28 as unpatentable for obviousness over van Hoff alone or in combination with Rakavy. Pet. 50–85.

1. Independent Claim 1

Petitioner’s analysis of independent claim 1 generally identifies the recited “show structure” with van Hoff’s Ad lists (or list of Ad lists). Pet. 55–65, 68. With this identification, Petitioner observes that, in van Hoff, the “Ad Window application automatically accesses and loads the content associated with advertisement programs identified in each Ad list.” *Id.* at 68. As Petitioner also notes, van Hoff’s interpreter executes the Ad list, “causing the applet(s) for each Ad program to be executed and corresponding content, such as images/audio, to be presented to the user’s computer in the Ad window according to the Ad lists, ‘until the last image in the Ad list is reached.’” Pet. 69 (quoting Ex. 1006, 7:29–30).

In the context of these identifications, our analysis of Petitioner's challenge to independent claim 1 focuses particularly on the following "access" limitation:

causing content corresponding to each of said accessed resources to be automatically accessed and presented through said user's computer in accordance with said show structure such that during said presentation of at least some of said content from said accessed resources, at least some of said other network accessible resources are being accessed.

See Ex. 1001, 17:53–59. According to Petitioner, this limitation is met by van Hoff because "VanHoff's Ad Window program application automatically retrieves the next advertisement program in the Ad list while displaying content, called 'informational items' for the current advertisement program." Pet. 69–70 (citing Ex. 1006, 8:57–9:11, 10:10–29).

Patent Owner disputes this aspect of Petitioner's analysis, contending that "the cited VanHoff claim sets expressly teach the *exact opposite* of what Petitioner is contending." Prelim. Resp. 52–53. According to Patent Owner, the "claimed computer program will first start to retrieve/access the next advertisement resource from the Ad list only 'upon completing' the presentation of the previous advertisement resource from that Ad list." *Id.* at 53. Patent Owner adds that, inasmuch as van Hoff describes any example of "concurrently presenting/accessing," it is in an "irrelevant embodiment that falls outside the scope of what [the access limitation] would cover." *Id.* Patent Owner elaborates that while the Ad Window Application accesses and displays advertisement resources from the Ad list in window 500, "other images are concurrently being presented/displayed to the end user in another

different portion of the desktop computer screen.” *Id.* (citing Ex. 1006, 9:7–11, 10:24–29).

We agree with Patent Owner. Independent claim 1 defines a method in which content is automatically accessed and presented in accordance with the show structure such that, *during* presentation of at least some content, at least some other resources are being accessed. In contrast, van Hoff teaches automatically accessing other resources only after *completing* execution of a previously displayed resource. While van Hoff simultaneously displays images while retrieving content, those displayed images are of an end user application and do not correspond to “content corresponding to each of said accessed resources . . . in accordance with said show structure,” as the claim requires. This is evident from specific recitations of claim 1 in van Hoff:

(g) automatically retrieving and executing said next informational image application and displaying at least one image associated with said next informational image application *upon completing* said executing of the informational image application prior to said next information image application;

(i) performing said steps (e), (f), (g) and (h) while displaying both said images associated with said end user application program in said first portion and said images associated with said informational image applications in said second portion simultaneously.

Ex. 1006, 9:7–11, 10:24–29 (emphasis added). Neither Petitioner nor Dr. Houh provides sufficient explanation of how the content is automatically accessed and presented in accordance with the show structure such that, *during* said presentation of at least some content, at least some other resources are being accessed.

We recognize that Petitioner alternatively advances an obviousness challenge that does not rely on van Hoff alone, but instead relies on Rakavy in combination with van Hoff. For this alternative challenge, Petitioner contends a person of ordinary skill in the art “would have been motivated and found it obvious to apply Rakavy’s teachings to VanHoff’s, including by downloading resources in VanHoff’s Ad list in the background while displaying other resources in the same or other Ad lists.” Pet. 70. Petitioner specifically notes Rakavy’s disclosure of a Polite Agent that “automatically downloads advertising content as a background task to a local database to make good use of ‘periods of low line utilization’ when ‘the communications link utilization rate is low.’” Pet. 70 (citing Ex. 1007, 3:51–64, 3:15–26, 13:5–34, Fig. 9). Petitioner specifically notes that Rakavy teaches advertisements “displayed during idle time as a screen saver utility.” *Id.* (citing Ex. 1007, 3:27–29, 7:63–8:3). According to Petitioner, “combined with VanHoff, the Polite Agent downloads Ad content beforehand, during ‘periods of low line utilization,’ which improves the user experience and is more efficient than waiting to download all Ad content at the same time when it is time to display the Ad.” *Id.* at 71. Petitioner thus contends that, “when VanHoff displays an Ad, the current Ad program is not utilizing the network, which can lead to a period of low line utilization during which time Rakavy teaches that its Polite Agent downloads subsequent Ad content.” *Id.* (citing Ex. 1007, 3:15–64, 13:5–34).

Patent Owner disputes Petitioner’s reasoning under this alternative challenge because “Rakavy provides no indication whatsoever that its Polite Agent will access new advertisement resources from Ad Server 600 concurrently with when its Screensaver Subsystem is presenting screensaver

ads to the computer end user.” Prelim. Resp. 55. Patent Owner adds that “Petitioner’s contention appears to be premised solely on unjustifiably conflating two completely different metrics – *i.e.*, how recently interaction has occurred between an end user and Local Computer 500 (‘idle time’) versus how extensively the communications line between Local Computer 500 and the remote network is being used (‘communications line utilization rate’).” *Id.* at 56.

We agree with Patent Owner that Petitioner insufficiently supports its contention that the periods of “low line utilization” would overlap the idle times in which advertisements are displayed as a screen saver. To reach such an equivalence, Petitioner appears to apply a broad understanding of the terms “idle time” and “low line utilization,” but does not proffer any explicit evidence to support equating the two. We note that Rakavy explicitly describes the role of the Polite Agent as “perform[ing] communication tasks in the background without imposing a noticeable overhead on the user,” and describes low line utilization as occurring “when the communications line is busy no more than a predetermined percentage of time.” Ex. 1007, 13:6–9, 35–36. Petitioner provides no clear explanation of how the idle times in which the advertisements are displayed as a screen saver would be considered as a low line utilization period in which the Polite Agent performs a communication task.

Moreover, Petitioner provides no clear modification to van Hoff that would result in a low line utilization period in which the Polite Agent downloads Ad content during the presentation of the Ad window advertisement. Petitioner relies on van Hoff’s advertisements presented in the Ad Window of a web page as the “content” and states that “idle periods

occur after a page is loaded.” Pet. 71. But it is not apparent that network utilization is low merely because there may be “idle periods . . . after a page is loaded.” *See id.* That is, Petitioner does not sufficiently explain why van Hoff’s Ad Window, even when displayed in a web page, creates an idle period nor how such an idle period is a low line utilization period to apply the Polite Agent of Rakavy.

Because Petitioner does not sufficiently show that the access limitation of the claim would have been obvious over van Hoff alone or in combination with Rakavy, we conclude that Petitioner does not demonstrate a reasonable likelihood of prevailing on its challenge of independent claim 1 as unpatentable under 103 U.S.C. §103(a) over van Hoff alone or over the combination of van Hoff and Rakavy.

2. Independent Claim 26

As we note above, independent claim 26 differs from claim 1 only in its recitation of “targeted” advertisement content. *Compare* Ex. 1001, 17:43–67, *with id.* at 20:4–27, notably *id.* at 17:65 (“causing advertisement content”), *with id.* at 20:25 (“causing targeted advertisement content”). Although Petitioner argues that van Hoff’s advertising is “targeted” because it is “based on the user profile,” that argument does not cure the deficiencies identified above in Petitioner’s allegations as to van Hoff alone or in combination with Rakavy. Thus, for the reasons given above, we conclude that Petitioner is not reasonably likely to prevail in showing that claim 26 is unpatentable under 103 U.S.C. §103(a) over van Hoff alone or over the combination of van Hoff and Rakavy.

G. Dependent Claims

Each of claims 2, 7–9, 11–12, 15, and 27–28, depends directly from one of independent claims 1 and 26. Ex. 1001, 18:1–8, 18:13–20, 18:24–27, 20:28–31. Petitioner challenges these claims as unpatentable under 35 U.S.C. §103(a) over van Hoff alone or in combination with Rakavy. Pet. 76–85. For each of the dependent claims, Petitioner’s analysis does not remedy the deficiency we discuss above for its analysis of the underlying independent claims, neither for Petitioner’s analysis of obviousness over van Hoff alone nor for its analysis of obviousness over the combination of Hoffman with Rakavy.

We accordingly conclude that Petitioner does not demonstrate a reasonable likelihood of prevailing on its challenge of claims 2, 7–9, 11–12, 15, and 27–28 as unpatentable under 103 U.S.C. §103(a) over van Hoff alone or over the combination of van Hoff and Rakavy.

IV. DISCRETIONARY DENIAL

As noted above, the ’819 patent is the subject of parallel proceedings in the form of the related litigation. *Supra*, § I.F. Patent Owner asks that we exercise our discretion to deny the Petition based on the state of the related litigation. Prelim. Resp. 10–14. Petitioner argues we should not deny the petition. Reply 1-5.

Because we deny the Petition on the merits, we do not reach these issues.

V. CONCLUSION

For the foregoing reasons, we conclude that the information presented in the Petition does not establish a reasonable likelihood that Petitioner would prevail in showing that at least one of claims 1–2, 7–9, 11–12, 15, and 26–28 of the '819 patent is unpatentable. Accordingly, we deny the Petition and decline to institute an *inter partes* review.

VI. ORDER

In consideration of the foregoing, it is
ORDERED that the Petition is *denied*, and no trial is instituted.

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Patent 8,606,819 B2

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