

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,
Petitioner,

v.

WILDSEED MOBILE, LLC,
Patent Owner.

IPR2023-00248
Patent 7,376,414 B2

Before KARL D. EASTHOM, TERRENCE W. McMILLIN, and
MICHAEL T. CYGAN, *Administrative Patent Judges*.

McMILLIN, *Administrative Patent Judge*.

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

A. *Background and Summary*

Google LLC (“Petitioner”)¹ filed a Petition for *inter partes* review of claims 1–7 and 9–14 (the “challenged claims”) of U.S. Patent No. 7,376,414 B2 (Ex. 1001, “the ’414 patent”). Paper 2 (“Pet.”) at 22, 75. Wildseed Mobile LLC (“Patent Owner”)² filed a Preliminary Response. Paper 6 (“Preliminary Response” or “Prelim. Resp.”). With our authorization (Ex. 3001), Petitioner thereafter filed a Reply to Patent Owner’s Preliminary Response (Paper 7, “Reply”) and Patent Owner filed a Sur-reply in Support of its Preliminary Response (Paper 8, “Sur-reply”) to address the issue of discretionary denial under 35 U.S.C. § 314.

We have authority to determine whether to institute an *inter partes* review. 35 U.S.C. § 314 (2018); 37 C.F.R. § 42.4(a) (2020) (“The Board institutes the trial on behalf of the Director.”). The standard for institution is set forth in 35 U.S.C. § 314(a), which provides that *inter partes* review may not be instituted unless “there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” After considering the Petition, the Preliminary Response, the Reply, the Sur-reply, and the evidence of record, we institute an *inter partes* review as to the challenged claims of the ’414 patent on the grounds presented.

¹ Petitioner identifies “Google LLC and YouTube, LLC” as the real parties-in-interest to this proceeding. Pet. 76.

² Patent Owner identifies “Wildseed Mobile LLC” as the real party-in-interest to this proceeding. Paper 5 at 1.

B. Related Proceedings

The parties identify the following district court matters related to the '414 patent: *Wildseed Mobile LLC v. Google LLC*, No. 3-22-cv-04928 (N.D. CA, filed Aug. 29, 2022) (the “California litigation”); *Wildseed Mobile LLC v. Google LLC*, No. 6-22-cv-00357 (W.D. TX, filed Apr. 4, 2022) (transferred to N.D. CA—i.e., the California litigation); *Wildseed Mobile LLC v. Google LLC*, No. 6-21-cv-01245 (W.D. TX, filed Oct. 8, 2021) (voluntarily dismissed, Apr. 4, 2022). Pet. 76; Paper 5, 1.

Patent Owner asserts that *inter partes* reviews IPR2023-00244, IPR2023-00245, IPR2023-00246, and IPR2023-00247, each filed by Petitioner, involve patents in the district court litigation. Paper 5, 1.

C. The '414 Patent (Ex. 1001)

The '414 patent is titled “Method and System for Inserting Advertisements into Broadcast Content.” Ex. 1001, code (54). The '414 patent explains that “[t]he functionality of cellular telephones has continued to increase and incorporate many of the features originally provided for in handheld electronic devices” and “more advanced features are becoming more widely available such as playing streamed content and broadcasts.” *Id.* at 1:33–41. However, “providers of streamed content/broadcasts have not been able to differentiate advertisements for cellular telephone users versus other types of users” and the '414 patent purports to resolve this problem. *Id.* at 1:41–2:27.

Figure 5, reproduced below, “illustrates a schematic diagram of an exemplary embodiment of a mobile media player that is operative to play streamed content and broadcasts and receive advertisements for playback at predetermined intervals” in accordance with the '414 patent. *Id.* at 2:40–43.

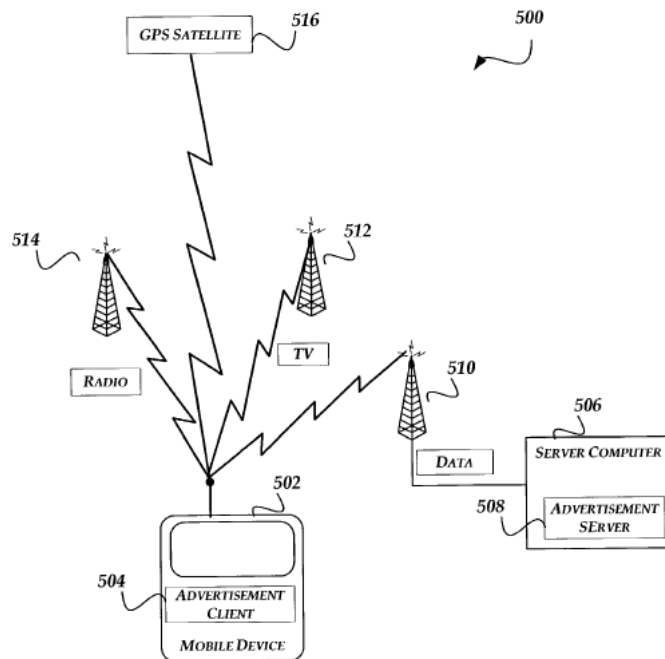


Fig.5

Figure 5 depicts “system 500 for inserting advertisements provided by advertisement server 50[8] into streamed or broadcast content playing on mobile device 502.” *Id.* at 9:12–15. “Mobile device 50[2] is in communication with several different wireless sources of data, information and content, including, but not limited to, radio 514, television 512, data 510 and GPS satellite 516.” *Id.* at 9:20–23. “Advertisement client 504 is located on mobile device 502 and determines the information about the user for that particular mobile device and provides this information to advertisement server 508 located on server computer 506.” *Id.* at 9:24–27. “The user’s information may include any combination of physical location, preference, user behavior and demographic information.” *Id.* at 9:28–30.

Figure 6, reproduced below, “shows a functional block diagram that generally illustrates one embodiment of a client advertisement application for a mobile device.” *Id.* at 2:44–46.

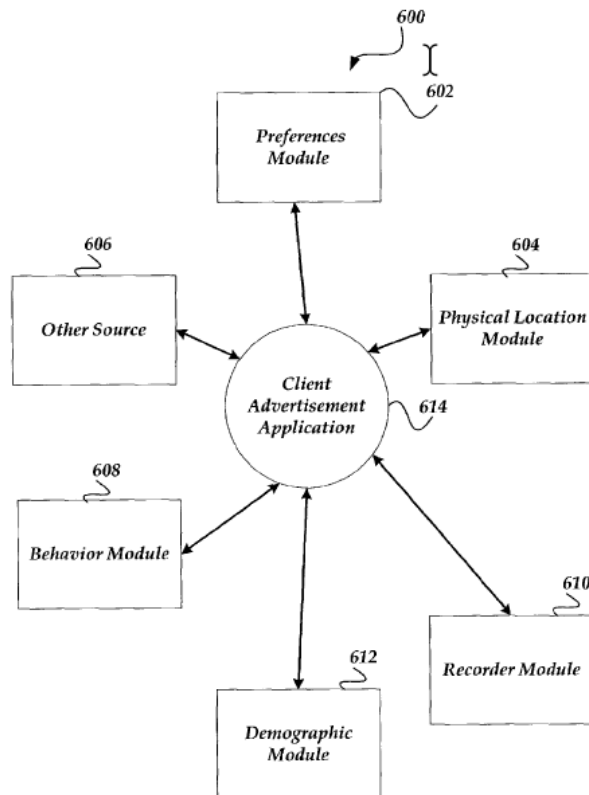


Fig.6

Figure 6 depicts client advertisement application 614 which functions “as a client in a client-server architecture . . . where clients are on mobile devices and a server is remotely located for determining advertisements to be played on the mobile devices.” *Id.* at 9:42–47. “Client advertisement application 614 is in communication with several other modules that provide different types of information, which in total are employed to generate information regarding a user of the mobile device.” *Id.* at 9:48–51. The modules include

preference module 602 that “enables manual entry through a user interface of preferences for a user,” recorder module 610 that “enables an advertisement to be recorded and stored prior to playing on the mobile device” or is “used to record content while an advertisement is playing and subsequently resuming the playing of the content from the point where the advertisement started playing,” behavior module 608 that “enables the user’s behavior in using the mobile device to be determined,” and other source module 606 that “enables other sources to be used to provide information regarding the user, e.g., a message from another user of another mobile device that identifies characteristics of the current user of the mobile device.” *Id.* at 9:51–10:22.

D. Challenged Claims

Petitioner challenges claims 1–7 and 9–14 of the ’414 patent.³ Pet. 7, 22. Of the challenged claims, claim 1 is an independent method claim, claim 9 is an independent product claim, and claims 12 and 14 are independent article of manufacture claims. Ex. 1001, 12:18–44, 13:10–38, 13:53–14:21, 14:28–59. Claim 1 recites:

1. A method for playing content and advertisements on a cellular device, comprising:
 - (a) autonomously providing to a server, by the cellular device, information associated with a user of the cellular device, the information taken by the cellular device from a message sent to the cellular device from another user of another cellular device, the message identifying characteristics of the user of the cellular device;
 - (b) receiving from the server, by the cellular device, at least one advertisement to be played on the cellular device, wherein

³ The ’414 patent has 14 claims. Ex. 1001, 12:18–14:59. Petitioner challenges all the claims of the ’414 patent except claim 8. *See, e.g.*, Pet. 7, 22.

- the at least one received advertisement is determined by the server based at least in part on the provided information;
- (c) if a determined time interval occurs, stopping playing of content, by the cellular device, and playing at least one of the determined advertisements, by the cellular device, the playing of the at least one determined advertisement comprising:
- recording, by the cellular device, the content which playing was stopped, while the at least one determined advertisement is playing; and
- when the playing of the at least one determined advertisement is completed, resuming the playing of the stopped content, by the cellular device, from where the stopping of the playing of the content occurred, using the recorded content.

Id. at 12:18–44.

E. The Asserted Grounds

Petitioner challenges claims 1–7 and 9–14 of the '414 patent based on the ground set forth in the table below.

Claims Challenged	35 U.S.C. §	Reference(s)/Basis
1–7, 9–14	103 ⁴	Frerichs, ⁵ Kawasaki, ⁶ Kauffman ⁷

⁴ The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended 35 U.S.C. § 103, was effective on March 16, 2013. The application for the '414 patent was filed on May 10, 2002, and claims priority to the filing date of a provisional application filed on May 11, 2001. Ex. 1001 codes (22), 60), 1:8–11. Because the filing date and the date of the priority claim are before the effective date of the applicable AIA amendment, the pre-AIA version of § 103 applies for purposes of institution.

⁵ US 6,684,249 B1, issued Jan. 27, 2004; filed May 26, 2000 (Ex. 1004).

⁶ US 6,539,375 B2, issued Mar. 25, 2003; filed August 4, 1999 (Ex. 1005).

⁷ US 2007/0083886 A1, published Apr. 12, 2007; filed December 11, 2006; continuation of application No. 09/734,220, filed on December 11, 2000 (Ex. 1006).

Pet. 22. Petitioner supports its showing of unpatentability of the challenged claims of the '414 patent with the Declaration of Henry Houh, Ph.D. (Ex. 1003). Patent Owner has not submitted a declaration or other testimonial evidence of an expert so, at least at this stage, there is no testimony contrary to that of Dr. Houh to consider.

II. OBVIOUSNESS ANALYSIS

A. Principles of Law

Under 35 U.S.C. § 103(a), “[a] patent claim is unpatentable if the differences between the subject matter sought to be patented 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.” *See KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007) (similar language). “[W]hen a patent claims a structure already known in the prior art that is altered by the mere substitution of one element for another known in the field, the combination must do more than yield a predictable result.” *KSR*, 550 U.S. at 416 (citing *United States v. Adams*, 383 U.S. 39, 50–51 (1966)). The question of obviousness involves resolving 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 ordinary skill in the art; and when presented (4) objective evidence of non-obviousness (not presented here). *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

B. Level of Ordinary Skill in the Art

Petitioner contends that

[a] POSITA [Person of Ordinary Skill in The Art] on and before May 10, 2002 (or May 11, 2001) would have had a working knowledge of computer networking and distributed

systems generally, and multimedia streaming specifically. Such a POSITA would have had a bachelor's degree in computer science, computer engineering, or an equivalent, and two years of professional experience working with distributed multimedia systems. Lack of professional experience can be remedied by additional education, and vice versa.

Pet. 15–16 (citing Ex. 1003 ¶¶ 19–21). Patent Owner does not dispute Petitioner's assessment of the level of ordinary skill. Prelim. Resp. 9 (“Patent Owner applies Petitioner's definition of a POSITA and level of ordinary skill for purposes of this Preliminary Response.”).

Determining the level of ordinary skill in the art involves various factors, including the “type of problems encountered in the art; prior art solutions to those problems; rapidity with which innovations are made; sophistication of the technology; and educational level of active workers in the field.” *In re GPAC Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995) (citation omitted). The prior art of record also reflects the level of ordinary skill in the art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001). For purposes of this Institution Decision, we adopt the assessment offered by Petitioner, as it is not disputed by the Patent Owner and is consistent with the '414 patent and the asserted prior art.

C. Claim Construction

In *inter partes* reviews, the Board construes claims using the same claim construction standard employed in a civil action under 35 U.S.C. § 282(b). 37 C.F.R. § 42.100(b) (2020). Under the principles set forth by our reviewing court, the “words of a claim ‘are generally given their ordinary and customary meaning,’” as would have been understood by a person of ordinary skill in the art in question at the time of the invention. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (en banc)

(quoting *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996)). “In determining the meaning of the disputed claim limitation, we look principally to the intrinsic evidence of record, examining the claim language itself, the written description, and the prosecution history, if in evidence.” *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 469 F.3d 1005, 1014 (Fed. Cir. 2006) (citing *Phillips*, 415 F.3d at 1312–17).

Petitioner contends that the “terms of the Challenged Claims should be given their plain and ordinary meaning, and no terms require specific construction.” Pet. 16. Patent Owner “agrees with Petitioner that the terms of the challenged claims should be given their plain and ordinary meaning.” Prelim. Resp. 9. Nevertheless, Patent Owner also asserts that “the Petition deviates from the plain meaning of certain claim terms, reading out critical limitations of the claims.” *Id.* We address Patent Owner’s claim construction discussion in addressing Petitioner’s challenge to claim 1. *See infra* § II.D.4.

At this stage, no need exists to construe any claim terms expressly to resolve the parties’ disputes. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (“[W]e need only construe terms ‘that are in controversy, and only to the extent necessary to resolve the controversy.’” (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))).

D. Detailed Discussion of the Grounds

Petitioner asserts that claims 1–7 and 9–14 would have been obvious under 35 U.S.C. § 103 based on Frerichs, Kawasaki, and Kauffman. Pet. 22–75. Patent Owner disagrees. Prelim. Resp. 10–17.

We provide a summary of the asserted references and then consider the contentions of the parties as to the asserted grounds in relation to the challenged claims.

1. *Frerichs (Ex. 1004)*

Frerichs is titled “Method and System for Adding Advertisements Over Streaming Audio Based Upon a User Profile Over a World Wide Area Network of Computers.” Ex. 1004, code (54). Specifically, Frerichs discloses “transmitting audio data from a first server location to a client location” in which “[t]he audio data include a flag and audio content data,” “monitoring the audio data and identifying the flag on the audio data,” “inserting an advertisement, which is based upon a user profile, into the audio data based upon the flag,” and “output[ting audio] content data [which comprises] the advertisement.” *Id.*, code (57). Targeted advertisement is inserted “into streaming audio at a client location such as a personal computer.” *Id.* at 2:15–17. However, Frerichs discloses that its disclosure “can be applied to other computing devices, such as cellular phones, internet appliances, personal digital assistants, laptop computers, set top boxes, television, and the like.” *Id.* at 1:15–19.

2. *Kawasaki (Ex. 1005)*

Kawasaki is titled “Method and System for Generating and Using a Computer User’s Personal Interest Profile.” Ex. 1005, code (54). The method and system “provide[] for profiling a user of the Internet according to predefined categories of interest” by “scanning content information of an Internet user to generate unknown data and processing unknown data to determine its relevance to predefined categories of interest.” *Id.*, code (57). A match of the unknown data with the predefined categories is generated “to form a profile of the user that may ultimately be used to target offers to users

based upon the profile.” *Id.* Thus, over time, a “profile” of interests of the user is accumulated, “which can be used to subsequently direct [o]ffers.” *Id.* at 3:23–24. Kawasaki discloses that the system uses e-mail client and server systems to analyze and build profiles from e-mail information so that the e-mail systems can “generate revenue through Offers by analyzing sent and received e-mail information and building Profiles based upon its content.” *Id.* at 5:59–65.

3. *Kauffman (Ex. 1006)*

Kauffman is titled “Seamless Arbitrary Data Insertion for Streaming Media.” Ex. 1006, code (54). Kauffman discloses “[a]n arrangement for inserting advertisement media into a streaming multimedia file destined for an end-user” that uses a caching inserter having “a first cache for storing a loaded advertisement file and a second cache for holding the streaming multimedia file that needs to be buffered as the advertisement file is sent to the end-user.” *Id.*, code (57). “[T]he streaming multimedia file can merely be appended to the end of the advertisement, allowing the playing of the requested file to recommence in a seamless manner without further action required by [the] caching inserter.” *Id.* ¶ 20.

4. *Claim 1*⁸

Petitioner asserts that the combined teachings of Frerichs, Kawasaki, and Kauffman would have rendered independent claim 1 obvious. *See* Pet. 23–53. Patent Owner disputes Petitioner’s showing and focuses on the limitation of claim 1 relating to selecting an advertisement based on a

⁸ We adopt the Petitioner’s parsing of claim 1 in order to follow the presentation in the Petition.

message sent to the cellular device. *See* Prelim. Resp. 10–17. Our detailed analysis of the contentions of the parties is provided below.

A method for playing content and advertisements on a cellular device comprising:

Petitioner relies on Frerichs for teaching the preamble of claim 1.⁹ Pet. 34–35 (citing Ex. 1003 ¶¶ 88–90; Ex. 1004, 1:15–19, 2:13–19, 3:52–54, 4:37–38, 7:23–25, 11:10–13.). Petitioner contends that “Frerichs teaches a ‘*method for playing content and advertisements on a cellular device*’ because it describes a method that ‘outputs the audio content data comprising the advertisement’ and describes that its invention can be applied to devices ‘such as cellular phones.’” *Id.* at 34–35 (quoting Ex. 1004, code (57) (Abstract), 1:14–15). Petitioner also contends that “Frerichs also teaches that its client device receives streaming audio data ‘to then play the audio content.’” *Id.* at 35 (quoting Ex. 1004, 4:38).

Patent Owner does not address Petitioner’s showing with regard to the preamble with particularity. *See generally* Prelim. Resp.

Petitioner’s showing for the preamble (even if it is limiting) is sufficient for purposes of institution.

autonomously providing to a server, by the cellular device, information associated with a user of the cellular device

Petitioner relies on a combination of the teachings of Frerichs and Kawasaki for this limitation. Pet. 35–37 (citing Ex. 1003 ¶¶ 69–75, 91–124; Ex. 1004, 9:39–54, 14:40–53, 15:40–52; Ex. 1005, 2:63–66, 3:10–17, 4:1–5,

⁹ Neither party takes a position as to whether the preamble is limiting. Pet. 34 (“To the extent the preamble is limiting, Frerichs teaches” it.); *see generally* Prelim. Resp.

4:42–55). With regard to Frerichs teaching this limitation, the Petition states:

Frerichs teaches to a POSITA a process of data collection without user involvement. For example, a POSITA would have viewed “monitoring of user listening patterns” as indicating that the user’s listening patterns (“information associated with a user”) would be detected or monitored, and such information sent to a server (e.g., in Frerichs, “advertisement server 114”), without the user explicitly or manually providing his or her listening patterns (“autonomously providing to a server”). This is clear from the context of the sentence, as the disclosed monitoring is contrasted with “volunteered information” which would be provided manually.

Id. at 36 (citing Ex. 1003 ¶¶ 91–99; Ex. 1004, 9:39–54).

Alternatively, Petitioner relies on Kawasaki. Pet. 36 (“To the extent Frerichs is considered to not explicitly teach ‘autonomously providing’ information, Kawasaki does.”). With regard to this limitation and Kawasaki, the Petition states:

Kawasaki teaches providing a profile associated with a user (“information associated with a user”) from the user’s device (“providing ..., by the [] device”) to an offer manager (depicted as a server) (“to a server”). For example, Kawasaki discloses a “Profiler” which “tracks and builds an aggregate statistical model, ‘Profile,’ of the User” which is “a prioritized and rated set of interest categories that is automatically generated for each User.” Ex.1005, 4:42-55. As detailed below, the profile in Kawasaki is generated by scanning and analyzing a user’s digital content, such as the user’s e-mail messages. *Id.*, 4:1-5; Ex.1003, ¶¶111-124. Kawasaki’s Profile “is the output from the system and can subsequently be used to make highly targeted Offers.” Ex.1005, 4:42-55. . . .

In another example, Kawasaki teaches that “content information of an Internet User” (e.g., e-mail content, *see* Ex.1005, 4:1-5) “is scanned to generate unknown data.” Ex.1005, 2:63-66. This scanning may take place at “the client’s

computer.” *Id.*, 2:63-66. Subsequently, as discussed above, the information is provided to the Recognizer and Profiler, and Kawasaki discloses that the profiling “may occur...remotely, for example, on a server installation.” *Id.*, 3:10-17. Thus, in this example as well, Kawasaki teaches that the “unknown data” scanned from the user’s content information (“information associated with a user”) is provided “to a server” (the server performing the profiling). Ex.1003, ¶105.

Id. at 36–37. The Petitioner asserts, “the combined teachings of Frerichs and Kawasaki of collecting user information based on the stations selected by a user on the user’s cellular phone and providing automatically collected and generated profile data or unknown data to a server, without user involvement, renders obvious” this limitation. *Id.* at 37 (citing Ex. 1003 ¶¶ 91–110).

Petitioner contends, “a POSITA would have been motivated to combine the teachings of Frerichs and Kawasaki.” Pet. 37 (citing Ex. 1003 ¶¶ 69–79), *see also id.* at 27–30. Petitioner asserts that “it would have been obvious, beneficial, and predictable to apply to Kawasaki’s teachings of profiling users based on scanning their received content information into Frerichs’ selection of an advertisement for a user” and “the combination of Kawasaki’s teachings with Frerichs would improve the targeted advertising in Frerichs.” *Id.* at 27–28. Petitioner points to specific teachings in both Frerichs and Kawasaki that would have motivated a skilled artisan (“the references provide an express teaching, suggestion, or motivation to combine the teachings”) to combine their teachings. *See* Pet. 27–30. For example, Petitioner argues that “[t]his combination would, for example, achieve the benefits expressly stated by Kawasaki of ‘provid[ing] a higher User response rate’ for advertisements by improving ‘the match between

User interests and Advertisers’ messages” and “the combination would provide for the inclusion of ‘other information which can be used to provide a more desirable advertisement or information to the user’ in Frerichs’ user profile, as Frerichs states.” *Id.* at 27–28 (citing Ex.1004, 15:48–50; Ex.1005, 2:48–51, 2:58–59). Petitioner also provides a showing that “[a] POSITA would have had a reasonable expectation of success in combining the teachings of Frerichs and Kawasaki, and more specifically, in using Kawasaki’s techniques of scanning content received by a user to develop a user profile. Kawasaki contemplates applicability to a wide variety of client devices.” *Id.* at 29.

Patent Owner does not address Petitioner’s showing with regard to this limitation with particularity. *See generally* Prelim. Resp.

Petitioner’s showing for this limitation is sufficient for purposes of institution.

the information taken by the cellular device from a message sent to the cellular device from another user of another cellular device

Petitioner relies on a combination of the teachings of Frerichs and Kawasaki for this limitation. *See* Pet. 38–43 (citing Ex. 1003 ¶¶ 111–124; Ex. 1005, 2:63–3:1, 3:7–9, 3:14–17, 5:61–67, 6:4–5). With regard to Frerichs, Petitioner relies upon “its teachings of a cellular phone.” *Id.* at 39. With regard to Kawasaki, Petitioner relies on its generation of a user “profile [that] is derived from messages received by the user of the device from a user of another device.” *Id.* at 38. As shown in the passages from Kawasaki cited by Petitioner, Kawasaki teaches “[a]nalyzing and building Profiles from e-mail information” and, even more specifically, “by analyzing sent

and *received* e-mail information and building Profiles based upon its content.” Ex. 1005, 5:61–65 (emphasis added). Petitioner contends that

[i]n combination with Frerichs and its teaching of a cellular phone, Kawasaki’s e-mail messages render obvious ‘*a message sent to the **cellular** device from another user of another **cellular** device*’ because a POSITA, at the time of the ’414 Patent, would have recognized that cellular devices (e.g., the cellular phones of Frerichs) were commonly used to send and receive e-mail, and that using a cellular device to send and receive e-mail would have been consistent with the disclosure of Kawasaki.

Id. at 39–40 (citing Ex. 1003 ¶¶ 119–121).

Patent Owner disputes Petitioner’s showing for this limitation. *See* Prelim. Resp. 13–17. However, Patent Owner’s argument is based on an overly narrow interpretation of this limitation and the method of claim 1, especially as it relates to the claim term “*a* message.” Ex. 1001, 12:23 (emphasis added). Patent Owner contends that, because this limitation recites “*a* message,” it should be interpreted to require information taken from one, particular message. Prelim. Resp. 13–17. Specifically, Patent Owner argues that “Kawasaki discloses analyzing messages and other types of data in bulk and over a period of time to create aggregated results that indicate a ‘strong interest’ ‘over time’” and “Kawasaki does not focus on any particular message.” *Id.* at 15. But, it is “well-established precedent” that the use of “a” in a claim generally means “one or more.” *See 01 Communique Lab., Inc. v. LogMeIn, Inc.*, 687 F.3d 1292, 1297 (Fed. Cir. 2012).¹⁰ Thus, Patent Owner misinterprets “*a* message” as recited in claim

¹⁰ The Federal Circuit in this case stated, “[a]s a general rule, the words ‘a’ or ‘an’ in a patent claim carry the meaning of ‘one or more.’ The exceptions to this rule are extremely limited: a patentee must evince a clear intent to

1. Properly interpreted, this limitation recites using information from one or more messages. And, as discussed above, Petitioner argues and shows that Kawasaki teaches using information from one or more messages as recited in claim 1. *See* Pet. 39 (citing Ex. 1005, 5:61–65).

Method claim 1 also uses the transition “comprising” in its preamble. Ex. 1001, 12:18–19. And, “[t]he transition ‘comprising’ in a method claim indicates that the claim is open-ended and allows for additional steps.” *Invitrogen Corp. v. Biocrest Mfg., L.P.*, 327 F. 3d 1364, 1368 (Fed. Cir. 2003). Applied here to claim 1, this would allow for additional steps to be added to claim 1 such as analyzing and building a user profile from information or data in addition to that taken from one or more messages.

Patent Owner’s arguments relating to the prosecution history of the ’414 patent focus on statements by the Examiner. *See* Prelim. Resp. 4–9, 16. However, while the Examiner’s views as to the scope of the claims are important to consider, the Examiner cannot disclaim scope on behalf of an applicant. Moreover, we do not find any clear or unambiguous statements by the Examiner that support Patent Owner’s argument. *See id.* To the contrary, in the passages cited by the Patent Owner from the Examiner’s discussion of “Allowable Subject Matter,” the Examiner is merely quoting language from the claims from this and other limitations of the claims. *See* Ex. 1002, 36–37. The Examiner’s remarks were not focused on, and do not support, the distinction the Patent Owner argues here.

limit ‘a’ or ‘an’ to ‘one.’” *01 Communique Lab*, 687 F.3d at 1297 (internal quotation marks and citations omitted). The Patent Owner falls short of showing such clear intent by the patentee in the Preliminary Response. *See* Prelim. Resp. 4–9.

To the extent Patent Owner is arguing that the doctrine of prosecution disclaimer supports limiting the scope of the claims in this manner, Patent Owner never clearly argues disclaimer and does not direct our attention to a “clear and unmistakable” disavowal or disclaimer of scope as required by the case law. *See Massachusetts Institute of Technology v. Shire Pharmaceuticals, Inc.*, 839 F.3d 1111, 1119 (Fed. Cir. 2016). To the contrary, as shown above, Patent Owner agrees with the Petitioner that the claims “should be given their plain and ordinary meaning.” Prelim. Resp. 9.

To the extent Patent Owner refers to the actions of the Applicant, the statements are very general and fail to show any clear and unmistakable disclaimer of claim scope. The Preliminary Response states, “after argument and amendment by the Applicant, distinguishing the cited art, the Examiner allowed the claims.” Prelim. Resp. 4 (citing Ex. 1002, 30–37, 50–58). In short, Patent Owner has failed to establish that the prosecution history of the ’414 patent supports limiting the scope of the invention and interpreting this limitation in the manner asserted.

Petitioner’s showing for this limitation is sufficient for purposes of institution.

the¹¹ message identifying characteristics of the user of the cellular device

Petitioner relies on a combination of the teachings of Frerichs and Kawasaki as teaching all the elements of this limitation. *See* Pet. 41–43

¹¹ The later use in claim 1 of the article “the” in referring to “the message” does not change the non-singular meaning of “a message” as “one or more messages.” *01 Communique Laboratory*, 687 F.3d at 1297 (“The subsequent use of definite articles ‘the’ or ‘said’ in a claim to refer back to the same claim term does not change the general plural rule, but simply

(citing Ex. 1003 ¶¶ 125–128; Ex. 1005, 4:34–42). With regard to the combination of Frerichs and Kawasaki, the Petition states, “[a]s discussed above [with regard to the immediately preceding limitation], the combined Frerichs-Kawasaki system renders obvious ‘a message sent to the cellular device.’” *Id.* at 41. And, with regard to Kawasaki, the Petition provides, “Kawasaki teaches that received messages that are scanned include a “message identifying characteristics of the user of the cellular device” as it explains one example in which “**the User views golf-related Web Pages 13a, E-mail 12a.**” *Id.* (citing Ex. 1005, 4:34–42). Based on these teachings, the Petitioner asserts, “[a] POSITA would have recognized that, because the user views golf-related e-mail, one identifying characteristic of the user is that she is interested in golf.” *Id.* at 41–42 (footnote and cite omitted).

Patent Owner does not address Petitioner’s showing with regard to this limitation with particularity. *See generally* Prelim. Resp.

Petitioner’s showing for this limitation is sufficient for purposes of institution.

receiving from the server, by the cellular device, at least one advertisement to be played on the cellular device, wherein the at least one received advertisement is determined by the server based at least in part on the provided information;

Petitioner relies on a combination of the teachings of Frerichs and Kawasaki as teaching all the elements of this limitation. *See* Pet. 43–45 (citing Ex. 1003 ¶¶ 129–134; Ex. 1004, 1:15–19, 4:44–57, 6:18–42, 14:48–52; Ex. 1005, 3:34–38, 4:54–56). With regard to Frerichs, the Petition cites

reinvokes that non-singular meaning.”) (quoting *Baldwin Graphic Sys., Inc. v. Siebert, Inc.*, 512 F3d 1338, 1342 (Fed. Cir. 2008)).

to passages teaching that “advertisements can be inserted into the streaming audio from an advertisement server 114” and “a specific advertisement can be sent to a specific client.” *Id.* at 43–44 (citing Ex. 1004, 4:44–57). And, Frerichs teaches “select[ing the] advertisement from a user profile.” *Id.* at 44 (citing Ex. 1004, 6:18–42). And, Frerichs teaches that the user profile contains “information which can be used to provide a more desirable advertisement or information to the user.” Ex. 1004, 14:48–51.

With regard to Kawasaki, Figure 4 of Kawasaki is reproduced below.

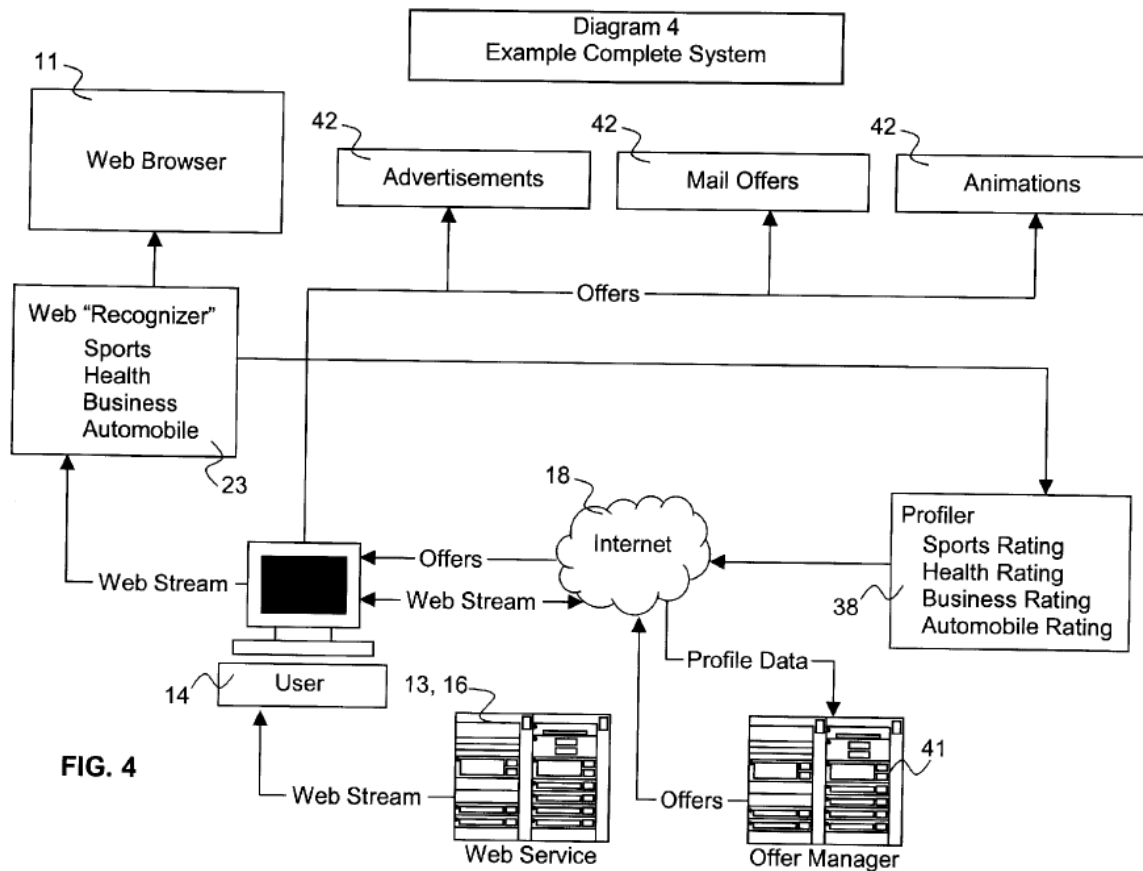


Figure 4 depicts, “the relationship between the Recognizers, the User, the Profiler and other components of the system and method.” Ex. 1005, 3:54–56. With regard to how Kawasaki works, the Petition includes the following summary:

Kawasaki describes an “invention that provides for profiling a user of the Internet.” Ex.1005, Abstract. Kawasaki’s technique “includes scanning content information of an Internet user to generate unknown data and processing unknown data to determine its relevance to predefined categories of interest” to “form a profile of the user that may ultimately be used to target offers” including advertisements “to users based upon the profile.” *Id.*, Abstract.

Kawasaki describes “content information of an Internet user” as including sent and received e-mail messages. *Id.*, 4:1-5. To form a profile in Kawasaki, first, “content information of an Internet User is scanned to generate unknown data.” *Id.* at 2:63-66. Subsequently, “unknown data are processed to determine their relevance to predefined categories of interest” using what Kawasaki calls “Recognizers.” *Id.* at 2:66-3:1. In one example of Kawasaki, “if a golfing Recognizer 23 is loaded and the User views golf-related ... E-mail 12a ... the golfing Recognizer 23 returns a positive match for that Data Set 21.” *Id.*, 4:37-41. Once a positive match is returned, Kawasaki explains “[a]nother element” of the invention, the “Profiler 26,” which “builds an aggregate statistical model, ‘Profile,’ of the User including quantitative analysis of the match, frequency, duration, age and other factors between unknown content reviewed by the User and the set of installed Recognizers 23.” *Id.*, 4:42-48. The Profile is output from the system and sent to an Offer Manager (e.g., an advertising server). *See id.*, Fig. 4.

Pet. 24–25.

Patent Owner does not address Petitioner’s showing with regard to this limitation with particularity. *See generally* Prelim. Resp.

Petitioner’s showing for this limitation is sufficient for purposes of institution.

if a determined time interval occurs, stopping playing of content, by the cellular device, and playing at least one of the determined advertisements, by the cellular device, the playing of the at least one determined advertisement comprising:

Petitioner relies on a combination of the teachings of Frerichs and Kauffman as teaching all the elements of this limitation. *See* Pet. 45–49 (citing Ex. 1003 ¶¶ 135–146; Ex. 1004, 6:57–7:5, 13:22–14:3, 15:66–16:23, Fig. 3; Ex. 1006 ¶ 20).

With regard to Frerichs, the Petition provides the following description of the method taught for inserting advertisements into streaming content:

In discussing the output of streaming audio and advertisement, Frerichs teaches that the streaming audio includes a “flag...that indicates where an advertisement is to be inserted.” Ex.1004, 6:57-7:5. In more detail, Frerichs explains that “FIG. 3 is a simplified diagram of a data insertion method 300 according to an embodiment of the present invention....As shown, the method also provides a flag comprising advertisement indication and delay at the server location. The **flag is data that indicates where an advertisement is to be inserted.** The flag often has other information such as the length of the advertisement, current content type (e.g. music/talk), and current ad frequency on this stream (e.g. 2 per hour.” Ex.1004, 6:57-7:5; Ex.1003, ¶¶135-136.

In Frerichs, the “flag is data that indicates where an advertisement is to be inserted” and “often has other information such as the length of the advertisement.” Ex.1004, 7:1-5; *see also* 13:22-14:3. In the context of Frerichs, therefore, the flag indicates the time at which to locate, within streaming audio, the start of an advertisement, along with the length of the advertisement (e.g., 30 seconds). Ex.1003, ¶135. Frerichs also explains that the “method monitors the streaming audio for the flag. Once the flag has been found, the method inserts the advertisement between the first audio data and the second audio data.” Ex.1004, 15:66-16:9.

....

A POSITA would have recognized Frerichs’ “flag” that indicates where an advertisement is to be inserted, and its teaching of finding the flag, to disclose, or at least render

obvious, that a “*determined time interval occurs*”, because locating Frerichs’ flag determines when to play an advertisement, consistent with the examples disclosed in the ’414 Patent. Ex.1003, ¶¶135-138.

Frerichs then teaches playing the advertisement, as it states: “the streaming audio, which is **output**, includes first song 301, **advertisement 309**, and second song 305, which is output in a continuous manner.” Ex.1004, 16:10-23; Ex.1003, ¶139.

Pet. 46–47.

Petitioner relies on Kauffman for “explicitly teach[ing] that, . . . play-out of an advertisement at a client device, content is stopped by the client device.” Pet. 48. The Petition states, “[s]pecifically, Kauffman teaches that, when an advertisement file is available, the multimedia file (i.e., ‘*content*’) is cached at the client device, and in its place the advertisement file (‘*the determined advertisement*’) is streamed (‘*play[ed]*’) to the end-user.” *Id.* at 48–49 (citing Ex. 1006 ¶ 20 (“[O]nce caching inserter 30 has an advertisement file available . . . the incoming (requested) multimedia file destined for end-user 10 can be cached, and the advertisement multimedia file streamed in its place to end-user 10 in a seamless manner”))).

With regard to combining the relevant teachings of Frerichs and Kauffman, the Petition states:

At the time of the ’414 Patent, it would have been obvious, beneficial, and predictable to apply Kauffman’s teachings of recording streaming content while outputting an advertisement in place of the streaming content with Frerichs’ teachings of providing streaming media content and advertisement content to a customer—for example, because it was well-known and desirable to store streaming content in a buffer while presenting an advertisement to provide for “advertisements . . . to be inserted in streaming multimedia in a seamless fashion.”

Pet. 30–31 (citing Ex. 1006 ¶ 18). Petitioner also asserts that “Kauffman is analogous art to the ’414 [p]atent;” “combining Kauffman’s teachings with Frerichs’ methods would have been no more than the simple substitution of one known technique for another;” “Frerichs contemplates a wide variety of [advertisement] insertion techniques . . . and Kauffman teaches one technique for doing so;” “[i]mplementing the teachings of Kauffman would allow the paused content to be immediately resumed after the end of the advertisement’s playback by playing the content from the cache, without further delay caused by network retrieval of the streaming media content;” and “[a] POSITA would have also recognized that Kauffman’s techniques were applicable to Frerichs, given Kauffman’s acknowledgement that its techniques may be implemented at a client-side (e.g., in Frerichs’ cellular phone).” *Id.* at 31–33.

Petitioner also asserts that “[a] POSITA would have also recognized a reasonable expectation of success in combining the teachings.” Pet. 33–34 (citing Ex. 1003 ¶¶ 82–86). In support, the Petition provides:

Kauffman provides sufficient detail to instruct a POSITA regarding how to implement its teachings. Additionally, a POSITA would have recognized that Kauffman’s techniques were applicable to many types of computing devices, including those disclosed by Frerichs. For example, a cellular phone would have included sufficient processing power and memory to be able to cache advertisements and portions of streaming media content and selectively output the advertisements or streaming media content according to Kauffman’s teachings.

Id. at 34. Petitioner has articulated several reasons as to why a skilled artisan would have been motivated to combine the relevant teachings of Frerichs and Kauffman with a reasonable expectation of success.

Patent Owner does not address Petitioner's showing with regard to this limitation with particularity. *See generally* Prelim. Resp.

Petitioner's showing for this limitation is sufficient for purposes of institution.

recording, by the cellular device, the content which playing was stopped, while the at least one determined advertisement is playing;

Petitioner relies on a combination of the teachings of Frerichs and Kauffman as teaching all the elements of this limitation. *See* Pet. 50–51 (citing Ex. 1003 ¶¶ 147–153; Ex. 1006 ¶¶ 7, 9, 20, 24). Petitioner relies on “Frerichs’ teachings of a cellular phone.” *Id.* at 51. In the cited passages, Kauffman states:

[A] “caching inserter” system is disposed at a local point of presence (POP) which intercepts a video stream destined for an end user. When insertion of advertising . . . is desired, the video stream is stored/buffered at the local POP and the advertisement is played.

. . . .

[O]nce caching inserter 30 has an advertisement file available (either stored, or available as a stream from the advertisement server), the incoming (requested) multimedia file destined for end-user 10 can be cached, and the advertisement multimedia file streamed in its place to end-user 10 in a seamless manner.

. . . .

A second cache 62 is used to store the incoming multimedia stream, designated as stream MM, where as discussed above, cache 62 is used to store incoming stream MM once advertisement stream A has begun to be “played out” toward end-user 10.

Ex. 1006 ¶¶ 7, 20, 24. Kauffman teaches recording the multimedia stream while an advertisement is played.

Patent Owner does not address Petitioner's showing with regard to this limitation with particularity. *See generally* Prelim. Resp.

Petitioner's showing for this limitation is sufficient for purposes of institution.

when the playing of the at least one determined advertisement is completed, resuming the playing of the stopped content, by the cellular device, from where the stopping of the playing of the content occurred, using the recorded content.

Petitioner relies on a combination of the teachings of Frerichs and Kauffman as teaching all the elements of this limitation. *See* Pet. 51–53 (citing Ex. 1003 ¶¶ 154–156; Ex. 1006 ¶¶ 20, 24). Frerichs is again relied upon for “teaching of a cellular phone for playing content and advertisements.” *Id.* at 53. The cited paragraphs of Kauffman provide:

In accordance with the present invention, once caching inserter 30 has an advertisement file available (either stored, or available as a stream from the advertisement server), the incoming (requested) multimedia file destined for end-user 10 can be cached, and the advertisement multimedia file streamed in its place to end-user 10 in a seamless manner. The multimedia file itself is not stopped at any point, but is continuously cached by caching inserter 30 as it is received from streaming media server 26. At the end of the advertisement file, the stored multimedia stream is played out and, for the duration of the stream, will continue to pass through a cache, since there will continue to be a time delay between the incoming stream to caching inserter 30 and the outgoing stream to end-user 10 (the "delay" being the length of the inserted advertisement). Since the end time of the advertisement is known by caching inserter 30. The streaming multimedia file can merely be appended to the end of the advertisement, allowing the playing of the requested file to recommence in a seamless manner without further action required by caching inserter 30.

....

FIG. 3 illustrates an exemplary caching inserter 30 that may be used in the system of the present invention as described above in association with FIG. 1. Included within caching inserter 30 is a first cache 60 used to store an incoming specific advertisement file, designated as stream A, from advertisement content server 60. A second cache 62 is used to store the incoming multimedia stream, designated as stream MM, where as discussed above, cache 62 is used to store incoming stream MM once advertisement stream A has begun to be "played out" toward end-user 10. . . . For example, unless and until a full advertisement file is loaded in first cache 60, multimedia stream MM can be played coupled in real time to end-user 10, indicated as position (1) of switch 67 of inserter 30. When control unit 66 receives a particular indication from first cache 60 (such as "EOF" received), it knows that advertisement stream A is ready to be played out and multimedia stream MM can be held. A signal is then sent from timing and control unit 66 to switch 67, requesting the switch to move to position (2), allowing the cached advertisement stream A to be sent to end-user 10. Once this process begins, multimedia stream MM will begin to be stored in second cache 62. When timing and control unit 66 receives a command that the end of the advertisement has been reached, a signal to move switch 67 to position (3) will be sent, allowing the cached multimedia stream to be sent to end-user 10. If the advertisement is inserted at the beginning of or during the multimedia stream, the received multimedia stream will need to be stored in, then played out of, second cache 62 for the duration of the multimedia file.

Ex. 1006 ¶¶ 20, 24. These passages in Kauffman teach that, when the playing of an advertisement has ended, playing of the interrupted multimedia content will resume from the point where it was interrupted.

Patent Owner does not address Petitioner's showing with regard to this limitation with particularity. *See generally* Prelim. Resp.

Petitioner’s showing for this limitation is sufficient for purposes of institution.

Summary for Claim 1

We determine that Petitioner has shown a reasonable likelihood of establishing the unpatentability of claim 1 as obvious in view of Frerichs, Kawasaki, and Kauffman. On that basis, we determine that the information presented in the Petition demonstrates a reasonable likelihood that at least one of the claims challenged in the petition is unpatentable and that *inter partes* review should be instituted.¹²

5. *Claims 2–7 and 9–14*

Claims 9, 12, and 14 are independent and are similar to independent claim 1. Claims 2–7, 10, 11, and 13 depend directly or indirectly from independent claims 1, 9, or 12. Petitioner contends that these claims would have been obvious over the combined teachings of Frerichs, Kawasaki, and Kauffman. Pet. 22, 53–75. Petitioner relies partly on its showing with respect to claim 1, and provides citations to Frerichs, Kawasaki, and Kauffman supported by the testimony of Dr. Houh. *See id.*

Patent Owner groups claims 1, 9, 12, and 14 together and does not separately address claims 2–7 and 8, 10, 11, and 13. *See* Prelim. Resp. 13–17. As indicated above, Patent Owner’s arguments regarding claim 1 do not

¹² Thus, we have determined that there is a reasonable likelihood that the Petitioner will prevail with respect to at least one of the claims challenged in the Petition pursuant to 35 U.S.C. § 314 and that *inter partes* review should be instituted. Accordingly, we institute as to all the challenged claims and all the challenges raised in the Petition. 37 C.F.R. §42.108(a)(“When instituting *inter partes* review, the Board will authorize the review to proceed on all of the challenged claims and on all grounds of unpatentability asserted for each claim.”).

undermine the Petition for purposes of institution. On this preliminary record, Petitioner’s mapping of claims 2–7 and 9–14 to Frerichs, Kawasaki, and Kauffman, coupled with its reasons to combine the relevant teachings of these references, and its showing of a reasonable expectation of success, are sufficient for purposes of institution.

III. DISCRETIONARY INSTITUTION, 35 U.S.C. § 314(A)

Institution of an *inter partes* review is discretionary. *See* 35 U.S.C. § 314(a) (authorizing institution of an *inter partes* review under particular circumstances, but not requiring institution under any circumstances); *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 273 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1356 (2018) (“[Section] 314(a) invests the Director with discretion on the question whether to institute review” (emphasis omitted)); *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he PTO is permitted, but never compelled, to institute an IPR proceeding.”).¹³

Patent Owner urges the Board to exercise discretion to deny institution of *inter partes* review under § 314(a) based on the factors established in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, 2020 WL 2126495, at 2–3 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”). Prelim. Resp. 17–22.

¹³ On June 21, 2022, the USPTO issued an Interim Procedure for Discretionary Denials in AIA Postgrant Proceedings with Parallel District Court Litigation, available at https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621.pdf (the “Interim Procedure”).

An advanced state of a parallel district court proceeding is a “factor that weighs in favor of denying the Petition under § 314(a).” *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 20 (PTAB Sept. 12, 2018) (precedential) (“*NHK*”). Specifically, an early trial date is part of a “balanced assessment of all relevant circumstances in the case, including the merits.” Consolidated Trial Practice Guide November 2019 (“TPG”) 58.¹⁴

This balanced assessment involves consideration of the following factors:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board’s exercise of discretion, including the merits.

Fintiv, Paper 11 at 5–6.

Factor 1: whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted

The parties agree that neither party has moved for a stay and this factor is neutral. Pet. Reply 1; PO Sur-reply 1.

¹⁴ Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

Accordingly, this factor is neutral in exercising discretion to deny institution.

Factor 2: proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision

On August 29, 2022, the Western District of Texas transferred the California litigation to the Northern District of California after an agreement to transfer by the parties. *See* Pet. 18 (citing Ex. 1017); *supra* § I.B. The parties agree that the Northern District of California has not set a trial date. *See* Pet. 19 (citing Ex. 1027); Pet. Reply 2; Prelim. Resp. 18. Petitioner provides evidence that “the median time-to-trial in the Northern District of California is 34.7 months.” Pet. 19 (citing Ex. 1018, 9). According to Petitioner, “[b]ased on these statistics, trial would occur approximately in June 2025 (as calculated from the case opening in the Northern District of California),” about a year after any final written decision in the instant case. *See id.*

As Petitioner argues, this timing favors not exercising discretion to deny institution. Pet. Reply 1 (citing *Meta Platforms Inc. v. Thales Visionix, Inc.*, IPR2022-01301, Paper 11 at 11 (PTAB Mar. 13, 2023); *Google LLC v. Ikorongo Tech. LLC*, IPR2021-00204, Paper 16 at 8–9 (PTAB Jan. 25, 2022) (“factor[] 2 . . . favor[s] not exercising our discretion because there is no trial date”).

Accordingly, this factor weighs against exercising discretion to deny institution.

Factor 3: investment in the parallel proceeding by the court and the parties

“This investment factor is related to the trial date factor, in that more work completed by the parties and court in the parallel proceeding tends to

support the arguments that the parallel proceeding is more advanced, a stay may be less likely, and instituting would lead to duplicative costs.” *Fintiv*, Paper 11 at 10. If, at the time of the institution decision, a district court has issued substantive orders related to the challenged patent, such as a claim construction order, this circumstance weighs in favor of denial. *See id.* at 9–10. On the other hand, if the district court has not issued such orders, this circumstance weighs against discretionary denial. *Id.* at 10. Moreover, in evaluating this factor, “[i]f the evidence shows that the petitioner filed the petition expeditiously, such as promptly after becoming aware of the claims being asserted, this fact has weighed against exercising the authority to deny institution under *NHK*.” *Id.* at 11.

Petitioner contends that “the claim construction hearing will occur on July 12, 2023 (Ex.1020, p. 11), while the institution decision will issue no later than June 16, 2023 (*see* 35 U.S.C. § 314(b)(1)).” Pet. Reply 2.

Patent Owner argues that “the parallel litigation proceeded for twelve months [prior to the filing of] the Petition on November 30, 2022, one day before the § 315(b) deadline.” Prelim. Resp. 18. Patent Owner also contends as follows:

The parties served infringement contentions and invalidity contentions prior to the case’s transfer to the Northern District of California. Since the transfer, Patent Owner has served infringement contentions, Petitioner served invalidity contentions on March 3, 2023, and the parties have served and responded to written discovery requests. By the institution decision due date, the parties will have exchanged proposed terms for construction and will have completed claim construction discovery.

Id.

Patent Owner does not point to any substantive orders related to claim construction or the validity of the '414 patent prior to, or after, the transfer. The record shows some investment in the District Court in terms of actions by parties toward the patentability issues presented here but “much work remains.” *See Sand Revolution II, LLC v. Cont’l Intermodal Grp.—Trucking LLC*, IPR2019-01393, Paper 24 at 11 (PTAB June 16, 2020) (informative) (“[W]e recognize that much work remains in the district court case as it relates to invalidity: fact discovery is still ongoing, expert reports are not yet due, and substantive motion practice is yet to come.”) (“*Sand Revolution*”); Prelim. Resp. 18 (indicating discovery is ongoing).

As to the timing of the Petition’s filing, according to Petitioner, after filing its first complaint in the Western District of Texas on December 1, 2021, Patent Owner filed an amended complaint on February 28, 2022, and then voluntarily dismissed the suit on April 4, 2022. *See* Pet. 18 (citing Ex. 1012; Ex. 1013; Ex. 1014). On the same day, April 4, 2022, Patent Owner filed another complaint in the Western District of Texas and then filed an amended complaint on May 9, 2022. *Id.* (citing Ex. 1015; Ex. 1016). After Petitioner filed its answer, the parties agreed to transfer the case to the Northern District of California and the court ordered the transfer on August 29, 2022. *Id.* (citing Ex. 1017). Patent Owner does not dispute these facts as asserted by Petitioner. *See generally* Prelim. Resp.

It appears that after the parties agreed to transfer the case, Petitioner filed the Petition on November 30, 2022, no more than three months after Patent Owner filed its infringement contentions (which Patent Owner filed sometime after the August 29, 2022 transfer), and about three months prior

to the service of Petitioner’s final invalidity contentions in the Northern District of California on March 3, 2023. *See* Pet. 20–21; Prelim. Resp. 18.

This timing, spurred at least in part by the voluntary dismissal by Patent Owner, the subsequent complaint, and the subsequent agreement to transfer, combined with the lack of substantive orders, tilts against exercising discretion to deny institution.

Therefore, this factor weighs against exercising discretion to deny institution.

Factor 4: overlap between issues raised in the petition and in the parallel proceeding

Petitioner stipulates that “it will not pursue in the parallel [California] litigation the grounds raised in the Petition.” Pet. Reply 3. Patent Owner argues that “[a]s in *Sand Revolution*, this factor *at best* ‘weighs marginally in favor of not exercising discretion to deny institution.’” PO Sur-reply 3 (quoting *Sand Revolution*, Paper 24 at 11–12).

As indicated above, the Western District of Texas recently granted the parties’ transfer motion, there is no trial date set yet, and any trial for the California litigation likely will occur about a year after any final written decision is due here (i.e., June 2024). Therefore, under 35 U.S.C. § 315(e)(2), Petitioner likely will be estopped from raising an invalidity defense in the California litigation based on a “ground that the petitioner raised or reasonably could have raised” here, thereby precluding any overlapping and conflicting findings with respect to the instant proceeding.

Under a holistic analysis, not only does Petitioner’s stipulation “mitigate[] to some degree the concerns of duplicative efforts between the district court and the Board, as well as concerns of potentially conflicting decisions,” *see Sand Revolution*, Paper 24 at 12, Patent Owner does not

show that duplicative efforts or conflicting District Court findings related to substantive invalidity issues are likely to occur due to the estoppel effects of 35 U.S.C. § 315(e)(2).

Therefore, this factor weighs against exercising discretion to deny institution.

Factor 5: whether the petitioner and the defendant in the parallel proceeding are the same party

The parties agree that Petitioner is a defendant in the parallel proceeding. Pet. 21; PO Sur-reply 4. Petitioner contends that “multiple panels have recognized that, even when the petitioner is the defendant in the parallel litigation, ‘this factor favors denial if trial precedes the Board’s Final Written Decision and **favors institution if the opposite is true.**’” Pet. Reply 3 (quoting *Huawei Tech Co. v. WSOU Inv., LLC*, IPR2021-00225, Paper 11 at 14 (PTAB June 14, 2021)); citing *Google LLC v. Parus Holdings, Inc.*, IPR2020-00846, Paper 9 at 21 (PTAB Oct. 21, 2020) (“Petitioner is the defendant in the parallel proceeding. This fact could weigh either in favor of, or **against, exercising discretion** to deny institution, depending on which tribunal was likely to address the challenged patent first.”).

Patent Owner does not address the timing of the final written decision relative to the trial date in the California litigation as raised by Petitioner. See PO Sur-reply 4 (arguing this factor favors exercising discretion to deny without addressing the timing).

Accordingly, because our Final Written Decision is likely to occur before the District Court’s judgment, this factor weighs against exercising discretion to deny institution.

Factor 6: other circumstances that impact the Board's exercise of discretion, including the merits

The factors typically considered in the exercise of discretion are part of a balanced assessment of all the relevant circumstances in the case, including the merits. *Fintiv*, Paper 11 at 14. For example, if the merits of a ground raised in the petition seem particularly strong on the preliminary record, this fact has favored institution. *Id.* at 14–15. By contrast, if the merits of the grounds raised in the petition are a closer call, then that fact has favored denying institution when other factors favoring denial are present. *Id.* at 15. As indicated above, Petitioner shows a reasonable likelihood of prevailing in its showing of obviousness.

Therefore, this factor is neutral in exercising discretion to deny institution.

Conclusion

The Board “holistic[ally] view[s] . . . whether efficiency and integrity of the system are best served by denying or instituting review” when evaluating the *Fintiv* factors under § 314(a). *Fintiv*, Paper 11 at 6. As shown above, we determine that factors 1 and 6 are neutral and that factors 2–5 weigh against exercising discretion to deny institution. Evaluating all of the factors on this record, we decline to exercise discretion under § 314(a) to deny institution of *inter partes* review.

IV. CONCLUSION

For the foregoing reasons, we determine that the information presented in the Petition establishes a reasonable likelihood that Petitioner would prevail in showing at least one of claims 1–7 and 9–14 of the '414 patent is unpatentable under 35 U.S.C. § 103.

V. ORDER

Upon consideration of the record before us, it is:

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review of claims 1–7 and 9–14 of U.S. Patent No. 7,376,414 B2 is instituted with respect to all grounds set forth in the Petition; and

FURTHER ORDERED that, pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4(b), *inter partes* review of U.S. Patent No. 7,376,414 B2 shall commence on the entry date of this Order, and notice is hereby given of the institution of a trial.

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