

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETFLIX, INC.,

Petitioner

v.

VIDEOLABS, INC.,

Patent Owner

IPR2023-00628
U.S. Patent 7,233,790

PATENT OWNER'S PRELIMINARY RESPONSE

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PATENT OWNER'S EXHIBIT LIST

Exhibit	Description
2001	<i>Ex Parte</i> Reexam Request in Reexam Control No. 90/015,063
2002	Reexam Order in the '063 Reexam
2003	Non-Final Office Action in the '063 Reexam
2004	U.S. Patent Application Publication No. 2002/0078178 to Senoh
2005	U.S. Patent No. 6,035,339 to Agraharam et al.
2006	U.S. Patent No. 6,421,726 to Kenner et al.
2007	U.S. Patent No. 6,345,279 to Li et al.
2008	Response to the Non-Final Office Action in the '063 Reexam
2009	Final Rejection in the '063 Reexam
2010	Response to Final Rejection the '063 Reexam
2011	Notice of Intent to Issue Reexam Certificate in '063 Reexam
2012	Amendment After Final or under 37CFR 1.312, initialed by the examiner
2013	'063 Reexam Transactions Docket in Patent Center
2014	Scheduling Order for <i>Starz Entertainment, LLC v. VL Collective IP, LLC</i> , Case 1-21-cv- 01448 (D. Del.)
2015	Starz's Second Amended Disclosure of Invalidity Contentions in <i>Starz Entertainment, LLC v. VL Collective IP, LLC</i> , Case 1-21-cv- 01448 (D. Del.)

VideoLabs, Inc. (“Patent Owner”) submits this Preliminary Response to the Petition of Netflix, Inc. (“Petitioner”) seeking *inter partes* review (“IPR”) of claims 1-14 of U.S. Patent No. 7,233,790 (“the ’790 patent”).

I. INTRODUCTION

The Board should deny institution because the Petition does not address the current form of two of the claims at issue. The ’790 patent was involved in a recently concluded *ex parte* reexamination, Control No. 90/015,063 (“the ’063 reexam”). Independent claims 1 and 8 were twice amended during the reexam. The Office found the amended claims patentable over the asserted art, entered the amendments and issued a Notice of Intent to Issue a Reexamination Certificate. The newly amended claims are expected to issue soon, making claims 1 and 8 as originally issued (pre-amendment), as a practical matter, extinguished.

The Petition, however, addresses *only* the original pre-amendment versions of claims 1 and 8. The Supreme Court in *SAS Inst., Inc. v. Iancu* held that the petitioner alone “gets to define the contours of the proceeding.” *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1355 (2018). Here, Petitioner has defined the contours of the proceeding to include versions of claims 1 and 8 that no longer exist. As such, any decision regarding claims 1 and 8, as addressed in the Petition, would necessarily be moot. *See, e.g., Intromedic Co. Ltd. v. Given Imaging Ltd.*, IPR2015-00579, Paper 9, 8-9

(PTAB Aug. 5, 2015); *see also RPX Corp. v. MacroSolve, Inc.*, IPR2014-00140, Paper 13, 2 (PTAB June 20, 2014).

If the Board does not take up the patentability of original claims 1 and 8 — which it should not, given the inevitable waste of resources that would involve — then the Board cannot institute the IPR for claims 2-7 and 9-14 because, per the controlling law of *SAS*, the Board “must decide patentability of **all** of the claims Petitioner has challenged.” *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348 (emphasis added). Therefore, the Board should deny institution of the IPR.

II. RELATED MATTERS

Patent Owner is asserting the '790 patent in the following district court actions:

- *VideoLabs, Inc. v. Netflix Inc.*, Case 1:22-cv-00229 (D. Del.)
- *Starz Entertainment, LLC v. VL Collective IP, LLC*, Case 1-21-cv-01448 (D. Del.)

As noted above, the '790 patent is involved in the '063 reexam.

III. THE IPR SHOULD BE DENIED INSTITUTION BASED ON THE PARALLEL *EX PARTE* REEXAMINATION THAT WILL RESULT IN CANCELLATION OF TWO CLAIMS AT ISSUE IN THE PETITION

The Board should deny institution of the IPR because the Petition involves claims 1 and 8 only in their originally issued forms, both of which will soon no longer exist due to their amendment in a parallel reexam. Because the Petition

effectively challenges extinguished claims, any effort the Board may expend by instituting on them would be wasted. This would be in contravention to the caution against wasting the Board's finite resources in *General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (P.T.A.B. Sept. 6, 2017). And, because controlling law forbids partial institution, the Board cannot institute on only the non-amended claims. In view of this, Patent Owner respectfully submits that the Board should deny institution altogether.

A. The '063 Reexam: Independent Claims 1 and 8 Were Amended and Entered, Effectively Extinguishing Their Pre-Amendment Forms, Which Are the Subject of This IPR

Relevant to this IPR petition, on June 23, 2022, a request for reexamination of claims 1, 2, 4, 8, and 9 of the '790 patent was made. EX2001, *Ex Parte* Reexam Request in Reexam Control No. 90/015,063. On August 17, 2022, the Office found a substantial new question of patentability and ordered a reexam of the challenged claims. EX2002, Reexam Order in '063 Reexam, at 8-10. The Office issued a Non-Final Office Action on February 2, 2023 that rejected claims 1 and 8 and confirmed the patentability of claims 2, 4 and 9. EX2003, Non-Final Office Action in '063 Reexam, at 4-11; *see also* EX2004, U.S. Patent Application Publication No. 2002/0078178 to Senoh), EX2005, U.S. Patent No. 6,035,339 to Agraharam et al., EX2006, U.S. Patent No. 6,421,726 to Kenner et al., and EX2007, U.S. Patent No. 6,345,279 to Li et al.

Patent Owner filed a response to the Non-Final Office Action on March 31, 2023, in which Patent Owner amended claims 1 and 8 and explained why all claims were patentable over the prior art. EX2008, Response to Non-Final Office Action in '063 Reexam, at 2, 6, 14-18. The Office issued a Final Rejection on April 10, 2023. EX2009, Final Rejection in '063 Reexam. The Final Rejection removed the art-based rejection for claim 1 and 8 and rejected amended claims 1 and 8 but this time based on claim scope issues. *Id.* In response, Patent Owner further amended claims 1 and 8 in response to the Final Rejection on June 5, 2023. EX2010, Response to Final Rejection in '063 Reexam, at 2, 6. The Office entered the amendments and found claims 1 and 8 to be patentable, as twice amended, on June 20, 2023. EX2011, Notice of Intent to Issue a Reexam Certificate in '063 Reexam, at 4-6. The Office issued a Notice of Intent to Issue a Reexamination Certificate, *id.*, which certificate Patent Owner expects will issue shortly.

Claim 1, as amended twice and found allowable by the Office, recites:

1. (Twice Amended) A method of providing access to digital content for use on wireless communication devices, the method comprising:

receiving and storing in a server system a plurality of items of digital content to be made available for use in wireless communication devices used by a plurality of wireless services subscribers, including receiving and storing a plurality of different implementations of at least one of the items of digital

content, where each implementation of any given item of digital content corresponds to a different set of device capabilities; [and]

operating the server system to maintain [maintaining] a product catalog containing a description of the items of digital content, wherein the product catalog includes [including], in association with each item of digital content, a reference to each implementation of said item of digital content[.];

receiving a request from one of the wireless communication devices;

in response to the request. selecting a portion of the product catalog to be presented on the one wireless communication device, based in part on device capabilities of the one wireless communication device; and

presenting the selected portion of the product catalog to the one wireless communication device, such that the selected portion, as presented, provides a single description of each item of digital content in said portion, regardless of a number of implementations that are available for each said item.

EX2009 at 2. Claim 8 was similarly amended. *Id.* at 6.

B. The IPR Petition Addresses Claims That Will Soon Cease to Exist

The current Petition was filed on February 22, 2023 and challenges the validity of claims 1-14. The Petition addresses claims 1 and 8, *only* as originally issued. *See* Pet. at 11-12. For example, claim 1, as originally issued, recites:

1. A method of providing access to content for use on wireless communication devices, the method comprising:

receiving and storing a plurality of items of content to be made available for use in wireless communication devices used by a plurality of wireless services subscribers, including receiving a plurality of different implementations of at least one of the items of content, where each implementation of any given item of digital content corresponds to a different set of device capabilities; and

maintaining a product catalog containing a description of the items of content, the product catalog including, in association with each item of digital content, a reference to each implementation of said item of digital content.

EX1001 at Claim 1.

The Examiner in the '063 Reexam entered the amendments and the Notice of Intent to Issue the Reexam Certificate indicated that claims 1 and 8, as amended were patentable. *See* EX2012, Amendment After Final or under 37CFR 1.312, initialed by the examiner, at 1; EX2011. The '063 Reexam was forwarded to the Office of Publications for Issue of Certification on July 4, 2023. *See* EX2013, '063 Reexam Transaction Docket in Patent Center. The Office is expected to issue a Reexam Certificate including claims 1 and 8, as amended, soon.

Thus, the '063 reexam and the IPR will necessarily involve two different versions of claims 1 and 8. Only the as-amended '063 Reexam version of claims 1 and 8 will be operable; the as-originally-issued version that is the subject of this IPR will no longer exist once the Reexam Certificate is inevitably issued.

C. The Board Should Deny Institution Given the IPR Petition Includes Effectively Mooted Claims

When there are parallel proceedings pending before the Patent Office — such as an *inter partes* review and a reexamination — “the Director may determine the manner in which the *inter partes* review or other proceeding or matter may proceed, including providing for stay, transfer, consolidation, or termination of any such matter or proceeding.” 35 U.S.C § § 315(d). Pertinently, the Office may terminate an IPR as a result of a parallel proceeding of the same patent. Doing so here is warranted and consistent with prior Board decisions.

The Board’s determination in *Intramedic Co. Ltd. v. Given Imaging Ltd.*, IPR2015-00579, Paper 7 (PTAB Aug. 5, 2015) is instructive. There, the Board denied institution of an IPR petition based on inefficiencies stemming from a claim amendment made during a parallel reexamination proceeding. Specifically, the patent at issue in the IPR proceeding, U.S. Patent No. 7,009,634 (“the ’634 patent”), was simultaneously involved in a reexamination. *Id.* at 3-4. During the reexamination, the claim-at-issue in the ’634 patent was amended. *Id.* Patent Owner argued that allowing two parallel proceedings on the same patent, on different

versions of the claim, would be a waste of resources for the Office and that “the conclusion of the Reexamination with an amended claim would make an IPR proceeding moot.” *Id.* The Board agreed, stating: “But in either situation, claim 1, as it is today, will no longer exist once the reexamination is concluded, and any decision as to the patentability of claim 1 we might reach in this proceeding would be moot and purely advisory.” *Id.* at 8. So too here.

In other cases, the Board has likewise denied institution when, as here, institution would not be an efficient use of the Board’s time and resources. For example, in *Nanya Tech. Corp. v. Monterey Research, LLC*, IPR2021-00171, the Board denied institution because “Petitioner could at best succeed in 8 of 41 challenges, 8 of 20 claims, and 2 of 9 Grounds” and thus “it would not be an efficient use of the Board’s time and resources to institute review.” *Nanya*, Paper 8, 22 (PTAB May 26, 2021). The Board in *Google LLC v. Jawbone Innovations, LLC*, IPR2022-00888, (PTAB Nov. 28, 2022) denied institution because “Petitioner fail[ed] to satisfy the ‘reasonable likelihood’ institution standard for four of the five challenges and thirteen of the fourteen challenged claims.” *Google*, Paper 12, 38-39. *See also NetScout Sys. Inc. v. Longhorn HD LLC*, IPR2021-01258, Paper 11, 24 (PTAB Feb. 10, 2022) (denying institution where “Petitioner fail[ed] to demonstrate a likelihood of prevailing with respect to its challenges to at least 11 of [the 12] claims.”); *Deeper, UAB v. Vexilar, Inc.*, IPR2018-01310, Paper 7, 43 (PTAB Jan.

24, 2019) (informative) (denying institution because “instituting a trial with respect to all twenty-three [challenged] claims and on all four grounds based on evidence and arguments directed to only two claims and one ground would not be an efficient use of the Board’s time and resources”); *Chevron Oronite Co. v. Infineum USA L.P.*, IPR2018-00923, Paper 9, 11 (PTAB Nov. 7, 2018) (informative) (denying institution where “Petitioner demonstrate[d], at most, a reasonable likelihood of prevailing with respect to two dependent claims out of a total of twenty challenged claims”). Further, the ’790 patent has recently successfully navigated a reexamination (the ’063 reexam) and is expected to be further vetted at a trial in March 2024 in the *Starz Entertainment* case (which is well before a trial based on this petition would be completed). EX2014, Scheduling Order for *Starz Entertainment, LLC v. VL Collective IP, LLC*, Case 1-21-cv- 01448 (D. Del.), at 27 (since amended multiple times but trial date of March 11, 2024 remains operative). The ’790 patent’s validity is being challenged in the *Starz Entertainment* case based on the same Mehta (EX1003) and Schlapfer (EX1009) references relied on by Petitioner. EX2015, Starz’s Second Amended Disclosure of Invalidity Contentions, at 9-11, 14. Under these circumstances, institution is unlikely to be a good use of the Board’s resources.

Further, Petitioner cannot satisfy the ‘reasonable likelihood’ institution standard by considering amended claims 1 and 8 from the ’063 Reexam, in lieu of the petitioned claims 1 and 8. Petitioner is required to “identif[y], in writing and

with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim.” 35 U.S.C. § 312(a)(3). Courts have held that the petition is the “centerpiece of the proceeding both before and after institution and “guide[s] the life of the litigation.” *SAS*, 138 S. Ct. 1356, 1358; *see also Koninklijke Philips N.V. v. Google LLC*, 948 F.3d 1330, 1336 (Fed. Cir. 2020) (“[I]t is the petition, not the Board’s ‘discretion,’ that defines the metes and bounds of an inter partes review.”). To this end, the Board must base its decision of whether the Petitioner’s met its burden based on “arguments that were advanced by a party, and to which the opposing party was given a chance to respond.” *In re Magnum Oil Tools Int’l, Ltd.*, 829 F.3d 1364, 1381 (Fed. Cir. 2016).

Here, claims 1 and 8, as addressed in the Petition, will soon be extinguished. Petitioner does not present any arguments with respect to amended claims 1 and 8 that were entered in the ’063 Reexam. Since the Petition defines the metes and bounds of the Petition, the Board must base its decision only on arguments presented in the Petition, which do not include the amended forms of claims 1 and 8. *See In re Magnum Oil Tools*, 829 F.3d 1364, 1381 (Fed. Cir. 2016); *see also Koninklijke*,

948 F.3d 1330, 1336. Therefore, the Board should not waste its resources and analyze the patentability of claims that will very soon no longer exist.¹

IV. CONCLUSION

For the reasons stated above, institution of the IPR should be denied.

Dated: July 5, 2023

By: /Christine E. Lehman/

Christine E. Lehman

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Counsel for Patent Owner

¹ This case can be distinguished from *Eizo Corp. v. Barco N.V.*, Case IPR2014-00358, (PTAB July 23, 2014) because the claim amendment in *Eizo* merely involved an independent claim merging with a dependent claim, and so the Petition addressed all claims despite the claim amendment. Furthermore, *Eizo* predates the rulings in *SAS*, *Koninklijke* and *In re Magnum Oil Tools*.

CERTIFICATE OF COMPLIANCE

The undersigned hereby certifies that Patent Owner's Preliminary Response (the "POPR") consists of 2,553 words, excluding the table of contents, certificate of service, this certificate of compliance, or table of exhibits. The POPR complies with the type-volume limitation of 14,000 words as mandated in 37 C.F.R. § 42.24. In preparing this certificate, counsel has relied on the word count of the word-processing system used to prepare this paper (Microsoft Word).

Dated: July 5, 2023

Respectfully submitted,

/Christine E. Lehman/

Christine E. Lehman

PTO Reg. No. 38,535

Counsel for Patent Owner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **PATENT OWNER'S PRELIMINARY RESPONSE** was served on, via electronic mail, as agreed to by counsel, upon the following counsel for Petitioner:

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