Paper No. 6

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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UBER TECHNOLOGIES, INC.,
Petitioner,

v.

SURGETECH LLC,
Patent Owner.

_____

Case No. IPR2023-00738
U.S. Patent No. 11,475,047

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**PATENT OWNER'S PRELIMINARY RESPONSE**

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# EXHIBIT LIST

| No. | Exhibit |
|---|---|
| 2001 | Declaration of Dr. Vijay K. Madisetti |
| 2002 | *Curriculum vitae* of Dr. Vijay K. Madisetti |
| 2003 | Debardelaben, *et al.*, "Incorporating Cost Modeling in Embedded-System Design," IEEE Design & Test of Computers (1997) |
| 2004 | Bahga & Madisetti, "Synthetic Workload Generation for Cloud Computing Applications," J. of Software Engineering and Applications (2011) |
| 2005 | Bahga, *et al.*, "Software Defined Things in Manufacturing Networks," J. of Software Engineering and Applications (2016) |
| 2006 | Bahga & Madisetti, "Blockchain Platform for Industrial Internet of Things," J. of Software Engineering and Applications (2016) |
| 2007 | Prasad, *et al.*, "Toward an Easy Programming Environment for Implementing Mobile Applications: A Fleet Application Case Study using SyD Middleware," 27th Annual International Computer Software and Applications Conference (2003) |
| 2008 | Prasad, *et al.*, "Mobile Fleet Application Using SOAP and System on Devices (SYD) Middleware Technologies" |
| 2009 | Bahga & Madisetti, "Cloud-based Information Technology Framework for Data Driven Intelligent Transportation Systems," J. of Transportation Technologies (2013) |
| 2010 | Defendant Uber Technologies, Inc.'s Responsive Claim Construction Brief, *SurgeTech, LLC v. Uber Technologies, Inc.*, 22-cv-882-GBW (D. Del.) |

## I. INTRODUCTION

Despite requiring ***twelve grounds*** spanning six references with an accompanying expert declaration almost ***eight-hundred pages*** long, the petition fails, at a fundamental level, to explain ***how*** the prior art references map to the claim limitations or how they are combined. The petition instead presents a single, conclusory claim chart addressing ***all twelve grounds simultaneously*** that is nothing more than a mass of block quotes, with no analysis or any indication as to which disclosure pertains to which ground. Far from presenting the grounds with particularity, this combined omnibus chart leaves it to the Board and Patent Owner to piece together grounds from the thousands of possibilities, all of which the petition expressly embraces as potential obviousness positions.

More egregiously, the petition expressly encompasses an untold number of additional ***unnamed*** combinations. The petition includes, for practically each combination, the cryptic phrase that unspecified "+combinations" also render obvious the claims. But Petitioner fails to explain what these "+combinations" are, again leaving it to the Board and Patent Owner to construct the grounds on which the petition relies. This tactic is particularly troubling here, as there is simply no way for Patent Owner to

discern what "+combinations" Petitioner intends to argue at trial if this request for *inter partes* review is instituted. This is precisely the IPR-by-ambush the rules intend to prohibit by requiring that the grounds be set forth with "particularity."

Unsurprisingly, the petition's rationale supporting its motivation to combine the disparate references fails to provide anything more than the barest of conclusions. Notably lacking from Petitioner's analysis is, at a most basic level, an identification of which ***teachings*** from the references are being applied, how they are being applied, and most importantly ***why*** those teachings would have been applied in the first place. The petition is instead content to argue that the references ***could*** have been combined, on little more than the say-so of Petitioner's attorneys. In fact, many of the combinations in the omnibus chart are completely devoid of analysis, with no explanation as to ***why*** a POSITA would have made the suggested combination.

Moreover, unpacking many of the combinations leads to unsolvable logical inconsistencies and gaping holes in Petitioner's analysis. All twelve grounds, for example, rely on Jacob's method (performed by a human operator) in combination with Phillips (to show an automated process). But when modifying the claimed automated process to occur "in real time," the

petition simply addresses why a POSITA would have modified ***Jacob,*** ignoring that the petition relies on ***Phillips's*** hardware/software to perform the method. Thus, the petition is devoid of any evidence as to why or how a POSITA would have modified Phillip's hardware/software to include the claimed "in real time" step. And this is but one example of the issues endemic to Petitioner's omnibus chart.

Indeed, most of Petitioner's obviousness analysis takes place in the attached 778-page expert declaration, and not in the petition. But not only is the 778-page declaration bereft of any meaningful analysis (and itself largely includes hundreds of pages of quotations), this practice violates the Board's long-standing rules against incorporating arguments by reference. The rationale for that rule is particularly manifest here, as Petitioner plainly intended to obviate the word limit by simply providing a single summary chart in the petition and relying on its declaration for the arguments. That practice has not been tolerated in other petitions and should not be tolerated here.

Likewise, Uber engages in prohibited tactics to further obviate the word count—eliminating spaces after words, abbreviations, punctuation and ellipses (*e.g.* "EX1001," "Fig.7") as well as failing to use indefinite articles "a" or "an" (even though removing those articles makes many sentences

unclear). These tactics alone have reduced the number of words reported by the standard word processor by hundreds of words.

But the petition's problems do not end there—in addition to the above deficiencies, the petition suffers from several fundamental substantive failures. In particular, the petition fails to show that any of the prior art discloses "receiving sale data . . . for the one or more participant channels" "in real time" as required by the claims. Indeed, Petitioner does not even attempt to analyze these limitations using its own construction of "real time" (or the different construction of "real time" it took in district court). Moreover, the disclosures cited by Petitioner teach transmitting data ***to*** the alleged distribution channels (not ***from*** them), and the art cited also states that "serious" delays plague the "push" transmission method relied upon by Petitioner. None of these disclosures teach or suggest the claimed receipt of sale data "in real time."

The petition's deficiencies are further compounded by Uber's IPR counsel taking claim construction positions here that are entirely different than those Uber's litigation counsel has taken. For example, both Uber and SurgeTech have argued in the litigation that certain terms, such as "inventory," are defined in the specification through lexicography. Yet here,

Uber takes an entirely different approach, arguing instead that the term be given its plain meaning. But Uber never identifies that plain meaning or how it differs from the lexicographical definition it identified in the litigation, despite attaching its litigation constructions to the petition as an exhibit. The rationale behind this gamesmanship is readily apparent—Uber is attempting to preserve (an as-yet unidentified) noninfringement positions in the litigation, while maintaining flexibility here to argue its unidentified obviousness combinations.

## II. OVERVIEW OF THE '047 PATENT

The '047 patent discloses a method for "managing online bookings for transportation services inventory." See Ex. 1001, Abstract. The '047 patent explains that prior approaches to selling inventory, such as travel services or accommodations, have resulted in inefficiencies in how such inventory is allocated to various distribution channels, or "channels." *Id*., 1:30-35. In particular, vendors are forced to allocate physical inventory to particular channels in an ad hoc manner. *Id*., 1:36-46. When the inventory is accommodation, selecting the most efficient channels to sell the accommodation is "extremely difficult" because the inventory must be sold between particular dates. *Id*., 1:38-42. Furthermore, most independent

accommodation properties lack the resources to effectively manage their inventory allocations in multiple channels. *Id.*, 1:42-44.

The '047 patent solves these problems, inter alia, by employing "real time" updates across its distribution channels. In particular, the '047 patent discloses a computer system that receives data from distribution channels over a network 14. Ex. 1001, 4:4-8 ("[t]he computer 12 is programmed or configured with to receive data … via the World Wide Web 14"), 33:21-30. The computer 12 can receive the data in "real-time," such as "real-time reports and requests of sales." *Id.*, 7:1-3, 7:52-53; *see also id.* 7:15-19 (distinguishing "real-time" updates which are described as being continuously sent to database 22 with "request-based" updates which withholds updates from the database until a request is made).

The claimed system uses this data to determine the "performance in the sales channel." *Id.*; Ex. 1001, 4:9-12. Based on the "performance rating" for each channel, the claimed system can adjust parameters relating to inventory allotted to the respective channels, and/or re-allocate inventory from a particular channel to another channel. *Id.*, 4:48-53. For example, the computer can execute a subroutine that queries "whether or not demand has exceeded supply in the channel" (i.e., a performance rating). *Id.*, 4:43-44,

5:56-57. Based on the query, the computer uses the performance rating to re-allocate items to a particular channel, and adjust the price of those items to maximize profit. *Id*., 4:48-53, 5:62-6:11.

## III. LEVEL OF ORDINARY SKILL IN THE ART

Petitioner proposes that a person of ordinary skill in the art ("POSITA") relevant to the '047 patent at the time of the invention "would at minimum have a bachelor's degree in software/computer/electrical engineering, computer science, or industrial engineering and management with at least two years' experience in inventory and pricing management, including with respect to systems for dynamically managing inventory and pricing of transportation services or other types of inventory, or the equivalent" and that "[a]dditional graduate education could substitute for professional experience, or significant inventory and pricing management experience could substitute for formal education." Pet. 14-15.

This is the same level of skill agreed to by the parties in the litigation. Patent Owner applies this definition for purposes of this Preliminary Response. Ex. 2001, ¶¶ 11-18, 28-30. In support of Patent Owner's Preliminary Response, Patent Owner provides an expert declaration from Dr.

Vijay Madisetti. Ex. 2001. Dr. Madisetti meets or exceeds all aspects of this definition of a POSITA. Ex. 2001, ¶¶ 11-18, 28-30; Exs. 2002-2009.

## IV. THE PETITION FAILS TO SET FORTH THE ASSERTED GROUNDS WITH "PARTICULARITY"

The petition breaks several well-settled rules regarding the content of Petitions, the violation of which renders its petition indiscernible. First, Uber has failed to identify its grounds of unpatentability with particularity, instead relying on a single, omnibus claim chart that cites to numerous pages of prior art without any substantive explanation describing how those quotations are relevant or how they should be combined. Uber did not even see fit to separate the chart by grounds, instead simply providing a single chart for ***all twelve grounds***, putting the burden on the Board and Patent Owner to discern which disclosures correspond to which grounds.

Uber exacerbates this confusion by citing to Dr. Regan's seven-hundred seventy-eight page expert report, which, despite its length, is equally conclusory. Indeed, Uber's claim chart is devoid of almost any analysis, and relies instead on ***hundreds*** of pages from Dr. Regan's declaration to fill evidentiary gaps.

Accordingly, Uber has failed to identify its unpatentability grounds "with particularity" as required by the statute. 35 U.S.C. § 312(a)(3)

(emphasis added); *see also Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1369 (Fed. Cir. 2016) ("It is of the utmost importance that petitioners in the IPR proceedings adhere to the requirement that the initial petition identify 'with particularity' the 'evidence that supports the grounds for the challenge to each claim.'").

### A. Uber's Claim Chart Fails To Delineate Its Twelve Grounds

Uber argues that its petition is based on twelve grounds. *See* Pet. 12-13. But while the petition initially identifies references that pertain to these grounds (Pet. 12 (*e.g.*, stating that ground 1 is a combination of Jacob and Phillips)), the analysis abandons this mapping, and instead simply combines the references together in a single, omnibus chart, with no delineation between grounds.

The use of a single, omnibus chart is by design—indeed, the section in which it appears is titled "Claim chart: Grounds 1-12." In that section, for example, Uber includes block quotations from multiple prior art references for each element of claim 1:

- **1[pre]:** Jacob and Phillips (Pet. 27-29).
- **1[a]:** Jacob, Tamura and Kono(*id.*, 32-37).
- **1[b]:** Jacob, Tamura, Kono, and Franklin (*id*., 41-46).
- **1[c]:** Jacob and Evangelist (*id*., 48-51).

- **1[d]:** Jacob, Tamura, and Kono (*id*., 54-58).
- **1[e]:** Jacob and Phillips (*id*., 60-61).
- **1[f**]: Jacob and Kono (*id*., 63-64).
- **1[g]:** Jacob, Tamura, Kono and Franklin (*id*., 67-75).
- **1[h]:** Jacob, Phillips, Tamura and Kono (*id.*, 81-86).
- **1[i]:** Jacob, Phillips and Tamura(*id.*, 90-95).

But because Uber's omnibus chart does not specify which references pertain to which ground, it is impossible to discern how Uber is combining these references.

For example, for Ground 10 ("Jacob in view of Phillips, Evangelist, Tamura, and Kono" (Pet. 13)), any of the three different combinations below are within the scope of the ground as presented in its claim chart:

| Claim Element | Combination 1 | Combination 2 | Combination 3 |
|---|---|---|---|
| 1pre | Jacob | Jacob | Phillips |
| 1a | Jacob | Jacob | Tamura |
| 1b | Jacob | Tamura | Kono |
| 1c | Jacob | Evangelist | Jacob |
| 1d | Jacob | Tamura | Kono |
| 1e | Jacob | Jacob | Phillips |
| 1f | Jacob | Kono | Kono |
| 1g | Jacob | Kono | Tamura |
| 1h | Jacob | Kono | Tamura |
| 1i | Jacob | Tamura | Phillips |

These are just a few examples of possible prior art combinations. As explained by Dr. Madisetti, in total, there are ***27,648 possible reference***

***combinations*** covered by Uber's claim chart and Uber's grounds of challenge. *See* Ex. 2001, ¶¶ 51-53.

The Board has consistently refused to institute petitions that use "catch-all" style claim charts like Uber's. For example, in IPR2018-00828, the petitioner included similar claim charts without providing sufficient identification of the proposed combinations. *See Avant Technology, Inc. v. Anza Technology, Inc.*, IPR2018-00828, Paper 7 at 13-14 (PTAB October 16, 2018). The Board denied institution, noting that "[The petition's] claim chart asserts that multiple claim elements are described in more than one of the references, there are 576 different ways to combine the prior art to allegedly create a prima facie case of unpatentability" and "it is not clear which particular theory or theories Petitioner actually is asserting." *Id.* Uber's petition is far worse, because it encompasses ***thousands*** of possible combinations.

Uber's omnibus claim chart is also deficient because it does not include any analysis or explanation of the relevance of the cited passages from the prior art. The Board had consistently denied such conclusory claim charts. For example, the Board has denied institution where a petitioner's claim charts failed to identify its grounds "with particularity" under the statute. *HTC*

*Corp. et al. v. Cellular Comms. Equipment,* LLC, IPR2016-01504, Paper 7 at 8. The Board noted that "[t]here is no argument presented with the claim charts . . . [C]laim charts—without any accompanying argument or explanation—do not satisfy the requirement that a petition '*must include* . . . [a] full statement of the reasons for the relief requested, *including a detailed explanation of the significance of the evidence*.'" *Id.* (emphasis in original).

In another case, the petitioner attached two claim charts including a claim-by-claim analysis of the prior art. *Limelight Networks, Inc. v. Akami Techs., Inc.*, IPR2016-01894, Paper 8 at 12 (PTAB March 8, 2017). These claim charts were created by the petitioner's expert. *Id.* The Board noted that neither the petition nor the accompanying expert declaration included any explanation of the claim charts, beyond bare citations. *Id.* The Board found that these claim charts failed to provide a "detailed explanation of the significance of the evidence" under the rules: "In summary, the Petition references the claim charts with insufficient explanation ... the claim charts include summary language ... the claim charts [also] include additional disclosure from the references copied into the claim charts, which are neither cited nor discussed in the Petition. [W]e decline to give any weight to [these claim charts]." *Id.* at 16; *see also, e.g., Cisco Systems, Inc. v. C-Cation*

*Technologies, LLC*, IPR2014-00454, Paper 12 at 10-13 (PTAB Aug. 29, 2014) (declining to institute because the petition's claim charts "do not (1) specify sufficiently where each element of the claims is found in the applied references, and (2) include a detailed explanation of the significance of the quotations and citations from the applied references.").

Indeed, the Board's rules expressly prohibit Uber's "kitchen sink" approach to petitions. In fact, the Trial Practice Guide expressly forbids petitioners from using a petition as "a repository of all the information that a judge could possibly consider." Consolidated Trial Practice Guide, November 2019 at 39. That is just what Uber has done here, and the Board has routinely denied petitions in similar circumstances. *See, e.g, Jiangsu Sainty Sumex Tools Corp. Ltd. v. Milwaukee Electric Tool Corporation and Keter Plastic Ltd.*, IPR2021-00373, Paper 19 at 24 (PTAB July 6, 2021) ("Petitioner similarly asserts its panoply of prior art combinations in the obviousness grounds without explaining adequately the relationship of the references, individually or collectively, to the claim limitations."); *Avant Technology, Inc. v. Anza Technology, Inc.*, IPR2018-00828, Paper 7 at 13-16 (PTAB Oct. 16, 2018) (denying a petition relying on conclusory claim charts).

### B. Uber's Claim Chart Fails To Identify How The References Are Being Combined

Even if Uber's claim chart was limited to the twelve grounds identified in the petition (Pet. 12-13), it is nevertheless deficient because it is silent on various combinations and fails to address other combinations in anything more than a summary, conclusory manner.

As one example, Petitioner confirmed that it is not relying on any Jacob-only grounds. Pet. 30 ("Petitioner is not asserting a separate Jacob-only Ground, instead beginning all of its Grounds' combinations with Jacob-Phillips."). The omnibus chart follows through on this position, citing Jacob for Claim 1[pre]'s "method," and Phillips for 1[pre]'s requirement that the method be "***computer implemented***"—*i.e.*, Petitioner relies on Jacob's teachings of human operators performing various tasks combined with Phillips's computer processing disclosures. Pet. 27-30.

The chart goes on to modify Phillips' processing to operate "in real time." But when addressing the motivation to combine, the petition is ***silent*** as whether, how, or why a POSITA would modify Phillips' computer to include a "real time" processing functionality. Instead, the petition includes a generic section addressing why a POSITA would combine Franklin's "push" method (which Petitioner argues is "real time") with ***Jacob***. But this

is plainly insufficient—the petition's stated combination for all grounds, as confirmed by Petitioner, is Phillips' processing (not Jacob's human operators). Combining Franklin's alleged "real time" processing with Jacob's human operators not only makes no sense, it does not address the fundamental combination Uber asserts. Petitioner leaves it up to the Board and Patent Owner to pick through the disparate pieces of Uber's claim chart to puzzle together its grounds.

But piecing together the pieces of this puzzle is made even more difficult in view of Uber's citation to numerous disparate embodiments from the prior art. For example, Uber's claim chart at 1[a] identifies ***dozens*** of disparate passages from Jacob without identifying ***which*** teachings from Jacob Uber proposes combining with its other five prior art references:

> EX1004, ¶[0006] ("computer program systems"; "implemented in… computer software[,]… hardware or a combination"; "system to manage the sales, pricing, and inventory information related to time-dependent items"), ¶[0007] ("configured to communicate with the hotel staff… hotel property management database… computerized reservation systems"), ¶[0008] ("property administrators… manage"), ¶[0009]-¶[0010], ¶[0064] ("Superuser"; "portal"; "Property"), ¶[0065] ("Engine Administrator"), ¶[0066] ("Property Administrator"; "employees"), ¶[0069]-¶[0070] ("individual properties"), ¶[0071], ¶[0082] ("communications over… networks"; "user interaction code segment configured to manage user interaction that delivers output to users, and accepts input from users via an interface utilizing a web browser"), ¶[0083]-¶[0084]

> ("computerized database"; "wired or wireless networks"); ¶[0085]-¶[0086] ("PA administers… Property"), ¶[0088], ¶[0092], ¶[0093]-¶[0097] ("clients… comprise… group of Properties[,] Individual Properties[,] Companies… bought batches of Rooms from other properties to sell to clients[,] management company… owns several properties."), ¶[0099], ¶[0111], ¶[0113], ¶[0133], ¶[0185], ¶[0191]- ¶[0192], cls.1,5-6, Figs.7-8, 12-13:

Pet. 33-34. In this example alone Uber cites to twenty-nine different paragraphs, three claims and four figures from the Jacob reference. This is just one example. For every limitation, Uber's claim chart includes numerous citations to multiple prior art references. It is unclear, for example, which of these disclosures should be combined with Phillips, Evangelist, Franklin, Tamura, and Kono.

Indeed, the Board has consistently denied petitions that have failed to identify ***how*** the prior art's teachings should be combined in the grounds of a petition. For example, as Uber does in this proceeding, the petitioner in *ADT* mapped each limitation of the challenged claims to multiple prior art references: Ulrich and Mathias. *ADT LLC v. Vivint, Inc.*, IPR2022-00634, Paper 7 at 11 (PTAB October 4, 2022). The Board found that the petitioner failed to properly identify its grounds because it was unclear which teachings from each reference were being relied upon in the proposed combination:

> Because ADT expressly relies on 'the combination of Ulrich and Mathias' but maps each limitation of the challenged claims to each reference without acknowledging any shortcomings or deficiencies of the references, it is not clear which teachings of each reference ADT combines to account for all the limitations of [the challenged claims].

*Id*. The Board found that this "lack of clarity in ADT's asserted obviousness ground might enable ADT to deviate from the arguments initially presented in the petition in a manner that may prejudice [Patent Owner]." *Id*. The same is true here: Uber has not explained the interplay between its references in the petition, instead suggesting that all six of them disclose multiple claim limitations. This makes it impossible to identify how Uber is combining the references in its proposed combinations.

### C. Uber's Motivations To Combine Are Deficient

Even if Uber had identified its proposed combinations sufficiently, Uber's motivations to combine suffer from numerous deficiencies. Ex. 2001, ¶¶ 48-50. Uber's motivations to combine are cursory and conclusory. For example, when analyzing the claim limitation 1[c], "receiving… a selection, from the plurality of distribution channels, of one or more participant channels for a transportation service," Uber asserts that a POSITA would be motivated to use Evangelist's "teachings of initially allocating inventory to channels" in the Jacob reference because it "would have beneficially increased the

likelihood that proper quantities/types of inventory are initially allocated to each channel, fulfilling Jacob's goals." Pet. 54. But Uber fails to explain ***why*** using Evangelist's alleged allocation techniques would increase quantities of inventory. Ex. 2001, ¶¶ 48-50. Nor does Uber explain ***why*** Evangelist's alleged allocation techniques would increase the likelihood of relevant inventory being allocated. *Id.* Uber also fails to explain ***how*** Evangelist's teachings would be incorporated into any of Jacob's embodiments in the first place. *Id.*

Uber's conclusory statement that adding Evangelist's technique would be "beneficial" is insufficient to show that a POSITA would have been motivated to incorporate teachings from Evangelist into Jacob. *See, e.g., KSR Intern. Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007) ("Rejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be ***some articulated reasoning with some rational underpinning*** to support the legal conclusion of obviousness.").

Uber's motivations to combine throughout its petition are equally conclusory. Ex. 2001, ¶¶ 48-50; *see also* Pet. 80 (arguing motivation to combine Jacob with Kono, Tamura, or Evangelist to "advantageously increased REZTRIP's ability to fulfill Jacob's/Kono's/Tamura's/Evangelists

goals" without explaining ***how*** the prior art would be combined or ***how*** these alleged advantages would be achieved); Pet. 89 (arguing that it would be "obvious, straightforward, and advantageous to implement Jacob's system (+combinations) using (1) Phillips's, (2) Tamura's, or (3) Kono's beneficial teachings" to meet the limitation without explaining ***how*** the combination would be combined or ***why*** a POSITA would be motivated to make such a combination).

Likewise, Uber's arguments regarding reasonable expectation of success are also conclusory. Ex. 2001, ¶ 50. In fact, for nearly every proposed combination Uber repeats the same conclusory statement: "[i]t would have been routine to make such an implementation choice, and clear it would work and provide the expected functionality to yield predictable results with REOS." Pet. 48; *see also* Pet. 53, 60, 63, 66, 76, 101, 103 (same conclusory REOS assertions). This boilerplate language is insufficient. It does not address the combination of any ***specific*** teachings in the prior art, let alone explain why a POSITA would have understood such combinations could be made successfully. Ex. 2001, ¶ 50.

The Board has previously rejected similar conclusory language related to a reasonable expectation of success as insufficient. *See, e.g., Samsung*

*Electronics Co., Ltd. v. LED Wafer Solutions, LLC*, IPR2021-01491, Paper 9 at 12 (PTAB Mar. 15, 2022) ("We determine that Petitioner's challenge based on the Sugizaki AAPA combination fails because Petitioner's showing as to motivation to combine is conclusory and inadequate and a reasonable expectation of success in combining the teachings in the prior art was not shown. This determination supports our Decision not to institute an *inter partes* review."); *In re Magnum Oil Tools Int'l, Ltd.*, 829 F.3d 1364, 1380 (Fed. Cir. 2016) ("To satisfy its burden of proving obviousness, a petitioner cannot employ mere conclusory statements. The petitioner must instead articulate specific reasoning, based on evidence of record, to support the legal conclusion of obviousness").

This deficiency is fatal to Uber's proposed combinations, because showing a reasonable expectation of success is necessary to prove obviousness. *See, e.g., Arctic Cat Inc. v. Bombardier Recreational Prod. Inc.*, 876 F.3d 1350, 1361 (Fed. Cir. 2017) ("We have held that where a party argues a skilled artisan would have been motivated to combine references, it must show the artisan would have had a reasonable expectation of success from doing so.").

### D. The Prior Art Teaches Away From Uber's Proposed Combination

Uber also fails to address disclosures in the prior art that would teach away from Uber's proposed combinations. Ex. 2001, ¶ 54. For example, Uber alleges that a POSITA would be motivated to combine Jacob with Franklin's "periodic push" to render obvious "receiving sale data . . . in real time" Pet. 76. But Uber fails to address the "tradeoffs between push and pull" disclosed in Franklin, including the "serious problem[]" that, with the "push" method, "it is possible that the servers will not deliver the specific data that are needed by clients ***in a timely fashion (if ever)***." Ex. 1009, [0017]. Ignoring Franklin's teachings that the "push" method may result in a transmission ***never*** being received, Uber argues that a POSITA would have been motivated to incorporate Franklin's "push" method in Jacob to achieve "real time" transmissions.

### E. Uber's Claim Chart Fails To Identify The Unnamed "+Combinations"

Uber further expands the number of possible prior art combinations by arguing that so-called "+combinations" of its prior art references also render the claims obvious. For example, after addressing limitation 1[a] in its claim chart, Uber argues that:

> If further disclosure of a vendor computing device is required, Jacob (in the recited combinations ("**+combinations**")), or Jacob (**+combinations**) in view of Tamura's or Kono's disclosures render this obvious (see chart, supra).

Pet. 38 (addressing limitation 1[a]) (emphasis added). Uber does not identify what the "+ combinations" are that should be considered with Jacob for claims 1[a], nor does it explain whether the "recited" combinations are different than the grounds expressly identified on pages 12-13 of the petition.[1] Uber relies on unidentified "+combinations" ***fifty (50) times*** in its petition without ever explaining what these " recited combinations" are. Pet. 38-41, 47, 53, 54, 58-60, 62, 64-67, 75-78, 80, 81, 87-89, 96, 97, 101, 102.

It is plain that Uber is not limiting itself to the expansive citations included in its claim chart. Uber's amorphous "+combinations," thus, expand the scope of possible grounds even beyond the vast number of potential combinations that could be covered by its conclusory claim chart. *See, e.g.*, Exs. 1010-1016, 1024-1028, 1031-1035.

[1] Given the thousands of potential combinations recited in the omnibus chart discussed, *supra* (at IV.A), it is likely that the "+combinations" are ***not*** intended to be limited to the express grounds identified on pages 12-13 of the petition.

### F. Uber's Petition Improperly Incorporates By Reference Dr. Regan's Seven-Hundred Seventy-Eight (778) Page Declaration

Uber's petition should also be denied for improper incorporation of a document by reference and failure to adhere to the statutory limits on word count. In particular, Uber's petition lacks substantive analysis and, instead, cites to large swaths of Dr. Regan's ***seven-hundred seventy-eight (778)*** page expert declaration for support.

For example, the entirety of the petition's analysis of the Evangelist reference for claim 1[c] is reproduced below:

> Evangelist discloses receiving a selection, from a plurality of distribution channels, of one or more participant channels for inventory (e.g., "Controller" "allocat[es] a first portion of inventory for on-line fulfillment to… inventory location"/"allocate[s] inventory for… on-line… fulfillment" to, e.g., "Web site that accepts requests for delivery of movies to customers," "store" or "on-line… channels"/"initially designate[s]" as "online inventory" of "store" or "on-line… channel"; "Controller…initially allocates inventory… to… stores"). **EX1003 [Regan Decl], ¶¶248- 260.**

Pet. 48-49 (emphasis added). As shown in the excerpt above, Uber includes no analysis of Evangelist whatsoever, merely inserting disparate quotations from the reference (without even providing column/line citations). Thereafter, Uber cites to ***twelve*** paragraphs of analysis from its expert, Dr.

Regan, addressing Evangelist. *Id*. (citing EX1003 [Dr. Regan's Declaration], ¶¶248-260).

This is just one example. The petition consistently cites to numerous pages of Dr. Regan's massive declaration for support throughout Petitioner's claim chart. *See also, e.g.*, Pet. 1-3, 5, 7-10, 13, 15-19, 21-33, 37-42, 46-49, 52-55, 58-66, 68, 75-83, 87-91, 95-98, 101-104, 107, 108. Notably, Dr. Regan's declaration relies on claim charts at Appendix C—charts that are hundreds of pages long on their own. *See,* Ex. 1003, Appx. C.

The Board's rules make clear that "[a]rguments ***must not be incorporated by reference*** from one document into another document" as Uber has done here. 37 C.F.R. § 42.6(a)(3). The Board has consistently rejected petitions that violate this rule through citations to an expert's declaration. For example, in *Cisco*, the Board denied a petition that relied on a two-hundred fifty (250) page declaration from its expert. *Cisco Sys., Inc. v. C-Cation Techs., LLC*, IPR2014-00454, Paper 12 (Aug. 29, 2014) (informative). The Board explained this incorporation by reference was improper because it circumvented limits on word count:

> In the Petition before us, incorporation by reference of numerous arguments from Dr. Roy's 250-page Declaration into the Petition serves to circumvent the page limits imposed on petitions for *inter partes* review, while imposing on our time by asking us to

> sift through over 250 pages of Dr. Roy's Declaration (including numerous pages of claim charts) to locate the specific arguments corresponding to the numerous paragraphs cited to support Petitioner's assertions.

*Id.*

The Board's decision in *Cisco* is consistent with its approach for addressing such violations. *See also, e.g., Avant Technology, Inc. v. Anza Technology, Inc.*, Case IPR2018-00828, Paper 7 (PTAB Oct. 16, 2018) (denying institution where petitioner relied on citations to an expert declaration for substantive analysis); *Cisco*, IPR2015-02007 Paper 6 ("The Petition's practice of citing multiple pages of the Dr. Lavian Declaration to support conclusory statements and to expand its thin analysis violates our rules[.]"); *Teoxane S.A. v. Allergan, PLC*, IPR2017-01906, at 24 ("We will not search the record (including Dr. Prestwich's declaration) to ascertain whether any evidence supports that bare argument. Petitioner should not expect the Board to search the record to piece together what may support a challenge.") (citing *DeSilva v. DiLeonardi*, 181 F.3d 865, 866-67 (Fed. Cir. 1999)); *Hamilton Technologies v. Fleur Tehrani*, IPR2020-01199 at 4 ("As noted in our Decision, general citations to appendices in a party's principal brief amount to an improper incorporation by reference.") (citing *Cisco Sys., Inc. v. C-Cation Techs., LLC*, IPR2014-00454, Paper 12 at10 (Aug. 29, 2014)

(informative) ("[W]e will not consider arguments that are not made in the Petition, but are instead incorporated by reference to the cited paragraphs and claims charts of [Petitioner's declarant]." (emphasis added))"), *id.* at 5 ("We did not accept Patent Owner's invitation to play archeologist with the record, and hunt for any other arguments that may have been contained in the claim charts appended to the Tehrani Declaration").

Uber's petition is even more egregious than the foregoing decisions, because it relies on a declaration ***seven times*** the length of the petition to supply substantive analysis. Patent Owner is aware of no cases where the Board permitted a petitioner to rely on a declaration of this length, let alone in lieu of substantive analysis. Accordingly, the Board should deny Uber's petition for improper incorporation by reference and violation of the statutory limit on word count.

In addition to burying arguments in the expert declaration, Uber also uses other prohibited tactics to evade the word limit. *See* Consolidated Office Trial Practice Guide (Nov. 2019) at 40; *Life Spine, Inc. v. Globus Medical, Inc.*, IPR2022-01601, Paper 11 at 2 n.1 (PTAB Apr. 18, 2023) ("The Board observes that both parties delete spacing between words, in an apparent effort to circumvent our word count limits. ... The parties are cautioned that

continuing this practice may lead to a party's brief not being considered."). For example, Uber's brief eliminates the space between "EX" and the exhibit number which reduces the word count by approximately 522 words.[2] *See, e.g.*, Pet. 2 (citing "EX1001" and "EX1002"). Likewise, Uber also eliminated spaces between its abbreviations "p." (27 instances), "cls." (15 instances) and "cl." (127 instances), "fig." (61 instances) and "figs." (34 instances).

## V. PETITIONER FAILS TO SHOW THAT THE PRIOR ART DISCLOSES RECEIVING SALE DATA FROM EACH OF THE ONLINE DISTRIBUTION CHANNELS IN REAL TIME.

Uber's petition also fails because Uber has failed to show that ***any*** prior art reference discloses or renders obvious "receiving" data "in real time."

Every challenged claim requires "receiving … for the one or more participant channels … sale data" "in real time." Ex. 1001, Claims 1, 4, 7, 10.

[2] Uber certified in its 37 C.F.R. § 42.24(d) certification that "[t]he word count application of the word processing program used to prepare this Petition indicates that the Petition contains 13,989 words[.]" Pet. at vi. The examples discussed herein result in a reduction of word count according to the word count feature of Microsoft Word.

Uber has failed to show that any prior art reference discloses this limitation. Ex. 2001, ¶¶ 31-47.

In particular, Uber proposes that the claimed "receiving . . . ***in real time***" be construed as "receiving most recent data by 'push' method."[3] Pet. 14. Uber argues that the Jacob and Franklin references disclose the claimed receiving "in real time." To the contrary, as set forth below, neither reference teaches or renders obvious these limitations.

**1. Jacob**

Jacob fails to disclose "receiving sale data ... from respective distribution channels" "in real time," as Uber has interpreted that phrase in the Petition. Ex. 2001, ¶¶ 32-38. First, Jacob does not disclose transmitting "***most recent*** data" at all—a requirement of Uber's construction of "in real time." Indeed, none of Uber's citations to Jacob reference "most recent data" in any context.

[3] Notably, this differs from Uber's construction of "in real time" in district court: "provided automatically to indicate the most recent data." Ex. 1039, 5.

Second, Uber's citations to Jacob do not disclose receiving data from any alleged distribution channels as required by the claims. Ex. 2001, ¶ 35. In particular, Uber argues that Jacob discloses a "'communication code segment' receives, *e.g.*, 'information' pushed from sales channels [*i.e.*, the alleged 'distribution channels']." Pet. 67. But Jacob's discussion of a "communication code segment" actually teaches the opposite—that data is sent ***to*** Jacob's sales channels (the alleged "distribution channels"), not received by them as required by the claims: "[o]nce pricing changes have been implemented the results may be distributed through the communication code segment or code segments ***to the sales channels***." Ex. 1004, [0008]. Further, this transmission is not done by "push" as is required by Uber's construction of "in real time." Ex. 2001, ¶ 33.

Uber also argues that Jacob's disclosure that "confirmation information is sent to... the Property" meets this limitation. Pet. 67. But this disclosure merely states that "[a]fter an EU [end user] has made a reservation, confirmation information is sent to both the EU as well as the Property." Ex. 1004, [0086]. This does not disclose receiving data from Jacob's alleged distribution channels at all, let alone receiving them by "push" as required by Uber's construction. Ex. 2001, ¶ 34.

Uber also relies on Jacob's disclosure that an "application sends confirmations to… PA... over... networks" to meet this limitation. Pet. 69. But Jacob expressly states that the ***application*** sends the notification. *Id*. Uber does not allege that an application is a "distribution channel" and, thus, this disclosure does not show "receiving" data from distribution channels as required by the claims. *See* Pet. 67 (limiting "participant channels" to Jacob's "information received from the sales channels" and "incoming information"); Ex. 2001, ¶ 35. And, again, this disclosure in Jacob does not disclose transmission by "push" as required by Uber's construction of "in real time." *Id*.

Finally, Uber argues that Jacob expressly teaches "receiving information in 'real time.'" Pet. 67. But here, again, Jacob discloses sending data ***to*** the alleged distribution channels, not receiving data: "[t]he system should quickly distribute ... information ***to the sales channels***, preferably in real time." Ex. 1004, [0005]; Ex. 2001, ¶ 35. Further, as with the other disclosures cited by Uber, this passage in Jacob also does not mention the required "push" method. Ex. 2001, ¶ 35.

Accordingly, of the cited disclosures from Jacob teach receiving data "in real time" under Uber's construction.

### 2. Franklin

Franklin also fails to disclose this limitation. Ex. 2001, ¶¶ 39-42. First, Franklin fails to disclose transmitting "***most recent*** data" as required by Uber's construction of "in real time." Indeed, none of Uber's citations to Franklin reference "most recent data." Ex. 2001, ¶ 39.

Second, Uber's reliance on Franklin's disclosure of "push" also fails. Pet. 68; Ex. 2001, ¶ 40. Franklin expressly discloses that its "push" is ***not*** done in real time, noting that one of the "more serious problems" of the "push" method is significant delay:

> Push-based approaches, in contrast, avoid the issues identified for client-pull, but have the problem of deciding which data to send to clients in the absence of specific requests. Clearly, sending irrelevant data to clients is a waste of resources. ***A more serious problem, however, is that in the absence of requests it is possible that the servers will not deliver the specific data that are needed by clients in a timely fashion (if ever).***

Ex. 1009, [0017]. This does not teach or suggest "receiving most recent data by 'push' method" as required by Uber's construction—quite the opposite, Franklin teaches that using a "push" method might result in the data never arriving, or arriving with a serious delay. Ex. 2001, ¶ 40. Indeed, when describing "push" Franklin teaches that it should be used for clients that "can ***wait*** until the item appears." Ex. 1009, [0027]. Thus, a POSITA reading Franklin would understand that its "push" is ***not*** meant for real time

applications, rather, it should be used for applications that will not be impacted by delays. Ex. 2001, ¶ 40.

In order to solve this delay problem caused by "push," Franklin teaches using a "publish/subscribe" method. Ex. 1009, [0027]. According to this method, clients provide a profile and receive updates based on their profile preferences. *Id.* Franklin describes this methodology as "in effect, a continuous query." *Id.* As explained by Dr. Madisetti, this "continuous query" described by Franklin is actually a type of ***pull method***. Ex. 2001, ¶ 41. Thus, Franklin teaches the ***opposite*** of the "push" required by Uber's construction. *Id.* Accordingly, a POSITA looking at Franklin would be dissuaded from using a "push" method, and instead pursue a "pull" method.

### 3. The Jacob-Franklin Combination

Uber's assertion that the combination of Jacob and Franklin renders obvious the claim also fails, because it does not cure the deficiencies identified above in Section 1 and 2. Ex. 2001, ¶¶ 43-47. In particular, Uber argues that a "POSITA would have been motivated ... to implement communications between Jacob's channels and RezTrip (+combinations) using Franklin's beneficial teachings of push." Pet. 77.

First, Uber's analysis does not overcome the fact that neither Jacob nor Franklin disclose receiving "most recent data." Ex. 2001, ¶ 44. Indeed, as discussed above, Franklin expressly discloses that timeliness is a "serious" problem with its "push" method. Ex. 1009, [0017]. Thus, even if combined, the proposed Jacob-Franklin combination would still fail to disclose the claimed receiving of data "in real time" under Uber's construction. Ex. 2001, ¶ 44.

Second, as discussed above, neither Franklin nor Jacob discloses receiving data ***from*** the alleged distribution channels as required by the claims. Ex. 2001, ¶ 45. The combination of Franklin and Jacob, thus, also fails to overcome this deficiency. *Id.* Indeed, Jacob teaches the exact opposite—sending data ***to*** the alleged distribution channels. Ex. 1004, [0005].

Third, Uber's suggestion that Franklin's "push" method could be employed in Jacob using "short" or "vanishingly short" intervals is not supported by either reference. Ex. 2001, ¶ 46. Indeed, Jacob does not disclose transmission at "short" or "vanishingly short" intervals, let alone doing so by "push" method. *Id.* Likewise, as noted above, Franklin discloses that its push method is plagued by delay and recommends using a "pull" method instead—this contradicts Uber's suggestion that the push intervals could be "short" or

"vanishingly short." Ex. 1009, [0017]; *see also id.*, [0035] ("Two ***different*** [data] consistency models have been studied – immediate and periodic (i.e., based on the period of the broadcast).").

Accordingly, Uber's proposed combination fails to overcome the deficiencies identified in Jacob and Franklin.

## VI. UBER FAILS TO IDENTIFY ITS PROPOSED CLAIM CONSTRUCTIONS PURSUANT TO 37 C.F.R. § 42.104(B)(3)

Finally, Petitioner also fails to identify how it has construed a number of key claim limitations, and has further failed to explain how the prior art allegedly meets Uber's constructions in violation of 37 C.F.R. § 42.104(b)(3).

### 1. "Inventory" and "Distribution Channel[s]"

Every challenged claim requires both "inventory" and "distribution channel[s]." Ex. 1001, Claims 1, 4, 7, 10. Patent Owner does not provide constructions for "inventory" or "distribution channel[s]," arguing instead that these terms need no construction. Pet. 13-14 (arguing that all terms not specifically defined by Petitioner should be given their plain meaning).

But Petitioner does not provide any analysis as to what the "ordinary meaning" is for these terms. This omission is particularly significant because Uber's positions here are flatly inconsistent with its litigation positions. Indeed, the parties are contesting in the litigation several of the terms Uber

contends need no construction, and Uber was well-aware of that dispute when it filed the petition.[4] As one egregious example, Petitioner has argued in the litigation that the terms "inventory" and "distribution channel" have been expressly defined in the patent through lexicography. Ex. 2010, 7, 9. Yet here, Petitioner ignores its litigation position and argues instead that no construction is necessary. Pet. 13-14. But, it is unclear what definition Petitioner is applying to these terms, how that definition differs from its litigation positions, and whether the prior art meets Uber's litigation interpretation of the claims—the petition is simply silent on these points.

Thus, Petitioner has failed to give notice to the Board and Patent Owner of its claim construction positions for "inventory" and "distribution channel," further obscuring its unpatentability theories. 37 C.F.R. § 42.104(b)(3). Indeed, Patent Owner cannot possibly rebut the petition's conclusory assertions that certain prior art discloses "inventory" and "distribution

[4] Uber's IPR counsel was not only privy to these constructions from the litigation, it actually attached the parties' Joint Claim Construction Chart as Exhibit 1039. Thus, Uber has no excuse for providing contradictory positions in this IPR proceeding.

channel[s]" without knowing how Petitioner and its expert have construed these terms in the first place.

The Board has denied petitions in similar circumstances. *Meta Platforms, Inc., v. Almondnet, Inc.*, No. IPR2022-00929, Paper 7 at 16 (PTAB Oct. 26, 2022) (denying a petition where Petitioner did not meet its "obligation" to construe a key term and its obviousness grounds did not align with the plain meaning of the term); *Orthopediatrics Corp. v. K2M, Inc.*, IPR2018-01547, Paper 9 at 10 (PTAB Feb. 22, 2019) (denying a petition where Petitioner declined to construe a term that it "should have known . . . was likely to be at issue in th[e] proceeding").

**2. "adjusting … a price"**

Every independent claim recites "adjusting a price" of inventory. Ex. 1001, Claims 1, 4, 7, 10. The petition provides no construction for "adjusting a price" and, thus, argues its plain meaning should apply. Pet. 13-14.

But in district court, Petitioner argued that this claim term was indefinite precisely because it could be interpreted to have ***multiple, different plain meanings***. Ex. 2010, 19 ("[T]here are *multiple* reasonable interpretations of this phrase"). Based on Petitioner's position in district

court, it is unclear which of Petitioner's meanings (if any) are relied upon in the petition. This also supports denial under 37 C.F.R. § 42.104(b)(3).

## VII. CONCLUSION

For the foregoing reasons, Patent Owner respectfully requests that the Petition be denied.

Date: July 28, 2023

By: */s/ James Glass*

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**CERTIFICATE OF LENGTH (37 C.F.R. §§ 42.24)**

The undersigned hereby certifies that, according to the word-processing system used to prepare the foregoing document, this document has 7,241 words and thus complies with the applicable word limit.

Date: July 28, 2023

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**CERTIFICATE OF SERVICE (37 C.F.R. §§ 42.6(E), 42.105(A))**

The undersigned hereby certifies that the foregoing document was served in its entirety on July 28, 2023 upon the following parties via Electronic Mail:

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