

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETFLIX, INC.,

Petitioner

v.

VL COLLECTIVE IP, LLC.,

Patent Owner

IPR2023-00891
U.S. Patent 8,605,794

**PATENT OWNER'S REPLY IN SUPPORT OF PATENT OWNER'S
MOTION TO TERMINATE**

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PATENT OWNER'S EXHIBIT LIST

Exhibit	Description
2001	Joint Claim Construction Statement in <i>VideoLabs, Inc. et al. v. Amazon.com, Inc. et al.</i> , No. 22-cv-00079-ADA-DTG
2002	VideoLabs' Answering Claim Construction Brief, <i>Starz Entertainment, LLC et al. v. VL Collective IP, LLC et al.</i> , No. 21 -cv-1448-JLH (excerpted)
2003	Markman Hearing Transcript, <i>Starz Entertainment, LLC et al. v. VL Collective IP, LLC et al.</i> , No. 21-cv-1448-JLH
2004	Declaration of Jaime F. Cardenas-Navia in Support of Motion for Admission <i>Pro Hac Vice</i>
2005	Discovery Requests from Netflix
2006	Unified Website FAQ, https://www.unifiedpatents.com/faq
2007	Unified LinkedIn Post, https://www.linkedin.com/posts/sambwani_videolabs-794-video-codec-patent-likely-activity-7011105082129743872-66mK
2008	Unified Website Zones, https://www.unifiedpatents.com/sep
2009	Unified Website Seeking Prior Art, https://www.unifiedpatents.com/insights/2023/10/30/8000-for-videolabs-digital-content-patents-prior-art
2010	Unified's Newsletter Regarding Found Prior Art, https://www.unifiedpatents.com/insights/2024/3/1/videolabsdigital-content-patents-prior-art-found
2011	Declaration of Dr. Michael T. Goodrich
2012	Deposition Transcript of Dr. Benjamin Bederson
2013	U.S. Patent No. 7,428,696 to Shin
2014	U.S. Patent No. 5,598,352 to Rosenau et al.
2015	Dr. Immanuel Freedman Deposition Transcript from <i>Unified Patents, LLC v. VL Collective IP, LLC</i> , IPR2022-01086
2016	Jim Heckroth, <i>A Tutorial on MIDI and Wavetable Music Synthesis</i> , Cirrus Logic, Inc., AN27REV4, 1-24, February 1998
2017	Jim Heckroth, <i>Tutorial on MIDI and Music Synthesis</i> , The MIDI Manufacturers Association, April 2006
2018	Music Theory (https://www.musictheory.net/lessons/11#:~:text=The%20length%20of%20time%20that,duration%20of%20a%20whole%20note.).
2019	The MIDI Manufacturers Association, Standard MIDI Files 1.0,

	February 1996.
2020	Netflix Responses To Interrogatories
2021	Main Agreement Between Unified and Netflix
2022	Netflix Subscription Form to Video Codec Zone
2023	Unified IPR Data
2024	Declaration of Naveed S Hasan
2025	Unified Communication With Netflix June 8, 2022
2026	Unified Communication With Netflix December 20, 2022
2027	Unified Communication With Netflix December 21, 2022
2028	Unified Communication With Netflix December 22, 2022
2029	Unified Communication With Netflix May 8, 2023
2030	Unified Communication With Netflix December 19, 2023
2031	Unified Communication With Netflix December 19, 2023
2032	Unified Communication With Netflix December 21, 2023
2033	Unified Communication With Netflix January 15, 2024
2034	Unified News Article About Ideahub's Video Codec Patent (available at: https://www.unifiedpatents.com/insights/2024/2/5/ideahub-sep-video-encoding-patent-held-invalid)

Netflix's opposition, Paper 35 (Opp.) mischaracterizes the law, the facts, and PO's arguments. PO's motion to terminate (Motion) should be granted.

I. PO's Motion Is Not Only Premised On Unified Membership

Netflix alleges that the only support for PO's motion is that Netflix is "a Unified Subscriber." Opp., 1-3. That is incorrect; PO's motion analyzes the specific agreements and facts of this proceeding. Mot, 1-7. Among other things, PO pointed to Unified's obligation to file IPRs (including the '086 IPR) to reduce assertions against Netflix of patents, including the '794 patent. *Id.* Netflix ***does not dispute*** Unified's obligation. Opp., 2-3. Instead, it argues that it "is no different from" Unified's other obligations. *Id.*, 3. But Unified's obligations to other members is irrelevant to its obligations to Netflix and the question at hand. And Unified of course has no contractual obligations to "the public." Similarly, Unified's ***efficacy*** at reducing litigations against Netflix, Opp., 7, 2, is of no moment; Unified's intent is.

II. Netflix's Cases Do Not Support Denying PO's Motion

Netflix points to cases where Unified members were found not to be RPIs. Opp., 3-4, 5, 6, 7 (citing *Samsung*; *Bradium*; *Uniloc 2017*; *Uniloc USA*; *Barkan*). However, the RPI and privy inquiries are highly fact dependent. Mot., 4. The question is not whether ***other*** Unified members, with ***other*** Unified agreements, are RPIs, but whether ***Netflix*** is. Yet Netflix does not analyze the Unified agreements from the above-referenced cases, nor compare them to Netflix's Unified agreement

to show they are similar. Without such a comparison, Netflix's cases are of little use. Indeed, the available evidence shows that the agreements in Netflix's cited cases are different than the one here. For example, the Board in *Samsung* held that "[t]he evidence shows that Unified's business model is focused on deterrence rather than settlement of cases involving NPEs." *Samsung*, EX2121, 45, 49. Here, Unified is obligated to reduce assertions against its specific members (file IPRS to help settle cases). Thus, the agreement in *Samsung* must have been different than Netflix's. For another example, Netflix argues that "the Board [in *DivX*] understood" the patent was in Netflix's zone. Opp., 6. But Netflix's citation does not support its assertion.

Netflix also argues that payment of fees alone does not show it is an RPI. Opp., 6. But PO did not rely on Netflix's general payment of fees; it showed that Netflix's Zone fees effectively funded the '086 IPR. Mot., 2,7. Netflix did not dispute any of PO's evidence or reasoning. Opp., 6.

Finally, in *Uniloc 2017*; *Barkan*; and *Bradium*, the question was whether Petitioner failed to name an RPI. Conversely, the question here is whether Netflix should have been named an RPI *or was privy* to the '086 IPR. 315 (e). "The notion of 'privity' is more expansive" than RPI. Trial Prac. Guide, 14. Thus, Netflix's cited decisions were directed to a narrower question than here.

III. Control Is Not Required For Netflix To Be An RPI Or Privy

Netflix incorrectly alleges that it cannot be an RPI because it did not have

control over the '086 IPR or coordinate with Unified. Opp., 1, 4-5, 7-8. Neither control, communication, nor explicit command are necessary to show a party is an RPI or privy. Mot., 4, 6; Trial Prac. Guide, 15-16. Further, Netflix's argument that it is not an RPI because it did not "demand[] that Unified [] challenge[] all claims" is unavailing. Opp., 5. Unified's strategy to challenge a subset of important claims benefited Netflix. If Unified prevailed in the '086 IPR then the assertion against Netflix would be largely addressed. If not, there is less risk of discretionary denial for Netflix's future IPR. In fact, Netflix's argument here based on Unified's strategy of only challenging a subset of claims shows the benefit of that strategy to Netflix.

IV. Netflix's Arguments About Unified's Termination Requests Also Fail

Netflix does not rebut the pattern of Unified's terminations or that Unified has not filed an IPR since March 2022. *See* Mot., 3, 6. Netflix also fails to provide any alternative reasoning to explain Unified's pattern of behavior. The most reasonable explanation for Unified's behavior is that Unified sought to mitigate estoppel effects for its members—i.e., it conducted the '086 IPR to benefit Netflix.

V. The Board Must Terminate The Proceeding or at Least Dismiss Netflix

Section 315(e) is not discretionary and must be applied in some form, at least by dismissing Netflix. Further, Netflix does not dispute that the Board *can* terminate only the estopped claims under *SAS*. And Netflix's cited cases are inapposite because briefing was completed in those cases. Opp., 8. Here, PO has not filed its sur-reply.

Dated: June 27, 2024

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CERTIFICATE OF SERVICE

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