

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Duration Media LLC
Petitioner,

v.

Rich Media Club LLC
Patent Owner.

Case IPR2023-00953
U.S. Patent 11,443,329

PATENT OWNER'S SUR-REPLY

TABLE OF CONTENTS

I.	Introduction and Summary of Arguments	1
II.	The Reply’s Sham Smedley Declaration Does Not Cure Smedley’s Sworn Admissions that Badros Does Not Teach a Viewability Test	4
III.	New References on Reply Cannot Backfill the Element Admittedly Missing from the Petition.	7
IV.	<i>Volvo Penta</i> Controls this Case, Petitioner Waived Any Argument to the Contrary, and Petitioner Nowhere Applies the <i>Volvo Penta</i> Test.....	12
V.	The Factual Record Demonstrated in the Response Is Almost Completely Ignored – and therefore Conceded – in the Reply	15
A.	Patent Owner’s Solution Worked; Other “Solutions” Did Not	15
B.	Long Felt Need and Commercial Praise	17
C.	Licensing, Commercial Success, and Copying	19
D.	Smedley Conceded Badros’ Fatal Flaw But Sherwood Conceded Nothing to Plug the Hole.....	21
E.	Sherwood and Patent Owner Properly Applied <i>Volvo Penta</i>	23
VI.	Krassner, a 102(e) Reference Is Subject to the §103(c) Safe Harbor	24
VII.	Lacking Krassner and Harkins, the Challenge to the Dependent Claims Fail	25
VIII.	Conclusion	25

TABLE OF AUTHORITIES

Cases

<i>Ecolchem, Inc. v. Southern California Edison Co.</i> , 227 F.3d 1361 (Fed. Cir. 2000)	21
<i>Fox Factory, Inc. v. Sram, LLC</i> , No. IPR2017-00472, 2018 WL 1889561 (Apr. 18, 2018)	14
<i>Henny Penny Corp. v. Frymaster LLC</i> , 938 F.3d 1324 (Fed. Cir. 2019)	11
<i>Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.</i> , 821 F.3d 1359 (Fed. Cir. 2016)	11, 12
<i>Intercontinental Great Brands LLC v. Kellogg N. Am. Co.</i> , 869 F.3d 1336 (Fed. Cir. 2017)	13, 14
<i>J.T. Eaton & Co. v. Atlantic Paste & Glue Co.</i> , 106 F.3d 1563, 1566 (Fed. Cir. 1997)	21
<i>Shelcusky v. Garjulio</i> , 172 N.J. 185 (N.J. 2002)	6
<i>Sinsky v. Pharmacia Ophthalmics, Inc.</i> , 982 F.2d 494 (Fed. Cir. 1992)	5, 6
<i>Stratoflex, Inc. v. Aeroquip Corp.</i> , 713 F.2d 1530 (Fed. Cir. 1983)	14
<i>Vimeo, Inc. v. British Telecomm PLC</i> , IPR2019-00833 (Aug. 5, 2020)	11
<i>Volvo Penta of the Americas, LLC v. Brunswick Corp.</i> , 81 F.4th 1202 (Fed. Cir. 2023)	passim
<i>Wasica Fin. GmbH v. Cont'l Auto. Sys., Inc.</i> , 853 F.3d 1272 (Fed. Cir. 2017)	11

Statutes

35 U.S.C. § 102(e)	24
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35 U.S.C. § 103(c)	24
35 U.S.C. § 312(a)(3).....	9, 12
37 CFR § 42.104(b)	9
37 CFR § 42.104(b)(2).....	10
Federal Rule of Civil Procedure 56	5

I. Introduction and Summary of Arguments

Petitioner's Reply does not, and cannot, cure the Petition's dispositive flaws: Badros does not teach or disclose *how* to accomplish a viewability test. Petitioner's paid witness Smedley unequivocally and repeatedly admitted this at deposition. Petitioner has not met, and cannot meet, its burden. Attempting to walk back Smedley's repeated admission, the Reply proffers a second declaration from Smedley. But Petitioner provides no explanation for Smedley's about-face. This reversal is not credible, and the sham affidavit doctrine precludes it. Further undermining his credibility, Smedley's new opinion that the '329 Patent's code doesn't work is objectively false. EX2064-68. Instead of curing problems, Petitioner's new witness Madansky exacerbates them, highlighting the voids in Petitioner's evidence.

The Reply nowhere mentions the key Federal Circuit case: *Volvo Penta of the Americas, LLC v. Brunswick Corp.*, 81 F.4th 1202 (Fed. Cir. 2023).

Petitioner's Reply ignores the case and nowhere follows its mandate that any obviousness finding can only be after "considering the totality of the evidence of obviousness, including the teachings of the combined references in relation to secondary considerations." *Id.* at *20. Madansky admitted that she "never heard" of *Volvo Penta* and "did not apply the test from the *Volvo Penta* case in [her] report." EX2062, 4:20-5:1; 6:2-5. Smedley still did not mention or apply it in his

second declaration. Petitioner's decision to ignore controlling case law is an admission that Petitioner cannot meet the law.

Petitioner's Reply fails to engage with the Response's facts, which are now undisputed. Petitioner did not rebut contemporaneous evidence of:

- Industry praise crediting RealVu with inventing viewability tests that work (e.g. EX2024, EX2035, EX2042)
- Widespread industry frustration with “served impressions” and the need for a reliable method for determining whether ads were viewable (e.g., EX2028-32)
- Contemporaneous evidence from the MRC's independent test of over 3 billion ads demonstrating that many viewability tests as late as 2012 did not work (EX2018)
- Commercial success of RealVu's solutions, that Duration used and licensed for years before it copied RealVu's technology, began infringing, and achieved its own commercial success. (EX2026, EX2055, EX2013, EX2014)

Instead of addressing the Response's law and facts, the Reply attempts to rewrite the Petition by attempting to introduce *eight* new references purportedly relating to viewability. This is improper: “Petitioner may not submit new evidence or argument that it could have presented earlier, e.g., to make out a prima facie case of unpatentability.” TPG, 73.

Further, the Reply argues, again, that the Board should consider, as a *ninth* new reference, the Krassner *publication* instead of the Krassner patent used in the

Petition. This is the very document the Board ordered expunged and instructed Petitioner not to re-file. Paper 21 (“the Krassner publication need not -- and indeed may not -- be re-filed under a new exhibit number.”). In defiance of the Board’s order, Petitioner filed it anyway under EX1017. Allowing Petitioner to swap references in Reply, after the Response, is more prejudicial to Patent Owner than it was when the Board last rejected it.

Trying to cure Smedley’s lack of knowledge of internet advertising and admission Badros does not teach a viewability, Petitioner submits a declaration from a new witness, Madansky. Besides being objectionable as first offered in Reply, Madansky’s declaration has major problems of its own. The Madansky declaration’s main point is introducing the many new references and arguing that a viewability test was well-known. But the declaration itself, and Madansky’s deposition testimony, contradict this. Madansky’s declaration admits: “Widespread discussion of viewability as an industry hot-button did not arise *until 2014.*” EX1026, ¶9 (emphasis added). Madansky admitted that she had no knowledge of any of Petitioner’s newly-added references before Petitioner retained her. Instead, she first learned about each reference sometime after March 1, 2024, when she was retained, after which Petitioner’s lawyers sent her the references. EX2062, 28:22-31:21.

II. The Reply's Sham Smedley Declaration Does Not Cure Smedley's Sworn Admissions that Badros Does Not Teach a Viewability Test

The claims require the step of making “a determination that the predefined areas that is used to display the advertisement has been in view within the visible area of the browser window for a predefined period of time.” Both parties have referred to this as a “viewability test” or a “viewability determination.”

The only reference the Petition relied on for supposedly teaching a viewability test is Badros. POR, 3-4 (citing Paper 1, 23 and EX1009, ¶¶67-68). Petitioner's own paid witness Smedley, when asked about the claim language, repeatedly stated that had *not* formed an opinion that Badros teaches the viewability determination and he was *not* able to offer such an opinion at his deposition:

Q. The question is, you do not have an opinion about whether Badros teaches to make determination that the predefined area that is used to display the advertisement has been in view within the visible area of the browser window for a predefined period of time?

A. *That's not something I've given an opinion on and it's not something I'm able to give an opinion on as we sit here today.*

POR, 4-5 (quoting EX2050, 50:22-52:19) (only 52:24-19 repeated here; emphasis added). The Reply tacitly admits, twice, that Smedley's testimony was not a mistake: he was not of the opinion that Badros teaches a viewability test when the Petition was filed or when his deposition was taken. First, on page 7, the Reply

argues is Smedley is **now** of the opinion that Badros teaches a viewability test, citing only his new declaration, not his original one. And on page 19, the Reply argues that the questions asking him about his opinions on Badros teaching a viewability went “beyond the issues addressed in” his original declaration.

There are two reasons to reject Smedley's late opinion. First, if the Petitioner's witness was not of the opinion that Badros teaches a viewability test when the Petition was filed, he should be held to that opinion. Forming the opposite opinion later is highly prejudicial to the Patent Owner and is not credible. Second, Smedley's second Reply declaration, after contradictory deposition testimony, is a quintessential example of a “sham affidavit.” Every circuit, including the Federal Circuit, has concluded these are inadmissible. *E.g., Sinskey v. Pharmacia Ophthalmics, Inc.*, 982 F.2d 494, 498 (Fed. Cir. 1992) (“A party cannot create an issue of fact by supplying an affidavit contradicting his prior deposition testimony, without explaining the contradiction or attempting to resolve the disparity. Where, as here, a party has been examined extensively at deposition and then seeks to create an issue of fact through a later, inconsistent declaration, he has the duty to provide a satisfactory explanation for the discrepancy at the time the declaration is filed. To allow him to preclude summary judgment simply by contradicting his own prior statements would seriously impair the utility of Federal Rule of Civil Procedure 56. The trial court properly disregarded the declaration in

assessing the existence of a genuine issue of fact”) (citations omitted); *see also Shelcusky v. Garjulio*, 172 N.J. 185, 194-95 (N.J. 2002) (collecting cases, including *Sinskey*, supporting the statement: “Following the Second Circuit’s decision in *Perma*, all federal circuits that have considered application of the [sham affidavit] doctrine in their jurisdictions have adopted it in some form.”).

Applying the sham affidavit doctrine is most appropriate here because Patent Owner gave Smedley an extraordinary warning, that his thrice-repeated deposition testimony was fatal to the Petition: “I need to know whether Badros teaches that or not *because if it doesn’t teach it, I don’t see how Badros can invalidate, how your opinion can support the petition.*” EX2050, 50:22-52:19 (emphasis added).

Immediately after this warning, Smedley reiterated: “That’s not something I’ve given an opinion on and it’s not something I’m able to give an opinion on as we sit here today.” Smedley had not and would not opine that Badros teaches a viewability test. While the Reply attempts to reverse this unequivocal testimony, neither Smedley nor Petitioner offer an explanation for Smedley’s about-face in his second declaration. He (and the Petitioner), however, had “the duty to provide a satisfactory explanation for the discrepancy *at the time the declaration is filed.*” *Sinskey*, 982 F.2d at 498 (emphasis added). He did not do so; the sham affidavit doctrine attaches.

To the extent Smedley's second declaration is accepted, however, it still has problems. Smedley still fails to identify anything specific in Badros that discloses *how* to do a viewability test, instead providing empty conclusory testimony: "There are basically infinite ways to implement it depending on various design choices." EX1027, ¶22. Nowhere does he offer an example of code that would work, and certainly no example of code that would work as of 2009. There is still a hole in the enablement proof. As to the new references, even if permitted, Smedley's quotation of only the titles of Himmel and Koeppel, one sentence from Sandige and one from Callaghan's Abstract, and nothing from Loo, does not meet Petitioner's burden to show the missing element, much less explain what these references disclose and how and why and how they would be combined with Badros, etc. EX1027, ¶17.

III. New References on Reply Cannot Backfill the Element Admittedly Missing from the Petition.

In a second attempt to plug the hole in Badros, the Reply relies on two new declarations and eight new references and Smedley's empty conclusion that "viewability tests were well known." EX1027, ¶¶15, 18, 26. Petitioner's new witness, Madansky, offers similar new opinions. EX1026, ¶¶5, 9, 11-19, 21.

This deluge of new declarations, references, and arguments is an effort to wholesale rewrite the grounds for the Petition on Reply. This is not permitted and is particularly objectionable here because each "new" reference was either actually

known or could have been discovered by Petitioner before filing the Petition.

Nowhere does the Reply explain why Petitioner did not file the references with the Petition. Petitioner did not offer such an explanation because indisputable evidence demonstrates that Petitioner was aware of most of the new references, including the Krassner publication, before it filed the Petition. Five of the new references were *of record* in the '329 prosecution. Petitioner included four of them in an IDS filed in its "copy patent" in 2021. Petitioner offers no information about when they learned of them, why diligence would not have revealed them sooner, or any other excuse for omitting them from the Petition.

Petitioner's position now that these "new" references are relevant to patentability also conflicts with its own acts. Petitioner's patent that plagiarizes the '329 patent (EX2004; EX2008) has a pending continuation application (18/111,479). Despite its duty of candor, Petitioner did not disclose six of the supposedly relevant references, *including Harkins*, in its February 2023 IDS in the pending application. EX2063, 151-58. It has filed no additional IDS since then. EX2063. Given the similarities of Petitioner's patent and the '329 patent, Petitioner's failure to inform the Patent Office about the new reference conflicts with its current position that they are relevant to patentability.

Reference (New in Reply except Badros and Harkins)	Of Record in '329 (EX1001)	Batkin '210 2021 References (EX2005)	Batkin Continuation App IDS (EX2063) [Feb 17, 2023]
EX1017, Krassner App. [Order already denied and expunged, Paper 21]	Yes	Yes	Yes
EX1025, Koeppel (or 2005/0177401 version)	Yes	Yes	Yes
EX1028, Himmel	Yes	Yes	Yes
EX1035, Blumenau	Yes	Yes	Yes
EX1037, Callaghan	Yes	No	No; no new IDS
EX1038,1039,1040, Alenty	--	No	No; no new IDS
EX1029, Sandige	--	No	No; no new IDS
EX1030, Loo	--	No	No; no new IDS
EX1034, Cordell	--	No	No; no new IDS
EX1003, Badros [Petition]	--	No	Yes
EX1004, Harkins [Petition]	--	No	No; no new IDS

Submitting new evidence and theories on Reply is not permitted in an IPR, 35 U.S.C. § 312(a)(3) (“the petition identifies, 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, including—(A) copies of patents and printed publications that the petitioner relies upon in support of the petition; and (B) affidavits or declarations of supporting evidence and opinions, if the petitioner relies on expert opinions”); 37 CFR § 42.104(b) (Petition must “the patents or printed publications relied upon for each ground”); TPG, 73 (On Reply, “Petitioner may not submit new evidence or

argument that it could have presented earlier, e.g., to make out a prima facie case of unpatentability”).

Petitioner attempts to use the new references to make out its prima facie unpatentability case. Starting on Reply page 20, Petitioner uses the eight new references to argue what it also argues Badros teaches: that viewability tests were known. If true, this is part of the Petitioner's prima facie case, and the rules do not permit forcing the Board and Patent Owner to now consider additional references not part of the Petition.¹

¹ The references also present multiple substantive issues, which word limits and sur-reply rules do not permit addressing. For example, Patent Owner objects to EX1038, EX1039 and EX1040 relating to a supposed system used by Alenty under at least FRE 801(hearsay), and 401/402 (relevancy). Petitioner relies on them to purportedly prove that “Alenty was a company that had a prior-art viewability product on the market.” But offering untested documents like these to “prove” the fact that a system of unknown capabilities existed is hearsay's essence. They are inadmissible and also irrelevant. The references purport to explain how a *system* operates but IPRs are limited to printed publications; systems cannot be used. 37 CFR § 42.104(b)(2). Petitioner cites EX1037 (Callaghan) purportedly to support the following: “Patent Owner's so-called ‘viewability test’ was well known for at least a decade prior to the 2009 priority date.” But Callaghan was not filed “at least a decade prior to the 2009 priority date”; Callaghan was filed on June 28, 2008, less than *one year before* April 2009. EX1037. If Callaghan had been submitted properly, the inventors could have sworn behind the reference, as they have done

This rule has been enforced by the Federal Circuit and the Board. *See, e.g., Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1369 (Fed. Cir. 2016) (“IBS chose which grounds of invalidity to assert in its petition and it chose not to assert this new one. Unlike district court litigation—where parties have greater freedom to revise and develop their arguments over time and in response to newly discovered material—the expedited nature of IPRs bring with it an obligation for petitioners to make their case in their petition to institute. While the Board’s requirements are strict ones, they are requirements of which petitioners are aware when they seek to institute an IPR.”); *Wasica Fin. GmbH v. Cont’l Auto. Sys., Inc.*, 853 F.3d 1272, 1286–87 (Fed. Cir. 2017) (“Rather than explaining how its original petition was correct, Continental’s subsequent arguments amount to an entirely new theory of *prima facie* obviousness absent from the petition. Shifting arguments in this fashion is foreclosed by statute, our precedent, and Board guidelines.”); *Henny Penny Corp. v. Frymaster LLC*, 938 F.3d 1324, 1330 (Fed. Cir. 2019) (“the Board did not abuse its discretion by holding HPC to the obviousness theory in its petition.”); *Vimeo, Inc. v. British Telecomm PLC*, IPR2019-00833 (Aug. 5, 2020) (quoting *Intelligent Bio-Systems*, 821 F.3d at 1369

before in another related patent application, 13/781,742 (now patent 9,824,074). EX2069. Space does not permitted cataloging other issues with other references.

and stating “[i]t 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.’” *Id.* (quoting 35 U.S.C. § 312(a)(3)). In *Illumina*, a petitioner included a new theory of invalidity in its reply brief, relying on new references not submitted with its petition. *Id.* In those circumstances, the Federal Circuit held that the Board did not err in refusing the reply brief as improper. *Id.* at 1370.”).

Here, the problem is exacerbated not just by the number of new references and new declarations after POR, but by the failure to provide sufficient explanation of what Petitioner contends these references show, where and how they show it, what combinations they are suggesting, motivation to combine, etc. The Reply’s citations to them, and the new Smedley and Madansky declarations, are short and unexplained. It is neither Patent Owner’s responsibility nor the Board’s to conduct analysis Petitioner never presented.

IV. *Volvo Penta* Controls this Case, Petitioner Waived Any Argument to the Contrary, and Petitioner Nowhere Applies the *Volvo Penta* Test

The Response relies repeatedly on the Federal Circuit’s August 2023 opinion in *Volvo Penta*, not only for its reminder that obviousness is a “totality of the evidence” test considering “the teachings of the combined references *in relation to* secondary considerations,” but also stressing that Petitioners (and the Board) must properly apply the test. *E.g.*, Resp., 45 (*citing Volvo Penta* at *15.). The

Response also asserted that neither the Petition nor witness Smedley took objective indicia into account *at all*, and nowhere applied *Volvo Penta*'s standard. POR, 46 (quoting Smedley: "I don't see anywhere where I have given an opinion on secondary considerations." (EX2050, 20:17-18)). The Reply's failure to address *Volvo Penta* compels upholding the validity of the claims.

All of Petitioner's Reply submissions ignore *Volvo Penta*. First, Smedley doubles down on ignoring the objective indicia, ignoring them again in his second declaration. Contrary to law, he did not consider them in his first declaration, could not discuss them at his deposition, and omits them from his second declaration. His failure to mention, let alone apply *Volvo Penta*, is yet another reason why the Board should reject his opinions. Second, Petitioner's new witness, Madansky, ignores most of the objective indicia evidence POR presented and nowhere applies *Volvo Penta*, as she admitted. EX2062, 4:20-5:1; 6:2-5. Third, while the Reply does try to discredit some of the objective evidence, it nowhere cites *Volvo Penta* nor applies its holding.

The Reply provides a single sentence and case purportedly supporting Petitioner's failure to apply the required "totality of the evidence" test: "Patent Owner's nearly 30-page secondary indicia arguments cannot overcome the strong showing of obviousness." Reply, 5 (citing *Intercontinental Great Brands LLC v. Kellogg N. Am. Co.*, 869 F.3d 1336, 1351 (Fed. Cir. 2017)). But *Intercontinental*

does not help Petitioner. As underscored by the Smedley's admission, the Petition made no obviousness showing, let alone a strong one. Unlike here where the Petition and Smedley did not consider objective evidence at all, the Federal Circuit emphasized in *Intercontinental* that the district court properly considered Kraft's evidence regarding indicia of non-obviousness. *Id.* at 1345 ("The district court drew its conclusion of obviousness only after, not before, considering the objective indicia."). The Federal Circuit has never established any rule that factfinders can ignore objective indicia based on a "strong showing" of obviousness. On the contrary, the Federal Circuit determined that the district court properly considered evidence regarding the objective indicia before reaching its ultimate conclusion of obviousness. Long-standing Federal Circuit precedent requires this. *E.g.*, *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1538-39 (Fed. Cir. 1983) ("Thus evidence rising out of the so-called 'secondary considerations' must always when present be considered en route to a determination of obviousness. Indeed, evidence of secondary considerations may often be the most probative and cogent evidence in the record. It may often establish that an invention appearing to have been obvious in light of the prior art was not."). This case is similar to *Fox Factory, Inc. v. Sram, LLC*, No. IPR2017-00472, 2018 WL 1889561, at *21 (Apr. 18, 2018) which rejected an obviousness challenge and found the evidence different than that

presented in *Intercontinental*: “We find this to be such a case where the objective evidence is the most probative evidence in the record.”

V. The Factual Record Demonstrated in the Response Is Almost Completely Ignored – and therefore Conceded – in the Reply

A. Patent Owner's Solution Worked; Other “Solutions” Did Not

In his second declaration, Smedley represents: “the ‘329 patent does not disclose code for implementing a viewability test.” EX1027, ¶23 (dismissing ‘329 correlator code “gobbledygook” and “makes very little sense”). This opinion is objectively false. As the Board can see, the code disclosed in the ‘329 patent operates today as it did in 2009. By following this link, https://control.realvu.net/proto/patent_code.html, the Board can see the code disclosed in the patent operating in realtime. Igor Tchibirev explains the page's programming in EX2064 and its exhibits, EX2065-68. Tchibirev programmed a “setup” page with two ad spaces, copied the correlator code from the ‘329 patent, and shows the pages running with and without the correlator code. It is objectively evident that, contrary to Smedley's opinions, the correlator code disclosed in the ‘329 patent: (1) discloses a viewability test; (2) is not gobbledygook; and (3) makes sense.

This demonstration underscores the clarity of the ‘329 disclosure, Badros' vacuum, and Smedley's lack of credibility. After incorrectly dismissing the ‘329 patent's functioning code as gobbledygook, Smedley nonetheless asserts:

“viewability tests were not hard to code.” Yet Smedley still nowhere provides any example of *how* the viewability test were actually ever coded, or even how they would be coded. He had three opportunities (two declarations and his deposition) to provide such an example, and he was unable to do so.

Smedley, Madansky, and Petitioner nowhere discuss or explain the indisputable record evidence that contradicts Smedley's “not hard to code” opinion. The POR included extensive review of a real-world test of purported viewability solutions that the MRC conducted in 2012. POR, 31-34 (quoting from EX2018, the MRC's “Viewable Impression Advisory”). In summary, the MRC tested the solutions from “five viewability measurement vendors,” testing “twenty-two campaigns representing more than three billion served impressions” from seventeen advertisers and twelve different agencies. EX2018, 4. The conclusion from this independent, contemporaneous, third-party administered test was that, apart from RealVu's accredited solution, no other company had yet demonstrated that any system worked. With every incentive to create a reliable test, the industry demonstrably failed to do so.

The Reply does not cite EX2018 and nowhere discusses its implications instead falsely asserting “Patent Owner presented no evidence of failure by others.” Reply, 22. But the Response presented the failed MRC test as “failure by others.” POR, 51 (“the MRC had to issue an advisory against adopting the standard

because of failure by others”). It’s not the case that Patent Owner failed to present evidence of other’s failure; Petitioner failed to respond to the evidence Patent Owner presented.

In the absence of any dispute, the MRC’s test is not only undisputed and compelling evidence of failure by others, but also demonstrable proof that, contrary to Smedley’s *ipse dixit* statement, viewability tests were so hard to code that few if any companies, other than RealVu/Rich Media Club, were able to do so prior to 2012.

B. Long Felt Need and Commercial Praise

The Response submitted extensive evidence of the industry’s need to change the way internet ads were monitored with the introduction of a viewability test. POR, 29-31. Several exhibits supported this historical fact including EX2028, the 2013 Annual Report of the Interactive Advertising Bureau. The Reply ignores this evidence, does not mention EX2028, and cannot, and does not, deny the historical fact that essentially the entire online advertising industry united to force a change to the viewable impression *only after* RealVu demonstrated it was possible.

The Reply’s attempt to sideline the extensive evidence of the need for a viewability test with a new argument that several new references show that a viewability test was known. Reply, 20-21. Even if they are considered over the objections, they cannot explain away the fact that the industry started to galvanize

around a new viewable impression standard only after RealVu demonstrated its invention or why the industry praised — and was surprised by— RealVu's solution if there really had been earlier solutions.

The Reply ignores David Cohen's blog post about his 2009 meeting with RealVu (EX2024) and industry praise for RealVu's (EX2042) solution. Petitioner cannot deny the contemporaneous praise RealVu's solution received from those most knowledgeable in the industry.

Without addressing what the cited praise actually says, Petitioner attacks it only for an alleged nexus failure because the praise was supposedly about MRC accreditation and not the actual viewability test itself. Reply, 22-23. This is demonstrably false. First, David Cohen's reaction to seeing an actual working viewability confirmation, EX2024, happened *before* the MRC accredited RealVu's solution. His praise:

- “rocked your world”
- “called into question everything you believed to be true”
- “this little known Salt Lake City startup could change everything”
- “the number of ads that we are paying for that go unseen floored me”
- “this kind of data will drive the industry towards an entirely new buying mechanic”
- “revisit some of the very foundations of our industry, like what qualifies as an ad impression”

- “giant step forward for the industry”
- “new bar for accountability”

does not say a word about accreditation. See also EX2054 (after seeing RealVu's system, David Cohen was “kind of astounded”). The Reply nowhere explains why this praise should be ignored.

Second, the quotations provided when RealVu's solution was accredited as the first solution recognized by the MRC, EX2042, are also not about accreditation. They discuss the solution itself. Cohen: “It also changes many of the fundamental tenets of our industry. It really could change everything.” Kim: “MSNBC believes that premium publishers can now use this technology to bring accountability and value to advertisers by running their brand messages in trusted environments where they know they will be actually seen.” Stuart: “we missed a major factor by not accounting for whether an ad has the potential to be viewed on the screen.” EX2042. And George Ivie, the CEO of the MRC, was quoted as saying RealVu “essentially invented viewability.” EX2035. The Reply does not address this evidence except to call it “self-serving.” Reply, 22. This makes no sense; the praise did not come from Patent Owner.

C. Licensing, Commercial Success, and Copying

The Reply makes no attempt to deny the following facts: (1) Petitioner licensed the patented technology from Patent Owner several years (EX2026); (2)

Petitioner copied the functionality that Patent Owner had provided and then did not renew the license (EX2013, EX2014); and (3) the combined sales of Patent Owner and Petitioner selling ads using the patented technology totaled was significant (EX2026, EX2055).

Rather than admit these facts all support non-obviousness, however, the Reply makes three arguments: (1) Petitioner's license doesn't matter because the technology was well-known (Reply, 25); (2) commercial success doesn't matter because it's not enough success (Reply, 25); and (3) copying doesn't matter because Petitioner did not copy source code and (again) the solution was well-known (Reply, 23-24). All three arguments are wrong. The Reply also repeats Petitioner's practice of re-litigating issues it has lost by attacking the claim charts used to show nexus between the products and the patents (EX2046-49). Instead of identifying a single missing element, however, the Reply asks the Board (again) to ignore the charts altogether. As Paper 49 already ordered, EX2046-49 can be considered, except the "analysis" column. There is no dispute that Petitioner's and Patent Owner's products are co-extensive with the patent, establishing nexus.

If companies license patented technology, the existence of the license makes it more likely that the patent is nonobvious because no one would pay a significant sum to license technology that can be obtained for free. Similarly, evidence of copying tends to show that solutions that are not copies may not exist, may not

work or are difficult to make. Here, Petitioner could not have copied any Badros solution because it did not actually disclose any working solution. Instead, Petitioner copied the system it learned during the years when it chose, and paid for, Patent Owner's solution.

Products that embody a patented invention succeed commercially when the invention is not already known. Petitioner made no attempt to suggest any of its sales were due to non-patented features. Petitioner characterizes the total amount as small, but the relevant comparison is not the revenue of the entire Internet advertising industry and smaller sales have been sufficient to demonstrate commercial success. *See, e.g., J.T. Eaton & Co. v. Atlantic Paste & Glue Co.*, 106 F.3d 1563, 1566, 1572 (Fed. Cir. 1997) ("sales evidence consisted solely of the patentee's "\$17 million of sales from 1979 through 1984, and its \$4 million of annual sales from 1985 through 1989."); *Ecolochem, Inc. v. Southern California Edison Co.*, 227 F.3d 1361 (Fed. Cir. 2000) (sales of \$13 million sufficient for commercial success; insufficient evidence of sales due to other factors).

D. Smedley Conceded Badros' Fatal Flaw But Sherwood Conceded Nothing to Plug the Hole

The Reply attacks Sherwood's knowledge (Reply, 12-17), but does so by repeatedly mischaracterizing Sherwood's testimony. For example, Reply page 12 represents: "Sherwood testified that his opinion on 'viewability tests' was based

entirely on his experience.” (citing, inter alia, EX1022, 35:25-26:4). Sherwood actually testified:

Q. What did you do [to] determine whether the prior art included disclosure of the viewability test?

A. I think in the examination I – **I reviewed the documents that I – that I mentioned. I looked at the content of Smedley's report.** I also, you know, I looked at my own experience.”

EX1022, 35:25-26:4.

Similarly, although reasonably agreeing about the words Badros literally used, Sherwood never agreed that Badros disclosed an enabled viewability test. Compare EX1022 to Reply, 6. Sherwood testified differently than Petitioner states:

Q. It's your opinion that Badros does not enable a person of ordinary skill in the art to create a viewability test, correct?

A. I might say it a bit differently, and the way I read Badros and the way I looked at what Smedley talked about, the same issue, it's that they recognize the importance of viewability, but didn't define how to do it well enough that a POSA could, in fact, implement a viewability test.

EX1022, 56:5-13 and:

Q. Well, you agree that Badros discusses viewability but it's not enabled, correct?

A. I believe the way I would state it is that Badros discusses
viewability, but he doesn't discuss how it's enabled.

EX1022, 67:25-68:4. Smedley conceded a fatal flaw in Badros and Sherwood
conceded nothing to plug the hole.

The Reply also repeatedly argues Sherwood is not sufficiently
knowledgeable about computer programming details, for example representing:
“Sherwood could not answer a basic question about the alleged source code in the
'329 patent.” Reply, 12 (citing, inter alia, EX1022, 16:20-25.). Sherwood actually
testified:

Q. But it's your opinion that this code [in the '329] teaches a
viewability test?

A. Well, I'm relying on Igor, his – his declaration and my discussions,
but, yes, he seemed to be a very knowledgeable person and could
explain how it worked. He was obviously much more
knowledgeable about JavaScript than I was, but, yeah, I'm relying
on him for that assessment.

EX1022, 16:18-25. There is nothing improper with Sherwood relying on Tchibirev
who has more (and more recent) experience with JavaScript.

E. Sherwood and Patent Owner Properly Applied *Volvo Penta*

Unlike Smedley, Sherwood has actual, real-world experience in the Internet
advertising industry. He was *there* when industry frustration with ads that never
came into view caused the industry to seek out and ultimately coalesce around

RealVu's solution to the problem. Unlike Smedley or Madansky or the Reply, Sherwood applied *Volvo Penta*'s test. EX2045, ¶¶92, 118, 119. He is the only witness to do so.

The Response applied *Volvo Penta*, culminating in a 3-page review of the (1) what the standard means (all evidence must be considered as a single totality), and (2) "considering the totality of the evidence of obviousness, including the teachings of the combined references in relation to secondary considerations." POR 58-62. The Reply never conducts this test, effectively conceding the conclusion reached by Patent Owner.

VI. Krassner, a 102(e) Reference Is Subject to the §103(c) Safe Harbor

The Reply's attack on the prima facie evidence of common ownership of the '329 patent and Krassner ignores the actual evidence. Both patents were assigned to Rich Media Club by November 2008. EX2015-16. One of the inventors, Igor Tchibirev, testified "at the time of the invention of the '329 patent, the '329 patent and the Krassner reference were commonly owned." EX2026, ¶5. There is no evidence—zero—that this testimony is inaccurate. The §103(c) safe harbor applies, and the Board already decided Petitioner cannot swap the Krassner publication for Krassner. Krassner is out.

VII. Lacking Krassner and Harkins, the Challenge to the Dependent Claims Fail

Patent Owner's Response explained what is apparent from the face of Harkins: a patent related to ads printed credit card receipts is non-analogous to a patent directed to Internet ads. Petitioner's real-world actions confirm that Petitioner considered Harkins to be so irrelevant that it did not include it in an IDS in its pending continuation application that plagiarizes the '329 patent. Petitioner knew about Harkins at least by May 2023 when it filed the Petition, but when the same counsel filed an IDS in Petitioner's pending '479 application in February 2023, it decided to omit Harkins. No additional IDS has been filed in that application. The Reply represents that "Harkins teaches that its invention can be used in web pages. Ex-1004, ¶30" but that paragraph nowhere discusses webpages, instead discussing storing advertising availability information in a database on a server.

VIII. Conclusion

The patentability of the challenged claims should be upheld.

Respectfully submitted,

Dated: April 23, 2024

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CERTIFICATE UNDER 37 CFR § 42.24(d)

Under the provisions of 37 CFR § 42.24(d), the undersigned hereby certifies that the word count for the foregoing Patent Owner's Sur-Reply totals 5,570 which is less than the 5,600 words allowed under 37 CFR § 42.24(c).

This word count was made by using the built-in word count function tool in the Microsoft Word software Version 2010 used to prepare the document.

Dated: April 23, 2024

/Ragnar Olson/
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on April 23, 2024, a complete and correct copy of the foregoing PATENT OWNER'S SUR-REPLY and EXHIBITS was served via electronic mail on the following counsel of record for Petitioner:

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