

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 RESPONSE
TO PETITIONER'S REQUEST FOR DIRECTOR REVIEW**

TABLE OF CONTENTS

I.	Legal Standards	3
II.	The Preponderance of the Admissible Evidence Compels the Conclusion that Badros Does Not Teach the Determination Limitation.	6
A.	The Admitted Evidence Compels the Board’s Conclusion that Badros Does not Teach the Determination Element	6
B.	Petitioner’s 11 th Hour Attempt to Rewrite the Petition in Its Reply Was Rightfully Rejected by the Board.....	10
III.	Conclusion.....	15

The patent in this case, 11,443,329, relates to replacing ads on a web page using technology to determine whether an available ad space is in view on a user's web browser. This "determination limitation" is a limitation in the independent claims of the '329 patent. The Petition relies on one reference, Badros (EX1003), and one paid witness, Dr. Smedley (EX1009), who opines on Badros as teaching the determination limitation. Paper 1 at 23 ("even though Krassner doesn't disclose" [the determination element] "Badros does . . .") (citing EX1003 (Badros) at 11:22-24, 12:27-40 and EX1009 (Smedley Dec.)). With the Petition, the Petitioner submitted the original declaration from Petitioner's paid witness Dr. Smedley, which also relies on one reference, Badros, as teaching the determination limitation. EX1009 ¶¶ 69-70; EX2050 at 135:22-136:3.

As the Board found, however, under oath and cross-examination, Dr. Smedley repeatedly declined to confirm that Badros taught the determination limitation. He instead testified, repeatedly, that he both (1) had not formed an opinion that Badros taught the determination limitation and (2) was unable to do so. As the Board's FWD put it:

Perhaps the most troublesome evidence for Petitioner is that own paid witness, Dr. Smedley, repeatedly testified on cross examination that he did not know whether Badros teaches the 'determination' limitation of claim 1, despite having considered Badros and offering other opinions on Badros.

Paper 71, FWD, at 23. Petitioner's paid witness's sworn testimony cannot have been clearer:

Q. That's exactly my question. Is it your testimony that you do not know whether Badros teaches to make a 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 that I have given an opinion on.*

Q. My question is, as you sit here today, is it your opinion that Badros teaches that or not?

A. *That's not something I've given an opinion on here, and I can't formulate that sort of opinion as we sit here. I'd have to – it's something I haven't done,*

Paper 71, FWD, at 23 (quoting EX2050, 50:22-52:19). The testimony was unequivocal despite being advised that such testimony would mean his testimony would not support the Petition:

Q. Well, I actually need an answer to that question because 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.*

MR. GREENLEAF: Objection, asked and answered.

A. Is there a question there?

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.

Paper 71, FWD, at 23-24 (quoting EX2050, 50:22-52:19) (emphasis added).

The Patent Owner emphasized this testimony in the Patent Owner's Response as did the Board in the FWD. In its present Request, the Petitioner ignores the testimony. Petitioner's head-in-the-sand refusal to acknowledge the admissions of its own paid witness means it presented the Director with an incomplete and misleading Request. By any measured review of the evidence, the decision of the Board is correct. There is no need for Director review.

I. Legal Standards

The Director Review website states that "the USPTO will set forth the procedures to be followed" in the event the Director requests a response. Patent Owner is not aware of any general rules for responses, but notes that, in this particular case, the Director determined that "additional briefing from the Patent Owner would be beneficial," and ordered that this Response is "limited to the issues raised in the Request." Paper 74 (Order).¹ Following the Order's

¹ Because this Response is "limited to the issues raised in the Request," the Patent Owner will not raise objections to other aspects of the FWD or the Director review

requirements, this Response is limited to the issues raised in the Request, which focuses only on whether Badros teaches the determination limitation, and, by implication, the determination that the challenged claims are non-obvious. Review of this single issue requires review of the evidence both parties submitted, however, not just the one-sided evidence cherry-picked by the Petitioner.

Extensive evidence was submitted to the Board that neither the Board addressed in the FWD nor the Petitioner discussed in the Request. Most importantly, the Patent Owner submitted extensive evidence and argument regarding objective indicia of non-obviousness, which the Board did not address because it found that Badros did not teach the determination element. Such evidence, however, must be considered before concluding the claims are obvious. *See, e.g., Volvo Penta Volvo Penta of the Am's. v. Brunswick Corp.* No. 2022-1765, at *20 (Fed. Cir. Aug. 24, 2023) (reversing PTAB obviousness determination for failing to properly consider the objective indicia; obviousness test requires properly “considering the totality of the evidence of obviousness, including the teachings of the combined references in relation to secondary considerations.”).

process understanding that those issues are preserved for appeal if necessary. In addition, Patent Owner has only responded to select arguments made by the Petitioner. Patent Owner is not conceding Petitioner’s other arguments are valid.

The Petition's failure to address objective indicia of non-obviousness was particularly acute in this case because the Petitioner had first-hand knowledge of much of it even before the Petition was filed. For example, the Patent Owner submitted overwhelming evidence demonstrating that the Patent Owner played a critical role in facilitating changing the Internet advertising industry from charging for served impressions to charging for *viewable* impressions. *See, e.g.*, Paper 35, POR 17-36 and exhibits EX2010, EX2017, EX2024-25, EX2027-33, EX2038-42.

In addition, the Petitioner had a been a customer of the Patent Owner, but then opted to copy, rather than license, the Patent Owner's technology. POR 36-39 and cited exhibits including EX2009, EX2013-14, EX2025-27, EX2047-49. The technology was commercially successful. EX2026, EX2055. The Petitioner not only copied the technology it had been buying from the Patent Owner, ***it even copied the Petitioner's patent***, claiming for itself to have invented the very technology it copied from the Patent Owner. EX2025, ¶¶ 18-22; EX2005; EX2007-08; EX2022-23. Much of this evidence—including the most troubling aspects of copying the Patent Owner's technology and patent—was known to the Petitioner before the IPR was filed. Under such circumstances, the Petitioner's failure to address the evidence in the Petition, in Smedley's first declaration, and now the Request, remains an independent reason to uphold the decision of the Board. If the Director initiates review of the IPR, *Volvo Penta* requires that

obviousness can only be determined “considering the totality of the evidence of obviousness, including the teachings of the combined references in relation to secondary considerations.” Failing to consider the objective indicia would be reversible error.

II. The Preponderance of the Admissible Evidence Compels the Conclusion that Badros Does Not Teach the Determination Limitation.

Evidence submitted to, and admitted by, the Board purporting to support the argument that Badros teaches the determination limitation includes the following documents and testimony submitted with the Petition: EX1003, Badros, and EX1009, Smedley’s first declaration, which relies and opines on Badros.

Evidence submitted to, and admitted by, the Board by the Patent Owner explain that Badros teaches the determination limitation includes at least EX2010, EX2050; EX2045; EX2026. The Request ignores most of this evidence. In addition, given the *Volvo Penta* mandate to consider objective indicia, the evidence submitted by the Patent Owner regarding secondary considerations was admitted and is relevant to resolving the Request. The Request ignores all evidence of objective indicia.

A. The Admitted Evidence Compels the Board’s Conclusion that Badros Does not Teach the Determination Element

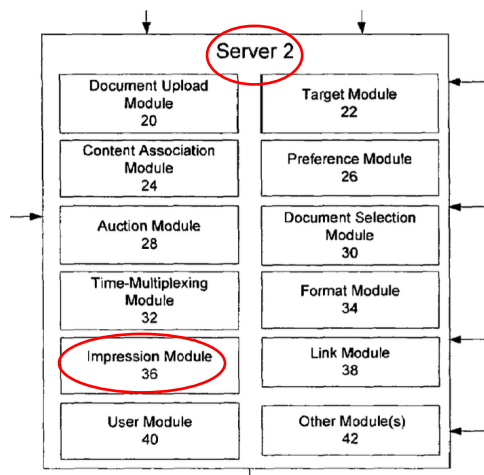
Almost all of the Request focuses only a review of the evidence submitted by Petitioner, and presents only the Petitioner’s (and the dissent’s) interpretation of

that evidence. Request 4-12. The Request does not acknowledge or address the extensive *opposing* evidence that establishes Petitioner failed to meet its burden.

One issue Petitioner repeatedly downplays is evidence regarding the disclosure in Badros itself. The specification contains extensive evidence that while Badros does discuss viewability, it was not discussing viewability *as set forth in the '329 patent's determination limitation*. It was instead discussing ads that were considered to be viewable because of where they were placed on a web page. The Patent Owner explained the issue in the POR:

As explained above, both Smedley and Sherwood agree that Badros does not expressly teach how to do a test for viewability. EX2050, 148:9-16; EX2045, ¶ 60.

But the disclosure in Badros is actually more problematic than merely not explaining how it would implement the viewability test. Badros explains that the “impression module” supposedly running the viewability test is one of several such modules that reside on “Server 2.” *E.g.*, EX1003 at Fig. 1:



Badros described each module as operating on the server-side of a web-based server-client architecture. *E.g.*, EX1003, 6:25-24:

“Server 2 may include various modules for providing functionality associated with documents, including document upload module 20, target module 22, content association module 24, preference module 26, auction module 28, document selection module 30, time-multiplexing module 32, document format module 34, link module 36, impression module 38, user module 40, and other module 42. The modules may function separately or in various combinations. While the modules are shown within a single server 2, the modules may also operate among several servers.”

But real-life systems, such as those used by both the Patent Owner and Petitioner, place code on a user’s computer/browser (client side) to determine whether an ad is within the viewport of a browser. EX2026, ¶ 14. Neither Badros nor the Petition nor Smedley point to *any* system that can run a viewability test from a server, and at least Tchibirev is not aware of any such system. *Id.* To the extent Badros is incorrectly interpreted as teaching a viewability test in the portions relied upon by the Petition, there is no explanation of how that would work.

POR 19-21. The POR explained that while no known system can meet the determination limitation from the server-side, what *does* work from the server side is to count served impressions that were expected to be viewable, i.e. those “above the fold.” This is exactly how Badros’ inventors described ads in a different patent

filed three months before the Badros reference was filed. See POR 8-10 (discussing EX2010); EX2045 ¶¶ 59-75 (discussing how a POSITA would understand Badros at the time of the invention).

This is not “conflating obviousness with enablement,” as argued in the Request. It is evidence demonstrating that one of ordinary skill, reading Badros at the time of the invention, would have understand the reference to be talking about ads *likely to be seen* rather than those that were *determined* to be “in view.” That is why Badros’ failure to describe *how* to do the determination element set forth in the ’329 patent’s specification and claims is important. Given the then-common understanding that an ad served in a location *likely* to be viewed counted as a viewable ad (as opposed to one below the fold, etc.), the lack of any teaching on how to do a determination test reinforces how one of ordinary skill would have understood Badros at the time, as the evidence showed. E.g. EX2045 ¶¶ 59-75.

The Request makes repeated references to a supposed admission by Patent Owner’s counsel and its expert that Badros “discussed viewability.” E.g., Request page 6, 12. But that misses the point of those statements. The Patent Owner has never denied that Badros contains the words that it contains. The issue is how what Badros says would have been understood by a POSITA at the time of the invention. Acknowledging that the reference uses the word “viewable” is not the same as conceding it teaches the determination limitation as set forth in the claims

of the '329 patent, which never took place. The Request's representations to the Director are, in fact, a gross distortion of the record. It is simply not possible to read the transcript and conclude—as Petitioner repeatedly and incorrectly argues—that Patent Owner “abandoned” the argument that Badros does not teach the determination limitation. See Paper 70.

How a POSITA would understand what Badros says is just one piece of evidence. The other evidence includes: (1) if Badros *was* disclosing the determination element running on a server, that would not work (i.e., the determination element is not enabled by Badros); (2) Smedley's repeated statements that, after considering Badros he was not of the opinion that it taught the determination element; (3) Smedley's repeated statements that it would not be possible for him to opine that Badros taught the determination element at his deposition; (4) Sherwood's opinion that Badros does not teach the determination element; and (5) the extensive evidence of objective indicia of non-obviousness, through which the teachings of Badros must be considered, and all of which suggest the determination limitation was not obvious in light of Badros. The great weight of the evidence obvious demonstrates Petitioner did not meet its burden.

B. Petitioner's 11th Hour Attempt to Rewrite the Petition in Its Reply Was Rightfully Rejected by the Board

The Petitioner attempted to address Smedley's unequivocal admissions multiple ways, one of which was to argue that Smedley had not considered

whether Badros taught the determination limitation in his first declaration so it was somehow improper to cross-examine him on it. This was the entire basis for the dissent to downplay Smedley's refusal to opine that Badros taught the element. FWD Dissent p.3. For multiple reasons, the argument is not just wrong, it was not preserved. Petitioner, for example, never objected that the questions that elicited Smedley's admissions were beyond the scope of Smedley's opinions provided with the Petition. Second, even if opinions were not in his declaration (they were), he confirmed that his opinions relied on Badros for the determination element:

Q. And you rely only on Badros in Ground 2, at least, for teaching the viewability test, correct?

A. In relation to claim element, the first one with the viewability test.

I'm only referring to Badros, the prior art references, yeah.

EX2050: 135:22-136:3.

Unlike the majority, the dissent based its analysis on this incorrect mischaracterization of Smedley's first declaration, stating: "Dr. Smedley does not testify about the disputed [determination] limitation in his first declaration." FWD Dissent p.3. But in reality, Smedley's first declaration contains multiple statements about the determination limitation including an unequivocal statement that Smedley was of the opinion that ***all claim elements*** were taught by the references:

62. In my opinion, *all the elements* of the challenged claims are unpatentable in view of the references discussed above.

EX-1009 ¶ 62. He also expressly offered opinions about Badros (and only Badros) as supposedly teaching the determination limitation (which he would later deny having formed an opinion about while claiming he was also unable to do so):

70. *It is my opinion that Badros alone also discloses* these steps. For example, Badros discloses the following:

Some embodiments may apply time-multiplexing criteria for a plurality of documents based on the time during which a document is actually viewable on the user's screen. Ex-1003, 11:22-24.

may *determine whether a document (e.g., a document containing a link) is actually visible to a user.* *Id.* at 12:36-37.

and it may track the time duration during which the document is actually visible to the user. *Id.*, 12:38-39.

EX-1009 ¶ 70. The opinion is not non-existent; ¶ 70 of his first declaration says: "It is my opinion that Badros alone . . . discloses . . . determin[ing] whether a document . . . is actually visible to a user and it may track the time duration during which the document is actually visible to the user."

The opposite of non-existent, Smedley proffered a similar opinion in the next paragraph of his first declaration, opining:

71. This disclosure demonstrates that it would have been obvious to request additional advertisements from a server *in response to determining an ad has been displayed for a predetermined*

time because *it discloses tracking the time duration of display* and sending a request to a server for replacement advertisements.
EX-1009 ¶ 71.

Indeed, Petitioner’s request for Director review concedes that it is relying on the same evidence that Smedley supposedly did not rely upon in his first declaration. *See* Request p. 8 ("Petitioner’s expert, Dr. Trevor Smedley, quoted a similar disclosure in his *opening declaration*...); *see also id.* at p. 7 (citing “Ex. 1009 (1st Smedley decl.), ¶70” in support of the proposition that “Badros does *claim* the viewability test”). Any suggestion that Dr. Smedley did not consider, or provide an opinion about, the viewability limitation in his first declaration is wrong. The cross examination on the subject of his declaration was proper. It was also proper to conclude the testimony supported finding Badros did not teach the determination limitation. *See, e.g., Card-Monroe Corp. v. Tuftco Corp.*, 270 F. Supp. 3d 967, 1000 (E.D. Tenn. 2017) (citing *ActiveVideo Networks, Inc. v. Verizon Communications, Inc.*, 694 F.3d 1312, 1329 (Fed. Cir. 2012) for the proposition that “where an expert fails to explain how a prior-art reference describes every limitation in a claim, no reasonable jury could conclude that the reference anticipates the claim”).

The other way Petitioner tried to address Smedley’s admissions was to submit extensive new evidence (a new Smedley declaration, a new declaration from a new witness, and nine new references) in its Reply, in flagrant violation of

the Trial Practice Guide and 35 U.S.C. § 312(a)(3). This unusual and voluminous attempted Reply submission was, itself, an implicit acknowledgement that Petitioner's record was lacking. Particularly with regard to the "determination" element, the Board correctly held that the new declarations were "belated," and granted the Patent Owner's motion to exclude as to that belated evidence. Paper 71, 24. The Reply submission was unfairly prejudicial and it was too late for the amount of additional work to address a record completely different from the Petition.²

Each of the flaws in the IPR are attributable to the Petitioner, not the Board. The flaws were not the result of legal or factual error required for Director review. They were flaws of the Petitioner's own making, starting with the selection of references the Petition relies upon and including testimony from the Petitioner's own witness that he could not testify that Badros teaches the determination step. The Director should not volunteer to wade through the mess the Petitioner made in the IPR. But the Director should be aware that the mess is a substantial one. When a Petitioner fails to include references in the Petition and then tries to introduce nine new references and two new declarations in Reply, the number of evidentiary

² The Board dismissed the motion to exclude the Petitioner's other belated evidence as moot. Paper 71, 25 n.6.

sub-issues that would have to be addressed (both substantive and procedural) is daunting. No amount of new evidence can change Dr. Smedley's troublesome testimony: he would not testify under oath that Badros teaches the determination element, and the Petitioner has to live with that admission. The Board made the correct decision based on the admissible evidence. The Director should decline to review it.

III. Conclusion

The Director should decline to review the Board's well-reasoned decision.

Dated: October 15, 2024

/Ragnar Olson/
Ragnar Olson
Reg. No. 58,684

Global IP Law Group, LLC
55 W. Monroe Street, Suite 3400
Chicago, IL 60603
Ph.: (312) 241-1503
Lead Counsel for Patent Owner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on October 15, 2024, a complete and correct copy of the foregoing Patent Owner's Response to Petitioner's Request for Director Review was served via electronic mail on the following counsel of record for Petitioner:

Kevin Greenleaf (Reg. No. 64,062)
Dentons US LLP
233 South Wacker Drive, Suite 5800
Chicago, IL 60606
Telephone: 650-798-0381
Email: kevin.greenleaf@dentons.com; ipt.docketchi@dentons.com

Joel Bock (Reg. No. 36,456)
Dentons US LLP
233 South Wacker Drive, Suite 5800
Chicago, IL 60606
Telephone: 212-398-8484
Email: joel.bock@dentons.com

/Ragnar Olson/
Ragnar Olson, Reg. No. 58,684
rolson@giplg.com
Global IP Law Group, LLC
55 W. Monroe Street
Suite 3400
Chicago, IL 60603