

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SONY INTERACTIVE ENTERTAINMENT LLC,
Petitioner,

v.

QUANTUM IMAGING LLC,
Patent Owner.

Case IPR2023-00954
Patent 8,458,028

PATENT OWNER'S PRELIMINARY RESPONSE
35 U.S.C. §313, and 37 C.F.R. §42.107(a)

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EXHIBIT LIST

Ex.	Description
2001	Petitioner's Preliminary Invalidity Contentions
2002	Memorandum from Katherine K. Vidal on Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation (June 21, 2022)
2003	Lex Machina, Patent Cases (All Judges) Time to Trial, U.S. District Court for the Western District of Texas, September 9, 2023
2004	Lex Machina, Patent Cases (Judge Alan D. Albright) Time to Trial, U.S. District Court for the Western District of Texas, September 9, 2023

Patent Owner Quantum Imaging, LLC (“QI”) submits this Preliminary Response (“POPR”) to the Petition for *inter partes* review of claims 1, 3-9 of U.S. Patent No. 8,458,028 (“’028 Patent”; Ex. 1001). Paper 2 (“Pet.”).

I. INTRODUCTION

The ‘028 Patent discloses and claims an unconventional method of automatically integrating business-related content into a locally executed game application on a primary electronic device, exposing a player of the game to the content, and automatically re-directing the player to a web page of a secondary electronic device upon executing of the game application. *Id.*, Abstract, 2:5-16.

Institution of an *inter partes* review (“IPR”) is authorized when “the information presented in the petition ... and any response ... shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. §314(a).

Petitioner does not satisfy the threshold for institution of this IPR because it has not shown there is a reasonable likelihood that it would prevail in establishing the unpatentability of at least one challenged claim. Institution of this IPR should be denied. Petitioner fails address the differences between the claimed subject matter and the prior art, and provide a reasoned analysis of how and why a person of ordinary skill in the art (“POSITA”) would combine the prior art in view of the

knowledge of a POSITA, and show they would have had a reasonable expectation of success.

A. The ‘028 Patent

The ‘028 Patent is titled System and Method for Integrating Business-Related Content Into an Electronic Game. Ex. 1001, code 54.

1. The ‘028 Patent discloses and claims a novel method of integrating business-related content from a web page into a device executing a game application, and re-directing a player to the web page

The ‘028 Patent is directed to “integrating business-related content into the execution of a game application.” *Id.*, Abstract. In particular, a player accesses a game application on a primary electronic device and is exposed to business-related content integrated into the locally executed game and is automatically re-directed to a web page by the user executing the game application. *Id.*, claim 1.

2. The challenged claims

Of the challenged claims, claim 1 is one of two independent claims, and is reproduced below:

1. A method of integrating business-related content over a computerized network, into *a primary electronic device that accesses a game application*, from at least one secondary electronic device that accesses business-related content on a plurality of web pages, the method comprising:

receiving a request at said primary electronic device to initiate a locally executed game application that is accessible at said primary electronic device, from a user interfaced with said network;

initiating said game application at said primary electronic device;

automatically integrating business-related content from at least one of said web pages of said secondary electronic device into said locally executed game application during execution of said game application;

automatically re-directing said user to one of said web pages of said secondary electronic device from said primary electronic device, said re-direction being integrated into said game application and said re-direction occurring as part of the user executing said game application; and

executing a user action on said business-related content from said secondary electronic device.

Ex. 1001, 7:14-35 (emphasis added).

II. THE ASSERTED GROUNDS

Petitioner asserts the challenged claims are unpatentable based on the following grounds:

Challenged Claims	35 U.S.C. §	Reference(s)/Basis
1, 3-9	103	Angles (Ex. 1007), POSITA knowledge
1, 3-9	103	Robinson (Ex. 1008), POSITA knowledge
6	103	Angles, Robinson, Ginter (Ex. 1009), POSITA knowledge

Pet. 4. Petitioner supports the grounds with the Declaration of David Crane (Ex. 1004).

A. Person of Ordinary Skill in the Art

For purposes of the POPR, QI applies Petitioner’s characterization of a POSITA.

B. Claim Construction

For purposes of the POPR, QI raises no claim construction issues.

III. PETITIONER HAS FAILED TO ESTABLISH A REASONABLE LIKELIHOOD THAT ANY CLAIM IS UNPATENTABLE

A. Institution Standards

Review cannot be instituted unless the Petition demonstrates a reasonable likelihood that at least one of the challenged claims is unpatentable. 35 U.S.C. §314(a); 37 C.F.R. §42.108(c). The Board “will not take on the role of advocate for a party, trying to make out a case the party has not adequately stated.” Standing Order ¶121.5.2 (B.P.A.I. Mar. 8, 2011). Rather, it is Petitioner’s duty to provide sufficient grounds for the institution of a review “focus[ing] on concise, well organized, easy-to-follow arguments supported by readily identifiable evidence of record.” *Cisco Sys., Inc. v. C-Cation Tech, LLC*, IPR2014-00454, Paper No. 12 at 11 (PTAB Aug. 29, 2014).

The ultimate determination of obviousness under 35 U.S.C. §103 is a question of law based on underlying factual findings. *In re Baxter Int’l, Inc.*, 678 F.3d 1357, 1362 (Fed. Cir. 2012) (citing *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 17-18 (1996)). “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.” *In re Magnum Oil Tools Int’l, Ltd.*, 829 F.3d 1364, 1380-81 (Fed. Cir. 2016). The “factual inquiry” into the reasons for “[combining] references must be

thorough and searching, and the need for specificity pervades.” *In re NuVasive, Inc.*, 842 F.3d v1376, 1381-82 (Fed. Cir. 2016) (internal quotations and citations omitted). The specific reasoning must include some rational underpinning to combine the prior art elements as claimed to support the conclusion of obviousness. *See KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007). It is Petitioner’s burden to demonstrate a motivation to combine, and a reasonable expectation of success. *See In re Magnum Oil Tools Int’l Ltd.*, 829 F.3d at 1381. Mere conclusory statements are insufficient. *Id.*, at 1380.

Petitioner asserts three obviousness grounds of unpatentability. Pet. 4. For the purpose of this POPR, the Board need only consider the validity of independent claims 1 and 7 of Grounds 1 and 2, and claim 6 of Ground 3. As shown below, the Petition fails to establish a reasonable likelihood that Petitioner will prevail. A trial therefore should not be instituted.

B. The Petition Fails to Articulate a Motivation to Combine the Prior Art with the Knowledge of a POSITA

Petitioner has failed to clearly articulate in the Petition the necessary motivation to combine in support of their arguments that Angles and Robinson in view of the knowledge of a person of ordinary skill in the art render the challenged claims obvious. There is no identification or explanation of the problem solved by the addition of the knowledge of a POSITA, or the resulting benefit of such a

combination, which would motivate a POSITA to modify Angles and Robinson to arrive at the invention as claimed.

Further, declarations with conclusory statements are entitled to little weight or no weight. *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9 at 15 (precedential) (citing 37 C.F.R. §42.65(a)). The Xerox opinion explains (citing KSR, 550 U.S. at 421 (2007)) on page 16: “This is particularly problematic in cases where, like here, expert testimony is offered not simply to provide a motivation to combine prior-art teachings, but rather to supply a limitation missing from the prior art.” *See also Arendi S.A.R.L. v. Apple, Inc.*, 832 F.3d 1355, 1361–62 (Fed. Cir. 2016) (holding that reliance on common sense in an obviousness analysis is “typically invoked to provide a known motivation to combine, not to supply a missing claim limitation”).

The Petition is replete with conclusory statements importing into the Petition from the expert report, allusions to what a POSITA would bring to the obviousness analysis in the form of evidence and information, but the Petition does not provide a discussion of the evidence and information being applied to the prior art reference, and how and why a POSITA would combine it, and have a reasonable expectation of success. Instead, the Petition merely applies conclusions that appear in close relation to the statements “a POSITA would have been aware” (Pet. 14, 64), a

“POSITA would understand” (Pet. 21, 25, 3), and a “POSITA would have recognized” (Pet. 22).

C. The Petition Should Not Be Instituted on Grounds 1 or 3 Because Angles Fails to Disclose or Teach Several Limitations of Claims 1 and 7, Rests on Conclusory Statements, and Lacks a Clear and Understandable Obviousness Analysis.

Petitioner asserts the Ground 1 claims are obvious based on the sole reference Angles, in view of the knowledge of a POSITA. Pet. 4. The asserted prior art fails to disclose one or more claim limitations, either expressly or inherently, and a POSITA would not have been motivated to start with or combine the asserted reference with the knowledge of a POSITA to arrive at the claimed subject matter, nor have had a reasonable expectation of success in arriving at the claimed subject matter. The Petition fails to establish a reasonable likelihood that this reference with the knowledge of a POSITA would have rendered the challenged claims obvious.

1. Angles

Angles is titled “System and method for delivering customized advertisements within interactive communication systems.” Ex. 1007, code 54. Angles is directed to effectively targeting advertisements to consumers accessing the Internet and tracking consumers response to the advertisements to avoid wasting advertising, and this is accomplished by delivering customized advertisements via electronic pages (websites or web pages) to users who execute actions on Internet web pages, and

who view information on the Internet provided by content providers residing on the Internet. *Id.* 2:18-31, 2:45-3:5. Angles deals in targeting advertisements to consumers browsing the Internet. To do so, Angles' delivery method relies on separate consumer, content provider, and advertisement computers. *Id.* 2:54-58, 7:45-52. Angles teaches integration of advertisements within electronic pages with content provided by a content provider computer prior to sending the electronic pages to the consumer, therefore the modified electronic page "appears to the consumer like all other electronic pages 32 on the Internet 33, except that it contains the customized advertisement 30 which has been pre-selected for that consumer." *Id.* 21:38-52.

a. Angles fails to disclose or teach a primary electronic device that initiates a locally executed game application that is accessible at said primary electronic device of claim 1

Petitioner relies on Angles to disclose the limitations "a primary electronic device that initiates a locally executed game application that is accessible at said primary electronic device" and "initiating said game application at said primary electronic device" of claim 1; it does not. Pet. 21-23 (limitations 1[a]-1[b]).

The claim expressly requires that the request to initiate a locally executed game application be received by the same electronic device at which the game application is accessible. But Angles makes it abundantly clear that in its system the

request is received by the content provider computer and the content is accessed at the consumer computer via the consumer browser software:

Referring to FIG. 3, an overview of the process of a consumer requesting an electronic document is shown. At start state 300 the process initializes and moves to state 302 wherein *the consumer computer 12 requests an electronic page 32 from the content provider computer 14.* As discussed in more detail below, the consumer computer 12 uses internet browsing software (not shown) to access the content provider's URL address. *The consumer browser software then accesses an electronic document 32 stored on the content provider computer 14.*

Ex. 1007, 8:33-43. Therefore, and as an initial matter, Angles does not teach this limitation, for per express teachings of Angles the request to initiate content is received at a different device (i.e., the content provider application) than where the same is accessed (i.e., the consumer computer).

Further, Angles does not disclose a locally executed game—all it discloses is electronic pages. Angles is directed to consumers accessing content providers content and advertisements residing on the Internet. Ex. 1007, Abstract. The content provider's content is stored on the content provider's computer accessible as websites on the World Wide Web at the consumer computer. *Id.*, 12:13-17. The content provider computer 14 delivers content to a consumer computer 12 utilizing

electronic pages 32. *Id.*, 12:36-43. The consumer accesses content providers through the communication medium 20 with a consumer Internet browser software, such as Microsoft Internet Explorer, located on the consumer computer. *Id.*, 10:43-53. The customized advertisements 30 are inserted by the content provider computer into the electronic pages 32. *Id.*, 12:51-58. Then, the delivery of customized advertisements is initiated by the consumer. *Id.*, 7:53-62 (“In operation, a consumer directs the consumer computer 12 to communicate with the content provider computer 14,” and the content provider computer 14 transfers the “preferred electronic page 32” containing “an embedded advertisement request 26” to the consumer computer 12.”). If a content provider computer 14 offers games, they are content executed on some website related to the content provider computer. *Id.*, 21:61-62.

There are differences between Angles and the invention as claimed that are not explained by Petitioner. First, Angles is clear that the consumer device used by a consumer uses Internet browser software to interact with and view electronic pages on the Internet presented to the consumer computer by a content provider computer, and that any games contemplated by Angles are “on-line games” operated on a separate content provide computer. *Id.*, 10:43-53, 21:61-65. Angles makes a clear distinction between browser software and games, and where they reside. Because Angles only discusses games as not locally executed, Petitioner attempts to equate

the browser software to the “a locally executed game application,” but does so with a conclusory statement of what a POSITA would recognize, referring to the explanation in Mr. Crane’s declaration (“[a]s Mr. Crane explained in his declaration...” (Pet. 22)), leaving a reader of the Petition devoid of a complete discussion of how or why a POSITA would understand that an on-line game executed on a content provider computer is a locally executed game application on a consumer computer. Further, the Petition does not explain how or why a POSITA would have combined Angles with the apparent knowledge of a POSITA to arrive at the locally executed game application limitation as claimed. In view of the fundamental purpose of Angles to present customized advertisements on Internet websites and to track Internet activity, Petitioner fails to address what would motivate a POSITA to modify Angles to arrive at the claimed invention.

b. Angles fails to disclose or teach automatically integrating business-related content ... into said locally executed game application during execution of said game application of claim 1

Petitioner further relies on Angles to disclose the limitation “automatically integrating business-related content from at least one of said web pages of said secondary electronic device into said locally executed game application during execution of said game application” of claim 1; it does not. Pet. 24-25 (limitation 1[c]). As illustrated above, Angles does not disclose a locally executed game

application, as claimed, and the Petition does not explain how or why a POSITA would have combined or modified Angles's Internet web pages and websites executed on a content provider computer with the knowledge of a POSITA to arrive at the locally executed game application of the invention as claimed. The Petition incorporates the discussion of limitations 1[a]-[b] into the analysis of limitation 1[c], and again ends with a conclusory statement that Angles discloses limitation 1[c] by quoting the claim language from limitation 1[c] and citing the Crane declaration.

There are significant differences between the operation of the system disclosed in Angles and the claimed invention that would discourage a POSITA from making modifications necessary to arrive at the invention as claimed. First, Angles is primarily concerned with effecting the advertisements a consumer is presented when using consumer browser software interacting with web pages on the Internet. To that end, any advertisements presented to the consumer are initiated by the consumer, and the actions that integrate the advertisements into the web pages presented to the consumer are performed not at the consumer computer, but at the content provider computer, as this operation, as well as other offerings, are handled by the content provider computer. *See Id.*, 21:61-22:8 (discussing the content provider computer providing on-line games and integrating the customized advertisements therein). Angles' primary purpose of targeting ads to consumers tied

to content provider web pages based on the consumers interactions with web pages on the Internet would discourage a POSITA from disregarding this volitional consumer step to automatically integrate business-related content into a locally executed game application as this is divergent from the path taken by claim 1.

Further, the claim requires that integration of business-related content into locally executed game application occurs both automatically and during execution of game application. Angles discloses neither. First, in discussing FIG. 9 (which is the embodiment disclosing the integration of customized advertisement into on-line offerings), Angles discloses that any such integration is initiated by the content provider: “Upon receiving the customized advertisement, the content provider incorporates the customized advertisement 30 into an electronic page 32.” *Id.*, 21:38-40. This clearly indicates that incorporation is initiated at the command of the content provider—not automatically by the content provider computer.

Additionally, Angles specifically discloses that integration of customized advertisements into on-line offerings happens “prior to” the consumer’s executing the on-line offerings—and not during execution by the consumer:

The content provider computer 14 then forwards the electronic page 32, combined with the customized advertisement 30 to the consumer computer 12. The consumer computer 12 then displays the electronic page 32 and customized advertisement 30 to the consumer. Because

transferring the customized advertisement 30 from the advertisement provider computer 18 to the content provider computer 14 happens prior to sending the electronic page 32 to the consumer, the electronic page 32 appears to the consumer like all other electronic pages 32 on the Internet 33, except that it contains the customized advertisement 30 which has been pre-selected for that consumer. Ex. 1007, 21:40-52.

Petitioner has failed to address the distinction of a primary electronic device that initiates a locally executed game application, where the business-related content of a web page is automatically integrated into the game application as claimed by claim 1, why a POSITA would start with Angles as a reference, and whether a POSITA would have a reasonable expectation of success if Angles were modified in the manner claimed. *Plas-Pak Indus., Inc. v. Sulzer Mixpac AG*, 600 F. App'x 755, 758 (Fed. Cir. 2015) (“[B]asic principles under which the [prior art] was designed to operate, or that render the prior art ‘inoperable for its intended purpose,’ may fail to support a conclusion of obviousness.” (internal quotations omitted)). The Petition fails to identify all of the limitations of claim 1, as arranged in the claim, in the prior art, and fails to articulate specific reasoning and rationale supporting a POSITA’s motivation to modify Angles to arrive at the invention as claimed, and why the proffered re-arrangement would be successful.

- c. **Angles fails to disclose or teach at least one of a plurality of locally executed applications, where content of a customized web page is automatically integrated into at least one of the locally executed applications of claim 7**

Petitioner relies on Angles to disclose the limitations “a primary electronic device” that initiates “at least one of a plurality of locally executed applications” of claim 7; it does not. Pet. 34-35 (limitations 7[a]). Petitioner’s analysis of limitation 7[a] is focused on the **receiving** feature, and fails to provide evidence in Angles of a disclosure of the remaining elements of limitation 7[a] as arranged in the claim, such as what are the plurality of locally executed applications, and the at least one locally executed application that is initiated by the primary electronic device. Petitioner references the analysis of limitation 1[a], but that limitation has different elements from limitation 7[a], and the elements are arranged in a different way from limitation 7[a]. If the analysis of limitation 1[a] could be incorporated into the analysis of limitation 7[a], such a leap of logic is not easy-to-follow. Petitioner’s reasoning for limitation 7[a] is non-specific, and conclusory, and fails to provide sufficient details as to how the claims are obvious in relation to Angles, as required by 35 U.S.C. §312(a)(3) and 37 C.F.R. §42.104(b)(4).

d. Angles fails to disclose or teach initiating one of a plurality of applications and the primary electronic device of claim 7

Petitioner relies on Angles to disclose limitation 7[b] (Pet. 35); but similar to the approach for limitation 7[a] above, Petitioner references the analysis of a prior claim, limitation 1[b], however that limitation has different elements from limitation 7[b], the least of which is a “plurality of applications” at the primary electronic device. Additionally, the elements of limitation 1[b] are arranged in a different way from limitation 7[b]. Petitioner incorporates by reference the analysis of limitation 1[b], and states the limitation is met in a conclusory fashion. If the analysis of limitation 1[b] could be incorporated into the analysis of limitation 7[b], the analysis of limitation 7[b] is non-specific, does not address the limitations as arranged in the claims, conclusory, and difficult to follow, and fails to provide sufficient details as to how the claim is obvious in relation to Angles, as required by 35 U.S.C. §312(a)(3) and 37 C.F.R. §42.104(b)(4).

e. Angles fails to disclose or teach limitations 7[d]-[e] of claim 7

Petitioner alleges Angles discloses limitation 7[d] by virtue of the analysis of limitation 1[d] (Pet. 36), and that Angles discloses limitation 7[e] in view of the analysis of limitation 1[e] (Pet. 36-37). Again, Petitioner incorporates by reference the analysis of claim 1 into the analysis of claim 7, despite the fact that the claims

include different words, and sums up the analysis in a conclusory fashion. This approach ignores differences in the claim language and the distinct meaning of each claim as a whole. The result is an incomplete, confusing, and conclusory, argument that is insufficient to support a determination of obviousness. This approach fails to provide sufficient details as to how the claim is obvious in relation to Angles, as required by 35 U.S.C. §312(a)(3) and 37 C.F.R. §42.104(b)(4).

In addition to an inadequate identification of the claim limitations within Angles, the Petition fails to make clear when or if the obviousness analysis involves the knowledge of a POSITA. *See* Pet. 4-5 (stating all Grounds are obviousness challenges involving prior art and the knowledge of a POSITA). Nowhere in the Ground 1 analysis, or elsewhere in the Petition does Petitioner identify the knowledge of a POSITA being invoked. Nor does the Petition provide a specific reason for involving the knowledge of a POSITA, and a rationale underpinning to do so in support of a motivation to combine or modify, and a reasonable expectation of success.

Because the Petition fails to show Angles discloses, teaches, or suggests all of the limitations of independent claims 1 and 7 as arranged in the claim, either alone or in association with the knowledge of a POSITA, institution based on Ground 1 should be denied.

D. All Remaining Claims That Rely on Angles Fail for the Same Reasons

Ground 1 relies on Angles and the knowledge of a POSITA. Claims 3-6 depend from independent claim 1 and rely on Angles and a POSITA, and claims 8-9 depend from independent claim 7 and also rely on Angles and a POSITA. Because Angles and the knowledge of a POSITA does not render obvious independent claims 1 and 7, it cannot render obvious dependent claims 3-6, and 8-9, and institution based on Ground 1 should be denied.

1. The Petition Should Not be Instituted on Ground 3 in view of Angles Because it Fails to Disclose or Teach Several Limitations of Claims 1 and 7, Relies on Incomplete Arguments, Rests on Conclusory Statements, and Lacks a Clear and Understandable Obviousness Analysis

Ground 3 relies on Angles, and in the alternative Robinson, as the primary reference to allege obviousness of claim 6. Pet. 64. Claim 6 depends from claim 5, and claim 5 depends from claim 1. Ex. 1001, 8:1-9. Petitioner's analysis of claim 6 does not include any specific reference to what is allegedly discussed above with respect to the teaching of a "layer profile" generated based on actions made during a "game application." Pet. 64. But, because Angles does not render obvious independent claim 1, it cannot render obvious dependent claim 6, and institution based on Ground 3 in view of Angles should be denied.

E. The Petition Should Not Be Instituted on Grounds 2 or 3 Because Robinson Fails to Disclose or Teach Several Limitations of Claims 1 and 7, Rests on Conclusory Statements, and Lacks a Clear and Understandable Obviousness Analysis

Petitioner further asserts claims 1, 3-9 are unpatentable as obvious based on the primary reference Robinson, in view of the knowledge of a POSITA. Pet. 5. The asserted prior art fails to disclose one or more claim limitations, either expressly or inherently, and a POSITA would not have been motivated to start with or combine the asserted references with the knowledge of a POSITA to arrive at the claimed subject matter, nor have had a reasonable expectation of success in arriving at the claimed subject matter. The Petition fails to establish a reasonable likelihood that this asserted reference with the knowledge of a POSITA would have rendered the challenged claims obvious.

1. Robinson

Robinson is titled “System and method to configure and provide a network-enabled three-dimensional computing environment.” Ex. 1008, codes 54. Robertson aims to improve upon the 2D interaction users encountered when using computers or interaction with an e-commerce environment. *Id.*, 1:39-44. To that end, Robinson’s system is directed to a situation where “the user’s computer screen displays a 3D room or scene,” and where “[t]he user can ‘enter’ the space, rather than merely ‘view it.’” *Id.* 1:59-62. The 3D interface allows standard computer icons

to be “spatially places anywhere in the 3D environment.” *Id.* 5:19-28. Robinson’s e-commerce setting is facilitated by first downloading software to a client machine 460 that includes a “3D environment Persistent Client kernel 464.” *Id.*, 10:18-29. The purpose of the kernel 465 is for the placement of advertisements on the user’s desktop. *Id.*, 10:41-50; 12:44-47, 52-16; 57-66.

2. Petitioner fails to account for the differing claim language between 1[preamble] and 7[preamble]

Petitioner elects to interpret 7[preamble] as limiting, and relies on Robinson to teach the limitation. Pet. 56. Petitioner provides no discussion of the preamble, and merely incorporates the analysis of 1[preamble] (Pet. 45-46) as disclosing the limitation 7[preamble], wrapping up the analysis with a conclusory statement stating Robinson discloses the limitation, citing the expert report. Pet. 56-57. The preamble language of claim 1 and 7 are different; limitation 7[preamble] states “automatically integrating content into an electronic device.” Ex. 1001, 8:10-11. Limitation 1[preamble] does not include “automatic” language, and the Petition does nothing to resolve the differences between the claim preambles and if this feature as claimed is found in Robinson. Petitioner has failed to address the meaning of each word in the limitation or how the limitations are disclosed in Robinson.

3. Robinson fails to disclose or teach a primary electronic device that initiates a locally executed game application that is accessible at said primary electronic device of claim 1

Petitioner relies on Robinson to teach limitations 1[a] and [b]. Pet. 46-48. Limitation 1[a] requires, in part, “a locally executed game application that is accessible at said primary electronic device” And limitation 1[b] then requires “initiating said game application at said primary electronic device.” Petitioner alleges Robinson’s disclosure of a “3D environment client kernel 465” that is downloaded to a client machine 460, as shown in FIG. 4 meets limitation 1[a]. Pet. 46-47 (citing Ex. 1008, 10:22-29). Robinson does not disclose or teach limitations 1[a]-[b] as claimed, for several reasons. First, limitation 1[a] recites “initiate a locally executed game application that is accessible at said primary electronic device.” Robinson does not disclose a game application accessible on a client machine 460. The kernel 465 of Robinson must first be downloaded to the client machine 460 prior to being accessible to a user 410. Ex. 1008, 10:18-33 (discussing downloading the kernel 465 at the request of the user 410).

Second, the purpose of the kernel 465 is not a game application; its purpose is for the placement of advertisements on the user’s desktop. *Id.*, 10:41-50.

Third, the games briefly discussed by Robinson are merely “online games,” and thus are not locally executed by their nature. Limitation 1[a] requires a locally executed game application accessible at the primary electronic device, and limitation

1[b] requires initiation of the game application at the primary electronic device. The kernel 465 of Robinson is not a locally executed game application, and is not accessible at the primary electronic device until downloaded. Further, the purpose of the kernel 465 is not as an application that is a game application; its purpose is as a vehicle for placing advertisements on the user's desktop, either in a 2D environment or a 3D environment.

Fourth, Petitioner's analysis of limitations 1[a]-[b] is based on impermissible hindsight, demonstrated by merely identifying where a reference to a game is found in the prior art, but failing to explain why or how a POSITA would derive from, or modify the reference to arrive at the invention as claimed. Petitioner relies on Robinson's discussions of "extensions" to show Robinson teaches a network-enabled 3D Computing environment supports "online games." Pet. 47 (referring to a discussion of the "3D persistent client kernel 465" in 1[preamble] above (Pet. 45-46)). Robinson mentions online games, but does not disclose how the kernel 465 is involved with the online games in a manner that supports Petitioner's assertion that the "3D computer environment can be a locally executed game application". Pet. 46. The kernel 465 is a vehicle for e-commerce advertisement placement, not as a game application. Ex. 1008, 12:52-16. It is impermissible to allow hindsight bias to be "the thread that stitches together prior art patches into something that is the claimed

invention.” *Metalcraft of Mayville, Inc. v. The Toro Co.*, 848 F.3d 1358, 1367 (Fed. Cir. 2017). Here, there is no articulated specific reasoning to support Petitioner’s conclusion that the kernel 465 is a locally executed game application. Where the required obviousness analysis and reasoning is conclusory or absent, “it is especially important to guard against the dangers of hindsight bias” and not to simply “assume that ‘an ordinary artisan would be awakened to modify prior art in such a way as to lead to an obviousness rejection.’” *Plantronics, Inc. v. Aliph, Inc.*, 724 F.3d 1343, 1354 (Fed. Cir. 2013).

4. Robinson fails to disclose or teach limitation 7[c]

Petitioner alleges Robinson teaches limitation 7[c] because of the disclosure of, in part, the ability of a user to use the VR advertisement environments described by Robinson for “advertisement areas in website, portals, search engine results and other pages displayed on the internet and internet environments,” (Pet. 58 (quoting Ex. 1008, 16:55-59) and apparently repeated use of the word “customize” in the portion of Robinson discussing features of the “Persistent Client Window 912.” Pet. 58. The snippet of Robinson discussing “websites” pertains to a discussion of the “VR advertisement environments” as provided in the Persistent Client window 912. Ex. 1008, 15:5-7 (“The present invention includes functionality to place 2D or “3D/spatial” advertisements, promotions, or messages in the Persistent Client Window 912.”). These advertisements are part of the Persistent Client window 912

that reside on the user's desktop. Ex. 1008, 15:35-36 ("For example, a 3D or 2D advertisement may be positioned in the Persistent Client window 912."). Robinson is silent on the ability of a user from the "Persistent Client window 912" to access a customized web page having content for use with the VR advertisement environment on the user's desktop. The use of the multi-user VR advertisement environment addressed by Robinson is use of the environment to apply an advertisement area to a website. *Id.*, 16:55-59.

In addition to an inadequate identification of the claim limitations within Robinson, the Petition fails to make clear when or if the obviousness analysis involves the knowledge of a POSITA. *See* Pet. 4-5 (stating all Grounds are obviousness challenges involving prior art and the knowledge of a POSITA). Nowhere in the Ground 2 analysis, or elsewhere in the Petition does Petitioner identify the knowledge of a POSITA being invoked. Nor does the Petition provide a specific reason for involving the knowledge of a POSITA, and a rationale underpinning to do so in support of a motivation to combine or modify, and a reasonable expectation of success.

Because the Petition fails to show Robinson discloses, teaches, or suggests all of the limitations of independent claims 1 and 7 as arranged in the claim, either alone

or in association with the knowledge of a POSITA, institution based on Ground 2 should be denied.

F. All Remaining Claims That Rely on Robinson Fail for the Same Reasons

Ground 2 relies on Robinson and the knowledge of a POSITA. Claims 3-6 depend from independent claim 1 and rely on Robinson and a POSITA, and claims 8-9 depend from independent claim 7 and also rely on Robinson and a POSITA. Because Robinson and the knowledge of a POSITA does not render obvious independent claims 1 and 7, it cannot render obvious dependent claims 3-6, and 8-9, and institution based on Ground 2 should be denied.

1. The Petition Should Not be Instituted on Ground 3 in view of Robinson Because it Fails to Disclose or Teach Several Limitations of Claims 1 and 7, Relies on Incomplete Arguments, Rests on Conclusory Statements, and Lacks a Clear and Understandable Obviousness Analysis

Ground 3 relies on Angles, and in the alternative Robinson, as the primary reference to allege obviousness of claim 6. Pet. 64. Claim 6 depends from claim 5, and claim 5 depends from claim 1. Ex. 1001, 8:1-9. Petitioner's analysis of claim 6 does not include any specific reference to what is allegedly discussed above with respect to the teaching of a "layer profile" generated based on actions made during a "game application." Pet. 64. But, because Robinson does not render obvious

independent claim 1, it cannot render obvious dependent claim 6, and institution based on Ground 3 in view of Robinson should be denied.

G. The Board Should Exercise Discretion Under 35 U.S.C. §314 to Deny Institution

Institution of *inter partes* review is always discretionary. 35 U.S.C. §314(a).

The Board should exercise its discretion under §314(a) to deny institution here.

1. The Board should exercise its discretion to deny institution of this Petition.

The Board should deny institution under §314(a) in view of its precedential decisions in *NHK Spring*¹ and *Apple v. Fintiv*² because the '028 Patent is involved in a parallel district court proceeding (*Quantum Imaging LLC v. Sony Group Corporation, et al.*, Case No. 6:22-cv-00573-ADA-DTG (W.D. Texas, June 3, 2022)) that involves the same issues, arguments, and evidence that Petitioner has presented in this Petition. The parties and district court have already expended substantial time and resources, and a jury trial is scheduled for April 2024. Ex. 1010. A final written decision (“FWD”) in this proceeding is expected no earlier than

¹ *NHK Spring Co., Ltd., v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sep. 12, 2018) (precedential).

² *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential).

December 2024, at least seven months after the jury trial begins. Duplicating the district court's efforts would not be an efficient use of the Board's resources and would not serve to fulfill the primary purpose of AIA proceedings: to provide a practical and efficient alternative to district court litigation.

In *NHK Spring* the Board denied institution primarily because the related district court case was nearing its final stages and would resolve all the issues before the Board. *NHK Spring Co.*, IPR2018-00752, Paper 8 at 20 (PTAB Sep. 12, 2018) (precedential); *see also id.*, 11-18 (applying discretion under 35 U.S.C. §325(d)). Other cases—relying on *NHK Spring*—have also denied institution. For example, in *E-One, Inc. v. Oshkosh Corp.*, the Board applied *NHK Spring*'s analysis under 35 U.S.C. §314(a) to deny institution. IPR2019-00161, Paper 16 (PTAB May 15, 2019). In *E-One*, the Board reasoned:

[i]n the §314(a) portion of its analysis, [*NHK Spring*] noted that a district court proceeding involving the same patent was scheduled to go to trial before a final decision would have been due in the Board proceeding, and the Board proceeding would involve the same claim construction standard, the same prior art references, and the same arguments as in the district court.

Id., 6. In both *NHK Spring* and *E-One*, factors warranting a denial of institution included: the district court investing considerable time and resources to handle the same issues presented in the IPR, and trials that were scheduled to be

completed prior to a Board's FWD. The facts here warrant denial just as decided in *NHK Spring* and *E-One*. Further, the Petition will not serve as an "effective and efficient alternative" to litigation, frustrating a primary objective of the AIA. *Gen. Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16–17 (PTAB Sept. 6, 2017) (precedential).

In *Fintiv*, the Board emphasized six factors to consider under *NHK Spring* which are discussed below. *See* *Fintiv*, IPR2020-00019, Paper 11 at 5-16. The Board stated that "[t]hese factors relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding." *Id.*, 6. Here, each of these factors favors denial of institution of this Petition. The Board should apply its discretion under 35 U.S.C. §314(a) to deny institution of the requested proceeding for the following reasons.

a. Factor 1 weighs against institution, as no court has granted a stay and no evidence exists that a stay may be granted.

The parallel district court proceeding has not been stayed. That proceeding includes four patents, three of which are not at issue in this Petition. Although Petitioner has filed multiple Petitions against the other patents-in-suit at the district court, Petitioner has not sought a stay in the district court pending resolution of the PTAB trial. There is a pending motion to stay pending resolution of the motion for

intra-district transfer. But the district court has not indicated whether it would grant a stay if *inter partes review* is instituted.

Regarding the motion to stay pending resolution of motion for intra-district transfer, consistent with its position regarding stays in general, the Board should decline to speculate whether the district court will grant a stay in this proceeding. *See, eClinicalWorks, LLC v. Decapolis LLC*, IPR2022-00229, Paper 10 at 8 (April 13, 2022) (“We will not attempt to predict, based on the facts in allegedly similar prior situations, how the Texas District Court would rule should a stay be requested in the WDTX Cases.”); *see also, Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (PTAB May 13, 2020) (remarking judges decide stays based on the facts at issue in each case, and the Board refuses to infer how district courts will act in different cases with different facts).

It is more likely that a stay would not be granted in the district court if trial is instituted here. This factor weighs in favor of discretionary denial of institution.

b. Factor 2 weighs against institution, as trial in the district court is scheduled to begin months before the final written decision deadline.

Trial is set to begin in the parallel district court proceeding in April 2024. Ex. 1010. This trial date is currently at least seven months before an expected December 2024 FWD would issue in this IPR. Proceedings with similar substantial gaps between trial and FWD have found Factor 2 weighs in favor of denying institution.

See, Bentley Motors Limited and Bentley Motors, Inc. v Jaguar Land Rover Limited, IPR2019-01539, Paper 16 at 7-8 (PTAB October 2, 2020) (finding that a trial date eight months before the statutory deadline for a FWD was a factor weighing in favor of discretionary denial); *Apple Inc. v. Maxell, Ltd.*, IPR2020-00203, Paper 12 at 9–10 (PTAB July 6, 2020) (eight months); *Cisco Systems, Inc. v. Oyster Optics, LLC*, IPR2021-00319, Paper 9 at 10-12 (PTAB Jun. 8, 2021) (seven months); *Cisco Systems, Inc. v. Ramot At Tel Aviv University LTD.*, IPR2020-00123, Paper 14 at 7-8 (PTAB May 15, 2020) (six months). Here, just as in *NHK Spring*, “[i]nstitution of an inter partes review under these circumstances would not be consistent with ‘an objective of the AIA ... to provide an effective and efficient alternative to district court litigation.’” *NHK Spring*, IPR2018-00752, Paper 8 at 20. As the Board recognized in *Fintiv*, “[i]f the court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution under *NHK*.” *Fintiv*, IPR2020-00019, Paper 11 at 9.

Importantly, there is no evidence that the parties’ trial will be extended, let alone delay of trial would extend past the statutory deadline for the FWD. *See Cisco Systems, Inc.*, IPR2021-00319, Paper 9 at 10-12 (weighing *Fintiv* factor 2 in favor of exercising discretion to deny Petition). Further, Petitioner points out that at the filing of the Petition, the Related Matter was at its early stages; as discussed below,

the Board recognizes the progress made in the district court at the time of the institution decision, not the time of the filing of the Petition.

There is no reason to believe the April 2024 trial will be postponed, much less postponed significantly enough to close the four-month gap such that the FWD would issue before the trial. See *Fintiv*, Paper 11 at 13 (“We generally take courts’ trial schedules at face value absent some strong evidence to the contrary.”); see also, *Cisco Systems, Inc. v. Monarch Networking Solutions, LLC*, IPR2020-01227, Paper 11 at 9-11 (PTAB Mar. 4, 2021) (declining to speculate whether the district court will grant the pending motion to transfer and weighing *Fintiv* factor 2 in favor of denial of institution).³ Without a stay pending IPR, litigation continues, and there

³ This timing continues to hold under the guidance in the Director’s June 21, 2022 memo titled “Interim Procedures for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (“*Fintiv Memo*,” Ex. 2003). The *Fintiv Memo* directs the Board to “consider the median time from filing to disposition” in the district court (Ex. 2003 at 3), which for patent cases in the Western District of Texas is 25.4 months (Ex. 2004), and for patent cases before Judge Albright is 24.7 months (Ex. 2005). Counting from the June 3, 2022 filing of the parallel district court case results in an average time to trial before the end of

will be a continued expenditure of court resources. This factor weighs in favor of discretionary denial of institution.

c. Factor 3 weighs against institution, as parties to the district court litigation have already invested significant time and resources.

The parties and the district court have invested significant time and resources. In *Fintiv*, the Board stated, “if, at the time of the institution decision, the district court has issued substantive orders related to the patent at issue in the petition, this fact favors denial. Likewise, district court claim construction orders may indicate that the court and parties have invested sufficient time in the parallel proceeding to favor denial” of institution. *Id.*, 9-10. Further, “[t]his investment factor is related to the trial date factor, in that more work completed by the parties and court in the parallel proceeding tends to support the arguments that the parallel proceeding is more advanced, a stay may be less likely, and instituting would lead to duplicative costs.” *Id.*, 10.

The investment by the parties and the court will be significant by the time either an institution decision or a FWD would be issued. For example, by the time an institution decision is rendered in December 2023, the parties will have (1)

July 2024, well in line with the scheduled April 2024 trial and still roughly five months before any expected FWD here.

completed Claim Construction briefing after depositions, (2) have had the Court rule on Sony's motion to transfer after related discovery and depositions, (3) conducted a *Markman* hearing, (4) received claim constructions (the court's procedure is to provide preliminary construction shortly in advance of the Markman hearing and then provide final constructions at the hearing), (5) exchanged Final Infringement and Invalidity Contentions, and (7) closed fact discovery, which closes November 29, 2023. Ex. 1010. Petitioner's decision to challenge venue has significantly increased the investment of the parties in the district court case. Further, fact discovery opened for all purposes on October 14, 2022. This factor weighs in favor of discretionary denial of institution.

d. Factors 4-6 weigh against institution, as there is significant overlap between this IPR and district court proceedings, the parties involved are the same, and the asserted grounds fail.

The dispute in this proceeding and the district court case involves the same parties and overlapping issues. (Factors 4 and 5). It is undisputed that Petitioner is a defendant in the parallel district court litigation. Moreover, Petitioner has presented substantially the same art and grounds of unpatentability in this Petition that it is asserting in the district court case – that the claims of the '028 Patent are allegedly obvious over at least the prior art Angles and Robinson. Ex. 2001 at 9-10. Thus, the

claims and prior art addressed by PTAB will not materially differ from what is being addressed in the parallel district court litigation.

Petitioner has failed to make a stipulation in the Petition in full accordance with *Sotera* and has not filed such a stipulation in the district court. Petitioner identifies concerns about overlapping of issues with the conditional statement: “if the Board institutes IPR in this proceeding, Petitioner will cease asserting in the Related Matter the prior art for the claims on which the IPR is instituted.” Pet. 68. But, this statement falls short of the estoppel that follows from 35 U.S.C. §315(e)(2) whereby a petitioner is prohibited from asserting a “claim is invalid on any ground that the petitioner raised or reasonably could have raised during [the] inter partes review.” While Petitioner has stipulated invalidity positions raised at the district court that are also brought before the Board, Petitioner’s stipulation is narrow – it covers only prior art references for the claims on which the IPR is instituted, but leaves out prior art they “reasonably could have raised.” *See Verizon Business Network Services LLC, v. Huawei Technologies Co. LTD.*, IPR2020-01278, Paper 12 at 11-13 (PTAB Jan. 26, 2021) (“Petitioner’s stipulation reduces concerns regarding overlapping issues, but it does not eliminate them.”). Therefore, under Petitioner’s stipulation, it would not be precluded from asserting other printed publications, in the pending district court litigation. Petitioner only minimally

reduces the concerns of inefficiency and the possibility of conflicting decisions; thus, its stipulation should not be given significant weight. *See Sand Revolution II, LLC v. Continental Intermodal Grp. – Trucking, LLC*, IPR2019-01393, Paper 24 at 12 n.5 (noting that a broad stipulation better addresses concerns of duplicative efforts and potentially conflicting decisions in a much more substantial way).

Because the district court will address the same issues, arguments, and evidence months before the Board's FWD would be due, instituting review here would efficiently use the Board's resources. Nor would it be an effective and efficient alternative to district court litigation.

The Board noted in *Fintiv* with respect to Factor 6 that:

[I]f the merits of a ground raised in the petition seem particularly strong on the preliminary record, this fact has favored institution.... [I]f the merits of the grounds raised in the petition are a closer call, then *that fact has favored denying institution* when other factors favoring denial are present.

Fintiv, IPR2020-00019, Paper 11 at 14-15 (emphasis added). As shown above, the Petition fails on the merits for numerous reasons. These weaknesses, and these remaining factors weigh in favor of discretionary denial of institution.

For the reasons illustrated above, the Board should exercise its discretion to deny institution under §314(a) in favor of the upcoming trial in the pending district court litigation.

Case No. IPR2023-00954

Patent No. 8,458,028

IV. CONCLUSION

For the foregoing reasons, institution of this IPR should be denied.

Case No. IPR2023-00954
Patent No. 8,458,028

Date: September 13, 2023

Respectfully submitted,

/s/ Kevin S. Tuttle

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Case No. IPR2023-00954

Patent No. 8,458,028

CERTIFICATE OF WORD COUNT

Pursuant to 37 C.F.R. §42.24(d), the undersigned hereby certifies that the foregoing Patent Owner's Preliminary Response contains 8,048 words using the word count feature of Microsoft Word.

Dated: September 13, 2023 _____ */s/ Kevin S. Tuttle*
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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §42.6(e), the undersigned hereby certifies that the above-captioned Quantum Imaging LLC's Patent Owner Preliminary Response, and its cited exhibits, were served via electronic mail, in view of the July 31, 2023 Power of Attorney (Paper 6) and accompanying Motion to Withdrawal (Paper 7), and Order (Paper 8), on September 13, 2023 at the following email correspondence addresses of record:

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