

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SONY INTERACTIVE ENTERTAINMENT LLC,
Petitioner,

v.

QUANTUM IMAGING LLC,
Patent Owner.

IPR2023-00954
Patent 8,458,028 B2

Before SCOTT A. DANIELS, KEVIN W. CHERRY, and
JAMES J. MAYBERRY, *Administrative Patent Judges*.

MAYBERRY, *Administrative Patent Judge*.

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

A. *Background and Summary*

Sony Interactive Entertainment LLC (“Petitioner”) filed a Petition requesting *inter partes* review of claims 1 and 3–9 (the “Challenged Claims”) of U.S. Patent No. 8,458,028 B2 (Ex. 1001, the “’028 patent”). Paper 2 (“Pet.”), 1. Quantum Imaging LLC (“Patent Owner”) filed a Preliminary Response to the Petition. Paper 9 (“Prelim. Resp.”).

We have authority to determine whether to institute an *inter partes* review. 35 U.S.C. § 314 (2018); 37 C.F.R. § 42.4(a) (2023) (permitting the Board to institute trial on behalf of the Director). To institute an *inter partes* review, we must determine that the information presented in the Petition shows “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). Instituting an *inter partes* review, however, is discretionary. *See Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he PTO is permitted, but never compelled, to institute an IPR proceeding.”). For the reasons set forth below, we institute an *inter partes* review.

B. *Real Parties-in-Interest*

Petitioner identifies itself and Bluepoint Games, Inc., Sony Group Corporation, and Sony Corporation of America as the real parties-in-interest. Pet. 1. Patent Owner identifies itself as the real party-in-interest. Paper 5, 2.

C. *Related Matters*

The parties each identify the following district court litigation as a matter related to the ’028 patent: *Quantum Imaging LLC v. Sony Group Corporation, et al.*, Case No. 6:22-cv-00573-ADA-DTG (W.D. Texas) (filed on June 3, 2022) (the “Litigation”). Pet. 2; Paper 5, 2. Petitioner indicates

that Sony Group Corporation and Sony Corporation of America have been dismissed from the Litigation. Pet. 2 n.1.

Patent Owner identifies U.S. Patent Numbers 10,255,724 (the “’724 patent”), 10,846,941 (the “’941 patent”), and 10,991,165 (the “’165 patent”) as related to the ’028 patent and as asserted in the Litigation. Paper 5, 2. Patent Owner also identifies U.S. Patent Numbers 11,195,333; 7,373,377; 8,228,325; and 8,225,220; and U.S. Application Number 15/817,815 as related to the ’028 patent. *Id.* at 2–3.

The ’724 patent, ’941 patent, and ’165 patent have been challenged in IPR2023-00959, IPR2023-00995, and IPR2023-00996, respectively.

D. The ’028 Patent

The ’028 patent, titled “System and Method for Integrating Business-related Content into an Electronic Game,” issued June 4, 2013, from application US 10/272,408, filed October 16, 2002. Ex. 1001, codes (54), (45), (21), (22). The ’028 patent relates to integrating business-related content into a computer game. Ex. 1001, 1:9–10. We reproduce Figure 2 from the ’028 patent, below.

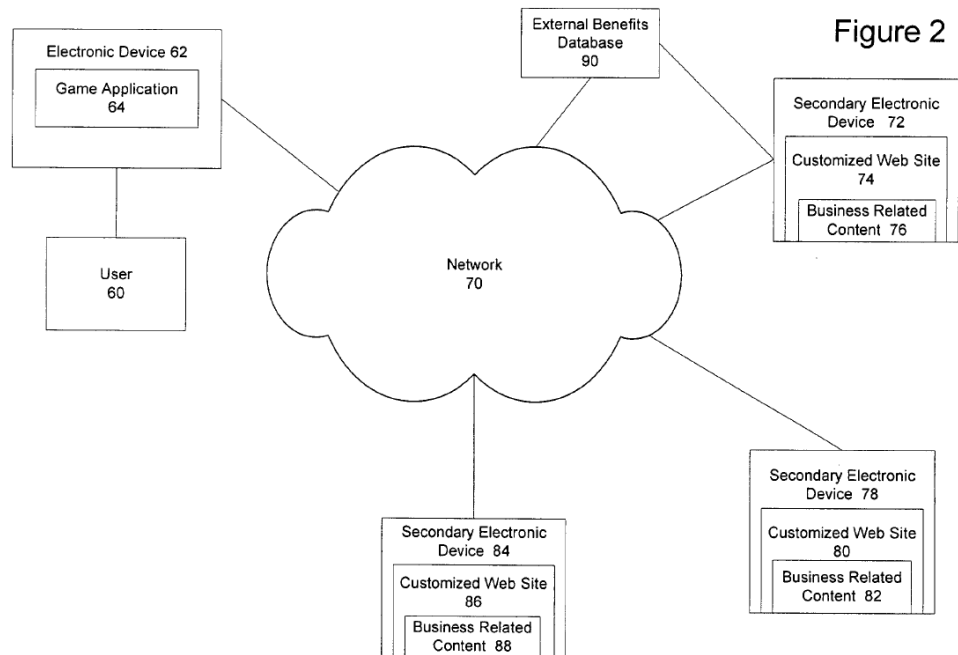


Figure 2 presents “a block diagram of an . . . environment suitable for practicing the illustrative embodiment of the present invention where a local device holds [a] game application.” Ex. 1001, 2:53–56; *cf. id.*, Fig. 1 (depicting an embodiment where the game application is remote from the user’s electronic device). User 60 accesses game application 64 on local electronic device 62, such as a desktop or laptop computer, personal digital assistant (“PDA”), or cellular phone. *Id.* at 4:5–8. Device 62 and remote secondary electronic devices 72, 78 and 84 interface network 70. Secondary electronic devices 72, 78 and 84 each include a customized web page 74, 80 and 86, which holds business-related content 76, 82 and 88. *Id.* at 4:9–14.

We reproduce Figure 3 below.

Figure 3

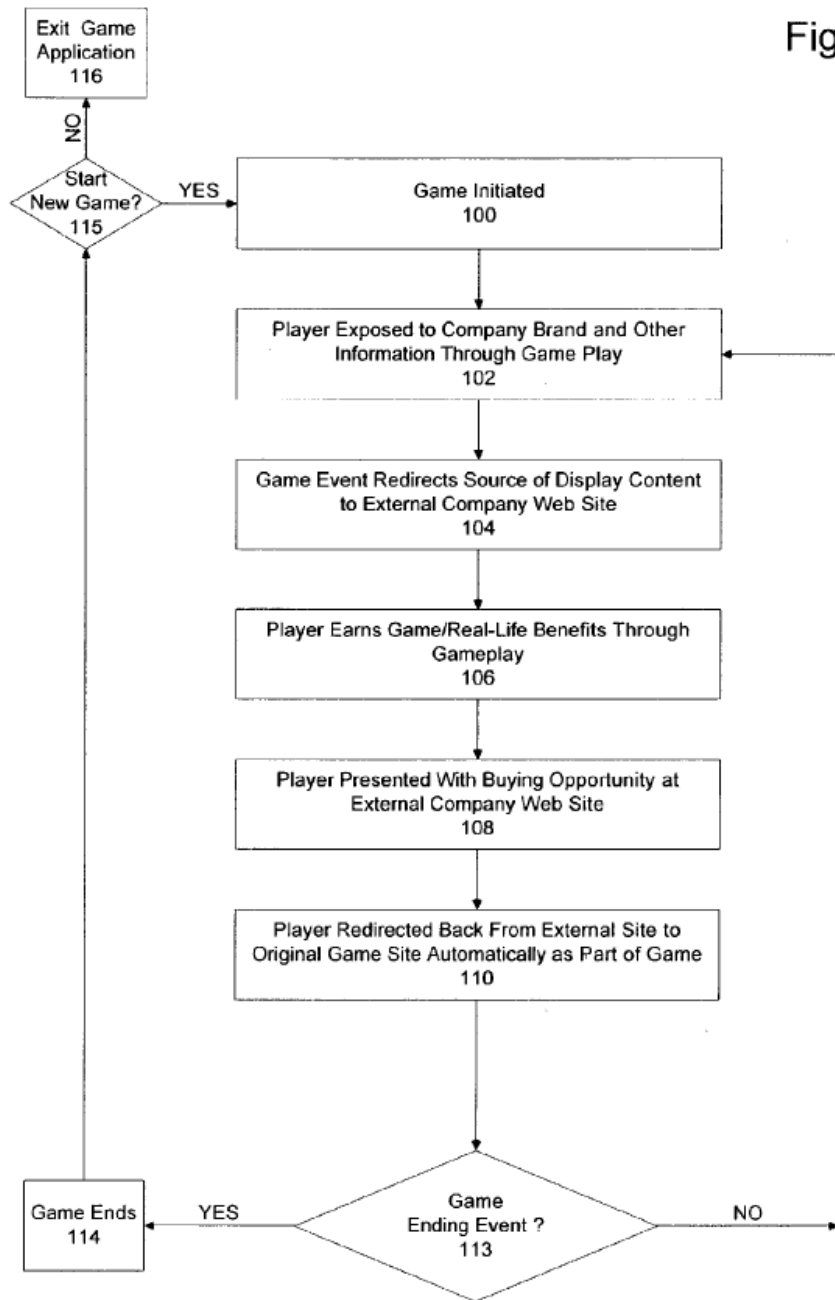


Figure 3 presents “a flowchart of the sequence of steps followed by the illustrative embodiment of the present invention to expose the player to business-related content while the player is playing the game.” Ex. 1001, 2:57–60. During game play, at step 102, a player is exposed to company branding. *Id.* at 4:60–62. At step 104, a game event causes the player to be redirected to an external company web site. *Id.* at 4:62–63. At step 106, the

player may earn game or other rewards while at the external website. *Id.* at 4:64–65. Also while at the external company web site, at step 108, the player may have the opportunity to purchase items. *Id.* at 5:1–5. At step 110, a predetermined event causes the player to be returned to the original game site. *Id.* at 5:5–8. Back at the original game site, the player continues to be exposed to selected data through game play. *Id.* at 5:8–9.

E. Challenged Claims

The Petition challenges claims 1 and 3–9. Pet. 1. Claims 1 and 7 are independent claims, with claim 1 being representative. Claim 1 recites:

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, 7:13–35. Claim 7 differs from claim 1 in that claim 7 recites the step of providing at least one customized web page at a

secondary electronic device, accessed over the computerized network by the primary electronic device. *See id.* at 8:17–21. Also, claim 7 requires the user to generate a benefit related to the content of the customized web page. *Id.* at 8:33–34.

F. Prior Art and Asserted Grounds

Petitioner asserts that the Challenged Claims are unpatentable based on three grounds:

Claims Challenged	35 U.S.C. §	References/Basis
1, 3–9	103(a) ¹	Angles ² and knowledge of a person of ordinary skill in the art
1, 3–9	103(a)	Robinson ³ and knowledge of a person of ordinary skill in the art
6	103(a)	Angles, Robinson, and Ginter ⁴ and knowledge of a person of ordinary skill in the art

Pet. 4.

Petitioner also relies on the declaration testimony of Mr. David Crane. Ex. 1004; *see also* Ex. 1005 (providing Mr. Crane’s Curriculum Vitae).

The following subsections provide brief descriptions of the asserted prior art references.

¹ The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 296–07 (2011), took effect on September 16, 2011. The changes to 35 U.S.C. §§ 102 and 103 in the AIA do not apply to any patent application filed before March 16, 2013. Because the latest possible priority date for the ’028 patent is before March 16, 2013, we refer to the pre-AIA version of the statute.

² US 5,933,811; issued Aug. 3, 1999 (Ex. 1007, “Angles”).

³ US 7,168,051 B2; issued Jan. 23, 2007, from an application filed Dec. 20, 2000 (Ex. 1008, “Robinson”).

⁴ US 5,949,876; issued Sept. 7, 1999 (Ex. 1009, “Ginter”).

1. *Angles (Ex. 1007)*

Angles, titled “System and Method for Delivering Customized Advertisements within Interactive Communication Systems,” issued August 3, 1999. Ex. 1007, codes (54), (45). Angles discloses systems and methods that provide an on-line advertising service that can customize advertisements to a particular consumer. *Id.* at 2:45–49. We reproduce Angles’s Figure 9, below.

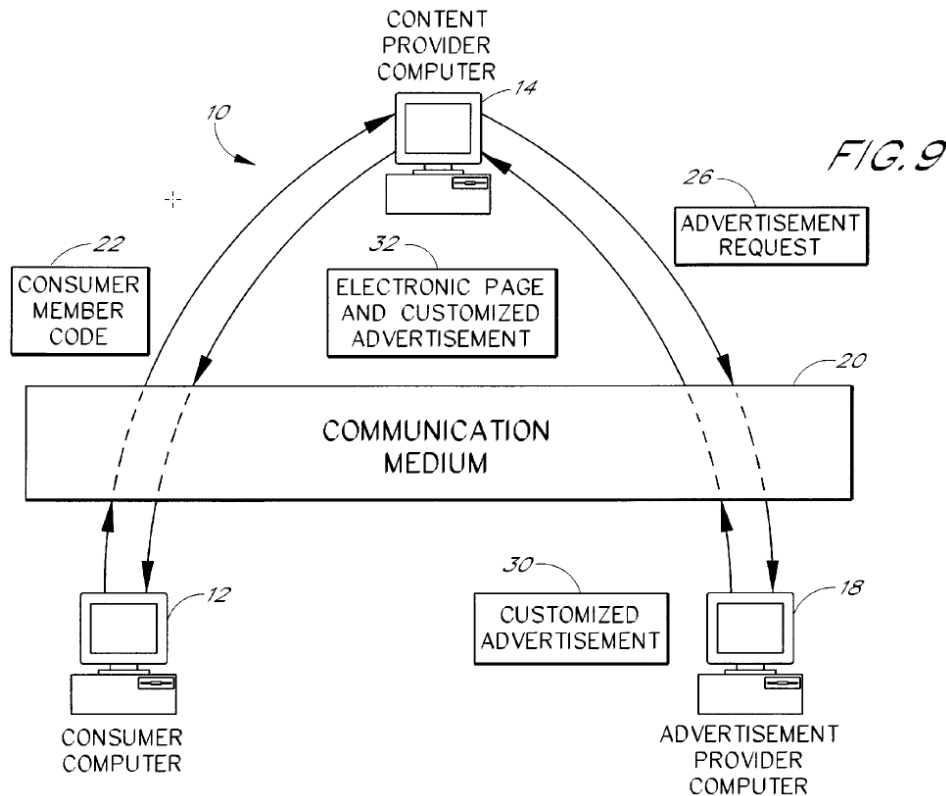


Figure 9 provides “a block diagram . . . of the present invention wherein the customized advertisement is sent through the content provider computer prior to reaching the consumer computer.” Ex. 1007, 5:10–13. Content provider 14 receives a customized advertisement 40 and incorporates it into electronic page 32. *Id.* at 21:34–40. Content provider computer 14 forwards electronic page 32, which includes customized advertisement 30, to consumer computer 12. *Id.* at 21:40–42. Consumer

computer 12 displays electronic page 32 to the consumer, with electronic page 32 appearing to the consumer like all other electronic pages 32 on Internet 33, except that it contains a customized advertisement pre-selected for that consumer. *Id.* at 21:43–52.

Content provider computer 14 can integrate customized advertisements 30 into offerings such as on-line games. In one example, provider computer 14 offers consumers on-line games such as interactive car races. *Id.* at 21:55–62. Content provider computer 14 can integrate customized advertisements 30 into signs and billboards that appear in the interactive car race. *Id.* at 21:63–65.

2. *Robinson (Ex. 1008)*

Robinson, titled “System and Method to Configure and Provide a Network-Enabled Three-Dimensional Computing Environment,” issued January 23, 2007, from application US 09/745,257, filed December 20, 2000. Ex. 1008, codes (54), (45), (21), (22). Robinson’s “technology enables users to interact fully, intuitively and far more easily ‘in’ a spatial 3D environment. This technology enables each user to create an intuitive 3D desktop environment tailored to their specific needs.” *Id.* 1:55–59. We reproduce Robinson’s Figure 9, below.

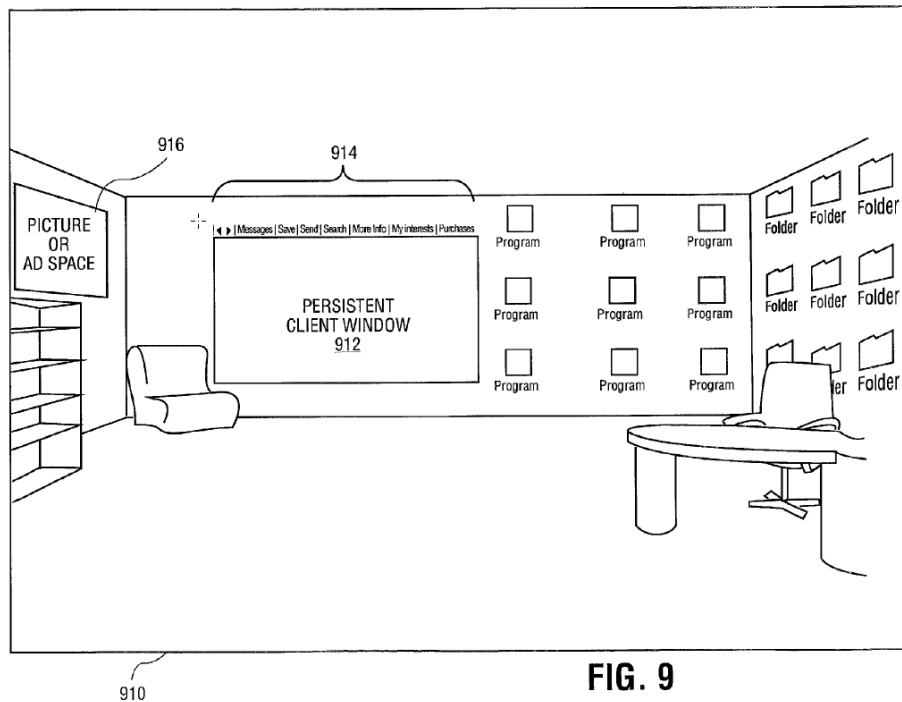


FIG. 9

Figure 9 depicts “an example of a user desktop [910] illustrating the presence of the Persistent Client Window [914].” Ex. 1008, 2:24–25.

Persistent Client Window 912 includes toolbar 914, which provides features through which a user may interact with Persistent Client 565. *Id.* at 14:21–23. “Advertisements, messages, pictures, video and other information or data contained within Persistent Client Window 912 can be moved to the desktop and vice versa through conventional drag-and-drop procedures.” *Id.* at 15:1–4.

Region 916 of the desktop allows for positioning two-dimensional or three-dimensional advertisements, pictures, promotions, or messages. Ex. 1008, 15:11–14. A user may select a portion of region 916, to expand the advertisement or be taken to a related website. *Id.* at 15:17–25.

Robinson’s three-dimensional computing environment may be extended to include online games. Ex. 1008, 9:29–37.

3. *Ginter (Ex. 1009)*

Ginter, titled “Systems and Methods for Secure Transaction Management and Electronic Rights Protection,” issued September 7, 1999. Ex. 1009, codes (54), (45). Ginter “relates to computer-based and other electronic appliance-based technologies that help to ensure that information is accessed and/or otherwise used only in authorized ways, and maintains the integrity, availability, and/or confidentiality of such information and processes related to such use.” *Id.* at 1:13–18. Relevant to this proceeding, Ginter discloses securely handle and control disseminated information, such as a user profile. *See* Pet. 64 (referencing Ex. 1009, code (57), 36:10–43).

II. ANALYSIS

A. *Legal Standards*

Section 103 forbids issuance of a patent when “the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations, including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of ordinary skill in the art; and (4) when available, evidence such as commercial success, long felt but unsolved needs, and failure of others.⁵ *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966); *see KSR*

⁵ The parties do not direct us to any objective evidence of non-obviousness at this stage of the proceeding.

Int'l Co., 550 U.S. at 407 (“While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”). The Court in *Graham* explained that these factual inquiries promote “uniformity and definiteness,” for “[w]hat is obvious is not a question upon which there is likely to be uniformity of thought in every given factual context.” 383 U.S. at 18.

The Supreme Court made clear that we apply “an expansive and flexible approach” to the question of obviousness. *KSR Int'l Co.*, 550 U.S. at 415. Whether a patent claiming the combination of prior art elements would have been obvious is determined by whether the improvement is more than the predictable use of prior art elements according to their established functions. *Id.* at 417. To support this conclusion, however, it is not enough to show merely that the prior art includes separate references covering each separate limitation in a challenged claim. *Unigene Labs., Inc. v. Apotex, Inc.*, 655 F.3d 1352, 1360 (Fed. Cir. 2011). Rather, obviousness additionally requires that a person of ordinary skill at the time of the invention “would have selected and combined those prior art elements in the normal course of research and development to yield the claimed invention.” *Id.*

“[O]bviousness must be determined in light of *all the facts*, and . . . a given course of action often has simultaneous advantages and disadvantages, and this does not necessarily obviate motivation to combine” teachings from multiple references. *Medichem, S.A. v. Rolabo, S.L.*, 437 F.3d 1157, 1165 (Fed. Cir. 2006) (emphasis added); *see also PAR Pharm., Inc. v. TWI Pharms., Inc.*, 773 F.3d 1186, 1196 (Fed. Cir. 2014) (“The presence or absence of a motivation to combine references in an obviousness determination is a pure question of fact.”). As a factfinder, we also must be

aware “of the distortion caused by hindsight bias and must be cautious of arguments reliant upon *ex post* reasoning.” *KSR Int’l Co.*, 550 U.S. at 421.

For institution, “[t]he ‘reasonable likelihood’ standard is a somewhat flexible standard that allows the Board room to exercise judgment.” Patent Trial and Appeal Board Consolidated Trial Practice Guide 53 (Nov. 2019), *available at* <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

B. Level of Ordinary Skill in the Art

The level of skill in the art is “a prism or lens” through which we view the prior art and the claimed invention. *Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001). “This reference point prevents . . . factfinders from using their own insight or, worse yet, hindsight, to gauge obviousness.” *Id.* Factors pertinent to a determination of the level of ordinary skill in the art include: (1) educational level of the inventor; (2) type of problems encountered in the art; (3) prior art solutions to those problems; (4) rapidity with which innovations are made; (5) sophistication of the technology; and (6) educational level of workers active in the field. *Env’t Designs, Ltd. v. Union Oil Co.*, 713 F.2d 693, 696–97 (Fed. Cir. 1983) (citing *Orthopedic Equip. Co. v. All Orthopedic Appliances, Inc.*, 707 F.2d 1376, 1381–82 (Fed. Cir. 1983)). Not all such factors may be present in every case, and one or more of these or other factors may predominate in a particular case. *Id.* Moreover, these factors are not exhaustive but are merely a guide to determining the level of ordinary skill in the art. *Daiichi Sankyo Co. v. Apotex, Inc.*, 501 F.3d 1254, 1256 (Fed. Cir. 2007). In determining a level of ordinary skill, we also may look to the prior art, which may reflect an appropriate skill level. *Okajima*, 261 F.3d at 1355.

Petitioner asserts that a person of ordinary skill in the art would have had

a bachelor's degree in computer engineering, computer science, or a similar discipline, and/or two years of professional experience in the fields of networking and network-based systems or applications, such as client-server and web-based systems, in the specific context of console and gaming or an equivalent level of skill, knowledge, and experience.

Pet. 12. Petitioner adds that a person having ordinary skill in the art “would have at least a general knowledge of online and in-game advertising methods prevalent in the field, as well as at least a general knowledge of 3D rendering and virtual reality.” *Id.* (referencing Ex. 1004 ¶ 43).

Patent Owner “applies Petitioner’s characterization.” Prelim. Resp. 4.

For purposes of this Decision, based on the prior art, the sophistication of the technology at issue, and Mr. Crane’s Declaration testimony, we adopt Petitioner’s undisputed definition of the level of ordinary skill.

C. Claim Construction

We construe each claim “using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. [§] 282(b).” 37 C.F.R. § 42.100(b). Under this standard, claim terms are generally given their ordinary and customary meaning as would have been understood by a person of ordinary skill in the art at the time of the invention and in the context of the entire patent disclosure. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312–14 (Fed. Cir. 2005) (en banc) (“We have frequently stated that the words of a claim ‘are generally given their ordinary and customary meaning.’” (citations omitted)).

“Petitioner believes that no express constructions of the claims are necessary to assess whether the prior art reads on the challenged claims.”

Pet. 13. Patent Owner does not raise any claim construction issues. Prelim. Resp. 4.

We determine that we need not expressly construe any claim terms to resolve the parties' disputes on the record before us. *See Realtime Data, LLC v. Iancu*, 912 F.3d 1368, 1375 (Fed. Cir. 2019) ("The Board is required to construe 'only those terms that . . . are in controversy, and only to the extent necessary to resolve the controversy.'") (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)). To the extent that the scope of any particular claim term requires discussion, however, we provide it in our assessment of the challenges, which we turn to next.

D. Ground 1: Claims 1 and 3–9 as unpatentable over Angles

Petitioner contends that Angles, in view of the knowledge of a person having ordinary skill in the art, teaches or suggests each limitation of claims 1 and 3–9. Pet. 4, 14–39.

1. Independent claim 1

We turn our analysis to the scope and content of the prior art and any differences between the prior art and the subject matter of independent claim 1, on a limitation-by-limitation basis.

a) Preamble

The preamble of claim 1 recites "[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." Ex. 1001, 7:13–17. Petitioner contends that "Angles discloses that a consumer can direct 'one of the consumer computers to **access an offering** existing in one of the content provider computers' . . . , and the content provider computer 'can integrate customized advertisements 30 into

offerings such as online games, video programming, internet radio, virtual reality environments and the like.” Pet. 20 (referencing Ex. 1007, code (57), 21:57–60). Petitioner adds that “the ‘customized advertisements’ in Angles constitutes the ‘business-related content’ . . . under the plain and ordinary meaning of the term.” *Id.* referencing Ex. 1004 ¶¶ 47–49. Also, Petitioner contends that “Angles . . . discloses that ‘customized advertisements 30’ [are] generated by an ‘advertisement provider computer 18’ where ‘the advertisement provider computer 18 is a website connected to the World Wide Web.’” *Id.* (referencing Ex. 1007, 13:22–25). Petitioner contends that Angles’s consumer computer corresponds to the recited primary electronic device, and Angles’s content provider computer or advertisement provider computer corresponds to the secondary electronic device. *Id.* at 20–21.

Upon review of the information in the Petition and corresponding evidence, we determine Petitioner has made a sufficient showing, at this stage of the proceeding, that Angles teaches or suggests the subject matter of the preamble. In view of this determination, we need not resolve, at this stage of the proceeding, whether the preamble is limiting.

Patent Owner does not dispute Petitioner’s contentions with respect to the subject matter of the preamble at this stage of the proceeding.

b) Limitation 1[a]

Claim 1 also recites the step of “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.” Ex. 1001, 7:18–21 (limitation “1[a]”). Petitioner contends that a consumer computer receives instructions from a consumer to initiate or access an offering, which may include an online game. Pet. 21–22

(referencing Ex. 1007, 7:49–52, 9:5–7, 10:21–23). Petitioner contends that the consumer accesses the online game using a browser running on the consumer computer. *Id.* at 22 (referencing Ex. 1007, 10:46–50). Petitioner contends that a person having ordinary skill in the art would have understood that a browser residing on a local computer makes the accessed game application locally execute. *Id.* (referencing Ex. 1004 ¶¶ 72, 84, 109, 112).

Mr. Crane testifies that

a Web Browser is a computer program that resides locally on a player’s personal computer. The Shockwave and/or Flash plug-ins were downloaded from Macromedia and automatically installed as part of the browser program functionality. Prior to the priority date of the ’028 Patent, the Shockwave plug-in was installed in the browser programs on millions of computers, turning each browser program into a game-playing program. The playing of browser-based games was well known in the art, and a [person having ordinary skill in the art] would have recognized that a browser program that resides on a game player’s computer served as a locally executed game application.

Ex. 1004 ¶ 72; *see also id.* ¶¶ 70–71 (testifying about gaming using a web browser), ¶ 109 (“Angles’[s] user, while **interfaced with said network**, requests that the **primary electronic device initiate a locally executed game application** by pointing his browser (**locally executed game application**) to the content provider’s website” (citing Ex. 1007, 8:37–43)). Mr. Crane adds that, an online game would be initiated once it is downloaded onto a browser. *Id.* ¶ 112.

Patent Owner argues that an online game is not locally executed. Prelim. Resp. 9–11. Patent Owner argues that Angles discloses receiving electronic pages from the content provider, not a game that is locally executed. *Id.* at 10.

Patent Owner argues that Petitioner’s contention that using a browser to access an on-line game corresponds to a locally executed game is supported by conclusory statements. Prelim. Resp. 12. Patent Owner also argues that “the Petition does not explain how or why a [person having ordinary skill in the art] would have combined Angles with the apparent knowledge of a [person having ordinary skill in the art] to arrive at the locally executed game application limitation as claimed.” *Id.*

We have considered Patent Owner’s arguments and determine, on the current record, that they do not demonstrate a deficiency in Petitioner’s position. Petitioner relies on Mr. Crane’s testimony to support the contention that initiating and accessing an online game using a local browser results in a locally executed game application. *See* Pet. 22. Mr. Crane support’s his opinion by explaining that Shockwave and Java browser plugins, used to execute a game using a browser, are programs loaded into the browser. *See* Ex. 1004 ¶¶ 70–72 (including citations in support of his testimony). At this time, Patent Owner does not offer evidence to counter balance this testimony.

With respect to Patent Owner’s argument that Petitioner does not explain how Angles is combined with the knowledge of a person having ordinary skill in the art to arrive at the subject matter of limitation 1[a], this argument fails to understand Petitioner’s position. Petitioner does not argue that a person having ordinary skill in the art would have modified Angles’s teachings with the knowledge of a person having ordinary skill in the art to arrive at the subject matter of limitation 1[a]. Instead, Petitioner’s position explains what a person having ordinary skill in the art would have understood from Angles’s teachings—that initiating and accessing an online game with a browser would result in a locally-executed game application.

Upon review of the information in the Petition and corresponding evidence, and Patent Owner’s counter arguments, we determine Petitioner has made a sufficient showing, at this stage of the proceeding, that Angles teaches or suggests the subject matter of limitation 1[a].

c) Limitation 1[b]

Claim 1 also recites the step of “initiating said game application at said primary electronic device.” Ex. 1001, 7:22–23 (limitation “1[b]”). Petitioner contends that a consumer invoking a browser and accessing an online game initiates the game application. Pet. 23. We address Patent Owner’s argument about an online game is not locally executed above in our analysis of limitation 1[a].

Upon review of the information in the Petition and corresponding evidence, and in consideration of our analysis of limitation 1[a] under this Ground, we determine Petitioner has made a sufficient showing, at this stage of the proceeding, that Angles teaches or suggests the subject matter of limitation 1[b].

d) Limitation 1[c]

Claim 1 also recites the step of “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.” Ex. 1001, 7:24–27 (limitation “1[c]”). Petitioner contends that Angles discloses directly incorporating customized advertisements into a content provider’s offering. Pet. 24 (referencing the embodiment of Angles’s Figure 9). Petitioner explains that Angles describes an online game, such as an interactive car race, where customized advertisements are shown on billboards that appear in the game. *Id.* at 24–25 (referencing Ex. 1007, 21:53–22:2).

Patent Owner argues that Petitioner does not explain how Angles is modified to arrive at the subject matter of the limitation, and specifically a locally-executed game. Prelim. Resp. 12–13. We have considered Patent Owner’s argument and determine, on the current record, that it does not demonstrate a deficiency in Petitioner’s position. Petitioner does not propose any modification. As we discussed above in connection with our analysis of limitation 1[a], Petitioner contends that Angles discloses accessing an online game using a browser, which satisfies the requirement for a locally-executed game application.

Patent Owner also argues that Angles does not disclose that the business content is automatically integrated during execution of the game application. Prelim. Resp. 14. Patent Owner argues, instead, that the content provider incorporates the customized advertisement when it is received into electronic page 32. *Id.* (referencing Ex. 1007, 21:38–40). Patent Owner argues that “[t]his [disclosure] clearly indicates that incorporation is initiated at the command of the content provider—not automatically by the content provider computer.” *Id.* Patent Owner argues that the customized advertisement is integrated prior to executing the online offering. *Id.*

We have considered Patent Owner’s arguments and determine, on the current record, that they do not demonstrate a deficiency in Petitioner’s position. We understand Petitioner to argue that invoking the browser initiates and accesses the content offering, such as an online game. *See* Pet. 20–23. As such, when the browser accesses electronic page 32, the customized advertisement 30 is automatically integrated into the online game, that is, automatically integrated into the game as the web browser executes electronic page 32. *See* Ex. 1004 ¶ 117 (“Note that such

integration of customized advertisements into the signs and billboards happens automatically without human initiation or intervention, since ‘the content provider computer 14 can integrate the customized advertisements 30 into signs and billboards which appear in the interactive game.’” (citing Ex. 1007, 21:63–65)); *see also id.* ¶ 109 (“A [person having ordinary skill in the art] would understand that a user’s invocation of the browser will cause the consumer computer to receive a request to initiate the browser, which then works in conjunction with the consumer control module to support the user’s access or playing of on-line games.”).

Upon review of the information in the Petition and corresponding evidence, and Patent Owner’s counter arguments, we determine Petitioner has made a sufficient showing, at this stage of the proceeding, that Angles teaches or suggests the subject matter of limitation 1[c].

e) Limitation 1[d]

Claim 1 also recites the step of “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.” Ex. 1001, 7:28–33 (limitation “1[d]”). Petitioner contends that Angles discloses in the embodiment of Figure 9, that customized advertisements are integrated into the offering, such as online game, accessed by the consumer computer. Pet. 26 (referencing Ex. 1007, 21:35–44, 21:53–60). Petitioner explains that these advertisements may include embedded hyperlinks that the consumer can click on to go to an external website. *Id.* at 27 (referencing Ex. 1007, 4:6–16); *see also* Ex. 1004 ¶¶ 78, 119–122 (providing Mr. Crane’s testimony related to this limitation).

Upon review of the information in the Petition and corresponding evidence, we determine Petitioner has made a sufficient showing, at this stage of the proceeding, that Angles teaches or suggests the subject matter of limitation 1[d]. Patent Owner does not dispute Petitioner's contentions with respect to the subject matter of limitation 1[d] at this time.

f) Limitation 1[e]

Claim 1 also recites the step of “executing a user action on said business-related content from said secondary electronic device.” Ex. 1001, 7:34–35 (limitation “1[e]”). Petitioner contends that Angles discloses that the consumer can select the embedded hyperlink to be transported out of the game and to the advertiser's website, such as to obtain additional information about a product. Pet. 28 (referencing Ex. 1007, 4:9–14, 5:49–55, Ex. 1003 ¶¶ 123–125).

g) Conclusion, independent claim 1

For the reasons discussed above, we determine, on the current record, that the information presented in the Petition sufficiently demonstrates that claim 1 is unpatentable under 35 U.S.C. § 103 over Angles.

2. Independent claim 7 and dependent claims 3–6, 8, and 9

As we discuss above, Petitioner has sufficiently demonstrated that the information presented in the Petition renders obvious claim 1, and we institute on all challenges raised in the Petition. *See SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1354, 1359–60 (2018); *see also PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1360 (Fed. Cir. 2018) (interpreting the statute to require “a simple yes-or-no institution choice respecting a petition, embracing all challenges included in the petition”); 37 C.F.R. § 42.108(a) (“When instituting *inter partes* review, the Board will authorize the review to proceed on all of the challenged claims and on all grounds of

unpatentability asserted for each claim.”). With respect to Patent Owner’s arguments directed to independent claim 7, we will address these arguments, if maintained, on the complete record.

E. Ground 2: Claims 1 and 3–9 as unpatentable over Robinson and Ground 3: Claim 6 as unpatentable over Angles, Robinson, and Ginter

Petitioner contends that Robinson, in view of the knowledge of a person having ordinary skill in the art, teaches or suggests each limitation of claims 1 and 3–9. Pet. 4, 39–62. Petitioner also contends that the combination of Angles, Robinson, and Ginter in view of the knowledge of a person having ordinary skill in the art, teaches or suggests each limitation of claim 6. *Id.* at 4, 62–65. As we discuss above, Petitioner has sufficiently demonstrated that the information presented in the Petition renders obvious claim 1, and we institute on all challenges raised in the Petition. *See SAS Inst., Inc.*, 138 S. Ct. 1348, 1354, 1359–60 (2018); 37 C.F.R. § 42.108(a). With respect to Patent Owner’s arguments directed to Grounds 2 and 3, we will address these arguments, if maintained, on the complete record.

III. DISCRETION UNDER 35 U.S.C. § 314(A)

Patent Owner argues that we should exercise our discretion under 35 U.S.C. § 314(a) to deny the Petition. Prelim. Resp. 27–36. Section 314(a) states that

The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 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.

Under § 314(a), we have discretion to deny institution of an *inter partes* review. *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016). We consider several factors when determining whether to deny institution under § 314(a) based on a parallel district court proceeding, specifically

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board’s exercise of discretion, including the merits.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5–6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”). We also consider “several clarifications” made by the Director of the United States Patent and Trademark Office (“USPTO”). See USPTO Memorandum, Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation, 2 (June 21, 2022), *available at* https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf (“Director’s Memo”).

1. *Factor 1 — Whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted*

Under the first *Fintiv* factor, we consider “whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted.” *Fintiv*, Paper 11 at 6. Both parties indicate that no stay has been requested. Pet. 66; Prelim. Resp. 29. Also, neither party identifies any statements by the district court or other evidence that specifically address a stay of the Litigation pending this proceeding.

We decline to speculate based on the record in this case whether the district court would grant a stay of the Litigation. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (PTAB May 13, 2020) (informative) (“*Fintiv II*”). As a result, we determine that the first *Fintiv* factor is neutral.

2. *Factor 2 — Proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision*

Under the second *Fintiv* factor, we consider the “proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision.” *Fintiv*, Paper 11 at 6. Petitioner argues that “[i]t is . . . improper to assume that the district court will stick to the current trial schedule” of April 15, 2024. Pet. 67; *see also* Ex. 1010, 3 (providing a trial date of April 15, 2024⁶). Petitioner also argues that there is a pending motion to transfer the case from Waco to Austin, which would delay the trial date⁷. Pet. 67.

⁶ April 15, 2024 is approximately 8 months prior to the statutory deadline for this proceeding.

⁷ With respect to Petitioner’s motion to transfer the Litigation to Austin from Waco, we note that the motion has been granted and the case was transferred within the Western District of Texas from Waco to Austin, but the trial judge and schedule has remained unchanged. *See* Ex. 3001, 1–2.

Patent Owner argues that “there is no evidence that the parties’ trial will be extended . . . past the statutory deadline for the” Final Written Decision in this matter. Prelim. Resp. 31. Patent Owner also provides specific statistics for patent trials in the Western District of Texas (25.4 months from complaint to trial) and patent cases in front of Judge Albright (24.7 months from complaint to trial). *Id.* at 32 n.3 (referencing Exhibits 2004 and 2005, which are from Lex Machina)⁸. The Complaint in the Litigation was filed June 3, 2022. Ex. 1006. As such, the available statistics would suggest a trial date between June 2024, and August 2024, or 4 to 6 months prior to the statutory deadline for a Final Written Description in this proceeding.

Significant to this factor, the latest proposed scheduling order in the Litigation has moved the trial date to August 5, 2024, or approximately 4 months before the Final Written Decision is due. *See* Ex. 3002, 5. This proposed date represents a four-month delay in the trial date as compared to the trial date the parties argued discretionary denial in the Petition and Preliminary Response.

In consideration of the above discussion, and particularly the latest proposed scheduling order, we determine that the second *Fintiv* factor weighs against discretionary denial of the Petition.

⁸ The United States Courts indicates that the median time from filing a complaint to trial in the Western District of Texas is 26.4 months. *See U.S. District Courts—Combined Civil and Criminal Federal Court Management Statistics* (June 30, 2023) (available at [fcms_na_distprofile0630.2023.pdf](https://www.uscourts.gov/fcms_na_distprofile0630.2023.pdf) ([uscourts.gov](https://www.uscourts.gov))) (last visited November 27, 2023).

3. *Factor 3 — Investment in the parallel proceeding by the court and the parties*

Under the third *Fintiv* factor, we consider the “investment in the parallel proceeding by the court and the parties.” *Fintiv*, Paper 11 at 6. Petitioner argues that the Litigation is in the early stages and that a *Markman* hearing, schedule for September 1, 2023, will not have a bearing on this *inter partes* review as Petitioner does not propose any constructions. Pet. 68.

Patent Owner argues that the District Court and the parties have invested significant time and resources in the Litigation. Prelim. Resp. 33. Patent Owner argues that, by the time we render an institution decision, the parties would have completed claim construction briefing and the court would have ruled on the transfer motion; the parties would have conducted a *Markman* hearing and the court would have provided its constructions; the parties would have exchanged final infringement and invalidity contentions; and fact discovery would have closed. *Id.* at 33–34 (referencing Ex. 1010).

The latest proposed scheduling order demonstrates that fact discovery is still ongoing. *See* Ex. 3002, 5. Indeed, Patent Owner proposes fact discovery to not end until March 4, 2024. *Id.* Under Patent Owner’s proposal, expert discovery would extend through the end of April, 2024, and dispositive motions would not be due until May 13, 2024.

In consideration of the above discussion, we determine that the third *Fintiv* factor weighs against discretionary denial of the Petition. Significantly, under Patent Owner’s proposed revised schedule, significant trial activities remain after our institution decision is due.

4. *Factor 4 — Overlap between issues raised in the petition and in the parallel proceeding*

Under the fourth *Fintiv* factor, we consider the “overlap between issues raised in the petition and in the parallel proceeding.” *Fintiv*, Paper 11 at 6. Petitioner states that, by instituting trial, we would narrow issues in the Litigation. Pet. 68. Petitioner adds that “[t]o reduce overlap further, if the Board institutes [*inter partes* review] in this proceeding, Petitioner will cease asserting in the [r]elated [m]atter the prior art for the claims on which the [*inter partes* review] is instituted.” *Id.* at 68–69 (citing *Sand Revolution II, LLC v. Continental Intermodal Group — Trucking LLC*, IPR2019- 01393, Paper 24 at 11–12 (PTAB June 16, 2020) (“*Sand Revolution II*”), and *Apple Inc. v. Maxell, Ltd.*, IPR2020-00204, Paper 11 at 15–17 (PTAB June 19, 2020)).

Patent Owner argues that Petitioner asserts invalidity over Angles and Robinson in the Litigation. Prelim. Resp. 34. Patent Owner adds that the stipulation offered by Petitioner is not a *Sotera*-type stipulation, characterizing Petitioner’s stipulation as “narrow.” *Id.* at 35. Patent Owner argues that instituting trial would not be an effective use of Board resources nor be an efficient alternative to district court litigation. *Id.* at 36.

We agree with Patent Owner that Petitioner provides a narrow stipulation. *Cf.* Director’s Memo, 7–8 (stating that the Board “will not discretionarily deny institution of an IPR or PGR in view of parallel district court litigation where a petitioner stipulates not to pursue in a parallel district court proceeding the same grounds as in the *petition or any grounds that could have reasonably been raised in the petition*”); *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 18–19 (PTAB Dec. 1, 2020) (precedential as to § II.A). Still, the provided stipulation does reduce

concerns of overlapping issues. In comparison, in *Sand Revolution II*, the Board found that “this factor weighs marginally in favor of not exercising discretion to deny institution” when the petitioner stipulates not to pursue in district court the same grounds presented in its petition. *Sand Revolution II*, Paper 24 at 11–12. Thus, we determine that the fourth *Fintiv* factor weighs slightly against discretionary denial of the Petition.

5. *Factor 5 — Whether the petitioner and the defendant in the parallel proceeding are the same party*

Under the fifth *Fintiv* factor, we consider “whether the petitioner and the defendant in the parallel proceeding are the same party.” *Fintiv*, Paper 11 at 6. Here, Petitioner is the defendant in the Litigation. Pet. 69. Under the circumstances here, where a trial in the district court involving the same parties may begin prior to our Final Written Decision, we determine that the fifth *Fintiv* factor slightly favors discretionary denial of the Petition.

6. *Factor 6 — Other circumstances that impact the Board’s exercise of discretion, including the merits*

Petitioner argues that the ’028 patent has never been challenged before in a post-issuance proceeding. Pet. 69. Petitioner also argues that “[g]iven the strength of the challenge to patentability presented in this Petition, denying this [P]etition under § 314(a) would be unfairly prejudicial to Petitioner, and this factor weighs against discretionary denial.” *Id.* Patent Owner responds that its Preliminary Response identifies weaknesses in Petitioner’s challenges. Prelim. Resp. 36.

“[W]here the PTAB determines that the information presented at the institution stage presents a compelling unpatentability challenge, that determination alone demonstrates that the PTAB should not discretionarily deny institution under *Fintiv*.” Director’s Memo, 4–5. “Compelling,

meritorious challenges are those in which the evidence, if unrebutted in trial, would plainly lead to a conclusion that one or more claims are unpatentable by a preponderance of the evidence.” *Id.* at 4. As will be evident from our conclusion below, we need not determine if Petitioner’s challenges rise to the level of “compelling” challenges.

7. *Summary and conclusion*

Based on our holistic view of the *Fintiv* factors, we decline to exercise our discretion under § 314(a) to deny the Petition. As discussed above, only factor 5 weighs in favor of discretionary denial, factor 1 is neutral, and factors 2, 3, and 4 weigh, in varying degrees, against discretionary denial of institution, with factors 2 and 3 being the most compelling factors. Given that the trial date has already been delayed to just four months prior to the statutory deadline for a Final Written Decision in this case, and that the current proposed scheduling order pushes significant discovery efforts well into 2024, the evidence of record does not favor exercising our discretion to deny institution of this *inter partes* review.

IV. CONCLUSION

Based on the information presented, we determine Petitioner has established a reasonable likelihood that it would prevail with respect to at least one of the Challenged Claims. Accordingly, we institute an *inter partes* review on all challenges.

V. ORDER

Accordingly, it is:

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review of claims 1 and 3–9 of the ’028 patent is *instituted*; and

FURTHER ORDERED that, pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4(b), notice is hereby given of the institution of trial, which will commence on the entry date of this Decision.

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