IN THE

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMAZON.COM, INC., AMAZON WEB SERVICES, INC.,
AND AMAZON.COM SERVICES LLC,

Petitioner

– vs. –

ALMONDNET, INC.

Patent Owner

Patent No. 8,244,582

Issued: August 14, 2012

Inventor: Roy Shkedi

Title: METHOD AND STORED PROGRAM FOR ACCUMULATING DESCRIPTIVE PROFILE DATA ALONG WITH SOURCE INFORMATION FOR USE IN TARGETING THIRD-PARTY ADVERTISEMENTS

Inter Partes Review No. IPR2022-01455

PETITION FOR *INTER PARTES* REVIEW UNDER 35 U.S.C. §§ 311-319

Mail Stop Patent Board
Patent Trial and Appeal Board
P.O. Box 1450
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August 31, 2022

FreeWheel, Ex. 1018

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A. Claim 11 17

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[11.pre] "A tangible, non-transitory data storage medium comprising indicia of instructions for a processor to perform a method of collecting profiles of Internet-using entities, the method comprising:" 17

[11.a] "electronically receiving at a programmed computer system coupled to a global computer network, from at least one server controlled by one of a plurality of unaffiliated third parties, a partial profile of an entity that uses a user computer coupled to the global computer network and accessing a website, ...20

which partial profile is available to one of the third parties and contains at least one profile attribute related to the entity, and automatically with the computer system storing the received partial profile;" 20

[11.b] "wherein receiving the partial profile is achieved as a result of automatic electronic URL redirection from a portion of a page of the website accessed by the user computer;" 26

[11.c] "automatically with the computer system electronically adding the received partial profile to a maintained profile believed to be related to the same entity;" 33

[11.d] "automatically with the computer system generating and storing an electronic record of which of the plurality of unaffiliated third parties contributed to the maintained profile particular profile attributes;" 37

[11.e] "wherein the maintained profile, including the added partial profile, comprises data used in targeting third-party advertisements to the user computer over the global computer network." 40

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B. Claim 13: "The data storage medium of claim 11 wherein the computer system electronically adding the received partial profile to a maintained profile believed to be related to the same entity comprises the computer system adding the received partial profile to a maintained profile believed related to the same entity on account of the received partial profile and the maintained profile being related to the same user computer." 42

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D. Claim 15: "The data storage medium of claim 11 wherein the indicia of instructions instruct the processor to perform a method that further comprises: automatically with the computer system electronically maintaining an electronic record of which unaffiliated third party contributed, to the maintained profile, the profile attributes used in targeting the advertisements" 45

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F. Claim 19: "The data storage medium of claim 11 wherein the indicia of instructions instruct the processor to perform a method that further comprises: automatically with the computer system selecting profile attributes from the maintained profile based on the source thereof." 50

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G. Claim 20: "The data storage medium of claim 11 wherein the indicia of instructions instruct the processor to perform a method that further comprises: automatically with the computer system electronically reading a cookie previously stored on the entity's computer, as a result of the URL redirection." 51

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EXHIBIT LIST (37 C.F.R. § 42.63(e))

Exhibit	Description
1001	U.S. Patent No. 8,244,582
1002	Declaration of Daniel A. Menascé, Ph.D.
1003	Prosecution History of U.S. Patent No. 8,244,582
1004	U.S. Patent No. 8,566,154 ("Merriman")
1005	U.S. Patent No. 6,073,241 ("Rosenberg")
1006	Advertising on the Internet (1997) ("Zeff")
1007	Infringement Contentions (Excerpt)
1008	RFC 2616 – June 1999
1009	RFC 2068 – January 1997
1010	Curriculum Vitae of Daniel A. Menascé, Ph.D.
1011	United States District Courts — National Judicial Caseload Profile
1012	Operative Case Schedule of *AlmondNet, Inc. v. Amazon.com, Inc.*, Case No. 6:21-cv-00898-ADA (Jul. 19, 2022), ECF # 45
1013	Merriman Assignment Records
1014	RFC 2109 – February 1997

I. INTRODUCTION

Amazon.com, Inc., Amazon Web Services, Inc., and Amazon.com Services LLC (collectively "Petitioner") petition for *inter partes* review under 35 U.S.C. § 312 and 37 C.F.R. § 42 of claims 11, 13 – 16, 19, and 20 ("challenged claims") of U.S. Patent No. 8,244,582 ("'582 patent"). EX1001. The '582 patent is assigned to AlmondNet, Inc. ("Patent Owner") according to assignment records at the United States Patent and Trademark Office.[1] The '582 patent expired on June 14, 2020.

II. MANDATORY NOTICES

A. Real Party-in-Interest

Pursuant to 37 C.F.R. § 42.8(b)(1), Petitioner is the real party-in-interest. Further, Petitioner certifies that no other party exercised control or could exercise control over the filing of this petition or Petitioner's participation in any proceeding instituted on this petition.

B. Related Matters

Patent Owner asserts the '582 patent against Petitioner in *AlmondNet, Inc. and Intent IQ, LLC v. Amazon.com, Inc., et al.*, No. 6:21-cv-00898-ADA (W.D. Texas, August 27, 2021) (the "parallel litigation").

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[1] Petitioner reserves the right to challenge in any litigation AlmondNet's standing to assert the '582 patent and any related patents.

Petitioner is aware of the following additional related matters:

No.	Case Caption	Court	Patents
1	*AlmondNet, Inc. v. Samsung Electronics Co., Ltd.,* Case No. 6-21-cv-00891	WDTX	7,979,307 8,244,582 8,959,146 8,671,139 8,677,398 8,200,822 8,566,164 10,321,198 10,715,878
2	*AlmondNet, Inc. v. Microsoft Corp.,* Case No. 6:21-cv-00897-ADA	WDTX	7,979,307 8,244,582 8,775,249 7,822,639 8,244,586 8,959,146 8,671,139 9,508,089 9,830,615 8,677,398
3	*AlmondNet, Inc. v. Roku, Inc.,* Case No. 6-21-cv-00876	WDTX	8,244,582 8,959,146 8,671,139
4	*AlmondNet, Inc. v. Facebook, Inc.,* Case No. 6-21-cv-00896	WDTX	7,979,307 8,244,582 8,775,249

No.	Case Caption	Court	Patents
			7,822,639 8,244,586 8,959,146 8,671,139 9,508,089 9,830,615 8,677,398
5	*AlmondNet, Inc. v. Oath Holdings Inc.,* Case No. 1-19-cv-00247	DDE	7,822,639 7,979,307 8,244,574 8,244,582 8,244,586 8,494,904 8,671,139 8,677,398 8,775,249 8,959,146 9,508,089
6	*AlmondNet, Inc. v. Yahoo! Inc.,* Case No. 1-16-cv-01557	EDNY	7,822,639 7,979,307 8,244,574 8,244,582 8,244,586 8,494,904 8,671,139 8,677,398 8,775,249

No.	Case Caption	Court	Patents
			8,959,146 9,508,089
7	*Meta Platforms, Inc. v. AlmondNet, Inc.,* Case IPR2022-01436	USPTO	8,244,582
8	*Samsung Electronics Co., Ltd. v. AlmondNet, Inc. et al.*, Case IPR2022-01260	USPTO	8,244,582
9	*Yahoo! Inc., v. AlmondNet, Inc.*, Case CBM2017-00052	USPTO	8,244,582

C. Counsel

Petitioner designates J. David Hadden, Reg. No. 40,629, as lead counsel, and Saina Shamilov, Reg. No. 48,266, Brian M. Hoffman, Reg. No. 39,713, M. Conner Hutchisson, Reg. No. 78,006, Jessica Lin, Reg. No. 69,920, and Sujung (SJ) Hahn, Reg. No. 80,302, as backup counsel, all with Fenwick & West LLP, 801 California Street, Mountain View, CA 94041, telephone: (650) 988-8500, fax: (650) 938-5200.

D. Service Information, Email, Hand Delivery, and Postal

Service of any documents may be made to the postal mailing address above. Petitioner consents to electronic service at AlmondNet-IPR@fenwick.com. A Power of Attorney is being filed concurrently with the designation of counsel in accordance with 37 C.F.R. § 42.10(b).

III. CERTIFICATION OF GROUNDS FOR STANDING

Petitioner certifies pursuant to Rule 42.104(a) that the patent for which review is sought is available for *inter partes* review, and that Petitioner is not barred or estopped from requesting an *inter partes* review challenging the patent claims on the grounds identified in this Petition.

IV. OVERVIEW OF CHALLENGE AND RELIEF REQUESTED

Pursuant to Rules 42.22(a)(1) and 42.104(1)-(2), Petitioner challenges claims 11, 13 – 16, 19, and 20 of the '582 patent.

A. Prior Art Patents and Printed Publications

The '582 patent was filed as Application No. 13/115,949 (the "'949 application") on May 25, 2011. The '949 application is a continuation of Application No. 12/186,918 (the "'918 application") filed on August 6, 2008. The '918 application is a division of Application No. 11/099,861 (the "'861 application") filed on April 6, 2005. The '861 application is a continuation of Application No. 09/593,993 (the "'993 application") filed on June 14, 2000. The '993 application claims priority to Israel Application No. 133,489, filed December 13, 1999 ("effective filing date"). EX1001; EX1002, ¶ 37.

Petitioner applies prior art with a priority date earlier than the effective filing date, and reserves the right to challenge the effective filing date (and chain) in any litigation.

The following references are pertinent to the ground of unpatentability:[2]

1. U.S. Patent No. 8,566,154 ("Merriman"), filed on February 26, 2002, and issued October 22, 2013. Merriman is a continuation of Application No. 09/362,008, filed on July 27, 1999 and a continuation-in-part of Application No. 09/094,949, filed on June 15, 1999. Merriman also claims the benefit of three provisional applications: 60/095,146, filed on August 3, 1998; 60/048,940, filed on June 16, 1997; and 60/049,877, filed on June 17, 1997. Merriman is prior art under at least 35 U.S.C. § 102(e). EX1004, *see* EX1002, ¶¶ 49-54.
2. U.S. Patent No. 6,073,241 ("Rosenberg"), filed on August 29, 1996 and issued on June 6, 2000. Rosenberg is prior art under at least 35 U.S.C. § 102(e). EX1005, *see* EX1002, ¶¶ 55-58.

B. Grounds for Challenge

This petition, supported by the declaration of Daniel A. Menascé, Ph.D. ("Menascé Decl.") (EX1002), requests cancellation of claims 11, 13 – 16, 19, and 20 of the '582 patent as unpatentable under 35 U.S.C. § 103. *See* 35 U.S.C. § 314(a). The grounds are:

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[2] Because the '582 patent issued from an application filed prior to enactment of the America Invents Act ("AIA"), the pre-AIA statutory framework applies.

Grounds	References	Claims Challenged
1	Merriman and Rosenberg	11, 13 – 16, 19, and 20

V. OVERVIEW OF THE '582 PATENT

A. Summary of the Alleged Invention

The '582 patent states that it "generally relates to a descriptive-profile mercantile method, for use at a juncture in a data-communications topology having associated therewith a maintained databank of partial profiles." EX1001, 3:30-33. The '582 patent asserts that an Internet website may make more profit from a visitor to the site if the website were to "know more about the visitor." *Id.*, 3:67-4:2, 1:45-56.

The '582 patent's method for a website to "know more about the visitor" involves a website forwarding a "partial profile" of a visitor to another server. *Id.*, 3:67-4:2; *see also id.*, 2:36-57 (describing exemplary types of profile information). The website also redirects the visitor to that server to access cookie information previously placed on the user's computer identifying the user. The server can then aggregate and "interconnect" the user's transactions (reflected in a partial profile) across websites. *Id.*, 4:2-11, 15:40-48; *see* EX1002, ¶¶ 37-41.

B. Level of Ordinary Skill in the Art

A person of ordinary skill in the art as of the effective filing date of the '582 patent ("POSITA") would have possessed at least a bachelor's degree in electrical

engineering or computer science, and two years of work experience in the field of network-based computer systems, such as systems for sending and receiving information over local networks and wide area networks (such as the Internet or World Wide Web). A person could also have qualified with more formal education and less technical experience, or vice versa. EX1002, ¶¶ 30-34.

VI. CLAIM CONSTRUCTION

Claims subject to *inter partes* review are "construed 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), including construing the claim in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent." 37 C.F.R. § 42.100(b).

For the purposes of this Petition, the challenged claims are interpreted according to their plain and ordinary meaning.[3] EX1002, ¶¶ 35-36.

VII. THE PRIOR ART

Pursuant to Rule 42.104(b)(4)-(5), the following sections, as supported by the Menascé Decl. (EX1002), detail the grounds of unpatentability for the challenged

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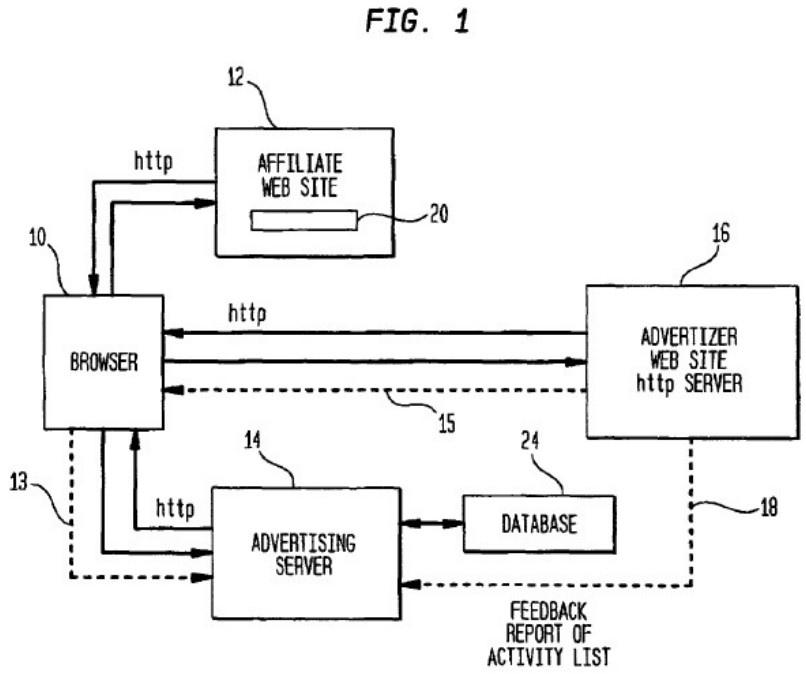
[3] For the avoidance of any doubt, nothing in this Petition is a waiver of any arguments, positions, or appellate rights of Petitioner, including, but not limited to, claim construction.

claims of the ’582 patent and demonstrate why these claims are obvious in view of the prior art.

A. Overview of Merriman (EX1004)

Merriman describes “[a] computer system for automatic” “placement of advertisements” by “an advertising server” that selects “an advertisement based on criteria related to the individual viewer.” EX1004, Abstract. Specifically, Merriman is directed to displaying “advertisements … selected for a given user, based on the past [Internet browsing] behavior of that specific given user.” *Id.* Merriman’s system tracks user activity and creates user profiles through “[a]dvertiser web sites … [that] are configured to … report back user activity such as visit dates, purchases, specific product pages visited and the like.” *Id.* These users and their data are kept on activity lists and profiles, making them “[c]andidates for re-targeted advertisements … based on their own individual past activity …. When a candidate on the re-targeted list is identified at any network affiliate web site, a re-targeted advertisement is delivered to the candidate user.” *Id.*; EX1002, ¶ 52.

Merriman illustrates the various entities involved in its targeted advertising system in Figure 1.



EX1004, Fig. 1. Merriman's system includes a user browser 10, and "at least one affiliate web site 12," who is "a publisher or other content provider having advertising space [20] to fill." *Id.*, 4:27-31, 5:9-11. "Central to the ad network system is an advertising server 14, which includes a predictive model and algorithms for selection of advertising in accordance with various criteria. The advertising server 14 further communicates with a database 24, which contains the activity history of users on various web sites." *Id.*, 4:31-36. The system also includes "advertiser web sites 16," which "can be … any type of commerce engine." *Id.*, 4:37-39. EX1002, ¶ 53.

The advertiser website may collect user tracking data by using spotlight tags. *See* EX1004, 5:39-42. "A spotlight tag is a minimal graphic (e.g., a one pixel image) containing a redirect message back to the advertising server 14. Spotlight tags are

placed on web pages by the advertiser and contain other [e]mbedded information such as information identifying the specific advertiser web page." *Id.*, 4:54-59. As Merriman describes it:

> When the viewer accesses any page having at spotlight tag [], a reply message back to the browser redirects the browser to send a message back to the advertising server. Receipt of the message back at the advertising server in effect, reports (in real time) to the advertising server that the user has accessed the [] respective page while browsing at the advertiser's web site. Reported user activity is stored in the local database for further processing.

Id., 5:43-51 (reference numbers omitted). Accordingly, "the advertiser web site 16 provides real time reporting of user activities while the user is in the advertising website 16," while the "advertising server 14 assembles the activity list for each user." *Id.*, 4:67-5:3. EX1002, ¶ 54.

B. Overview of Rosenberg (EX1005)

Rosenberg describes a technique for using cookies to track web browsers across distinct domains. In the Background section, Rosenberg describes content on the World Wide Web as being "underwritten by advertising." EX1005, 1:32-35. And, "[a]s with all advertiser-supported media, it is important to learn as much as possible about the customer." *Id.*, 1:35-37. One way of learning this information is to passively track users' as they access various websites. *Id.*, 1:52-56; EX1002, ¶ 56. Rosenberg tracks users by having a group of cooperating servers in different

domains observe a common protocol that uses cookies to track users' behaviors across distinct domains. EX1005, 4:52-64; EX1002, ¶ 57-58.

C. Motivation to Combine the Prior Art

A POSITA would have found it obvious to combine Merriman with Rosenberg. EX1002, ¶¶ 59-60. Targeted Internet advertising would have been well known to a POSITA prior to the effective filing date of the '582 patent. EX1002, ¶¶ 42-48. Advertising networks (or "ad networks") were developed during explosive growth of the Internet and Internet advertising. By the late 1990s, millions of websites were accessible over the Internet, most of them owned and operated by different individuals or entities. This created a practical problem for advertisers – there were simply too many websites for advertisers to individually contact regarding advertising placement. Ad networks addressed this practical problem by providing a way for advertisers to display their advertisements across multiple web sites. *Id.*, ¶ 42.

Ad networks typically involved interaction between three different computing systems: (1) a user system with a web browser for visiting websites on the Internet, (2) an advertising network system that stores advertisements from multiple third-party advertisers, and (3) a third-party website that participates in the advertising network by displaying advertisements provided by the advertising network. Ad networks brought together advertisers and websites, causing websites to receive

advertisements from the ad networks without having to directly interact with the individual third-party advertisers. *Id.*, ¶ 43; EX1006, 103.

One popular early ad network operating prior to the effective filing date was DoubleClick, where "[a] media buyer can make one purchase with DoubleClick and have an ad placed on dozens of sites. For example, an advertiser can purchase impressions in DoubleClick's Sports/Leisure/Entertainment affinity, and he or she would be able to run banners on the various sites that DoubleClick represents in this category, clearly an advantage." EX1006, 59. At least half a dozen other ad networks already provided targeted advertising services prior to the effective filing date. *Id.*, 29 (Table 2.4); EX1002, ¶ 44. There were also a variety of different pricing models for Internet advertising in use during the late 1990s. EX1006, 56-72 (describing different models). EX1002, ¶ 45.

It was also conventional by the effective filing date of the challenged patent to target advertising to particular website visitors or groups of visitors. As Zeff notes, "[a]ppropriately targeting ads means achieving greater response for the advertisers and the ability to charge a higher CPM for publishers." EX1006, 105; EX1002, ¶ 46.

Such advertising could be targeted by comparing profiles associated with particular web site visitors with targeting criteria associated with particular

advertisements. *See* EX1006, 37-39 (describing targeting generally). Zeff includes an example of targeting options available from DoubleClick:

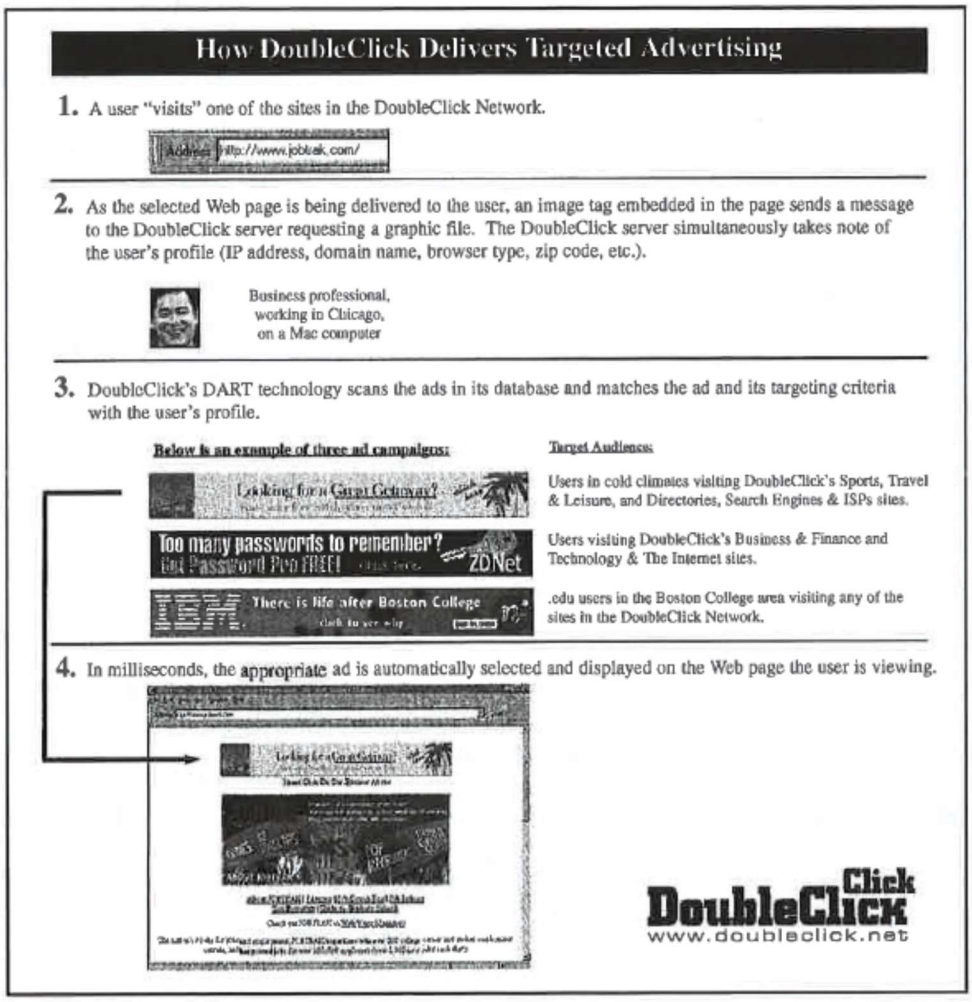


FIGURE 9.2 DoubleClick Network targeting options.

Id., 104. In this example, the profile includes the visitor's IP address, domain name, browser type, zip code, etc. *Id.* DoubleClick's technology "scans the ads in its database and matches the ad and its targeting criteria with the user's profile." *Id.*; EX1002, ¶ 47.

It was also conventional by the effective filing date of the challenged patent to use web browser cookies to identify web site visitors for purposes of targeting advertising. Zeff describes a cookie as "a text file inserted on a user's hard drive when the user requests a Web page," which "contains information generated by the user's interaction with a Web site, from a unique user ID to the URL of the Web site from which the user came to information provided through a registration form." EX1006, 40. According to Zeff, "[a] cookie is most often used as an identification tag." Therefore, "[e]ach time the user clicks on an advertisement or fills out a survey, the actions can be recorded in a database as those performed by that user." *Id.*, 41; EX1002, ¶ 48.

Both Merriman and Rosenberg disclose the conventional functionality of early ad networks described above, which are within the challenged claims. Thus, combining Merriman and Rosenberg is a natural step. EX1002, ¶ 59. Merriman and Rosenberg are analogous and relate to targeted Internet advertising. *Id.* Moreover, both references relate to tracking and measuring user behavior on the Internet and using the tracking information for targeted Internet advertising. *Id.* A POSITA in possession of Merriman would have known "it is [] important for the advertisers to track response to the advertisements and to acquire as much information about those people responding to the advertisements for targeting those same people at later dates." *Id.* (citing EX1004, 1:64-67). A POSITA would also have known that

"behavior at the advertiser's web site is used to gauge the effectiveness of the advertiser's web pages" and "[w]eb pages that promote responses (further browsing, making a purchase or providing information) are more likely to be used in the future" and would have naturally looked to teachings from other references that may further serve this purpose. *Id.* (citing EX1004, 3:8-12).

Rosenberg similarly notes that "advertisers like to know audience demographics (e.g., average age, gender distribution, etc.) to more accurately choose appropriate advertisements, while editors like to know audience preferences (e.g., favorite kinds of stories, most-read sections) to create more appealing content" (EX1005, 1:37-42) and "such information would allow editors and advertisers to tailor their content to users" (*id.*, 3:6-8). Moreover, Rosenberg purports to address this issue by disclosing techniques that identify "content preferences and interests associated with the individual using the web browser" across distinct domains and "allows all cooperating servers to share information via a database." *Id.,* 3:25-30. Therefore, a POSITA would have found it obvious to incorporate teachings of Rosenberg into Merriman in order to track online user behavior more comprehensively and accurately and improve the ability to tailor advertisements to users. EX1002, ¶ 60.

VIII. THE CHALLENGED CLAIMS ARE OBVIOUS OVER MERRIMAN AND ROSENBERG

A. Claim 11

[11.pre] "A tangible, non-transitory data storage medium comprising indicia of instructions for a processor to perform a method of collecting profiles of Internet-using entities, the method comprising:"

To the extent it is limiting, Merriman in view of Rosenberg discloses the preamble. EX1002, ¶¶ 63-68.

Merriman discloses an advertising server, which includes **a tangible, non-transitory data storage medium comprising indicia of instructions for a processor** to perform a method. EX1004, 2:62-65, 4:32-34, 9:1-2 (claim 39). A POSITA would have recognized and found obvious that the advertising server includes standard computer components, including a tangible, non-transitory data storage medium, such as a hard drive, and a processor. EX1002, ¶ 64. Rosenberg confirms that a server includes the claimed data storage medium comprising indicia of instructions for a processor to perform a method. Rosenberg discloses a "server computer" which "includes standard server computer components" including a "CPU" (i.e., a processor) and a memory which "stores a set of computer programs to implement the processing associated with the invention." EX1005, 4:25-29; EX1002, ¶ 65.

Merriman further discloses that the advertising server **performs a method** of **collecting profiles of Internet-using entities**. EX1002, ¶ 66. The advertising

server "includes a predictive model and algorithms for selection of advertising in accordance with various criteria." *Id.*, ¶ 64; EX1004, 4:32-34. To this end, Merriman's advertising server **collects** user **profiles** by "compiling information on users of TCP/IP networks." EX1004, 2:50-53. Merriman refers to these profiles as the "activity history" (*id.*, 4:34-36), "past user activity" (*id.*, 5:33-34), and "user activity list[s]" (*id.*, 5:60-61). *See id.,* 2:9-30 (listing types of profile information that may be used "for selection of targeted advertising"). The profiled users, i.e., the "users of TCP/IP networks," are **Internet-using entities**. *See, e.g., id.,* 2:31-32 ("To deliver targeted advertising on the Internet, an advertising server is provided as a node on the network."), 5:9-21 ("when a user browsing on the Internet accesses an affiliate's web site"). EX1002, ¶ 66.

Rosenberg also discloses a server that performs a method of **collecting profiles of Internet-using entities**. Rosenberg's cooperating servers use a common cookie-based protocol to track users' behaviors across distinct **Internet** domains. EX1005, 4:52-64; 7:46-61. Rosenberg stores the tracked information in a database using data structure like that shown below. *Id.,* 5:55-6:5.

Cookie ID #	Last Visit to Server_A	Content Requested			Last Visit to Server_B	Content Requested		
		News	Product Info	Feature Story		News	Product Info	Feature Story
123	4-9-96;18:25	2	5	0	7-4-96;16:23	1	7	3

Figure 3

Id.,; FIG. 3. The data structure above stores information "regarding the interaction between a browser 34 and a server 24," (*id*., 5:55-57) showing, for example, "the user of the web browser requested two pages of news and five page of product information" (*id.,* 6:2-4). A POSITA would have recognized and found obvious that this data structure is a profile of a user using the Internet. The '582 patent describes profile information of a user as including "behavioral attributes" like the browser behavior shown in Rosenberg. *See* EX1001 at 11:7-12 ("The partial profile will often itself contain certain predetermined identified commercial attributes, demographic attributes, or behavioral attributes or combinations thereof or the like."). EX1002, ¶ 67.

A POSITA would have been motivated to combine Rosenberg's teachings related to standard server components and collecting profiles of Internet using entities into Merriman's advertising network. EX1002, ¶¶ 68, 59-60. Incorporating standard server components into Merriman's network would allow Merriman's advertising server to perform the functions described in Merriman's disclosure. *Id.*, ¶ 68. Using Rosenberg's profile collection techniques within Merriman's advertising network would further enable the advertising server to build more detailed profiles of users, which would further Merriman's objective of "target[ing] advertisements to the appropriate potential customer base, rather than to broadcast advertisements in general." EX1004, 1:27-29. This is a combination of prior art

elements according to known methods to yield predictable results, as well as use of a known technique to improve a similar device in the same way. EX1002, ¶ 68.

[11.a] "electronically receiving at a programmed computer system coupled to a global computer network, from at least one server controlled by one of a plurality of unaffiliated third parties, a partial profile of an entity that uses a user computer coupled to the global computer network and accessing a website,

which partial profile is available to one of the third parties and contains at least one profile attribute related to the entity, and automatically with the computer system storing the received partial profile;"

Merriman discloses limitation 11.a. EX1002, ¶¶ 69-76.

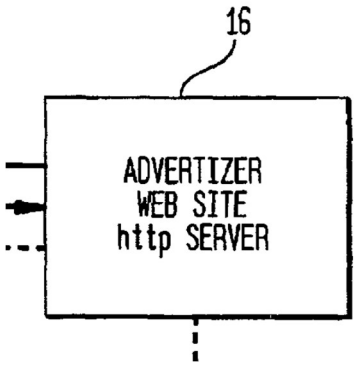
Merriman discloses **a programmed computer system coupled to a global computer network**. *Id.*, ¶ 69. Merriman discloses the advertising server, which is "a node on the network." EX1004, 2:31-32. The "network" is the Internet. *Id.* Hence, the advertising server is a computer system coupled to a global computer network. The advertising server is also programmed. Merriman discloses that the advertising server "includes a predictive model and algorithms for selection of advertising in accordance with various criteria." *Id.*, 4:31-34. A POSITA would have understood and found obvious from this disclosure that the advertising server is programmed because programming is used to implement algorithms on a computer. EX1002, ¶ 69.

Merriman discloses that the advertising server electronically receives a partial profile of an entity that uses a user computer coupled to the global computer network

and accessing a website. The '582 patent defines a "profile" as "[a] collection of attributes that describe a person or an organization or any other entity that can be described by a combination of data." EX1001, 2:36-38. It also equates the term "partial profile" with "profile." *Id.,* 7:43-44 ("In the context of the preferred embodiment of the present invention, all profiles are, by definition, partial."). EX1002, ¶ 70.

Merriman's advertising server electronically receives attributes of a user that uses a user computer coupled to the Internet and is accessing an advertiser website. Specifically, the advertiser website reports the user's activities on the advertiser website to the advertising server in real time via the Internet. EX1004, 3:35-38; 5:46-49 ("Receipt of the message 13 back at the advertising server 14 in effect, reports (in real time) to the advertising server that the user has accessed the a [*sic*] respective page while browsing at the advertiser's web site."). The report that the user accessed a page at the advertiser website is a partial profile of the user at least because it includes an attribute describing a behavior of the user, and a POSITA would have known that the user accessed the webpage using a user computer coupled to the Internet. *See id.,* 4:62-65 ("When the user requests (i.e., visits) an advertiser page containing a spotlight tag, a reply message 15 redirects the users browser 10 back to the advertising server 14 via request 13 to access the minimal one pixel graphic image."). EX1002, ¶ 71.

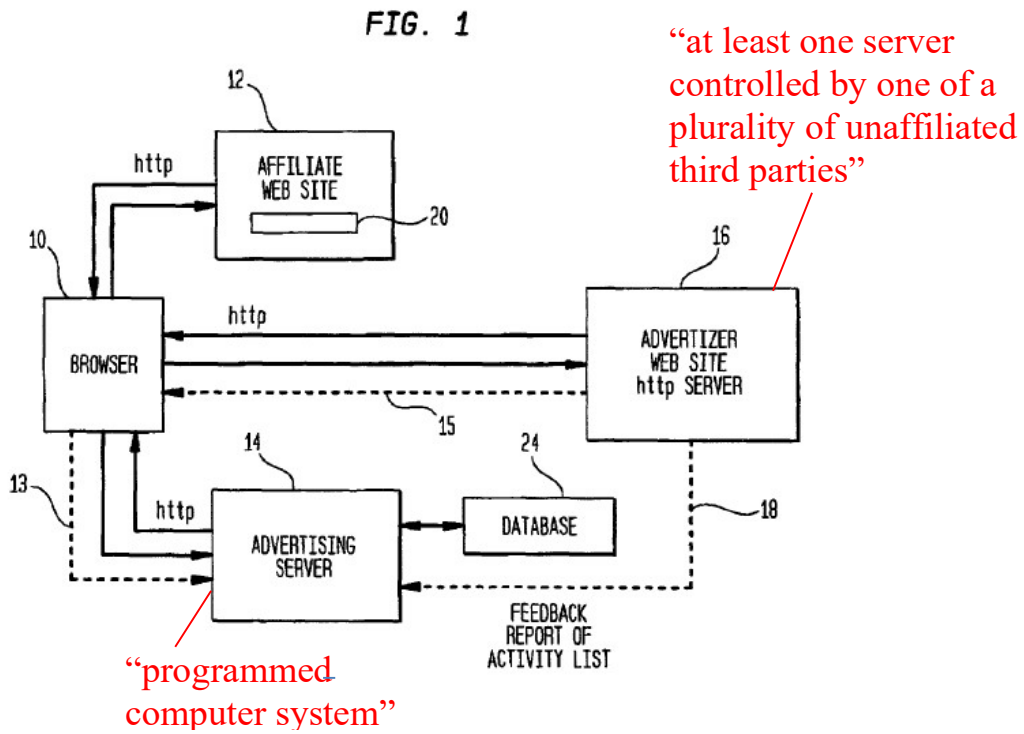
Further, the advertiser website from which advertising server receives the partial profile comprises **at least one server controlled by one of a plurality of unaffiliated third parties**. A POSITA would have recognized and found obvious that the advertising website includes a server. Merriman's FIG. 1 illustrates an "ADVERTIZER [*sic*] WEB SITE http SERVER:"



Id., FIG. 1 (excerpt). To the extent it is not apparent from Merriman, Rosenberg discloses that websites include **servers**. EX1005, 1:14-24 ("The World Wide Web (WWW) of computers is a large collection of computers operated under a client-server computer network model…the server computer passes the requested information to the client computer."). Rosenberg also disclose that a website server may be controlled by **one of a plurality of parties**. *Id.,* 1:19-22 ("Server computers are typically operated by large information providers, such as commercial organizations, governmental units, and universities."). EX1002, ¶ 72.

Merriman discloses that the party controlling the advertiser website is an **unaffiliated third party**. EX1002, ¶¶ 72-73. Merriman's advertising network

includes four distinct entities: the advertising server, an advertiser website server, a user with a browser, and an affiliate website. EX1004, 4:26-43; EX1002, ¶ 72. As shown below in Figure 1, Merriman discloses the "programmed computer system" (e.g., advertising server 14) and the "at least one server controlled by one of a plurality of unaffiliated third party" (e.g., advertiser website 16) of claim 11. EX1002, ¶ 73.



Id., FIG. 1 (annotated).

Merriman also distinguishes the advertiser website server from the **affiliate** website 12, which is "a publisher or other content provider having advertising space 20 to fill." EX1004, 4:30-31 EX1002, ¶ 73. For example, Merriman discloses that

affiliate websites include "AltaVista 50, Travelocity 54, Dilbert 56 or any of 60+ other affiliated web sites on the network." *Id.,* 6:5-8. EX1002, ¶ 73.

In contrast with "a web page that is affiliated with the advertising server (an affiliate web site)" (*id.,* 2:34-36), Merriman describes advertiser websites as "any type of commerce engine," where any type of user activity, such as shopping behavior, is compiled (*id.,* 2:34-36; 4:38-39). Merriman does not describe the advertiser website as having common ownership with the party or parties that control the advertising server. A POSITA would have found it obvious that the controller of the advertiser website is separate from and therefore not affiliated with the advertising server and is thus an unaffiliated third party. EX1002, ¶ 74.

For example, Zeff describes DoubleClick, the assignee of Merriman, as an advertising network on which "an advertiser can purchase impressions." EX1006, 59; EX1013, 1. A POSITA would have recognized from this disclosure that the advertiser website is controlled by an unaffiliated third party who may purchase advertising on affiliated websites through the advertising server operated by an advertising networks. *See* EX1006, 26-31 (describing and distinguishing ad networks and advertisers). EX1002, ¶ 74.

Further, Merriman discloses that the **partial profile is available to one of the third parties and contains at least one profile attribute related to the entity**. Here, the partial profile is the report showing that the user accessed a page at the

advertiser website. EX1004, 3:35-38; 4:62-65; 5:46-49. The partial profile contains at least one profile attribute related to the user that accessed the page. For example, the partial profile contains an attribute indicating that a user accessed a respective page while browsing the advertiser website. *Id.*, 5:43-49. The report is available to one of the third parties – the entity controlling the advertiser website that is providing the report. Merriman demonstrates that the report is available to the advertiser website; the reference describes an alternative embodiment in which is "the user activity list 42 is compiled at the advertisers web site" and "reported back 44 to the advertising server 14 by email or ftp (file transfer protocol)." *Id.*, 5:52-54. A POSITA would have recognized from this disclosure that the advertiser website, and the entity controlling the advertiser website, has available to it the report provided to the advertising server, regardless of how it provides the report. EX1002, ¶ 75.

Merriman discloses that the advertising server **automatically stores the received partial profile**. Merriman says that "[p]ast user activity is stored in an activity table 63 (part of database 24 in FIG. 1)." *Id.,* 5:61-63; *see also, id.,* 3:44-46 ("Reported advertising log files and other user data form a database at the advertisement server, used for selecting retargeted advertising."); 5:49-51 ("Reported user activity is stored in the local database 24 for further processing.). A POSITA would have understood and found obvious that this storage happens automatically; Merriman describes the advertising system as operating

"automatically" (*id.,* 4:14-16) and it would be inefficient to store the large volume of reports manually. EX1002, ¶ 76.

[11.b] "wherein receiving the partial profile is achieved as a result of automatic electronic URL redirection from a portion of a page of the website accessed by the user computer;"

Merriman and Rosenberg discloses limitation 11.b. EX1002, ¶¶ 77-86.

As explained above for limitation 11.a, Merriman discloses that the advertising server receives the partial profile of a user browsing an advertiser website which indicates that the user accessed a certain page at the advertiser website. EX1004, 3:35-38; 5:46-49 ("Receipt of the message 13 back at the advertising server 14 in effect, reports (in real time) to the advertising server that the user has accessed the a [*sic*] respective page while browsing at the advertiser's web site."). EX1002, ¶ 77.

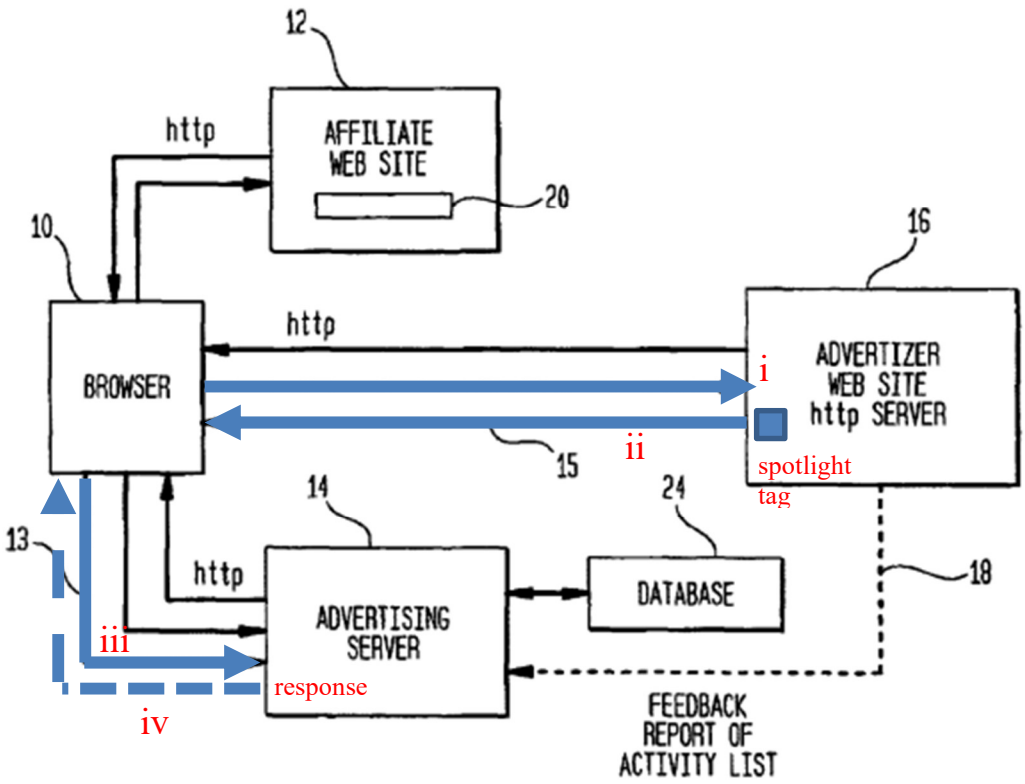
Merriman further explains that one way that the advertising server **receives the partial profile** is by including spotlight tags placed on specific **pages** of the advertiser **website accessed by the user computer**. *Id.,* 4:53-54. When a user visits a page containing a spotlight tag on the advertiser website 16, Merriman explains that "a reply message 15 redirects the [user's] browser 10 back to the advertising server 14 via request 13 to access the minimal one pixel graphic image." *Id.,* 4: 62-65. By **redirecting** the browser 10 to send a request to the advertising server 14, "the advertiser web site 16 provides real time reporting of user activities while the

user is in the advertising web site 16." *Id.,* 4:67-5:2. A POSITA would have understood and found obvious the advertising server **receives** the report via **URL redirection** and that this redirection occurs **automatically** and **electronically** because the user's browser automatically sends a request to the advertising server in response to the redirect message from the advertiser website. EX1002, ¶ 77.

As explained by Dr. Menascé, a POSITA would have known that the advertising server receives the partial profile via three main steps that occur when a user visits a page with a spotlight tag. *Id.*, ¶ 78. First, the user's browser visits the advertiser's website and requests a webpage having a spotlight tag. *Id.* As part of requesting the webpage, the browser will send requests for the various objects on the page, including the image file constituting the spotlight tag (which is a **portion** of a page of the website accessed by the user computer). *Id.* Second, the advertiser's website responds to the browser's request for the spotlight tag image by sending a reply message 15 to the browser (i.e., **from** a portion of a page of the website accessed by the user computer), which tells the browser to obtain the spotlight tag image from the advertising server (an electronic **URL redirection**), and thus in a third step, **automatically** causes the browser to send a request 13 to the advertising server 14 for the spotlight tag. *Id.; see also* EX1008, 40 (RFC 2616 describing automatic redirection for an HTTP GET request); EX1009, 56 (RFC 2068 describing the same). The advertising server then responds to the request 13 in a fourth step by

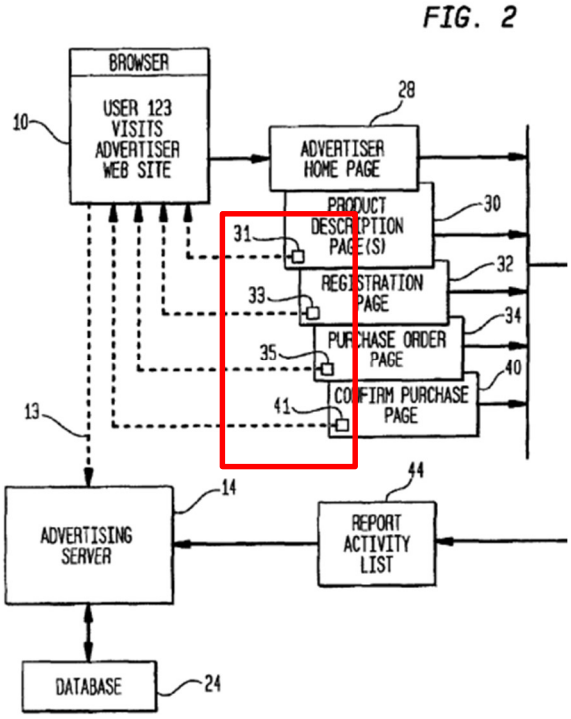
providing the spotlight tag image or, alternatively, further redirecting the browser to back to the advertiser's website or another location. *See* EX1002, ¶ 78. A POSITA would have known that the advertising server 14 would have responded to the request 13 in some manner. *Id.*

FIG. 1



EX1004., FIG. 1 (annotated). EX1002, ¶ 78.

Figure 2 of Merriman, partially shown below, explicitly illustrates the spotlight tags 31, 33, 35, 41 within various webpages of the advertiser website.



Id., FIG. 2 (annotated); EX1002, ¶ 79. When the user's browser accesses a particular page on an advertiser's website, such as a product description page, registration page, purchaser order page, or confirm purchase page, the browser's request for the spotlight tag (e.g., reference numbers 31, 33, 35, or 41 in Fig. 2 above) causes the advertiser's website to send "a reply message back to the browser 10 [that] redirects the browser to send a message 13 back to the advertising server 14." *Id.* 5:43-46. When the request 13 is received at the advertising server 14, the advertising server receives information that "the user has accessed [] a respective page while browsing at the advertiser's web site." *Id.,* 5:46-49; EX1002, ¶ 79.

To the extent that Merriman does not disclose or suggest that receiving the partial profile is achieved as a result of automatic electronic URL redirection from a

portion of a page of the website accessed by the user computer, Rosenberg does. *See* EX1002, ¶ 80. Rosenberg describes how an Internet server may instruct a browser to convey information to another server. *Id.*; *See, e.g.,* EX1005, 5:28-31 ("the returned page includes an instruction to convey the unique identification information to each server in the network of servers that is operating in accordance with the invention."), 5:35-38 ("the browser 34 receives the information from server 24A. Based upon this information, the browser 34 generates a request to server 24B, the request contains the unique identification information."). EX1002, ¶ 80.

One way to convey the information is through identification information embedded within "[a]n HTML cross-cite reference with an image tag" in which "the page contains an embedded image, which is located on another site." EX1005, 9:8-10; EX1002, ¶ 81. Rosenberg provides an example in which the HTML code for the embedded image is "<IMG SRC="http://www.search.com/cnet-img.cgi?47834">." EX1005, 9:12-13. In Rosenberg, the number "47834" is the unique identification information conveyed with the request. *See id.,* 8:15-17 ("The URL has the form: http://B/B-correlate'?i', where i' is an encoding of the identifier 'i' (the unique identification information)"); EX1002, ¶ 81. Rosenberg also explains that this information is conveyed automatically. EX1005, 9:15-17 ("As long as image loading is enabled for the browser, the request will be made automatically, without the need for human action."). EX1002, ¶ 81.

Further, Rosenberg explicitly states that "an HTTP redirect command" may be used to convey this information. EX1005, 9:18-24. Rosenberg describes a redirect command as "a response from a server that indicates to the browser that it should retransmit the request to a specific URL." *Id.,* 9:20-22; EX1002, ¶ 82.

A POSITA would have found it obvious to use Rosenberg's technique for conveying information between servers within Merriman. EX1002, ¶ 83. Merriman describes using a "reply message 15 [which] redirects the [user's] browser 10 back to the advertising server 14 via request 13 to access the minimal one pixel graphic image." EX1004, 4: 62-65. Rosenberg both illustrates conveying information using an embedded image and says that a redirect command may be used to convey the information. EX1005, 9:8-24. A POSITA would have recognized that "it is considered highly desirable to target advertisements to the appropriate potential customer base" (EX1004, 1:27-28) and when faced with Merriman's need to "report[] (in real time) to the advertising server that the user has accessed [] a respective page while browsing at the advertiser's web site" (*id.,* 5:47-49), would have been motivated to use Rosenberg's technique which "allows servers with distinct domain names to access state information generated by other servers" (EX1005, 7:57-58). This combination is a combination of prior art elements according to known methods to yield predictable results, a simple substitution of one

known element for another to obtain predictable results, and use of a known technique to improve a similar system in the same way. EX1002, ¶ 83.

The Patent Owner has also accused use of single-pixel gifs on webpages as allegedly infringing on this same limitation. An excerpt from the Patent Owner's infringement contentions is below.

(b) wherein receiving the partial profile is achieved as a result of automatic electronic URL redirection from a portion of a page of the website accessed by the user computer;	In the authomated method performed by Amazon's Accused Instrumentalit(ies), the partial profile is achieved as a result of automatic electronic URL redirection from a portion of a page of the website accessed by the user computer. For example, Amazon's Accused Instrumentalit(ies) receives a partial profile as a result of a URL redirection from a page (or portion thereof) that is accessed by the user computer. *See, e.g.*:

	Like other online ad networks, we use cookies, web beacons (also known as action tags or single-pixel gifs), and other technologies (collectively, "cookies"). Cookies enable us to learn about what ads you see, what ads you click, and other actions you take on our sites and other sites. This allows us to provide you with more useful and relevant ads. For example, if we know what ads you are shown we can be careful not to show you the same ones repeatedly. We do not associate your interaction with unaffiliated sites with your identity in providing you with interest-based ads. Source: https://www.amazon.com/gp/help/customer/display.html?nodeId=202075050 We do not provide any personal information to advertisers or to third party sites that display our interest-based ads. However, advertisers and other third-parties (including the ad networks, ad-serving companies, and other service providers they may use) may assume that users who interact with or click on a personalized ad or content are part of the group that the ad or content is directed towards (for example, users in the Pacific Northwest who bought or browsed for classical music). Also, some third-parties may provide us information about you (such as the sites where you have been shown ads or demographic information) from offline and online sources that we may use to provide you more relevant and useful advertising. Source: https://www.amazon.com/gp/help/customer/display.html?nodeId=202075050

EX1007, 4-5[4].

[4] Although the excerpt shown is for Claim 1, which is not challenged in this Petition, the infringement contentions for Claim 11 refers to Claim 1. EX1007, 31.

Patent Owner thus alleges that use of "web beacons (also known as action tags or single-pixel gifs)" (*id.)* is covered under claim 11 of the '582 patent, and specifically, that such web beacons result in receiving partial profile information **as a result of automatic electronic URL redirection from a portion of a page of the website accessed by the user computer**. EX1002, ¶¶ 84-85.

Accordingly, Merriman in view of Rosenberg discloses a computer system wherein receiving partial profiles of users is achieved via automatic electronic URL redirection from a portion of a page of the website accessed by said users. *Id*., ¶¶ 77-86.

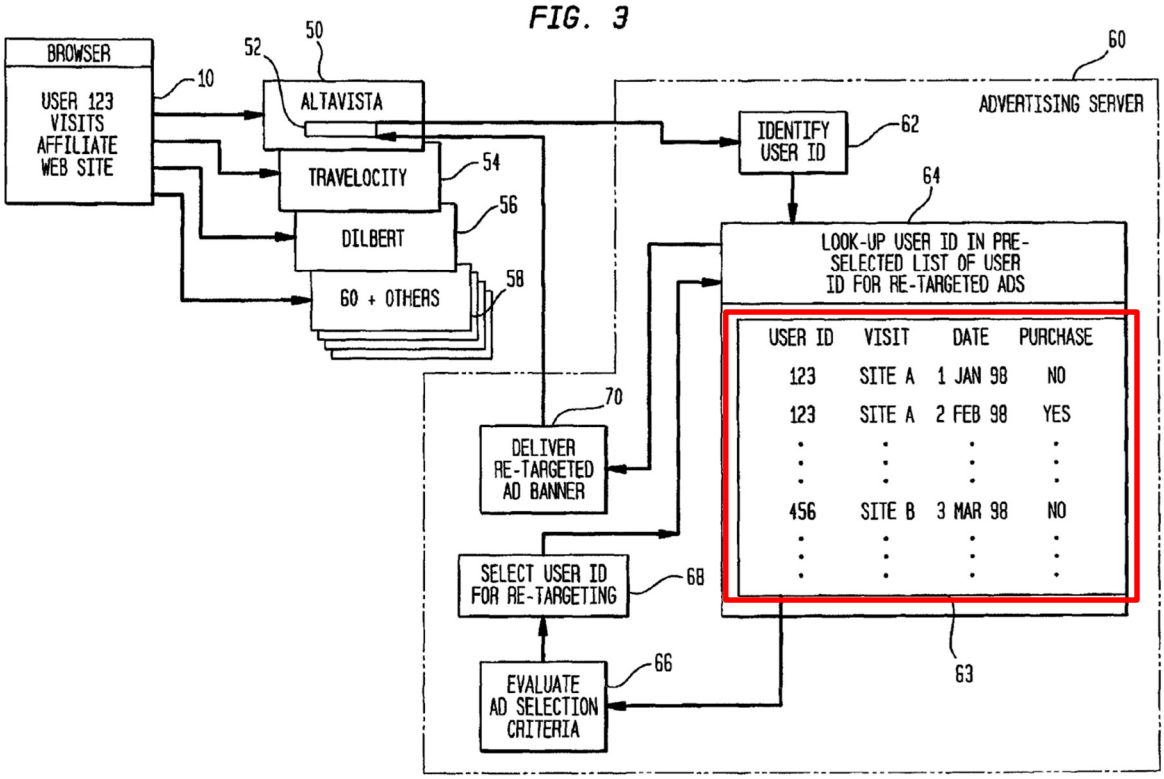
[11.c] "automatically with the computer system electronically adding the received partial profile to a maintained profile believed to be related to the same entity;"

Merriman and Rosenberg disclose limitation 11.c. EX1002, ¶¶ 87-92.

Merriman discloses that the advertising server 14 compiles the received information about the user's activities (i.e., the partial profile information) in real-time into a user activity list which is stored in an activity table, and which each include **a maintained profile** of the user. EX1002, ¶ 87. Referring to Figure 1, Merriman explains that the advertising server 14 communicates with a database 24, "which contains the activity history of users on various web sites." EX1004, 4:34-36. When the advertising server 14 receives "real time reporting of user activities"

as a result of URL redirection from the spotlight tags, Merriman discloses that "the advertising server 14 assembles the activity list for each user." *Id.,* 5:2-3.

Figure 3, shown below, illustrates the activity table compiled by the advertising server (the figure is modified to highlight the activity table in red). EX1002, ¶ 88.



Id., FIG. 3 (annotated).

The activity table stores "[p]ast user activity." *Id.,* 5:61-63; EX1002, ¶ 89. As shown above, the table includes compiled information such as the different times that the user visited an advertiser website (*e.g.*, Site A) and whether a purchase was made. *Id.* A POSITA would have recognized and found obvious that the activity

table thus **maintains profiles** of the users, with a profile of a particular user being represented as the listed activities of that user as specified by the user's ID. *Id.* A POSITA would also have recognized and found obvious the advertising server, a **computer system**, **automatically** and **electronically** adds the received partial profile to a maintained profile by storing the received user activities in the activity table. *Id.*; EX1004, 5:49-51 ("Reported user activity is stored in the local database 24 for further processing."); 5:61-63 ("Past user activity is stored in an activity table 63 (part of database 24 in FIG. 1)").

Merriman further explains that the user ID in the activity table or activity list "is typically assigned arbitrarily using cookie enabled browser features." *Id.,* 5:56-57. The arbitrarily assigned user ID preserves user privacy by not specifically identifying the user. *Id.,* 5:55-59. A POSITA would have recognized that activities related to the same user ID in the activity table are **believed to be related to the same entity** because the user ID in the table is assigned arbitrarily, and the same user ID's would indicate the same user browser 10 and likely belong to a same user. EX1002, ¶ 90.

To the extent Merriman does not disclose electronically adding the received partial profile to a maintained profile believed to be related to the same entity, Rosenberg discloses it. *Id.*, ¶ 91. According to Rosenberg's protocol, when a browser operating on a client computer requests a web page from a first server, the

server generates a unique identifier for the browser which it stores in a common database accessible to the other cooperating servers. *Id.*; EX1005, 5:1-16. The first server also sets a cookie containing the identifier in the browser and instructs the browser to convey the identifier to the other cooperating servers. *Id.,* 5:17-24. The cooperating servers thereafter use cookies to associate the identifier with the browser. *Id.,* 5:28-54. The cooperating servers store information describing the browsers' interactions with the respective servers in a shared database entry associated with the browser/identifier. *Id.,* 5:55-6:58; 7:46-61. Rosenberg thus discloses electronically adding a received partial profile (the information regarding interactions) to a maintained profile believed to be related to the same entity (the database entry associated with the unique identifier for the browser). EX1002, ¶ 91.

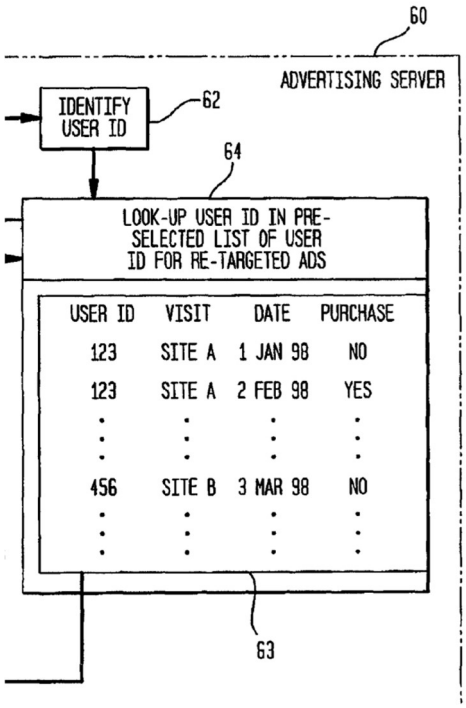
A POSITA would have been motivated to combine Rosenberg's disclosure of electronically adding a received partial profile to a maintained profile believed to be related to the same entity within Merriman's advertising server. *Id.*, ¶ 92. Merriman discloses that the user ID in the activity table or activity list "is typically assigned arbitrarily using cookie enabled browser features." EX1004, 5:56-57. Rosenberg similarly describes a technique using cookie-enabled browser features to assign IDs for purposes of tracking user interactions with websites. *See*, *e.g.*, EX1005, 5:1-24. This is a combination of prior art elements according to known methods to yield predictable results, a simple substitution of one known element for another to obtain

predictable results, and use of a known technique to improve a similar system in the same way. EX1002, ¶ 92.

[11.d] "automatically with the computer system generating and storing an electronic record of which of the plurality of unaffiliated third parties contributed to the maintained profile particular profile attributes;"

Merriman and Rosenberg disclose limitation 11.d. EX1002, ¶¶ 93-97.

As explained above, Merriman discloses an activity table 63 (Figure 3) that includes a list of user activities on advertiser websites. *Id.*, ¶ 87-92; EX1004, 4:34-36 ("The advertising server 14 further communicates with a database 24, which contains the activity history of users on various web sites."). Each of the user activities is **an electronic record** that specifies which website the user's browser 10 visited, such as Site A or Site B, as shown in the below portion of Figure 3:



For example, in the first shown entry, Site A contributed information that user having ID 123 visited but did not make a purchase on Site A on January 1, 1998. In the second shown entry, Site A contributed information that user having ID 123 made a purchase on Site A on February 2, 1998. In a subsequent entry, Site B contributed information that user having ID 456 visited but did not make a purchase on Site B on March 3, 1998. As previously explained in limitations 11.a, 11.b, 11.c, these entries describing user activity are **generated and stored automatically** in real time by advertising server (i.e., **the computer system**). EX1002, ¶¶ 69-92. Merriman discloses that the user activity lists indicate the history of the user activities on the various advertiser web sites, and that the activities are reported by the advertising web sites on which the activities occur. As also explained with respect to limitation 11.a, a POSITA would have understood that advertiser websites Site A and Site B are controlled by unaffiliated third parties. *Id.*, ¶¶ 72-74, 94. A POSITA would have thus understood that the user activity identifies **which of the plurality of unaffiliated third parties contributed** the particular partial profile information to the activity table of maintained profiles. *Id.*, ¶ 94.

To the extent not disclosed in Merriman, Rosenberg also discloses generating and storing an electronic record of which of the plurality of unaffiliated third parties contributed to the maintained profile of a user. *Id.*, ¶ 95. Rosenberg discloses server computers that use a database to store information regarding interactions between a

browser and a server; the server reports information regarding these interactions to the database. EX1005, 5:55-62; 6:6-9. Figure 3 illustrates a data structure used by the database to describe these interactions. EX1002, ¶ 95. As shown below, the data structure includes a cookie ID# which is a unique identification number, along with an entry related to content requested at Server A and an entry related to content requested at Server B.

Cookie ID #	Last Visit to Server_A	Content Requested			Last Visit to Server_B	Content Requested		
		News	Product Info	Feature Story		News	Product Info	Feature Story
123	4-9-96;18:25	2	5	0	7-4-96;16:23	1	7	3

Figure 3

Id., 5:55-66*,* FIG. 3.

Rosenberg's Figure 3 shows that Server A and Server B contributed to profile attributes describing content requests (e.g., the number of pages requested for News, Product Info, or Feature Story) on respective servers in a maintained profile for user 123. EX1005, 5:63-6:5; EX1002, ¶ 96. The data structure allows a single web browser related to be tracked across "distinct domains" on the Internet. EX1005*,* Abstract. Because Server A and Server B are distinct domains, a POSITA would understand that they are controlled by **unaffiliated third parties**. EX1002, ¶ 96. Thus, the data structure described in Figure 3 is **an electronic record of which of**

the plurality of unaffiliated third parties contributed to the maintained profile particular profile attributes. *Id.*

A POSITA would also have been motivated to use Rosenberg's database and data structure in Figure 3 with Merriman's advertising server for compiling partial profile information and generating and storing an electronic record of which advertiser website contributed profile attributes about a user. EX1002, ¶ 97. Such a combination would have been useful for tracking user behaviors across various websites on the Internet to identify users suitable for re-targeting. *Id.* This is a combination of prior art elements according to known methods to yield predictable results, a simple substitution of one known element for another to obtain predictable results, and use of a known technique to improve similar devices in the same way. *Id.*

[11.e] "wherein the maintained profile, including the added partial profile, comprises data used in targeting third-party advertisements to the user computer over the global computer network."

Merriman and Rosenberg discloses limitation 11.e. EX1002, ¶¶ 98-100.

Merriman discloses that the activity table (storing **maintained profiles)**, which includes reported information on user activities at an advertiser website (the **added partial profile information**), comprises **data used in targeting** third-party **advertisements**. *Id.*, ¶ 98. Merriman's advertising server 16 stores users' past online activities in a database 24 and the stored data in activity table 23 "is evaluated

and matched to selection criteria at step 66 to determine those users suitable for re-targeting." EX1004, 5:61-6:11. For instance, selection criteria can include "users who looked at product X description at a given web site at least twice in the last two weeks, but did not purchase." *Id.,* 5:66-6:1. Based on the selection criteria, a "derived list of candidate user ID's is stored in a lookup table 64." *Id.,* 6:1-4.

Advertisements are targeted to the user when the user's browser 10 visits an affiliate website that includes ad banner space that contains a redirect to the advertising server. *Id.,* 6:5-11. The advertising server determines the user ID of the user's browser 10 and if the user ID is found in the pre-selected list that is stored in lookup table 64, a "pre-selected ad banner is delivered" to be shown on the affiliate website. *Id.,* 6:12-17; *see also id.* 5:9-32 (describing providing re-targeted advertisements "by matching past behavior of a particular user to that particular user's past activities"). The ad is targeted to the **user computer** over the Internet, which is a **global computer network**. EX1002, ¶ 99.

A POSITA would have recognized that the re-targeted advertisement is **a third-party advertisement**. The re-targeted advertisements are from advertisers controlling advertiser websites, which are third parties as discussed for limitation 11.a. *See* EX1004*,* 3:29-34 ("the present invention is embodied in a system whereby a new follow up (re-targeted) advertisement from a specific advertiser who targeted that viewer previously, is selected for that viewer based on the viewer's own past

behavior at that specific advertiser's web site"). Moreover, a POSITA would have recognized and found that other types of targeted advertisements are also from third parties because the advertisements are from advertisers distinct from the operator of the advertising server. *See* EX1006, 26-31 (distinguishing advertisers and ad networks); EX1002, ¶ 100.

B. Claim 13: "The data storage medium of claim 11 wherein the computer system electronically adding the received partial profile to a maintained profile believed to be related to the same entity comprises the computer system adding the received partial profile to a maintained profile believed related to the same entity on account of the received partial profile and the maintained profile being related to the same user computer."

Merriman and Rosenberg discloses claim 13. EX1002, ¶¶ 101-104.

Merriman and Rosenberg disclose automatically with the **computer system electronically adding the received partial profile to a maintained profile believed to be related to the same entity** as discussed for element 11.c. *Id.*, ¶ 101.

These references also disclose **the computer system adding the received partial profile to a maintained profile believed related to the same entity on account of the received partial profile and the maintained profile being related to the same user computer**. Merriman discloses adding the partial profile to the maintained profile believed related to the same entity by using a user ID that is "assigned arbitrarily using cookie enabled browser features." EX1004, 5:56-57. A POSITA would have recognized and found obvious that "cookie enabled browser

features" identify a browser executed on a particular user computer. *See* EX1006, 40 (describing a cookie as "a text file inserted on a user's hard drive when the user requests a Web page"). Thus, Merriman discloses using cookies to identify reported activities being related to the same user computer. EX1002, ¶ 102.

Rosenberg is explicit to this point. Rosenberg explains that "[c]ookies are a general, powerful mechanism for tracking user activity." EX1005, 2:22-23. Rosenberg's "invention operates by establishing a unique identifier [which] is then stored as a cookie in the web browser." *Id.,* 7:46-48. The cookie thus identifies the web browser and the client computer on which it is executing. *See id.,* 3:10-24 (describing using a cookie to track a web browser). Rosenberg adds a received partial profile to a maintained profile on account of the received partial profile and the maintained profile having the same cookie identifier, i.e., being related to the same user computer. *Id.,* 7:53-55 ("Since the same identifier is used by each server, each server can access the information in the database that is set by other servers."). EX1002, ¶ 103.

A POSITA would have found it obvious to combine teachings of Rosenberg with those of Merriman for at least the same reasons provided for limitation 11.c. *Id.*, ¶ 104.

C. Claim 14: "The data storage medium of claim 13 wherein the computer system determines that the received partial profile and

> **the maintained profile are related to the same user computer by automatically reading a cookie on the user computer."**

Merriman and Rosenberg discloses claim 14. EX1002, ¶¶ 105-108.

As explained for claim 13, Merriman and Rosenberg disclose adding the received partial profile to a maintained profile believed related to the same entity on account of the received partial profile and the maintained profile **being related to** the same user computer. Merriman and Rosenberg disclose **determining that the received partial profile and the maintained profile are related to the same user computer** for the same reasons. *Id.*, ¶ 105.

Merriman and Rosenberg also disclose making the determination **by automatically reading a cookie on the user computer**. As discussed for claim 13, Merriman discloses adding the partial profile to the maintained profile believed related to the same entity by using a user ID that is "assigned arbitrarily using cookie enabled browser features." EX1004, 5:56-57; EX1002, ¶ 106.

Rosenberg discloses that such features automatically read a cookie on the user computer. Rosenberg explains that "a server stores a unique value in each browser's cookie and makes a corresponding entry in a database for that value." EX1005, 2:15-17. When the browser makes a request to a server, "the server may log the cookie associated with each request," which involves the server automatically reading the cookie on the user's browser, which is on the user computer. *Id.,* 2:19-20; EX1002, ¶ 107; *see also* 2:53-60 (describing the browser automatically

determining whether the send a cookie depending upon the domain of a server from which a URL will be fetched); EX1014, 8-10 ("[w]hen it sends a request to an origin server, the user agent sends a Cookie request header to the origin server if it has cookies that are applicable to the request").

A POSITA would have found it obvious to combine the teachings of Rosenberg with those of Merriman for at least the same reasons provided for limitation 11.c. EX1002, ¶ 108.

D. Claim 15: "The data storage medium of claim 11 wherein the indicia of instructions instruct the processor to perform a method that further comprises: automatically with the computer system electronically maintaining an electronic record of which unaffiliated third party contributed, to the maintained profile, the profile attributes used in targeting the advertisements"

Merriman and Rosenberg disclose claim 15. EX1002, ¶¶ 109-111.

As discussed for limitation 11.d, Merriman and Rosenberg disclose **automatically with the computer system** generating and storing **an electronic record of which of the plurality of unaffiliated third parties contributed to the maintained profile** particular **profile attributes**. *Id.*, ¶ 109.

Merriman further discloses **maintaining** an electronic record of which unaffiliated third party contributed, to the maintained profile, **the profile attributes used in targeting the advertisements**. Merriman discloses that the activity table is maintained in the database. EX1004, 5:61-63 ("Past user activity is stored in an activity table 63 (part of database 24 in FIG. 1)."); 4:34-36 ("The advertising server

14 further communicates with a database 24, which contains the activity history of users on various web sites."). Merriman also discloses that the profile attributes of the profiles maintained in the activity table are used in targeting the advertisements as discussed for limitation 11.e. *See id.,* 5:63-65 ("The stored data is evaluated and matched to selection criteria at step 66 to determine those users suitable for retargeting."); 3:44-46 ("Reported advertising log files and other user data form a database at the advertisement server, used for selecting re-targeted advertising."). Merriman thus discloses maintaining an electronic record of which unaffiliated third party contributed, to the maintained profile, the profile attributes used in targeting the advertisements. EX1002, ¶ 110.

Rosenberg likewise discloses **maintaining** an electronic record of which unaffiliated third party contributed, to the maintained profile, **the profile attributes used in targeting the advertisements**. Rosenberg describes maintaining the profile information in a database. EX1005, 5:55-62 ("[t]his information is then passed from the access logs of the server computers 24 to the database 25"). This information is used for targeting the advertisements. *Id.,* 3:6-8 ("such information would allow editors and advertisers to tailor their content to users"). EX1002, ¶ 111.

E. Claim 16: "The data storage medium of claim 11 wherein the indicia of instructions instruct the processor to perform a method that further comprises: automatically with the computer system electronically determining whether the received partial profile

contains any profile attributes about the entity that were not previously contained in a maintained profile."

Merriman and Rosenberg disclose claim 16. EX1002, ¶¶ 112-115.

Merriman discloses **automatically with the computer system electronically determining whether the received partial profile contains any profile attributes about the entity that were not previously contained in a maintained profile**. Merriman discloses that the maintained profile includes attributes that change when a new partial profile containing a profile attribute about the entity that was not previously contained in a maintained profile is received. For example, "a list of actions of each visitor at each advertiser's site is collected and reported back to the advertisement server," (EX1004, 3:35-37) and advertisements based on prior behavior are pre-selected based on criteria such as:

1. whether there was no purchase made after several recent visits,

2. whether there was no purchase made but a specific product or product category was reviewed,

3. whether there have been many recent purchases made at the advertiser's web site,

4. whether there have been prior purchases or visits made some time ago, but no recent purchases or visits made at the advertiser's web site, and

5. whether the user has registered at the advertiser's web site (EX1004, 3:50-59). EX1002, ¶ 112.

A POSITA would have recognized and found obvious that use of criteria such as "whether there was no purchase made after several recent visits" and "whether the user has registered at the advertiser's web site" would involve Merriman's advertising server automatically electronically determining whether the received partial profile contains any profile attributes about the entity that were not previously contained in a maintained profile. *Id.*, ¶ 113. For example, if the advertising server received a report indicating that a user made a purchase at a particular website, the advertising server would determine whether the received partial profile contains any profile attributes about the user that were not previously contained in a maintained profile when evaluating the criterion for whether there was no purchase made after several recent visits. *Id.*

Additionally, Rosenberg discloses **determining whether a received partial profile of a user contains new attributes for that user** by determining whether the received profile information contains new cookies that were not previously logged in that user's maintained profile. EX1005, 5:5-12; 6:23-51. In Figure 4, shown below, Rosenberg discloses the step 105 of determining whether a received cookie has already been set in the maintained database. If not, the cookie is set to "j' in step 106 and no other action is taken. If it had been previously set, then the previous value is overwritten with a new "j" value, and a merge command causes the database to merge the previously separate "i" and "j" entries (107-108). EX1002, ¶ 114.

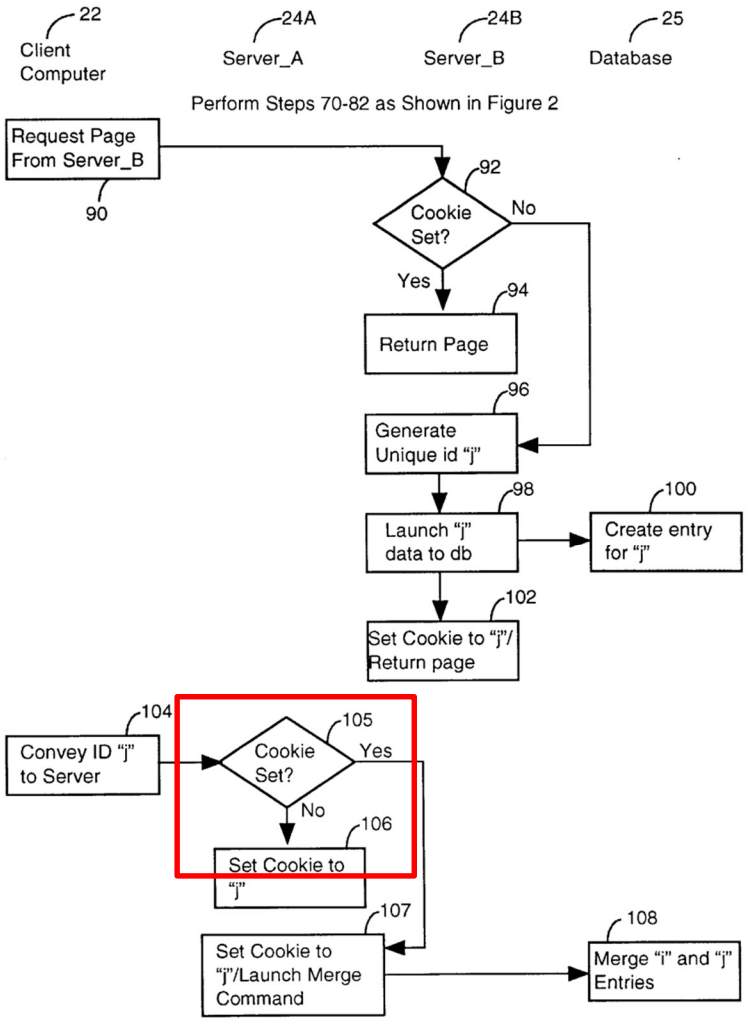


Figure 4

EX1005, FIG. 4 (annotated).

A POSITA would have recognized that Rosenberg's determining whether a cookie has been set, overwriting a value with a new value, and launching a merge command to merge previously separate entities involves determining whether received profile information contains a new cookie identifier for an entity that was not previously contained in the maintained profile. EX1002, ¶ 115. A POSITA would have been motivated to include Rosenberg's criteria determining "whether

the received profile information contains new cookies" to the criteria Merriman's advertising server considers to evaluate whether a received partial profile contains new attributes on a user. *Id.*

F. Claim 19: "The data storage medium of claim 11 wherein the indicia of instructions instruct the processor to perform a method that further comprises: automatically with the computer system selecting profile attributes from the maintained profile based on the source thereof."

Merriman and Rosenberg disclose claim 19. EX1002, ¶ 116.

Merriman discloses that "re-targeted advertisements are selected by matching past behavior of a particular user to that particular user's past activities." EX1004, 5:30-32. Merriman also discloses that the activity reports are received from the websites on which the activities occurred. *Id.,* 4:66-5:2 ("the advertiser web site 16 provides real time reporting of user activities while the user is in the advertising web site 16."). Thus, a POSITA would have found it obvious that **profile attributes from the maintained profile** are **automatically selected** by the advertising server **based on the source thereof**. EX1002, ¶ 116. In other words, the profile attributes selected for re-targeting are selected because they were sourced from the advertiser's website. EX1004*,* 3:29-34 ("the present invention is embodied in a system whereby a new follow up (re-targeted) advertisement from a specific advertiser who targeted that viewer previously, is selected for that viewer based on the viewer's own past behavior at that specific advertiser's web site."). For instance, a selection criterion

of "users who looked at product X description at a given web site at least twice in the last two weeks, but did not purchase" (*id.,* 5:66-6:1) involves selecting profile attributes sourced from the given website. EX1002, ¶ 116.

G. Claim 20: "The data storage medium of claim 11 wherein the indicia of instructions instruct the processor to perform a method that further comprises: automatically with the computer system electronically reading a cookie previously stored on the entity's computer, as a result of the URL redirection."

Merriman and Rosenberg disclose claim 20. EX1002, ¶¶ 117-120.

Merriman in combination with Rosenberg discloses automatically with the computer system electronically reading a cookie previously stored on the entity's computer, as a result of the URL redirection. Merriman and Rosenberg disclose automatic electronic **URL redirection** as discussed for limitation 11.b. Merriman further discloses using "cookie enabled browser features." EX1004, 5:56-57; EX1002, ¶ 117.

Rosenberg discloses **automatically with the computer system electronically reading a cookie previously stored on the entity's computer**, **as a result** of the URL redirection. Rosenberg discloses that a server electronically reads a cookie it previously stored on a user computer when the server receives a request from that computer as discussed for claim 14. EX1002, ¶ 118; *see* EX1005, 2:8-11 ("Persistent client-side state allows a site (server computer) to store and retrieve information within the web browser that a client computer uses to access the site.");

2:19-20 ("the server may log the cookie associated with each request"); 2:53-60 (describing the browser automatically determining whether the send a cookie depending upon the domain of a server from which a URL will be fetched); *see also* EX1014, 3, 8-10 ("We outline here a way for an origin server to send state information to the user agent, and for the user agent to return the state information to the origin server.").

In view of this disclosure in Rosenberg, a POSITA would have found it obvious that when Merriman uses automatic electronic URL redirection to cause a user's browser to request a spotlight tag from the advertising server (EX1004, 4:54-5:03), it causes the advertising server to automatically electronically read a cookie previously stored on the user's computer (EX1005, 2:14-21) (provided it is not the first time the browser has interacted with the advertising server). EX1002, ¶ 119.

Moreover, to the extent not disclosed, a POSITA would have found it obvious to modify the operation of the combined of Merriman / Rosenberg system to automatically read the cookie upon receiving a redirected request for the spotlight tag. Doing so would allow the advertising server to identify the entity making the request and therefore enable better targeted advertising. *Id.*, ¶ 120.

IX. THE BOARD SHOULD NOT APPLY §§ 314 OR 325

The Board should not exercise its discretion under §§ 314(a) or 325(d) to deny this Petition. Institution is consistent with the Director's recent guidance on

applying the *Fintiv* Factors. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential); *Memorandum: Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation* (June 21, 2022) ("Director's Memo"). The merits of the Petition are "compelling," and this "alone demonstrates that the PTAB should not discretionarily deny institution under *Fintiv*." Director's Memo, 3-5. The ground in the Petition presents a theory of obviousness which "if unrebutted in trial, would plainly lead to a conclusion that one or more claims are unpatentable by a preponderance of the evidence." *Id.*, 4.

Even if the Board were to address the full *Fintiv* framework, a holistic analysis of the factors favors institution. Fintiv, 6. Regarding Factor 1, Petitioner intends to seek a stay of the parallel litigation pending the outcome of this IPR, IPR2022-01453, and/or IPR2022-01454 concerning other asserted patents (US Patent Nos. 7,822,639 and 8,244,586).

Regarding Factor 2, the statutory deadline for a final written decision will be in approximately February 2024. The trial date for the parallel district court litigation under the default schedule is currently set for August 21, 2023. EX1012, 4. However, "scheduled trial dates are unreliable and often change" and "[a] court's scheduled trial date, therefore, is not by itself a good indicator of whether the district court trial will occur before the statutory deadline for a final written decision."

Director's Memo, 8. Indeed, the median time for filing to trial in the Western District of Texas is currently 28.3 months. EX1011, 37.

Given that the complaint in the parallel litigation was filed on August 27, 2021, a trial date based on the median time may occur in January 2024, only one month before the final written decision. Thus, the trial date according to the median time-to-trial is near the projected statutory deadline for the final written decision and weighs against exercising discretion to deny institution under *Fintiv*. Director's Memo, 9.

Factor 3, investment, also favors institution. The district court has not yet issued any substantive order related to the challenged patent. The Markman hearing has not yet occurred, and fact discovery is still in the early stages. Therefore, this factor weighs against discretionary denial.

Factors 4 and 5 are at worst neutral. Patent Owner is likely to focus on only a subset of the challenged claims at trial. If so, this Petition presents unique issues with respect to the untried claims. While the parties in this challenge and the parallel litigation are the same, this situation is often the case and should not serve as a basis for discretionary denial in view of the other circumstances.

Factor 6 strongly supports institution. The merits of the Petition more than meet the statutory institution threshold. Petitioner has not previously challenged this patent and this patent has never been challenged in a PTAB post-issuance proceeding

on this ground. Additionally, the Patent Office did not consider the prior art references asserted in this petition during prosecution of the ’949 application. As a result, the *Fintiv* factors altogether weigh against discretionary denial.

The *Becton, Dickinson* factors also weigh against denial under § 325(d). *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 at 17-18 (PTAB Dec. 15, 2017) (precedential). The PTAB considers six factors to determine whether it should exercise discretion under § 325(d). Factors 3, 5, and 6 relate to the Examiner’s evaluation of the reference during prosecution, and do not apply because neither Merriman nor Rosenberg was before the Examiner during prosecution.

Additionally, factors 1, 2 and 4 relate to the similarity between the reference and the prior art substantively evaluated by the Examiner during prosecution. *Becton, Dickinson,* IPR2017-01586, Paper 8 at 17-18. These factors also do not apply because Merriman and Rosenberg are materially different from the prior art that the Examiner evaluated. Accordingly, the *Becton, Dickinson* factors do not favor denial of this petition under § 325(d).

X. CONCLUSION

For the reasons given above, the challenged claims are unpatentable. Accordingly, Petitioners respectfully request the institution of *inter partes* review on all claims of the ’582 patent.

Dated: August 31, 2022

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME LIMITATION

Pursuant to 37 CFR §42.24 et seq., the undersigned certifies that this Petition complies with the 14,000-word type-volume limitation. This Petition contains 10,802 words, excluding the parts of the Petition exempted from the type-volume limitation.

Dated: August 31, 2022

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CERTIFICATE OF SERVICE (37 C.F.R. §§42.63(e), 42.105(a))

The undersigned hereby certifies that a complete and entire copy of the above-captioned "**PETITION FOR *INTER PARTES* REVIEW UNDER 35 U.S.C. §§ 311-319**" and all supporting exhibits numbered 1001–1014 were provided via Federal Express, postage prepaid, to the Patent Owner's correspondence address as stated below:

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Patent Owner's correspondence address of record for USP 8,244,582

Dated: August 31, 2022

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMAZON.COM, INC., AMAZON WEB SERVICES, INC.,
AND AMAZON.COM SERVICES LLC,
Petitioner,

v.

ALMONDNET, INC.,
Patent Owner.

IPR2022-01455
Patent 8,244,582

PATENT OWNER'S PRELIMINARY RESPONSE

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I. INTRODUCTION

The Board should deny institution of *inter partes* review ("IPR") of U.S. Patent No. 8,244,582 ("the '582 Patent") for two independent reasons.

First, the Petition should be denied on the merits, as the sole ground is unlikely to succeed. The Petition relies only on the Merriman reference for the "partial profile" limitation of independent claim 11 of the '582 Patent, the sole challenged independent claim, from which all other challenged claims depend. The Petition does not establish that the Merriman's alleged "partial profile is achieved as a result of automatic URL redirection" and is available to at least one third party, as required by all challenged claims. *See* Ex. 1001 at claim 11 (limitations (a) and (b)). In an attempt to demonstrate that these limitations are met, the Petition improperly picks and chooses aspects of two distinct embodiments in Merriman, without any explanation of how or why a skilled artisan would have been motivated to combine aspects of these embodiments with each other.

Second, the Board should exercise its discretion to deny the Petition in light of parallel district court litigation involving the same patent, the same parties, the same claims, and the same prior art combination as in the Petition's sole ground. The district court case involving Petitioner is at an advanced stage, and the parties and the district court have already invested significant time and resources in that case. Indeed, by the time the Board reaches an institution decision in this proceeding, fact

discovery will be complete and opening expert reports, including Petitioner's expert report addressing validity issues, will have been served. And the district court trial also is set to take place *more than seven months before* the deadline for any final written decision in this proceeding. All six *Fintiv* factors favor a discretionary denial.

For either or both of these independent reasons, institution should be denied.

II. OVERVIEW OF THE '582 PATENT

The '582 Patent discloses that its claimed invention relates generally to a "method directed to brokerage of attributes of information." *Id.* at 1:29-31. According to the '582 Patent, "[a]dvances in database technology have given rise to commerce in records, files and databases, per se. For example, paying for a database credit check for an individual or buying a mailing list have become common practice." *Id.* at 1:35-38. The '582 Patent further discloses that "[u]nfortunately, the current state of information commerce is focused on the sales of whole databases, whole records, or evaluations based on single or clusters of records." *Id.* at 1:57-59. The '582 Patent indicates this is a problem because, in "applications where specific attributes of information strongly affect the value of evaluations, there is a need in the art for commerce in such attributes. For example, in targeted advertising, every attribute, which substantially affects the probability of that advertisement's success, innately has a discrete economic value." *Id.* at 1:59-65.

The '582 Patent solves this problem by utilizing "a descriptive-profile

mercantile method, for use at a juncture in a data communications topology having associated therewith a maintained databank of partial profiles." *Id.* at 3:30-33. The '582 Patent teaches that those maintained profiles may be updated by combining previously maintained profile information with additional profile information about a given visitor that has been obtained as a result of redirection from a portion of a website page of a third party. For example: "By redirecting a portion of the visitor's page to the server, the visitor's browser reports to the server a cookie the server put on the visitor's computer in the past, if any." *Id.* at 4:5-8. That technical process allows consolidation of profile information about a given visitor, thereby adding value to a maintained profile, which can have use, as indicated, in targeted advertising.

Claim 11 is the sole independent claim challenged by the Petition, and all other challenged claims depend from it. Claim 11 recites:

> 11. A tangible, non-transitory data storage medium comprising indicia of instructions for a processor to perform a method of collecting profiles of Internet-using entities, the method comprising:
>
> (a) electronically receiving at a programmed computer system coupled to a global computer network, from at least one server controlled by one of a plurality of unaffiliated third parties, a partial profile of an entity that uses a user computer coupled to the global computer network and accessing a website, which partial profile is available to one of the third parties and contains at least one profile

attribute related to the entity, and automatically with the computer system storing the received partial profile;

(b) wherein receiving the partial profile is achieved as a result of automatic electronic URL redirection from a portion of a page of the website accessed by the user computer;

(c) automatically with the computer system electronically adding the received partial profile to a maintained profile believed to be related to the same entity;

(d) automatically with the computer system generating and storing an electronic record of which of the plurality of unaffiliated third parties contributed to the maintained profile particular profile attributes;

(e) wherein the maintained profile, including the added partial profile, comprises data used in targeting third-party advertisements to the user computer over the global computer network.

Id. at claim 11.

III. LEVEL OF ORDINARY SKILL IN THE ART

The Petition proposes that a person of ordinary skill in the art ("POSITA") in the field of the '582 Patent "would have possessed at least a bachelor's degree in electrical engineering or computer science, and two years of work experience in the field of network-based computer systems, such as systems for sending and receiving information over local networks and wide area networks (such as the Internet or World Wide Web). A person could also have qualified with more formal education

and less technical experience, or vice versa." Pet. at 7-8. For purposes of this preliminary response, Patent Owner does not challenge this definition.

IV. CLAIM CONSTRUCTION

The Federal Circuit has held that "only those terms need be construed that are in controversy, and only to the extent necessary to resolve the controversy." *Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999). This principle applies equally to IPR proceedings. *See, e.g.*, *Apple Inc. v. Uniloc Luxembourg S.A.*, IPR2018-00420, Paper No. 7 at 8 (PTAB Aug. 6, 2018).

The Petition does not propose an express construction of any terms. *See* Pet. at 8. At this stage and solely for the purposes of this Preliminary Response, Patent Owner does not contend that any terms in the challenged claims require express construction.

V. THE PETITION FAILS TO SHOW INVALIDITY OF ANY CLAIM.

All challenged claims require "electronically receiving … from at least one server controlled by a plurality of unaffiliated third parties, a partial profile …, which partial profile is available to one of the third parties …, wherein receiving the partial profile is achieved as a result of automatic URL redirection." Ex. 1001 at claim 11 (limitations (a) and (b)).

As a starting point, the Petition relies only on Merriman for the claimed "partial profile," and relies on Merriman's "report that [a] user accessed a page at

the advertiser website" as being the alleged "partial profile." *See* Pet. at 20 (relying on Merriman alone as disclosing limitation 11(a), which requires "receiving … a partial profile"); *id.* at 21 (alleging that "[t]he report that the user accessed a page at the advertiser website is a partial profile of the user," and identifying no other alleged "partial profile"). The Petition also relies upon the party controlling Merriman's "advertiser website 16" as constituting the "third party" that would supposedly have access to the partial profile. *See id.* at 23 (mapping the "at least one server controlled by one of a plurality of unaffiliated third part[ies]" to "advertiser website 16"); *id.* at 25 ("The report is available to one of the third parties—the entity controlling the advertiser website that is providing the report.").

Thus, under the Petition's sole invalidity theory—where Merriman's "report" provided to the advertising server is the "partial profile" and Merriman's "entity controlling the advertiser website" is the "third party" having access to the partial profile—the Petition must show that Merriman discloses or renders obvious an approach where (1) according to claim limitation 11(b), "receiving the [report] is achieved as a result of automatic URL redirection," and also (2) according to claim limitation 11(a), "the [report] is available to [the entity controlling the advertiser website]." As explained in further detail below, the Petition fails to make this showing, because (1) a POSITA would have understood from Merriman that the report is only available to the entity controlling the advertiser website ***as an***

alternative to an embodiment where the user activity data is allegedly provided in real time using URL redirection, and (2) the Petition provides no theory as to why a POSITA would have found it obvious to modify Merriman to combine aspects of Merriman's two embodiments, which Merriman describes as alternative approaches.

A. The Petition relies on two "alternative" embodiments for its invalidity theory without any explanation of how or why a POSITA would have picked separate aspects from both of them.

The Petition alleges that Merriman discloses receiving the partial profile as a result of automatic URL redirection, because "one way that [Merriman's] advertising server receives the partial profile is by including spotlight tags placed on specific pages of the advertiser website accessed by the user computer." *Id.* at 26. According to the Petition, a "POSITA would have understood and found obvious [that due to the spotlight tag,] the advertising server receives the report via **URL redirection** and that this redirection occurs **automatically** and **electronically**." *Id.* at 26-27 (emphases in original). Accordingly, for the "URL redirection" aspect of the claims, the Petition solely relies on Merriman's "spotlight tag" embodiment.[1]

[1] The Petition also vaguely proposes a combination of Merriman with Rosenberg for the "URL redirection" aspect of the claims. However, the Petition makes clear that, even in combination with Rosenberg, the Petition relies on Merriman's use of

Merriman's "spotlight tag" embodiment is one of several aspects of the system that Merriman describes as "alternative reporting embodiments." *See* Ex. 1004 at Abstract ("Advertiser web sites on the network are configured to anonymously report back [to the advertising server] user activity such as visit dates, purchases, specific product pages visited and the like. ***Alternative reporting embodiments*** include email, file transfer protocol and ***spotlight tags***.") (emphases added). Merriman describes the "spotlight tag" embodiment as follows:

> In a second embodiment, ***feedback of individual activities*** of the user at an advertiser site 16[2] ***may be communicated in real time back to the advertising server 14 using*** by [sic] ***spotlight tags*** placed on specific pages in the advertiser's web site. A spotlight tag is a minimal graphic (e.g., a one pixel image) containing a redirect message back to the advertising server 14. Spotlight tags are placed on web pages by the advertiser and contain other imbedded information such as information identifying the specific advertiser web page (as for example, identifying a purchase confirmation page stating "thank you for your order" etc.)
>
> When the user requests (i.e., visits) an advertiser page containing a spotlight tag, a reply message 15 redirects the users browser 10 back

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spotlight tags. *See* Pet. at 52 (confirming that the Petition's proposed combination of Rosenberg with Merriman would continue to use Merriman's "spotlight tag" embodiment).

[2] Bolded numbering in Merriman is omitted for clarity.

> to the advertising server 14 via request 13 to access the minimal one pixel graphic image. The requested image is not significant to the event. However, ***by this process, the advertiser web site 16 provides real time reporting of user activities while the user is in the advertising web site 16. The advertising server 14 assembles the activity list for each user.***

Id. at 4:51-5:3 (emphases added). Importantly, Merriman teaches that, in the "spotlight tag" embodiment, the data is provided to the advertising server 14 in "real time," and "[t]he advertising server 14 assembles the activity list for each user" based on this real-time reporting. *Id.* at 4:66-5:3.

Merriman further makes clear that the alternative embodiments of using email or file transfer protocol ("ftp") for transmitting data to the advertising server are entirely distinct from the "spotlight tag" embodiment:

> The feedback path 18 may be achieved by a number of alternative mechanisms. ***For bulk feedback*** of data accumulated in a user activity list, the advertiser ***periodically emails*** the information directly, or ***transfers it in bulk form in a file transfer operation***. Activity list updates are performed as often as necessary, and may even be reported at the conclusion of each individual visit.
>
> ***In a second embodiment***, feedback of individual activities of the user at an advertiser site 16 may be communicated in ***real time*** back to the advertising server 14 ***using [] spotlight tags*** placed on specific pages in the advertiser's web site.

Id. at 4:44-54 (emphases added). Thus, as shown in the excerpt above, Merriman

teaches that the email/ftp embodiments are distinct embodiments that rely on an approach where the advertiser website is responsible for accumulating a "user activity" list, and periodically (i.e., not in real time) transmitting that user activity list to the advertising server. That approach contrasts sharply with Merriman's spotlight tag approach, where the reporting of "individual activities" occurs in "real time" (such that the advertiser website need not create any activity list), and where the advertising server (rather than the advertiser website) compiles the activity list based on the individual user activities that are received by the advertising server. *See id.* at 4:51-5:8.

Throughout its disclosure, Merriman emphasizes the distinction between the spotlight tag and the email/ftp embodiments, and makes clear that these are ***alternative*** approaches, such that they would not be implemented together in a single system. *See, e.g.*, *id.* at 4:44-54 ("For bulk feedback of data accumulated in a user activity list, the advertiser periodically emails the information directly, or transfers it in bulk form in a file transfer operation. … ***In a second embodiment***, feedback of individual activities of the user at an advertiser site 16 may be communicated in real time back to the advertising server 14 using [] spotlight tags ….") (emphasis added); *id.* at Abstract ("***Alternative reporting embodiments*** include email, file transfer protocol and spotlight tags.") (emphasis added); *id.* at 5:43-54 ("When the viewer accesses any page having [a] spotlight tag …, a reply message back to the browser

10 redirects the browser to send a message 13 back to the advertising server 14. … ***Alternatively***, the user activity list is compiled at the advertisers web site. The activity list is reported back 44 to the advertising server 14 by email or ftp (file transfer protocol).") (emphasis added).

The Petition overlooks or ignores Merriman's clear distinctions and relies on aspects of both alternative embodiments. As noted at the beginning of this subsection, the Petition relies on Merriman's "spotlight tag" embodiment for the alleged URL redirection of the challenged claims. Pet. at 26. On the other hand, the Petition relies on Merriman's email/ftp embodiments for the alleged showing that Merriman's "report" is a "partial profile" that is "available to one of the third parties." The Petition's complete analysis as to how the user activity report is allegedly available to one of the third parties is reproduced below, and it describes only the email/ftp embodiments:

> The report is available to one of the third parties – the entity controlling the advertiser website that is providing the report. Merriman demonstrates that the report is available to the advertiser website; the reference describes an ***alternative embodiment in which is "the user activity list 42 is compiled at the advertisers web site" and "reported back 44 to the advertising server 14 by email or ftp (file transfer protocol)."*** [Ex. 1004], 5:52-54. A POSITA would have recognized from this disclosure that the advertiser website, and the entity controlling the advertiser website, has available to it the report provided

> to the advertising server, regardless of how it provides the report. EX1002, ¶ 75.

Pet. at 25 (emphasis added).

As noted above, Merriman teaches that email/ftp and spotlight tags are alternative embodiments and does not suggest these two embodiments would be used together. Thus, to have a hope of invalidating the challenged claims, the Petition must show why a POSITA would view Merriman's teaching of the advertiser website compiling a user activity list in the context of *email/ftp* embodiments as supposedly applicable to Merriman's *spotlight tag* embodiment, as well as how and why a POSITA would have been motivated to modify the spotlight tag embodiment to incorporate that element of the email/ftp embodiments. *See, e.g.*, *In re Stepan Co.*, 868 F.3d 1342, 1346 n.1 (Fed. Cir. 2017) ("Whether a rejection is based on combining disclosures from multiple references, ***combining multiple embodiments from a single reference***, or selecting from large lists of elements in a single reference, ***there must be a motivation to make the combination*** and a reasonable expectation that such a combination would be successful, otherwise a skilled artisan would not arrive at the claimed combination.") (emphases added). As explained in the following section, the Petition does not even attempt to make this required showing.

B. The Petition fails to explain why an advertiser website compiling a user activity list for transmission via email or ftp would apply to Merriman's spotlight tag embodiment.

As explained in the preceding section, the Petition relies solely on Merriman's spotlight tag embodiment for URL redirection, but the Petition points to no teachings about the spotlight tag embodiment that arguably disclose that "the partial profile is available to one of the third parties," which, under the Petition's theory, equates to the party controlling the advertiser website. Instead, for its allegation that the partial profile is available to the party controlling the advertiser website, the Petition relies only on the "email or ftp" embodiments, even while admitting that it is an "alternative embodiment." *See* Pet. at 25. Specifically, the Petition asserts that the "report is available to the advertiser website" because "'the user activity list 42 is compiled at the advertisers web site' and 'reported back 44 to the advertising server 14 by email or ftp (file transfer protocol)'":

> Merriman demonstrates that the report is available to the advertiser website; the reference describes an alternative embodiment in which is "the user activity list 42 is compiled at the advertisers web site" and "reported back 44 to the advertising server 14 by email or ftp (file transfer protocol)."

Id. (quoting Ex. 1004 at 5:52-54).

The Petition contains only a single sentence alleging that this disclosure has any relevance to Merriman's spotlight tag embodiment:

> A POSITA would have recognized from this disclosure that the advertiser website, and the entity controlling the advertiser website, has available to it the report provided to the advertising server, ***regardless of how it provides the report***.

Id. (emphasis added) (citing Ex. 1002 ¶75, which contains only a verbatim recitation of the same allegation, with no additional analysis).

However, the above allegation provides no explanation as to ***why*** a POSITA would supposedly have recognized that "the advertiser website, and the entity controlling the advertiser website, has available to it the report [of the ftp/email embodiment] provided to the advertising server" in the spotlight tag embodiment.[3] *See id.* The Petition's failure to provide the basis for its "regardless of how it provides the report" allegation dooms the Petition's invalidation attempt. *See Bennett Regulator Guards, Inc. v. Atlanta Gas Light Co.*, 825 F. App'x 773, 778 (Fed. Cir. 2020) (reasoning that "the Board was not required to accept conclusory

[3] This absence of explanation is particularly glaring in view of the Petition's admission that Merriman's sole disclosure regarding availability of the report to the advertiser site is in the context of an embodiment that is an ***alternative*** to the spotlight tag embodiment. Pet. at 25.

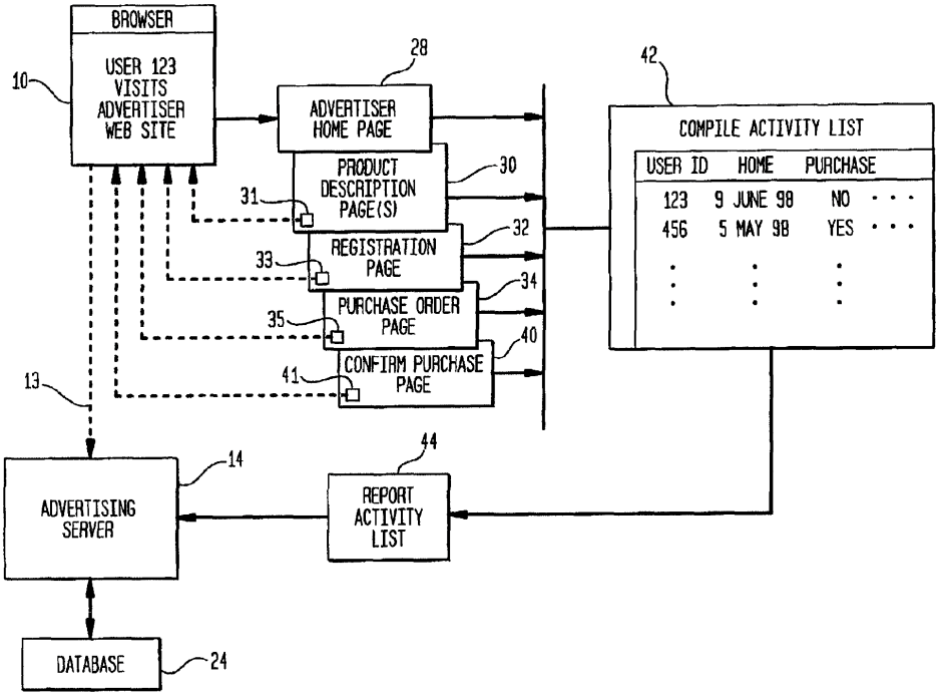
and unsupported assertions that an ordinarily skilled artisan would have understood" the prior art in a particular manner); *TQ Delta, LLC v. Cisco Sys., Inc.*, 942 F.3d 1352, 1358, 1361-63 (Fed. Cir. 2019) (reversing Board's reliance on an IPR petitioner's conclusory expert testimony regarding what a "POSITA would have recognized," because "conclusory expert testimony is inadequate to support an obviousness determination on substantial evidence review"). Indeed, the Board has previously denied institution where a petitioner failed to sufficiently explain any alleged motivation to combine elements from different embodiments in a single prior art reference. *See, e.g.*, *Abiomed, Inc. v. Maquet Cardiovascular, LLC*, IPR2017-01204, Paper No. 8 at 10-11 (PTAB Oct. 23, 2017) (denying institution of IPR because petitioner "treat[ed] the various features of [a prior art reference]'s different embodiments as if they are interchangeable with one another," and "fail[ed] to provide a sufficient rationale to combine the teachings of [the reference]'s different embodiments").

The absence of any explanation of a basis for the allegation in the Petition is not merely a meaningless technicality, because as a matter of logic, the bare allegation does not make sense. There is no reason apparent from Merriman to support the allegation that a POSITA would have understood Merriman's teaching in the email/ftp embodiments of an advertiser-website's access to the report as even potentially applicable to Merriman's spotlight tag embodiment. After all, in

Merriman's spotlight tag embodiment, the advertiser website has no role in transferring profile information to the advertising server, other than merely instructing a user's browser to transmit that information in real-time. Merriman's Figure 2 and associated text explains:

> When the viewer accesses any page having at spotlight tag 31, 33, 35 and 41, ***a reply message back to the browser 10 redirects the browser to send a message 13 back to the advertising server 14***. Receipt of the message 13 back at the advertising server 14 in effect, reports (in real time) to the advertising server that the user has accessed the … respective page while browsing at the advertiser's web site. ***Reported user activity is stored in the local database 24*** for further processing.

FIG. 2



Ex. 1004 at 5:43-51 (emphases added), Fig. 2.

According to the above-quoted excerpt, therefore, in the spotlight tag embodiment, the advertiser website does not transmit any reports of user activity to the advertising server; it just sends "a reply message back to the browser 10," which "redirects the browser to send a message 13 back to the advertising server 14." *Id.* at 5:43-51. This ***contrasts*** with the alternative email/ftp embodiments, which require the advertiser website to perform the additional step of compiling a user activity list (42) and reporting it to the advertising server (14). Such additional step is entirely unnecessary in the spotlight tag alternative. Nowhere does Merriman state or imply that, in the *spotlight tag* embodiment, the advertiser website maintains any record of the information that is ultimately reported to the advertising server. And Merriman discloses nothing suggesting any other reason why the "partial profile is available to" the entity controlling the advertiser website. The Petition is entirely devoid of any explanation as to why Merriman's *spotlight tag* embodiment (as opposed to the *email/ftp* embodiments) would require the advertiser website to maintain records of the data reported, in real time, to the advertising server. Indeed, Merriman is clear that in the spotlight tag embodiment there is no need to compile a user activity list because that embodiment uses URL redirection to achieve real-time reporting, and thus the "advertising server 14 assembles the activity list for each user." *Id.*at 4:62-5:3. Because Merriman's spotlight tag embodiment explicitly describes a different computer system assembling the activity list, there is no need to maintain that list at

the computer system that serves the advertising website or for that computer system to have access to it.

The Petition also presents no argument that a POSITA would have been motivated to modify Merriman's spotlight tag embodiment such that the entity controlling the advertiser website would have had access to the report sent to the advertising server via redirection. *See* Pet. at 25 (providing no allegations of obviousness). There would be no need in Merriman's spotlight tag embodiment for the advertiser website to maintain records or reports of the user activity data, because Merriman's spotlight tag embodiment already teaches that the advertiser website simply instructs the user's browser to report user activity data to the advertising server *in real time*, so that the advertising server can use that information to target advertisements. *See, e.g.*, Ex. 1004 at 5:43-48 ("When the viewer accesses any page having at spotlight tag 31, 33, 35 and 41, a reply message back to the browser 10 redirects the browser to send a message 13 back to the advertising server 14. Receipt of the message 13 back at the advertising server 14 in effect, reports (in real time) to the advertising server that the user has accessed the respective page while browsing at the advertiser's web site."); *id.* at 5:60-6:4, Fig. 3 (discussing the advertising server's use of the reported activity information to target advertisements to users). Because in Merriman's spotlight tag embodiment the visitor's browser, rather than the advertiser website, provides the data directly to the advertising server, there is

no need for the advertising server to have access to any data sent to the advertising server.[4]

Because the Petition fails to set forth credible evidence that a POSITA would have combined Merriman's teachings of "reports" prepared in connection with Merriman's email/ftp embodiments with Merriman's separate and distinct spotlight tag embodiment, the Petition cannot show that Merriman discloses or renders obvious the following limitations of each of the challenged claims: (1) that the partial profile is achieved as a result of URL redirection, and (2) that the partial profile is available to at least one of the third parties. Institution should be denied on this basis.

VI. DISCRETIONARY DENIAL OF INSTITUION IS WARRANTED

35 U.S.C. § 314(a) gives the Board discretion to deny institution of IPR due to the advanced state of parallel district court litigation regarding the same issues.

[4] In contrast, Merriman's email/ftp embodiments require the advertiser website to maintain records of the activity reported to the advertising server, because the advertiser website must compile a record of the data so that the advertiser website can send the information at the appropriate time via email or ftp. *See* Ex. 1004 at 5:52-54 ("Alternatively, the user activity list 42 is compiled at the advertisers web site. The activity list is reported back to the advertising server 14 by email or ftp (file transfer protocol).").

See NHK Spring Co. v. Intri-Plex Techs., Inc., IPR2018-00752, Paper No. 8 at 19-21 (PTAB Sept. 12, 2018) (precedential) ("*NHK*"). The Board has set forth six factors for determining whether discretionary denial in light of such parallel litigation is appropriate (the "*Fintiv* factors"):

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 No. 11 at 5-6 (PTAB Mar. 20, 2020) (precedential) ("*Fintiv I*"); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper No. 15 at 7-17 (PTAB May 13, 2020) (informative) ("*Fintiv II*") (decision denying institution of IPR); *see also* Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation (dated June 21, 2022) ("Interim Discretionary Denial Memo"). "These 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." *Fintiv I* at 6. In evaluating the factors, "the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review." *Id*.

A. *Fintiv* Factor 1: The district court has not granted a stay, nor is there any evidence that a stay will be granted.

In the parallel district court proceeding involving the same challenged claims of the '582 Patent and Petitioners, the district court has not granted a stay pending IPR. Further, Petitioners have not requested such a stay, and there is no evidence that a stay will be granted.

And the facts here indicate that it is unlikely that the district court will grant a stay pending IPR, given the late stage of litigation. The parties have already exchanged infringement and invalidity contentions, the district court conducted a *Markman* hearing, and fact discovery is well underway; by the time the Board's institution decision is due in this proceeding (April 13, 2023), fact discovery will be complete and trial will be less than five months away. *See* Ex. 2001 at 4-5. And trial is currently set for August 21, 2023—more than seven months before the earliest deadline for a final written decision in this IPR. *Id.* at 5; *see infra* § VI.B.

Thus, even if Petitioners were to file a motion for a stay pending this proceeding, it is highly unlikely the district court would grant a stay at that late juncture in the case. *See, e.g.*, *Sonrai Memory Ltd. v. LG Elecs. Inc.*, No. 6:21-cv-

00168-ADA, 2022 U.S. Dist. LEXIS 112733, at *5-6 (W.D. Tex. June 27, 2022) (Albright, J.) (denying stay and noting that "[t]he advanced stage of this Action counsels against a stay"; the Court had already conducted *Markman*, discovery was set to close in three months, and trial was set to occur before any final written decision); *Kerr Mach. Co. v. Vulcan Indus. Holdings, LLC*, No. 6:20-cv-00200-ADA, 2021 U.S. Dist. LEXIS 67384, at *9-10 (W.D. Tex. Apr. 7, 2021) (Albright, J.) (denying stay pending IPR when the *Markman* order had issued and the parties had begun discovery, noting that "this Court has expended considerable time and effort to get this case resolved – to stay the case now would squander those efforts").

Where the district court litigation has not been stayed and any stay is speculative and unlikely, allowing this IPR to proceed in parallel would be wasteful and inefficient. Factor 1 weighs against institution.

B. *Fintiv* Factor 2: The district court trial will occur over seven months before the deadline for a final written decision in this proceeding.

The deadline for a final written decision in this IPR is April 13, 2024, which may be extended to October 13, 2024, for good cause or in the case of joinder.[5] 37

[5] Joinder seems at least quite possible, if not likely, given that Petitioners have co-defendants accused of infringing this patent.

C.F.R. § 42.100(c). Meanwhile, the district court litigation is set for trial on August 21, 2023. *See* Ex. 2001 at 5; Pet. at 55. The timeframe set by the district court is consistent with the Federal Court Management Statistics for the Western District of Texas. *See* Interim Discretionary Denial Memo at 3 & n.4 (encouraging use of these statistics in evaluating this factor). Those statistics indicate that, over the past six years, a civil case in the district was brought to trial 23.6 months after filing. Ex. 1011 at 37 (indicating median times to trial for civil cases for the twelve-month period ending in June for 2017-2022 as 20.8, 19.1, 27.4, 22.4, 23.8, and 28.3).[6] Here, trial is set approximately 24 months after the case was filed. *See* Ex. 2001 at 5 (trial set for August 21, 2023); Ex. 2002 (case filed August 27, 2021).

Thus, the district court trial is set to occur ***over seven months*** before the deadline for a final written decision, and possibly up to a year before the deadline if extended. This weighs heavily against institution. *See Fintiv I* at 9 ("If 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*."); *Google LLC v. Agis Software Dev., LLC*, IPR2020-00871, Paper No. 16 at 10-11

[6] The Petition focuses only on the most recent twelve-month period, ignoring the variations in time to trial periods over the past six years. *See* Pet. at 54 (citing Ex. 1011 at 37).

(PTAB Nov. 25, 2020) (denying institution when trial was set to "be completed ***about seven months*** before a final written decision," and declining to speculate as to whether that set date would change) (emphasis added), *reh'g denied*, Paper No. 27 (PTAB Jan. 26, 2022); *see also TA Instruments-Waters LLC v. Malvern Panalytical Inc.*, IPR2021-00213, Paper No. 8 at 11-12 (PTAB May 27, 2021) (denying institution when trial was set ***over six months*** before the final written decision would issue) (emphasis added); *F5 Networks, Inc. v. WSOU Investments, LLC*, Case IPR2022-00239, Paper No. 12 at 8 (PTAB May 19, 2022) (same).

Indeed, the Board has denied institution on account of even smaller gaps between the final written decision and trial, including recently. *See, e.g.*, *EClinicalWorks, LLC v. Decapolis LLC*, IPR2022-00229, Paper No. 10 at 9 (PTAB Apr. 13, 2022) ("*EClinicalWorks*") (finding this factor weighed in favor of discretionary denial and denying institution where "the beginning of the jury trial in the WDTX Cases is roughly ***one or two months*** before any final decision would have been due had *inter partes* review been instituted") (emphasis added); *Fintiv II* at 13 (finding this factor weighed in favor of discretionary denial and denying institution where the district court trial was scheduled to occur ***two months*** before the deadline for the Board to reach a final written decision); *NXP USA, Inc. v. Impinj, Inc.*, PGR2022-00005, Paper No. 17 at 9 (PTAB May 2, 2022) ("*NXP*") (same); *Google LLC v. Ikorongo Tech. LLC*, IPR2021-00204, Paper No. 13 at 7 (PTAB June

7, 2021) (denying institution of IPR and finding this factor weighed in favor of denial when "the [district court] trial is now scheduled for ***approximately three months*** prior to the final determination date") (emphasis added); *Daiichi Sankyo, Inc. v. SeaGen Inc.*, PGR2021-00030, Paper No. 11 at 15 (PTAB June 24, 2021) ("where trial in the parallel proceeding is scheduled to occur ***nearly four months*** prior to our Final Written Decision, we determine that the facts underlying this factor weigh toward denying institution") (emphasis added); *Kiosoft Techs., LLC v. Payrange Inc.*, CBM2020-00026, Paper No. 11 at 11-12 (PTAB Mar. 22, 2021) (denying institution when trial was ***five months*** before the final written decision); *Nine Energy Serv. Inc. v. NCS Multistage Inc.*, IPR2020-01615, Paper No. 18 at 8-9 (PTAB Mar. 24, 2011) ("*Nine Energy*") (finding this factor favored denial of institution when trial was ***five months*** before the final written decision, even though there were pending motions to consolidate and transfer that could have affected the trial date if granted).

Because the district court trial is currently set to occur over seven months before the earliest deadline for a final written decision in this IPR, this factor weighs heavily against institution. *Fintiv II* at 13.

C. *Fintiv* Factor 3: By the time an institution decision is reached, fact discovery will be complete and opening expert reports will have been served.

The parties and the Court have already invested substantially into the district

court case, including completing all claim construction proceedings. On November 30, 2022, the Court conducted a lengthy *Markman* hearing and issued final constructions for five terms of the ’582 Patent. Ex. 2003 at 22:19-44:18 (construing “unaffiliated third parties,” “available,” “automatically with the computer system” / “automatically” / “automatic,” “URL redirection,” and “indicia of instructions” / “indicia of a condition” / “indicia”). The Court also indicated a written *Markman* order will soon follow. *Id.* at 5:5-16. All of this work by the Court and parties relates to the ’582 Patent at issue here.

Further, factor 3 relates to the “amount and type of work already completed in the parallel litigation by the court and the parties ***at the time of the institution decision***.” *Fintiv I* at 9 (emphasis added). For example, “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 factor favors denial. *Id.* at 9-10. “Likewise, district court claim construction orders may indicate that the court and parties have invested sufficient time in the parallel proceeding to favor denial.” *Id.* at 10.

Here, the *Markman* decisions referenced above qualify as “substantive orders.” In addition, the district court has entered an agreed scheduling order that includes all deadlines, including the trial date; by the time the institution decision issues, fact discovery will be complete, and the parties will have exchanged opening expert reports, including Petitioners’ opening report concerning patent validity. Ex.

2001 at 4-5.

Thus, the parties and the district court will have invested significant time and resources in the district court litigation by the time the Board reaches an institution decision in this matter. This favors discretionary denial, and various panels have found this factor to favor denial when the parallel litigation was at a similarly advanced stage (or even less advanced) as here. *Fintiv I* at 10; *Fintiv II* at 13-14 (finding that "the level of investment and effort already expended on claim construction and invalidity contentions" favored denial where the parties had exchanged final contentions, a *Markman* hearing was held, the court had entered a claim construction order, and discovery had begun); *Nine Energy* at 10-11 (denying institution in part because the district court had issued a claim construction order and discovery had begun); *Immersion Sys. LLC v. Midas Green Techs., LLC*, PGR2021-00104, Paper No. 15 at 11-12 (PTAB Jan. 31, 2022) (same) ("*Immersion*"); *NXP* at 9-10 (same).

Also, by the time of the institution decision, Petitioners will have completed their opening invalidity report, which is expected to overlap with the invalidity grounds presented in this IPR. *See infra* § VI.D. Further, under the Court's schedule, at the deadline for the institution decision (April 13, 2013), Patent Owner will be facing a deadline just two weeks away to file its rebuttal validity expert report, which is due April 27, 2023. *See* Ex. 2001 at 4. Realistically, Patent Owner and its expert

will have to begin work on the rebuttal report before receiving the institution decision, further adding to the parties' investments under Factor 3. Those investments weigh strongly against institution because they ensure that this IPR cannot be an efficient alternative to district court litigation.

Of course, the reason that the district court litigation will be so far along at the time of institution is because Petitioners unduly delayed in filing their Petition, filing more than one year after the district court case was filed and just less than one year before the complaint was served. *Compare* Pet. at 56 (dated August 31, 2022) *with* Ex. 2002 (complaint filed August 27, 2021); Exs. 2004-2006 (complaint served September 3, 2021). In addition, Patent Owner served its preliminary infringement contentions over seven months before the Petition was filed, and Petitioners served their preliminary invalidity contentions more than three months before it initiated this proceeding. *See* Exs. 2007-2008. The Petition offers no explanation for Petitioners' delay, and in particular, there is no explained reason why Petitioners could not have filed this Petition at the same time as or immediately after their preliminary invalidity contentions, which raised the same invalidity ground for the same claims as challenged in the Petition. *See 3Shape Trios A/S v. Densys Ltd.*, IPR2021-00236, Paper No. 12 at 9-10 (PTAB May 20, 2021) (denying institution "in light of the advanced stage of the district court proceeding, and the investment by the court and parties, and the Petition's failure to provide evidence of diligence

in filing the Petition," where the petition was filed approximately eight months after service of preliminary infringement contentions and before service of invalidity contentions); *see also* Ex. 2008 at 6-7; *infra* § VI.D.

Because there has been substantial investment in the parallel proceedings by both the parties and the district court, Factor 3 weighs heavily against institution.

D. *Fintiv* Factor 4: There is perfect overlap between this IPR and the district court proceeding.

This factor looks at "whether all or some of the claims challenged in the petition are also at issue in district court" and whether the "petition includes the same or substantially the same claims, grounds, arguments, and evidence" as the parallel district court case. *Fintiv I* at 12-13. Here, there is complete overlap between both the challenged and asserted claims, and the same combination of prior art applied in the Petition is also relied upon at the district court.

First, the Petition challenges the same claims that are currently asserted in the litigation. *Compare* Pet. at 5 (challenging claims 11, 13-16, 19, and 20) *with* Ex. 2009 at 2 (identifying asserted claims 11, 13-16, 19, and 20); *see also EClinicalWorks* at 12 (denying institution in part because the same claims were challenged at the PTAB and asserted in litigation).

Second, as noted above, the sole ground in the Petition is based on a combination of Merriman and Rosenberg. *See* Pet. at 6-7. Petitioners rely on this

same combination as an alleged obviousness combination in the district court litigation. Ex. 2008 at 6-7. There is thus overlap in the prior art invalidity theories presented to the PTAB and the district court. *See, e.g.*, *Immersion* at 13.

Further, Petitioners do not offer any stipulation that they will not rely on the same prior art or ground that they raise in the Petition in the litigation, let alone a stipulation that it will not raise any grounds in the district court that it reasonably could have raised in the Petition. *See* Pet. at 52-55; Interim Discretionary Denial Memo at 3.

In short, the Petition challenges the same claims asserted in the parallel litigation, and uses the same combination of prior art references as relied upon in the district court. This raises substantial "concerns of inefficiency and the possibility of conflicting decisions," weighing against institution. *See Fintiv I* at 12.

E. *Fintiv* Factor 5: Petitioners are the defendants in the district court litigation.

Petitioners are the defendants in the parallel litigation. "Because the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial." *Fintiv II* at 15.

F. *Fintiv* Factor 6: Other circumstances weigh strongly against institution, including the weakness of the Petition and Petitioner's delay.

This factor looks at "other circumstances that impact the Board's exercise of discretion, including the merits." *Fintiv I* at 9. This factor weighs heavily against institution for two reasons. *First*, contrary to Amazon's assertion, the merits of this Petition suffer from significant weaknesses and gaps in proof, as discussed above. The Petition fails to show that its lead reference—Merriman—discloses or renders obvious at least two limitations of each of the challenged claims. *See supra* § IV.B. Thus, the Petition fails to present a "compelling unpatentability challenge" (*see* Interim Discretionary Denial Memo at 2-5) and fails to establish a reasonable likelihood of success. *Second*, there is evidence that Petitioners unduly delayed in filing the Petition, as discussed above for Factor 3, and Petitioners offer no explanation for their delay. *See supra* § VI.C.

* * *

Each of the six *Fintiv* factors weigh in favor of the Board exercising its discretion to deny institution.

VII. CONCLUSION

Patent Owner respectfully requests that the Board deny institution for two independent reasons. First, the Petition's sole ground fails on the merits, so the

Petition is unlikely to prevail. Second, the Board should exercise its discretion under Section 314(a) to deny institution because of the status of the co-pending lawsuit in light of Petitioner's delay in filing the Petition.

Date: January 13, 2023

Respectfully submitted,

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CERTIFICATION REGARDING WORD COUNT

Pursuant to 37 C.F.R. §42.24(d), Patent Owner certifies that there are 7,528 words in the paper excluding the portions exempted under 37 C.F.R. §42.24(a)(1).

Date: January 13, 2023

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CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e)(1))

The undersigned hereby certifies that the above document was served on January 13, 2023 by filing this document through the Patent Trial and Appeal Board End to End System as well as delivering a copy via electronic mail upon the following attorneys of record for the Petitioners:

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Paper 12
Entered: April 6, 2023

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMAZON.COM, INC., AMAZON WEB SERVICES, INC.,
and AMAZON.COM SERVICES LLC,
Petitioner,

v.

ALMONDNET, INC.,
Patent Owner.

IPR2022-01455
Patent 8,244,582 B2

Before KEN B. BARRETT, THOMAS L. GIANNETTI, and
LYNNE H. BROWNE, *Administrative Patent Judges.*

BROWNE, *Administrative Patent Judge*.

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

I. INTRODUCTION

Petitioner (collectively), Amazon.com, Inc., Amazon Web Services, Inc., and Amazon.com Services LLC, filed a Petition (Paper 2, "Pet.") requesting *inter partes* review of claims 11, 13–16, 19, and 20 of U.S. Patent No. 8,244,582 B2 (Ex. 1001, "the '582 patent"). Patent Owner, AlmondNet, Inc., filed a Preliminary Response (Paper 8, "Prelim. Resp."). With our authorization, Petitioner filed a Preliminary Reply (Paper 9, "Reply") and Patent owner filed a Preliminary Sur-reply (Paper 10, "Sur-reply").

Under 35 U.S.C. § 314(a), an *inter partes* review may not be instituted unless the information presented in the Petition and any response thereto shows "there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." Considering the Petition, the arguments presented in the Preliminary Response, the Reply, and the Sur-reply, as well as all supporting evidence, we determine that Petitioner does not demonstrate a reasonable likelihood of prevailing for any of the challenged claims. Accordingly, we do not institute *inter partes* review.

A. *Real Parties in Interest*

Petitioner identifies itself as the real party-in-interest in this proceeding. Pet. 1. Patent Owner identifies itself as the real party-in-interest. Paper 3, 1.

B. Related Matters

The parties identify *AlmondNet, Inc. and Intent IQ, LLC v. Facebook, Inc.*, No. 6:21-cv-00896 (WDTX); *AlmondNet, Inc., et al. v. Microsoft Corporation*, No. 6:21-cv-00897 (WDTX); *AlmondNet, Inc., et al. v. Amazon.com, Inc., et al.*, No. 6:21-cv-00898 (WDTX); *AlmondNet, Inc. v. Samsung Electronics Co.*, No. 6-21-cv-00891 (WDTX); *AlmondNet, Inc. v.*

Roku, Inc., No. 6-21-cv-00876 (WDTX); *AlmondNet, Inc. v. Oath Holdings Inc.*, No. 1-19-cv-00247 (DDE) (terminated); *AlmondNet, Inc. v. Roku, Inc.*, No. 1:22-cv-01540 (DDE); *AlmondNet, Inc. et al. v. Meta Platforms, Inc.,* No. 4:22-cv-08911 (NDCA); *AlmondNet, Inc. et al. v. Samsung Electronics Co., Ltd. et al.*, No. 3:22-cv- 07515 (NDCA); and *AlmondNet, Inc. v. Yahoo! Inc.*, No. 1-16-cv-01557 (EDNY) as civil litigations involving the ’582 patent. Pet. 1–4; Paper 3, 1–2; Paper 6, 1–2. The parties also identify *Samsung Electronics Co. v. AlmondNet, Inc.*, IPR2022-01260 (PTAB); *Yahoo! Inc. v. AlmondNet, Inc.*, CBM2017-00052 (PTAB) (denied); and *Meta Platforms, Inc. v. AlmondNet, Inc.*, IPR2022-01436 (PTAB) as proceedings involving the ’582 patent. Pet. 4; Paper 3, 1; Paper 6, 1–2.

C. The ’582 patent

The ’582 patent relates to a mercantile method directed to brokerage of attributes of information. Ex. 1001, 1:29–31.

> The method includes the steps of: from a user, receiving a transaction having therein a first partial profile; using the first partial profile, searching a databank having a plurality of second partial profiles, wherein is included in said data bank at least one null profile so that said searching will always yield at least one proximate second partial profile to the first partial profile; and between the user and the databank, contracting: (I) for the databank to own or represent a right to a first mutually agreed portion of the first partial profile, and substantially thereafter said databank incorporating the agreed portion of the first profile into at least one second partial profile; or (II) for the user to own or represent a right to a second mutually agreed portion of at least one said proximate second partial profile, and substantially thereafter the databank transmitting to the user the second mutually agreed portion of the second profile.

Id. at code (57).

D. Illustrative Claim

Petitioner challenges claims 11, 13–16, 19, and 20. Pet. 1. Claim 11 is the sole challenged independent claim.

Claim 11 is reproduced below.

> 1. A tangible, non-transitory data storage medium comprising indicia of instructions for a processor to perform a method of collecting profiles of Internet-using entities, the method comprising:
>
> (a) electronically receiving at a programmed computer system coupled to a global computer network, from at least one server controlled by one of a plurality of unaffiliated third parties, a partial profile of an entity that uses a user computer coupled to the global computer network and accessing a website, which partial profile is available to one of the third parties and contains at least one profile attribute related to the entity, and automatically with the computer system storing the received partial profile;
>
> (b) wherein receiving the partial profile is achieved as a result of automatic electronic URL redirection from a portion of a page of the website accessed by the user computer;
>
> (c) automatically with the computer system electronically adding the received partial profile to a maintained profile believed to be related to the same entity:
>
> (d) automatically with the computer system generating and storing an electronic record of which of the plurality of unaffiliated third parties contributed to the maintained profile particular profile attributes;
>
> (e) wherein the maintained profile, including the added partial profile, comprises data used in targeting third party advertisements to the user computer over the global computer network.

Ex. 1001, 17:45–18:8.

E. Asserted Ground of Unpatentability

Petitioner asserts the following ground of unpatentability:

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
11, 13–16, 19, 20	103	Merriman,[1] Rosenberg[2]

Pet. 7. In addition to the references listed above, Petitioner relies on the Declaration of Daniel A. Menascé, Ph.D. (Ex. 1002).

II. ANALYSIS

A. Level of Ordinary Skill in the Art

In determining the level of skill in the art, we consider the type of problems encountered in the art, the prior art solutions to those problems, the rapidity with which innovations are made, the sophistication of the technology, and the educational level of active workers in the field. *Custom Accessories, Inc. v. Jeffrey-Allan Indus. Inc.*, 807 F.2d 955, 962 (Fed. Cir. 1986); *Orthopedic Equip. Co. v. U.S.*, 702 F.2d 1005, 1011 (Fed. Cir. 1983).

Petitioner contends that a person of ordinary skill in the art at the time of the invention of the ’582 patent “would have possessed at least a bachelor’s degree in electrical engineering or computer science, and two years of work experience in the field of network-based computer systems, such as systems for sending and receiving information over local networks and wide area networks (such as the Internet or World Wide Web).” Pet. 7–8. (citing Ex. 1002 ¶¶ 30–34). Petitioner asserts further that “[a] person could also have qualified with more formal education and less technical

[1] Merriman et al., U.S. Patent No. 8,566,154 B2, issued Oct. 22, 2013 (Ex. 1004) (“Merriman”).
[2] Rosenberg et al., U.S. Patent No. 6,073,241, issued June 6, 2000 (Ex. 1005) (“Rosenberg”).

experience, or vice versa." *Id.* Patent Owner does not challenge this definition of the level of skill at this time. Prelim. Resp. 5.

For purposes of this Decision, we also adopt Petitioner's proposal as reasonable and consistent with the prior art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (the prior art may reflect an appropriate level of skill in the art).

B. Claim Construction

For petitions filed on or after November 13, 2018, the "broadest reasonable interpretation" standard has been replaced with the federal court claim construction standard that is used to construe a claim in a civil action under 35 U.S.C. § 282(b). This is the same claim construction standard articulated in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc), and its progeny.

Petitioner states that "[f]or the purposes of this Petition, the challenged claims are interpreted according to their plain and ordinary meaning" and does not proffer a definition for any claim terms; Patent Owner agrees. *See* Pet. 8 (citing Ex. 1002 ¶¶ 35–36); Prelim. Resp. 5. At this stage of this proceeding we determine that no claim terms require express construction in order to determine whether or not to institute *inter partes* review because doing so would have no effect on the analysis below. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) ("[W]e need only construe 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))).

C. Overview of the Asserted Prior art

1. Merriman

Merriman is a U.S. Patent for "Network for Distribution of Re-Targeted Advertising" that issued on October 22, 2013. Ex. 1004, codes (45), (54). Merriman "relates to methods of delivery of advertisements and measuring responses to those delivered advertisements, and in particular relates to the targeting of advertisements delivered over networks such as the internet." *Id.* at 1:19–24.

Merriman's system, shown in Figure 1, is reproduced below:

FIG. 1

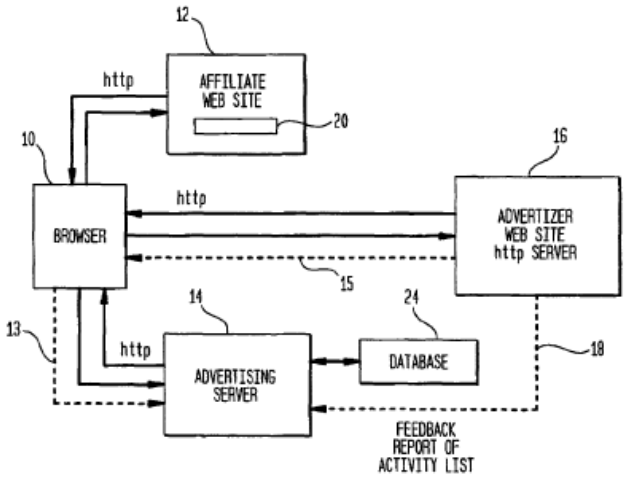

Figure 1 shows a system including browser 10, at least one affiliate web site 12 which has advertising space 20, advertising server 14 which has algorithms for selection of advertisement, database 24 which has activity history of users on various web sites, and one or more advertiser web sites 16. Ex. 1004, 4:26–38. Advertising server 14 communicates with database 24, and browser 10 communicates with each of affiliate web site 12, advertiser web site 16, and advertising server 14. *Id.* at Fig. 1. Feedback path 18 permits advertiser web site 16 "to communicate the activities of

visitors at the advertiser's web site 16, back to the advertising server 14."

Id. at 4:41–43.

Merriman discloses:

> The feedback path 18 may be achieved by a number of alternative mechanisms. For bulk feedback of data accumulated in a user activity list, the advertiser periodically emails the information directly, or transfers it in bulk form in a file transfer operation. Activity list updates are performed as often as necessary, and may even be reported at the conclusion of each individual visit.
>
> In a second embodiment, feedback of individual activities of the user at an advertiser site 16 may be communicated in real time back to the advertising server 14 using by spotlight tags placed on specific pages in the advertiser's web site. A spotlight tag is a minimal graphic (e.g., a one pixel image) containing a redirect message back to the advertising server 14. Spotlight tags are placed on web pages by the advertiser and contain other imbedded information such as information identifying the specific advertiser web page (as for example, identifying a purchase confirmation page stating "thank you for your order" etc.)
>
> When the user requests (i.e., visits) an advertiser page containing a spotlight tag, a reply message 15 redirects the user[']s browser 10 back to the advertising server 14 via request 13 to access the minimal one pixel graphic image. The requested image is not significant to the event. However, by this process, the advertiser web site 16 provides real time reporting of user activities while the user is in the advertising web site 16. The advertising server 14 assembles the activity list for each user.

Id. at 4:44–5:3.

Merriman's Figure 2 is reproduced below:

FIG. 2

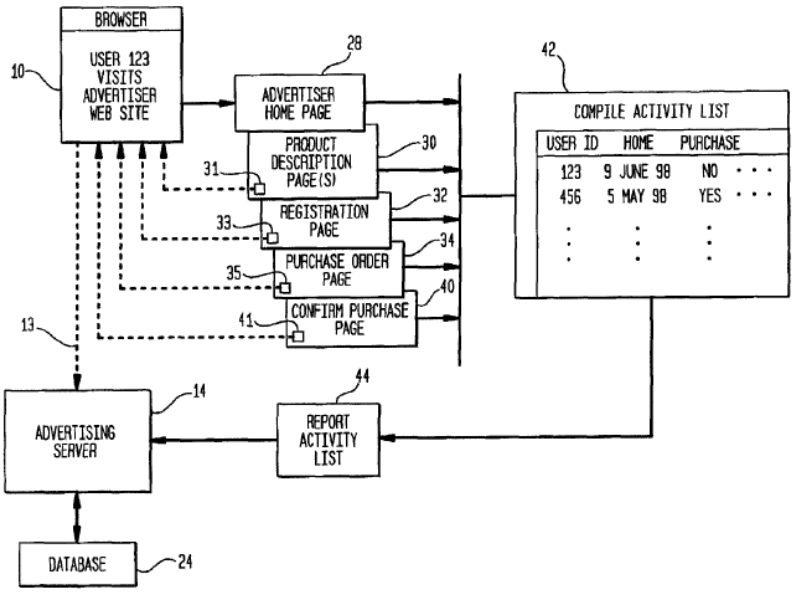

Figure 2 shows "two alternate embodiments of a data collection system for reporting user activities at an advertiser's web site to an advertising server." Ex. 1004, 2:17–19. An advertiser web site comprises home page 28 with linked pages such as product description pages 30, registration pages 32, purchase order pages 34, and confirmation pages 40, in which each of these pages includes a corresponding spotlight tag, i.e., spotlight tags 31, 33, 35, and 41. *Id.* at 5:33–42. Merriman discloses:

> When the viewer accesses any page having at spotlight tag 31, 33, 35 and 41, a reply message back to the browser 10 redirects the browser to send a message 13 back to the advertising server 14. Receipt of the message 13 back at the advertising server 14 in effect, reports (in real time) to the advertising server that the user has accessed the [] respective page while browsing at the advertiser's web site. Reported user activity is stored in the local database 24 for further processing.
>
> Alternatively, the user activity list 42 is compiled at the advertiser[']s web site. The activity list is reported back 44 to the advertising server 14 by email or ftp (file transfer protocol).

Id. at 5:43–54.

2. Rosenberg

Rosenberg is a U.S. Patent for an "Apparatus and Method for Tracking World Wide Web Browser Requests Across Distinct Domains Using Persistent Client-Side State" that issued June 6, 2000. Ex. 1005, codes (45), (54). Rosenberg describes a method that "allows a web browser to be passively tracked so that content preferences and interests associated with the individual using the web browser can be identified." *Id.* at 3:25–28. In particular, the method "allows all cooperating servers to share information via a database" in which "persistent client-side state information can be combined with authentication data in the database to provide demographic information and passive tracking information regarding the individual using the web browser." *Id.* at 3:28–32. "This information can be used to provide responses tailored toward the individual using the web browser" and also "would allow editors and advertisers to tailor their content to users." *Id.* at 3:35–36, 3:7–8.

D. Principles of Law

A petition must show how the construed claims are unpatentable under the statutory grounds it identifies. 37 C.F.R. § 42.104(b)(4). Petitioner bears the burden of demonstrating a reasonable likelihood that it would prevail with respect to at least one challenged claim for a petition to be granted. 35 U.S.C. § 314(a).

A claim is unpatentable under § 103(a) if the differences between the claimed subject matter 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 skill in the art; and (4) when in evidence, objective indicia of non-obviousness (i.e., secondary considerations).[3] *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

E. Obviousness under 35 U.S.C. § 103

Petitioner contends that claims 11, 13–16, 19, and 20 are unpatentable over the combined teachings of Merriman and Rosenberg. Pet. 17–52. Patent Owner disputes Petitioner's contentions. Prelim. Resp. 5–19. As claim 11 is the only independent claim at issue in this proceeding, our determination regarding claim 11 is dispositive for dependent claims 13–16, 19, and 20. Further, as our determination regarding limitation (b) of claim 11 is dispositive, we focus our discussion on that limitation.

Limitation (b) requires in a "tangible, non-transitory data storage medium comprising indicia of instructions for a processor to perform a method of collecting profiles of Internet-using entities," comprising the step of "electronically receiving at a programmed computer system coupled to a global computer network" "a partial profile of an entity that uses a user computer coupled to the global computer network" "*wherein receiving the partial profile is achieved as a result of automatic electronic URL redirection from a portion of a page of the website accessed by the user computer*." Ex. 1001, 17:45–61 (emphasis added). Petitioner asserts that "Merriman and Rosenberg disclose[] limitation 11.b." Pet. 26 (citing Ex. 1002 ¶¶ 77–86). Specifically, Petitioner asserts that "Merriman

[3] Patent Owner does not present any objective evidence of nonobviousness at this stage of the proceeding.

discloses that the advertising server receives the partial profile of a user browsing an advertiser website which indicates that the user accessed a certain page at the advertiser website" and that Merriman "explains that one way that the advertising server receives the partial profile is by including spotlight tags placed on specific pages of the advertiser website accessed by the user computer." *Id.* (citing Ex. 1004, 3:35–38; 4:53–54; 5:46–49).

According to Petitioner, "[w]hen a user visits a page containing a spotlight tag [on the advertiser website 16, Merriman explains that] 'a reply message 15 redirects the [user's] browser 10 back to the advertising server 14 via request 13 to access the minimal one pixel graphic image.'" *Id.* (citing Ex. 1004, 4:62–65). Petitioner asserts that "[b]y redirecting the browser 10 to send a request to the advertising server 14, 'the advertiser web site 16 provides real time reporting of user activities while the user is in the advertising web site 16.'" *Id.* at 26–27 (citing Ex. 1004, 4:67–5:2). Petitioner asserts further that "[a] POSITA[][4] would have understood and found obvious the advertising server receives the report via URL redirection and that this redirection occurs automatically and electronically because the user's browser automatically sends a request to the advertising server in response to the redirect message from the advertiser website." *Id.* at 27 (citing Ex 1002 ¶ 77).

Relying on its expert's, Dr. Menascé, testimony, Petitioner asserts that "a POSITA would have known that the advertising server receives the partial profile via three main steps that occur when a user visits a page with a spotlight tag." Pet. 27 (citing Ex. 1002 ¶ 78). These three steps are, according to Petitioner: (1) "the user's browser visits the advertiser's

[4] Person of ordinary skill in the art.

website and requests a webpage having a spotlight tag," (2) "the advertiser's website responds to the browser's request for the spotlight tag image by sending a reply message 15 to the browser . . . which tells the browser to obtain the spotlight tag image from the advertising server (an electronic URL redirection)," and (3) sending of the reply message "automatically causes the browser to send a request 13 to the advertising server 14 for the spotlight tag." *Id.* (citing Ex. 1002 ¶ 78; Ex. 1008, 40; Ex. 1009, 56). Petitioner asserts further that "[t]he advertising server then responds to the request 13 in a fourth step by providing the spotlight tag image or, alternatively, further redirecting the browser to back to the advertiser's website or another location." *Id.* at 27–28 (citing Ex. 1002 ¶ 78).

Alternatively, Petitioner asserts that "[t]o the extent that Merriman does not disclose or suggest that receiving the partial profile is achieved as a result of automatic electronic URL redirection from a portion of a page of the website accessed by the user computer, Rosenberg does." Pet. 29–30 (citing Ex. 1002 ¶ 80). Specifically, Petitioner asserts that "Rosenberg describes how an Internet server may instruct a browser to convey information to another server" and that it identifies "[o]ne way to convey the information is through identification information embedded within '[a]n HTML cross-cite reference with an image tag' in which 'the page contains an embedded image, which is located on another site.'" *Id.* at 30 (citing Ex. 1005, 5:28–31, 9:8–10; Ex. 1002 ¶ 81). Petitioner asserts further that "Rosenberg explicitly states that 'an HTTP redirect command' may be used to convey this information" and "describes a redirect command as 'a response from a server that indicates to the browser that it should retransmit the request to a specific URL.'" Pet. 31 (citing Ex. 1005, 9:18–24; Ex. 1002 ¶ 82).

Petitioner reasons that

> A POSITA would have recognized that "it is considered highly desirable to target advertisements to the appropriate potential customer base" (EX1004, 1:27-28) and when faced with Merriman's need to "report[] (in real time) to the advertising server that the user has accessed [] a respective page while browsing at the advertiser's web site" (*id.*, 5:47-49), would have been motivated to use Rosenberg's technique which "allows servers with distinct domain names to access state information generated by other servers" (EX1005, 7:57-58).

Pet. 31. Petitioner reasons further that "[t]his combination is a combination of prior art elements according to known methods to yield predictable results, a simple substitution of one known element for another to obtain predictable results, and use of a known technique to improve a similar system in the same way." Pet. 31–32 (citing Ex 1002 ¶ 83). Thus, according to Petitioner, "Merriman in view of Rosenberg discloses a computer system wherein receiving partial profiles of users is achieved via automatic electronic URL redirection from a portion of a page of the website accessed by said users." *Id.* at 33 (citing Ex. 1002 ¶¶ 77–87).

Patent Owner notes that the Petition relies "on Merriman alone as disclosing limitation 11(a)" and that "[t]he Petition also relies upon the party controlling Merriman's 'advertiser website 16' as constituting the 'third party' that would supposedly have access to the partial profile." Prelim. Resp. 6 (citing Pet. 21). With these observations in mind Patent Owner asserts that

> under the Petition's sole invalidity theory—where Merriman's "report" provided to the advertising server is the "partial profile" and Merriman's "entity controlling the advertiser website" is the "third party" having access to the partial profile—the Petition must show that Merriman discloses or renders obvious an approach where (1) according to claim limitation 11(b),

> "receiving the [report] is achieved as a result of automatic URL redirection," and also (2) according to claim limitation 11(a), "the [report] is available to [the entity controlling the advertiser website]."

Id. Patent Owner contends that the Petition fails to make this showing, because "a POSITA would have understood from Merriman that the report is only available to the entity controlling the advertiser website as an alternative to an embodiment where the user activity data is allegedly provided in real time using URL redirection." *Id.* at 6–7 (emphasis omitted). Patent Owner contends further that "the Petition provides no theory as to why a POSITA would have found it obvious to modify Merriman to combine aspects of Merriman's two embodiments, which Merriman describes as alternative approaches." *Id.* at 7. Patent Owner contends that "the Petition must show why a POSITA would view Merriman's teaching of the advertiser website compiling a user activity list in the context of *email/ftp* embodiments as supposedly applicable to Merriman's *spotlight tag* embodiment." Prelim. Resp. 12.

Petitioner responds that "Patent Owner argues that the profile information is not 'available' but told the Examiner that the term 'available' was added to the claim 'simply to clarify that the 'unaffiliated third party' may be a website operator or another third party that has access to the partial profile information collected on a website.'" Reply 3 (citing Ex. 1003, 106); *see also* Ex. 1019. In response to this alleged argument, Petitioner asserts that "Merriman specifically discloses that 'a list of actions of each visitor at each advertiser's site is collected and reported back to the advertisement server' and that 'lists of user activities at the advertiser's web site' 'are compiled in the advertising web site'" and that "[t]hese activities are communicated to the advertising server via '[a] feedback path,' and one such

path is achieved using URL redirection." *Id.* (citing Ex. 1004 3:35–38, 4:39–45, 4:62–5:2). Further, according to Petitioner, "[t]he other feedback paths further demonstrate that the profile information is available to the web site." *Id.* (citing Ex. 1004, 4:41–50).

Patent Owner replies that "the Reply cannot show that Merriman's advertising site 'has access to' the transferred profile information ***in the spotlight tag embodiment***, as Petitioners' theory requires," because "Merriman's spotlight tag embodiment is an ***alternative*** to embodiments in which the advertising site compiles a user activity list." Sur-reply 3 (citing Prelim. Resp. 10–11, 13–14, Ex. 1004, 5:43–54). Patent Owner contends that "Merriman's FIG. 1 shows that 'feedback path 18' between the advertiser site and ad server is entirely distinct from the 'reply message 15' that causes the redirect, and the resulting 'request 13 to access the [spotlight tag] image.'" *Id.* (citing Ex. 1003, 4:51–5:3, Fig. 1). Patent Owner contends further that "while the Reply newly alleges that the site needs access to profile information to 'report it' to the ad server (Reply 3), this ignores the fact that the information transfer is performed by the user's ***browser*** (rather than the site) when it 'access[es] the minimal one pixel graphic image." *Id.* (citing Ex. 4:62–5:3, Fig. 1). Thus, according to Patent Owner, "it is the ***browser***, not the advertiser site, that needs access to the transferred information in the spotlight tag embodiment." *Id.*

We agree with Patent Owner that the Petition relies on two alternative embodiments for its invalidity theory without sufficient explanation of how or why a person of ordinary skill in the art would have combined these embodiments. *See* Prelim. Resp. 7–12. Merriman discloses a real time embodiment, wherein "the advertiser's website reports activity in real

time."[5] Ex. 1004, 3:37–38. Merriman discloses "another embodiment, [wherein] the advertiser's web site keeps a user log file of visitor activity and reports the user log file back to the advertisement server." *Id.* at 3:38–41. In this latter embodiment, "[r]eporting of user log files may be by email or any other file transfer technique." *Id.* at 3:41–42.

Merriman further discloses that the real time embodiment uses "spotlight tags placed on specific pages in the advertiser's web site" to provide feedback of individual user's activities in real time back to the advertising server 14, whereas the other embodiment provides "data accumulated in a user activity list" via email or a file transfer operation. Ex. 1003, 4:45–48, 4:51–54, Fig. 2. Throughout its specification, Merriman describes these embodiments as mutually exclusive alternatives. *See*, *e.g.* Ex. 1003, code (57), 3:35–43, 4:44–5:3, 5:33–54. The Petition, however, "overlooks or ignores Merriman's clear distinctions and relies on aspects of both alternative embodiments." Prelim. Resp. 11.

Regardless of whether an obviousness argument "is based on combining disclosures from multiple references, combining multiple embodiments from a single reference, or selecting from large lists of elements in a single reference," Petitioner must direct us to "a motivation to make the combination and a reasonable expectation that such a combination would be successful, otherwise a skilled artisan would not arrive at the claimed combination." *In re Stepan*, 868 F.3d 1342, 1346 n.1 (Fed. Cir. 2017). In this case, Petitioner does not make the required showing. *See* Pet. 26–29 (relying on both of Merriman's embodiments to meet limitation 11.b,

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[5] We note the that real time embodiment is first referred to by Merriman as the "one" embodiment (Ex. 1003, 3:37–38) and later referred to by Merriman as the "second" embodiment (*id.* at 4:51).

without providing reasoning in support of combining these embodiments); *see also* Reply 3.

Rosenberg does not cure this deficiency in Petitioner's challenge. As noted by Patent Owner, "the Petition makes clear that, even in combination with Rosenberg, the Petition relies on Merriman's use of spotlight tags" to meet the requirement for URL redirection. Prelim. Resp. 7–8, n. 1. (citing Pet. at 52). Rosenberg is merely relied upon to show, "[t]o the extent that Merriman does not disclose or suggest that receiving the partial profile is achieved as a result of automatic electronic URL redirection," that it was known to use image tags (i.e. spotlight tags) for URL redirection. Pet. 29; see also *id.* at 30–33.

Given the Petition's failure to provide articulated reasoning in support of the proposed combination of Merriman's alternative embodiments, Petitioner fails to demonstrate a reasonable likelihood of prevailing for claim 11, and its dependent claims 13–16, 19, and 20.

F. Discretionary Denial Under 35 U.S.C. § 325(d)

As we have determined that Petitioner does not demonstrate a reasonable likelihood of prevailing for any claim on any ground, we need not consider whether application of the Director's discretionary authority to deny institution in accordance with 35 U.S.C. § 325(d) is appropriate in this proceeding.

III. CONCLUSION

After considering the evidence and arguments presented in the Petition and the Preliminary Response, we determine that Petitioner does not demonstrate a reasonable likelihood of prevailing with respect to any of the challenged claims, and thus, we do not institute an *inter partes* review.

IV. ORDER

In consideration of the foregoing, it is hereby

ORDERED that the Petition is *denied* as to all challenged claims, and no trial is instituted.

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