UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FREEWHEEL MEDIA, INC.,
Petitioner,

v.

ALMONDNET, INC.,
Patent Owner.

Case IPR2024-00416
Patent 8,775,249

PATENT OWNER'S PRELIMINARY RESPONSE

TABLE OF CONTENTS

I. INTRODUCTION 1

II. BACKGROUND 2

III. PETITIONERS DO NOT AND CANNOT JUSTIFY THREE PARALLEL PETITIONS DIRECTED TOWARDS THE '249 PATENT 5

IV. THE PETITION'S *SIXTEEN* GROUNDS VIOLATE THE "PARTICULARLY" REQUIREMENT OF 35 U.S.C. § 312(a)(3) 9

V. CONCLUSION 13

TABLE OF AUTHORITIES

Cases

Adaptics Ltd. v. Perfect Co.,
Case IPR2018-01596, Paper No. 20 (PTAB Mar. 6, 2019).....10, 11, 12, 13

Affordable Wire Management, LLC v. Cambria County Assoc.,
Case IPR2024-000182, Paper No. 18 (PTAB April 24, 2024).....9

Apple Inc. v. Seven Networks, LLC,
Case IPR2020-00254, Paper No. 13 (PTAB July 28, 2020).....9

Applications in Internet Time, LLC v. RPX Corp.,
897 F.3d 1336 (Fed. Cir. 2018).....6

Eton Pharms., Inc. v. Exela Pharma Scis., LLC,
Case PGR2020-00064, Paper No. 12 (PTAB Nov. 18, 2020).....12

Hanshow America Inc. v. SES-Imagotag Inc.,
Case IPR2024-00190, Paper No. 10 (PTAB May 20, 2024).....8

Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.,
821 F.3d 1359 (Fed. Cir. 2016).....10

SAS Inst., Inc. v. Iancu,
138 S. Ct. 1348 (2018).....9

Statutes

35 U.S.C. § 282(b).....10

35 U.S.C. § 315(e)(1)-(2).....6

Other Authorities

37 C.F.R. § 42.104(b).....10

Other Publications

Patent Trial and Appeal Board Consolidated Trial Practice Guide
(Nov. 2019).....passim

I. INTRODUCTION

The Board should deny institution of *inter partes* review ("IPR") of U.S. Patent No. 8,775,249 ("the '249 patent") for two reasons.

First, the instant Petition is just one of three parallel petitions that Petitioner filed challenging claims of the '249 Patent on the same day. If the Board grants institution of either of the parallel petitions in IPR2024-00417 or IPR2024-00418, the Board should exercise its discretion and deny institution in this proceeding (IPR2024-00416) because Petitioner has not shown that this is one of the "rare" instances where multiple petitions are needed.

Second, the Petition alone—and even moreso when viewed in the context of the multiple petitions filed on the same day—violates the requirement of 35 U.S.C. § 312(a)(3) that each petition identifies the grounds on which the challenge to each claim is based "with particularity" by setting forth *sixteen* express grounds of invalidity. This is especially true in light of the three parallel petitions filed by Petitioner on the same day, challenging the same claims, which cumulatively set forth ***thirty-seven*** express grounds of invalidity relying on ***seventeen*** identified prior art references and at least ***twenty-three*** more "shadow" references. Rather than presenting a reasonable number of grounds and references, Petitioner resorts to burying Patent Owner and the Board with scattershot invalidity theories supported by conclusory arguments. In addition to the express grounds, Petitioner and its two

experts cite even more additional references as "shadow" secondary references, thereby creating unbounded combinations and permutations of references. Wading through such voluminous invalidity theories to provide a full, fair, and meaningful response would be a near impossible task given their curt presentation, procedural limits on IPR proceedings, and practical limits on the Board and Patent Owner. For each these independent reasons, institution should be denied.

II. BACKGROUND

The '249 patent is generally directed to methods and systems for collecting and marketing descriptive profile data along with source information. Ex. 1001 at 3:29-4:43. For example, an electronically facilitated visitor to an Internet website presents his credentials. These credentials could be the visitor profile itself or a cookie or a username and so forth that enables the site to retrieve the visitor profile or any combination of the above. Of course, it could be that the site does not have a profile of the visitor to that website. The website may make better profit from the visitation if it were to know more about the visitor. The website forwards particulars from the visitor's credentials (a partial profile), as well as (optionally) a redirect to a portion of the visitor's page to a server located in cyberspace (at a juncture in a data communications topology). 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. This server interconnects the user's transactions

and the server's own cookie (if used) with a computer having therein software for running the method of the present invention. Associated with the computer is a databank, having therein an organized ensemble of information attributes. The computer uses the forwarded visitor credentials with its server cookie (if any) to search the associated databank. Either or both of two possible mercantile events are set into motion thereby.

Firstly, it may be the case that the credentials contain new information attributes which were not heretofore known in the databank. According to a simple model of evaluating the value of these attributes, the database incorporates these new attributes, and the computer assigns a user selected micropayment royalty for each elected use of these attributes by any other user. Stated simply, if the user provides a date of birth for a known named person in the data bank, then the user is the owner of that date of birth attribute, and a user designated micropayment royalty (or credit) is assigned to the user for each purchase of that attribute by another user. The owner of the databank may likewise collect for itself a brokerage commission for each use of the attribute. Secondly, the databank may contain new attributes that were not in the initial visitor credentials. In this case, the user is told that such attributes exist for purchase, what these new attributes describe (e.g. education level associated with the visitor), and the micropayment royalty plus brokerage fee that is charged for each respective attribute. If the user is interested in any of these attributes, then a contract

is agreed to, resulting in a micro-payment transfer from the user to the broker and to the royalty owner, and a transfer of a copy of the attribute to the user (the buyer). *Id*.

Claim 1 recites in relevant part:

> 1[pre] An automated method of collecting profiles of Internet-using entities, the method comprising:
>
> > 1(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;
> >
> > 1(b) automatically with the computer system electronically storing the received partial profile by adding the received partial profile to an electronically stored profile, which stored profile is believed to be related to the same entity;
> >
> > 1(c) 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; and
> >
> > 1(d) automatically with the computer system generating an electronic record of which of the plurality of unaffiliated third parties contributed to the stored profile particular profile attributes;

> 1(e) wherein the stored 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 1 (numbering added).[1] Challenged independent claims 11 and 21 recites substantially the same limitations, as implemented via a global computer network and computer system, and via a tangible, non-transitory data storage medium.

III. PETITIONERS DO NOT AND CANNOT JUSTIFY THREE PARALLEL PETITIONS DIRECTED TOWARDS THE '249 PATENT

Petitioner has not and cannot justify the three simultaneously filed parallel petitions directed towards the '249 patent and challenging the exact same claims—claims 1, 3-11, 13-21, and 23-25. Institution should be denied.

On March 1, 2024, Petitioner filed three IPR petitions challenging the same claims of the '249 patent—the instant petition, IPR2024-00416 ("First Petition"), IPR2024-00417 ("Second Petition"), and IPR2024-00418 ("Third Petition").

Although Petitioner attempts to explain why all three petitions should be instituted in view of—and despite—one another, Petitioner's argument fails. *See* Petitioner's Petition Ranking And Explanation of Material Differences Between Petitions (Paper 3). The Consolidated Trial Practice Guide ("CTPG," Nov. 2019

[1] All emphases added unless otherwise noted.

Update) indicates that one petition per patent is sufficient "in most situations," that "multiple petitions by a petitioner are not necessary in the vast majority of cases," and that "***the Board finds it unlikely that circumstances will arise where three*** or more petitions by a petitioner with respect to a particular patent will be appropriate." CTPG at 59.

The Office's policy in this regard conforms to the purposes of the AIA, which was crafted to prevent petitioners "from requesting or maintaining alternative administrative attacks ... 'on any ground that the petitioner raised or reasonably could have raised during that inter partes review.'" *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1349 (Fed. Cir. 2018) ("*AIT*") (quoting 35 U.S.C. §§ 315(e)(1)-(2)).

In Petitioner's Petition Ranking And Explanation of Material Differences Between Petitions (Paper 3), Petitioner ranks this First Petition (IPR2024-00416) over both the Second Petition (IPR2024-00417) and the Third Petition (IPR2024-00418), and also ranks the Second Petition (IPR2024-00417) over the Third Petition (IPR2024-00418). But even considering these rankings, Petitioner fails to justify why all three Petitions, filed on the same day and challenging the same claims, are all necessary and appropriate. Indeed, they are not.

Petitioner first contends that the three parallel petitions are necessary and appropriate simply because each petition relies on different prior art. Petitioner is

wrong, and this explanation makes no sense. Nearly all parallel petitions involve different proposed prior art. If petitioners are permitted to effectively double or triple the permitted word count limit by separating lengthy petitions into multiple parallel petitions based entirely on the fact that they involve different prior art, the word count limits are essentially meaningless. But the word count limits implemented by the Board are specifically intended to prevent "the presentation of an overwhelming number of issues" that "detract from the argument being presented" and ensuring that petitioners "avoid submitting a repository of all the information that a judge could possible consider, and instead focus on concise, well-organized, easy-to-follow arguments." CTPG at 59.

Petitioner next contends that the three parallel petitions are necessary because Patent Owner ***might*** "attempt to antedate or disqualify" some of the prior art references relied on by Petitioner. Paper 3 at 3. Again, Petitioner is wrong, and its attempt to pre-emptively blame Patent Owner for Petitioner's parallel petitions should not succeed. Moreover, Patent Owner hereby expressly stipulates that it will not "attempt to antedate or disqualify" the prior art relied upon by Petitioner. Thus, "the[] respective priority dates" are not material and do not justify parallel petitions.

Petitioner last contends that the three parallel petitions are necessary "in light of potential claim construction issues that ***may*** arise". Paper 3 at 3. Again, Petitioner is wrong, and its speculation about "potential" claim construction issues that "may"

arise does not provide any material basis on which to permit Petitioner (or any petitioner) to double or triple the permitted word count limit by speculating about the arguments Patent Owner *may* make if a petition is instituted. Importantly, Petitioner does ***not*** allege that "the patent owner has asserted a large number of claims in litigation or [that] there ***is*** a dispute about priority date requiring arguments under multiple prior art references." CTPG at 59.

The CTPG makes clear that even *two* parallel petitions are rarely needed and "may place a substantial and unnecessary burden on the Board and the patent owner and could raise fairness, riming, and efficiency concerns." CTPG at 59. But the Board goes on and "finds it unlikely that circumstances will arise where three or more petitions by a petitioner with respect to a particular patent will be appropriate." CTPG at 59. None of the arguments set forth by Petitioner explain why the Board should abandon its normal procedure. Indeed, none of the arguments set forth by Petitioner justify or negate that the parties will need to draft, and the Board will need to review and hear argument on, three sets of briefing rather than one, and that Patent Owner's expert will need to draft at least three expert declarations and be deposed thrice.

The Board frequently denies institution when petitioners lodge parallel petitions with similarly conclusory explanations. *See Hanshow America Inc. v. SES-Imagotag Inc.*, Case IPR2024-00190, Paper No. 10 (PTAB May 20, 2024) (denying

institution of parallel petition where petitioner's argument that parallel petitions are justified was "conclusory and unsupported by substantive analysis."); *Affordable Wire Management, LLC v. Cambria County Assoc*., Case IPR2024-000182, Paper No. 18 (PTAB April 24, 2024) CTPG (denying institution of parallel petition "directed to the same claims…"); *Apple Inc. v. Seven Networks, LLC*, Case IPR2020-00254, Paper No. 13 (PTAB July 28, 2020) (denying institution of parallel petition where patent owner has stipulated that it will not attempt to antedate a reference subject to a priority date dispute.)

In sum, the Board should exercise its discretion to deny institution of each of the three parallel petitions, including the instant First Petition.

IV. THE PETITION'S *SIXTEEN* GROUNDS VIOLATE THE "PARTICULARLY" REQUIREMENT OF 35 U.S.C. § 312(A)(3)

The Board may not institute *inter partes* review unless the petition demonstrates that it is more likely than not that at least one of the claims challenged in the petition is unpatentable. 35 U.S.C. § 314(a). However, even if the Board determines that the statutory standard is met, the decision to institute is discretionary. *Id.*; *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1361 (2018) ("Even if there is one potentially meritorious challenge, we have said that the statute contains no mandate to institute review, so the Director still has discretion to deny a petition.").

Moreover, a petition "may be considered only if" it sets forth the grounds of its challenges "with particularity." 35 U.S.C. § 312(a). The IPR regulations elaborate on this requirement, demanding that the petition "[p]rovide a statement of the precise relief requested for each claim challenged" including the "specific statutory grounds under 35 U.S.C. 282(b)(2) or (3) on which the challenge to the claim is based." 37 C.F.R. § 42.104(b)(2). "The petition must specify where each element of the claim is found in the prior art." *Id.* § 42.104(b)(4); *see also* Patent Trial and Appeal Board Consolidated Trial Practice Guide at 39 (Nov. 2019) (advising that petitioners "should avoid submitting a repository of all the information a judge could possibly consider, and instead focus on concise, well-organized, easy-to-follow arguments").

A petition that sets forth extensive alternative grounds fails to meet the particularity requirement, and it may also independently be denied institution as an exercise of the Board's discretion based upon the assertion of "voluminous and excessive grounds" and lack of procedural fairness to the patent owner. *Adaptics Ltd. v. Perfect Co.*, Case IPR2018-01596, Paper No. 20 at 24 (PTAB Mar. 6, 2019) (informative) ("*Adaptics*"); *see also Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1369 (Fed. Cir. 2016) ("It is of utmost importance that petitioners in IPR proceedings adhere to the requirement that the initial petition identify with particularity the evidence that supports the grounds for the challenge to each claim.") (internal quotations omitted). "The statutory requirement for

particularity in a petition for IPR takes on heightened importance when considered in conjunction with *SAS*'s 'all-or-nothing' approach." *Adaptics* at 24.

Based on its headings and express disclosure, the Petition purports to contain *sixteen* separate grounds. *See* Pet. at 5-6 (chart listing the grounds A-P); *id.* at i-ii (Table of Contents showing headings for the grounds A-P). This fact alone demonstrates that the Petition suffers from a lack of particularity that results in voluminous and excessive grounds. *See, e.g.*, *Adaptics* at 19 (holding that seventeen grounds is an "unduly burdensome number of combinations.")

But the actual contents of the Petition establishes that the situation is in fact even worse because, as explained below, Petitioner raises a number of "shadow" grounds in addition to Petitioner's "express" grounds, just like in *Adaptics*. "The asserted grounds of unpatentability also suffer from a lack of particularity and indefinite scope due to Petitioner's and [its expert's] reliance on *additional* documents" that are not listed as part of the Grounds in the summary chart or headings, including "voluminous additional exhibits containing substantive disclosures relating to the subject matter of the challenged patent claims." *Id.* at 22.

The Petition itself is eighty-four pages long (13,640 words), and attaches fifty-two exhibits. *See* Exhibits 1001-1052. One of those exhibits, Exhibit 1002, is a 483-page declaration from one of Petitioner's experts, and another exhibit, Exhibit 1052, is a 146-page declaration from another of Petitioner's experts that includes twenty-

two attachments. Critically, while the Petition purports to identify seven prior art references that make up the sixteen identified grounds, this listing does not include the *twenty-three* other references and exhibits attached to the Petition and expressly cited and relied upon by Petitioner's experts Taking these additional documents and exhibits into account, a conservative count reveals that this Petition alone cites to or relies on ***at least thirty*** prior art references, including "shadow" secondary refences, creating virtually unbounded combinations and permutations of possible references that could be implicated in each of Petitioner's sixteen express "grounds." In other words, there are additional potential prior art combinations for most of the challenged claims, each of which the Board and Patent Owner will need to address.

"The extent to which these additional documents may be relied upon to fill gaps in the asserted references with respect to the claimed subject matter increases [the] concern that the Petition lacks the required particularly, and, instead, turns the Petition into an empty invitation for the Board and Patent Owner to search the record for evidence that might support the full breadth of Petitioner's contentions." *Adaptics* at 22-23. Moreover, it is unclear which references Petitioner intends to be (or not to be) part of each of the grounds in its Petition, making it "virtually impossible" for Patent Owner to provide a reasoned response to the Petition. *See id.* at 15; *see also Eton Pharms., Inc. v. Exela Pharma Scis., LLC*, Case PGR2020-00064, Paper No. 12 at 14 (PTAB Nov. 18, 2020) ("By not including references in

the formulation of the ground[s of] unpatentability Petitioner is not providing an articulated reason that allows Patent Owner the ability to respond and leaves Patent Owner, and the Board for that matter, to guess how the references are applied to each particular ground."). *See* Exhibit 1002 at 71-84 (citing additional prior art references, not identified as such, as "Technical Background").

Because the Petition violates the particularity requirement, "in the interests of efficient administration of the Office and integrity of the patent system and as a matter of procedural fairness to Patent Owner, the entire petition should be denied." *See Adaptics* at 24.

V. CONCLUSION

Patent Owner respectfully requests that the Board deny institution for any or all of two independent reasons. First, Board should exercise its discretion to deny institution of the Petition as an unjustified parallel petition. Second, the Board should exercise its discretion to deny institution of the Petition as failing to meet the "particularity" requirement of 35 U.S.C. § 312(a)(3) in light of the Petition's citation to and reliance on *thirty* prior art refences, including shadow references, and further in light of the *forty* prior art references cumulatively relied upon across the three parallel petitions.

Date: July 3, 2024

Respectfully submitted,

/Reza Mirzaie/

Reza Mirzaie, Reg. No. 69,138
Amy E. Hayden, Reg. No. 64,817
RUSS, AUGUST & KABAT
12424 Wilshire Blvd., 12th Floor
Los Angeles, CA 90025
Tel.: 310-826-7474
Fax: 310-826-6991
rmirzaie@raklaw.com
ahayden@raklaw.com
rak_almondnet@raklaw.com

Counsel for Patent Owner

CERTIFICATION REGARDING WORD COUNT

Pursuant to 37 C.F.R. §42.24(d), Patent Owner certifies that there are 3,024 words in the paper excluding the portions exempted under 37 C.F.R. §42.24(a)(1).

Date: July 3, 2024

/Reza Mirzaie/

Reza Mirzaie, Reg. No. 69,138
Amy E. Hayden, Reg. No. 64,817
RUSS, AUGUST & KABAT
12424 Wilshire Blvd., 12th Floor
Los Angeles, CA 90025
Tel.: 310-826-7474
Fax: 310-826-6991
rmirzaie@raklaw.com
ahayden@raklaw.com

Counsel for Patent Owner

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

The undersigned hereby certifies that the above document was served on July 3, 2024, by filing this document through the Patent Trial and Appeal Case Tracking System as well as delivering a copy via electronic mail upon the following attorneys of record for the Petitioners:

Frederic M. Meeker (Reg. No. 35,282)
fmeeker@bannerwitcoff.com
Craig W. Kronenthal (Reg. No. 58,541)
ckronenthal@bannerwitcoff.com
Camille Sauer (Reg. No. 71,866)
csauer@bannerwitcoff.com
Wesley W. Jones (Reg. No. 56,552)
wjones@bannerwitcoff.com
John Harris Curry (Reg. No. 65,067)
jcurry@bannerwitcoff.com
Jonathan D. Peloquin (Reg. No. 80,501)
jpeloquin@bannerwitcoff.com
John R. Hutchins (Reg. No. 43,686)
jhutchins@bannerwitcoff.com
Banner & Witcoff, Ltd.
1100 13th St., NW, Suite 1200
Washington, DC 20005
Tel: (202) 824-3000
ComcastIPRService@bannerwitcoff.com

Date: July 3, 2024 /Reza Mirzaie/

Reza Mirzaie, Reg. No. 69,138
Amy E. Hayden, Reg. No. 64,817
RUSS, AUGUST & KABAT
12424 Wilshire Blvd., 12th Floor
Los Angeles, CA 90025
Tel.: 310-826-7474
Fax: 310-826-6991

rmirzaie@raklaw.com
ahayden@raklaw.com

Counsel for Patent Owner