

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

**PETITIONER'S REPLY TO PATENT OWNER'S RESPONSE
UNDER 37 C.F.R. § 42.23**

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EXHIBITS

Previously Filed:

- Ex. 1001: U.S. Patent No. 8,775,249 (“the ’249 patent”)
- Ex. 1002: Expert Declaration of Dr. Sanjay Ranka
- Ex. 1003: Certified Prosecution History for U.S. Patent No. 7,428,493 (“the ’493 patent”)
- Ex. 1004: Certified Prosecution History for U.S. Patent No. 7,979,307 (“the ’307 patent”)
- Ex. 1005: Certified Prosecution History for U.S. Patent No. 8,244,582 (“the ’582 patent”)
- Ex. 1006: Certified Prosecution History of U.S. Patent No. 8,494,904 (“the ’904 patent”)
- Ex. 1007: Certified Prosecution History of U.S. Patent No. 8,775,249 (“the ’249 patent”)
- Ex. 1008: Papers from the prosecution histories of related EP 00 981 582.0 and EP 08103068.6 available at <https://register.epo.org/regviewer>
- Ex. 1009: Excerpts from *AlmondNet, Inc v. Freewheel Media, Inc.*, No. 1:23-cv-00220-MN (D. Del.) (“Corresponding District Court Litigation”)
- Ex. 1010: Excerpts from *AlmondNet, Inc. et al v. Oath Holdings Inc.*, 1-19-cv-00247 (D. Del.) (“*Oath Holdings* case”)
- Ex. 1011: Excerpts from *AlmondNet, Inc., v. Samsung Electronics Co., Ltd.*, et al., 4-22-cv-07515 (N.D. Cal.) (“7515 N.D. Cal. case”), *AlmondNet, Inc. et al v. Microsoft Corporation*, 6-21-cv-00897 (W.D. Tex.) (“897 W.D. Tex. case”), and *AlmondNet, Inc. et al v. Amazon.com, Inc. et al.*, 6-21-cv-00898 (W.D. Tex.) (“898 W.D. Tex. case”)
- Ex. 1012: Excerpts from *Roku, Inc. v. AlmondNet, Inc. et al.*, 1-21-cv-01035 (D. Del.) (“1035 D. Del. case”)

- Ex. 1013: Excerpts from *Yahoo! Inc. v. AlmondNet, Inc.*, CBM2017-00049, challenging claims of the '307 patent
- Ex. 1014: Excerpts from *Yahoo! Inc. v. AlmondNet, Inc.*, CBM2017-00050, challenging claims of the '249 patent
- Ex. 1015: Excerpts from *Yahoo! Inc. v. AlmondNet, Inc.*, CBM2017-00051, challenging claims of the '904 patent
- Ex. 1016: Excerpts from *Yahoo! Inc. v. AlmondNet, Inc.*, CBM2017-00052, challenging claims of the '582 patent
- Ex. 1017: Excerpts from *Samsung Electronics Co., Ltd. v. AlmondNet, Inc.*, IPR2022-01260, challenging claims of the '582 patent
- Ex. 1018: Excerpts from *Amazon.com, Inc. v. AlmondNet, Inc.*, IPR2022-01455, challenging claims of the '582 patent
- Ex. 1019: Excerpts from *Meta Platforms, Inc. v. AlmondNet, Inc.*, IPR2022-01436, challenging claims of the '582 patent
- Ex. 1020: “Brief History of the Internet,” by Barry Leiner et al., Internet Society, 1997
- Ex. 1021: “Addressing URL,” Internet Engineering Task Force (IETF), URI working Group, w3.org/Addressing/URL/url-spec.txt, 1994
- Ex. 1022: “HTML Sourcebook,” by Ian S. Graham, John Wiley & Sons, Inc., 1995, excerpts
- Ex. 1023: “Hypertext Transfer Protocol -- HTTP/1.0,” Internet Engineering Task Force (IETF), HTTP Working Group, 1996
- Ex. 1024: “Newton’s Telecom Dictionary,” 11th edition, by Harry Newton, Flatiron Publishing, Inc., 1996, excerpts
- Ex. 1025: “Hypertext Markup Language – 2.0,” RFC 1866, Internet Engineering Task Force (IETF), Network Working Group, 1995

- Ex. 1026: “Hypertext Transfer Protocol -- HTTP/1.0,” RFC 1945, Internet Engineering Task Force (IETF), Network Working Group, 1996
- Ex. 1027: “The HTTP Protocol As Implemented in W3,”
<https://www.w3.org/Protocol/HTTP/AsImplemented.html>
- Ex. 1028: U.S. Patent No. 6,183,366 (“Goldberg”)
- Ex. 1029: U.S. Patent No. 7,334,184 (“Simons”)
- Ex. 1030: U.S. Patent No. 6,055,573 (“Gardenswartz”)
- Ex. 1031: U.S. Patent No. 5,991,740 (“Messer”)
- Ex. 1032: U.S. Patent No. 6,036,601 (“Heckel”)
- Ex. 1033: “The Internet Complete Reference,” by Harley Hahn and Rick Stout, Osborne McGraw-Hill, 1994, excerpts
- Ex. 1034: “Net Worth,” by John Hagel III and Marc Singer, Harvard Business School Press, 1999
- Ex. 1035: U.S. Patent No. 5,948,061 (“Merriman”)
- Ex. 1036: U.S. Patent No. 6,285,987 (“Roth”)
- Ex. 1037: U.S. Patent No. 6,415,322 (“Jaye”)
- Ex. 1038: U.S. Patent No. 5,740,252 (“Minor”)
- Ex. 1039: U.S. Patent Application Pub. No. 2002/0026351 (“Coleman”)
- Ex. 1040: U.S. Patent Application Pub. No. 2013/0097664 (“Herz”)
- Ex. 1041: U.S. Provisional Pat. App. No. 60/161,640 (“Herz provisional”)
- Ex. 1042: Herz Claim 1 Listing
- Ex. 1043: U.S. Patent No. 6,141,694 (“Gardner”)
- Ex. 1044: U.S. Patent Application Pub. No. 2001/00202 (“Gupta”)
- Ex. 1045: U.S. Patent No. 7,240,022 (“Bistriceanu”)

- Ex. 1046: “Database Management Systems,” Second Edition, by Raghu Ramakrishnan and Johannes Gehrke, McGraw-Hill Companies, Inc., 1998 (excerpts)
- Ex. 1047: “How the Internet Works,” Fourth Edition, by Preston Gralla, Que Corporation, 1998
- Ex. 1048: “A Framework for Targeting Banner Advertising On the Internet,” by Katherine Gallagher and Jeffrey Parsons, IEEE, 1997
- Ex. 1049: “A Framework for the Optimizing of WWW Advertising,” by Charu C. Aggarwal, Joel L. Wolf, and Philip S. Yu, IBM T.J. Watson Research Center
- Ex. 1050: “Unintrusive customization techniques for Web advertising,” by Marc Langheinrich et al., Elsevier Science, Computer Networks 31 (1999), pp. 1259-1272
- Ex. 1051: “Web advertising,” by Michael McCandless, IEEE, Intelligent Systems, 1998
- Ex. 1052: Expert Declaration of Dr. Hall-Ellis

Filed Herewith:

- Ex. 1053: U.S. Patent No. 8,566,154 (“Merriman-Boomerang”)
- Ex. 1054: Expert Reply Declaration of Dr. Sanjay Ranka
- Ex. 1055: March 11, 2025, Deposition Transcript of Robert Sherwood
- Ex. 1056: “Database Management Systems,” Second Edition, by Raghu Ramakrishnan and Johannes Gehrke, McGraw-Hill Companies, Inc., 1998 (excerpts; chapters 20, 23, and 25)
- Ex. 1057: U.S. Patent No. 6,029,141 (“Bezos”)
- Ex. 1058: Final Written Decision from *Meta Platforms, Inc. v. AlmondNet, Inc.*, IPR2022-01436, finding all challenged claims of the ’582 patent unpatentable

I. INTRODUCTION

FreeWheel Media, Inc. (“Petitioner”) respectfully submits this Reply in response to AlmondNet’s Patent Owner’s Response and in further support of its petition for *inter partes* review of claims 1, 3-11, 13-21, and 23-25 of U.S. Patent No. 8,775,249 (“the ’249 patent”). *See* Ex. 1054, ¶¶1-34.

AlmondNet’s Response addresses only dependent claims 5, 15, and 25 (each containing the same dependent feature), but does not address all asserted grounds for those claims. Applying a narrow claim construction, AlmondNet disputes Petitioner’s showing of how four combinations (Merriman-Jaye, Merriman-Minor, Roth-Jaye, and Roth-Minor) taught these claims, and ignores (or overlooks) Grounds-I-L, in which Petitioner relied on Herz in combination with each of these four combinations to teach claims 5, 15, and 25. The Herz combinations—undisputed by AlmondNet—applied the same narrow interpretation upon which AlmondNet hinges its only argument.

Moreover, AlmondNet’s narrow interpretation—that the “electronic record” in dependent claims 5, 15, and 25 must be a *separate* record from the “electronic record” in the independent claims—is wrong. It ignores key language in the claims and is not supported by the specification. For this reason alone, the Board should find that the Petition’s grounds render the claims obvious. But even under

AlmondNet’s interpretation, all of the combinations (Grounds A-D and I-L) teach claims 5, 15, and 25.

Finally, with respect to claims 1, 3-4, 6-11, 13-14, 16-21, and 23-24, AlmondNet’s silence speaks volumes. Just as the Board found all asserted claims of U.S. Patent No. 8,244,582 (a related patent with nearly identical claims) in IPR2022-01436 unpatentable, it should likewise find all challenged claims here unpatentable.

II. ARGUMENT

A. AlmondNet’s Claim Interpretation Is Improper

The Petition applies the plain and ordinary meaning of all terms and expressly construed only “unaffiliated third part[y/ies].” Pet. 8. AlmondNet did not explicitly construe any terms or argue that a construction (as opposed to application of the plain and ordinary meaning) was necessary. However, AlmondNet did present a claim interpretation issue with respect to dependent claims 5, 15, and 25. POR 4-6.

Dependent claims 5, 15, and 25 recite “maintaining an electronic record” after elements [1D], [11D], and [21D] recite “generating an electronic record.” Specifically, claims 5, 15, and 25 recite “maintaining an electronic record of which unaffiliated third party contributed, to the stored profile, the profile attributes used in targeting the advertisements.” The independent claims recite “generating an electronic record of which of the plurality of unaffiliated third parties contributed to

the stored profile particular profile attributes.” AlmondNet argues that claims 5, 15, and 25 require maintaining a *separate* electronic record from the electronic record that is generated in the independent claims, effectively divorcing the two. But, the language of claims 5, 15, and 25, taken alone, is open to at least two reasonable interpretations. The first is that the “electronic record” maintained in dependent claims 5, 15, and 25 is the same “electronic record” generated in elements [1D], [11D], and [21D], respectively. The second interpretation is that the claimed “electronic record” in dependent claims 5, 15, and 25 is separate from the “electronic record” in elements [1D], [11D], and [21D], respectively. However, this second interpretation, upon which AlmondNet bases all of its arguments¹, is not supported by the ’249 specification, as explained below.

¹ In IPR2022-01436, AlmondNet did not present such arguments for dependent claim 15 of related U.S. Patent No. 8,244,582, which recites the same features as claim 2 of the ’307 patent. *See* Ex. 1019, 133-178 (POR), 205-237 (PO Sur-Reply). Claim 15 was ultimately found unpatentable based on grounds applying “same record” interpretation. Ex. 1058, 39-41; *see also* Ex. 1019, 58-60 (Meta’s grounds for claim 15).

1. The Plain Meaning of the Claims Does Not Require A “Separate Electronic Record”

AlmondNet argues that the electronic record of claims 5, 15, and 25 requires a separate record from the electronic record of limitations [1D], [11D], and [21D], and that this separate record must be “of which parties contributed profile attributes *actually used* to target the claimed advertisements, not just tracking which parties contributed profile attributes (irrespective of whether those attributes were used to target the claimed advertisements).” POR 5-6 (emphasis in original). AlmondNet largely relies on claim differentiation to support its argument, but ignores key claim language differences that undermine its argument. Ex. 1054, ¶¶4-7.

As an initial matter, the fact that the dependent claims recite “an electronic record” after the independent claims recite “an electronic record” does not require the dependent claims to be introducing a second, separate electronic record. *See Tate Access Floors, Inc. v. Maxcess Techs., Inc.*, 222 F.3d 958, 967-68 (Fed. Cir. 2000) (“the doctrine of claim differentiation cannot broaden claims beyond their permissible scope. That the claims are presumed to differ in scope does not mean that every limitation must be distinguished from its counterpart in another claim, but only that at least one limitation must differ.”) (internal citations and quotation marks omitted). All other issues aside, the use of the indefinite article “an” leaves it open as to whether the second instance of “an electronic record” is the same as or different from the first instance of “an electronic record.” *See Accuhale, LLC v. AstraZeneca*,

LP, No. 6:11–cv–707, 2013 WL 4045904, at *5 (E.D. Tex. Aug. 7, 2013) (dependent claim reciting “a second end” referred to “a second end” of the independent claim and did not require two, separate second ends); *SIPCO, LLC v. Amazon.com, Inc.*, No. 2:08–CV–359, 2012 WL 5195942, at *53 (E.D. Tex. Oct. 19, 2012) (“the second recitation of ‘a command indicator’ [] refer[s] back to ‘a command indicator comprising a command code’ [in the same claim]”); *Moleculon Research. Corp v. CBS, Inc.*, 793 F.2d 1261, 1269 (Fed. Cir. 1986) (claim limitation to repeat first two steps that recite rotation about “a first axis” and “a second axis” includes “go[ing] back to the first axis, or alternatively [] select[ing] another axis instead”).

Contrary to AlmondNet’s arguments, the other language of the claims does not require that the electronic record in the dependent claims be separate from the electronic record in the independent claims. This is because there are other differences between the claims that cut against using claim differentiation to require separate records. Ex. 1054, ¶¶6-12.

The first difference is that the independent claims recite “generating” an electronic record while the dependent claims recite “maintaining” an electronic record. This means that the dependent claims may be interpreted as simply requiring the step of maintaining the same electronic record. Ex. 1054, ¶8. A POSITA would have understood that “generating” and “maintaining” are two different actions in the field of databases. Ex. 1054, ¶8; Ex. 1056, 573-574, 680-681.

The second difference is that the dependent claims specifically recite “the profile attributes used in targeting the advertisements,” whereas the independent claims (specifically elements [1E], [11E], and [21E]) recite that the stored profile “comprises data used in targeting third-party advertisements.” Ex. 1054, ¶9. This language of claims 5/15/25 requiring that an attribute is used to target advertisements does not mean, as AlmondNet argues, that the record maintained in those claims is necessarily different than the record already generated in claims 1/11/21. Both [1D]/[11D]/[21D] and claims 5/15/25 recite “an electronic record of which [of the plurality of] unaffiliated third part[ies/y] contributed[,] to the stored profile[,] particular profile attributes” and [1E]/[11E]/[21E] indicate that profile data is “used in targeting third-party advertisements.” Simply put, claims 5/15/25 do not require generating a record of who contributed profile attributes after they are used in targeting advertisements in order to track when they are used—it just requires maintaining a record of who contributed the attributes that are used.

As to the recited “used in targeting the advertisements,” AlmondNet also argues for a timing requirement that the profile attributes “*were actually used* to target advertisements” (POR 5 (emphasis in original)), as opposed to profile attributes *to be used* to target advertisements. Though both [1E]/[11E]/[21E] and claims 5/15/25 similarly recite “used in targeting [third-party/the] advertisements,” AlmondNet seeks to place such a timing requirement only on the dependent claims.

The plain claim language “used in targeting advertisements” is open to multiple timing interpretations, including “were used in targeting advertisements” and “to be used in targeting advertisements.” Accordingly, [1E]/[11E]/[21E] and claims 5/15/25 are both met as long as the prior art teaches actual use of the profile attributes for targeted advertising (which each of the asserted grounds does), regardless of whether the electronic record is generated before or after the actual use.

In short, the plain language of the claims includes that the same electronic record *generated* in the independent claims is *maintained* in claims 5/15/25, contrary to AlmondNet’s narrow interpretation limiting claims 5/15/25 to require a separate record. Ex. 1054, ¶10.

2. AlmondNet’s “Separate Electronic Record” Lacks Support

The ’249 patent includes no discussion or explanation of the “electronic record” limitation; the term “electronic record” does not even appear in specification. *See* Ex. 1001. The ’249 patent does describe updates, modifications, and maintenance of profile information stored in a system databank. *See, e.g.,* Ex. 1001, 11:6-25. But, the ’249 patent does not describe any separate record or separate collection of profile information that includes a tracking of which parties contributed profile attributes actually used in targeting advertisements.

AlmondNet points to the description of “a micro-payment royalty for each use of this attribute ‘purchased’ from the databank by each interested party” (Ex. 1001,

11:41-47) and “a contract between the user and the system that will include an obligation by the party which utilizes the information flowing to the system’s databank to pay the other for substantially each use” (Ex. 1001 13:46-50), but fails to show any description of any *record* of attribute use, let alone attribute use *for targeting advertisements*. POR 5-6. There is simply no support in the ’249 patent of a separate record “of which parties contributed profile attributes *actually used* to target the claimed advertisements.” Even if the patent described payment per use of an attribute, such a payment, at best, suggests a record of payments but does not necessitate any record *of the attribute* that was used. Ex. 1054, ¶12. And nothing in these citations specify use in targeting advertisements; they simply refer to use of data. Ex. 1054, ¶¶11-12; *see also* Ex. 1055, 59:20-61:15 (Mr. Sherwood admitting citation does not reference an electronic record, an update to a record, when a payment is made, or use in advertisements). Other portions of the ’249 patent similarly describe agreements for use of an attribute, absent of any discussion of maintaining any record or any discussion of use for targeting advertisements. *See*, e.g., Ex. 1001, 10:15-18, 5:40-43.

The ’249 patent does describe tracking the source of an attribute and a credibility rating of the attribute; however, this description is absent any mention of a record of use of an attribute in targeting advertisements or payment for an attribute

used for targeting advertisements. *See* Ex. 1001, 10:50-53, 11:19-22, 15:28-35, 16:23-36.

Even if AlmondNet’s relied-on micro-payment disclosure did support a separate record that tracks actual attribute usage for targeted advertisements, requiring such a record, separate from the record already generated in claims 1/11/21, improperly imports limitations that are not in the claim. *Raytheon Co. v. Roper Corp.*, 724 F.2d 951, 957 (Fed. Cir. 1983) (construing terms in the claims through the specification “does not mean that everything expressed in the specification must be read into all the claims.”). If the intent was to claim a separate record, the claims could have been drafted to specify “a second electronic record separate from the electronic record.” But this was not the case here.

Nonetheless, even if AlmondNet’s construction is accepted, each of the asserted grounds for claims 5, 15, 25 renders obvious a record “of which parties contributed profile attributes actually used to target the claimed advertisements.”
POR 6.

B. Claims 5, 15, and 25 Are Unpatentable

The Petition sets forth 8 separate grounds on which claims 5, 15, and 25 are obvious: Merriman-Jaye (Ground A), Roth-Jaye (Ground B), Merriman-Minor (Ground C), Roth-Minor (Ground D), Merriman-Jaye-Herz (Ground I), Merriman-

Minor-Herz (Ground J), Roth-Jaye-Herz (Ground K), and Roth-Minor-Herz (Ground L). AlmondNet failed to dispute Grounds I-L.

AlmondNet's Response addresses Merriman-Jaye, and then concludes that the same arguments apply to Merriman-Minor, Roth-Jaye, and Roth-Minor. However, for the reasons set forth below, AlmondNet's arguments with respect to Grounds A-D are unpersuasive.

1. Merriman-Jaye Undisputedly Teaches the Claims under the “Same Record” Interpretation

The Petition demonstrates that Merriman-Jaye teaches both the so-called “same record” interpretation and the so-called “separate record” interpretation. Pet. 30-31; *see also* Ex. 1002, ¶¶277-285. AlmondNet contests obviousness only under the “separate record” interpretation, and presents no arguments against Merriman-Jaye's teachings of the “same record” interpretation. Thus, if the Board adopts the “same record” interpretation, obviousness is undisputed. Ex. 1054, ¶¶13-19.

It is not surprising that AlmondNet did not contest the “same record” interpretation, because the Merriman-Jaye combination clearly teaches it. As set forth in the Petition with respect to element [1D], Merriman's database includes a PAGES ADS SEEN ON field that identifies the affiliate website 12 that contributed the identity of the webpage visited and other profile attributes. Pet. 24-26; Ex. 1002, ¶¶258-263. The Petition also explained that the Merriman-Jaye combination would have used the PAGES ADS SEEN ON information for targeted advertising, thereby

teaching element [1E]. Pet. 26-27; Ex. 1002, ¶¶264-266. AlmondNet did not contest that Merriman-Jaye teaches either of these elements ([1D] and [1E]), essentially conceding that Merriman-Jaye teaches storing an electronic record of which party contributed the profile attribute and that the profile attribute is used for targeted advertising. And, because the record is stored (and thus maintained), Merriman-Jaye also teaches the “maintaining” required in claims 5/15/25. *See* Ex. 1055, 82:15-83:12 (Mr. Sherwood agreeing that Merriman’s storing of a record includes generating and maintaining the record).

2. Merriman-Jaye Also Teaches the Claims under AlmondNet’s “Separate Record” Interpretation

To the extent a separate record is required, it would have been obvious to add such a record to Merriman-Jaye to reward (e.g., financially) websites for providing profile information that is used to target advertising, and to provide reports detailing the source of information used for targeting advertising. *See* Pet. 31; Ex. 1002, ¶¶283-285; Ex. 1054, ¶¶14-15. AlmondNet labels Petitioner’s arguments “conclusory,” but Dr. Ranka provided three pages of analysis explaining the motivation for maintaining a separate record of which parties provided attributes that were used to target advertising. Ex. 1002, ¶¶283-285.

A POSITA would have understood that rewarding websites for sending profile information would help increase the amount of profile information collected, which in turn enables improved ad targeting. Pet. 25, 31; Ex. 1002, ¶¶262, 283-285;

Ex. 1054, ¶16. For example, financial incentives would have persuaded at least some websites to provide Merriman-Jaye's ad server with profile information. *Id.* That is, the entity operating Merriman-Jaye's ad server would have offered a monetary reward for each piece of information that is sent to the ad server and subsequently used for a targeted advertising. Ex. 1002, ¶284; Ex. 1054, ¶16. By tying the financial reward to the actual use of profile information, the entity operating the ad server would better ensure that it profits from received profile information. Ex. 1002, ¶¶284-285; Ex. 1054, ¶16; Ex. 1057, 3:33-41 (describing performance-based compensation), 6:31-35. With this motivation in mind, a POSITA would have stored a record of who contributed which particular profile attribute and then a separate record of who contributed that particular profile attribute when it was actually used so that the contributor would be properly rewarded.² *Id.*

² AlmondNet essentially concedes this point by relying on a scant reference to a financial reward in the '249 patent specification as necessarily providing written description support for the maintenance of such a record. POR 5-6 ("Of course, only by tracking whether particular profile providers contributed profile attributes that were actually used ... could the system provide micro-payment royalties").

The idea of providing compensation for profile information was not new to the '249 patent. As explained by Dr. Ranka, it was well known to reward those providing profile information that is desirable for targeted advertising. Ex. 1002, ¶283 (citing Ex. 1037 (Jaye), 14:22-25; Ex. 1039 (Coleman), ¶¶[0111], [0114]; Ex. 1045 (Bistriceanu), Abstract, 4:60-5:12, 7:23-8:14). The fact that payment for such useful profile information is to visitors (POR 10) misses the point. The point is that it was known to incentivize (e.g., with financial rewards) the source of profile information for sharing the profile information.

A POSITA also would have wanted to maintain a separate record tracking which profile attributes are used so that the entity operating the ad server and/or advertisers would have insights into where useful information is coming from. Ex. 1054, ¶17; Ex. 1037, 1:17-19 (compiling sophisticated marketing data is useful). Even Mr. Sherwood acknowledges that “of course, advertisers care about the quality of the targeting system being employed (including the quality of profile attributes).” Ex. 2001, ¶64; *see also* Ex. 1055, 143:6-7 (Mr. Sherwood agreeing that “tracking the source of the data can contribute to the reliability of the data”). That certain advertisers might have been more interested in the results of targeting advertising does not detract from the benefit of making this extra level of detail available to them. *See PAR Pharm., Inc. v. TWI Pharms., Inc.*, 773 F.3d 1186, 1197–98 (Fed. Cir. 2014) (obviousness analysis “does not require that the motivation be the best

option, only that it be a suitable option from which the prior art did not teach away”); Ex. 1054, ¶17. While Mr. Sherwood is narrowly focused on the perspective of the advertisers (Ex. 2001, ¶¶64-66), entities operating ad servers would have also been interested in this information to potentially help improve their targeted advertising models/algorithms. Ex. 1054, ¶17. By tracking the source of profile information used for targeted advertisements and analyzing the effectiveness of those advertisements, an ad server operator would have been able to determine which source is providing good profile information (i.e., profile information that is translated into successful targeted ads). *Id.*; *see also* Pet. 30-31; Ex. 1002, ¶¶278-285.

The idea of tracking a source of profile information also was not new to the ’249 patent. Contrary to AlmondNet’s assertions (POR 12), Gardner (Ex. 1043) and Herz/Herz Provisional (Ex. 1040/Ex. 1041) both provide evidence that it was well-known that advertisers valued information relating to who provided profile attributes. Ex. 1002, ¶285. In particular, Gardner describes storing a source of information in a profile database as part of ensuring reliability of a profile attribute (Ex. 1043, Abstract, 7:48-60, 8:31-45), while Herz describes recording who owns/contributed user profile information and issuing payments to the owner when others use the profile information in queries. Ex. 1041, 4, 11, 12, 31, 40-42, 73; Ex. 1040, ¶¶[0061], [0070], [0116], [0137]-[0140], [0146]). AlmondNet tries to distract

from Herz's clear teachings on such recording based on the use of "aliases" for "privacy concerns." POR 12; Ex. 2001, ¶¶68. But even where aliases are used, Herz's record still provides an indication of a source of a profile attribute. Ex. 1054, ¶32.

For all of these reasons, the Petition and Dr. Ranka provided multiple motivations, with supporting evidence, to combine Merriman and Jaye in a manner that teaches claims 5, 15, and 25.

3. AlmondNet Surmises Alternate Monetization Schemes that do not Detract from the Motivations Set Forth in the Petition

AlmondNet's and Mr. Sherwood's counter-arguments for these motivations fall flat. They note that Internet advertising existed whereby websites received money for their ad space. *See* POR 8-9; Ex. 2001, ¶¶48-63. But, the mere fact that a website is generally compensated *for its advertisement space* would not prevent a POSITA from incentivizing the website to *provide profile information* that is useful for targeted advertisements. A POSITA would not have been discouraged from adding this incentive just because money was generally made from the advertising space itself.

AlmondNet's and Mr. Sherwood's focus on a basic model for Internet advertising misses the bigger industry picture and ignores well-known market realities. First, not all websites at the time would have been compensated for their advertising space and many websites did not monetize their websites. Ex. 1048, 1-3; Ex. 1049, 1-2; Ex. 1051, 1. Providing rewards to websites that were less popular

would have given those websites a reason to provide profile information to the ad server. Second, the ad server operator would have desired profile information from many different websites including from websites it does not even provide advertisements on. *See* Ex. 2004, 846:7-14 (describing DoubleClick working with websites outside its network), 871:16-25 (describing Engage having 35 million profiles around October 1999).

Accordingly, the modification to track attribute usage in targeting advertisements would have been implemented to facilitate a system that rewards websites for providing useful profile information. For these reasons, a POSITA would have been motivated to combine Merriman and Jaye to maintain a separate record indicating who contributed attributes used for targeted advertising.

4. AlmondNet's Alternate Monetization Schemes Are Described Nowhere in the Relied-Upon Prior Art, and Are Unsupported in the Record

As set forth above, AlmondNet's arguments, even taken at face value, fail to rebut the motivations for combining Merriman and Jaye set forth in the Petition and explained by Dr. Ranka. Moreover, these arguments cannot be taken at face value because they are fundamentally unsupported.

AlmondNet argues that there would be no motivation to modify Merriman-Jaye to pay websites for data allegedly because websites were voluntarily providing information to Merriman's and Jaye's systems. This assumption is not supported by

Merriman or Jaye, however. Rather, AlmondNet and Mr. Sherwood conflate Merriman with “the ‘DoubleClick’ prior art system” and Jaye with “the ‘Engage’ prior art system.”³ POR 8-12; Ex. 2001, ¶¶48-68. But there is no basis for limiting the teachings of Merriman and Jaye to what might have been implemented in the DoubleClick and Engage systems.⁴ Merriman and Jaye teach the desire to acquire various profile information from various websites to build a robust database of profile information that is useful for delivering targeted advertisements. *See*, e.g., Ex. 1035, 1:59-63, 2:1-3; Ex. 1037, 1:18-38. In view of Merriman and Jaye as

³ Mr. Sherwood appears to believe (erroneously) that a POSITA would only use the teachings of written prior art that were actually commercialized, or at a minimum would discount teachings in prior art patents that were not commercialized. Ex. 1055, 136:6-140:2.

⁴ AlmondNet and Mr. Sherwood neglect to provide any reliable evidence to support that Merriman or Jaye describe, much less are limited to, any commercially-available system, or even what the features of those commercial systems actually were. Mr. Sherwood admitted that he did not provide any support for his characterizations of DoubleClick and Engage and that he has no relevant technical experience with these entities. *See* Ex. 1055, 30:15-16, 33:13-23, 37:3-5, 107:23-108:1.

written, a POSITA would have been motivated to add a separate record that indicates who contributed a profile attribute that is used for targeted advertising for the reasons discussed above.

In short, Mr. Sherwood bases his opinions about the Merriman-Jaye combination on purported features of the DoubleClick system that are not in the relied-upon Merriman reference. More specifically, Mr. Sherwood relies on testimony from another litigation (an infringement action by AlmondNet against Amazon) discussing the DoubleClick system’s “boomerang” feature, whereby a website can monetize its information.⁵ The boomerang feature is described in another patent—U.S. Patent No. 8,566,154 to Merriman (herein “Merriman-Boomerang”; Ex. 1053)—that is different from Merriman (Ex. 1035-U.S. Patent No. 5,948,061), relied on in Petitioner’s grounds. This feature is *not* described in

⁵ The boomerang feature refers to the ability of the DoubleClick system to re-target a user/visitor. Ex. 2004, 847:2-4. For example, DoubleClick’s ad server can recognize that a user/visitor visited a first website so that, when the same user/visitor goes to a second website, the ad server can provide an ad for the first website on the second website to re-target the user/visitor. Ex. 1053, 3:18-24, 5:60-6:17. Like a boomerang, the user/visitor may be directed back to the first website if they click on the ad on the second website. Ex. 1053, 3:18-4:10.

Merriman. Ex. 1055, 89:23-90:17, 99:13-22 (unable to identify any retargeting advertising disclosure in Merriman (Ex. 1035)); Ex. 2001, ¶¶49-51.

At his deposition, Mr. Sherwood was fundamentally confused about which reference formed the basis of the Merriman-Jaye combination; he apparently believed that the Merriman-Boomerang patent was the relied-upon reference. Ex. 1055, 86:7-90:17.⁶ In actuality, though, Merriman (not Merriman-Boomerang) was relied upon, and it does not describe the boomerang feature or any alternate way of possibly monetizing the first website. And, even if the boomerang feature was

⁶ Mr. Sherwood's testimony included the following exchange (Ex. 1055, 90:4-17), where Mr. Sherwood's misunderstanding had to be corrected by Petitioner's counsel:

Q. So sitting here today, you don't recall which Merriman Dr. Ranka applied for his obviousness analysis?

A. Well, I don't see where I referenced any other report, so as far as I can see, he used the '154 [Merriman-Boomerang].

Q. So to be clear, Mr. Sherwood, Dr. Ranka applied the '061 [Merriman] in the obviousness grounds.

A. Well, I don't remember, and I don't see in my report where I discussed that specific patent.

considered by a POSITA, the existence of this alternative way of monetizing the first website does not detract from the POSITA wanting to combine Merriman and Jaye to monetize the first website by financially rewarding it for providing profile information. *See* Section B.2 *supra*. In fact, financially rewarding the first website for providing profile information would be a more direct way for the first website to make money as opposed to the remote chance that the user is successfully re-targeted and ends up back on the first website and makes a purchase after not doing so on the first visit.

Ironically, the testimony Mr. Sherwood relies on from the Amazon litigation only further supports Petitioner's and Dr. Ranka's motivation: that website owners wanted to monetize their profile data. Ex. 2004, 837:20-25, 869:9-19. The testimony also shows that DoubleClick collected data from member websites "for reporting reasons." Ex. 2004, 845:14-17. This also supports Petitioner's motivation that it was beneficial to report data showing which party contributed attributes used for targeted advertisements.

5. AlmondNet's Argument that Data Reporting Would be "Confusing" Is Unavailing

AlmondNet and Mr. Sherwood acknowledge that Merriman-Jaye "would have provided advertisers with reports regarding success rate of advertisements," but allege that any additional information would "confuse advertisers and not provide any meaningful insights." POR 11; Ex. 2001, ¶¶63-66. Mr. Sherwood argues

against providing such information by hypothesizing scenarios in which advertisers “become focused on and upset with seemingly unusual sources of profile data.” Ex. 2001, ¶¶65. But even if some advertisers would have been uninterested in additional reporting details, that does not make the combination less obvious or otherwise undermine the motivation explained by Petitioner and Dr. Ranka. Obviousness does not require universal demand by all for the combination. *In re Farrenkopf*, 713 F.2d 714, 718 (Fed. Cir. 1983) (“That a given combination would not be made by businessmen for economic reasons does not mean that persons skilled in the art would not make the combination because of some technological incompatibility. Only the latter fact would be relevant”); *PAR Pharm., Inc.*, 773 F.3d at 1197–98 (obviousness analysis “does not require that the motivation be the best option, only that it be a suitable option from which the prior art did not teach away”).

Mr. Sherwood ignores that advertisers and ad server operators appreciated data-driven insights, such as explanations for why advertisements might be successful or not. Ex. 1054, ¶¶16-17. He also ignores the demand by advertisers and ad server operators to collect extensive information as part of their efforts to improve the effectiveness of targeted advertising. *Id.* As such, a POSITA would have readily appreciated that there would have been demand for Merriman-Jaye to maintain a separate electronic record of who contributed particular profile attributes used for targeting advertisements. Ex. 1054, ¶¶18-19.

6. AlmondNet Raises No New Arguments for Merriman-Minor, Roth-Jaye, or Roth-Minor

AlmondNet essentially relies on its arguments against Merriman-Jaye when attacking the Merriman-Minor, Roth-Jaye, and Roth-Minor combinations. POR 12-13; Ex. 2001, ¶¶70-72. However, there is no real explanation as to how these arguments apply to these different grounds. Ex. 1054, ¶¶20-22. For example, the data structure of Roth-Jaye is different from that of Merriman-Jaye, and hence Roth-Jaye has a different electronic record of who contributed the collected profile information. Ex. 1054, ¶21; Pet. 52-53; Ex. 1002, ¶¶482-483. In any event, since the arguments against Merriman-Jaye are unavailing, AlmondNet fails in its attack against these other grounds, as well.

7. AlmondNet Fails to Dispute the Herz Combinations (Grounds I-L)

While Herz was cited in the analysis for each of Grounds A-D to reinforce the knowledge and motivations of a POSITA, Petitioner further presented Grounds I-L that combined Herz with each of Grounds A-D. Each of the Herz combinations expressly applied the narrow “separate record” interpretation of claims 5, 15, and 25 and showed that these claims were obvious under that claim interpretation. Pet. 77-

79; Ex. 1002, ¶¶399-406, 605-612; Ex. 1054, ¶¶23-33. AlmondNet’s Response does not dispute these grounds.⁷

To the extent AlmondNet tries to argue that its mention of Herz for the Merriman-Jaye ground (POR 11-12; *see also* Ex. 2001, ¶¶67-68) is also an attack on Grounds I-L, nothing in the POR undermines Grounds I-L. In particular, Herz teaches an SDI system acting as an intermediary to facilitate the buying and selling of profile data. Ex. 1041, 7 (“A user might also like to be able to ‘keep control’ of information that is potentially valuable to vendors and advertisers, and allow only restricted access to that information-and extract a payment for such access”), 12, 38 (“The vendors subscribe to the services of SDI, and can receive payments for user information that they provide to the interchange”), 57, 69, 85, 95-96, 112, 114, 144; Ex. 1040, ¶¶[0040] (“a system of economic incentives, where users provide profile information in return for receiving payments from vendors for that information”), [0043], [0044], [0088], [0715], [0730], [0760], [0876]-[0883], [0925]. AlmondNet and Mr. Sherwood ignore that, much like the micropayment royalty in the ’249 patent, Herz provides that a “fraction of advertising revenue [] is turned over to buyers, in return for receiving profile information from buyers.” Ex. 1041, 98; Ex.

⁷ Indeed, Mr. Sherwood wrongly accuses Dr. Ranka of not combining Merriman and Jaye with Herz. Ex. 2001, ¶68.

1040, ¶[0887]; Ex. 1054, ¶33. It would have been obvious to combine each of Merriman-Jaye, Merriman-Minor, Roth-Jaye, and Roth-Minor with Herz, e.g., such that Merriman’s advertising server 19 or Roth’s advertising system 16 would have automatically and electronically maintained an additional electronic record of which website contributed profile attributes that were actually used in targeting the advertisements sent over the Internet. Pet. 78-79; Ex. 1002, ¶¶404-406, 610-612; Ex. 1054, ¶¶26-29, 31-33. A POSITA would have recognized that a separate record, like Herz’s record, would have enabled payment to pay websites for providing profile information that was used for targeted advertising and thereby incentivize sharing of profile information. *Id.*

Accordingly, the Board should hold that the Herz combinations in Grounds I-L render claims 5, 15, and 25 obvious.

C. AlmondNet Does Not Dispute Any Remaining Challenged Claims

AlmondNet does not independently dispute any argument for claims 1, 3-4, 6, 10-11, 13-14, 16, 20-21, and 23-24 in Grounds A-D, or for any claims in Grounds E-P. *See generally* POR. AlmondNet merely states that it “does not concede the unpatentability of any challenged claims.” POR 1.

As AlmondNet has not raised any substantive arguments against any of the asserted grounds for any of these remaining claims in its Response, the Board should find that (i) Grounds A-D render obvious claims 1, 3-4, 6, 10-11, 13-14, 16, 20-21,

and 23-24, (ii) Grounds E-H renders obvious claims 7-9 and 17-19, and (iii) Grounds M-P render obvious claims 6, 9, 16, and 19. Pet. 5-6.

III. CONCLUSION

For the reasons set forth above, in the Petition, and in the associated declarations and exhibits, claims 1, 3-11, 13-21, and 23-25 of the '249 patent are obvious and should be canceled.

Respectfully submitted

Dated: April 18, 2025

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CERTIFICATION UNDER 37 C.F.R. § 42.24(d)

Under the provisions of 37 CFR § 42.24(d), the undersigned hereby certifies that the word count for the foregoing Petitioner's Reply totals 5341, which is less than the 5,600 allowed under 37 CFR § 42.24(c)(1), as counted by the Word Count feature of Microsoft Word.

Pursuant to 37 C.F.R. § 42.24(a)(1), this count does not include the table of contents, the table of authorities, mandatory notices under § 42.8, the certificate of service, this certification of word count, the claims listing appendix, or appendix of exhibits.

Dated: April 18, 2025

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.105, I hereby certify that I caused a true and correct copy of this **PETITIONER'S REPLY TO PATENT OWNER'S RESPONSE UNDER 37 C.F.R. § 42.23** in connection with IPR2024-00416 to be served via e-mail on April 18, 2025, in its entirety on the following counsel of record for Patent Owner:

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