

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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FREEWHEEL MEDIA, INC.,  
Petitioner,

v.

ALMONDNET, INC.,  
Patent Owner.

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Case IPR2024-00421  
Patent 7,861,260

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**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. 7,861,260 (“the ’260 patent”) for two reasons.

First, the instant Petition is just one of **four** parallel petitions that Petitioner filed challenging claims of the ’260 Patent on the same day. If the Board grants institution of any of the parallel petitions in IPR2024-00422, IPR2024-00423 or IPR2024-00424, the Board should exercise its discretion and deny institution in this proceeding (IPR2024-00421) because Petitioner has not shown that this is one of the “rare” instances where multiple petitions—let alone four—are needed.

Second, the Petition alone—and even moreso when viewed in the proper 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 **eleven** express grounds of invalidity. This is especially true in light of the **four** parallel petitions filed by Petitioner on the same day, which cumulatively set forth **forty-five** express grounds of invalidity relying on at least **thirty-six** identified prior art references and even 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 '260 patent is generally directed to a method for delivering targeted television advertisements based on online behavior. Ex. 1001 at Abstract. Specifically, IP addresses identifying online access devices and IP addresses identifying television set-top boxes are electronically associated for a multitude of users. *Id.* Using user profile information derived from online activity from one of the online access IP addresses, a television advertisement is selected, such as by using behavioral targeting or demographic information, and automatically directed to the set-top box indicated by the set-top IP address associated with that online access IP address. *Id.*

Claim 1 recites in relevant part:

1[pre]. A method implemented using a programmed hardware computer system, the method comprising:

1[a] for each of a multitude of users, with the computer system, electronically associating an online access IP address of the user and a set-top box IP address of that user based on a common IP address, wherein network traffic is routed via the common IP address to both an online user interface device and a set-top box of that user; and

1[b] using user profile information derived from online activity from a first online user interface device via a first one of the online access IP addresses of the multitude of users, with the computer system automatically causing a first television advertisement to be directed to a set-top box for presentation via that set-top box, selectively, wherein the set-top box is indicated by the set-top box IP address associated with the first online access IP address.

*Id.* at claim 1 (numbering added).<sup>1</sup>

Claim 26 recites in relevant part:

26[pre]. A method implemented using computer equipment, the method comprising:

26[a] with the computer equipment, automatically electronically delivering electronic user profile information to a computer system that includes a server that electronically associates, for each of a multitude of users, an online access IP address of the

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<sup>1</sup> All emphases added unless otherwise noted.

user and a set-top box IP address of that user based on a common IP address,

26[b] wherein network traffic is routed via the common IP address for both an online user interface device and a set-top box of that user,

26[c] wherein delivered user profile information of a first user of the multitude of users (i) is derived from online activity of the first user from a first online user interface device via a first online access IP address and (ii) includes identification of the first online access IP address and the time and date of the online activity, and

26[d] as a result of which delivery, a first television advertisement can be directed to a set-top box for presentation via that set-top box, selectively, wherein the set-top box is indicated by the set-top box IP address that the server associates with the first online access IP address.

Challenged independent claim 61 recites substantially the same limitations, implemented via a programmed hardware computer system.

### **III. PETITIONERS DO NOT AND CANNOT JUSTIFY FOUR PARALLEL PETITIONS DIRECTED TOWARDS THE '260 PATENT**

Petitioner has not and cannot justify the *four* simultaneously filed parallel petitions directed towards the '260 patent and challenging the same independent claims. Institution should be denied.

On March 1, 2024, Petitioner filed four IPR petitions challenging certain claims of the '260 patent—the instant petition, IPR2024-00421 (“First Petition”), IPR2024-00422 (“Second Petition”), IPR2024-00423 (“Third Petition”), and IPR2024-00424 (“Fourth Petition”).

Although Petitioner attempts to explain why all four 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 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 (IPR2024-00421) highest, followed by the Second Petition (IPR2024-00422), then the Third Petition (IPR2024-00423), and lastly, the Fourth Petition (IPR2024-00424). But even considering these rankings, Petitioner fails to justify why all **four** Petitions, filed on the same day and challenging the same independent claims, are all necessary and appropriate. Indeed, they are not.

Petitioner first contends that the four 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 quadruple 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 possibly consider, and instead focus on concise, well-organized, easy-to-follow arguments." CTPG at 59.

Petitioner next contends that the four 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 4. 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 four parallel petitions are necessary “in light of potential claim construction issues that ***may*** arise”. Paper 3 at 4. 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 quadruple 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, timing, 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, four sets of briefing rather than one, and that Patent Owner’s expert will need to draft at least four 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 four parallel petitions, including the instant First Petition.

**IV. THE PETITION’S *ELEVEN* 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 *eleven* separate grounds. *See* Pet. at 4 (chart listing the grounds A-K); *id.* at i-ii (Table of Contents showing headings for the grounds A-K). 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 seventy-four pages long (13,904 words) and attaches sixty exhibits. See Exhibits 1001-1061. One of those exhibits, Exhibit 1002, is a 463-page declaration from one of Petitioner’s experts, and another exhibit, Exhibit 1059, is a 194-page declaration from another of Petitioner’s experts that includes thirty-one attachments. Critically, while the Petition purports to identify eleven prior art references that make up the eleven identified grounds, this listing does not include the *thirty-two* 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 forty-three*** prior art references, including “shadow” secondary references, creating virtually unbounded combinations and permutations of possible references that could be implicated in each of Petitioner’s eleven 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 particularity, 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 at least *forty-three* prior art references, including shadow references, and further in light of the additional prior art references cumulatively relied upon across the four parallel petitions.

Date: July 5, 2024

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 2,762 words in the paper excluding the portions exempted under 37 C.F.R. §42.24(a)(1).

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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 July 5, 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:

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