UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AYLO FREESITES LTD,
Petitioner
v.

DISH TECHNOLOGIES L.L.C.,
Patent Owner

U.S. Patent 9,407,564
Issue Date: August 2, 2016
Title: APPARATUS, SYSTEM, AND METHOD FOR ADAPTIVE-RATE SHIFTING OF STREAMING CONTENT

Inter Partes Review No. IPR2024-00518

PETITIONER'S REQUEST FOR DIRECTOR REVIEW

Mail Stop PATENT BOARD
Patent Trial and Appeal Board
United States Patent and Trademark Office
PO Box 1450
Alexandria, Virginia 22313-1450
Submitted Electronically via PTAB E2E

TABLE OF CONTENTS

I. INTRODUCTION 1

II. RELEVANT BACKGROUND 2

A. Aylo Filed the Ogdon IPRs to Defend Against DISH's PI Motion 2

B. Aylo Filed the Leaning Petitions as Soon as It Discovered Leaning 3

C. Leaning Is an Incredibly Strong Reference 3

D. The Board Denied Aylo's Petition under *General Plastic* 4

III. LEGAL STANDARD 4

IV. ARGUMENT 4

A. The Board Erred by Not Considering the Merits of Aylo's Petition 4

B. The Board's *General Plastic* Analysis Was Flawed 7

1. *General Plastic* Factor 2 7

2. *General Plastic* Factor 3 10

3. *General Plastic* Factor 4 11

4. *General Plastic* Factor 5 12

5. *General Plastic* Factors 6 and 7.....14

V. CONCLUSION.....15

TABLE OF AUTHORITIES

Page(s)

Cases

Apple Inc. v. Fintiv, Inc.,

IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020).....13

Code200, UAB v. Bright Data Ltd.,

IPR2022-00861, Paper 18 (PTAB Aug. 23, 2022) 6, 10

DISH Techs. L.L.C. et al. v. MG Premium Ltd et al.,

No. 2:23-cv-552 (D. Utah.) 2

General Plastic Industrial Co., Ltd., v. Canon Kabushiki Kaisha,

IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) 5, 6, 13

LG Elecs. v. Bell N. Rsch.,

IPR2020-0319, Paper 15 (PTAB June 23, 2020).....10

OpenSky Indus., LLC, v. VLSI Tech. LLC,

IPR2021-01064, Paper 102 (PTAB Oct. 4, 2022).....13

Statutes

35 U.S.C. § 315.....13

35 U.S.C. § 316..... 14, 15

Other Authorities

37 C.F.R. § 11.18 11

37 C.F.R. § 42.11 11

37 C.F.R. § 42.71 1

I. INTRODUCTION

Pursuant to 37 C.F.R. § 42.71(d) and the July 24, 2023 Revised Interim Director Review Process, Petitioner Aylo Freesites Ltd ("Aylo") respectfully requests Director Review of the Board's discretionary denial of Aylo's IPR Petition No. 2024-00518 ("Petition"). Aylo's Petition sought review of Patent Owner DISH Technologies, L.L.C.'s ("DISH") U.S. Patent No. 9,407,564 ("the '564 Patent") based on WO 02/49343 A1 ("Leaning") as a primary reference.

The strength of Leaning cannot be denied. DISH is being forced to confront Leaning in foreign litigation and during that process has admitted that it will likely need to amend its related European patents to overcome Leaning as a primary reference. But here in the U.S., DISH has so far evaded review of its patents over Leaning and when given an opportunity to substantively distinguish Leaning, such as in its Patent Owner Preliminary Responses, it chooses to stay silent. That tactic worked here. The Board did not consider any of the merits of Aylo's Petition but instead discretionarily denied it solely under the *General Plastic* factors. Aylo respectfully submits that the Board erred, and its decision should be reversed.

First, there is a threshold issue of law and policy—whether the Board was required to consider the merits of Aylo's Petition as part of the *General Plastic* analysis. Aylo believes so, consistent with the PTAB's Consolidated Trial Practice Guide and the Director's June 21, 2022 Memorandum discussing the policy behind

post-grant review procedures. Second, separate from the merits of Aylo's Petition, the Board erroneously found that certain *General Plastic* factors weigh in favor of discretionary denial when they do not under a proper analysis.

II. RELEVANT BACKGROUND

A. Aylo Filed the Ogdon IPRs to Defend Against DISH's PI Motion

In 2023, DISH filed a complaint for patent infringement against Aylo-related entities in the U.S. District Court of Utah. Utah Action,[1] D.I. 1. Aylo was served on September 13, 2023, and on the same day, DISH filed a motion for preliminary injunction ("PI Motion") threatening to shut down Aylo's business. *Id.*, D.I. 19. Aylo had just one month to respond to the PI Motion and convince the court that DISH was unlikely to succeed on the merits, including that DISH's patents are likely invalid. Thus, in addition to responding to DISH's PI Motion, Aylo moved as quickly as possible to draft and file IPR petitions against DISH's patents based on the best art it was aware of at the time, Patent No. 6,161,137 ("Ogdon"). Aylo filed the Ogdon petitions to show the court that Aylo's invalidity arguments were not mere conjecture. Aylo's prompt filing proved successful as the court stayed the Utah Action pending IPR before ruling on DISH's PI Motion.[2] *Id.*, D.I. 101.

---

[1] *DISH Techs. L.L.C. et al. v. MG Premium Ltd et al.*, No. 2:23-cv-552 (D. Utah.)
[2] DISH objected to the stay, which the court has lifted in part and scheduled a hearing for September 26, 2024. Utah Action, D.I. 106, 117.

B. Aylo Filed the Leaning Petitions as Soon as It Discovered Leaning

Soon after, DISH expanded its patent assertion campaign across the globe and sued Aylo on related European patents in the United Kingdom, Unified Patent Court, and Germany. It was then that Aylo first became aware of Leaning—a European patent application assigned to British Telecom—on January 5, 2024, thirteen days before DISH's Patent Owner Preliminary Response ("POPR") in the Ogdon IPRs was due. Paper 1 at 62-63. Realizing that Leaning was a silver bullet to DISH's patents, Aylo's counsel worked tirelessly to prepare IPR petitions for each of DISH's patents based on Leaning. In just one month, Aylo prepared eight IPR petitions challenging 191 claims, including the present Petition.

C. Leaning Is an Incredibly Strong Reference

Aylo understands that Director review is rarely granted, and it would not burden the Director unless it was certain that Leaning invalidates DISH's patents. Even DISH has acknowledged the strength of Leaning. Before the United Kingdom High Court—the first tribunal where DISH had to address the merits of Leaning—DISH admitted that it will "likely" need to amend its European patents to overcome Leaning. EX1016, 58:19-59:15 ("[I]f we seek to amend, which would seem to be likely"), 65:2-65:7 ("There is a likelihood we may amend"), 65:12-14 ("MR. JUSTICE MEADE: For all I know, Mr. Moody-Stuart, you have reached the conclusion that you have to amend over Leaning.").

D. The Board Denied Aylo's Petition under *General Plastic*

In the U.S. however, DISH still has not addressed the merits of Leaning. In its POPR, DISH dedicated its entire 14,000-word allotment arguing for discretionary denial. It did the same thing in its POPRs in IPR2024-00917, -00918, and -00919, where FuboTV filed copycats of Aylo's Petitions. DISH is clearly scared of Leaning, and it continues to evade review. Indeed, the Board discretionarily denied Aylo's Petition solely under *General Plastic.* The Board walked through each of the seven *General Plastic* factors and denied institution because some factors weighed in favor of discretionary denial (factors 1, 2, 3, 5, 6) and others were neutral (factors 4, 7). No consideration was given to the merits.

III. LEGAL STANDARD

The Board's decision denying institution of an IPR is reviewed for abuse of discretion unless the review engages important issues of law or policy, which are reviewed de novo. *See* July 24, 2023 Revised Interim Director Review Process.

IV. ARGUMENT

A. The Board Erred by Not Considering the Merits of Aylo's Petition

This case presents an important issue of law and policy—whether the Board should have considered the merits of Aylo's Petition as part of the *General Plastic* analysis. Aylo believes so and submits that the merits of a petition should always be considered when weighing the *General Plastic* factors.

General Plastic did not expressly identify the merits as a factor. However, the Board "recognize[d] that there may be circumstances where multiple petitions by the same petitioner against the same claims of a patent should be permitted" and that "additional factors may arise in other cases for consideration." *General Plastic*[3] at 18. Soon after, the Consolidated Trial Practice Guide ("Practice Guide") clarified that "[t]he *General Plastic* factors, alone or in combination, ***are not dispositive***, but part of a balanced assessment of all relevant circumstances in the case, ***including the merits***." Practice Guide[4] at 58 (emphases added).

Although the Practice Guide is not binding, it is at the very least highly persuasive. And it is bolstered by the Director's June 21, 2022 Memorandum ("Memorandum"), which held in the context of *Fintiv* that the merits of a petition alone can outweigh all *Fintiv* factors. Memorandum[5] at 4–5 ("[T]hat determination alone demonstrates that the PTAB should not discretionarily deny institution under *Fintiv*."). The Memorandum explained that "Congress granted the Office significant power to revisit and revise earlier patent grants as a mechanism to improve patent quality and restore confidence in the presumption of validity that

---

[3] *General Plastic*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential).
[4] Consolidated Trial Practice Guide (Nov. 2019), https://go.usa.gov/xpvPF.
[5] Director's Memorandum (June 21, 2022), https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf.

comes with issued patents." *Id.* at 4 (internal quotation marks omitted). "Given those objectives, compelling, meritorious challenges will be allowed to proceed at the PTAB even where district court litigation is proceeding in parallel." *Id*.

The same policy objectives apply here with respect to *General Plastic*. The Board in *General Plastic* acknowledged that it is "mindful of the goals of the AIA—namely, to improve patent quality and make the patent system more efficient by the use of post-grant review procedures." *General Plastic* at 16. And it tried to balance these goals against "the potential for abuse of the review process by repeated attacks on patents." *Id.* at 16-17; *see also Code200, UAB v. Bright Data Ltd.*, IPR2022-00861, Paper 18 at 4-5 (PTAB Aug. 23, 2022) (precedential) (*General Plastic* "balances the desires to improve patent quality and patent-system efficiency against the potential for abuse of the review process by repeated attacks on patents"). But to balance the goals of the AIA against the potential for abuse of the review process, there must be at least ***some*** consideration of the merits of a petition. Otherwise, compelling and meritorious petitions will be denied where the seven *General Plastic* factors weigh only slightly in favor of discretionary denial.

That is what happened here. The Board said nothing about the merits in its 21-page decision. Plus, there was no evidence that Aylo attempted to abuse the review process. The Board denied institution simply by weighing the seven *General Plastic* factors against each other and treating them as dispositive, which

is contrary to the Practice Guide and Memorandum. Aylo respectfully submits that the Board should have considered the merits of Aylo's petition and requests that the Director do so now and reverse the Board's denial of institution.

B. The Board's *General Plastic* Analysis Was Flawed

Separate from whether the Board should have considered the merits of Aylo's Petition and as a standalone basis for reversal, the Board erred in finding that certain *General Plastic* factors weighed in favor of denial.

1. *General Plastic* Factor 2

Factor 2 asks "whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it." Paper 12 at 9. The Board erroneously found that this factor "weighs strongly in favor of exercising discretion to deny institution." *Id.* at 14.

Factor 2 is to be assessed "at the time of filing of the first petition," i.e., the Ogdon petition. Aylo filed the Ogdon petition one month after DISH served its district court complaint and PI Motion. In that one month, Aylo drafted and filed IPR petitions against all of DISH's asserted patents while also responding to DISH's PI Motion on numerous other issues. Nonetheless, the Board ruled that Aylo should have still found Leaning prior to filing the Ogdon petition primarily because an application similar, but in a different patent family, to Leaning,

US2004/0030547 ("Leaning US"), is cited on the face of the '564 Patent. Paper 12 at 11-14. The Board is wrong, and this error infected its analysis.

First, this is not a case where only a small universe of references is cited on the face of the patent. There are 345 references. It is unrealistic to say that simply "because Leaning US was cited during prosecution . . . it stands to reason that a reasonably diligent searcher would have located both Leaning and Leaning US." Paper 12 at 13-14. But regardless, even if Aylo was expected to review all 345 references prior to filing the Ogdon petition, a reasonably diligent searcher would still not have appreciated Leaning US. When reviewing hundreds of references, a reasonably diligent searcher will review the title, abstract, and claims and move on if nothing relevant is presented. That is especially true for references cited on the face of a patent because, as DISH argues: "Examiners are presumed to have done their job." Paper 6 at 19 (internal quotation marks omitted).

Here, Leaning US is titled "Encoding Audio Signals," and its claims, cover figure, and Abstract are drawn exclusively to ***encoding audio signals*** using a specific encoding process. Paper 1 at 62-63. There is no mention of video. A reasonably diligent searcher would have thus immediately moved on from Leaning US because DISH's patents are drawn to adaptive video streaming, and DISH has repeatedly distinguished its invention from audio. *E.g.*, IPR2024-00047, Paper 6 at 5-6 (attempting to distinguish Ogdon because "Ogdon only uses the words 'stream'

and 'streaming' in connection with audio—not video"). This is precisely why Leaning US had been continuously overlooked.

Indeed, the '564 Patent and its many related patents have gone through nearly 20 years of prosecution, and not a single examiner has relied on Leaning US even though it is cited on the face of the patent. And in the last decade, DISH has sued dozens of video providers in courts all over the country, and not a single litigant raised Leaning US or Leaning as prior art despite these litigants being sophisticated parties represented by the world's largest law firms. Indeed, Peloton paid DISH $75 million to settle after losing an ITC trial. *See* IPR2024-00043, EX2083. Peloton undoubtedly scoured the Earth for prior art before paying such an exorbitant amount, and it missed Leaning US and could also not find Leaning. And to be clear, this is not a case where no one relied on Leaning because it is not a good reference. It is a kill shot on DISH's patents. The Board would have realized that had it considered the merits of Aylo's Petition. *See* Section IV.A.

The Board ignored this evidence, however, because "the allegedly fruitless search efforts of USPTO examiners and other litigations (*see* Pet. 64) does not justify *Petitioner's* actions." Paper 12 at 13. But it does, and this is what Aylo tried to explain. Paper 1 at 62-63. If no examiner or litigant ever found or relied on Leaning or Leaning US, this undermines any argument that Aylo should have known of them prior to filing the Ogdon petition. It was because of Aylo's

diligence that it was able to find Leaning when no one else did. At the very least, this factor weighs neutral instead of "strongly in favor" of discretionary denial.

2. *General Plastic* Factor 3

Factor 3 asks "whether at the time of filing of the second petition the petitioner already received the patent owner's preliminary response to the first petition or received the Board's decision on whether to institute review in the first petition." Paper 12 at 9. Importantly, even if the petitioner did receive the POPR to the first petition, the Board has consistently held that absent evidence of road-mapping, this factor is given little weight. *E.g.*, *LG Elecs. v. Bell N. Rsch.*, IPR2020-0319, Paper 15 at 11 (PTAB June 23, 2020) (rejecting road-mapping argument where Board could "not discern specific arguments in the current petition that are in response to arguments made in a prior preliminary response"); *Code200*, IPR2022-00861, Paper 18 at 5 (rejecting road-mapping argument where "the later petition is not refined based on lessons learned from later developments").

Here, the Board weighed this factor in favor of denial simply because Aylo "had a window of time, albeit small, to review and respond to Patent Owner's preliminary response." Paper 12 at 15. However, neither DISH nor the Board pointed to any indication of road-mapping. There is none. A side-by-side comparison of the petitions confirms this. Without any evidence of road-mapping, the Board erred by weighing this factor against Aylo simply because there was a

small window in which Aylo could have—but did not—engage in road-mapping.

3. *General Plastic* Factor 4

Factor 4 considers "the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition." Paper 12 at 9. The Board found this factor to be neutral even though it acknowledged that "25 days may be a reasonable time frame for filing a new petition after discovering a new reference." *Id.* at 15. Aylo actually filed ***eight*** new petitions within that timeframe, one for each of DISH's patents.

Nonetheless, the Board faulted Aylo for not "submit[ting] a declaration or other factual evidence related to the manner and timing of its search efforts" to find Leaning. *Id*. However, Aylo is not aware of such a stringent requirement. Aylo provided the specific date on which Aylo discovered Leaning and represented that it was diligent in searching for prior art and diligent in drafting the Petition as soon as Leaning was discovered. Paper 1 at 62-63. Aylo also provided the factual circumstances surrounding DISH's PI Motion and the timing between filing the Ogdon petitions and the Leaning petitions, which occurred within a matter of months from each other. Paper 8 at 1-3. Aylo made these statements under the duty of candor under 37 C.F.R. § 42.11 and the certification requirement under 37 C.F.R. § 11.18. That should be sufficient, and the Board should have found this factor to weigh in favor of institution given how quickly Aylo filed all eight

Leaning petitions, including this one, after discovering Leaning.

4. *General Plastic* Factor 5

Factor 5 asks "whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions." Paper 12 at 15. The Board held that this factor weighed in favor of denial. Some of the Board's reasoning overlaps with other factors, such as Aylo's alleged failure to substantiate its diligent search efforts. *Id.* at 18. But the Board erred most critically by discounting the reasons Aylo filed the Ogdon petition so early.

Aylo explained that it was the target of DISH's global patent assertion campaign and that DISH sought to shut down its entire business through its PI Motion. *Supra* Section II.A. Any litigant in Aylo's position would take all reasonable steps to defend against a preliminary injunction, including filing IPRs to bolster its argument that DISH's patents are likely invalid. And Aylo's decision to file the Ogdon IPRs early proved successful—the court stayed the Utah Action pending those IPRs. *Id.* However, the Board showed no sympathy toward Aylo, finding instead that the timing and scope of the Ogdon petitions were "matter[s] of Petitioner's own choosing." Paper 12 at 17-18.

They were not a matter of Aylo's own choosing. Aylo did not choose to be the target of DISH's patents or the target of a PI Motion. Aylo's decision to file the Ogdon petitions must be considered in the broader context of DISH's patent

assertion campaign. The parties are litigating in multiple countries and multiple jurisdictions within those countries. As the Director explained in *OpenSky*: "AIA post-grant proceedings, and more specifically, the IPR proceedings at issue here, ***do not exist in isolation but are part of a larger patent and innovation ecosystem***." IPR2021-01064, Paper 102 at 28 (emphasis added). The Board was simply wrong to hold that it is "not aware of any substantive reason why Petitioner would have been compelled to file an early IPR petition to respond to the PI motion in district court." Paper 12 at 16. Those IPR petitions were the substantive reason why the court stayed the Utah Action prior to ruling on DISH's PI Motion.

In addition, the Board's decision is not good policy. It only encourages inefficient delay by punishing a petitioner for filing IPR petitions early. That is contrary to one of the main purposes of the AIA—to make the patent system more efficient. *General Plastic* at 16. A petitioner should not be encouraged to wait until the end of the one-year statutory period under 35 U.S.C. § 315(b) to file an IPR. Indeed, *Fintiv* encourages early IPR filing. Under *Fintiv*, if the district court has issued substantive orders by the time of the Board's institution decision, this favors discretionary denial. *Apple v. Fintiv*, IPR2020-00019, Paper 11 at 9-10 (PTAB Mar. 20, 2020) (precedential). Notably, the Board in *Fintiv* specifically identified a preliminary injunction as one of the relevant substantive orders. *Id.* at

10 n.16. Therefore, with an impending order on DISH's PI Motion, Aylo could not delay filing IPRs. The Board should have found Factor 5 to be neutral.

5. *General Plastic* Factors 6 and 7

Factor 6 considers "the finite resources of the Board" and Factor 7 considers the "requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date [of institution]." Paper 12 at 9.

As an initial matter, under the Patent Office's recent proposed rulemaking: "*General Plastic* factors . . . (6) and (7) . . . are not proposed for regulatory adoption in light of stakeholder feedback that parties lack sufficient information to opine on the finite resource of the Board and the Board's ability to issue a final written determination within one year." Notice of Proposed Rulemaking, 89 Fed. Reg. 77 (April 15, 2024). Therefore, although these factors may still be considered, Aylo submits their weight should be significantly limited.

Aylo for present purposes does not dispute that consideration of its Petition would impact the Board's resources or impact the Board's ability to issue final written decisions in the instituted Ogdon petitions within one year.[6] Thus, Aylo

---

[6] Aylo notes that there is no instituted Ogdon petition challenging the '564 patent and that Factor 7 is only applicable to Leaning petitions that have corresponding instituted Ogdon petitions. Nonetheless, Aylo proposes below that all Leaning petitions be consolidated and aligned with the instituted Ogdon petitions to streamline proceedings and to save Board and Party resources.

proposed to consolidate its Ogdon and Leaning petitions and to shorten its own deadlines, which should have rendered these two factors at least neutral. Paper 8 at 3-4. However, given the amount of time that has elapsed following the Board's denial, consolidation in the manner originally proposed is no longer possible.

Aylo respectfully submits that the Director could rectify the situation and align the schedules between the Ogdon and Leaning petitions by using her authority under 35 U.S.C. § 316(a)(11) to extend the one-year period of the Ogdon petitions by up to 6 months. Good cause exists because when the Board discretionarily denied Aylo's Petition, consolidation and schedule alignment was possible and now it is not due to the Board's error. Currently the Board's final written decision in the Ogdon petitions is due in April 2025. With a 6-month extension, final written decisions would be due in October 2025, which would align with the one-year deadline for a final written decision in this Petition. And if needed, Aylo is still willing to shorten its own deadlines. This proposal would resolve any concerns regarding resources of the Board and scheduling.

V. CONCLUSION

In view of the foregoing, Aylo respectfully requests that the Director reverse the Board and institute Aylo's Petition in view of its compelling merits and/or in view of the Board's errors in weighing the *General Plastic* factors.

DATED: September 6, 2024

Respectfully submitted,

By: /Frank M. Gasparo/
Frank M. Gasparo (Reg. No. 44,700)
Attorney for Petitioner
VENABLE LLP
151 W. 42nd Street, 49th Floor
New York, NY 10036
T 212-370-6273
F 212-307-5598
fmgasparo@Venable.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Petitioner's Request for Director Review of U.S. Patent No. 9,407,564 was served on September 6, 2024, via electronic mail on Patent Owner's lead and backup counsel of record:

Lead Counsel:	Backup Counsel:
Eliot D. Williams (Reg. No. 50,822) BAKER BOTTS L.L.P. 700 K Street, N.W. Washington, D.C. 20001 T: 202.639.1334 F:202.639.1167 DishvMindGeek@BakerBotts.com	G. Hopkins Guy III (Reg. No. 35,866) BAKER BOTTS L.L.P. 1001 Page Mill Road, Bldg. 1, Suite 200 Palo Alto, California 94304-1007 T: 650.739.7500 F: 650.739.7610 DishvMindGeek@BakerBotts.com Ali Dhanani (Reg. No. 66,233) BAKER BOTTS L.L.P. 910 Louisiana St. Houston, TX 77002 T: 713.229.1108 F:713.229.2808 DishvMindGeek@BakerBotts.com Thomas B. Carter Jr. (Reg. No. 76,040) BAKER BOTTS L.L.P. 910 Louisiana St. Houston, TX 77002 T: 713.229.1505 F: 713.229.7805 DishvMindGeek@BakerBotts.com

DATED: September 6, 2024

Respectfully submitted,

By: /Frank M. Gasparo/
Frank M. Gasparo (Reg. No. 44,700)
Attorney for Petitioner
VENABLE LLP
151 W. 42nd Street, 49th Floor
New York, NY 10036
T 212-370-6273
F 212-307-5598
fmgasparo@Venable.com