

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FUBOTV MEDIA INC. and YANKA INDUSTRIES, INC.,
Petitioner,

v.

DISH TECHNOLOGIES L.L.C.,
Patent Owner.

IPR2024-00918
Patent 9,407,564 B2

Before THU A. DANG, JOHN A. HUDALLA, and
JULIET MITCHELL DIRBA, *Administrative Patent Judges*.

DIRBA, *Administrative Patent Judge*.

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

On May 17, 2024, fuboTV Media Inc. (“fuboTV”) and Yanka Industries, Inc. d/b/a MasterClass (collectively “Petitioner”) filed a Petition requesting an *inter partes* review of claims 1–16 of U.S. Patent No. 9,407,564 B2 (Ex. 1001, “the ’564 patent”). Paper 3 (“Pet.”). Petitioner filed a Declaration of Henry Houh, Ph.D. (Ex. 1003) with its Petition. DISH Technologies L.L.C. (“Patent Owner”)¹ timely filed a Preliminary Response. Paper 8 (“Prelim. Resp.”). After we authorized additional briefs to address some of Patent Owner’s arguments for discretionary denial (*see* Ex. 1021, 28:14–29:14), Petitioner filed a preliminary reply (Paper 10; “Prelim. Reply”), and Patent Owner filed a preliminary sur-reply (Paper 11; “Prelim. Sur-reply”).

An *inter partes* review may not be instituted unless “the information presented in the petition . . . and any response . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a).

Having reviewed the parties’ papers and the evidence of record, we are not persuaded to discretionarily deny institution, and we determine that Petitioner has shown a reasonable likelihood it will prevail in establishing the unpatentability of at least one challenged claim. Accordingly, we institute an *inter partes* review.

¹ Patent Owner also identifies, as real parties-in-interest: (1) Sling TV L.L.C., the exclusive licensee of the ’564 patent, and (2) EchoStar Corporation, which recently merged with DISH Network Corporation. Paper 6 (Patent Owner’s Mandatory Notices), 2.

I. BACKGROUND

A. *Related Matters*

The parties state that the '564 patent has been asserted in several district court lawsuits, including *DISH Technologies LLC v. fuboTV Media Inc.*, No. 1:23-cv-00986 (D. Del.) and *DISH Technologies LLC v. Yanka Industries, Inc. d/b/a MasterClass*, No. 1:23-cv-01305 (D. Del.). Pet. 2–3; Paper 6, 2–3. The parties also reference an International Trade Commission investigation between Patent Owner and third-parties, styled *In the Matter of Certain Fitness Devices, Streaming Components Thereof, and Systems Containing Same*, Inv. No. 337-TA-1265 (USITC instituted May 13, 2021) (“the ITC Investigation”). See, e.g., Pet. 11–12; Prelim. Resp. 23–25.

The '564 patent and patents related to it have been the subject of several proceedings before the Board. Pet. 3–4; Paper 6, 3–6. This is Petitioner’s first challenge to the '564 patent, but Aylo Freesites Ltd. (“Aylo”) previously challenged this patent in IPR2024-00047 and IPR2024-00518 (see Pet. 3; Paper 6, 4–5). The Board denied institution of both of those proceedings.

Petitioner filed petitions challenging related patents in IPR2024-00917 and IPR2024-00919 (see Paper 6, 5), and the Board is concurrently granting institution in both. In IPR2024-00901, IPR2024-00902, IPR2024-00903, IPR2024-00904, IPR2024-00905, fuboTV filed petitions challenging other related patents, as well as motions for joinder to proceedings requested by Aylo. See Pet. 4; Paper 6, 5–6. In each proceeding, the Board granted institution and the motion for joinder, and fuboTV is now a petitioner in the following proceedings involving related patents: IPR2024-00043, IPR2024-00044, IPR2024-00045, IPR2024-00046, and IPR2024-00146.

In addition, in September 2024, Aylo filed an *ex parte* reexamination request for all claims of the '564 patent in Reexamination Control No. 90/019,671. Within fourteen days of receiving a decision on the request for reexamination, Patent Owner shall notify the Board by emailing trials@uspto.gov.²

B. The Petition's Asserted Grounds

Petitioner asserts the following grounds of unpatentability (Pet. 6):

Claim(s) Challenged	35 U.S.C. ³ §	Reference(s)/Basis
1–16	103(a)	Leaning ⁴
9, 11	103(a)	Leaning, Gamble ⁵

C. The '564 Patent

The '564 patent describes adaptive-rate shifting of streaming content. Ex. 1001, Abstr., 1:18–21. The '564 patent addresses a purported need to

² In addition, we remind the parties of their continuing obligations to update mandatory notices within 21 days of any relevant change, including changes in related matters. 37 C.F.R. §§ 42.8(a)(3), 42.8(b)(2).

³ The Leahy-Smith America Invents Act ("AIA"), Pub. L. No. 112-29, 125 Stat. 284, 285–88 (2011), revised 35 U.S.C. § 103 effective March 16, 2013. The '564 patent was filed after that date (on October 16, 2014), but claims priority to applications filed as early as April 30, 2004. Ex. 1001, codes (22), (60), (63). Petitioner assumes the earliest possible priority date for purposes of this proceeding (*see* Pet. 10), and Patent Owner does not address the priority date. In this Decision, we assume that the pre-AIA version of Section 103 applies; however, our analysis would be the same under the current version of the statute.

⁴ WO 02/49343 A1, published June 20, 2002 (Ex. 1004).

⁵ US 2004/0093420 A1, filed Nov. 13, 2002, published May 13, 2004 (Ex. 1020).

“utilize multiple connections between a source and destination, requesting varying bitrate streams depending upon network conditions.” *Id.* at 2:44–48.

Figure 1 of the '564 patent is reproduced below.

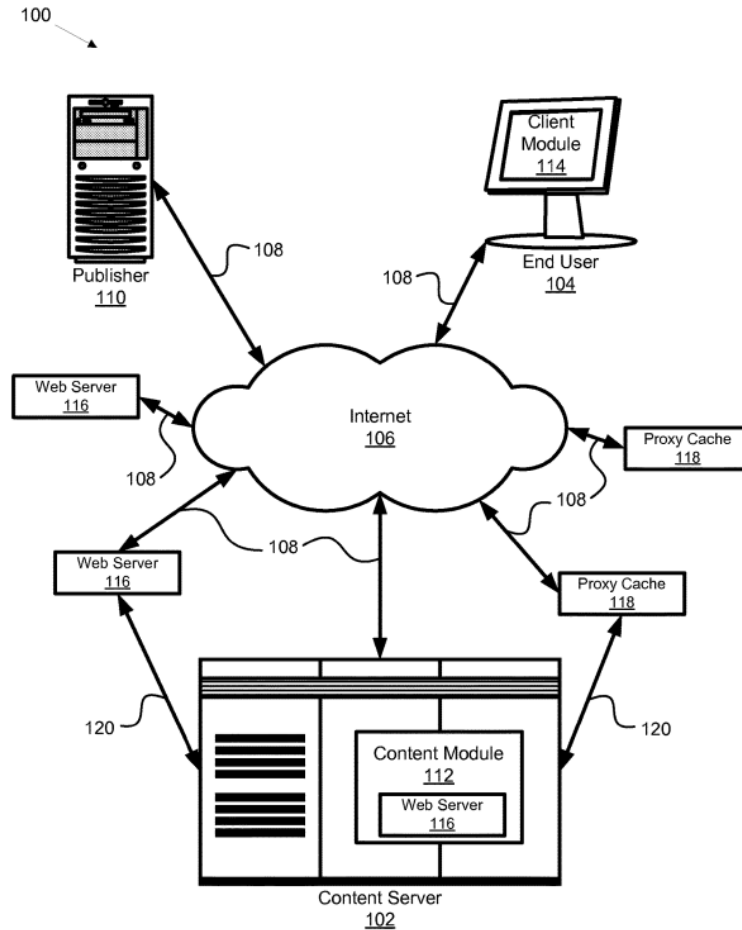


FIG. 1

Figure 1 depicts “system 100 for dynamic rate shifting of streaming content.” Ex. 1001, 6:3–5. System 100 includes content server 102, end user station 104, publisher 110, and web server 116. *Id.* at 6:6–19. Content may be transferred over Internet 106 to content server 102. *Id.* at 6:23–25.

Figure 2b of the '564 patent is reproduced below.

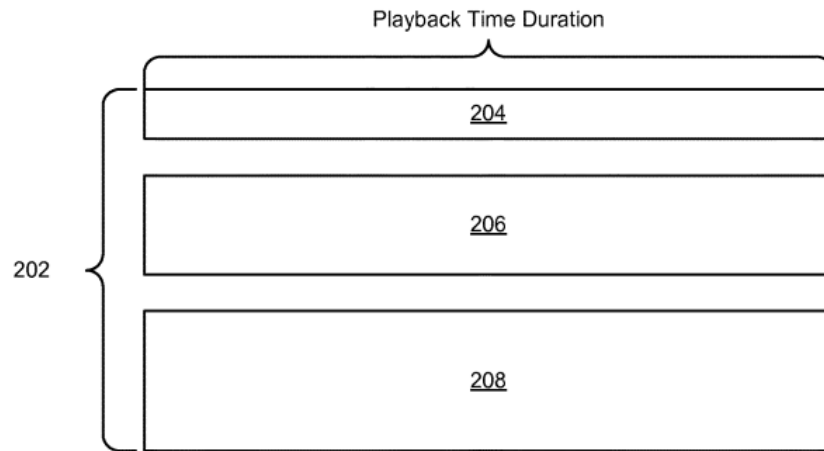


FIG. 2b

Figure 2b depicts “a plurality of streams 202 having varying degrees of quality and bandwidth.” Ex. 1001, 6:46–48. Streams 202 comprise low-quality stream 204, medium-quality stream 206, and high-quality stream 208, and each of streams 204, 206, 208 is a copy of content file 200 encoded and compressed to varying bit rates. *Id.* at 6:48–50.

Figure 2c of the '564 patent is reproduced below.

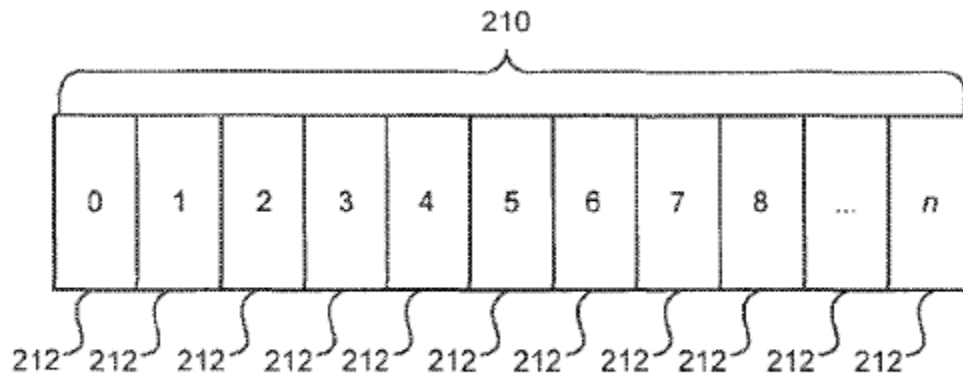


FIG. 2c

Figure 2c depicts “stream 210 divided into a plurality of streamlets 212,” which are “any sized portion[s] of the content file 200.” Ex. 1001, 6:59–61.

D. Challenged Claims

Petitioner challenges claims 1–16 of the '564 patent. Of these, claims 1 and 8 are independent. Claim 1 is illustrative, and it recites:

1.[pre] An end user station for adaptive-rate content streaming of digital content from a video server over a network, the end user station comprising:

[A][1] a media player operating on the end user station [2] configured to stream a video from the video server via at least one transmission control protocol (TCP) connection over the network, [3] wherein multiple different copies of the video encoded at different bit rates are stored on the video server as multiple sets of files, [4] wherein each of the files yields a different portion of the video on playback, [5] wherein the files across the different copies yield the same portions of the video on playback, [6] and wherein each of the files comprises a time index such that the files whose playback is the same portion of the video for each of the different copies have the same time index in relation to the beginning of the video, and wherein the media player streams the video by:

[B] requesting a plurality of sequential files of one of the copies from the video server based on the time indexes;

[C][1] automatically requesting from the video server subsequent portions of the video by requesting for each such portion one of the files from one of the copies dependent upon successive determinations by the media player to shift the playback quality to a higher or lower quality one of the different copies, the automatically requesting including [2] repeatedly generating a factor indicative of the current ability to sustain the streaming of the video using the files from different ones of the copies, wherein the set of one or more factors relate to the performance of the network;

[D] making the successive determinations to shift the playback quality based on the factor to achieve continuous playback of the video using the files of the highest quality one of the copies determined sustainable at that time so that the media player upshifts to a higher quality one of the different

copies when the factor is greater than a first threshold and downshifts to a lower quality one of the different copies when the factor is less than a second threshold; and

[E] presenting the video by playing back the requested media files with the media player on the end user station in order of ascending playback time.

Ex. 1001, 13:20–61 (Petitioner’s reference designations added); *see* Pet. x–xi.

II. ANALYSIS

A. *Legal Standards*

“In an [*inter partes* review], the petitioner has the burden from the onset to show with particularity why the patent it challenges is unpatentable.” *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) (citing 35 U.S.C. § 312(a)(3) (requiring *inter partes* review petitions to identify “with particularity . . . the evidence that supports the grounds for the challenge to each claim”)). This burden of persuasion “never shifts to the [patent owner].” *Dynamic Drinkware, LLC v. Nat’l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015).

The legal question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of ordinary skill in the art; and (4) when in evidence, objective evidence of obviousness or nonobviousness. *Graham v. John Deere Co. of Kan. City*, 383 U.S. 1, 17–18 (1966).

B. *Level of Ordinary Skill in the Art*

Petitioner asserts that the level of ordinary skill in the art corresponds to either: (1) “a B.S. degree in computer science or electrical engineering

(or comparable degree) and two years of experience in networking or streaming media,” or (2) “a M.S. in computer science or electrical engineering (or comparable degree).” Pet. 10 (citing Ex. 1003 ¶ 42). At this stage, Patent Owner “disputes Petitioner’s definition,” but does not explain what it disputes. Prelim. Resp. 5.

For purposes of this Decision, we adopt Petitioner’s proposed level of skill, as articulated above. We are satisfied that it comports with the level of skill necessary to understand and implement the teachings of the ’564 patent and the asserted prior art. To the extent the level of ordinary skill in the art is in dispute or makes a material difference in the obviousness analysis, the parties should brief their respective positions on this point and explain the significance of their dispute.

C. Claim Construction

We interpret claim terms using “the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. [§] 282(b).” 37 C.F.R. § 42.100(b). Under the principles set forth by our reviewing court, the “words of a claim ‘are generally given their ordinary and customary meaning,’” as would have been understood by a person of ordinary skill in the art at the time of the invention. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (en banc) (quoting *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996)).

Petitioner does not propose any express claim constructions, but acknowledges that the claims have been construed by the Administrative Law Judge (ALJ) in the ITC Investigation. Pet. 11–12. At this stage, Patent Owner “does not propose that the Board construe any claims.” Prelim. Resp. 5.

We determine that it is not necessary to expressly construe any claim terms or phrases for purposes of this Decision. *See Realtime Data, LLC v. Iancu*, 912 F.3d 1368, 1375 (Fed. Cir. 2019) (“The Board is required to construe ‘only those terms . . . that are in controversy, and only to the extent necessary to resolve the controversy.’”) (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))).

D. Summary of Prior Art References

1. Leaning (Ex. 1004)

Leaning is directed to “the delivery, over a telecommunications link, of digitally coded material for presentation to a user.” Ex. 1004, 1:3–4.

Figure 1 of Leaning is reproduced below.

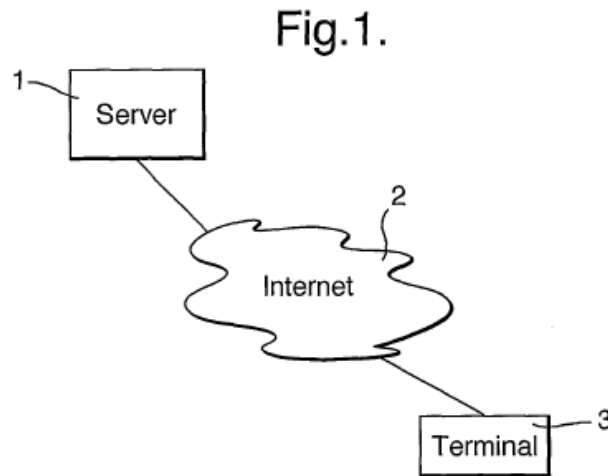


Figure 1 depicts a system where server 1 is connected via internet 2 to terminal 3. *Id.* at 2:15–16. Server 1 stores data files, and in response to a request for delivery of a data file from user terminal 3, server 1 transmits the file to terminal 3 via internet 2. *Id.* at 2:16–18. Although the system shown in Figure 1 delivers audio signals (for example, recorded music or speech), Leaning states that its system may also be used to deliver video signals. *Id.* at 2:5–9; *see also, e.g., id.* at Abstr., 16:6–10.

Figure 2 of Leaning is reproduced below.

Fig.2.

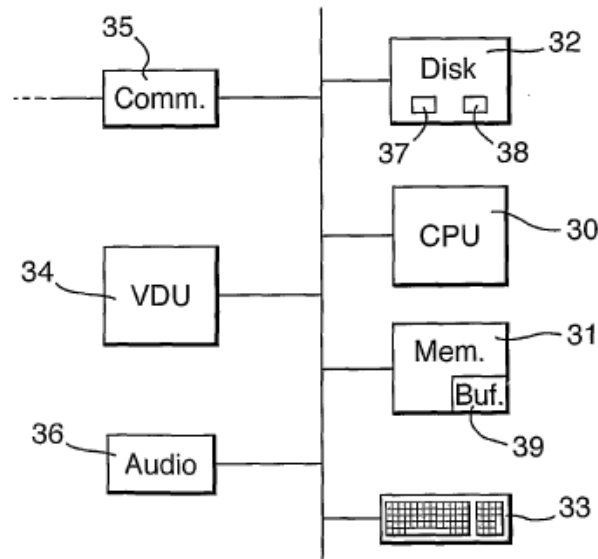


Figure 2 depicts terminal 3, which can take the form of a desktop computer, handheld computer, or mobile telephone. Ex. 1004, 4:4–7. Terminal 3 includes central processor 30, memory 31, disk store 32, keyboard 33, video display 34, communications interface 35, and interface 36. *Id.* at 4:7–9. Interface 36 can take the form of a sound card and/or a video card. *Id.* at 4:7–10. Memory 31 may include buffer 39. *Id.* at 4:15–16. Disk store 32 includes programs that may be retrieved into memory 31 for execution by processor 30. *Id.* at 4:10–11. For example, such programs may include communications program 37 for call-up and display of html (also known as HTML or Hypertext Markup Language) pages and player program 38 for playing audio and/or video files. *Id.* at 4:11–15, 16:6–10.

Leaning contemplates that server 1 may store two or more versions of a recording at different compression rates (e.g., recordings at compressions corresponding to continuous data rates of 8, 16, 24, and 32 kbit/s) such that player program 38 may switch automatically among them. Ex. 1004, 6:13–

15. In this scenario, the recording is encoded several times at different rates and partitioned into sub-files. *Id.* at 6:21–23. The sub-files can be loaded onto server 1 in separate directories corresponding to each different rate, e.g., with “008k” and “024k” in the directory name indicating a rate of 8 kbit/s or 24 kbit/s, respectively. *Id.* at 6:23–26. An index file can be used to list the data rates that are available. *Id.* at 6:27–28. Player program 38 can trigger rate changes based on buffer status, the measured data rate, and the current (selected) data rate, for example. *Id.* at 8:6–26.

2. *Gamble (Ex. 1020)*

Gamble is directed to “transferring large data files over parallel connections.” Ex. 1020 ¶ 1. In particular, Gamble teaches the use of multiple parallel connections for transferring data from a server to a client on the Internet using Transfer Control Protocol/Internet Protocol (TCP/IP) protocol layers. *Id.* ¶¶ 8, 34, 50. The TCP layer sequences and reorders data packets and ensures that packets are received at the client. *Id.* ¶¶ 36–37. Standard TCP congestion protocols can be implemented on a per-connection basis for the client. *Id.* ¶ 52.

E. *Ground 1: Obviousness Based on Leaning*

Petitioner contends that the subject matter of independent claims 1 and 8 and dependent claims 2–7 and 9–16 would have been obvious over Leaning. Pet. 16–58. At this stage, Patent Owner does not allege any deficiencies in Petitioner’s showing (*see* Prelim. Resp.), but Patent Owner argues that Petitioner failed to sufficiently address evidence of objective indicia of nonobviousness that came to light in the ITC Investigation (*id.* at 22–25).

For the reasons explained below, we determine that Petitioner has demonstrated a reasonable likelihood of prevailing on this ground.

1. Independent Claim 1

a. Limitation-by-Limitation Analysis

1[pre]: “An end user station for adaptive-rate content streaming of digital content from a video server over a network, the end user station comprising:”

Petitioner contends that Leaning teaches element 1[pre]. Pet. 16–17. According to Petitioner, Leaning’s terminal 3 adaptively streams a video from server 1 over internet 2. *Id.* (citing Ex. 1004, Abstr., 1:3–29, 6:13–15, 16:6–10, 23:3–10 (claim 1), Fig. 1; Ex. 1003 ¶ 56).

At this stage, Patent Owner does not allege any deficiencies in this aspect of Petitioner’s showing. *See* Prelim. Resp.

On this record, we are preliminarily persuaded that Leaning’s user terminal adaptively streams a video received from a server over the Internet. *See, e.g.*, Ex. 1004, Abstr., 1:12–28, 23:3–10. Accordingly, Petitioner has sufficiently shown that Leaning teaches the claim’s preamble.⁶

1[A][1]: “a media player operating on the end user station”

1[A][2]: “configured to stream a video from the video server via at least one transmission control protocol (TCP) connection over the network,”

Petitioner contends that Leaning teaches elements 1[A][1] and 1[A][2]. Pet. 17–20. Petitioner points to Leaning’s player program as the

⁶ We need not determine whether the preamble is limiting because Petitioner has sufficiently shown that Leaning teaches this aspect of the claim. *See Realtime Data*, 912 F.3d at 1375.

claimed “media player,” and Petitioner asserts that the player program, which operates on terminal 3, is configured to stream the video from server 1 over internet 2. *Id.* at 17–18 (citing Ex. 1004, 2:5–32, 4:4–21, 5:1–14; Ex. 1003 ¶¶ 57–58). Petitioner further asserts that an ordinarily skilled artisan would have understood Leaning’s use of HTTP requests to teach streaming video via TCP connections. *Id.* at 19–20 (citing Ex. 1004, 2:5–32, 4:4–21, 5:8–14; Ex. 1003 ¶¶ 58–59).

At this stage, Patent Owner does not allege any deficiencies in this aspect of Petitioner’s showing. *See* Prelim. Resp.

On this record, we are preliminarily persuaded that Leaning’s player program operates on the terminal and streams a video from the server. *See, e.g.,* Ex. 1004, 2:5–9, 4:4–20, 5:4–31. We are also preliminarily persuaded that an ordinarily skilled artisan would have understood Leaning’s use of HTTP requests to teach streaming via TCP connections. *See, e.g.,* Ex. 1004, 2:9–11, 2:16–22; Ex. 1003 ¶¶ 58–59. Accordingly, Petitioner has sufficiently shown that Leaning teaches elements 1[A][1] and 1[A][2].

1[A][3]: “wherein multiple different copies of the video encoded at different bit rates are stored on the video server as multiple sets of files,”

Petitioner contends that Leaning teaches element 1[A][3]. Pet. 20–22. According to Petitioner, in Leaning, two or more copies of the video encoded at different compression rates are stored on server 1. *Id.* at 20 (citing Ex. 1004, 6:13–26, 9:3–7, 16:6–12; Ex. 1003 ¶ 60). Petitioner also asserts that Leaning stores these copies of the video as multiple sets of sub-files, where each copy’s sub-files are stored in a different directory. *Id.* at 20–22 (citing Ex. 1004, Abstr., p.7, 3:1–22, 5:4–6:8, 6:21–7:7, 12:8–34, 13:23–14:19; Ex. 1003 ¶ 61).

At this stage, Patent Owner does not allege any deficiencies in this aspect of Petitioner's showing. *See* Prelim. Resp.

On this record, we are preliminarily persuaded that Leaning's server stores multiple copies of the video encoded at different compression rates as multiple sets of sub-files. *See, e.g.*, Ex. 1004, Abstr., p.7 (table), 3:1–22, 6:9–15, 16:6–12. Accordingly, Petitioner has sufficiently shown that Leaning teaches element 1[A][3].

1[A][4]: “wherein each of the files yields a different portion of the video on playback,”

1[A][5]: “wherein the files across the different copies yield the same portions of the video on playback,”

1[A][6]: “and wherein each of the files comprises a time index such that the files whose playback is the same portion of the video for each of the different copies have the same time index in relation to the beginning of the video, and wherein the media player streams the video by:”

Petitioner contends that Leaning teaches elements 1[A][4], 1[A][5], and 1[A][6] and/or renders obvious element 1[A][6]. Pet. 22–28. According to Petitioner, Leaning teaches that each sub-file yields a different temporal portion of the video, and that the sub-files across the different copies yield the same temporal portion of the video. *Id.* at 22–24 (citing Ex. 1004, Abstr., 1:3–29, 3:5–18, 5:4–6:8, 6:21–7:2, 12:8–20, Fig. 4; Ex. 1003 ¶¶ 62–63; Pet. 18–22). In addition, Petitioner asserts that the sub-files each have a time index because sub-files in the different copies are aligned in time and sequentially numbered. *Id.* at 24–25 (citing Ex. 1004, 12:6–20, p.7; Ex. 1003 ¶ 64); *see id.* at 26–27 (arguing that Leaning discloses the claimed “time index” given the ALJ's understanding of that

term) (citing Ex. 1009,⁷ 90–92; Ex. 1004, 12:6–20, p.7; Ex. 1003 ¶¶ 65–66). Moreover, according to Petitioner, if “time index” requires indexing with an indication of playback time, this limitation would have been obvious in view of Leaning. *Id.* at 27–28 (Ex. 1004, 3:10–11, 6:5–8, 15:19–28; Ex. 1003 ¶¶ 67–68). Finally, Petitioner asserts that the player program streams the video. *Id.* at 28 (citing Ex. 1003 ¶ 69; Pet. 17–20, 23–24).

At this stage, Patent Owner does not allege any deficiencies in this aspect of Petitioner’s showing. *See* Prelim. Resp.

On this record, we are preliminarily persuaded that Leaning teaches that each copy of the video is divided into sub-files that correspond to different temporal portions of the video. *See, e.g.*, Ex. 1004, Abstr., 1:20–28, 3:5–18, p.7 (table). We are also preliminarily persuaded Leaning teaches that each sub-file represents the same fixed time period (e.g., four seconds), and that each of Leaning’s sub-files has a corresponding sub-file in the other copies. *See, e.g.*, Ex. 1004, Abstr., 6:21–7:2 (including table), 12:8–20. Moreover, we are preliminarily persuaded that Leaning’s sub-files each have a time index because the sub-file names are sequentially numbered. *See, e.g.*, Ex. 1007, 7:1–2, 12:16–20, p. 7 (table); Ex. 1003 ¶¶ 64, 66. Accordingly, Petitioner has sufficiently shown that Leaning teaches elements 1[A][4], 1[A][5], and 1[A][6].⁸

⁷ Petitioner cited Exhibit 1010 (i.e., the complaint from the ITC investigation), rather than Exhibit 1009 (i.e., the ALJ’s Initial Determination). Pet. 26. We have corrected this typographical error.

⁸ Although we do not reach Petitioner’s alternative contention that element 1[A][6] would have been obvious over Leaning, we will evaluate that contention in our final written decision if appropriate.

1[B]: “requesting a plurality of sequential files of one of the copies from the video server based on the time indexes;”

Petitioner contends that Leaning teaches and/or renders obvious element 1[B]. Pet. 28–32. According to Petitioner, Leaning teaches that terminal 3 requests a plurality of sequential sub-files of one of the copies from server 1. *Id.* at 28–30 (citing Ex. 1004, Abstr., 1:12–19, 2:15–18, 5:4–6:2, 6:27–7:2, 8:6–16, 23:3–10 (claim 1), 24:28–35 (claim 11), 25:17–20 (claim 16); Ex. 1003 ¶ 71; Pet. 20–28). Petitioner asserts that Leaning teaches that terminal 3 requests the sub-files “based on the time indexes,” as required by the claim.⁹ *Id.* at 30–32 (citing Ex. 1004, 3:5–18, 5:4–6:8, 6:21–7:1, Fig. 4; Ex. 1003 ¶¶ 73–74, 76; Pet. 16–32). Moreover, Petitioner asserts that, if the claim requires an indication of the playback time in the request, then this would have been obvious in view of Leaning for the reasons explained in connection with element 1[A][6]. *Id.* at 32 (citing Pet. 24–28).

At this stage, Patent Owner does not allege any deficiencies in this aspect of Petitioner’s showing. *See* Prelim. Resp.

On this record, we are preliminarily persuaded that Leaning’s terminal requests a plurality of sequential sub-files of one of the copies based on the time indexes. *See, e.g.*, Ex. 1004, 3:5–31, 5:23–25, Fig. 4. Accordingly, Petitioner has sufficiently shown that Leaning teaches element 1[B].

⁹ According to Petitioner, “[Patent Owner] argued, and the ALJ found, that requesting sequential media segments ‘based on their filenames’ that included a unique sequential number . . . satisfie[s] this limitation.” Pet. 30 (citing Ex. 1009, 93). Petitioner does not “concede” that this is the correct “interpretation.” *Id.* at 31. At this stage, we do not construe this claim language; however, if a party believes we should, it must explain its position during trial.

1[C][1]: “automatically requesting from the video server subsequent portions of the video by requesting for each such portion one of the files from one of the copies dependent upon successive determinations by the media player to shift the playback quality to a higher or lower quality one of the different copies, the automatically requesting including”

Petitioner contends that Leaning teaches element 1[C][1]. Pet. 33–34. Petitioner asserts that Leaning’s media player selects subsequent sub-files to request based upon multiple, successive determinations, which are used to determine when to shift quality up or down. *Id.* (citing Ex. 1004, 8:17–26, 9:3–7, 23:19–24:2 (claims 4–6), 24:28–25:2 (claims 11–12), pp. 9–11; Ex. 1003 ¶¶ 77–78; Pet. 20–28).

At this stage, Patent Owner does not allege any deficiencies in this aspect of Petitioner’s showing. *See* Prelim. Resp.

On this record, we are preliminarily persuaded that Leaning’s media player automatically requests subsequent sub-files and shifts to a higher-quality or lower-quality video copy based upon successive determinations. *See, e.g.*, Ex. 1004, 8:17–26, 23:19–24:2 (claims 4–6); Ex. 1003 ¶¶ 77–78 (testifying regarding the determinations involved in Leaning’s method). Accordingly, Petitioner has sufficiently shown that Leaning teaches element 1[C][1].

1[C][2]: “repeatedly generating a factor indicative of the current ability to sustain the streaming of the video using the files from different ones of the copies, wherein the set of one or more factors relate to the performance of the network;”

Petitioner contends that Leaning teaches element 1[C][2]. Pet. 35–36. According to Petitioner, in order to determine whether the current streaming rate is sustainable, Leaning repeatedly generates a “measured rate” (i.e., the actual data rate being received from the server) and compares it to a “current

rate” (i.e., the bitrate of the current stream), and it also generates a “Buffer Low Percentage” (an indication of often the buffer is close to empty). *Id.* (citing Ex. 1004, 8:7–28, 15:3–8, 23:24–24:2 (claims 5–6); Ex. 1003 ¶¶ 79–80; Pet. 33–34).

At this stage, Patent Owner does not allege any deficiencies in this aspect of Petitioner’s showing. *See* Prelim. Resp.

On this record, we are preliminarily persuaded that Leaning’s media player repeatedly generates a measured rate and a buffer low percentage, and repeatedly compares the measured rate and the current rate, in order to determine whether streaming at the current rate is sustainable. *See, e.g.*, Ex. 1004, 8:11–9:5. Accordingly, Petitioner has sufficiently shown that Leaning teaches element 1[C][2].

1[D]: “making the successive determinations to shift the playback quality based on the factor to achieve continuous playback of the video using the files of the highest quality one of the copies determined sustainable at that time so that the media player upshifts to a higher quality one of the different copies when the factor is greater than a first threshold and downshifts to a lower quality one of the different copies when the factor is less than a second threshold; and”

Petitioner contends that Leaning teaches element 1[D]. Pet. 36–39. Petitioner asserts that Leaning teaches choosing the highest quality copy that is sustainable by making the successive determinations based on the factor. *Id.* at 36–38 (citing Ex. 1004, 8:24–26, 9:3–7, pp. 9–11; Ex. 1003 ¶ 81; Pet. 33–36). Petitioner also asserts that Leaning’s system shifts to a higher quality when the “measured rate” is greater than a first threshold and to a lower quality when the “measured rate” less than a second threshold. *Id.* at 38–39 (citing Ex. 1004, 8:17–26, 23:19–24:2 (claims 4–6); Ex. 1003 ¶ 82).

At this stage, Patent Owner does not allege any deficiencies in this aspect of Petitioner's showing. *See* Prelim. Resp.

On this record, we are preliminarily persuaded that Leaning makes the successive determinations based on the factor to select the copy (and associated sub-files) that have the highest sustainable quality. *See, e.g.*, Ex. 1004, 8:11–9:5; Ex. 1003 ¶ 81 (testifying regarding the contents of Leaning's flowchart). We are also preliminarily persuaded that Leaning's system shifts to the sub-files in a higher- or lower-quality copy based on a comparison of the "measured rate" with two thresholds. *See, e.g.*, Ex. 1004, 8:17–26; Ex. 1003 ¶ 82. Accordingly, Petitioner has sufficiently shown that Leaning teaches element 1[D].

1[E]: "presenting the video by playing back the requested media files with the media player on the end user station in order of ascending playback time."

Petitioner contends that Leaning teaches element 1[E] because Leaning's player program presents the video by decoding and playing back the sub-files in order of ascending start time. Pet. 39 (citing Ex. 1004, 1:13–28, 4:4–21, 5:23–6:2, 12:16–18, 14:6–11, 23:3–10 (claim 1); Ex. 1003 ¶ 83).

At this stage, Patent Owner does not allege any deficiencies in this aspect of Petitioner's showing. *See* Prelim. Resp.

On this record, we are preliminarily persuaded that Leaning's player program presents the videos by decoding and playing the sub-files in order of ascending start time. *See, e.g.*, Ex. 1004, 1:20–28, 5:23–6:2. Accordingly, Petitioner has sufficiently shown that Leaning teaches element 1[E].

b. Objective Indicia of Nonobviousness

Both parties reference certain findings of the ALJ in the ITC Investigation related to objective indicia of nonobviousness (also known as secondary considerations). *See* Pet. 60–63; Prelim. Resp. 22–25. According to Patent Owner, the ALJ found that Patent Owner’s evidence showed “long-felt but unresolved need and failure of others,” “surprising results,” “commercial success,” and “praise by others.” Prelim. Resp. 24–25 (citing Ex. 1009, 213–17).

Petitioner contends that Patent Owner cannot establish a nexus between its evidence and the claims. Pet. 60–62. According to Petitioner, the ALJ found nexus in the ITC Investigation as a result of the respondents’ strategic decisions (*id.*), which do not apply to Petitioner (*id.* at 61). In addition, Petitioner argues that evidence relating to the Move Media Player does not have a nexus to the ’564 patent’s claims because “the purportedly unique and successful aspects . . . were already in existence in the prior art,” as shown by its substantive discussion of Leaning. *Id.* at 61–62.

Patent Owner disagrees and argues that the ALJ found that Patent Owner was entitled to a presumption of nexus based on the Move Media Player. Prelim. Resp. 25. Patent Owner also argues that “[n]othing suggests that the ITC relied exclusively, or even at all,” on the strategic decisions identified by Petitioner. *Id.*

On this record, the findings from the ITC Investigation regarding objective indicia do not undermine the sufficiency of Petitioner’s obviousness showing for purposes of institution. Our preliminary record includes no evidence of long-felt need, failure of others, unexpected results, commercial success, or industry praise. In addition, Patent Owner has not yet shown a nexus between any such evidence and the claimed invention.

See Fox Factory, Inc. v. SRAM, LLC, 944 F.3d 1366, 1373 (Fed. Cir. 2019) (“In order to accord substantial weight to secondary considerations in an obviousness analysis, the evidence of secondary considerations must have a nexus to the claims, *i.e.*, there must be a legally and factually sufficient connection between the evidence and the patented invention.”); *see also id.* (“The patentee bears the burden of showing that a nexus exists.”); *ZUP, LLC v. Nash Mfg., Inc.*, 896 F.3d 1365, 1373 (Fed. Cir. 2018) (noting that the patentee “bears the burden of production with respect to evidence of secondary considerations of nonobviousness”).

Patent Owner will have the opportunity during the trial to present and develop arguments that objective indicia show that the challenged claims would not have been obvious, and our final written decision will be based on the full trial record.

c. Conclusion

For the reasons provided above, on this record, we are persuaded that Petitioner has shown that Leaning teaches each limitation of independent claim 1. At this stage, the preliminary record includes no evidence of objective indicia weighing in favor of nonobviousness. Accordingly, we are persuaded that Petitioner has demonstrated a reasonable likelihood that it will prevail in establishing that the subject matter of claim 1 would have been obvious over Leaning.

*2. Independent Claim 8 and
Dependent Claims 2–7 & 9–16*

Petitioner also contends that the subject matter of independent claim 8 and dependent claims 2–7 and 9–16 would have been obvious over Leaning. *See* Pet. 40–58. Petitioner substantiates its contentions with analysis and

evidence directed to each claim limitation, and Petitioner relies on its analysis of claim 1 as appropriate.¹⁰ *See id.*

At this stage, Patent Owner does not dispute these contentions. *See* Prelim. Resp.

On this record, we are persuaded that Petitioner’s assertions and explanations are generally consistent with and supported by the evidence cited by Petitioner. We determine that Petitioner has demonstrated a reasonable likelihood that it will prevail in establishing that the subject matter of claims 2–10 and 12–16 would have been obvious over Leaning.

As for claim 11, however, we question whether Petitioner has sufficiently shown that Leaning teaches, suggests, or renders obvious that the claimed “factor is indicative of the available bandwidth of the plurality of TCP connections.” *See* Pet. 52 (addressing claim 11). Although Petitioner cites to the discussion of element 1[C][2] for this aspect of the claim, it is not clear whether these requirements are sufficiently discussed in connection with that element. We encourage the parties to address this issue during the trial.

¹⁰ We understand Petitioner to contend that elements 8[A][5] and 8[B] would have been obvious in view of Leaning for the reasons explained in connection with element 1[A][6]. *See* Pet. 49 (citing *id.* at 24–28, 32). We also understand Petitioner to contend that certain claim limitations would have been obvious in view of Leaning, given the Petition’s statements that an ordinarily skilled artisan “would have been motivated” to implement or modify Leaning in a particular way. *See id.* at 41–42 (claim 4), 44–45 (claim 5), 46 (claim 6), 51 (claim 9), 53–54 (claim 12), 55–56 (claim 13), 57–58 (claim 16); *see also id.* at 52 (claim 11) (citing discussion of claim 9).

3. *Institution of Inter Partes Review*

As explained above, we are persuaded that Petitioner has shown a reasonable likelihood of prevailing in showing that the subject matter of each of claims 1–10 and 12–16 would have been obvious over Leaning. Also, for the reasons explained below in Section III, we are not persuaded to exercise our discretion to deny institution. As a result, we institute *inter partes* review.

F. *Ground 2: Obviousness Based on Leaning and Gamble*

Petitioner contends that the subject matter of dependent claims 9 and 11 would have been obvious over the combination of Leaning and Gamble. Pet. 58–60. At this stage, Patent Owner does not dispute these contentions, other than to argue that Petitioner fails to sufficiently address objective indications of nonobviousness (*see* Prelim. Resp. 22–25); however, that argument is unavailing for the reasons explained above (*supra* § II.E.1.b).

Because we decide to institute *inter partes* review, we institute review of all claims and all challenges raised in the Petition. *See* 37 C.F.R. § 42.108(a) (“When instituting *inter partes* review, the Board will authorize the review to proceed on all of the challenged claims and on all grounds of unpatentability asserted for each claim.”). As a result, we need not (and do not) address any other grounds of unpatentability in this Decision. *See SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1356 (2020) (35 U.S.C. § 314 “simply requires [the Director] to decide whether the petitioner is likely to succeed on ‘at least 1’ claim. Once that single claim threshold is satisfied, it doesn’t matter whether the petitioner is likely to prevail on any *additional* claims; the Director need not even consider any other claim before instituting review.”).

Although we do not evaluate Petitioner’s Leaning-Gamble ground in this Decision, we will evaluate this ground in our final written decision if appropriate. To that end, we expressly invite the parties to further address this ground during the course of the trial.

III. EVALUATION OF DISCRETION

The Board has discretion to deny institution of an *inter partes* review even if a petitioner meets the standard for institution. *See* 35 U.S.C. §§ 314(a), 325(d); *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 273 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *see also* 37 C.F.R. § 42.4(a) (“The Board institutes trial on behalf of the Director.”). The Trial Practice Guide identifies situations that may warrant exercise of this discretion. *See* Trial Practice Guide¹¹ 55–63.

Patent Owner argues that we should discretionarily deny institution of this proceeding for three reasons. Prelim. Resp. 5–25. Below, we address each of these reasons and explain why we are not persuaded.

A. General Plastic *Analysis*

Patent Owner first argues that the Petition should be discretionarily denied because Aylo—a different company—previously filed two petitions for *inter partes* review of the challenged patent. Prelim. Resp. 5–14 (citing *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential as to Section II.B.4.i)); *see also* Prelim. Sur-reply 4–5. Petitioner argues that denial under *General Plastic* is

¹¹ PTAB Consolidated Trial Practice Guide (Nov. 2019), *available at* <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf>.

inappropriate because Petitioner did not previously file a petition and has no “significant relationship” with Aylo. Pet. 63–64.

We agree with Petitioner and decline to deny institution on this basis.

1. Legal Standard

In certain situations, the Board exercises discretion to deny a petition when there is an earlier petition challenging the same patent. *See General Plastic*, Paper 19 at 15–16. To determine whether to deny the subsequent petition, the Board considers the following non-exclusive factors (the “*General Plastic* factors”):

1. whether the same petitioner previously filed a petition directed to the same claims of the same patent;
2. 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;
3. 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;
4. 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;
5. whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;
6. the finite resources of the Board; and
7. the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.

Id. at 16.

The Board’s application of these factors “is not limited solely to instances when multiple petitions are filed by the same petitioner.” *Valve*

Corp. v. Electronic Scripting Products, Inc., IPR2019-00062, Paper 11 at 2, 9 (PTAB Apr. 2, 2019) (precedential). “Rather, when different petitioners challenge the same patent, we consider any relationship between those petitioners when weighing the *General Plastic* factors,” and if the second petitioner and the first petitioner have a “significant relationship with respect to . . . [the challenged patent],” then the Board will consider the first petition in its *General Plastic* analysis. *Id.* at 9–10.

2. Discussion

Patent Owner contends that the Petition should be denied because Aylo (a third-party) previously filed petitions for *inter partes* review of the challenged patent in IPR2024-00047 (the “047 IPR”) and IPR2024-00518 (the “518 IPR”). Prelim. Resp. 5–14. According to Patent Owner, Petitioner and Aylo have a “special relationship” because “both Aylo and Petitioner stand accused of infringement based on the same technology” and they “engaged in a synergistic strategy” that was “carefully-choreographed” to challenge the ’564 patent. *Id.* at 7–8. As evidence of this collusion, Patent Owner points to statements by Aylo, which allegedly indicate reliance on Petitioner’s actions. *Id.* at 6, 8–9. Also, Patent Owner argues that “Petitioner improperly delayed its filing” because it “waited nearly four months after Aylo’s [518 IPR] petition was filed and one month after Aylo’s [047 IPR] petition was denied institution, to file the instant copycat [of the 518 IPR] petition.” *Id.* at 5–6; *see also id.* at 8–9, 14.

We are not persuaded. Petitioner has not previously filed any other petitions challenging the ’564 patent (*see* Pet. 63), and we discern no significant relationship between Petitioner and Aylo with respect to this patent. As a result, we determine that *General Plastic* factor one weighs

against denial, and this “necessarily outweighs the other *General Plastic* factors.” *Videndum Prod. Sols., Inc. v. Rotolight Ltd.*, IPR2023-01218, Paper 12 at 5–6 (Vidal April 19, 2024) (*cited in* Pet. 63–64).¹²

We disagree with Patent Owner’s argument that there is a significant relationship between Petitioner and Aylo. *See* Prelim. Resp. 5–9. In particular, Patent Owner accuses Petitioner and Aylo of engaging in “coordinated behavior” that amounts to “tacit collusion” (*id.* at 8), but the evidence of record does not support Patent Owner’s accusations. Rather, the facts indicate that Aylo and Petitioner have acted independently and in pursuit of their own interests. Petitioner represents that it had no involvement with or input into Aylo’s petitions (*see* Pet. 64), and no facts suggest otherwise. Petitioner filed its petition after being accused of infringing the ’564 patent (*see id.* at 2–3), and the timing of the Petition’s filing does not suggest collusion. Also, contrary to Patent Owner’s suggestion (*see* Prelim. Resp. 6, 8–9), none of Aylo’s statements are indicative of any collaboration with Petitioner. Rather, Aylo simply noted that others accused of infringing this patent have requested *inter partes* review of it (Ex. 2009, 1–2) or may file such a request (*Aylo Freesites Ltd. v. DISH Techs. L.L.C.*, IPR2024-00518, Paper 1 at 64 (Aylo’s 518 petition)).

Also, contrary to Patent Owner’s argument (*see* Prelim. Resp. 7), Petitioner and Aylo do not have a significant relationship merely because they have both been accused of infringing the ’564 patent. *See Ford Motor*

¹² To the degree Patent Owner’s seeks to distinguish *Videndum* (*see* Prelim. Resp. 8–9), we are not persuaded. *Videndum* states that “where, as here, the first and second petitioners are neither the same party, nor possess a significant relationship under *Valve*, *General Plastic* factor one necessarily outweighs the other *General Plastic* factors” given “existing USPTO policy and precedent.” *Videndum*, Paper 12 at 5–6.

Co. v. Neo Wireless LLC, IPR2023-00763, Paper 28 at 10–11 (Vidal Mar. 22, 2024) (*cited in* Pet. 64) (finding no significant relationship where petitioners were accused of infringement based on the same wireless standard and engaged in court-ordered pretrial coordination).

Finally, we do not agree with Patent Owner’s argument (*see* Prelim. Resp. 5, 8–9) that Petitioner’s copying of Aylo’s second petition created a significant relationship. Aylo filed a first petition in the 047 IPR (based on Ogdon), and approximately three months later, filed a second petition in the 518 IPR (based on Leaning). The Board denied institution of both proceedings: the 047 IPR was denied on the merits, and the 518 IPR was denied as an improper follow-on petition by the same petitioner. Even if Petitioner evaluated Aylo’s two petitions and decided to copy one of them (*see* Prelim. Resp. 6, 8–9), this would not help Patent Owner. We are not persuaded that this creates the type of substantial relationship contemplated by *Valve*. Indeed, Petitioner has filed only one petition challenging the ’564 patent, and we do not agree that its copying of an earlier petition—rather than filing a new and different petition—constitutes improper roadmapping or gamesmanship.

Accordingly, we are not persuaded to exercise our discretion under 35 U.S.C. § 314(a) to deny institution.

B. Section 325(d) Analysis

Patent Owner also argues that the Petition should be denied under 35 U.S.C. § 325(d) because a substantially similar reference was cited during prosecution of an ancestor application. Prelim. Resp. 14–22; *see also* Prelim. Sur-reply 1–4. Petitioner argues that the identified reference was only one of over 340 references cited on the face of the ’564 patent and was

never discussed or relied upon during prosecution. Pet. 67–69; *see also* Prelim. Reply 1–4.

For the reasons explained below, we decline to exercise our discretion to deny institution under Section 325(d).¹³

1. Legal Standard

We may discretionarily deny institution of an *inter partes* review when a petition presents “the same or substantially the same prior art or arguments [that] previously were presented to the Office.” 35 U.S.C. § 325(d); *see* 37 C.F.R. § 42.4(a). To evaluate whether such a denial is appropriate, the Board determines:

- (1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office;
- and (2) if either condition of first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.

Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH, IPR2019-01469, Paper 6 at 8 (PTAB Feb. 13, 2020) (precedential). In applying this two-part *Advanced Bionics* framework, we evaluate several non-exclusive factors, including:

¹³ Like the parties, we focus our analysis on Leaning. *See* Pet. 67–69; Prelim. Resp. 14–22; Prelim. Reply 1–4; Prelim. Sur-reply 1–4. We are persuaded that Petitioner’s Leaning-only ground meets the standard for institution, and we do not reach Petitioner’s alternative ground based on Leaning and Gamble. *See supra* §§ II.E–F. Moreover, the statutory purpose of Section 325(d) would not be undermined by instituting on both challenges given Gamble’s limited role in Petitioner’s ground (*see* Pet. 58–60) and during prosecution (*see, e.g.*, Ex. 1002, 208).

- (a) the similarities and material differences between the asserted art and the prior art involved during examination;
- (b) the cumulative nature of the asserted art and the prior art evaluated during examination;
- (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection;
- (d) the extent of the overlap between the arguments made during examination and the manner in which petitioner relies on the prior art or patent owner distinguishes the prior art;
- (e) whether petitioner has pointed out sufficiently how the examiner erred in its evaluation of the asserted prior art; and
- (f) the extent to which additional evidence and facts presented in the petition warrant reconsideration of the prior art or arguments.

Becton, Dickinson & Co. v. B. Braun Melsungen AG, IPR2017-01586, Paper 8 at 17–18 (PTAB Dec. 15, 2017) (precedential as to Section III.C.5, first paragraph). Factors (a), (b), and (d) relate to the first part of the *Advanced Bionics* framework (i.e., whether the art or arguments presented in the Petition are the same or substantially the same as those previously presented to the Office), and factors (c), (e), and (f) relate to the second part (i.e., “whether the petitioner has demonstrated a material error by the Office” in its prior consideration of the prior art or arguments). *Advanced Bionics*, Paper 6 at 10. “If a condition in the first part of the framework is satisfied and the petitioner fails to make a showing of material error, the Director generally will exercise discretion not to institute *inter partes* review.” *Id.* at 8–9. “[T]his framework reflects a commitment to defer to previous Office evaluations of the evidence of record unless material error is shown.” *Id.* at 9.

2. Discussion

a. Advanced Bionics *Part One*

We are persuaded that the Petition presents substantially the same art as was previously presented to the Office, such that part one of the *Advanced Bionics* framework is satisfied.

Leaning was not previously presented to the Office, but another reference by the same inventors—U.S. Patent Application Publication No. 2004/0030547 A1 (Ex. 2001, “Leaning US”)—was cited during prosecution. *See* Pet. 67–68. We agree with Patent Owner (*see* Prelim. Resp. 14–17) that Leaning is cumulative of the disclosures in Leaning US. *See* Ex. 2002 (redline of differences between Leaning and Leaning US). Moreover, we find that these similarities pertain directly to Petitioner’s unpatentability analysis in this case. For example, all of Petitioner’s citations to the written description of Leaning for limitation 1[A][3] (*see* Pet. 20–22) are disclosed in substantially identical language in Leaning US. *Compare* Ex. 1004, Abstr., 3:1–22, 5:4–6:8, 6:13–7:7, 9:3–7, 12:8–34, 13:23–14:19, 16:6–12, *with* Ex. 2001 ¶¶ 19–27, 36–43, 45–50, 57, 63–64, 72–80, 90–91. Accordingly, we are persuaded that Leaning is substantially the same as Leaning US, which was previously presented to the Office.

b. Advanced Bionics *Part Two*

To determine whether Petitioner has shown material error, we consider *Becton, Dickinson* factors (c), (e), and (f). *Advanced Bionics*, Paper 6 at 10. “Factor (c) focuses on the record developed by the Office in previously reviewing the art or arguments,” and if that record “is not well developed or silent, then a petitioner may show the Office erred by overlooking something persuasive under factors (e) and (f).” *Id.*

As Petitioner notes (*see* Pet. 68), the record regarding the Office’s consideration of Leaning US is nearly silent. Neither the applicants nor the examiner discussed Leaning US, and the examiner did not use it as a basis of any rejection. Rather, Leaning US was only cited on a twenty-five page Information Disclosure Statement (IDS) along with 237 other references. *See* Ex. 1002, 7–31. Given the volume of the applicants’ disclosure, it would not be surprising if the examiner overlooked material information in it. Because the Office’s evaluation of Leaning US was minimal, we find that factor (c) weighs against exercising discretion to deny institution.

As for factors (e) and (f), Petitioner has shown that the Office erred by overlooking something persuasive. *See Advanced Bionics*, Paper 6 at 10 (stating that, where the record is silent, “a petitioner may show the Office erred by overlooking something persuasive”). Petitioner contends that Leaning teaches each element of independent claim 1 (*see* Pet. 16–39), and Patent Owner does not dispute these contentions (*see* Prelim. Resp.). Moreover, we have reviewed Petitioner’s contentions regarding Leaning, as well as the disclosure of Leaning itself, and we are preliminarily persuaded that Leaning renders obvious nearly every challenged claim. Consequently, we find that the examiner overlooked the corresponding portions of Leaning US because they are similarly persuasive. In other words, although the *Advanced Bionics* “framework reflects a commitment to defer to previous Office evaluations of the evidence of record unless material error is shown” (Paper 6 at 9), we are persuaded that, to the degree the examiner evaluated Leaning US, he misapprehended or overlooked its salient disclosures.

We disagree with Patent Owner’s arguments that Petitioner did not sufficiently address material error (*see* Prelim. Resp. 20–21; *see* Prelim. Sur-reply 1–2) and that Petitioner’s grounds of unpatentability cannot establish

material error (*see* Prelim. Sur-reply 2). Petitioner noted that Leaning US was one of hundreds of cited references (*see* Pet. 68), and Petitioner persuasively explained that Leaning teaches or renders obvious each limitation of nearly every asserted claim (*see id.* at 16–58). It is difficult to characterize error in a nearly silent record, and we are persuaded to rely upon Petitioner’s grounds of unpatentability given this record. *See, e.g., Quasar Science LLC v. Colt Int’l Clothing, Inc.*, IPR2023-00611, Paper 10 at 14 (PTAB Oct. 10, 2023) (“[A] petitioner’s showing that the challenged claims are unpatentable over the asserted prior art may itself be evidence of material error by the Office during prosecution.”); *cf. Keysight Techs., Inc. v. Centripetal Nets., Inc.*, IPR2022-01421, Paper 14 at 6 (Vidal Aug. 24, 2023) (finding that Petitioner had established examiner error and citing the petition’s discussion of the grounds of unpatentability).

Patent Owner’s other arguments are similarly unavailing. Patent Owner asserts that the citation of a reference on an IDS “only goes to the first part of the *Advanced Bionics* test” (Prelim. Resp. 21), but this is incorrect (*see Advanced Bionics*, Paper 6, 9 n.10, 10–11 (explaining that the second part of the framework considers “the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection”)). Also, we do not address Patent Owner’s remaining arguments (*see* Prelim. Sur-reply 3–4) because we do not rely upon the corresponding portions of Petitioner’s Preliminary Reply.

For these reasons, we decline to exercise our discretion to deny institution under Section 325(d).

C. *Objective Indicia of Nonobviousness*

Finally, Patent Owner argues that the Petition should be denied because it does not sufficiently address the ALJ's findings related to objective indicia of nonobviousness. *See* Prelim. Resp. 22–26 (citing *Stryker Corp. v. KFX Med., LLC*, IPR2019-00817, Paper 10 at 27–29 (PTAB Sept. 16, 2019)). We decline to deny institution on this basis.

As explained above, the objective indicia findings from the ITC Investigation do not undermine the sufficiency of Petitioner's obviousness showing at this stage. In particular, although Patent Owner quotes the conclusion of the ALJ, it does not submit any evidence of objective indicia of nonobviousness. Also, Patent Owner fails to establish the requisite nexus between any such evidence and its claims. *See Fox Factory*, 944 F.3d at 1373 (“The patentee bears the burden of showing that a nexus exists.”).

Patent Owner's reliance on the Board's *Stryker* decision is unavailing because that decision is both non-precedential and distinguishable. In *Stryker*, the patent owner's preliminary response included evidence of objective indicia of nonobviousness. Paper 10 at 28. The Board was persuaded that the objective indicia evidence “weigh[ed] in favor of denying institution” and noted that the petitioner did not address this topic in its petition, despite having prior notice. *Id.* at 28–29. There were also other considerations that weighed in favor of denial (*see id.* at 22–27), and so the Board exercised discretion to deny institution (*id.* at 29). Here, however, Patent Owner does not present any evidence of objective indicia, much less persuasive evidence (*see* Prelim. Resp. 24–25), and no other considerations weighing in favor of denial exist.

As a result, we decline to exercise our discretion to deny institution based on Petitioner's alleged failure to sufficiently address objective indicia of nonobviousness.

IV. CONCLUSION

As explained above, we determine that Petitioner has established a reasonable likelihood of prevailing in its challenge to at least one claim of the '564 patent, and we are not persuaded to exercise our discretion to deny institution. Thus, we institute an *inter partes* review of all challenged claims on all asserted grounds. *See* 37 C.F.R. § 42.108(a).

The factual findings and conclusions of law in this Decision are preliminary and based on the current record. They are made for the sole purpose of determining whether Petitioner meets the reasonable likelihood threshold for initiating review. Any final decision as to the patentability of the challenged claims will be based on the full record developed during trial, including any response timely filed by Patent Owner.

A Scheduling Order will be entered in this proceeding. In addition, the parties must comply with the Board's guidance regarding the contents of reply and sur-reply briefs and oral hearing presentations, and any untimely arguments will be deemed forfeit unless authorized by the Board. *See* Trial Practice Guide 73–75, 84–86 (Nov. 2019). If a party requests any relief during the trial, that request must be contained in a motion authorized by the Board. *See* 37 C.F.R. §§ 42.20(a)–(b), 42.23(b); *see also* Trial Practice Guide 37–38.

V. ORDER

It is:

ORDERED that an *inter partes* review is instituted on all challenged claims, i.e., claims 1–16 of the '564 patent, on all grounds of unpatentability specified in the Petition, as identified in Section I.B of this Decision;

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4(b), *inter partes* review of the '564 patent shall commence on the entry date of this Decision, and notice is hereby given of the institution of a trial; and

FURTHER ORDERED that, within fourteen days of receiving a decision on the *ex parte* reexamination request filed in No. 90/019,671, Patent Owner shall notify the Board by emailing trials@uspto.gov.

IPR2024-00918
Patent 9,407,564 B2

FOR PETITIONER:

Inge Osman
Inge.osman@lw.com

Tara Elliott
Tara.elliott@lw.com

Richard Frenkel
Rick.frenkel@lw.com

Rebecca Rabenstein
Rebecca.rabenstein@lw.com

Clement Naples
Clement.naples@lw.com

Steven Peters
Steven.peters@lw.com

FOR PATENT OWNER:

Eliot Williams
Eliot.williams@bakerbotts.com

Ali Dhanani
Ali.dhanani@bakerbotts.com

George Guy
Hop.guy@bakerbotts.com

Thomas Carter
Thomas.carter@bakerbotts.com