IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HULU, LLC,

Petitioner,

v.

PIRANHA MEDIA DISTRIBUTION, LLC,

Patent Owner.

Case No. IPR2024-01252

U.S. Patent No. 11,463,768

PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE

I. Petitioner's Art and Arguments Are Materially Different from Those Considered During Prosecution.

Petitioner's art and arguments are materially different from those considered during prosecution. *Becton* factors (a) and (b) strongly weigh against denial because none of the Petitions' art was cited during prosecution and there are material differences between the Petitions' art and the art cited on IDS forms.[1] Factor (d) also strongly weighs against denial because the prosecution arguments do not overlap with the manner in which the Petitions present the prior art.

The '768 patent was allowed in error because the Office has not considered the combination of Wu and Doherty or the combination of Eldering-I and Eldering-II. Factor (c) weighs strongly against denial because none of the Petitions' art was used in any Office Action for the '768 patent. Factor (e) weighs strongly against denial because the Examiner did not consider either combination. Factor (f) strongly weighs against denial because the Petitions present new evidence, including the two combinations and Dr. Houh's explanations.

Petition 1. According to PO, Wu and Doherty resemble the Knepper reference that was cited in Office Actions for a parent of the '768 patent. In the last Office Action with prior-art rejections, the Examiner rejected pending independent claims as obvious over Knepper in view of Hannah and Wang. Petition-01252 at

[1] This Reply is identical to the Reply filed in co-pending Case No. IPR2024-01253.

3–4. Upon appeal, the PTAB panel found that Knepper failed to disclose some of the claim requirements. *Id*. PO distorts the file history and references to reach the conclusion that Wu and Doherty are materially similar to Knepper.

Wu and Doherty are not materially similar to or cumulative of Knepper. The Petition relies on Wu's teachings regarding a digital recording/play back system allowing users to fast forward through or skip over advertisements during playback and Doherty's teachings regarding rescheduling advertisements and other items of information (e.g., media content) in response to user input—neither set of teachings is present in Knepper. In fact, PO did not offer any concrete examples of similarity between the two references and Knepper, let alone demonstrate that they are materially similar. *See* POPR-01252 at 16–18 (arguing that Wu and Doherty's teachings are in material ways similar to Knepper but failing to explain how).

Petition 2. It is undisputed that the Examiner never considered Eldering-I or Eldering-II or the combination of these two references in any Office Actions. Addressing *Advanced Bionics*, PO ignores the material differences between the Eldering ground and Plotnick[2] regarding how the advertisements are selected, scheduled, and rescheduled. The Petition explains in detail how Eldering-I's

[2] The Plotnick reference cited during prosecution is identified by PO as "Eldering-'262" in its POPRs. *See, e.g.,* POPR-01252 at 4.

teachings regarding selecting, scheduling and rescheduling advertisements in response to changing conditions—which are not present in Plotnick—would have been combined with Eldering-II's teachings regarding user input (e.g., skipping through content) such that the combination discloses rescheduling advertisements in response to user input, as the claim requires.

In its POPR, PO relies heavily on a quote from the Petition and argues that the same functionality was distinguished by the Examiner during prosecution. *See* POPR-01253 at 6–7, 20. But that one-line quote from the Petition—that "Eldering-II teaches displaying an alternative advertisement when a user fast forwards through or skips over an original advertisement"—is merely mentioned in the Petition when explaining motivation to combine. *See* Petition-01253 at 32–33. PO's further attempt to establish material similarity by pointing to similar figures in Plotnick and the Eldering references is likewise unavailing. *See* POPR-01253 at 7–9, 22–23. PO does not explain how the relied upon disclosures of the Eldering references are materially similar to Plotnick simply because they have similar figures or how that is relevant to the Petition's obviousness positions. For reasons explained above, here, the *Becton* factors do not weigh in favor of exercising the Board's discretion under §325(d) to deny the Petitions.

II. *Fintiv* Factors Strongly Weigh Against Denial.

The *Fintiv* factors strongly weigh against discretionary denial. **Factor 1** is

neutral since neither party has requested a stay. The Director previously noted that where a district court's §101 determination was appealed, "the district court's judgment of invalidity under 35 U.S.C. § 101, i.e., a statutory ground that could not have been raised before the Board, does not raise concerns of inefficient duplication of efforts or potentially inconsistent results between the Board and the district court." *AviaGames Inc. v. Skillz Platform Inc.*, IPR2022-00530, Paper 14 at 3. The Director further noted that "the challenged claims have not yet been cancelled and remain in force… By the time an appeal will have concluded, Petitioner will be barred under 35 U.S.C. § 315(b) from bringing a new challenge in an IPR petition." *Id.*, at 3–4. In a recent decision this weighed against discretionary denial. *Apple Inc. v. Geoscope Techs. Pte. Ltd.*, IPR2024-00255, Paper 14 at 12–13.

Factor 2 weighs strongly against discretionary denial since "there is no district court trial date scheduled," and "it is likely that any potential trial would occur after the completion of this proceeding." *Id.*, at 13–14. It would be almost logistically impossible here for a trial to be scheduled before any FWD issues.

Factor 3 strongly weighs against discretionary denial. The parallel case in district court remains in its early stages. Fact discovery is not complete; claim construction and expert discovery have not begun. The parties have only exchanged initial contentions. The Board has repeatedly weighed this factor

against denial under similar conditions. *See, e.g.*, *Samsung Electronics Co., Ltd. v. G+ Communications, LLC* IPR2022-01598, Paper 10 at 19.

Factor 4 also weighs against discretionary denial because there is no overlap of issues in the IPR proceedings and the parallel litigation that is limited to §101. The Board in similar instances found this factor weigh against discretionary denial. *See Apple*, Paper 14 at 16–17.

Factor 5 weighs against denial because any trial will come well after a FWD, since a remand of the appeal after oral argument must first occur and appeal briefing has yet to begin. *Google LLC, et al. v. Parus Holdings, Inc.*, IPR2020-00846, Paper 9 at 20–21; *Beckman Coulter, Inc. v. Sirigen II Limited*, IPR2022-01204, Paper 12 at 21–22 ("[B]ecause the final written decision in this case is more likely to precede trial in the parallel District Court litigation … this factor weighs against exercising our discretion to deny institution under § 314(a).").

As for **Factor 6**, the Board only considers the compelling merits standard if the first five *Fintiv* factors favor discretionary denial. *CommScope Techs. LLC. v. Dali Wireless, Inc.*, IPR2022-01242, Paper 23 at 4–5 (precedential). Here, the Board need not consider compelling merits since the first five *Fintiv* factors do not favor discretionary denial. *See, e.g.*, *Kia Corporation et al v. Emerging Automotive LLC*, IPR2024-00981, Paper 10 at 23. However, to the extent the Board assess factor 6, that factor strongly weighs against denial because Petitioner's grounds

constitute compelling merits.

The grounds set forth in both Petitions are compelling. For the Eldering ground, PO argues that changing an advertisement insertion point requires moving the point in the timeline. POPR-01253 at 41. But PO's argument contradicts its own position in the parallel district court litigation. In its Infringement Contentions, PO alleged that the accused feature of displaying an advertisement immediately after the user skips over an original position for playing the advertisement satisfies the claim requirements, where the advertisement insertion point is not moved in the timeline. *See* Ex-1022 at 32–43.

PO's argument is flawed further because it is based on a narrow interpretation of the claim (that PO has not sought construction on)—that the claim excludes changing the advertisement insertion point of an advertisement by inserting the advertisement into a different insertion point in the digital media content. In fact, claim 1 of the '403 patent recites "modify a presentation position of the digital advertising content from … one or more initially sequenced insertion points to one or more alternatively sequenced insertion points in the digital media content, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to

the digital media content within the content stream."[3] Ex-2002, 44:2-45:2. PO cannot reasonably argue that the specification of the '768 patent, which is identical to that of the '403 patent, excludes the claims of the '403 patent.

PO's argument also overlooks the Petition's extensive arguments on motivation to combine the two Eldering references and how **the combination** teaches the claims, offering only a conclusory assertion that Petitioner's arguments are incorrect. *See* POPR-01253 at 40–41. Arguing that the Eldering ground fails to disclose modifying any particular advertising insertion point, PO ignores the Petition's explanation that, according to the combination, a user input such as fast forwarding and skipping (as taught by Eldering-II) would change the characteristics of the upcoming avails that are suitable for inserting advertisements (as taught by Eldering-I), which include the time of the upcoming avails in the media stream. *See, e.g.*, Petition-01253 at 26, 31, 37.

For the Wu and Doherty ground, PO similarly argues that changing an advertising insertion point means changing the location of that advertising insertion point on the timeline. POPR-01252 at 36. PO's arguments lack merit not

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[3] PO acknowledges that that the changing ad insertion point limitations are akin in both patents. POPR-01252 at 19 ("Yet the changing ad insertion point limitations in those claims are akin to those in the '768 claims-at-issue.").

only for reasons explained above but also because it simply fails to address how its self-contradictory narrow interpretation of the claim is even relevant to the relied upon teachings of Wu and Doherty. Indeed, PO merely presents a conclusory assertion that "[a]n advertisement insertion point is distinct from an ad file like those of Wu," without citing a single instance where the Petition equates an advertisement insertion point to an ad file. POPR-01252 at 34. PO next argues that Wu plays pre-recorded and never alters original ad insertion point. POPR-01252 at 40. This argument has multiple flaws. First, PO contends that Petitioner's argument is wrong but simultaneously admits that Petitioner never presented such an argument. *Id.* at 44 ("Petitioner does not assert that Wu alters the pre-recorded ads."). Moreover, addressing only Wu's disclosures, PO blatantly disregards the Petition's thorough explanations as to how Doherty's teachings are combined with Wu to disclose the claims at issue. PO's actual attack on Doherty—that it does not modify scheduled ad insertion points—not only mischaracterizes Doherty's teachings but also falls short of explaining how those arguments pertain to the claim requirements. *See* POPR-01252 §V.C.

Notably, PO premises its *Fintiv* attack on the fact that their appeal is likely to fail (*see* POPR-01252 at 21–29; POPR-01253 at 27–34) but refused to terminate its appeal when asked, stating it was only citing general reversal rates.

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d), the undersigned certifies that the foregoing **PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY REPLY**, exclusive of the exempted portions as provided in 37 C.F.R. § 42.24(a), contains no more than 8 pages and therefore complies with the Board's order granting briefing by e-mail on December 23, 2024.

Date: January 6, 2025

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on January 6, 2025, a true and correct copy of the **PETITIONER'S PRELIMINARY REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE** was served in entirety via email to all parties to this proceeding at the addresses indicated:

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