UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HULU, LLC,
Petitioner,

v.

PIRANHA MEDIA DISTRIBUTION, LLC,
Patent Owner.

Case IPR2024-01252
Patent 11,463,768

PATENT OWNER'S PRELIMINARY SUR-REPLY

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I. Petitioner's Belated Assertions Of Examiner Error Should Be Rejected.

Petitioner, aware of § 325(d), addressed it in both Petitions, arguing that denial under it is "unwarranted," but chose to raise no allegation of Examiner error. Its sole argument was, simply, that the raised art was not of record in the 2-decade prosecution of the Patents. 1252 Pet., 76-77; 1253 Pet., 69-70. Now, its 3 pages of argument of alleged Examiner "error" in its Reply is both belated and meritless.

The Office already considered the same or substantially the same art, for the reasons the POPRs explain in detail, 1252/3 POPRs, 11-18/4-16—details that the Reply glosses over and mostly ignores. The Reply asserts (at 1) that "none of the Petitions' art was cited during prosecution" and "the Office has not considered … the combination of Eldering-I and Eldering-II." To the contrary, it ***has*** considered Eldering-'262, which includes both Eldering-I in its entirety ***and*** the only functionality of Eldering-II that relates to modifying an ad insertion point. And it was not merely initialed on an IDS: the Examiner found it was "[t]he closest prior art." 1252/3 POPRs, 5-10/4-9. The Examiner considered and expressly referred to the same "fast forward" functionality that Petitioner relies on in Eldering-II. *Id.*

Instead of addressing the Office's past analysis of Eldering, Petitioner focuses on document type, not substance. Petitioner misleadingly argues (at 2) that Eldering was not considered "in any Office Actions." The Examiner's findings were in a Notice of Allowability. The Examiner found that Eldering-'262, the

"closest prior art," was not "close" enough to merit a rejection. The Office has fully considered its teachings.[1]

Petitioner argues that the Petition doesn't rely on the concept of showing an alternative advertisement, but instead relies on Eldering-II's user input (*e.g.*, fast forward) functionality. Reply, 3. Not so. The Petition relies only on Eldering's fast forward functionality to meet this limitation. It points to the alternative ad teaching only for motivation to combine, not for changing an ad insertion point. 1253 Pet., 32-33. If anything, the Examiner considered more teachings than the Petition, not less—expressly considering Eldering's "inserting alternative ads during a fast forward command." 1252/3 POPRs, 7/6 (quoting Notice of Allowability). Thus, the Examiner considered ***both*** the alternative ad ***and*** the fast forward functionality.

The Office also already considered the same or substantially the same arguments regarding changing an ad insertion point, as the POPRs (at 11-16/10-16) explain. On appeal, in prosecution, the PTAB already held that although prior art disclosed changing the ad content shown in an ad insertion point, it did not disclose changing the position of the ad insertion point relative to the media. *Id.*, 11-14. The PTAB thus already rejected essentially the same argument as Petitioner's argument directed to changing the ad content but not the position of the ad insertion point.

[1] A Notice of Allowability ***is*** a form of Office action. 80 Fed. Reg. 39,412, 39,416.

1252/3 POPRs, 17-18/16-25. Again, the Reply does not address any of these facts.

II. *NHK/Fintiv* Overwhelmingly Supports Denial.

A. Factors 1-5: The Reply's Positions Contradict *AviaGames* At Every Turn.

In *AviaGames Inc. v. Skillz Platform Inc.*, IPR2022-00530, Papers 12 & 15, the Board analyzed *Fintiv* factors 1-6, carefully grounding its reasoning in quotes of *Fintiv* itself and analyses of prior case outcomes, and denied review because a district court had invalidated most of the claims-at-issue. 1252/3 POPRs, 23-25/28-30. The Director upheld that result, except for remanding for further consideration of whether the merits might "rise to th[e] high standard" of "compelling" (which they didn't). *Id.* Later cases have denied review under similar reasoning and facts. *Id.*, 25-26/30-31. Petitioner's reasoning for *Fintiv* Factors 1–5 is incompatible with those cases' reasoning. *Compare AviaGames*, Paper 12, 12-14, *with* Reply, 4-5.

The Reply ignores *AviaGames*'s analysis of the factors. It cites only to the handful of cases that have not followed *AviaGames*, each of which have facially inferior reasoning. The Reply (at 4) quotes only an out-of-context snippet of the *AviaGames* Director Review order, ignoring that the Director ***upheld*** the Board's finding that denial was warranted in that case given less than compelling merits, as well as her findings supporting that conclusion. 01252/3 POPRs, 24-25, 28/30, 34 (quoting *AviaGames*, Paper 14, 5-6). The Director has never reviewed or endorsed the handful of poorly-reasoned cases that have found otherwise. *Id.*, 26-29/31-34.

The Reply's analysis of Factor 1–5 treats the completion of the district court case, with invalidation of all claims, as somehow meaningless. Reply, 4-5. But the district court reached a final judgment. It elevates form over substance to contend, as the Reply does (at 4), that somehow "[t]he parallel case in district court remains in its early stages" because its final judgment of invalidity came by § 101 summary judgment instead of jury verdict. "Here, there is no question that the final judgment [of invalidity] entered by the district court ended the litigation on the merits—a decision ha[s] been rendered as to every claim; no claim remain[s] outstanding." *Crown Packaging Tech., Inc. v. Rexam Bev. Can Co.*, 559 F.3d 1308, 1311 (Fed. Cir. 2009). The Reply ignores the focus of *Fintiv*: the likelihood that the parallel court case will resolve validity before the IPR does. Which depends not at all on whether that judgment comes by way of summary judgment or trial jury verdict.

B. Factor 6: The Grounds' Merits Are Less Than "Compelling."

Finally, the Reply argues that *Fintiv* is irrelevant because the grounds have supposedly "compelling merits." But that's a "high standard" (*AviaGames*, Paper 14, 3) that these grounds fail to meet. The POPRs' detailing of the grounds' flaws demonstrates that. Petitioner's attempted rebuttal of the POPR arguments falls flat.

Petitioner's Eldering combination does not change the position of an ad insertion point relative to the media, as the claims require. 1253 POPR, 47-57. The Reply does not dispute that fact, but instead insists changing an ad insertion point

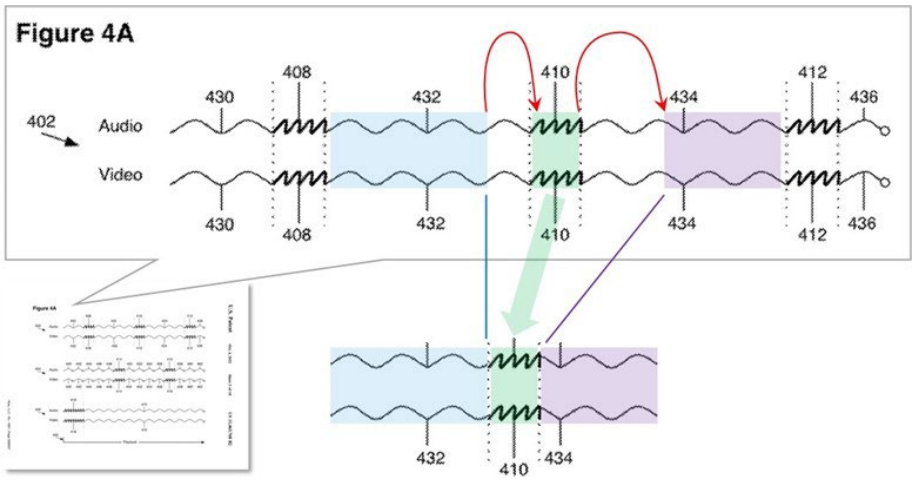
can be accomplished "by inserting the advertisement into a different insertion point." Reply, 6. (The Reply concedes (at 3) Eldering-II's display of an alternative ad does not change an ad insertion point, leaving only the argument that Eldering-I's changing of the content, but not position, of the ad insertion point meets the claims.) Petitioner relies on two expressly ***different*** points: a first insertion point, and "a different," *i.e.*, second, insertion point. *Id.* In contrast, the claims require changing a particular ad insertion point. 1253 POPR, 38-49 (citing, *e.g.*, '768 claim 1[e] ("change a predetermined advertisement insertion point")). Petitioner's argument based on changing the content—not position—of the ad insertion point is the same argument the PTAB already rejected in prosecution. *Id.*, 12-13, 47, 57.

The Reply asserts (at 6), without explanation, that requiring changing of the position of the ad insertion point somehow contradicts the specification, the claims, and Patent Owner's infringement contentions. But the PTAB already held that the patent teaches moving the ad insertion point by, *e.g.*, skipping media, immediately playing an ad by changing an ad insertion point position, and resuming the media:

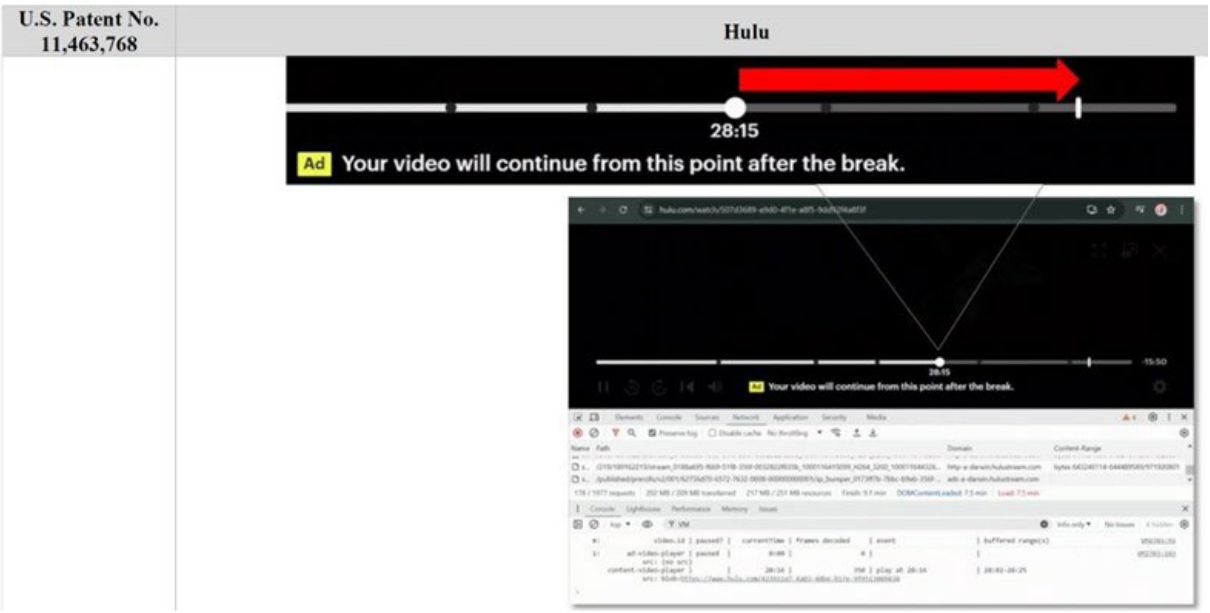
The Appellant contends that "the claim feature at issue in this rejection is well-supported at least by ¶0149-¶0150, and also at ¶0154-¶0156, referring to FIG. 4A." Appeal Br. 19 (citing Spec. 28, l. 27–29, l. 4, 28, l. 23–29, l. 16). Specifically, the Appellant contends that

> In the scenario described in ¶0150, ad block 410 is played at a point immediately preceding "the middle of segment 434," which is an "alternate insertion point" that is clearly "different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream," which would, in this example, be those insertion points originally scheduled to occur between the segments.

Id. The Appellant also contends that the Specification provides additional



1253 POPR 45-46. The infringement contentions point to just what the PTAB described, for both the ’768 and ’403 claims: skipping media and an original ad insertion point (actually, two of them), playing an ad immediately at a new position in the media, and then resuming the media. Ex. 1022, 37:



In short, the PTAB, the specification, the ’768 claims, and the infringement contentions all consistently refer to moving the position of an ad insertion point.

The Reply argues (at 6-7) Patent Owner is somehow narrowly construing the claim and "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." If the Reply is somehow arguing the '768 claims must be interpreted broadly because of the different wording of the ***'403*** claims, Reply, 6-7, that's not true. "Although the related patents are similar, their claims are not identical," and can have differing scope. *ResQnet.com, Inc. v. Lansa, Inc.*, 346 F.3d 1374, 1382-83 (Fed. Cir. 2003).

The Reply incorrectly suggests (at 7 (citing 1253 Pet., 26, 31, 37)) that the grounds include the concept of changing the time of an ad insertion point. To the contrary, the Petition points to time merely as one condition that may affect rank ordering of ad files. For instance, an ad file may be more relevant at night than day. 1253 Pet., 26 ("Eldering-I contemplates a broad range of viewing parameters, such as … time of day."). Eldering-I considers, but does not ***change***, the time of ad insertion points. 1253 POPR, 47 ("Eldering-I and Eldering-II do not change the time at which ad avails occur."). "Further, the 'rescheduling' that Petitioner refers to is merely a re-ranking of ad files in a list, not a change in scheduled times for ad insertion positions." *Id.*, 49. As the POPR explains, the "schedule" is merely a list, not a time-related schedule, and Eldering expressly states its ad insertion points are ***not*** tied to time. *Id.*, 50-51. ("Indeed, Eldering-I does not leave any of this to the imagination: it expressly states that its ads are not 'linked to' any particular 'time'

or 'program.'"). And moreover, the Examiner has already considered the relied-on teachings of Eldering-I and -II together in a single reference, as "[t]he closest prior art." 1253 POPR, 4-9. Petitioner does not rebut any of this showing.[2]

As for the 1252 Petition based on Wu-Doherty, Petitioner tacitly concedes that Wu does not modify an ad insertion point, clarifying that the Petition relies on Doherty for that concept. Reply, 8. But Doherty does not change a predetermined ad insertion point: it obliterates, and never modifies, previously-scheduled insertion points. 1252 POPR, 45-57. Every independent claim expressly requires changing an ad insertion point. *Id.*, 32. Petitioner's combination of Wu and Doherty does not disclose that claimed concept, as the POPR explains in detail. *Id.*, 33-57. The Reply does not address any of the facts and arguments regarding Doherty that Patent Owner presented in the POPR, but simply asserts without explanation that the POPR mischaracterizes Doherty. Reply, 8. Petitioner does not identify what the alleged mischaracterization is, nor why it has any bearing on the proof that Doherty does not change any predetermined ad insertion point. *Id.*

III. Conclusion

The Reply only confirms both § 325(d) and *Fintiv* support denial of review.

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[2] The Reply's assertion (at 7) that the POPR did not attack motivation to combine is beside the point. A POPR is not obligated to raise all possible arguments.

Respectfully submitted,

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Date: January 21, 2025

CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d), the undersigned certifies that the foregoing **PATENT OWNER'S PRELIMINARY SUR-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.

Respectfully submitted,

/ Abigael Neufeld/

Date: January 21, 2025

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the following documents were served by electronic service, by agreement between the parties, on the date below:

PATENT OWNER'S PRELIMINARY SUR-REPLY

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