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. IPR2024-01253

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

AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST

PO complains about a problem of its own making: that claims invalidated in district court under §101 are the subject of IPRs. This argument ignores that PO is free to withdraw its Federal Circuit appeal. Instead, PO seeks to distort and expand the *Fintiv* analysis by simultaneously asking the Federal Circuit to find the '768 patent eligible under §101 while arguing that the Director terminate the IPRs assuming the opposite outcome is inevitable. Also, PO asserts a vast number of claims in its infringement action but seeks to prevent Petitioner from filing IPRs sufficient to address them. PO's requests do not warrant Director Review.

I. PO's request to expand *Fintiv* to unintended scenarios should be rejected.

Fintiv provides a discretionary denial standard based on "the advanced state of a parallel proceeding," considering "efficiency, fairness, and the merits," in order to reduce duplicative consideration of issues and minimize conflicts. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15, 7-8 (precedential); *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 18-19 (precedential) (holding Petitioner not pursuing grounds that "could have been reasonably raised in an IPR" "mitigates any concern of duplicative efforts"). PO seeks to expand *Fintiv's* scope to all scenarios where there is an appeal regarding invalidity under §101. PO's request should be rejected because it departs from the rationales behind *Fintiv*.

Efficiency. Instituting this IPR does not create any inefficiency contemplated under *Fintiv*. "[T]he 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." *AviaGames Inc. v. Skillz Platform Inc.*, IPR2022-00530, Paper 14 at 3. PO admits that "a core 'directive' of *NHK*/*Fintiv*" is "the possibility of conflicting decisions" (Request at 6), and such a concern does not exist here.

The Board correctly determined that "a pending appeal effectively act as a stay" (Factor 1). D.I., 13. The case may later terminate (if claims confirmed invalid) or resume (if not), like a stay pending IPR. The court and parties undisputedly had minimal investment in prior-art invalidity issues (Factor 3) and there is no overlap of issues (Factor 4). D.I., 14-15. If PO's §101 appeal succeeds, any trial will come well after a FWD (Factors 2, 5), which may obviate or narrow triable issues. As the Board noted, PO's argument that the district court action is complete "essentially eviscerate[] the requirement to address *Fintiv*" contrary to the Director's direction. D.I., 13-16 (citing *Volvo Penta Of Ams., LLC v. Brunswick Corp.*, IPR2022-01366, Paper 15 at 8). Rather than expediting the appeal process, PO sought a 60-day extension for its appeal brief. *See Piranha Media Distribution LLC v. Hulu, LLC*, Case No. 2025-1038, Dkt. 11 (Fed. Cir. Nov. 19, 2024).

Fairness. Denying institution would unfairly prejudice Petitioner: "[T]he 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." *AviaGames*, Paper 14 at 3-4. Granting PO's request would paradoxically punish defendants for winning on early motions to dismiss and discourage efficient resolution of patent disputes.

Instituting the IPRs is not unfair to PO. PO argues that "victory on appeal is statistically improbable" (Request at 2), but at the same time contends that "the court misunderstood claim 1 as … merely claim[ing] a business practice" and this "fundamental error infected the court's reasoning at both steps of … *Alice*." Case No. 2025-1038, Dkt. 15 at 2. PO states that the Federal Circuit "should reverse the district court's judgment" (*id.* at 59) while simultaneously asking the Director to deny the IPRs assuming that Federal Circuit would not do so.

PO argues that granting institution will lead to "waste and inefficiency" if the district court's §101 judgment is affirmed. Request at 11. However, if PO believes affirmance is likely, it can simply withdraw the appeal. Any purported waste results directly from PO's decision to continue. Denying institution would prevent Petitioner from ever being able to pursue any IPR challenges despite timely filing IPRs with a district court case in its infancy.

Merit. The Board found "no need to address whether the merits are compelling" because *Fintiv* Factors 1-5 weigh against denial. D.I., 16-17. The Board rejected all of PO's rebuttal to Petitioner's argument. D.I. at 18-26, 33-38. This is clearly a case where the merits of the Petition warrants institution.

Board Split. PO contends that there is a split in cases applying *Fintiv*. Request at 6. However, PO's Request solely relies on the Board's nonprecedential *AviaGames* decision (Paper 12), which was vacated by the Director (Paper 14 at 6). PO's statement that "the Director did not disturb any of the existing findings of the [*AviaGames*] panel" is wrong and misleading because the Director did not mention any part that was NOT vacated. *Id.* The Director focused on the Board's compelling merit failure and did not rule on the other *Fintiv* factors. *Id.*, Paper 14.

Consistent with *AviaGames*, panels have declined to deny institution based on district court §101 decisions. For example, in *Apple Inc. v. Geoscope Techs. Pte. Ltd.*, the Board equated a pending appeal with a stay and declined to deny institution under Fintiv. IPR2024-00255, Paper 14 at 12-13, 18. In *BMW of North America, LLC v. Michigan Motor Technologies, LLC*, the Board declined to deny institution, finding Factors 3 and 4 to favor institution because the court and parties have not "directed substantial resources towards the issues of obviousness." IPR2023-01224, Paper 15 at 11-12. In contrast, PO does not identify any Board decision that denied institution based on a district court §101 decision after considering *AviaGames*, confirming no split exists.

II. PO's arguments regarding multiple petitions should be rejected for misrepresenting the Board's analysis.

PO's misleadingly asserts that the Board did not follow the CTPG. First, regarding necessity of two petitions (Request at 13), PO conveniently overlooks

the CTPG's statement that "more than one petition may be necessary … when the patent owner has asserted a large number of claims," which the Board quotes in finding that "[t]he record justifies exercising discretion to entertain two petitions." D.I. at 7 (quoting CTPG 59). The Board notes Petitioner's argument that "it could not have adequately addressed the two petition's two principal references in just one petition" given the number of asserted claims. *Id.* at 5-6.

Second, PO complains about its burden. Request at 13-14. However, the purported burden is a result of PO's own decision to assert 28 extremely lengthy claims that span three columns, necessitating two petitions. Also, PO fails to explain why the Board's finding that the petitions are not overly burdening because "only two different prior-art references [are presented] in each petition" and "there are overlaps and similarities" does not apply to PO's burden. D.I. at 8.

Third, regarding differences between the petitions (Request at 14), PO ignores Petitioner's explanation as to how references are combined in different manners as noted by the Board. D.I. at 6. According to the CTPG, "the patent owner should explain whether the differences identified by the petitioner are directed to an issue that is not material or not in dispute." GTPG 61. The Board correctly noted that PO failed to provide such explanation. D.I. at 7.

Date: March 26, 2025

Respectfully submitted,

/*Harper Batts*/

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CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d), the undersigned certifies that the foregoing **AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST**, exclusive of the exempted portions as provided in 37 C.F.R. § 42.24(a), contains no more than 5 pages and therefore complies with the Board's order granting briefing by e-mail on March 19, 2025.

Date: March 26, 2025

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on March 26, 2025, a true and correct copy of the **AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST** was served via email to all parties to this proceeding at the addresses indicated:

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