

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMAZON.COM, INC.,
AMAZON.COM SERVICES LLC,
AMAZON WEB SERVICES, INC., and
TWITCH INTERACTIVE, INC.,
Petitioner,

v.

NL GIKEN INC.,
Patent Owner.

Case No. IPR2024-01345
Patent No. 9,948,968

PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW

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I. INTRODUCTION

The Board instituted this IPR based upon conspicuous errors. If the Director allows these errors to stand, they will only serve to needlessly drain Patent Owner's resources while further sowing agency confusion as to the correct legal/procedural analysis of computer-implemented means-plus-function claim elements.

First, the Board mistakenly concluded that the nonce term "designation software controller" ("DSC") was not a computer implemented means-plus function element. In doing so the Decision to Institute (Paper No. 14, "DI") correctly summarized the law but then applied it backward. That is, the DI correctly explained that there is a presumption that a claim element is not a means-plus-function element in the absence of "means" language, and that to overcome that presumption it must be shown that the DSC fails to recite sufficiently definite structure or else recites function without reciting sufficient structure for performing the function. DI, at 10-11. However, from there, the DI mistakenly concluded that the claimed DSC function of "*control[ling] the memory to keep the information in response to a termination of viewing the viewed part and control[ling] the processor to automatically designate the succeeding part of the digital moving image contents when the viewing starts again,*" (EX1001 at 17:30-35) was itself, disqualifying **structure** by virtue of being a "step-by-step procedure." DI, at 11-12.

This confused holding finds no basis in the law.

Second, and independent of the above legal error, the Board failed to apply the DSC construction presented in the Petition at institution. *See* Petition (“Pet.”) at 5-6. Instead, the Board allowed Petitioners to belatedly pivot to a contradictory construction via a supplemental brief. Guided by the roadmap of Patent Owner’s preliminary response, Petitioners changed their construction in an attempt to rehabilitate their demonstrably incomplete Petition grounds. *See* Ex. 3001; Paper 12 (“Reply”); Paper 13 (“Sur-Reply”) at 1-2. Yet, as the Supreme Court has made clear it is the petition that “define[s] the contours of the proceeding” and “guide[s] the life of the litigation.” *SAS Institute, Inc. v. Iancu*, 584 U.S. 357, 364-66 (2018). The Petition explicitly defined the DSC as a specially programmed controller that “includes software instructions that cause the system to perform the claimed functions.” Pet. at 5-6. Petitioners then changed their construction to an *off-the-shelf controller requiring no such special software instructions*, effectively rewriting their Petition via supplemental brief. Reply at 1-3. The Board is not free to institute an IPR untethered from the petition seeking it.

Third, and separate from the two fatal errors above, because of intervening

changes to PTO policy,¹ the Director is now considering whether to discretionarily deny related IPR filings that have co-pending litigation. Given that the other three related IPRs challenge patents that are subject to the same co-pending litigation as this IPR with significant investment by the parties, including a trial date set *before* the FWDs are due in two of those related IPRs, it appears likely that those IPRs will be denied as a matter of discretion.^{2, 3} As a result of these intervening developments, good cause exists for the Director to—even independent of the errors above—consider whether *vacatur* is appropriate in this IPR. Vacatur will relieve Patent Owner of the burden of piecemeal PTAB procedures that cannot possibly serve as a “true alternative” to the ongoing litigation. *See Motorola Sols.*,

¹ Director’s March 26, 2025 Memorandum Regarding Interim Processes for PTAB Workload Management (“March 26, 2025 Memo”).

² IPR2025-00407 and IPR2025-00250 are pending before the Director under the March 26, 2025 Memo’s bifurcated discretionary denial procedure. Overlapping *Fintiv* considerations are also being put before the panel in IPR2025-00050, which is not eligible for the March 26, 2025 Memo’s bifurcated discretionary denial procedure since the POPR had already been filed.

³ All contested claims of a fourth related IPR2024-01161 have been statutorily disclaimed, effectively ending that IPR.

Inc., v. Stellar, LLC, IPR2024-01205, Paper 19, pp. 2-3 (PTAB March 28, 2025) (discretionarily denying four related IPRs after finding that overlap of validity issues between district court and the IPR proceedings “does not ensure that these IPR proceedings would be a ‘true alternative’ to the district court proceeding”).

Patent Owner respectfully submits that Director Review is in order and that the institution of this IPR should be reversed or vacated.

II. THE INSTITUTED IPR IS OF THE BOARD’S OWN MAKING

The Petition construed DSC as “includ[ing] software instructions that cause the system to perform the claimed functions.” Pet. at 5-6. Thus Petitioners initially acknowledged that the DSC is not an “off-the-shelf” controller but instead a specially programmed controller that performs the claimed function. In doing so, the Petitioners effectively defined the DSC as a computer-implemented means-plus-function (“MPF”) element, which *should have mooted any further analysis* in this regard.⁴ Sur-Reply at 1; *see also* Ex. 3001 (Patent Owner explaining that “Petitioners rendered moot the presumption” that DSC is not a means-plus-function term); *WMS Gaming, Inc. v. Int’l Game Tech.*, 184 F.3d 1339, 1349 (Fed. Cir. 1999) (“In a means-plus-function claim in which the disclosed structure is a

⁴ The DI acknowledges this argument was made by Patent Owner (DI at 10), but then fails to address it.

computer, or microprocessor, programmed to carry out an algorithm, the disclosed structure is not the general purpose computer, but rather the special purpose computer programmed to perform the disclosed algorithm.”).

Once alerted to the Petition’s deficiencies via Patent Owner’s preliminary response—highlighting that despite identifying the DSC’s special programming, the Petition provided no mapping of such to the prior art let alone any explanation of the corresponding structure of the specification—Petitioners immediately pivoted to a new, contradictory construction to rescue its incomplete Petition mapping. Petitioners simply switched out their MPF petition construction for a new construction of the DSC that allegedly aligns with their deficient petition mapping. Reply at 1. That is, where the Petition construction of the DSC required a specially programmed controller including “software instructions,” the new construction was that an off-the shelf controller would now meet the claimed functionality (without such instructions). In essence, the Board simply allowed Petitioners to abandon their earlier MPF construction via supplemental briefing.

In addition to directly contradicting its earlier Petition construction, the Board’s allowance of which is reversible error alone, Petitioners’ new construction of an off-the-shelf controller ***additionally contradicted the technical argument the petition*** made in support of its earlier MPF construction. The Petition explained that the DSC was not a routine controller element at all, but an unknown element

in the art, arguing, that the “‘Designation Software Controller’ and its functionality are not described in the specification.” Pet. at 5. This was squarely before the Board on the very first page of the Patent Owner’s Sur-Reply (Paper 13):

Confusingly, Petitioners *now* argue that despite the fact that the Petition’s DSC construction requires algorithmic structure, that somehow an off-the shelf controller is capable of meeting the claimed functionality without it. But the Petition nowhere alleges that the DSC is an off-the-shelf controller. Quite the opposite, the Petition argues that the DSC and “its functionality are not described in the specification.”

Sur-Reply at 1 (emphasis in original).

Thus, the Board not only adopted Petitioners’ contradictory construction, but did so despite being alerted to conflicting technical Petition argument. Again, the Board had this Petition evidence squarely before it and the DI fails to even acknowledge, let alone address, any of it.

To the extent the DI can be said to offer *any* explanation at all for its ignoring the evidence of record, it mentions only that in “some cases” an off-the-shelf controller can perform a claimed function (as only suggested in Petitioners’ supplemental brief for the first time). DI at 11; Reply at 1. Yet, even here, neither the Board nor Petitioners (as is their burden) explained:

- How such exceptions are in any way applicable to the specific functions claimed by the DSC;

- How a standard controller would perform such DSC functions inherently (off-the shelf); or
- How Petitioners earlier representation of required software instructions and/or unknown nature of the DSC may be ignored as admissions to the contrary (Sur-Reply at 2-3).

Only by ignoring all of this record evidence (or lack thereof), and the Petitioners unmet burden in this regard,⁵ could the DI conclude that “[a]t this juncture, neither party has provided sufficient evidence as to how the claimed ‘designation software controller’ fails to recite sufficient structure and overcome the presumption that § 112(6) does not apply.” Thus, the full record demonstrates that the DI is replete with conspicuous legal and factual error.

III. THE USPTO DOES NOT PERMIT MEANS-PLUS-FUNCTION CLAIM CONSTRUCTION FLIP-FLOPPING

As the Director is well aware, this MPF flip-flopping is not an uncommon fact pattern in IPR filings. In fairness to Patent Owners, such gamesmanship must be diligently and consistently policed.

As recently as last month the USPTO designated a PTAB decision “informative” to communicate to the bar that inconsistency in MPF constructions

⁵ This is in addition to the fact that the original construction mooted the need to even debate MPF scope already acknowledged by Petitioners.

is improper. Specifically, in *Cambridge Mobile Telematics, Inc. v. Sfara, Inc.*, IPR2024-00952, Paper 12 (PTAB Dec. 13, 2024), the Board faulted a Petitioner that first argued (in district court) that a claim element should be construed as MPF and then changed its tune on this element when presenting its IPR petition (arguing that the PTAB should construe the very same element using the plain and ordinary meaning).

The Director should deny this IPR because of the same gamesmanship in Petitioners' facially contradictory filings here.

IV. ALGORITHMIC STRUCTURE IS A DEFINING ASPECT OF A COMPUTER-IMPLEMENTED MEANS-PLUS-FUNCTION ELEMENT—NOT A DISQUALIFIER

Setting aside, again, that Petitioners themselves effectively provided a MPF construction in their Petition that should have mooted this debate entirely, the cases cited by the DI for construing functional claim language as somehow disqualifying structure are facially inapposite. The cited cases (DI at 11-12) are related to the assessment of proper specification support for computer implemented means-plus-function elements. *See Williamson v. Citrix Online, LLC*, 792 F.3d 1339, 1351-1352 (Fed. Cir. 2015) (finding that the functional claim language and the specification did not provide sufficient structure corresponding to the claimed function); *Ergo Licensing, LLC v. CareFusion 303, Inc.*, 673 F.3d 1361, 1365

(Fed. Cir. 2012) (similar).⁶ That is, every computer-implemented means-plus-function claim *must recite algorithmic structure* to be definite (*i.e.*, the claimed function must be linked in the specification to supporting algorithmic structure). As can be appreciated, algorithmic structure is a defining aspect of a properly supported computer implemented means-plus-function element—*not a disqualifier*.⁷ Thus, to the extent the Board’s citations are even understood, it is due to the use of the term “structure” in the context of a different aspect of MPF analysis (*i.e.*, to identify specification support for MPF elements).

The DSC element recites the following function:

control the memory to keep the information in response to a termination of viewing the viewed part and control the processor to automatically designate the succeeding part of the digital moving image contents when the viewing starts again.

EX1001 at 17:30-35.

⁶ Similarly, the third case cited by the board (DI at 12) found claims that did not “explicitly recite[] the structure, material, or acts needed to perform” the claimed functions were means-plus-function claims. *Sage Prodc., Inc. v. Devon Indus., Inc.*, 126 F.3d 1420, 1428 (Fed. Cir. 1997).

⁷ Indeed, Patent Owners Pre-Institution Sur-Reply (Sur-Reply, 3-5) explained exactly that.

The DI provides no explanation as to how this functional language somehow constitutes structure that disqualifies a means-plus-function construction. And indeed, the Federal Circuit has made it clear that application of Section 112, ¶6 cannot be avoided by claiming a series of step-by-step functions. *E.g.*, *Williamson v. Citrix Online, LLC*, 792 F.3d 1339, 1344 & 1349 (Fed. Cir. 2015) (finding a “distributed learning control module” was written in means-plus-function language despite “portions of the claim [describing] certain inputs and outputs at a very high level” including the steps of “receiving communications”, “relaying the communications” and “coordinating the operation of the streaming data module”); *Aristocrat Techs. Australia Pty. Ltd. v. Int’l Game Tech.*, 521 F.3d 1328, 1334 (Fed. Cir. 2008) (claim subject to 112 ¶6 despite presence of “equation” in claim language as “the equation describe[d] an outcome, not a means for achieving that outcome”).

Accordingly, the citations relied upon in the DI are entirely irrelevant. The conclusions of the DI in this regard plainly confuse the law.

A. The DI’s “Step-by-Step Procedure” Reasoning Is Inconsistently Applied in any Event.

As to step-plus-function claim 5, the Petition alleged that claim 5’s “step of controlling” should be construed “substantially similar to” the DSC term (Pet. at 28, 58). Again, this should have mooted any further debate on this claim’s MPF status. Setting aside this dispositive admission, inexplicably, while the DI

incorrectly identified the DSC’s “step-by-step procedure” as somehow disqualifying structure at page 12 of the DI (incorrect, as noted above), it then advances the opposite position on page 13.

At page 13, the DI explains that the steps of claim 5 are not really steps at all, but *specific acts*, stating: “we determine that the recited ‘keeping’ and ‘designating’ are specific acts such that the recited steps do not recite a specified function without the recital of acts in support thereof.” Nowhere does the DI explain how the “step-by-step procedure” reliance on page 12 is reconcilable with its “specific acts” reasoning on page 13.⁸ In fact, the DI offers no reasoning *at all* to support its conclusion. As best understood, the DI simply concludes that “keeping” and “designating” are *de facto* specific when it comes to implementation details. Of course, these terms are nothing more than broad *functional* terms.

This yet another example of the self-contradictory, conclusory, and unsupported nature of the Board’s DI.

⁸ In the step-plus-function analysis, the term “steps” refers to “the generic description of elements of a process,” and the term “acts” refers to “the implementation of such steps.” *O.I. Corp. v. Tekmar Co.*, 115 F.3d 1576, 1582-83 (Fed. Cir. 1997). Section 112, ¶6 is implicated when “steps plus function without acts are present.” *Id.* (emphasis omitted).

**V. PIECEMEAL IPR PROCEEDINGS ARE REPUGNANT TO THE
GOAL OF THE AIA TO SERVE AS A LITIGATION ALTERNATIVE**

Pursuant to the Director’s March 26, 2025 Memo, Patent Owner requested that the Director exercise her discretion under 35 U.S.C. § 314(a) and issue a decision denying institution of the Petitions in IPR2025-00250 (Paper No. 10) and IPR2025-00407 (Paper No. 9). In parallel, Patent Owner has requested that the panel assigned to IPR2025-00050 also consider the same overlapping *Fintiv* factors that include significant litigation investment and a trial date that precedes the FWD dates.

As it is likely, given the facts, that these three IPRs will be treated consistently and each will be discretionarily denied, Patent Owner submits that, given these intervening events, that there is good cause here to treat this final pending proceeding consistently—especially given the numerous errors outlined *infra*. As in the Director’s recent decision in *Motorola*, piecemeal review of a single patent of a four-patent dispute is the antithesis of ensuring that IPR serves as a “‘true alternative’ to the district court proceeding.” IPR2024-01205, Paper 19, pp. 3-4.

Accordingly, Patent Owner respectfully submit that even independent of the errors above, *vacatur* is in order.

VI. CONCLUSION

For the reasons detailed above, Director Review is in order.

Date: April 9, 2025

Respectfully submitted,

NL Giken Inc.

/Scott A. McKeown/

Scott A. McKeown, Reg. No. 42,866

CERTIFICATE OF SERVICE UNDER 37 C.F.R. § 42.6 (e)(4)

I certify that on April 9, 2025, I will cause a copy of the foregoing document, including any exhibits filed therewith, to be served via electronic mail, as previously consented to by Petitioner, upon the following:

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