

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HULU, LLC,
Petitioner,

v.

PIRANHA MEDIA DISTRIBUTION, LLC,
Patent Owner.

Case IPR2025-00082
Patent 10,986,403

PATENT OWNER'S PRELIMINARY RESPONSE

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EXHIBIT LIST	
2001	Declaration of Zachariah Higgins In Support Of Patent Owner’s Notice of Intent To Designate Provisionally Recognized PTAB Attorney Zachariah Higgins As Backup Counsel Under 37 C.F.R. § 42.10(c)(2)
2002	<i>Reserved</i>
2003	US Patent Publication No. 2002/0144262 [Eldering-’262]
2004	US Patent No. 6,615,039 [Eldering-’039]
2005	<i>AviaGames, Inc. v. Skillz Platform Inc.</i> , IPR2022-00530, Paper 12 (Aug. 9, 2022)
2006	<i>AviaGames, Inc. v. Skillz Platform Inc.</i> , IPR2022-00530, Paper 14 (Mar. 2, 2023)
2007	<i>AviaGames, Inc. v. Skillz Platform Inc.</i> , IPR2022-00530, Paper 15 (Mar. 22, 2023)
2008	Excerpts from Prosecution History of USPTO Application No. 09/742,852, Decision on Appeal (Mar. 26, 2009)
2009	Request for Ex Parte Reexamination No. 90/019,699 of US Patent No. 11,463,768
2010	<i>Piranha Media Distribution, LLC v. Hulu, LLC</i> , 2:24-cv-00498-JLS-KS, Dkt. 23, “Order Granting Defendant’s Motion To Dismiss” (Sept. 11, 2024) [Sep. 11, 2024 final judgment of invalidity].
2011	<i>Piranha Media Distribution LLC v. Hulu, LLC</i> , Appeal No. 25-1038, Dkt. 5, “Hulu LLC Docketing Statement” (Oct. 22, 2024) [Petitioner’s Ct. App. dktg. stmt.]
2012	USPTO, Director Memo re Interim Procedure For Discretionary Denials In AIA Post-Grant Prcdgs. With Parallel Dist. Ct. Litig. (June 21, 2022) [Interim Denial Memo]

2013	<i>Netflix, Inc. v. DivX, LLC</i> , IPR2020-00052, Paper 42 (May 14, 2020) (Public Version)
2014	Copy of IPR2024-01253 Exhibit 1002 (Prosecution History for U.S. Patent No. 11,463,768)

I. Introduction

The Petition should be denied institution for many reasons. ***First***, even if the merits met the minimum threshold under 35 U.S.C. § 314(a), which it does not as shown below, it should be denied under 35 U.S.C. § 325(d) because the Examiner, as well as the Patent Trial and Appeal Board itself, already found allowable these very claims of the '403 patent-at-issue, after 18 years of prosecution that included consideration and discussion of substantially the same art—including Elderling-'039 (Exhibit 2004), and its materially similar disclosures to Elderling-I and Elderling-II, which form the basis of this Petition's grounds. The Office also considered and discussed the same or substantially the same art when allowing similar claims of the '403 patent-at-issue's continuation—*i.e.*, the '768 patent challenged in Petitioner's co-pending IPRs 2024-01252 and 2024-01253. In that continuation's continued prosecution, the Examiner expressly found Elderling art substantially similar to the Petition's Elderling art (and literally incorporating by reference the Petition's primary reference Elderling-I) to be the “closest prior art” to the '768's materially similar claims. *See* Sections II-III.

Second, the Petition should also be denied under the *NHK/Fintiv* rule, because in the parallel challenge that Petitioner has chosen to maintain in the District Court, the Court has entered a final judgment that all challenged claims are invalid under 35 U.S.C. § 101. *Infra* Section IV.

Third, even if the Petition's arguments were to be revisited by the Board, the asserted grounds should be rejected as unmeritorious under Section § 314(a). *Infra* Section V.

Fourth, even if the Board were to institute, Petitioner has failed to justify instituting parallel petitions, as shown in the separate paper filed herewith.

Patent Owner presents only select arguments in this Preliminary Response, and reserves all rights to present additional arguments to the extent necessary.

II. Overview of the '403 Patent and the Challenged Claims

The '403 Patent is the result of an 18 year prosecution history before the Office. Ex. 1002 ['403-Prosecution-History].¹ Now, shortly after the conclusion of that nearly two decade process, Petitioner asks the Board to reach conclusions contrary to those that the Board and the Examiner recently reached during prosecution, without identifying any error in that long prosecution.

Patent Owner filed a provisional application in 2002 and a nonprovisional application in 2003. Ex. 1002 ['403-Prosecution-History] 99. The PTO took no action for 5 years, despite requests to advance prosecution. *Id.*, 115-116. The

¹ The '768 patent, the child continuation of the '403 patent-at-issue here, is the subject of two earlier IPR petitions filed by Petitioner, IPR2024-012521 and IPR2024-01253, both filed on August 22, 2024 and currently pending decisions regarding institution. Petitioner presents almost the same art and arguments in its two petitions against the '403 patent as it does in its earlier two petitions against the '768 patent. Thus, Petitioner's grounds and arguments, based on Eldering-I and Eldering-II, against the '403 patent in the present 00082 case are essentially the same as its grounds and arguments, based on Eldering-I and Eldering-II, presented against the '768 patent in its earlier-filed 01253 case. Accordingly, Patent Owner presents almost the same counter-arguments in both cases.

Examiner responded in 2008 with a rejection. *Id.*, 115-126. Patent Owner replied. The Examiner withdrew the rejections and entered new rejections in 2009 using a different reference, Knepper, that was the Examiner’s primary reference for the next 11 years, during which the Examiner issued no fewer than 7 rejections. *Id.*, 166-179, 221-237, 264-278, 335-350, 385-404, 565-574, 625-643. In 2020—some 17 years after the application’s nonprovisional benefit date—Patent Owner appealed, and the PTAB reversed the Examiner’s obviousness rejection, although it ruled otherwise on other non-prior art-based rejections. *Id.*, 897. After one more non-prior art rejection, the ’403 patent issued in 2021, with a term extension of approximately 5 years. Ex. 1001 [’403 patent].

During this lengthy prosecution, the Examiner analyzed art substantially similar and related to Petitioner’s raised art in this case. In an 11/13/2020 non-final rejection entered when these claims were in near-final form, the Examiner discussed art including Eldering ’039, a reference sharing the first named inventor as Eldering-I and Eldering-II on which the grounds in this case are based. Ex. 1002 [’403-Prosecution-History] 955. The Examiner discussed Eldering-’039 and other art specifically in regard to the art’s teachings of “the splicing of media and advertisement” in connection with these claims’ limitations directed to, *inter alia*, “inserting advertisement in a sequence of media content” and “the media player and the intersplicer (or a splicer for combining the media file and the ad files by

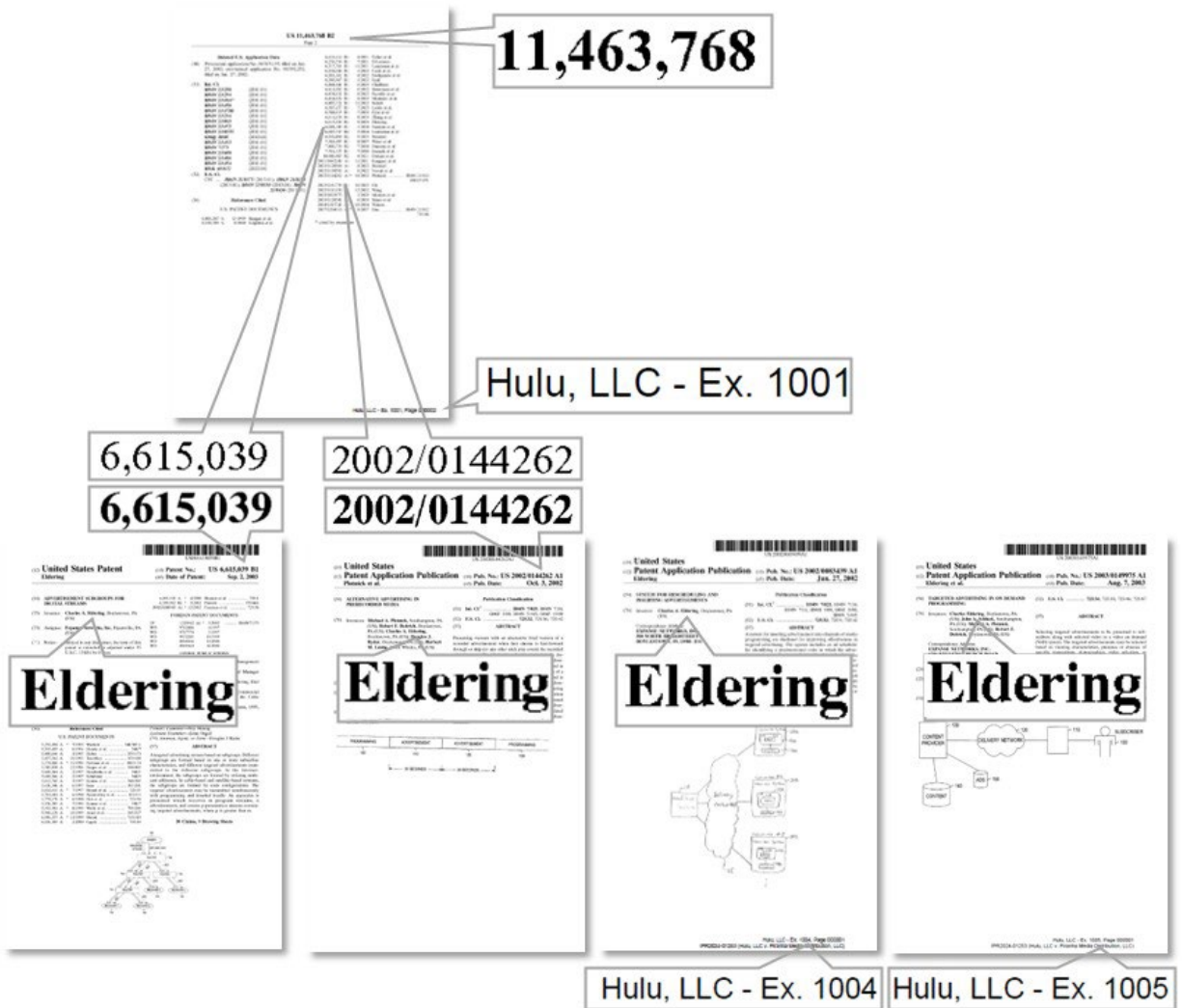
giving a signals to the media player) and transmit[ting] the streaming media to a media player[.]” This discussed art was not merely cited in an IDS: it was raised by the Examiner herself. *Id.*, 959 (List of References Cited by Examiner).

The Office also considered the same or substantially the same art presented in this Petition when passing to allowance the claims of the child ’768 patent. During the ’768 prosecution, the Examiner analyzed multiple Eldering references. In addition to again considering Eldering ’039, the Examiner discussed Eldering-’262, which incorporates by reference the Eldering-I reference that is the primary reference in the Petition, and which, as shown below, include the functionality on which Petitioner relies from both Eldering-I and Eldering-II. Ex. 2003 [Eldering-’262]; Ex. 2004 [Eldering-’039]; Ex. 2014 [’768-Prosecution-History] 349-353; 287, 304, 306, 360 (citing Eldering-’262, identified by the Examiner as “Plotnick,” and Eldering-’039). The Examiner identified Eldering-’262, which expressly incorporates Eldering-I, as the “closest prior art,” and found the ’768 claims allowable over Eldering-’262 and Eldering-’039. Ex. 2014 [’768-Prosecution-History] 349-353, 377-378. Speaking more broadly, Petitioner’s Petitions ignore the extensive prosecution history of advertising insertion point limitations related to those in the claims at issue, including a full Board appeal that reversed obviousness rejections in connection with just such limitations.

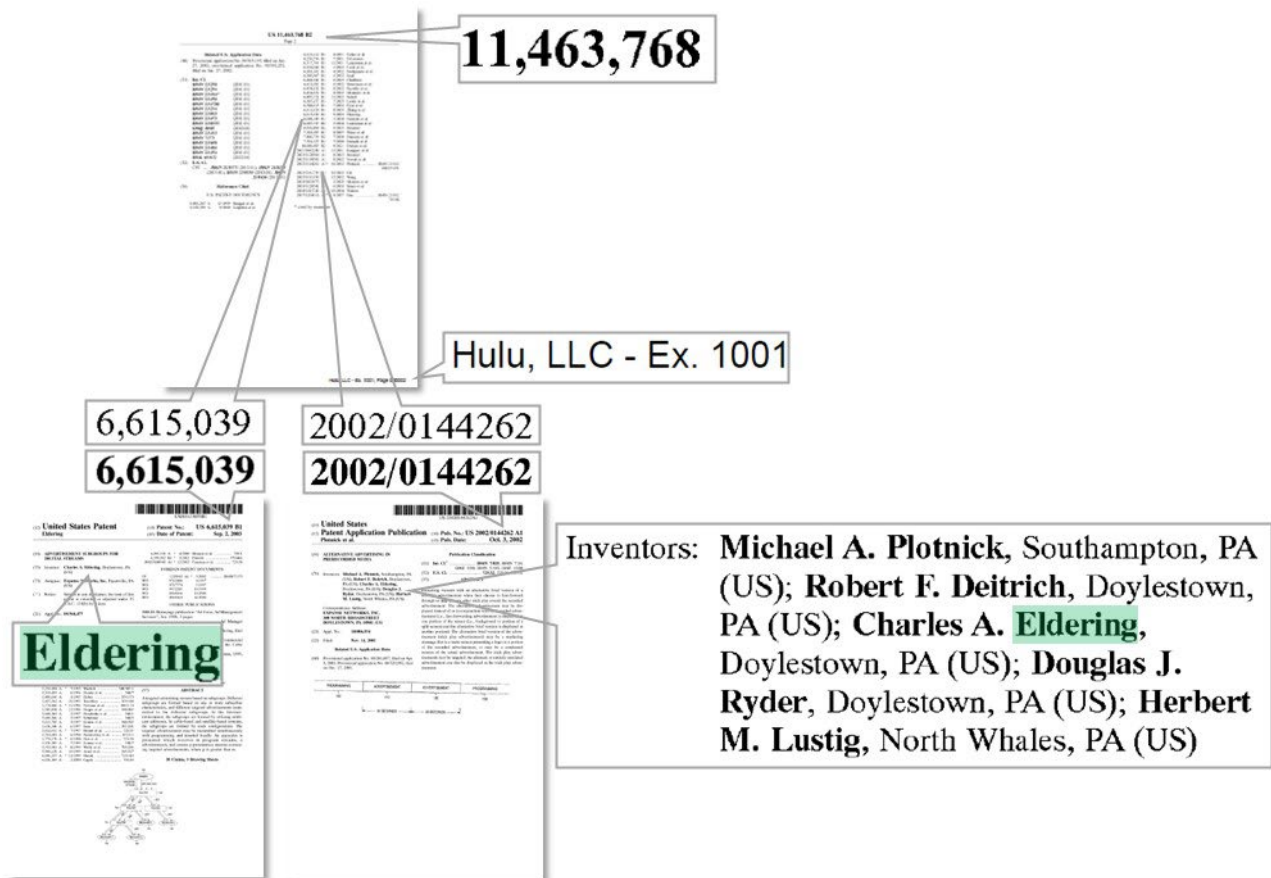
Now, shortly after decades of prosecution, Petitioner asks the PTAB to reconsider functionality that the Examiner—and the Board—have already considered and distinguished versus the claimed inventions.

A. The Examiner Allowed Related Claims In The Continuation '768 Patent Over Eldering References That Are The Same As Or Substantially Similar To The Petition's References.

During prosecution of the '768 child patent, the Examiner passed to allowance similar claims over two references with the same co-inventor and materially similar disclosures as the Petitioner's Eldering-I and Eldering-II references. The Examiner, when he found the '768 continuation's claims allowable, expressly designated Eldering-'262 as "[t]he closest prior art." Ex. 2014 ['768-Prosecution-History], 351.



Eldering-'262 lists Mr. Eldering and others as inventors, and the Examiner referred to it by the name of the first named inventor, "Plotnick."



In finding the '768 claims allowable, the Examiner expressly distinguished them from Eldering's functionality of playing a substitute ad while the user fast forwards—the same functionality that Petitioner cites. Compare, *e.g.*, Ex. 2014 [Copy of 01253 Exhibit 1002 ('768-Prosecution-History)] at 351 (“inserting **alternative ads** during a **fast forward** command”), *with* 00082 Pet., 28 (“Eldering-II teaches displaying an **alternative advertisement** when a user **fast forwards** through or skips over an original advertisement.”) (emphasis added)

The closest prior art Plotnick teaches inserting alternative ads during a fast forward command.

None of these references disclose “change a predetermined ad insertion point in the digital media content to an adapted advertisement insertion point in the content, in response to receiving a user input to update a current play position in the content to a new play position in the content, the adapted advertisement insertion point determined by an adaptive preference rule based on an advertisement requirement that applies to the digital media system, modify the adapted insertion point based on the advertising requirement” Any comments considered necessary by applicant must be submitted no later



Ex. 2014 [’768-Prosecution-History] at 351 (Notice of Allowability, annotated).

Moreover, Petitioner’s Eldering-I reference is related to—*and is literally*
“incorporated in its entirety” into— the “closest prior art” Eldering ’262 reference.

2002/0144262

SYSTEM FOR RESCHEDULING AND INSERTING ADVERTISEMENTS

(21) Appl. No.: **09/742,852**

[0036] U.S. patent application Ser. No. 09/742,852 filed on Dec. 21, 2000 entitled “System for Rescheduling and Inserting Advertisements” (Docket No. T721-19);

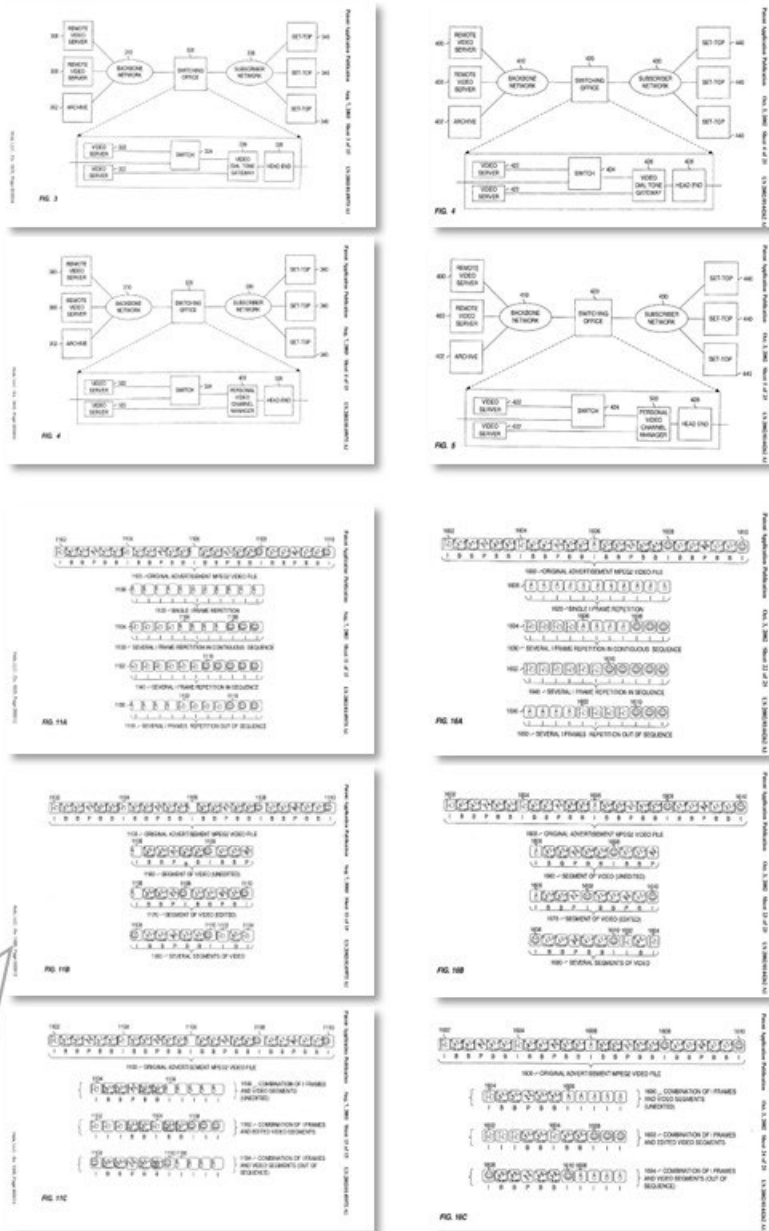
[0002] This application is related to all of the Applicants co-pending applications, patents and publications listed below. Each application listed below is herein incorporated in its entirety but is not admitted to be prior art:



Eldering ’262 in
Notice of Allowability

Eldering-I
in IPR Petition

The four Eldering references—the two cited during the ’768 prosecution (one, Eldering-’039, also having been referenced in the ’403 prosecution, as seen above), and the two in the Petition—are directed to the same or similar subject matter, and even include identical figures.



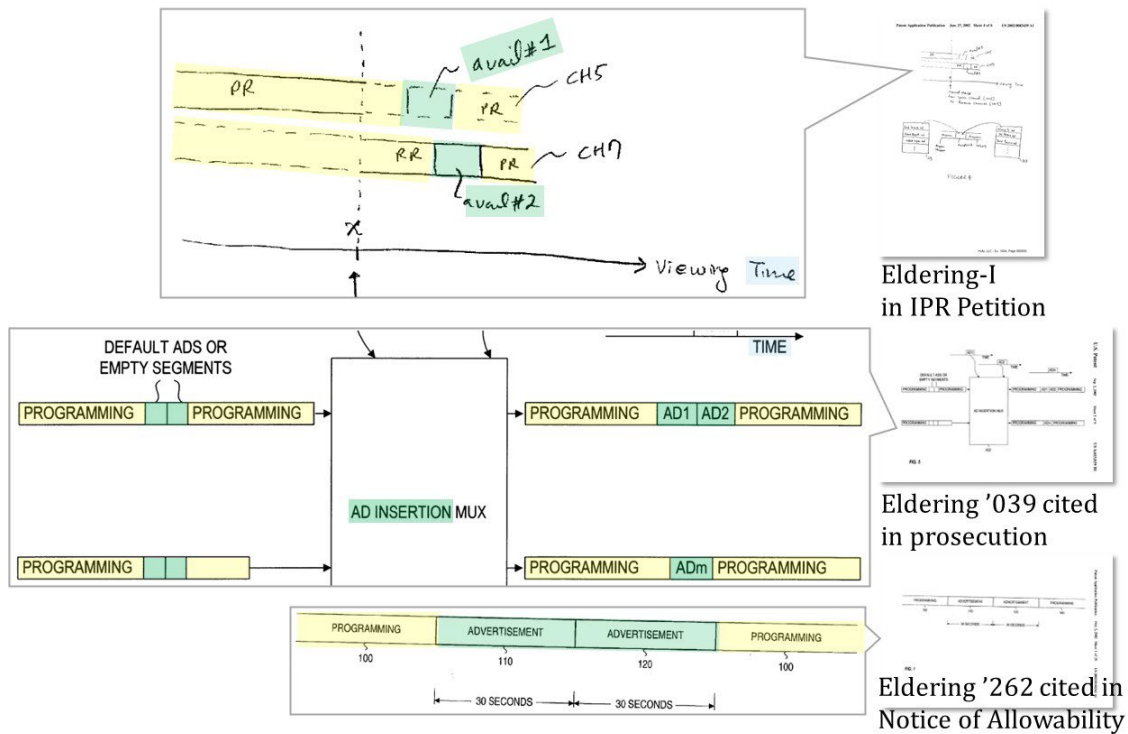
Hulu, LLC - Ex. 1005

Eldering-II
in IPR Petition

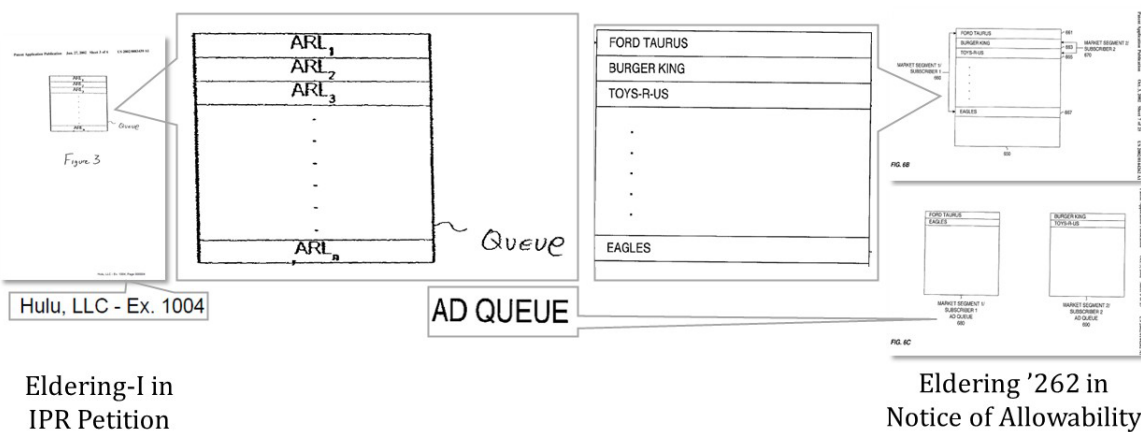
Eldering '262 in
Notice of Allowability

Even figures that are not identical include nearly identical relevant subject matter. For example, all four of the Eldering references are directed to ad

insertion, specifically, inserting ads into “ad avails” that are time slots within a programming stream’s timeline.



As an additional example, the Eldering references cited during prosecution and in the Petition, all use a queue of advertisements for inserting ads.



Ex. 1004 [Eldering-I] Fig. 3; Ex. 2003 [Eldering-'262] Figs 6B, 6C.

B. The PTAB Already Found Materially The Same Claims Nonobvious Over Art That Inserts Ad Files Into Ad Insertion Points, And Changes The Content—But Not The Position—Of Ad Insertion Points.

The Office already expressly analyzed and distinguished essentially the same Eldering art as cited in the Petition in allowing similar claims of the '768 child patent. Moreover, the Board itself already analyzed the advertisement insertion limitations in the very claims at issue in the present case, and reversed obviousness rejections over similar art to that cited in the Petitions based on those limitations, in the prosecution the '403 patent at issue here, the parent of the '768 Patent.

The Examiner rejected claims for 11 years based on the Knepper reference, until 2020 when the Board, in a detailed 42 page opinion, reversed the Examiner's prior art rejections and held that the art of record did not disclose modifying ad insertion points, as recited in limitations similar to the limitations at issue here.

BEFORE THE PATENT TRIAL AND APPEAL BOARD <i>Ex parte</i> PHILIP M. DONIAN, LARRY E. HENNEMAN JR., and MICHAEL M. MALIONE Appeal 2019-001632 Application 10/606,729	UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE PATENT TRIAL AND APPEAL BOARD <i>Ex parte</i> PHILIP M. DONIAN, LARRY E. HENNEMAN JR., and MICHAEL M. MALIONE Appeal 2019-001632 Application 10/606,729 Technology Center 3000 Before ANTHON W. FETTING, BRUCE T. WIEDER, and AMIEE A. SHARL, Administrative Patent Judges SHARL, Administrative Patent Judge DECISION ON APPEAL STATEMENT OF THE CASE Pursuant to 35 U.S.C. § 136(a), the Appellant appeals from the Examiner's decision to reject claims 212, 214-225, and 229-275, which are all of the pending claims. We have jurisdiction under 35 U.S.C. § 10(b). WE AFFIRM. ¹ We use the word "Appellant" to refer to "applicant" as defined in P.T.O.B. § 1.42. The Appellant identifies the real party in interest as Pineau Media Distribution, Inc. Appeal No. 3.
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Ex. 1002 [’403-Prosecution-History] 856-897 (2020-08-12 Board decision);
compare, e.g., id., 166-179 (2009-05-20 rejection citing Knepper).

As the Board explained, Knepper discloses sequential media files with ad
insertion points:

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Knepper further discloses that “[i]n one embodiment, the media files play together sequentially, similar to a television show with commercials inserted at various points,” whereby the entertainment media files are blended with the advertisement media files, and “[t]he entertainment media files include indications within the files, or possibly in an external file, pointing to where, if at all, the entertainment media files may have advertisement media files inserted therein.” *Id.* ¶ 41. “When a client-side

not been previously pre-cached at the client side.” *Id.* “The server also sends a text file containing a set of instructions indicating which advertisement media files from among the pre-cached advertisement media files to insert into the entertainment media file at run time, how many advertisement media files to insert, and where to insert them.” *Id.* The

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Knepper further discloses that “[i]n one embodiment, the media files play together sequentially, similar to a television show with commercials inserted at various points,” whereby the entertainment media files are blended with the advertisement media files, and “[t]he entertainment media files include indications within the files, or possibly in an external file, pointing to where, if at all, the entertainment media files may have advertisement media files inserted therein.” *Id.* ¶ 41. “When a client-side user selects a particular entertainment file . . . the server sends the entertainment file to the user, or the portion of the entertainment file that had not been previously pre-cached at the client side.” *Id.* “The server also sends a text file containing a set of instructions indicating which advertisement media files from among the pre-cached advertisement media files to insert into the entertainment media file at run time, how many advertisement media files to insert, and where to insert them.” *Id.* The instruction file does not need to specify “exactly which advertisement media files to insert,” but can “allow the client application to make its own random or pseudo-random selection, subject to any positive and negative associations, for playing back with the entertainment media file.” *Id.* Knepper uses “[t]wo new tags, not standard to HTML programming,” specifically <ADInsert> and <ADOverlay> tags, to “give the server complete control over the content and placement of the ads within a show, even though this is eventually carried out on the client side.” *Id.* ¶ 52. “Using these tags, the server can direct the client to place an ad before, during, or after a media file during playback of media files in the magazine page.” *Id.* “The placement of the <ADInsert> tags within the ClipTag section dictates the sequence of advertisement and entertainment media

Id., 894 (2020-08-12 Board decision).

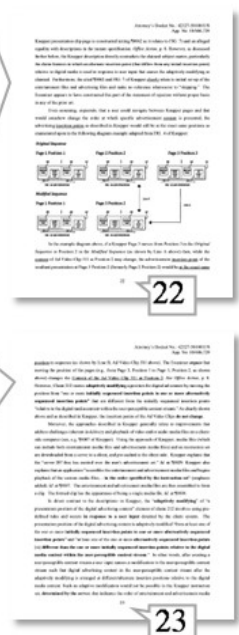
As the Board further found, Knepper discloses changing the content of an ad insertion point, specifically, changing the sequence of content, and therefore the ad content of a particular ad insertion point. Nevertheless, as the Board found, such prior art did not disclose modifying the ad insertion point as claimed, because changing the sequence of content blocks does not change the ad insertion point:

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changes within the playlist.” Ans. 5. Rather, we agree with the Appellant that “[e]ven assuming, *arguendo*, that a user could navigate between Knepper pages and that would somehow change the order at which specific advertisement content is presented, the advertising insertion points as described in Knepper would still be at the exact same positions,” whereas the claims require adaptively modifying or re-sequencing with an alternate insertion point different from the initial insertion point. Appeal Br. 22–23.

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changes within the playlist.” Ans. 5. Rather, we agree with the Appellant that “[e]ven assuming, *arguendo*, that a user could navigate between Knepper pages and that would somehow change the order at which specific advertisement content is presented, the advertising insertion points as described in Knepper would still be at the exact same positions,” whereas the claims require adaptively modifying or re-sequencing with an alternate insertion point different from the initial insertion point. Appeal Br. 22–23.
We further agree with the Appellant that Knepper does not teach adaptively modifying or re-sequencing the presentation position in response to user input, because Knepper’s server determines the order of the media, sends that order to the client-side device, and even if the user skips pages, the order as provided by the instruction set, remains the same. *Id.* at 23–24. Although Knepper provides that the instruction set can be modified to insert random ads and create a play list (see Knepper ¶ 33, Fig. 3 (black 294)), we do not see, and the Examiner does not explain, where Knepper teaches that the order of the presentation, as contained in the instruction set, changes in response to user input.
Thus, based on the record before us, we do not sustain the obviousness rejection of claims independent claims 212, 218, 243, 257, 268, and 271. We also do not sustain the rejection of dependent claims 214, 223, 225, 232, 234, 237, 239, 242, 244, 245, 251, 255, 257, 269, 276, 272, and 273 under the same ground of rejection. The rejections of dependent claims 225, 236, and 238 as further obvious over Official Notice or OR are also not sustained, as they fail to include additional findings and/or reasoning that cures the deficiency in the rejections of the independent claims, from which they depend.
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Ex. 1002 [’403-Prosecution-History] 896 (PTAB decision, p. 41, citing *id.*, 687–688 (Board Appeal Br., p. 22–23)). The Board expressly cited, *inter alia*, the Board Appeal Brief’s explanation that changing the sequence of media, and changing the content of an ad insertion point, does not disclose modifying the ad insertion point because the position of the ad insertion point does not change:

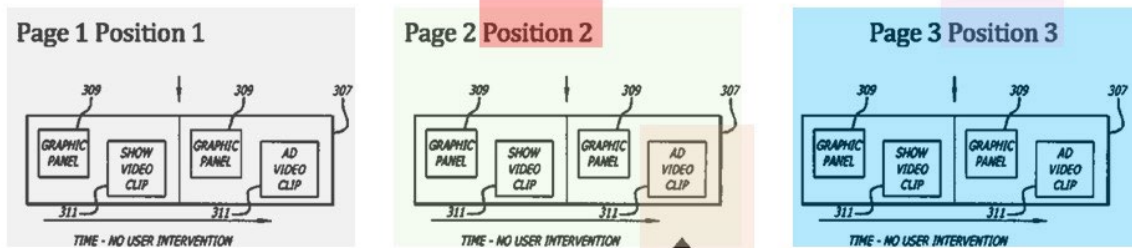


15

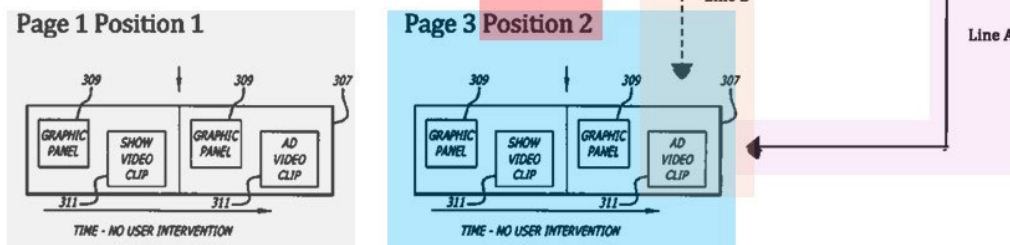
modify[ing] a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points in the digital media content,” with “at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the content stream.” Ex. 1001 [’403 patent], *e.g.*, cl. 1. Therefore, the challenged claims are materially the same as the claims before the Board during the Board appeal, which, aside from amendments not directly relevant, are the very claims challenged here.

The Board determined, *inter alia*, that [1] changing the ad content of an ad insertion point and [2] changing the sequence of blocks of content do not disclose modifying the ad insertion point, because the position of the ad insertion point does not change.

Original Sequence



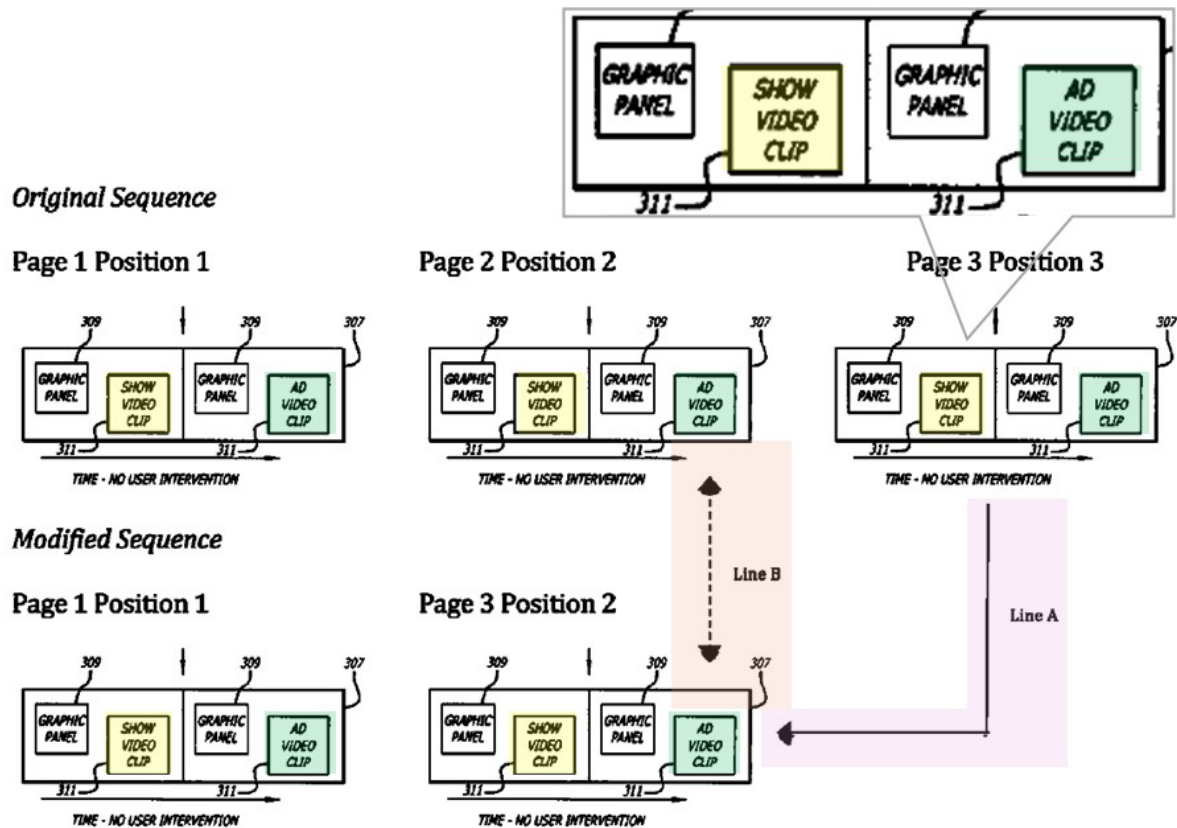
Modified Sequence



In the example diagram above, if a Knepper Page 3 moves from Position 3 in the *Original Sequence* to Position 2 in the *Modified Sequence* (as shown by Line A above) then, while the content of Ad Video Clip 311 at Position 2 may change, the advertisement insertion point of the resultant presentation at Page 3 Position 2 (formerly Page 2 Position 2) would be at the exact same position in sequence (as shown by Line B, Ad Video Clip 311 above). The Examiner argues that

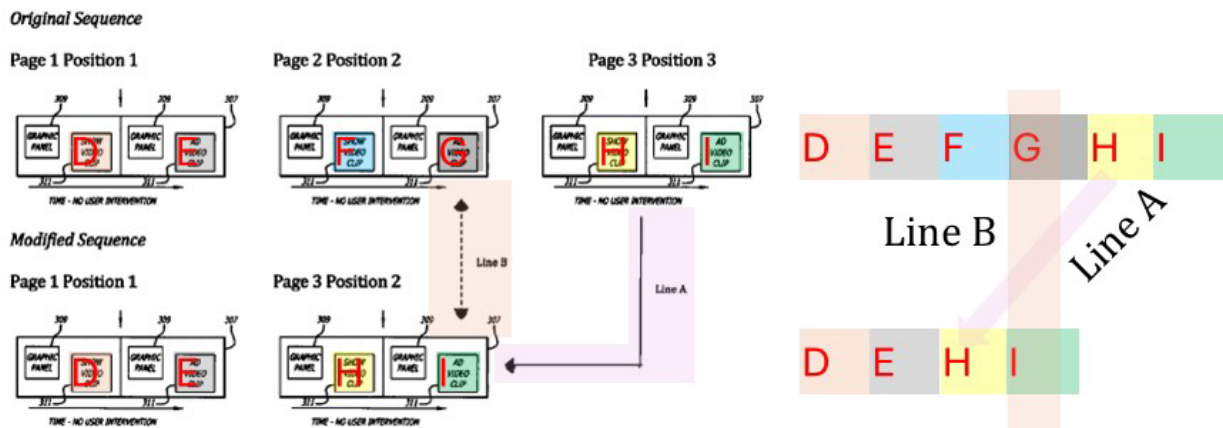
Id., 687-688 (Board Appeal Br. 22-23).

In the relevant art, each Knepper Page includes a non-ad video clip and an ad video clip, as illustrated in the graphic cited above (shown here with a different color coding to highlight the video clips):



Id. (annotated).

As shown above, the Board held, *inter alia*, that changing the ad content of the ad insertion point (labelled "I" below), and changing the sequence of the video clips (from D, E, F, G, H, I to D, E, H, I below), does not disclose changing an ad insertion point as claimed, because the position of the ad insertion point remains the same (4th video clip in the sequence of video clips, in the example below). *Id.*, 895-896.



Moreover, following the return of the case to the Examiner following the Board appeal, the Examiner analyzed art substantially similar and related to Petitioner's raised Eldering art in this case. In an 11/3/2020 non-final rejection entered when these claims were in near-final form, the Examiner discussed art including Eldering '039, a reference sharing the first named inventor as Eldering-I and Eldering-II. Ex. 1002 ['403-Prosecution-History] 955. The Examiner specifically discussed this Eldering-'039 and other art in regard to its alleged teachings of "the splicing of media and advertisement" in connection with the limitations directed to, *inter alia*, "inserting advertisement in a sequence of media content" and "the media player and the intersplicer (or a splicer for combining the media file and the ad files by giving a signals to the media player) and transmit[ting] the streaming media to a media player[.]" This discussed art was raised by the Examiner herself, not in an IDS. *Id.*, 959 (List of References Cited by Examiner).

Thus, the Office and the Board analyzed at length, in the two-decade prosecution history of this Patent and its parent, ad insertion point claim limitations in connection with art similar to Petitioner's art. While the prior art in the prosecution and this case are not identical, it is significant for purposes of institution that Petitioner's arguments based on *Eldering-I* and *Eldering-II*—that changing the ad content of an alleged ad insertion point or the sequence of content can be found to disclose changing a predetermined advertisement insertion point in digital media content to an adapted advertisement insertion point in that content, as claimed—are in material ways similar to arguments and art already previously presented. That previously presented subject matter was considered at length specifically in connection with ad insertion point claim limitations in the preceding almost two decade prosecution, including in *Knepper*, *Eldering-'039*, and other associated art. *See* Sections II.A., III.

III. The Petition Should Be Denied Under § 325(d) Because The Same Or Substantially The Same Art And Argument Were Previously Presented As To These Claims.

The Petition should be rejected under 35 U.S.C. § 325(d) because the Office has been previously presented, and analyzed, similar art and arguments in connection with similar claims, including similar advertising insertion point

limitations, during prosecution of the instant '403 Patent and the '768 child patent, and Petitioner has neither alleged nor shown any errors in that two-decade prosecution. In the prosecution of the '403 Patent, and the '768 child patent, the Office, including the Board itself, analyzed claims having similar limitations and found them allowable over similar art. As the Board has found, the prior presentation of art and arguments in a prosecution of similar claims related by continuation may support denial of review under § 325(d). The Office and Board, having previously been presented with and considered such art and arguments, should decline this request to revisit this subject matter yet again.

A. The Office Previously Considered The Same Or Substantially The Same Art And/Or Arguments And Found The Related Claims Of The '768 Patent Allowable.

Petitioner's grounds depend on the Eldering-I and Eldering-II art meeting the limitations concerning changing or replacing the advertisement insertion point. As explained above in Section II.A, in finding the related claims of the '768 child patent allowable, the Examiner identified Eldering-'262, which expressly incorporates the Petitioner's primary reference Eldering-I and contains substantially the same cited teachings as Eldering-II, as the "closest prior art," and expressly distinguished the challenged '768 claims from the same or substantially the same Eldering functionality that Petitioner cites here. Thus, the Office previously considered and discussed teachings including the relevant teachings of

Eldering-I and Eldering-II, in finding related claims allowable soon after finding these claims allowable.

B. The Board Should Not Revisit Eldering’s Teachings.

Under § 325(d), institution may be denied where “the same or substantially the same prior art or arguments previously were presented to the Office.” In *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6, 8 (Feb. 13, 2020) (designated precedential), the Board articulated a two-part test for applying § 325(d)—(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.

That test is easily satisfied here. Therefore, regardless of whether the present panel might deem the presently raised art and arguments to raise a reasonable probability that a claim might be found unpatentable at trial, in view of the prior presentation of art and arguments to the Office, the Board should deny institution.

The Petition relies on alleged disclosures in Eldering-I and Eldering-II, including disclosures involving changing the ad content of an alleged ad insertion point or the sequence of content, that are essentially the same as those that the

Board found insufficient during prosecution. *See* Section II.B. *supra*. Moreover as explained in Section II.B, *supra*, with these claims in near final form, the Examiner specifically raised and discussed art teaching “the splicing,” including Eldering-’039, in a non-final rejection before ultimately passing the claims to allowance following further limited amendments. Ex. 1002 [’403-Prosecution-History], 955.

Further, as demonstrated in section II.A. *supra*, during prosecution of the ’768 child patent, the Examiner found related claims, against which Petitioner raises essentially the same grounds, after considering essentially the same art. The Examiner found that Eldering-’262, containing substantially the subject matter as Petitioner’s Eldering-II and literally incorporating-by-reference Petitioner’s Eldering-I, was the “closest prior art” to the related ’768 claims, as noted above. *Supra* Section II.B. As the Board has repeatedly found, an Examiner’s identification of substantially the same prior art as the “closest prior art to the claims” significantly supports denial of institution under § 325(d). *See, e.g., Microsoft Corp. v. Throughputer, Inc.*, IPR2022-00757, Paper 10, 17 (Nov. 1, 2022) (denying institution under § 325(d), noting “that Petitioner acknowledges the primary reference [in the petitioned grounds] was cited by the Examiner as among the closest prior art of record”), 18 (“There is no dispute that [the petition’s

primary reference] was among the closest prior art considered by the Examiner during prosecution”)).²

Section 325(d) may bar a post grant proceeding based on a finding that art and arguments previously were presented to the Office during prosecution of an application related by continuation. For example, in *Live Nation Entertainment, Inc. v. Complete Entertainment Resources B.V.*, PGR2017-00038, Paper 11, 13-18 (Jan. 16, 2018), during the prosecution of a continuation application of the patent-at-issue, a third party had presented “arguments and art to the Examiner that are extremely similar to those presented in the instant Petition,” but “[d]espite those arguments and art, the Examiner allowed the claims” in the related application, the claims of which were “very similar” to the claims-at-issue in *Live Nation*. *Id.*, 9,

² See also, e.g., *Advance Med., Inc. v. Corbin Clinical Res., LLC*, PGR2023-00041, Paper 15, 3, 12 (May 2, 2024) (denying rehearing of denial under § 325(d), noting that “[s]pecifically, during prosecution of the application that issued as the [challenged] patent, in the Reasons for Allowance, the Examiner stated that the closest prior art of record included” a secondary reference in the petition); *Risen (Suzhou) Pharma Tech. Co., Ltd. v. Alzheon, Inc.*, PGR2022-00051, Paper 14, 44 (denying institution under § 325(d), noting that the Examiner had identified a secondary reference in the petition “as the closest prior art”).

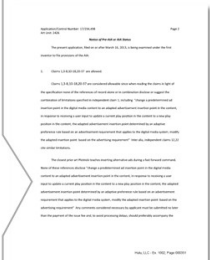
see also id., 12 (“The claims of the [related application] are of very similar scope to those being challenged here. [citation to side-by-side comparison of claims]”). The Board found that the Office’s consideration of these “art and arguments” in the related application was sufficient to reject the Petition under § 325(d). *Id.*, 17 (“For the forgoing [*sic*] reasons, Petitioner’s obviousness challenges [against the challenged patent] present the same or substantially the same prior art and arguments that were presented and rejected by the Examiner during prosecution of the [related application].”).

Though the ’403 Patent’s claims at issue in this proceeding are not identical to the claims of the ’768 child patent, Petitioner raises essentially identical arguments against the claims of the ’403 patent in the present case and the claims of the ’768 claims in the 01253 case. Since Petitioner has not argued or shown a distinction between the relevance of its unpatentability arguments to these claims of the ’403 patent and the challenged claims of the ’768 patent, Petitioner has demonstrated no basis to distinguish between these claims for purposes of the lack of persuasiveness of the Eldering-based grounds in this case and the 01253 case.

In attempting to demonstrate how its combination meets the claims-at-issue, in both this IPR and the corresponding 01253 IPR currently pending against the ’768 child patent, Petitioner asserts incorrectly that choosing a different ad file to insert into an ad insertion point qualifies as changing the ad insertion point as

claimed. Petitioner also refers to skipping or fast-forwarding ads, as well as playing alternative ads during such fast-forwarding, and asserts incorrectly that, because “Eldering-II teaches the skipping or fast forwarding operation bypassing advertisements,” it supposedly would be obvious to reschedule advertisements as claimed. 00082 Pet., 27-28; *compare id.*, with 01253 Pet., 29-30, 32-33. To the contrary, these arguments fail to show that the claims are met, as reflected in the Examiner’s consideration of the Eldering references during prosecution of the ‘768 child patent. *See Live Nation, supra*, 13-18. In any event, even if the Board were not necessarily inclined to agree with the Examiner, the fact remains that, as required under *Advanced Bionics*, the Office has already been presented with and discussed this art, including art expressly incorporating by reference the lead reference of the grounds in this Petition, Eldering-I. The Examiner expressly stated in the ’768 notice of allowability that Eldering-’262’s “inserting alternative ads during a fast forward command” does not disclose “change a predetermined ad insertion point” as the ’768 claims require:

The closest prior art Plotnick teaches inserting alternative ads during a fast forward command. None of these references disclose “change a predetermined ad insertion point in the digital media content to an adapted advertisement insertion point in the content, in response to receiving a user input to update a current play position in the content to a new play position in the content, the adapted advertisement insertion point determined by an adaptive preference rule based on an advertisement requirement that applies to the digital media system, modify the adapted insertion point based on the advertising requirement” Any comments considered necessary by applicant must be submitted no later



Ex. 2014 ['768-Prosecution-History] at 351 (Notice of Allowability, annotated).

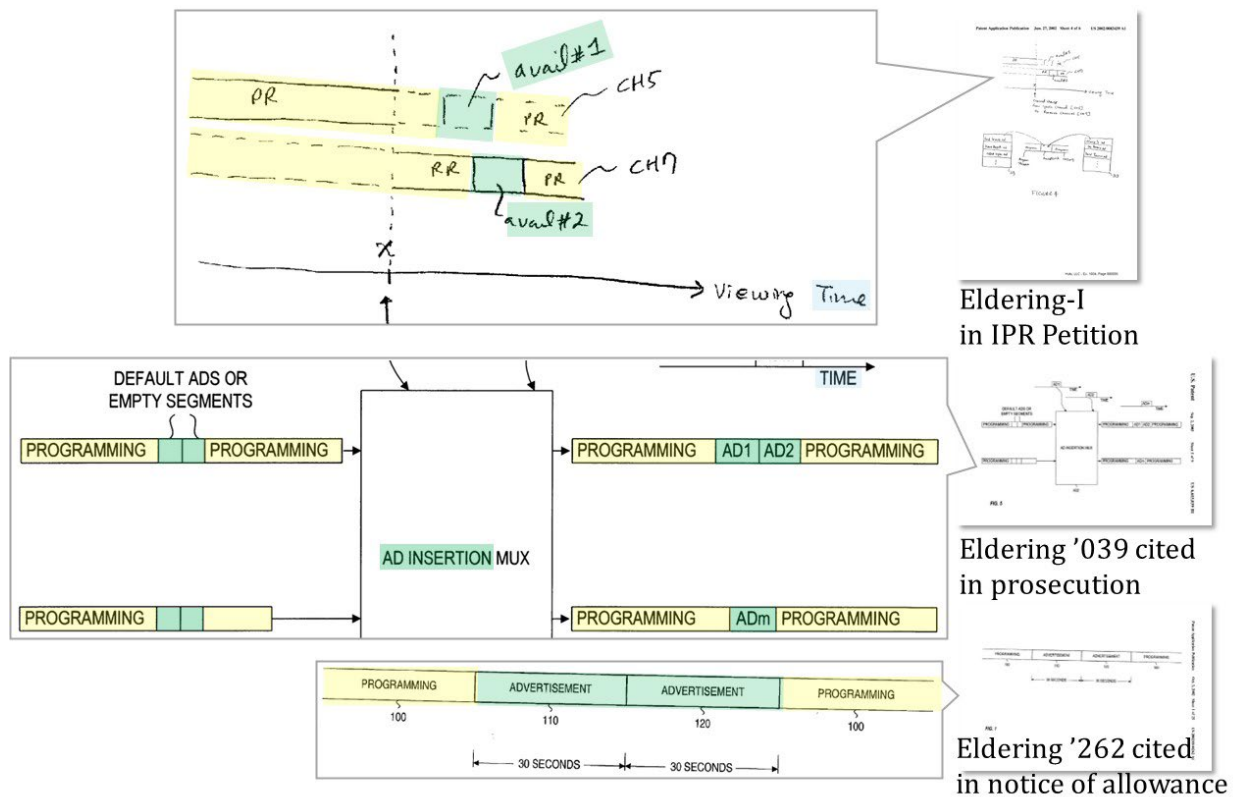
As explained above in Section II.B., Plotnick and Eldering are inventors on the cited Plotnick/Eldering-'262 application, which incorporates by reference Eldering-I. Thus, the Examiner found the '768 claims allowable after analyzing and expressly distinguishing the very fast forwarding and alternative ad functionality art that Petitioner relies on. Petitioner quotes language from Eldering-II that is nearly identical to language in the Plotnick/Eldering-'262 application that the Examiner distinguished in the '768 patent's notice of allowability. *Compare* 00082 Pet., 26 (citing Ex. 1005 [Eldering-II] ¶ 58 (“[W]hen the subscriber attempts to skip or **fast forward** the ad they are presented with an **alternative ad in place of or in conjunction** [*sic*: with] the targeted ad.”)) *with* Ex. 2003 [Eldering-'262], *e.g.*, Abstract, ¶¶ 174, 221.

- “Presenting viewers with an **alternative** brief version of a recorded **advertisement** when they choose to **fast-forward through or skip** (or any other trick play event) the recorded **advertisement**. The **alternative advertisement** may be **displayed instead of or in conjunction with the recorded advertisement** (i.e., fast-forwarding advertisement is displayed in one portion of the screen (i.e., background or portion of a split screen) and the alternative brief version is displayed in another portion). ... An **alternate or**

entirely unrelated advertisement can also be **displayed** as the trick play advertisement.” Ex. 2003 [Eldering-’262], Abstract (emphasis added).

- “Displaying the **alternative advertisement** 1240 may be **in place of or in conjunction with** the **fast forwarding** advertisement 1230.” *Id.*, ¶ 174 (emphasis added).
- “As previously discussed, the **alternative ad** may be displayed **in place of** the ad **or in conjunction with** the ad. ... The first embodiment (A), illustrates the original advertisement 1710 being displayed in trick play mode (i.e., **fast forward**, skip, rewind). The second embodiment (B), illustrates the **alternative advertisement** 1720 being displayed **in place of** the **original advertisement**.” *Id.*, ¶ 221 (emphasis added).

As an additional example, Petitioner cites Eldering-I for inserting ad files into ad avails (00082 Pet., 18, 20)—a concept identically disclosed in Eldering-’262, as well as the Eldering-’039 patent that was also cited during prosecution:



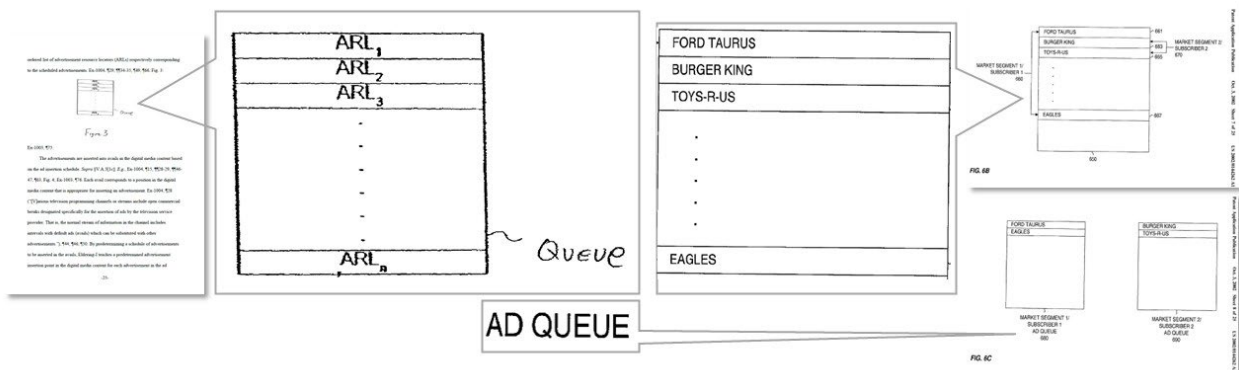
The Petition cites materially the same alleged disclosures in its Eldering references that the Office analyzed in the Eldering references made of record and discussed during the '768 prosecution. *Compare* 00082 Pet., 18 (“According to the ad insertion schedule, advertisements are inserted into avails in digital media content and displayed.”) *with* Ex. 2003 [Eldering-'262] ¶ 90 *and* Ex. 2004 [Eldering-'039] 7:62-8:2:

- “Herein, at a client side, a program stream is received in conjunction with one or more advertisements. A media decoding unit 802 decodes the **program stream** along with at least one advertisement. An ad timing module 804 determines the **point** at which an **advertisement** should be **inserted**. An **ad**

insertion module 806 inserts the advertisement into the program stream to form a presentation stream that may be presented to the subscriber.” Ex. 2004 [Eldering-’039] 7:62-8:2.

- “FIG. 1 is an exemplary illustration of programming 100 having advertisements 110, 120 **inserted in advertisement opportunities (avails) within the programming 100.**” Ex. 2003 [Eldering-’262] ¶ 90.

As another example, the disclosure Petitioner cites from Eldering-I of using a queue to facilitate inserting advertisements into ad avails is incorporated in the Eldering-’262 reference that the Examiner cited in the notice of allowability and expressly found to be the “closest prior art” to these claims.



IPR Petition 25,
citing Eldering-I

Eldering '262 in
Notice of Allowance

Compare 01253 Pet., 24 (“Eldering-I teaches...reordering ARLs of advertisements in the queue.”) *with* Ex. 2003 [Eldering-’262]:

- “FIG. 6B illustrates a single **ad queue** 650 for multiple market segments/subscribers. ... The **ad queue** 650 contains pointers, or Ad Resource

Locators (ARLs), that **indicate which ad is to be played.**” Ex. 2003

[Eldering-’262] ¶ 142.

- “**Ad queues** are used as part of or in conjunction with the video storage 620 to provide **proper sequencing of ads.**” *Id.*, ¶ 139.

As yet another example of what the Examiner already considered in another Eldering reference, Petitioner cites Eldering-I for the concept of targeting ads, including by selecting different ads based on user profiles derived from actions such as changing channels and fast forwarding. This is once again cumulative of Eldering-’262. *Compare* 00082 Pet., 23-24 (“Eldering-I contemplates a broad range of viewing parameters, such as type of program being watched, characteristics of the next avail, identity of the current viewer, and the time of day.”) *with* Ex. 2003 [Eldering-’262], e.g.:

- “The **targeted advertising** features of the client side STB ad targeting system 600 permit the device to **analyze viewer behavior** (shows watched, **channel surfing habits**, commercial watching, etc.), infer **viewer profiles** (demographic, psychographic, and behavioral attributes), **select** and present **advertisements based** on user **profiles** derived from one or more of the following: a demographic database, volunteered information, profiles, or an autonomous agent.” Ex. 2003 [Eldering -’262] ¶ 134 (emphasis added)

- “The user interface 628 supplies user events 1030 based on **viewer interaction** with the remote control and the front panel of the set-top box. These events 1030 include **channel changes**, volume changes, and VCR-like controls of the PVR.” *Id.*, ¶ 160.
- “The **create/ update profile** component 1038 uses **events** from the user interface 628, program metadata from metadata storage 1028, and existing viewer profiles from a profile database 1046 to detect new **viewing habits and characterize the current viewer.**” *Id.*, ¶ 161.
- “When an **ad insertion** opportunity arises, the set-top box **determines** whether the current session **profile** matches any of the historical profiles in the profile database. If a match exists, the match will be used for **selecting an appropriate advertisement.**” *Id.*, ¶ 163.

Petitioner presents essentially the same arguments against the ’403 claims and the ’768 claims in this respect, as discussed above. *Compare, e.g.*, 00082 Pet., 27-28, *with* 01253 Pet., 29-30, 32-33.

As to the second *Advanced Bionics* factor, no error by the Board or Examiner in the two decades of prosecution has been shown.

Accordingly, under § 325(d) and the binding *Advanced Bionics* test, the Board should not revisit the same or substantially the same arguments and references yet again.

IV. The Petition Should Be Denied Under *NHK*, *Fintiv* and *AviaGames* In View Of The District Court’s Judgment That The Claims Are Invalid.

Petitioner filed two parallel IPR petitions that each seek a PTAB determination that claims 1, 2, 4–11, 13–15, 17–19, and 21–23 of the ’403 Patent are unpatentable. 00081 Pet., 7; 00082 Pet., 7. Yet despite filing these parallel petitions, Petitioner chose to continue to adjudicate its challenge to these claims in the parallel District Court case between the parties. Petitioner’s choice to do so has resulted in a final judgment of invalidity of all claims by the District Court. Exs. 2010 [Sep. 11, 2024 final judgment of invalidity]; 2011 [Petitioner’s Ct. App. dktg. stmt.] 1.

Therefore, even if the Petition did not already warrant discretionary denial under 35 U.S.C. § 325(d), as shown in Section II *supra*, because the Petition’s merits are less than compelling, as shown in Section V *infra*, institution should be denied under *NHK/Fintiv*. The District Court’s final judgment under 35 U.S.C. § 101 of invalidity of all claims-at-issue means that “the interests of efficiency and integrity of the system would be best served by invoking 35 U.S.C. § 314(a) to deny institution.” *AviaGames, Inc., v. Skillz Platform Inc.*, IPR2022-00530, Paper 12 (Aug. 9, 2022) (denying institution because district court had found challenged claims invalid under § 101), *remanded*, Paper 14 (Dir. Mar. 2, 2023), *denial reinstated*, Paper 15 (Mar. 22, 2023); *see also, e.g., Snap Inc. v. BlackBerry Ltd.*,

IPR2020-00392, Paper 8, 9-12 (Jul. 13, 2020) (denying institution where district court had found challenged claims invalid under § 101).

A. Board And Director Caselaw Supports *Fintiv* Denial Based On District Court § 101 Invalidity Judgments When The “High Standard” Of “Compelling Merits” Is Not Satisfied.

Many IPR decisions have addressed whether review should be denied under *NHK/Fintiv* when, as in this case, a district court, after the petition for IPR is filed, enters a final judgment that the claims-at-issue are invalid under § 101. Although some decisions have reasoned that *Fintiv* does not support denial of institution in similar circumstances, those decisions misapprehend the Director’s guidance in this area and have generally caused months of inefficiency and wasted resources before eventually being dismissed, as detailed below. The well-reasoned decisions, and the only Director Review decision addressing the question, all strongly support denial of institution under *Fintiv* when such a judgment has been entered.

The binding *NHK/Fintiv* rule is intended to “minimize potential conflict between the Patent Trial and Appeal Board (PTAB) and district court proceedings” and avoid counterproductive “inefficiency and gamesmanship in AIA proceedings, given the existence of parallel proceedings between the Office and district courts.” USPTO, Director Memo re Interim Procedure For Discretionary Denials In AIA Post-Grant Proceedings With Parallel District Court Litigation (June 21, 2022)

(Ex. 2012 [Interim Denial Memo]), 1. PTAB panels may deny *inter partes* review in light of advanced progression of parallel litigation regarding a patent-at-issue, *see NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8, 19-21 (Sep. 12, 2018) (precedential), as governed by the factors in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, 5-6 (Mar. 20, 2020) (precedential). Application of these factors “takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.*; *see also Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15, 7-17 (May 13, 2020) (informative) (“*Fintiv IP*”); Ex. 2012 [Interim Denial Memo] 2.

The leading case addressing discretionary denial in the presence of a district court § 101 judgment, which includes the leading relevant Director Review decision, strongly supports *Fintiv* denial in the present case.³ In *AviaGames*, IPR2022-00530, discussed *supra*, the Board found that the *Fintiv* factors uniformly supported denial, and upon Director Review, this determination was reaffirmed

³ The other Director Review decision to address *Fintiv* when, as here, a district court has entered final judgment of invalidity, merely reaffirms that *Fintiv* should apply when such facts are present. *See Volvo Penta Of Ams., LLC v. Brunswick Corp.*, IPR2022-01366, Paper 15, 4-5 (Dir. Rvw. May 2, 2023) (vacating and remanding to apply *Fintiv* factors and analyze merits).

where the petition “d[id] not rise to th[e] high standard” of “compelling merits.”

AviaGames, *supra*, Paper 12 [Ex. 2005] 15; *id.*, Paper 14 [Ex. 2006] 3; *id.*, Paper 15 [Ex. 2007] 3. The facts of the present case are on all fours with *AviaGames*, and the few differences only further support denial in this case.

In *AviaGames*, like in this case, “before the Patent Owner filed its Preliminary Response, the United States District Court ... issued a decision determining that most of the challenged claims of the [challenged] patent were invalid as directed to patent-ineligible subject matter under 35 U.S.C. § 101.” *AviaGames*, Paper 14, 2. Unlike the facts here, where all claims-at-issue have been held invalid, in *AviaGames* only most of the claims-at-issue were held invalid by the District Court. *Compare id.*, with Exs. 2010 [Sep. 11, 2024 judgment], and 2011 [Petitioner’s Ct. App. dktg. stmt.] 1. The Board conducted an analysis of the *Fintiv* factors in light of the district court judgment and determined that all factors favored denial of institution. *AviaGames*, Paper 12, 11-15. Weighing all the *Fintiv* factors, the panel held that, “because a district court determined that the challenged claims were invalid under § 101, ‘the interests of efficiency and integrity of the system would be best served by invoking 35 U.S.C. § 314(a) to deny institution.’” Paper 14, 2. The panel did not analyze whether the petition presented compelling merits. *Id.*, 3.

The Director granted review, vacated the decision denying institution, and remanded for the Board to analyze whether the petition “presented compelling merits.” *Id.*, 3, 5-6. The Director explained that the risk of inefficiency from instituting needed to be “balanced” with the possibility that the petition may “rise to th[e] high standard” of “compelling merits,” a question the Board had neglected to analyze in its *Fintiv* analysis. *Id.*, 5-6. The Director did not otherwise disturb the Board’s determination that the *Fintiv* factors uniformly favored institution, and ordered that “[i]f the Board finds the record does not rise to th[e] high standard” of compelling merits, the Board should “deny institution.” *Id.* On remand, the Board found that “the Petition does not meet the compelling merits standard,” and so denied institution as ordered. *Id.*, Paper 15, 27.

Other decisions have likewise found that *Fintiv* favors denial in view of § 101 invalidity judgments. In *Snap*, as multiple petitions for IPR were being filed, a district court “entered final judgment” of invalidity “pursuant to 35 U.S.C. § 101” against “all but one of the [c]hallenged [c]laims” at issue. *Snap*, IPR2020-00392, Paper 8, 9-10. *Snap* found that in this situation, “[t]he *Fintiv* factors provide support for exercising discretion not to institute this Petition.” *Id.*, 11-12. While the Board “found the merits compelling enough to institute” absent the facts favoring discretionary denial, it made no finding that they met the high standard of “compelling merits,” because that standard would not be established until two

years later in the Director’s 2022 memorandum. *Id.*, 15; *see AviaGames*, Paper 14, 4 (2022 Director decision explaining that “[a]s the [2022] Guidance Memo and my [2022] precedential decision in *OpenSky* make clear, the compelling merits standard is a higher standard than the standard for institution set by statute”).

Balancing these facts and the merits appropriately, *Snap* denied institution, concluding that “Petitioner chose to adjudicate fully its case in district court and under the unique circumstances before us, we see no reason why an additional *inter partes* review is warranted.” *Snap*, Paper 8, 16. For a more recent example, in *BMW of N. Am. v. Mich. Motor Techs., LLC*, IPR2023-01031, Paper 12, 16-20 (Jan. 23, 2024), in which the patent “ha[d] been invalidated as ineligible under 35 U.S.C. § 101 by two district courts, in concurrent litigations,” the panel found *Fintiv* “factors one through five favor[ed] discretionary denial,” although it instituted review nevertheless in accordance with the Director’s memo, because “at least one challenged claim” met the high “compelling merits” standard thereby mooted factors 1-5.

In contrast to the above decisions, several other cases have found that the *Fintiv* factors do not collectively support discretionary denial despite a district court § 101 invalidity judgment. None of these decisions is binding, none has faced Director Review, and their analysis is facially inferior to and generally less detailed than the *Fintiv* analysis in the Director-reviewed *AviaGames* case, *supra*.

In *BMW of N. Amer. v. Mich. Motor Techs., LLC*, IPR2023-01224, Paper 12 (Feb. 15, 2024), a majority disagreed with the analysis in IPR2023-01031 (the other *BMW v. MMT* decision cited immediately above) and found that not all the *Fintiv* factors favored denial. Unlike the panel in *AviaGames*, the majority did not canvass the prior Board decisions that had declined to exercise discretion in these circumstances to see whether they had resulted in wasteful inefficiency or beneficial results. Compare *id.*, with *AviaGames*, Paper 12 [Ex. 2005], 9-10 & n.9) (noting that in such cases the Board has repeatedly been obliged to dismiss the instituted IPRs months later, mooted the work done in the IPRs, because the district court invalidity determination was affirmed). One APJ disagreed with the majority's *Fintiv* analysis, writing separately that factors 1-5 all favored denial but compelling merits required institution. *Id.* (Howard, APJ., concurring). Another pair of cases, *Google LLC, v. Geoscope Techs. Pte. Ltd.*, IPR2023-01213, Paper 14 (Feb. 20, 2024), and *Apple Inc. v. Geoscope Techs. Pte. Ltd.*, IPR2024-00255, Paper 14 (May 31, 2024), both by the same panel and writing judge, found—both applying mostly the same analysis as each other—that *Fintiv* favored institution, disagreeing with *AviaGames*'s analysis of almost all the *Fintiv* factors. The *Google/Apple* panel's analysis was less complete than that in *AviaGames*: for example, like the analysis in *BMW-01224, supra*, the *Google/Apple* panel conducted no canvass of the results of prior decisions applying *Fintiv* in such

situations. However, the *Google/Apple* panel deemed itself free to depart from the conclusions of the *Fintiv* analysis in *AviaGames*, for it interpreted the *AviaGames* Director Review decision as rendering the *AviaGames* *Fintiv* analysis obsolete. *Google*, 14-16 & n.6; *Apple*, 11-17 & n.9. This misapprehends *AviaGames*. In reality, as explained above, the Director Review in *AviaGames* left that case's *Fintiv* analysis undisturbed, and actually ordered **denial** of review unless the difficult standard of compelling merits was met. *AviaGames*, Paper 14, 2-6. Contrary to the *Google/Apple* panel's conclusion, the Director Review decision in *AviaGames* in fact supports, and does not undermine, the conclusion in that case that the *Fintiv* factors support denial on such facts. Moreover, *Google* and *Apple* are also distinguishable from the facts of *AviaGames* and this case, because in *Google* and *Apple* multiple claims-at-issue were not invalidated by the district court judgment. *Google*, 13-14; *Apple*, 2, 5.

History has shown with growing clarity that the cases that do not follow *AviaGames*'s view of how the *Fintiv* factors apply to such a district court judgment routinely cause months of waste and inefficiency because—as happens in the vast majority of appeals—the district court's judgment of invalidity is subsequently affirmed, mooting months of effort after institution. As the Director Review decision in *AviaGames* correctly pointed out, “should the district court's invalidity judgment be upheld on appeal, the parallel proceedings at the Board would impose

additional burdens and costs on the parties, including the Patent Owner, and this tribunal,” and because such IPRs would need to “be terminated.” *AviaGames*, Paper 14, 5-6. As *AviaGames* expressly noted, that is exactly what has repeatedly happened: when institution has been granted in such cases notwithstanding *Fintiv*, the instituted IPR had to be dismissed when the district court’s judgment was affirmed, after the institutions of review caused wasted months of the parties’ and Board’s time and resources. *Id.*, 9-10 (citing *Wyze Labs, Inc. v. Sensormatic Elecs., LLC*, IPR2020-01486, Paper 14 (Apr. 6, 2021) and *Playtika Ltd. v. NexRF Corp.*, IPR2021-0095, Paper 14 (Dec. 6, 2021)). Such wasteful instituted cases have continued to accumulate. In *Snap, Inc. v. Sanderling Mgt. Ltd.*, IPR2021-00781, Paper 42, 2 (Dec. 28, 2022), which *AviaGames* cited as having a pending invalidity appeal, the appeal ended with the district court invalidity ruling intact. See also *Chegg, Inc. v. NetSoc, LLC*, IPR2019-01165, Paper 14, 11-13 (Dec. 5, 2019) (instituting IPR despite district court invalidity judgment); *id.*, Paper 37, 2 (Jan. 31, 2022) (dismissing IPR after affirmance of district court judgment).

Here, The *Fintiv* factors favor denial of institution, as in *AviaGames*, as further described below.

B. *Fintiv* Factor 1: The District Court Case Ended Without A Stay.

In the District Court proceeding involving the same claims, same patent, and same challenger, the District Court never granted a stay pending this IPR and has

issued a Final Judgment. This factor plainly favors denial. *Accord, e.g., AviaGames*, Paper 12, 23 (“the district court case cannot be stayed because it has concluded”); *Snap-00392*, Paper 8, 12 (same); *BMW-01031*, Paper 12, 16.

C. *Fintiv* Factor 2: The District Court Has Already Completed Its Adjudication.

“If the court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution under *NHK*.” *Fintiv* (precedential), 9. Here, “[a]s the District Court has completed its consideration of the [challenged] patent, we determine this factor weighs heavily in favor of denying institution.” *AviaGames*, Paper 12, 12-13; *see also, e.g., BMW-01031*, 17 (“As the District Court has completed its consideration of the [challenged] patent, we determine this factor weighs in favor of denying institution.”); *Snap-00392*, 12 (“The district court case... has concluded.”).

D. *Fintiv* Factor 3: The Court And Parties Already Invested In A Final Judgment.

Factor 3 relates to the “amount and type of work already completed in the parallel litigation by the court and the parties *at the time of the institution decision*.” *Fintiv* (precedential), 9. For example, “if, at the time of the institution decision, the District Court has issued substantive orders related to the patent at issue in the petition,” factor 3 favors denial. *Id.*, 9-10. “Likewise, district court claim construction orders may indicate that the court and parties have invested

sufficient time in the parallel proceeding to favor denial.” *Id.*, 10. Here, “[t]he District Court’s invalidity determination is a substantive order related to the ‘[403] patent,” so the Board should “determine this factor weighs in favor of denying institution.” *AviaGames*, Paper 12, 13; *accord Snap-00392*, 12 (“The parties’ and district court’s investment in the district court case was sufficient to already reach a final adjudication.”); *BMW-01031*, 17 (“given that the District Court held the claims invalid under section 101, we find the District Courts’ investment to be substantial.”).

E. *Fintiv* Factor 4: The Judgment Applies To All Claims-At-Issue.

Factor 4 turns on, *inter alia*, “whether all or some of the claims challenged in the petition are also at issue in district court.” *Fintiv* (precedential), 12-13. Here, every claim challenged in the Petition is “also at issue in district court.” *Id.* Under *Fintiv*, this overlap weighs against institution. *See, e.g., AviaGames*, Paper 12, 14 (“in view of the circumstances presented here—the challenged patent has already been found to be invalid by another tribunal—...if weighed, we determine this factor favors discretionarily denying institution”); *BMW-1031*, 17 (same); *Vector Flow, Inc. v. HID Global Corp.*, IPR2023-00353, Paper 8, 22 (July 17, 2023)).

F. *Fintiv* Factor 5: Petitioner Was The Defendant In District Court.

“Because the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.” *Fintiv II* (informative), 15. See *AviaGames*, Paper 12, 14; *Snap-00392*, 12; *BMW-1031*, 18.

G. *Fintiv* Factor 6: Other Circumstances, Including The Petition’s Lack Of Compelling Merits, Further Support Denial.

This factor looks at “other circumstances that impact the Board’s exercise of discretion, including the merits.” *Fintiv* (precedential), 6. Here, the Petition’s merits are less than sufficiently “compelling” to compel institution, which is not surprising, given that this patent, and its parent, were examined for two decades, with over seven rejections and a Board appeal reversing obviousness rejections. *Supra* Section III; *infra* Section V.

“[T]he compelling merits standard is a higher standard than the standard for institution set by statute,” and it requires that it be “highly likely that the petitioner would prevail.” *AviaGames*, Paper 14, 4-5. Here, the Board should find that “the record does not rise to this high standard.” *Id.*, 5.

* * *

All of the claims-at-issue have already been found invalid under § 101 in a final judgment in the District Court case between the parties. Only a small percentage of appeals of invalidity judgments succeed, so any instituted IPR would

likely cause months or years of waste and inefficiency. Each of the *Fintiv* factors, and all of the factors collectively, weigh in favor of exercising discretion to deny institution, and the Petition fails to meet the high compelling merits standard. Under *NHK*, *Fintiv*, *AviaGames*, and like cases, the panel should exercise its discretion to deny institution.

V. The Petition Should Be Denied Because Eldering-I And Eldering-II Are Not Shown To Change Any Advertisement Insertion Point as Claimed.

Put in summary fashion, every independent claim requires modifying an advertising insertion point (or position). '403 independent claims 1[d]-[f]/17[d]-[f] (“controlling one or more insertion points of [the] digital advertising content . . . updating a current play position in the content stream to a new play position in the content stream, . . . adaptively modify[ing] a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points . . . , at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points”), independent claims 21[f]/22[f] (“controlling one or more insertion points of the digital advertising content . . . adaptively re-sequencing the content stream into a modified content stream . . . comprising updating a current play position to a new play

position . . . , the modified content stream comprising an alternate insertion position of the advertising block”); *see* Ex. 1002 [’403-Prosecution-History], e.g., 896 (PTAB decision, p. 41, citing *id.*, 687-688 (Board Appeal Br., p. 22-23)). Petitioner discusses all four independent claims simultaneously. 00082 Pet., 16–40.

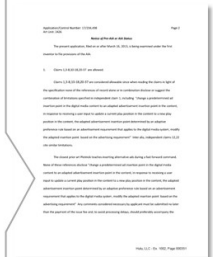
Neither of the cited references, alone or in proposed combination, is shown to disclose modifying an ad insertion point to an alternate insertion point different from the initial insertion point as the claims require.

Petitioner relies on Eldering-II for playing a substitute ad while fast forwarding—a function that the Examiner expressly held, in the notice of allowability, does not disclose modifying an ad insertion point as claimed. Playing a substitute ad does not change the position of an ad insertion point in the timeline, for example. Petitioner relies on Eldering-I for inserting ad files into fixed ad avails by using a list of ads. Those ad avails, however, never change position in the timeline. For those and other reasons explained below, Eldering-I and Eldering-II, alone or in combination, do not disclose modifying an ad insertion point to an alternate insertion point different from the initial insertion point.

A. Eldering-II's Fast Forwarding And Substitute Ads Do Not Disclose Modifying An Ad Insertion Point To An Alternate Ad Insertion Point Different From The Initial Insertion Point.

Petitioner cites Eldering-II as allegedly disclosing playing alternative ads while fast forwarding. 00081 Pet., 28. As discussed in Sections II.A and III.B, however, with regard to similar related claims of the '768 child patent, the Examiner expressly stated in the '768 notice of allowability that “inserting alternative ads during a fast forward command” does not disclose “change a predetermined ad insertion point.”

The closest prior art Plotnick teaches inserting alternative ads during a fast forward command. None of these references disclose “change a predetermined ad insertion point in the digital media content to an adapted advertisement insertion point in the content, in response to receiving a user input to update a current play position in the content to a new play position in the content, the adapted advertisement insertion point determined by an adaptive preference rule based on an advertisement requirement that applies to the digital media system, modify the adapted insertion point based on the advertising requirement” Any comments considered necessary by applicant must be submitted no later



Ex. 2014 ['768-Prosecution-History] 351 (Notice of Allowability, annotated). The Examiner cited Eldering-'262, which as discussed above discloses substantially the same alternative ad concept that Petitioner refers to in connection with Eldering-II.

Playing an alternative ad during fast forwarding is not modifying an ad insertion point to an alternate insertion point different from the initial insertion point as claimed. Petitioner does not even actually allege that Eldering-II's reference to alternative ads during fast forwarding discloses modifying any

particular advertising insertion point. To the contrary, the Petition merely mentions “rescheduling advertisements,” allegedly “caus[ing] different advertisements to be displayed at different avails”—*not* modifying one particular ad insertion “point,” as the claims require. 00081 Pet., 28 (“Eldering-II teaches displaying an alternative advertisement when a user fast forwards through or skips over an original advertisement.... This is consistent with rescheduling advertisements ...”); Ex. 1003 ¶92 (“Because rescheduling advertisements causes different advertisements to be displayed at **different avails**, rescheduling advertisements in response to skipping or fast forwarding inputs is consistent with the teaching of Eldering-II.”) (emphasis added).

Petitioner also cites Eldering-II’s notion of fast forwarding more generally for the Petition’s combination of Eldering-II with Eldering-I. Petitioner asserts incorrectly that because “Eldering-II teaches the skipping or fast forwarding operation bypassing advertisements” it would be obvious to reschedule advertisements. 00081 Pet., 28. That alleged “rescheduling,” however, is merely re-ranking ads in a list, as will be discussed in the next section. Whether caused by Eldering-II’s fast forwarding or not, Eldering-I’s re-ranking ads in a list does not show modifying an ad insertion point as claimed.

Thus, Eldering-II does not disclose modifying an ad insertion point to an alternate insertion point different from the initial insertion point, even in combination with Eldering-I.

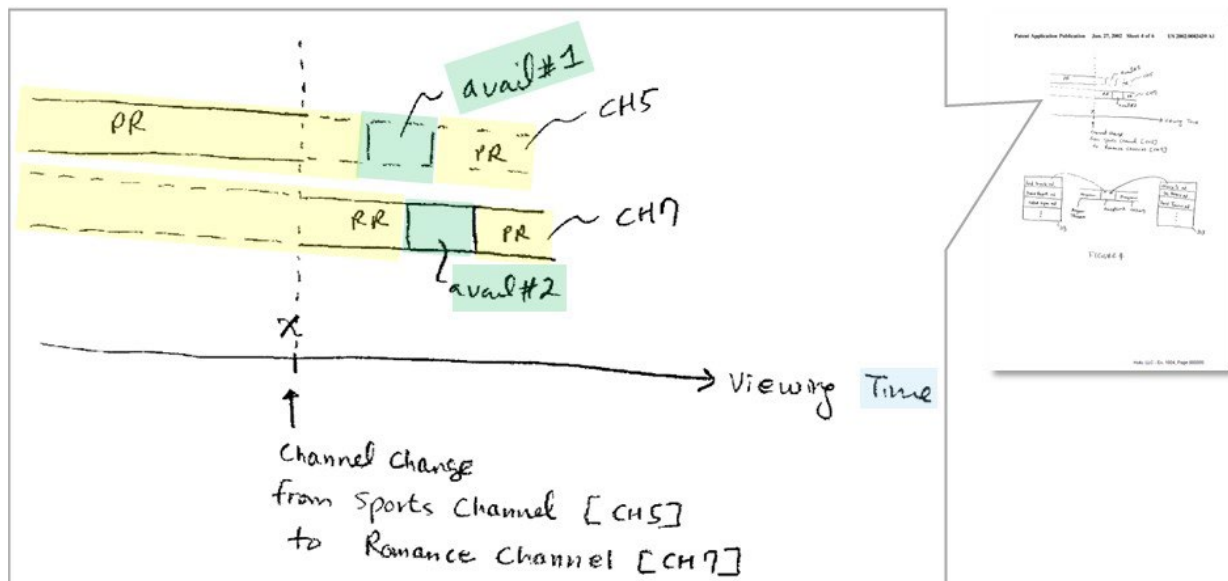
B. Eldering-I Does Not Modify Ad Insertion Points; It Merely Inserts Ranked Ad Files into Fixed Ad Insertion Points.

1. Modifying An Advertisement “Insertion Point” To An Alternate Insertion Point Different From The Initial Insertion Point Requires Moving The Point In The Timeline.

An advertisement insertion point is distinct from an ad file. An ad insertion point represents a designated location within a content timeline where an ad file can be inserted. The presence of an ad insertion point is independent of any specific ad file, because one of multiple ad files could potentially be inserted at that point. Conversely, an ad file is not equivalent to an ad insertion point. An ad file can be played at any one or more ad insertion points, and is not inherently tied to any particular point. Therefore, moving an ad file to a different ad insertion position does not equate to or disclose modifying an ad insertion point as claimed.

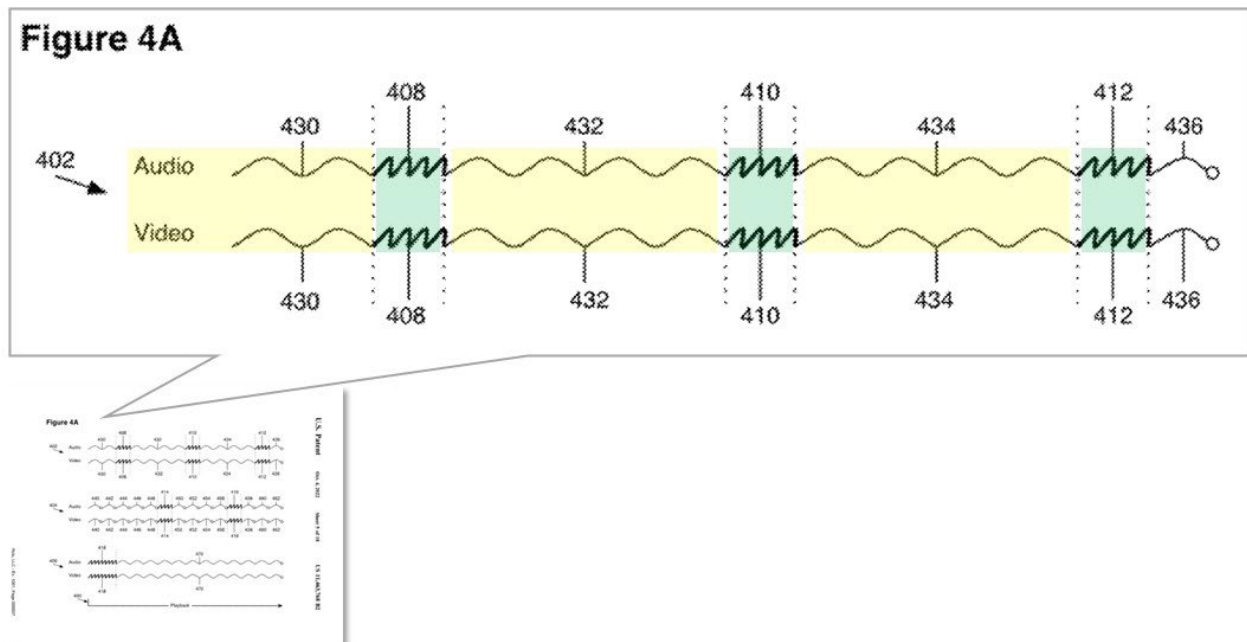
An advertising “insertion point” is just what it says: a “point” or position. For example, a point on a timeline of content that designates where an ad can be inserted, such as 5 minutes after the start of a TV show. Ex. 1001 [’403 Patent] 32:62-64 (“The main purpose of segments in a media track or title is to indicate appropriate **points** for **commercial interruptions.**”) (emphasis added)

Petitioner itself explains this concept in the course of its effort to equate Eldering-I's disclosure with the claimed invention, referring to an ad insertion point as a position (or, point) in the digital media content that is appropriate for inserting an advertisement. The Petition argues: “**Avails** are intervals for inserting advertisements that **each corresponds to a position** or location within media content.” 00082 Pet., 19 (emphasis added). As Eldering-I visually shows in its Figure 4, an ad avail such as “avail #1” (on channel 5) or “avail #2” (on channel 7) is a position in a timeline of content, and Eldering-I's avail denotes a position where ads can be inserted.



Ex. 1004 [Eldering-I] Fig. 4.

The '403 patent, for its part, depicts advertisement insertion points in a timeline of audio and video playback:

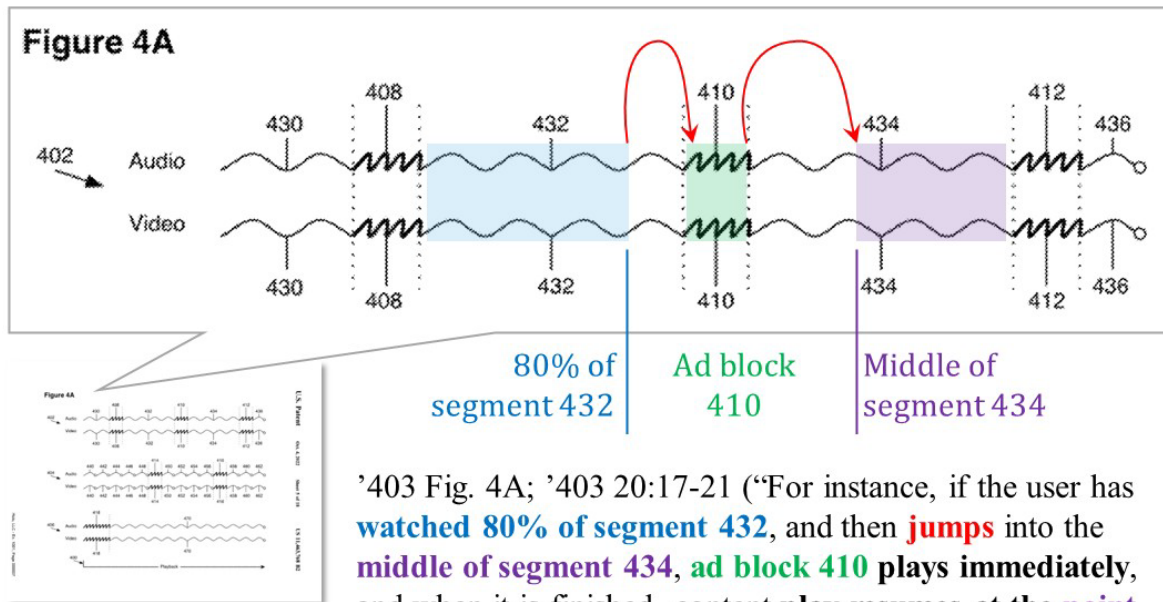


See Ex. 1001 [’403 Patent] Fig. 4A; 18:35-39 (“In FIG. 4A, the passage of **time over the course of playback** is represented as a horizontal **timeline 400**. There are shown three example sequences of audio or video media playback 402, 404, and 406, each of them conveying content interspersed with **advertisement blocks**.”) (emphasis added.)

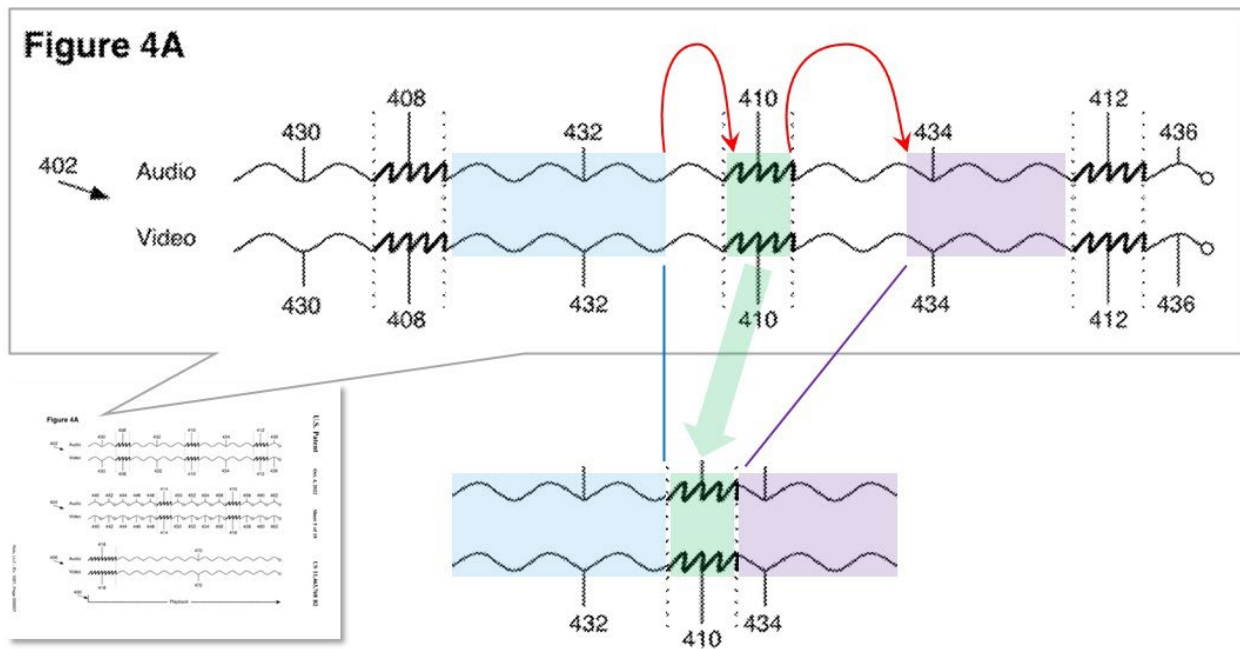
Modifying an advertising insertion point as claimed means changing the location of that advertising insertion point on the timeline. This changing of a predetermined advertising insertion point’s position on the timeline is a novel improvement in the ’403 patent that allows users to customize their presentations. For example, two users can have ad insertion points at a completely different position in a content’s timeline, based on each individual user’s interactions with the same content. Ex. 1001 [’403 Patent] 19:5-13-22 (“Applied to video and

audio, this advertising methodology is a **new use** of the advertising style familiar to audiences through ordinary television and radio broadcasts. However, in the present **invention**, these **advertisements** are sequenced together and **inserted** into the content stream extemporaneously (i.e. “**on the fly**”) by software running independently on each consumer's device, in **response** to the **consumer's particular media requests and interactions** with the specific content session running on each device.”)

Among its other differences from art such as Elderling-I, the '403 patent's novel invention moves ad insertion points in response to a user jumping around in the content.



In the example from the '403 patent Figure 4A and 20:17-21 in the annotated figure shown above, the ad insertion point is changed as claimed because it moves from its original position on the timeline (after segment 432 ends, that is, at 100% of segment 432) to the left (at only 80% of segment 432), after the user “jumps” to the new position in the middle of segment 434. The content that is jumped over is not played.



Notably, the PTAB decision reversing rejections during prosecution of the parent patent, which has the same disclosure, held that Figure 4A and the specification passages quoted above, as well as other parts of the specification, provide written description of modifying the ad insertion point in substantially the manner claimed.

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, 1. 27–29, 1. 4, 28, 1. 23–29, 1. 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

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regular intervals within the sequenced media content ... the advancement sequencing that may occur in combination over a playback sequence of sequenced audio or video media content.” The Specification does not disclose at least one of the alternately sequenced insertion points being different than the initially sequenced insertion points relative to the content. *Id.*

Specifically, the Examiner finds that “the location point of the ads occurs in the same sequence, i.e. next to the media segment” and that “before if a user skips from one segment to another, the ad location remains the same, which is after a pre-defined number of media segments.” *Id.* at 1.

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, 1. 27–29, 1. 4, 28, 1. 23–29, 1. 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 support to that.

¶¶ 410 and 411 are initially sequenced after tracks 402 and 404, respectively, but in response to user “skipping, pausing or other navigation,” ad block insertion would be at different positions relative to the tracks to comply with pre-defined placement rules (which in this example are track count rules).

Id. at 20. The Appellant argues that

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after the played track 458. *See* Reply Br. 5–6. And, we agree with the Appellant that the cited portions of the Specification adequately support the claim language “because the noted portions of the [Specification] particularly disclose that an ad block’s presentation position in sequences 402 and 404, for example, may be modified to a new point in the sequence, depending on user input (i.e., user interaction).” *Id.* at 8.

Therefore, based on the record before us, we do not sustain the written description rejection of claims 212, 214–223, and 225–273.

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after the played track 458. *See* Reply Br. 5–6. And, we agree with the Appellant that the cited portions of the Specification adequately support the claim language “because the noted portions of the [Specification] particularly disclose that an ad block’s presentation position in sequences 402 and 404, for example, may be modified to a new point in the sequence, depending on user input (i.e., user interaction).” *Id.* at 8.

Therefore, based on the record before us, we do not sustain the written description rejection of claims 212, 214–223, and 225–273.

35 U.S.C. § 101 – Objections

The Appellant contends that the Examiner’s rejection of independent claims 212, 214, 215, 216, 218, and 271 is in error because “Knapper does not describe or suggest ‘at least one of the one or more alternately sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content of independent Claim 212 or the corresponding features of Claims 214, 215, 216, 218, and 271.’” Appeal Br. 21 (holding *contingently*). After careful review of the record before us, we agree.

The Examiner relies on Knapper for teaching this limitation finding, in relevant part, that Knapper teaches “receiving, a user input representing one or more navigational choices associated with a presentation of the content stream (play forwarding, skipping, modifying (re-sequencing), [and] using a pre-defined rules presentation position of an advertisement from initial sequenced position to alternative sequenced insertion point(s).” Final Act. 7 (citing Knapper ¶¶ 34–42, 50). The Examiner further finds

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Ex. 1002 [’403-Prosecution-History] 760-761 (2020 Appeal Decision, pp. 34-35).
See also Ex. 1001 [’403 patent] Fig. 4A; 20:17-21; 20:25-30 (“**Logic** in the player/viewer ... **selects** the most appropriate of the predefined **blocks to insert** at that **point**.”), 15:6-10 (“The intersplicer also has the ability to adaptively re-group and **re-sequence the insertion of ad blocks** extemporaneously (i.e. “on the fly”), in response to the consumer's arbitrary direction of the playback within the requested content, by means of playback controls.”) (emphasis added).

2. Choosing An Ad File For An Ad Insertion Point Does Not Disclose Modifying An Ad Insertion Point As Claimed.

Petitioner asserts incorrectly that choosing a different ad file to insert into an ad insertion point qualifies as modifying the ad insertion point as recited in the claims. In contrast to moving the position of an ad insertion point, merely inserting an ad file into a fixed ad insertion point does not alter that ad insertion point. That is so because, as the Board explained in its appeal decision, the ad insertion point remains the same, and stays in the same position on the timeline. The choice of ad file has no impact on the presentation position, that is, the point in time at which an ad is played.

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changes within the playlist.” Ans. 5. Rather, we agree with the Appellant that “[e]ven assuming, *arguendo*, that a user could navigate between Knepper pages and that would somehow change the order at which specific advertisement content is presented, the advertising insertion points as described in Knepper would still be at the exact same positions,” whereas the claims require adaptively modifying or re-sequencing with an alternate insertion point different from the initial insertion point. Appeal Br. 22–23.

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“changes within the playlist.” Ans. 5. Rather, we agree with the Appellant that “[e]ven assuming, *arguendo*, that a user could navigate between Knepper pages and that would somehow change the order at which specific advertisement content is presented, the advertising insertion points as described in Knepper would still be at the exact same positions,” whereas the claims require adaptively modifying or re-sequencing with an alternate insertion point different from the initial insertion point. Appeal Br. 22–23.
We further agree with the Appellant that Knepper does not teach adaptively modifying or re-sequencing the presentation position in response to user input, because Knepper’s server determines the order of the media, sends that order to the client-side device, and even if the user skips pages, the order as provided by the instruction set, remains the same. See *id.* at 23–24. Although Knepper provides that the instruction set can be modified to insert random ads and create a play list (see Knepper ¶ 57; Fig. 3 (b) 2016), we do not see, and the Examiner does not explain, what Knepper teaches that the order of the presentation, as contained in the instruction set, changes in response to user input.
Thus, based on the record before us, we do not sustain the obviousness rejection of claims independent claims 212, 218, 243, 267, 268, and 271. We also do not sustain the rejection of dependent claims 214, 215, 223, 232, 234, 237, 239, 242, 244, 245, 251, 255, 257, 266, 269, 276, 272, and 273 under the same ground of rejection. The rejection of dependent claims 233, 236, and 236 as further obvious over Official Notice or GK are also not sustained, as they fail to include additional findings and/or reasoning that cures the deficiency in the rejections of the independent claims, from which they depend.
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Ex. 1002 [’403-Prosecution-History] 896 (PTAB decision, p. 41, citing *id.*, 748-749 (Board Appeal Br., p. 22-23)); see discussion in Section II.

Eldering-I and Eldering-II do not change the time at which ad avails occur. Significantly, the Petition does not assert otherwise. 00082 Pet., 23-20. Instead of

changing the ad insertion points, Eldering-I merely detects ad avails as they arrive, then inserts an ad into the detected ad avail. Ex. 1004 [Eldering-I] ¶ 15 (“The ad processing unit then **inserts the ads in the avails as they arrive.**”); ¶ 46 (“**Once the avail is detected** based on the avail time information, the **advertisement insertion** module 304, according to the ad insertion schedule provided by the ad scheduler 312, requests a particular advertisement from the advertisement storage unit 314 which then **sends the requested advertisement** to the **advertisement insertion** module 304.”) (emphasis added). Thus, Eldering-I detects an ad avail, and uses that ad avail as-is, without changing the ad avail.

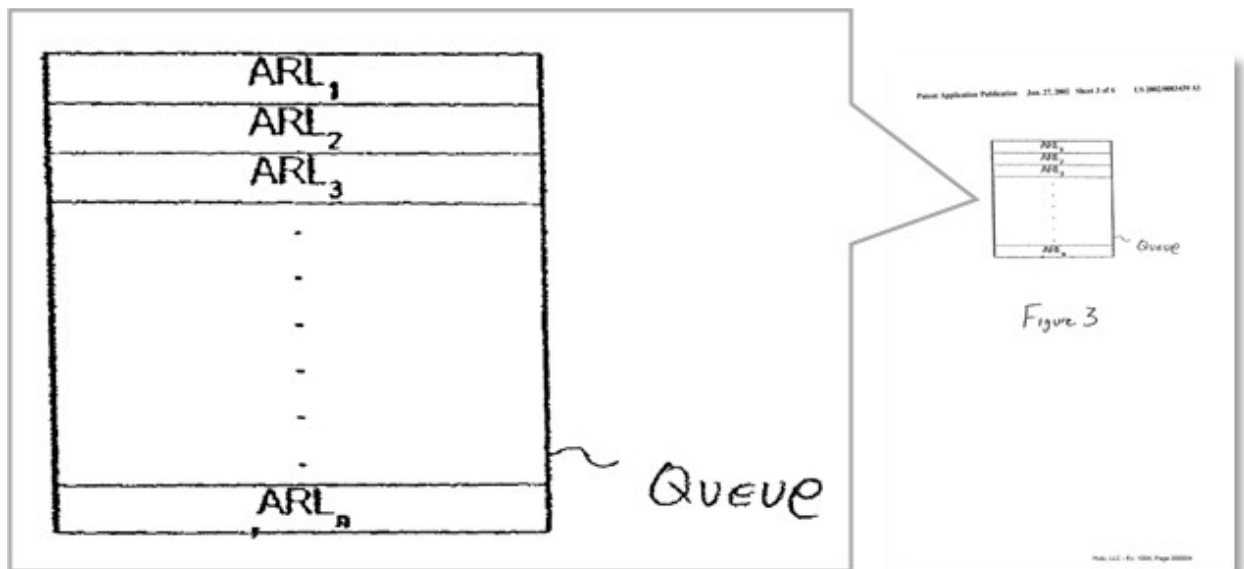
The Petition refers to changes, but those changes are not what is claimed. They do not change an ad insertion point, as every independent claim requires.

The Petition refers to Eldering-I as allegedly “rescheduling” ads. *See, e.g.*, 00082 Pet., 23. Changing the schedule for an ad, however, is not sufficient to show changing a particular ad insertion point. If an ad plays at a later time instead of an earlier time, that does not demonstrate that any particular ad insertion point changed, and the Eldering art is nowhere shown to close this gap between playing a particular ad at a different ad insertion point and changing an ad insertion point. Indeed, the Petition begins its discussion by referring to two different ad avails corresponding to two different positions—not changing a particular ad insertion point as the claims require. 00082 Pet., 25 (“Eldering-I teaches **adaptively**

modifying a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points (e.g., avail corresponding to an advertisement’s original position in the ad insertion schedule) **to one or more alternatively sequenced insertion points** (i.e., avail corresponding to the advertisement’s new position in the ad insertion schedule)...”). Said another way, the Petition refers to an ad file being in one position in a list, with the list position allegedly associated with one ad avail, then the ad file being in a different list position— allegedly associated with a different ad avail. At most, this discloses two different ad avails. It does not show modifying an ad avail.

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. Ex. 1004 [Eldering-I], *e.g.*, ¶¶ 16, 44, 53. Petitioner asserts incorrectly that Eldering’s schedule has positions that are each associated with an ad avail, and rescheduling changes the ad’s position and therefore causes that ad to become associated with a different ad avail. That is not correct. Eldering-I’s “schedule” and “rescheduling” does not involve timing, let alone modifying any ad insertion point. Although Eldering-I refers to its list of ads as a “schedule,” *id.*, ¶ 46, the list is not a calendar or time-based schedule. The “schedule” does not specify the presentation time for ads. Instead, consistent with dictionary definitions of the

term “schedule” that do not involve time, Eldering uses the term “schedule” in the sense of a list queue, like the sense in which the word “schedule” is used in tax returns (e.g., Form 1040 “Schedule A” for itemized deductions). As Petitioner itself points out, Eldering-I’s “schedule” is depicted in Figure 3 (01253 Pet., 25), labelled as a “[q]ueue,” and is simply “an ordered list” of ads—specifically, a list of ARLs (ARL₁, ARL₂, and ARL₃) that indicate where an ad is stored.



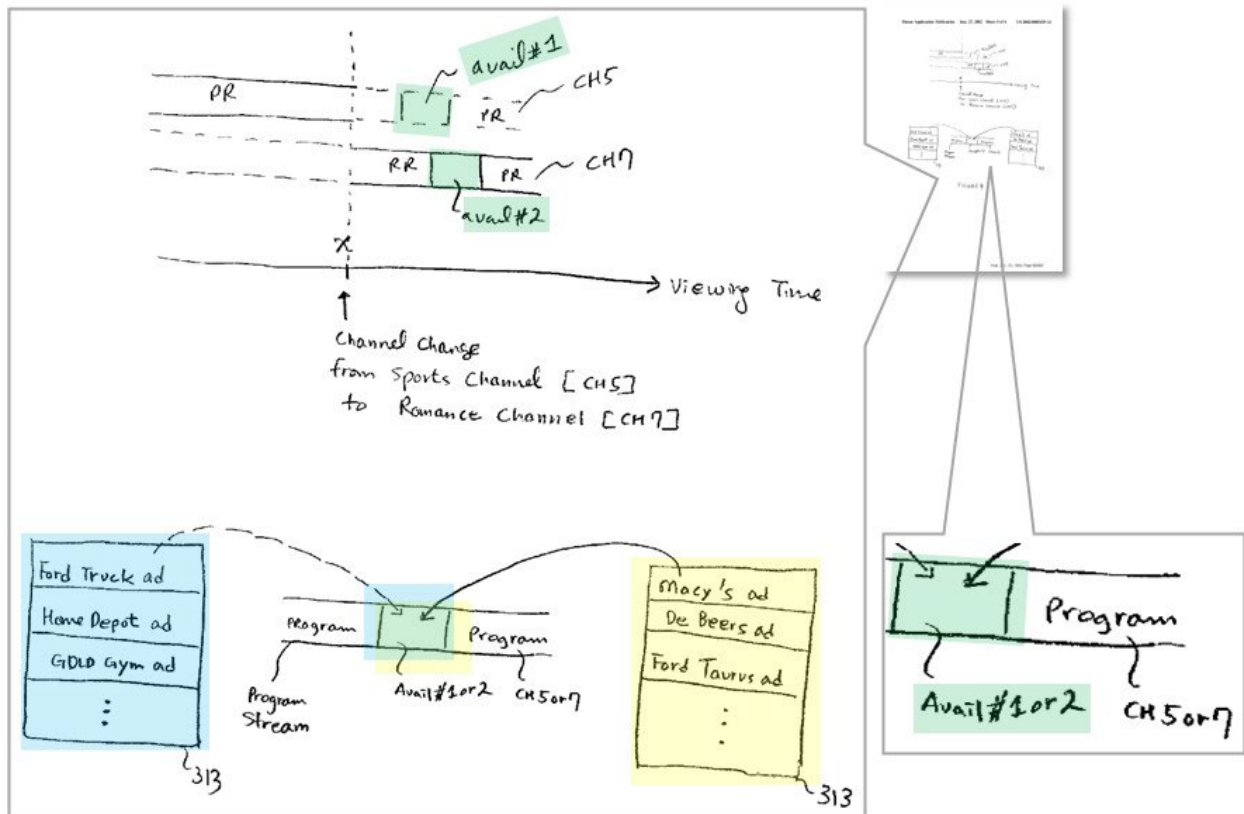
Ex. 1004 [Eldering-I], Fig. 3, ¶ 29 (“Preferably, the ad insertion schedule includes an ordered **list** of **ARLs** (**advertisement** resource locators) each of which indicates the location of a particular **advertisement**” in the queue) (emphasis added); 01253 Pet., 24-25 showing the same Figure 3 (“The ad insertion schedule includes an ordered **list** of advertisement resource locators ...”) (emphasis added).

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.” *Id.*, ¶ 76 (“The present invention allows targeted ads to be delivered to appropriate viewers **without** such **ads** being **linked** to **program/time**, so that viewers will always see targeted ads **even if they change channels** or view programs at **different times**.”) (Emphasis added). That is, one might say, a core principle of Eldering-I’s operation. Thus, specifically “so that viewers will always see” the ads “even if they change channels or view programs at different times,” Eldering-I’s list of ads is **not** a schedule indicating that a certain ad will be played at a certain time or inserted into any particular ad avail. *Id.* Unlike the claimed invention, Eldering-I’s way of preventing users from skipping ads **eschews** moving or changing the points at which advertising is inserted into programs, and teaches its own, different way to accomplish this goal.

As Eldering-I’s Fig. 4, below, visually demonstrates, ads in Eldering-I’s lists are not tied to any particular ad avail. In Fig 4, ad avail #1 could be the next avail that is detected—but only if the user continues watching channel 5. If the user changes to channel 7, however, then ad avail #2 will be next instead. In other words, Eldering-I does **not** change a list of ads merely because ad avail #1 is no longer expected—which helps demonstrate that the top ad in the list is not tied to ad avail #1. Further, as Eldering-I’s Fig. 4 indicates, Eldering-I teaches

maintaining multiple lists, such as one list per viewer in a multi-viewer household.

Ex. 1004 [Eldering-I] ¶ 64 (“... system may maintain **multiple queues** and execute the viewer determination algorithm for **selecting** from **which queue** ARLs will be retrieved based on predetermined criteria. For instance, a **different queue** may be maintained **for each** potential television **viewer** at the subscriber location (e.g., mother, father, child). The algorithm for **determining which queue to use** to retrieve ads could be based on the identity of the viewer ...”) Thus, the entire list—including any particular ad in a list—does not correspond to any particular ad avail. As Fig. 4 illustrates, Eldering-I teaches inserting an ad into “Avail #1 or #2”—whichever one actually arrives (avail #1 if the user stays on channel 5, or avail #2 if the user changes to channel 7)—using one of two conflicting lists (either the list on the left, or the list on the right). The Eldering-I system decides which list and which ad to use at the moment when an ad avail actually arrives. Ex. 1004 [Eldering-I] ¶ 15 (“The ad processing unit then **inserts** the **ads** in the **avails** as **they arrive.**”)



Ex.1004 [Eldering-I] Fig. 4. Eldering-I's list of ads does not change, even when a first ad avail (e.g., avail #1 in Fig. 4) becomes irrelevant and a second ad avail (e.g., avail #2 in Fig. 4) becomes the expected next ad avail. Indeed, Eldering-I teaches that when a different ad avail becomes the next expected ad avail, the ad at the top of the list may be the wrong size for that different, next avail. Ex. 1004 [Eldering-I] ¶ 52 ("For example, the viewer may change the TV channel he is currently watching and the **next avail** of the newly selected channel may **not** be of the **same size** as the **next ad in the queue** to be inserted. In this case, the ad schedule needs to be changed so that **another ad, matching the size of the next avail** of the newly selected channel, is moved to the top of the queue for

insertion.”) (emphasis added). Put another way, the top-ranked ad in the list is not tied to an ad avail because, for example, it remains the top-ranked ad (subject to possible later demotion) even when an incompatible ad avail becomes the next expected ad avail. A further indication confirming that Eldering-I’s list of ads does not correspond to any particular time or times is that a single ad can be played multiple times, yet Eldering-I does not show or refer to putting the same ad in multiple places in the list. Instead, a given ad appears only once in the ranked lists that Eldering-I shows, no matter how many times it plays. *Id.*, ¶ 49.

The Petition also cites changing an ad’s rank in Eldering-I’s list of ads, including after [1] skipping an ad avail or [2] detecting a different user. 00082 Pet., 27, 30. That re-ranking concept is the same “rescheduling” concept discussed above. In Eldering-I, “rescheduling” is merely re-ranking. Thus, what Petition refers to as an ad’s [1] “position” in Eldering-I’s [2] “schedule” is merely the ad’s [1] rank in a [2] list. Ex. 1004 [Eldering-I] ¶¶ 49, 51. That rank—whether it is referred to as an initial rank, a re-ranking, or a rescheduling—is not a position in any time-based schedule, nor otherwise tied to any particular ad avail. *Id.* The list is not a time-based schedule, so each ad in the list is not tied to any particular time or ad avail. Further, the list could merely be one of multiple lists, so the list, and all ads in it, are not tied to any particular ad avail. Thus, as discussed above, an ad’s ranked placement in a list does not correspond to any particular time or

avail, so changing an ad's rank in the list does not show modifying an ad insertion point as the claims require.

Re-ranking ads in Eldering-I's "list," regardless of the reason for the re-ranking, does not change an ad insertion position, for the reasons discussed above. As for skipping an ad avail or detecting a different user, those are two of the potential changes that explain why Eldering-I does not commit to using any particular list—let alone any particular ad in a list—before the ad avail is actually detected. Ex. 1004 [Eldering-I] ¶ 76. Because changes can occur before the next ad avail arrives, Eldering-I inserts an ad only when the ad avail is detected. Eldering-I ¶ 15 ("The ad processing unit then **inserts** the **ads** in the **avails as they arrive.**") Eldering-I does not teach initially inserting one ad into an ad avail, then inserting a different ad into that same ad avail, for example.

In Eldering-I, skipping an ad avail does not modify any ad insertion point. An ad avail is skipped in whole or in part. 00082- Pet., 26 ("The updating of the play position occurs **when at least part of an advertisement is bypassed.**") (emphasis added). Either way, the skipped ad avail comes and goes, without being modified. The ad avail that comes after the skipped ad avail is also not modified. To understand why, consider Eldering-I's "list" of ads. *Id.*, e.g., ¶ 76. The same ad that was top-ranked before the skipped ad avail (or channel change, or different user) remains the top-ranked ad after the skipped ad avail comes and goes—which

illustrates that the top-ranked ad is not associated with the skipped ad avail because it does not disappear when the ad avail is skipped. *Id.*, ¶ 52. Nor is the top-ranked ad associated with the next ad avail. *Id.* Even under Petitioner’s incorrect theory that an ad listed first is associated with a first ad avail, that would merely indicate that the top-ranked (first) ad was associated with the skipped (first) ad avail—but never with the second ad avail that comes after the skipped (first) ad avail. Indeed, the top-ranked (first) ad could be incompatible with the second ad avail, for example, in which case the first ad was never tied to—or even contemplated as a candidate for—the incompatible second ad avail. Ex. 1004 [Eldering-I] ¶ 52 (“For example, the viewer may change the TV channel he is currently watching and the **next avail** of the newly selected channel may **not** be of the **same size** as the **next ad in the queue** to be inserted. In this case, the ad schedule needs to be changed so that **another ad, matching the size of the next avail** of the newly selected channel, is moved to the top of the queue for insertion.”) (emphasis added). Put another way, although re-ranking can demote the ad that was previously listed first, that does not show a change to the position of any ad avail. Even if the demoted (first) ad was previously expected to be shown at the skipped (first) ad avail, that demoted ad was never expected to be shown at the second ad avail after the skipped ad avail. Thus, demoting the top-ranked (first) ad does not show any

change to the second ad avail, because the demoted ad was never associated with the second ad avail, even under Petitioner's theory.

Thus, Eldering-I does not change ad insertion points because it does not move those points in the presentation timeline. Eldering-I merely ranks ad files for inserting into fixed ad insertion locations. Eldering-I does not associate ad files with a particular ad insertion point and then associate a different ad file with an ad insertion point. Even if Eldering-I did so, changing the ad content of an ad insertion point does not disclose changing an ad insertion point as the claims require, because it does not change the position of an ad insertion point—as the Board held in its 2020 appeal decision. Ex. 1002 ['403-Prosecution-History] 896 (PTAB decision, p. 41, citing *id.*, 748-749 (Board Appeal Br., p. 22-23)); see discussion in Section II.

VI. Conclusion

Petitioner fails to demonstrate a reasonable likelihood of success as to any of the challenged claims. In the two decades of combined prosecution on the application of the '403 Patent and the '768 child patent, the same or substantially the same art was not only considered by the Office but expressly identified as the closest prior art to the claims. And all the claims-at-issue have been declared

invalid in a District Court final judgment between the parties. For all of the above reasons, the Petition should be denied.

Respectfully submitted,

/ David Alberti /

David Alberti (Reg. No. 43,465)

KRAMER ALBERTI LIM & TONKOVICH LLP

Kenneth J. Weatherwax (Reg. No. 54,528)

LOWENSTEIN & WEATHERWAX LLP

Date: February 25, 2025

CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME LIMITS

This Patent Owner Preliminary Response (the “POPR”) consists of 11,827 words, excluding table of contents, table of authorities, certificate of service, this certificate, or table of exhibits. The POPR complies with the type-volume limitation of 14,000 words as mandated in 37 C.F.R. § 42.24. In preparing this certificate, counsel has relied on the word count of the word-processing system used to prepare the paper (Microsoft Word).

Respectfully submitted,

/ Abigael Neufeld /

Date: February 25, 2025

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the following documents were served
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EXHIBITS 2003-2014

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Harper Batts	HBatts@sheppardmullin.com
Chris Ponder	CPonder@sheppardmullin.com
Jeffrey Liang	JLiang@sheppardmullin.com
Fangzhou Qiu	FQiu@sheppardmullin.com
	LegalTM-Piranha-CDCA@sheppardmullin.com

Respectfully submitted,

/ Abigael Neufeld /

Date: February 25, 2025