IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HULU, LLC,

Petitioner,

v.

PIRANHA MEDIA DISTRIBUTION, LLC,

Patent Owner.

Case No. IPR2025-00082

U.S. Patent No. 10,986,403

PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE

PO admits that the arguments in its POPRs are "almost the same" as those in IPRs regarding the related '768 patent. POPR-00081, 3. As the Board has instituted both IPRs for the '768 patent, PO's arguments here should likewise be rejected. IPR2024-01252, Paper 16; IPR2024-01253, Paper 15. [1]

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

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

The '403 patent was allowed in error because the Office has not considered the combination of Wu and Doherty or the combination of Eldering-I and Eldering-II. Factor (c) weighs strongly against denial because none of the Petitions' art was used in any Office Action for the '403 patent. Factor (e) weighs strongly against denial because the Examiner did not consider either combination. Factor (f) strongly weighs against denial because the Petitions present new evidence, including the two combinations and Dr. Houh's explanations.

[1] This Reply is identical to the Reply filed in co-pending Case No. IPR2025-00081.

Petition 1. PO argues that Wu and Doherty resemble the Knepper reference cited for the ’403 patent. The Petition relies on Wu’s teachings regarding a digital recording/play back system allowing users to fast forward through or skip over advertisements and Doherty’s teachings regarding rescheduling advertisements and other items of information (e.g., media content) in response to user input—neither set of teachings is present in Knepper. PO did not offer any concrete examples of similarity between the two references and Knepper. *See* POPR-00081 at 22-23.

PO argues the appeal decision during prosecution determined “that changing the sequence of media, and changing the content of an ad insertion point, does not disclose modifying the ad insertion point.” POPR-00081 at 15. Wu and Doherty materially differ from PO’s characterizations of Knepper. *See* IPR2024-01252, Paper 16 at 45, 48-49. For example, Wu teaches displaying a sub-advertisement in response to a user input skipping over an advertisement and once the user resumes video content. Petition-00081 at 29. Doherty teaches rescheduling advertisements and other items of information in response to a user input. Petition-00081 at 30-31.

Petition 2. It is undisputed that the Examiner never considered Eldering-I or Eldering-II or their combination in any Office Actions. Furthermore, Plotnick[2] was

[2] The Plotnick reference cited during prosecution is identified by PO as “Eldering-’262” in its POPRs. *See, e.g.,* POPR-00082 at 5.

considered only for the ’768 patent, after the ’403 patent was issued. PO admits that the claims of the ’403 patent are different from those of the ’768 patent and makes no effort to substantiate its assertion that Petitioner’s arguments for the two patents are “essentially identical.” POPR-00082, 25. Notably, no terminal disclaimer was filed for the ’768 patent over the ’403 patent. Thus, PO fails to justify its request for the Board to consider Plotnick in its 325(d) analysis.

PO further ignores the material differences between the Eldering ground and Plotnick regarding how the advertisements are selected, scheduled, and rescheduled.[3] The Petition explains in detail how Eldering-I’s teachings regarding selecting, scheduling and rescheduling advertisements in response to changing conditions—which are not present in Plotnick—would have been combined with Eldering-II’s teachings regarding user input (e.g., skipping through content) such that the combination discloses rescheduling advertisements in response to user input, as the claim requires. For example, the combination of Eldering-I and Eldering-II suggest rescheduling an ad to a different avail in response to user input skipping ads and content (*see* Petition-00082 at 26-27), which is different from

[3] As the Board correctly noted, Plotnick incorporates by reference about 50 patent applications including Eldering-I and there is no evidence that the Examiner considered Eldering-I. IPR2024-01253, Paper 15 at 44.

PO's alleged teachings of Plotnick (POPR-00082 at 8). PO's further attempt to establish material similarity by pointing to figures in Plotnick and Eldering-'039 allegedly similar to Eldering-I and Eldering-II is likewise unavailing. *See* POPR-00082 at 26-32. PO does not explain how the relied upon disclosures of the Eldering references are materially similar to Plotnick and Eldering-'039 simply because they have similar figures or how that is relevant to the Petition's obviousness positions. For reasons explained above, here, the *Becton* factors do not weigh in favor of exercising the Board's discretion under §325(d) to deny the Petitions.

II. *Fintiv* Factors Strongly Weigh Against Denial.

The *Fintiv* factors strongly weigh against discretionary denial. **Factor 1** weighs against discretionary denial. *Apple Inc. v. Geoscope Techs. Pte. Ltd.*, IPR2024-00255, Paper 14 at 12–13. The Director previously noted that where a district court's §101 determination was appealed, "the district court's judgment of invalidity under 35 U.S.C. § 101, i.e., a statutory ground that could not have been raised before the Board, does not raise concerns of inefficient duplication of efforts or potentially inconsistent results between the Board and the district court." *AviaGames Inc. v. Skillz Platform Inc.*, IPR2022-00530, Paper 14 at 3. The Director further noted that "the challenged claims have not yet been cancelled and remain in force… By the time an appeal will have concluded, Petitioner will be

barred under 35 U.S.C. § 315(b) from bringing a new challenge in an IPR petition." *Id.*, at 3–4.

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

Factor 3 strongly weighs against discretionary denial. The parallel case in district court remains in its early stages. Fact discovery is not complete; claim construction and expert discovery have not begun. The parties have only exchanged initial contentions. The Board has repeatedly weighed this factor against denial under similar conditions. *See, e.g.*, *Samsung Electronics Co., Ltd. v. G+ Communications, LLC* IPR2022-01598, Paper 10 at 19.

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

Factor 5 weighs against denial because any trial will come well after a FWD, since a remand of the appeal after oral argument must first occur and appeal briefing has yet to begin. *Google LLC, et al. v. Parus Holdings, Inc.*, IPR2020-00846, Paper 9 at 20–21; *Beckman Coulter, Inc. v. Sirigen II Limited*, IPR2022-01204, Paper 12 at 21–22.

As for **Factor 6**, the Board only considers the compelling merits standard if the first five *Fintiv* factors favor discretionary denial. *CommScope Techs. LLC. v. Dali Wireless, Inc.*, IPR2022-01242, Paper 23 at 4–5 (precedential). Here, factor 6 strongly weighs against denial because Petitioner's grounds constitute compelling merits.

The grounds set forth in both Petitions are compelling. For the Eldering ground, PO argues that modifying an advertisement insertion point requires moving the point in the timeline. POPR-00082 at 49. But PO's argument contradicts its own position in the parallel district court litigation. In its Infringement Contentions, PO alleged that the accused feature of displaying an advertisement immediately after the user skips over an original position for playing the advertisement satisfies the claim requirements, where the advertisement insertion point is not moved in the timeline. *See* Ex-1016 at 42–49.

PO's argument is flawed further because it is based on a narrow interpretation of the claim (that PO has not sought construction on)—that the claim requires modifying an ad insertion point and excludes doing so by inserting an advertisement into a different insertion point in the digital media content.[4] This

[4] The Board rejected PO's similar arguments for the '768 IPRs. IPR2024-01252, Paper 16 at 17-23; IPR2024-01253, Paper 15 at 20-26.

interpretation plainly contradicts the claim language, which recites "modify a presentation position of the digital advertising content from … one or more initially sequenced insertion points to one or more alternatively sequenced insertion points in the digital media content." Ex-1001, 44:2-45:2.

PO's argument also overlooks the Petition's extensive arguments on motivation to combine the two Eldering references and how **the combination** teaches the claims, offering only a conclusory assertion that Petitioner's arguments are incorrect. *See* POPR-00082 at 48–49. Arguing that the Eldering ground fails to disclose modifying any particular advertising insertion point, PO ignores the Petition's explanation that, according to the combination, a user input such as fast forwarding and skipping (as taught by Eldering-II) would change the characteristics of the upcoming avails that are suitable for inserting advertisements (as taught by Eldering-I), which include the time of the upcoming avails in the media stream. *See, e.g.*, Petition-00082 at 23-24, 27-28, 34.

For the Wu and Doherty ground, PO similarly argues the claims require changing the location of an advertising insertion point. POPR-00081 at 40. PO's arguments lack merit not only for reasons explained above but also because it simply fails to address how its self-contradictory narrow interpretation of the claim is even relevant to the relied upon teachings of Wu and Doherty. Indeed, PO merely presents a conclusory assertion that "[a]n advertisement insertion point is

distinct from an ad file like those of Wu," without citing a single instance where the Petition equates an advertisement insertion point to an ad file. POPR-00081 at 38. PO next argues that Wu plays pre-recorded ads and never alters original ad insertion point. POPR-00081 at 44-45. This argument has multiple flaws. First, PO contends that Petitioner's argument is wrong but simultaneously admits that Petitioner never presented such an argument. *Id.* at 48 ("Petitioner does not assert that Wu alters the pre-recorded ads."). Moreover, addressing only Wu's disclosures, PO blatantly disregards the Petition's thorough explanations as to how Doherty's teachings are combined with Wu to disclose the claims at issue. PO's actual attack on Doherty—that it does not modify scheduled ad insertion points—not only mischaracterizes Doherty's teachings but also falls short of explaining how those arguments pertain to the claim requirements. *See* POPR-00081 §V.C.

Notably, PO premises its *Fintiv* attack on the fact that their appeal is likely to fail (*see* POPR-00081 at 25–32; POPR-000082 at 34–41) but refused to terminate its appeal when asked, stating it was only citing general reversal rates.

Date: March 24, 2025

Respectfully submitted,

/*Harper Batts*/
Harper Batts (Reg. No. 56,160)
Attorney for Petitioner

CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d), the undersigned certifies that the foregoing **PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY REPLY**, exclusive of the exempted portions as provided in 37 C.F.R. § 42.24(a), contains no more than 8 pages and therefore complies with the Board's order granting briefing by e-mail on March 10, 2025.

Date: March 24, 2025

/Harper Batts/
Harper Batts (Reg. No. 56,160)
Attorney for Petitioner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on March 24, 2025, a true and correct copy of the **PETITIONER'S PRELIMINARY REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE** was served in entirety via email to all parties to this proceeding at the addresses indicated:

David L Alberti
dalberti@krameralberti.com
Kenneth Weatherwax
weatherwax@lowensteinweatherwax.com
Sal Lim
slim@krameralberti.com
Zack Higgins
zhiggins@krameralberti.com
Kenneth Wang
wang@lowensteinweatherwax.com
krameralberti-piranha@krameralberti.com

Dated: March 24, 2025

By *\/Harper Batts\/*
Harper Batts (Reg. No. 56,160)
Attorney for Petitioner