

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

STINGRAY GROUP INC. and STINGRAY MUSIC USA, INC.,
Petitioner,

v.

EDWIN A. HERNANDEZ-MONDRAGON,
Patent Owner.

IPR2025-00350
Patent 10,524,002 B2

Before BETH Z. SHAW, JASON M. REPKO, and BRIAN P. MURPHY,
Administrative Patent Judges.

REPKO, *Administrative Patent Judge.*

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

Stingray Group Inc. and Stingray Music USA, Inc. (collectively, “Petitioner”) filed a petition (Paper 1, “Pet.”) requesting *inter partes* review of claims 1–13 of U.S. Patent No. 10,524,002 B2 (Ex. 1001, “the ’002 patent”). Edwin A. Hernandez-Mondragon (“Patent Owner”) filed a Preliminary Response. Paper 7 (“Prelim. Resp.”). We authorized Petitioner to file a Preliminary Reply to address Patent Owner’s arguments about discretionary denial. Paper 10 (“Prelim. Reply”). We authorized Patent Owner to file a Preliminary Sur-reply. Paper 11 (“Prelim. Sur-reply”). Apart from the Preliminary Reply and Sur-reply, we authorized additional briefing to address new developments in the parallel litigation. Petitioner filed a brief. *See* Paper 12 (“Pet. Brief”). Patent Owner did not.

To institute an *inter partes* review, we must determine “that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a). The Board, however, has discretion to deny a petition even when a petitioner meets that threshold. *Id.*; *see, e.g., Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”).

For the reasons that follow, we grant institution of *inter partes* review.

A. Related Matters

According to the parties, the challenged patent has been asserted in *Hernandez v. Stingray Group, Inc.*, No. 1:24-cv-21226 (S.D. Fla. Apr. 2, 2024). Pet. 1; Paper 5, 2 (Mandatory Notices).

B. The ’002 Patent

The challenged patent generally relates to cloud-based delivery of multimedia content to cable or satellite providers. Ex. 1001, 1:19–21. A

cable or satellite provider can request a media stream from a cloud service for playback on a broadcast-media channel. *Id.* at 2:58–67. Before providing the media stream, the system generates multimedia files in a format that is compatible with the content provider. *Id.* To create the file, the system can generate a sequence of screen captures of a webpage. *Id.* at 7:24–26. When all the screens are captured, the resulting video file can be merged with the original file. *Id.* at 7:26–29.

C. Claims

Of those challenged, claims 1, 4, 7, and 13 are independent. Claim 1 is reproduced below.

A computer-implemented method, comprising:

receiving, from a content provider, a request for at least one media stream for playback on a broadcast media channel, wherein the at least one media stream includes a plurality of multimedia items of different types;

obtaining content corresponding to the plurality of multimedia items from at least one source offering the content in at least one first format;

rendering a web page by a browser using the content;

generating a temporal sequence of screen captures of the rendered web page, where each screen capture defines all the content of the web page at a given time, and at least two adjacent screen captures illustrate a dynamic change of at least a portion of the content over time;

assembling the at least one media stream using the temporal sequence of screen captures; and

providing the at least one media stream to the content provider for broadcast on the broadcast media channel;

wherein the at least one media stream corresponds to at least one of an HTTP live stream (HLS), an HTTP playlist, and

a Real-time Streaming Transport (RTSP) stream; and wherein the web page is rendered in parallel in multiple threads.

Ex. 1001, 14:50–15:6.

D. Evidence

Name	Reference	Exhibit No.
Avellan	U.S. Patent No. 8,954,600 B2 to Avellan, filed on Mar. 2, 2012, issued on Feb. 10, 2015	1003
Ma	U.S. Patent Application Publication 2014/0150019 A1 to Ma, published on May 29, 2014	1004
Fain	Yakov Fain, “Java Programming 24-Hour Trainer”	1005
Wannamaker	U.S. Patent Application Publication No. 2004/0031052 A1 to Wannamaker, published on Feb. 12, 2004	1006

E. Asserted Grounds

Petitioner asserts that claims 1–13 are unpatentable on the following grounds. Pet. 3.

Claims Challenged	35 U.S.C. §	Reference(s)/Basis
1–6, 13	103	Avellan
1–6, 13	103	Avellan, Ma, Fain
7–9, 11, 12	102	Wannamaker
10	103	Wannamaker, Avellan

II. ANALYSIS

A. Discretionary Denial Under 35 U.S.C. § 314(a)

Under section 314(a), the Director has discretion to deny institution of a petition for *inter partes* review. *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016). In determining whether to exercise that discretion on behalf of the Director, the Board considers an early trial date in related litigation in an assessment of all relevant circumstances of the case—including the merits—to balance considerations such as system efficiency, fairness, and patent quality. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv* Order”). Under this assessment, the Board evaluates the following factors (“*Fintiv* factors”):

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and

6. other circumstances that impact the Board’s exercise of discretion, including the merits.

Fintiv Order 5–6. In evaluating the *Fintiv* factors, “the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.* at 6; *see also* Scott R. Boalick, Chief Administrative Patent Judge, Guidance on USPTO’s recission of “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (USPTO March 24, 2025) (“Guidance Memo”) (“[T]he factors considered in the exercise of discretion are part of a balanced assessment of all the relevant circumstances in the case, including the strength of the merits.”).

Here, the challenged patent has been asserted in parallel litigation in the Southern District of Florida (“the Florida Litigation”). Pet. 5; Paper 4, 2 (Mandatory Notices). In view of this litigation, Patent Owner argues that the Board should discretionarily deny the Petition under section 314(a). *See* Prelim. Resp. 14–27; Prelim. Sur-reply 1–7. At the time that the Preliminary Response was filed, the trial date was set for October 2025. Ex. 2003, 1.

After Patent Owner made these arguments, though, the district court in the Florida Litigation (1) stayed all deadlines indefinitely and (2) said that the October trial will not go forward as scheduled. Ex. 1028, 3.

“A district court stay of the litigation pending resolution of the PTAB trial allays concerns about inefficiency and duplication of efforts.” *Fintiv* Order 6. That is the case here. Thus, the first *Fintiv* factor strongly weighs against exercising the authority to deny institution. *Id.*

Under the second *Fintiv* factor, the proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision

weighs against exercising our authority to deny institution because there is no trial date scheduled. *Id.* at 9.

Under the third *Fintiv* factor, we consider the investment in the parallel proceeding by the court and the parties. *Id.* In the preliminary briefing, Patent Owner expected all pre-trial activities to be complete by the institution date. Prelim. Sur-reply 4–5. Since then, the court in the Florida Litigation stayed all deadlines indefinitely, and the parties have agreed to remove the scheduled depositions. Pet Brief. 2; Ex. 1028, 3. Also, there has been no *Markman* hearing. Prelim. Reply 4. To be sure, there has been some progress with respect to discovery. *See* Prelim. Sur-reply 4–5 (citing Ex. 2008). Yet, much work remains, and the court has suspended all deadlines. *See* Ex. 1028, 3. Thus, the third *Fintiv* factor weighs against exercising our discretion to deny institution.

Under the fourth *Fintiv* factor, a Petitioner may mitigate the potential for duplicate effort or conflicting decisions by stipulating that it will not pursue in district court any ground raised or that could have been reasonably raised in an instituted IPR petition. *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 18–19 (PTAB Dec. 1, 2020). “[A] timely-filed *Sotera* stipulation . . . is highly relevant, but will not be dispositive by itself. Instead, the Board will consider such a stipulation as part of its holistic analysis under *Fintiv*.” Guidance Memo 2–3. Here, Petitioner offered a *Sotera* stipulation. Ex. 1021. Although not dispositive by itself, Petitioner’s stipulation, like the one in *Sotera*, mitigates “concerns of duplicative efforts between the district court and the Board, as well as concerns of potentially conflicting decisions.” *Sotera*, Paper 12 at 19. Patent Owner argues that the stipulation is belated. Sur-reply 5–6. We disagree because a *Sotera* stipulation filed before the institution decision is

considered timely. *See* Guidance Memo 2 n.1 (citing *NXP USA, Inc. v. Impinj, Inc.*, IPR2021-01556, Paper 13 (Sept. 7, 2022) (precedential)). Thus, the fourth *Fintiv* factor weighs strongly in favor of not exercising discretion to deny institution under 35 U.S.C. § 314(a). *See Sotera*, Paper 12 at 19.

Under the fifth *Fintiv* factor, “[i]f a petitioner is unrelated to a defendant in an earlier court proceeding, the Board has weighed this fact against exercising discretion to deny institution under *NHK*.” *Fintiv*, Paper 11 at 13–14. Stingray Group Inc. and Stingray Music USA, Inc. are the petitioners and real parties-in-interest. Pet. 4. Although Stingray Music is not accused of patent infringement in the Florida Litigation, Stingray Group Inc. is. Prelim. Reply 6–7. Because Stingray Music USA, Inc. is a wholly owned subsidiary of Stingray Group Inc. (Prelim. Sur-reply 6; Pet. 4.), we determine that Petitioner is related to the defendant in the parallel proceeding. This is the only factor favors discretionary denial. Even so, we note that there is no trial date set in the Florida Litigation. Ex. 1028, 3.

Lastly, under the sixth factor, when considering whether to discretionarily deny a petition, the Board assesses “all the relevant circumstances in the case,” including the Petition’s merits. *Fintiv* Order 14–16. The merits of the Petition here are compelling. For example, we disagree with Patent Owner’s arguments against both the Avellan and Wannamaker grounds for the reasons discussed below. *See infra* Section II.B. From our review of the challenges to claims 1 and 7, including those arguments not addressed in Patent Owner’s Preliminary Response, we find that Petitioner’s challenges plainly lead to a conclusion that one or more claims of the ’002 patent are unpatentable. *Id.* Thus, the sixth factor weighs in favor of not exercising discretion to deny institution.

Only the fifth *Fintiv* factor favors denial—i.e., the petitioners are related to the defendants in the Florida Litigation. The rest of the factors weigh against denial—two strongly so. Thus, considering all the relevant circumstances here, we decline to exercise our discretion to deny review.

B. Merits

1. Level of Ordinary Skill in the Art

According to the Petition,

Here, a Person of Ordinary Skill in the Art (“POSITA”) at the time of the claimed invention would have a bachelor’s or equivalent degree in computer science or a related field and at least 2 years of experience in multimedia processing or delivery using internet protocols. . . . A person with less formal education but more experience, or more formal education but less experience, could also meet the standard.

Pet. 19 (citing Ex. 1007 ¶¶ 68–69). Patent Owner provides a different definition:

A person of ordinary skill in the art at the time of the inventions in the ‘002 Patent would have had a bachelor’s degree in computer science or a related field, and at least two years of experience working in the field of *software systems* used in generating and broadcasting multimedia streams. An individual with less technical education but more experience, or vice versa, could also qualify as a person of ordinary skill in the art.

Prelim. Resp. 12 (citing Ex. 2006 ¶ 59) (emphasis added). Patent Owner argues that the definition must include experience in software systems because the invention is a software-based solution. *Id.* at 12–13 (citing Ex. 2006 ¶ 60).

At this stage, our decision would be the same under either definition. Should Patent Owner dispute Petitioner’s definition during trial, we encourage Patent Owner to explain how a software-focused definition would affect any obviousness analysis in our final written decision.

2. *Avellan*

In the first ground, Petitioner argues that claims 1–6 and 13 are unpatentable as obvious over Avellan. Pet. 3.

a. *Claim 1*

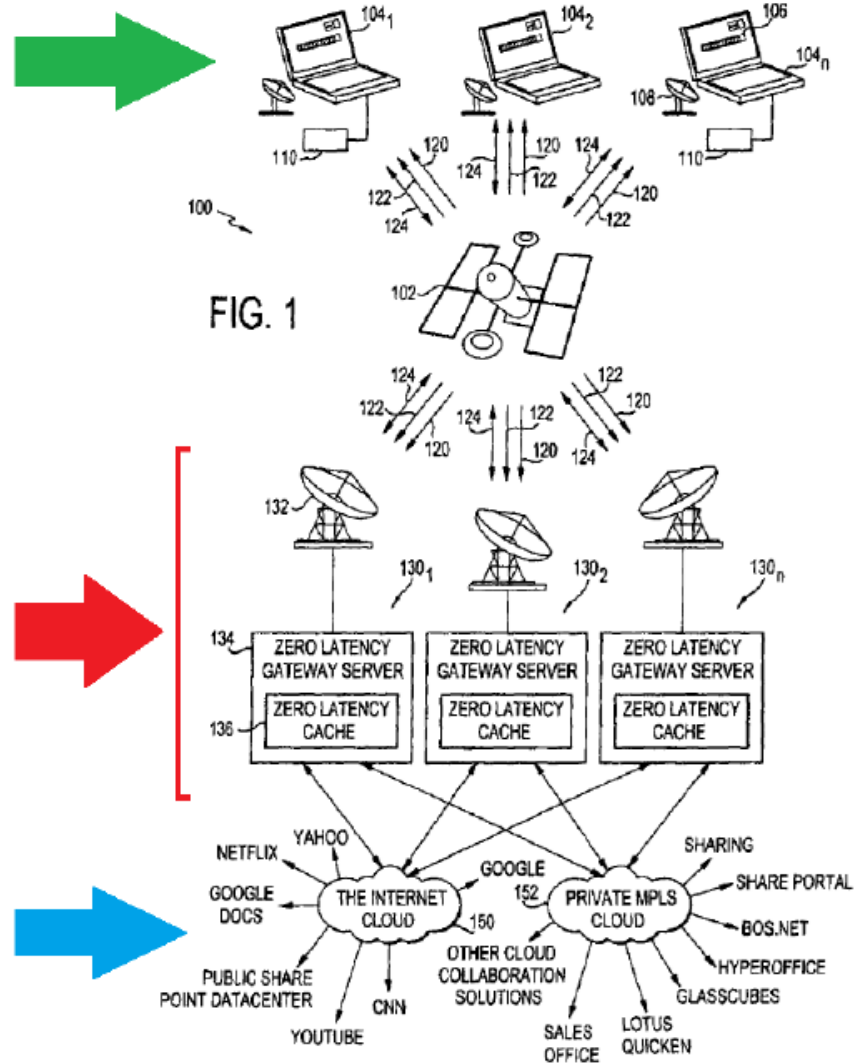
i. “*content provider*”

Claim 1 recites, in part,

receiving, from a content provider, a request for at least one media stream for playback on a broadcast media channel, wherein the at least one media stream includes a plurality of multimedia items of different types.

Ex. 1001, 14:51–54. Petitioner refers to this limitation as “1a.” Pet. 21. We adopt Petitioner’s numbering of the limitations in our analysis.

Petitioner relies on Avellan’s Figure 1, reproduced below with Petitioner’s annotations. *Id.* at 23.



Annotated Figure 1 shows Avellan’s system 100 for providing high-definition internet in a low-latency environment. *See* Ex. 1003, 2:16–18, 3:10–12. System 100 communicates data from networks 150 and 152 (blue arrow) to a virtual browser 106 on user computers 104₁–104_n (green arrow) via gateway platforms 130₁–130_n (red arrow) and broadcast device 102. *Id.* at 3:24–37. Gateway platforms 130₁–130_n include satellite antenna 132 and gateway service 134 with cache 136. *Id.* at 3:64–66.

Petitioner argues that Avellan teaches limitation 1a and the “content provider” recited in that limitation because (1) computer 104 requests media

streams from internet cloud 150 or private MPLS cloud 152 for playback and (2) the request is received by gateway platform 130, which obtains, processes, and broadcasts the corresponding content from the networks. Pet. 22. Content from the networks can be live streaming television feeds. Ex. 1003, 8:18–21, *cited in* Pet. 24.

According to Patent Owner, claim 1 requires a content provider that requests, receives, and uses the media stream, but Avellan’s gateway platform is not a content provider. Prelim. Resp. 34–39. In Patent Owner’s view, “the term ‘content provider’ means ‘a third party such as a cable television or satellite television operator, or any other multimedia outlet, that requests and receives multimedia content for playback on a broadcast media channel.” *Id.* at 14 (emphasis omitted). Patent Owner argues that interpreting the gateway platform as receiving a request for media content from itself, obtaining the requested content, and providing it to itself would render the claimed requesting and receiving steps unnecessary and meaningless. *Id.* at 36. Patent Owner argues that Avellan’s users request and receive the media, which does not meet the claim. *Id.* at 32–34.

There is no dispute that (1) Avellan’s user initiates the request and eventually receives the stream and (2) gateway server 134 receives a request for a media stream for playback on a broadcast channel. *See id.* at 32–39; Pet. 22. The issue here is whether claim 1 requires that the recited “content provider” originates the request. We agree with Petitioner that claim 1 does not require this. Prelim. Reply 7.

Apart from being received from the content provider, claim 1 does not limit the request’s origin in any way. Rather, claim 1 only requires that the request is received from the content provider. Ex. 1001, 14:51–54. Claim 1 recites “comprising” in the preamble of the method (*id.* at 14:50), which is a

term that does not exclude additional, unrecited steps. Thus, claim 1 encompasses user-originated requests that are received from other entities.

With this understanding of the claim, we preliminarily agree with Petitioner that Avellan discloses limitation 1a through its communication path from network 150 to user computers 104₁–104_n via gateway platforms 130₁–130_n. Pet. 22. That is, Avellan’s gateway platform 134 receives a request for at least one media stream, and claim 1 does not exclude user-originated requests. *See id.* We agree that the content can be video from CNN, BBC, ESPN, or other live-streaming television feeds. *Id.* at 24 (citing Ex. 1003, 8:18–21). Thus, at this stage and on this record, we agree with Petitioner that Avellan discloses limitation 1a. *See id.* at 22.

ii. Remaining Limitations

Apart from the arguments discussed above, Patent Owner does not present arguments specifically directed to the other limitations of claim 1. *See* Prelim. Resp. We determine that Petitioner’s arguments made in connection with those limitations are sufficient at this stage and on this record. Pet. 24–32. We agree with Petitioner that Avellan teaches obtaining content from the networks 150 and 152, as recited in 1b; rendering a webpage by a browser at gateway 134, as recited in 1c; generating the screen captures at gateway 134, as recited in 1d; and assembling and providing the media stream when gateway server 134 compresses the image or video format and sends it to the browser 106, as recited in 1e and 1f. *Id.* at 24–29. Petitioner has provided a sufficient rationale at this stage why a method with the subject matter recited in 1g and 1h would have been obvious. *Id.* at 29–32.

b. Conclusion

At this stage and on this record, it is reasonably likely that Petitioner would prevail in showing that claim 1 is unpatentable as obvious over Avellan. The Petition’s merits are compelling because Petitioner’s challenge plainly leads to a conclusion that claim 1 is unpatentable.

C. Wannamaker

In the third ground, Petitioner argues that claims 7–9 and 11–12 are unpatentable as anticipated by Wannamaker. Pet. 3.

1. Claim 7

a. Failure Cases

Claim 7 recites, in part, “a monitoring system configured to maintain generation of video and audio files, even in failure cases.” Ex. 1001, 16:11–12. Petitioner refers to this limitation as “7g.” Pet. 62.

Petitioner argues that Wannamaker’s operator management interface provides fault tolerance that maintains “generation of video and audio files, even in failure cases,” as claimed. *Id.* at 62–63 (citing Ex. 1006 ¶¶ 101, 103, 306, 320, 579). Wannamaker uses a data carousel server to create objects in the Mediacast signaling protocol (MSP) format and uses the multimedia streamer (MMS) components to transport the MSP objects to a downstream network. Ex. 1006 ¶ 174. According to Wannamaker, the system detects “fatal faults” and restarts itself without human intervention. *Id.* ¶ 320. The network also has redundant components. *Id.* ¶ 103. If one of Wannamaker’s servers fails, transactions are routed to another. *Id.* ¶ 101; *see also id.* ¶ 103 (discussing “failover support”).

Patent Owner argues that “Wannamaker repeatedly discloses that its ‘fault tolerant’ system operates by ‘restarting’ the system, which the claim[ed] invention expressly avoids by claiming continuous generation of

video and audio files.” Prelim. Resp. 41. According to Patent Owner, Figures 7 and 8 of the ’002 patent show this continuous generation. *Id.* at 39–41. Patent Owner argues that Wannamaker cannot ensure the “continuity of video and file generation during system failures” because Wannamaker’s user must manually fix the problem or restart the entire system. *Id.* at 42–43 (citing Ex. 1006 ¶¶ 103, 320).

The claim does not recite “continuous generation of video and audio files,” as Patent Owner argues. *See id.* at 41. Rather, the monitoring system need only be “configured to *maintain* generation of video and audio files, even in failure cases.” Ex. 1001, 16:11–12 (emphasis added). We leave for trial the question of whether maintaining generation even in failure cases requires continuous generation or whether it encompasses at least some lag or pause.

Even so, Patent Owner does not give sufficient weight to Wannamaker’s redundancy and failover support. For instance, in the event of a failure, Wannamaker’s network has redundant components so that, when a server fails, transactions are routed to an available server. Ex. 1006 ¶¶ 101, 103, *cited in* Pet. 62. The record at this stage favors Petitioner’s argument that these redundant components maintain generation of video and audio files, even in failure cases. Pet. 62–63. That is, even if we were to interpret the claim to require continuous generation, we agree that Petitioner’s showing is sufficient because Wannamaker explains that system availability is “high” and the servers’ performance can be “maximized”:

Fault tolerance is an important aspect of any online *high-availability system*. The information platform is configured to handle many types of system failures—both software and hardware. . . . Note that the application server also includes the ability to load-balance between active servers so that, in addition

to failover support, the servers in a cluster can be *maximized for increasing overall performance*. The network itself may also be configured with redundant network components, such as duplicate switches and interface adapters. As a result of the multiple layers of redundancy, the total system presents very *high availability* to its users.

Ex. 1006 ¶ 103 (emphasis added), *quoted in* Pet. 63.

Thus, at this stage and on this record, we agree with Petitioner that Wannamaker discloses limitation 7g. *See* Pet. 62–63.

b. Remaining Limitations

Apart from the arguments discussed above, Patent Owner does not present arguments specifically directed to the other limitations of claim 7. *See* Prelim. Resp. We determine that Petitioner’s arguments made in connection with those limitations are sufficient at this stage and on this record. We agree with Petitioner that Wannamaker discloses the recited multicast server and caching server, as recited in claim 7. Pet. 49–63. Specifically, we agree that Wannamaker creates the recited temporal sequence using its content-processor cluster to produce a digital cable system-compatible content from standard web content. *Id.* at 57 (citing Ex. 1006 ¶ 244). For example, Wannamaker’s web content can be an animated GIF. *Id.* at 58 (citing Ex. 1006 ¶ 98).

At this stage and on this record, it is reasonably likely that Petitioner would prevail in showing that claim 7 is unpatentable as anticipated by Wannamaker. The Petition’s merits are compelling because Petitioner’s challenge plainly leads to a conclusion that claim 7 is unpatentable.

III. CONCLUSION

Petitioner has shown a reasonable likelihood of prevailing as to the unpatentability of at least one of the challenged claims. Thus, we institute an

inter partes review of all claims challenged in the Petition and on all grounds in the Petition.

Although the above analysis states that we disagree with Patent Owner's arguments or agree with Petitioner's, a trial could produce additional evidence that may support a determination in the Final Written Decision that unpatentability has not been adequately proven. Everything in this decision should be read in that context and should not be understood to be a final determination.

IV. ORDER

It is

ORDERED that, under 35 U.S.C. § 314(a), an *inter partes* review of claims 1–13 of the '002 patent is instituted for all grounds in the Petition; and

FURTHER ORDERED that, under 35 U.S.C. § 314(a), *inter partes* review of the '002 patent is instituted on this decision's entry date, and under 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is given of the trial's institution.

IPR2025-00350
Patent 10,524,002 B2

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