

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

ZIKLAG IP LLC,
Patent Owner.

IPR2025-00700
Patent 6,182,128 B1

Before HUNG H. BUI, SCOTT A. DANIELS, and
KARA L. SZPONDOWSKI, *Administrative Patent Judges*.

BUI, *Administrative Patent Judge*.

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

I. INTRODUCTION

Apple Inc. (“Petitioner”) filed a Petition (Paper 2 (“Pet.”)) requesting *inter partes* review of claims 1–4, 6, 9–14, and 17 (“the challenged claims”) of U.S. Patent No. 6,182,128 B1 (Ex. 1001, “the ’128 patent”).¹ Ziklag IP LLC (“Patent Owner”) filed a Preliminary Response. Paper 7 (“Prelim. Resp.”).

We have authority to determine whether to institute review under 35 U.S.C. § 314 and 37 C.F.R. § 42.4. We may institute an *inter partes* review if “the information presented in the petition . . . and any response . . . shows 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.

Upon consideration of the contentions and the evidence of record at this preliminary stage, we determine that Petitioner has demonstrated a

¹ For utility patents filed after June 7, 1995, the patent term generally expires 20 years from the date the application was filed. The ’128 patent was filed on March 5, 1998, issued on January 30, 2001, and therefore expired on March 5, 2021. Under 35 U.S.C. § 286, Patent Owner (Ziklag IP LLC) cannot recover for any alleged infringement committed “more than six years prior to the filing of [its] complaint.” Thus, the last date on which any entity could have properly filed a complaint alleging infringement of the ’128 patent was March 5, 2024, six years after the patent expired. Ex. 1016, 1. Patent Owner’s predecessor, Touchmusic Entertainment LLC filed its initial complaint timely on March 2, 2024. Pet. 74; Ex. 1016, 1. However, Touchmusic’s corporate status was suspended from August 1, 2014 to April 12, 2024, but allegedly assigned the ’128 patent to Patent Owner on April 18, 2024. Pet. 74; Ex. 1016, 1–2. In the District Court, Apple has argued that Patent Owner’s claims are time-barred. Ex. 1016, 2. For purposes of this Decision, we assume Touchmusic’s alleged assignment of the ’128 patent to Patent Owner was proper, but will defer to the District Court’s ruling accordingly.

reasonable likelihood of prevailing on at least one of the challenged claims of the '128 patent. For the reasons discussed below, we grant the Petition and institute an *inter partes* review of all challenged claims of the '128 patent.

II. BACKGROUND

A. *Real Parties-in-Interest*

Petitioner identifies itself as a real party-in-interest. Pet. 79. Patent Owner identifies itself as the real party-in-interest. Paper 4 (Patent Owner's Mandatory Notices), 2.

B. *Related Matters*

Petitioner identifies the following as matters currently or previously involving the '128 patent:

Ziklag IP LLC v. Netflix, Inc., 1-24-cv-01789 (N.D. Ill.);

Touchmusic Entertainment LLC v. Amazon Web Services, Inc., 1-24-cv-01786 (N.D. Ill.); and

Touchmusic Entertainment LLC v. Apple Inc., 1-24-cv-01787 (N.D. Ill.). Pet. 79. Patent Owner does not identify any other related matters. See Paper 4, 2.

C. *The '128 Patent*

The '128 patent is titled "Real-Time Music Distribution Systems." Ex. 1001, code (54). The '128 patent "relates to systems connected in a network, such as cable television and telephone systems," particularly "systems for distributing information, such as video-on-demand or pay-per-view systems." *Id.* at 1:5–9. Additionally, the '128 patent "relates to methods and apparatus for distributing data files, such as music tracks, over

existing telecommunication (e.g., cable, telephone, or satellite) networks to subscribers [users] in response to user requests.” *Id.* at 1:9–13.

Figure 1, reproduced below, shows “a schematic view of a system for distributing data files, such as digitized music tracks.” Ex. 1001, 3:19–20.

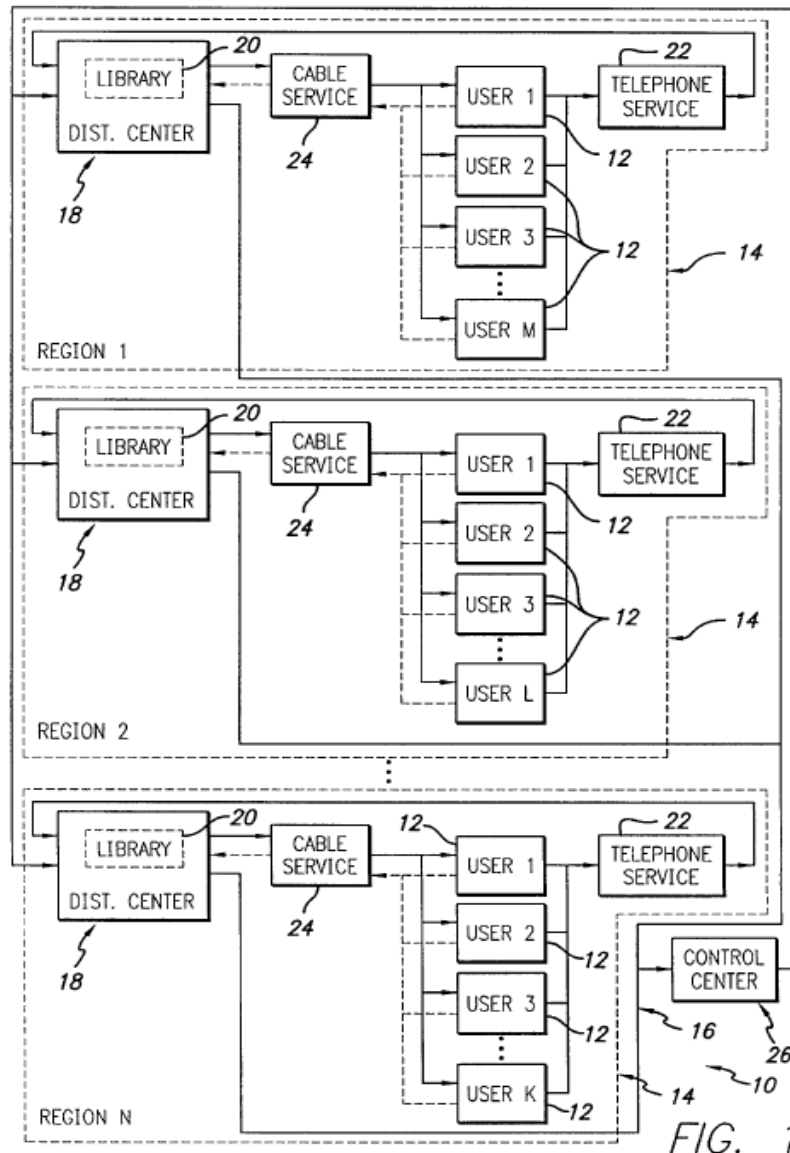


Figure 1, reproduced above, depicts distribution system 10 comprises a number of regional networks 14, each including distribution center 18 and a number of connected users 12. *Id.* at 3:34–38. Each distribution center 18

includes library 20 for storing data files, such as digitized music tracks. *Id.* at 3:38–40. In operation, user 12 in a particular region may send a request for a data file, for example, a music track, through existing infrastructure, such as telephone service 22 or cable service 24 to distribution center 18 in that region. *Id.* at 3:41–47. If the requested data file is located in regional library 20, regional distribution center 18 transmits the file to user 12; otherwise, regional distribution center 18 routes the request to control center 26, which “determines whether the requested data file is located in the libraries 20 in the other regional networks 14 and, if so, retrieves and routes the requested file to the user.” *Id.* at 3:48–61.

D. Illustrative Claim

Petitioner challenges claims 1–4, 6, 9–14, and 17 of the ’128 patent. Pet. 6, 14. Of the challenged claims, claims 1, 2, and 12 are independent. Independent claim 1, reproduced below, is illustrative.

1. A system for distributing digital audio files in substantially real time to users connected to a plurality of satellite or cable TV networks, said system comprising:
 - a) a plurality of private distribution centers, each including:
 - 1) a network interface including an input and an output for connecting to one of the satellite or cable TV networks;
 - 2) a library including a plurality of digital audio files;
 - 3) a library interface including an input and an output connected to said library; and
 - 4) a processor connected to said network interface and said library interface, said processor for:

(a) displaying to a user a menu of said audio files;

(b) receiving requests from a user for a plurality of said digital audio files and a user address;

(c) retrieving said requested digital audio files from said library via said library interface;

(d) sequentially transmitting said requested digital audio files in substantially real time to said user through one of the satellite or cable TV networks via said output of said network interface; and

(e) recording the digital audio files requested by said user and said user address in a data base; and

b) a central controller connected to said network interface of each of said distribution centers for routing digital audio data files between said distribution centers.

Ex. 1001, 7:22–48. Claim 2 recites “a system for distributing data files to users connected in a plurality of independent networks” provided with substantially similar limitations of claim 1, but further added functionality of a central controller. *Id.* at 7:49–8:26. Likewise, claim 12 recites a corresponding “method for distributing music,” via the system of claim 2. *Id.* at 8:54–67.

E. Evidence

Petitioner relies on the patent references summarized in the table below (Pet. 14).

Name	Reference	Exhibit
Yurt	US 5,132,992, issued July 21, 1992	1005
Logan	US 5,732,216, issued Mar. 24, 1998	1006

Petitioner also relies on the Declaration of Dr. Andrew B. Lippman (Ex. 1003) to support its contentions that the challenged claims are unpatentable.

F. Asserted Ground

Petitioner asserts that the challenged claims of the '128 patent are unpatentable based on the following ground summarized in the table below (Pet. 14):

Claim(s) Challenged	35 U.S.C. §²	Reference(s)/Basis	Ground name
1–4, 6, 9–14, 17	103(a)	Yurt, Logan	1

III. PATENT OWNER’S REQUEST FOR DISCRETIONARY DENIAL

In the Preliminary Response (Paper 7) filed on July 16, 2025, Patent Owner (1) presents several arguments directed solely to discretionary considerations under 35 U.S.C. § 325(d), and (2) requests the Petition be denied based on those § 325(d) arguments. *See generally* Prelim. Resp. However, Patent Owner’s § 325(d) arguments are untimely under the Office’s “Interim Processes for PTAB Workload Management,” dated March 26, 2025, and, as such, will not be considered by the Board.

In particular, the Office’s “Interim Processes for PTAB Workload Management,” governs all discretionary considerations in AIA trial proceedings, as provided at the following link:

<https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload->

² The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284 (2011), amended 35 U.S.C. § 103, effective March 16, 2013. Because the challenged claims of the '128 patent have an apparent effective filing date before March 16, 2013, the pre-AIA version of § 103 applies.

management (“Interim Processes”). Under the Interim Processes, “[a] patent owner may file a brief explaining any applicable bases for discretionary denial of institution within two months of the date on which the PTAB enters a Notice of Filing Date Accorded to a petition.” Interim Processes, FAQ 2. Because Patent Owner failed to file the request for discretionary denial on its due date (June 16, 2025), Patent Owner’s discretionary considerations arguments under 35 U.S.C. § 325(d) in the Preliminary Response (Paper 7) are untimely, as they were not filed within two months of the Notice of Filing Date Accorded in this proceeding. See Paper 5 (entered on Apr. 16, 2025); *see also* Paper 6 (referring this case to the Board panel because Patent Owner did not file a brief requesting discretionary denial of institution). Accordingly, the Board will not consider the § 325(d) arguments presented in the Preliminary Response (Paper 7) in deciding whether to institute a trial in this proceeding. See Interim Processes, FAQ 22 (“If a patent owner does not file a discretionary denial brief, a Board panel will address any merits and other non-discretionary considerations raised by the parties.”).

IV. ANALYSIS

A. *Legal Standards*

“In an [*inter partes* review], the petitioner has the burden from the onset to show with particularity why the patent it challenges is unpatentable.” *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) (citing 35 U.S.C. § 312(a)(3) (requiring *inter partes* review petitions to identify “with particularity . . . the evidence that supports the grounds for the challenge to each claim”)); *see also* 37 C.F.R. § 42.104(b) (requiring a petition for *inter partes* review to identify how the challenged

claim is to be construed and where each element of the claim is found in the prior art patents or printed publications relied upon). This burden of persuasion never shifts to Patent Owner. *See Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015) (discussing the burden of proof in *inter partes* review).

A patent claim is unpatentable under 35 U.S.C. § 103(a) when the differences between the claimed subject matter and the prior art are such that the subject matter, as a whole, would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of ordinary skill in the art; and (4) when in evidence, objective evidence of nonobviousness, i.e., secondary considerations.³ *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966). “[W]hen a patent claims a structure already known in the prior art that is altered by the mere substitution of one element for another known in the field, the combination must do more than yield a predictable result.” *KSR*, 550 U.S. at 416 (citing *United States v. Adams*, 383 U.S. 39, 50–51 (1966)). Prior art references must be “considered together with the knowledge of one of ordinary skill in the pertinent art.” *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994) (citing *In re Samour*, 571 F.2d 559, 562 (CCPA 1978)).

³ The present record does not include any objective evidence of nonobviousness.

However, Petitioner cannot satisfy its burden of proving obviousness by employing “mere conclusory statements,” but “must instead articulate specific reasoning [with rational underpinning], based on evidence of record, to support the legal conclusion of obviousness.” *In re Magnum Oil Tools Int’l, Ltd.*, 829 F.3d 1364, 1380 (Fed. Cir. 2016).

B. Level of Ordinary Skill in the Art

The level of ordinary skill in the art is “a prism or lens” through which we view the prior art and the claimed invention. *Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001). The person of ordinary skill in the art is a hypothetical person presumed to have known the relevant art at the time of the invention. *In re GPAC Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995). In determining the level of ordinary skill in the art, we may consider certain factors, including: “(1) the educational level of the inventor; (2) type of problems encountered in the art; (3) prior art solutions to those problems; (4) rapidity with which innovations are made; (5) sophistication of the technology; and (6) educational level of active workers in the field.” *Best Med. Int’l, Inc. v. Elekta Inc.*, 46 F.4th 1346, 1353 (Fed. Cir. 2022) (quoting *Daiichi Sankyo Co. v. Apotex, Inc.*, 501 F.3d 1254, 1256 (Fed. Cir. 2007)). “The patent’s purpose can also be informative.” *Id.*

Petitioner contends that a person of ordinary skill in the art “would have a bachelor’s degree in electrical engineering, computer science, computer engineering, or equivalent training, and approximately two years of experience working in the field of networked systems for distributing data files from one or more databases,” and that “[l]ack of professional experience can be remedied by additional education, and vice versa.” Pet. 12–13 (citing Ex. 1003 ¶¶ 20–22). Patent Owner does not challenge the

level of ordinary skill in the art proposed by Petitioner’s expert. *See generally* Prelim. Resp.

For purposes of this Decision, we adopt Petitioner’s undisputed proposal as reasonable and consistent with the cited prior art and the disclosure of the ’128 patent. *See Okajima*, 261 F.3d at 1355 (explaining that specific findings regarding ordinary skill level are not required “where the prior art itself reflects an appropriate level and a need for testimony is not shown” (quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163–64 (Fed. Cir. 1985))).

C. Testimonial Evidence – Expert Witness

Petitioner relies on the testimony of Dr. Andrew B. Lippman to support the Petition. Dr. Lippman testifies that (1) he is a Senior Research Scientist at the Massachusetts Institute of Technology (“MIT”) and Associate Director of the MIT Media Laboratory, and (2) he has a Bachelor of Science degree in Electrical Engineering and a Master of Science degree in Computer Graphics, both from MIT, and earned a Ph.D. in Electrical Engineering from the École Polytechnique Fédérale de Lausanne in Switzerland. Ex. 1003 ¶ 8; Ex. 1004 (CV).

At this stage, Patent Owner does not dispute Dr. Lippman’s qualification to express opinions regarding the technology involved in this proceeding.

D. Claim Construction

In interpreting the claims of the ’128 patent, we “us[e] the same claim construction standard that would be used to construe the claim[s] in a civil action under 35 U.S.C. [§] 282(b).” *See* 37 C.F.R. § 42.100(b) (2023). Accordingly, our claim construction standard is the same as that of a district

court. *See id.* Under the standard applied by district courts, claim terms are generally given their plain and ordinary meaning, as would have been understood by a person of ordinary skill in the art at the time of the invention and in the context of the entire patent disclosure. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005) (en banc).

Here, neither Petitioner nor Patent Owner proposes construction of any term. Pet. 13; *see generally* Prelim. Resp. For purposes of institution, we need not explicitly construe any claim terms. *See, e.g., Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (“[W]e need only construe terms ‘that are in controversy, and only to the extent necessary to resolve the controversy.’” (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))).

E. Ground 1: Asserted Obviousness of Claims 1–4, 6, 9–14, and 17 of the ’128 patent based on Yurt and Logan

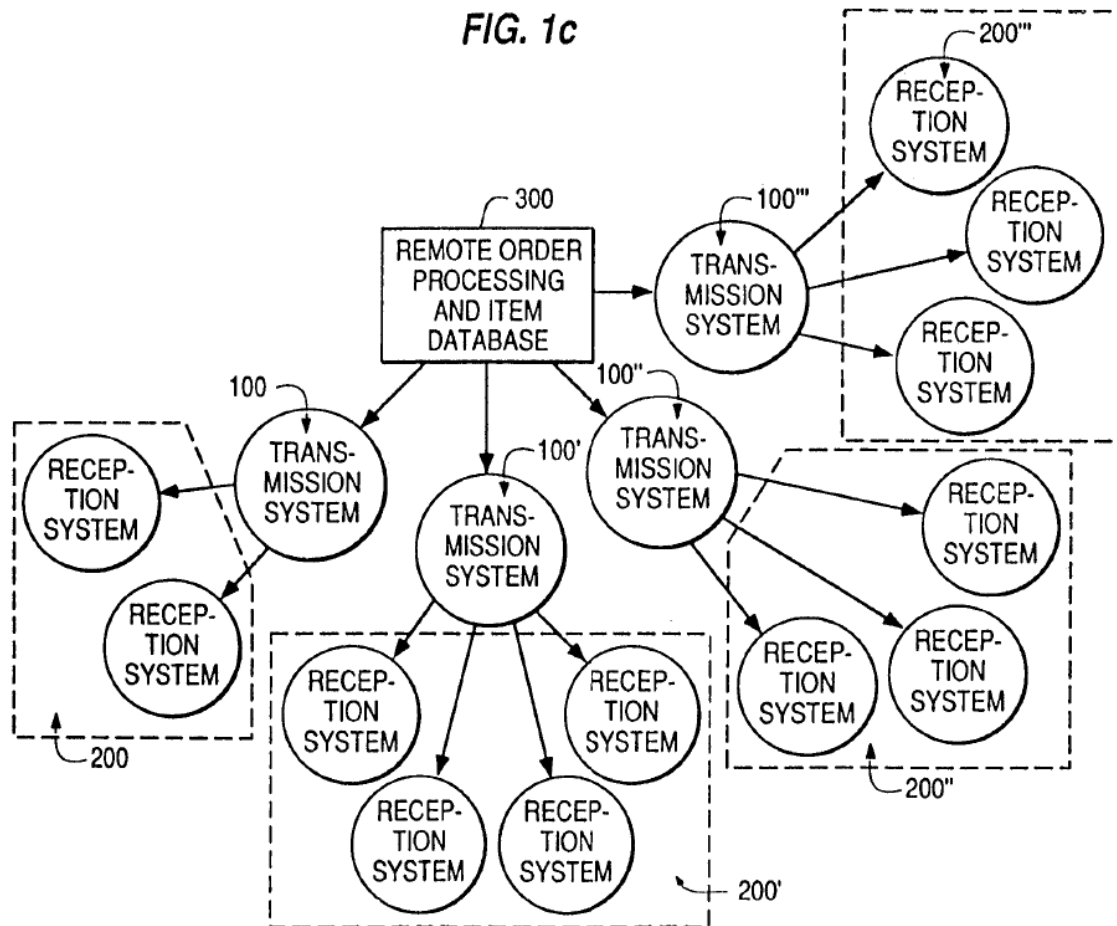
Petitioner contends that the combination of Yurt and Logan renders obvious the subject matter of independent claims 1, 2, and 12, as well as the respective dependent claims 3, 4, 6, 9–11, 13, 14, and 17. Pet. 14–73. At this stage, Patent Owner does not dispute Petitioner’s unpatentability contentions. *See generally* Prelim. Resp. We provide below a brief overview of Yurt and Logan and a discussion of Petitioner’s assertion of unpatentability.

1. *Yurt (Exhibit 1005)*

Like the '128 patent, Yurt⁴ is titled “Audio and Video Transmission and Receiving System.” Ex. 1005, code (54). Yurt discloses “[a] system of distributing video and/or audio information,” [shown in Figure 1] in which “compressed and encoded audio and/or video information is sent over standard telephone, cable or satellite broadcast channels to a receiver specified by a subscriber of the service, preferably in less than real time.” *Id.* at code (57).

Figure 1, reproduced below, shows a “high level block diagram of the transmission and receiving system.” Ex. 1005, 4:1–2.

⁴ U.S. Patent No. 5,132,992 to Yurt was filed on January 7, 1991 and issued on July 21, 1992. Thus, Yurt qualifies as prior art under 35 U.S.C. § 102(b) against the '128 patent.



The system shown in Figure 1 includes remote order and processing and item database 300 in communication with multiple transmission systems 100, 100', 100'' and 100'''. *Id.* at 4:5–9. The transmission systems are in communication with respective reception systems 200, 200', 200'', and 200''', which in turn are in communication with multiple users (not shown in Figure 1). *Id.* at 4:7–13.

Figure 2b, reproduced below, shows a block diagram of transmission system 100. Ex. 1005, 5:59–61.

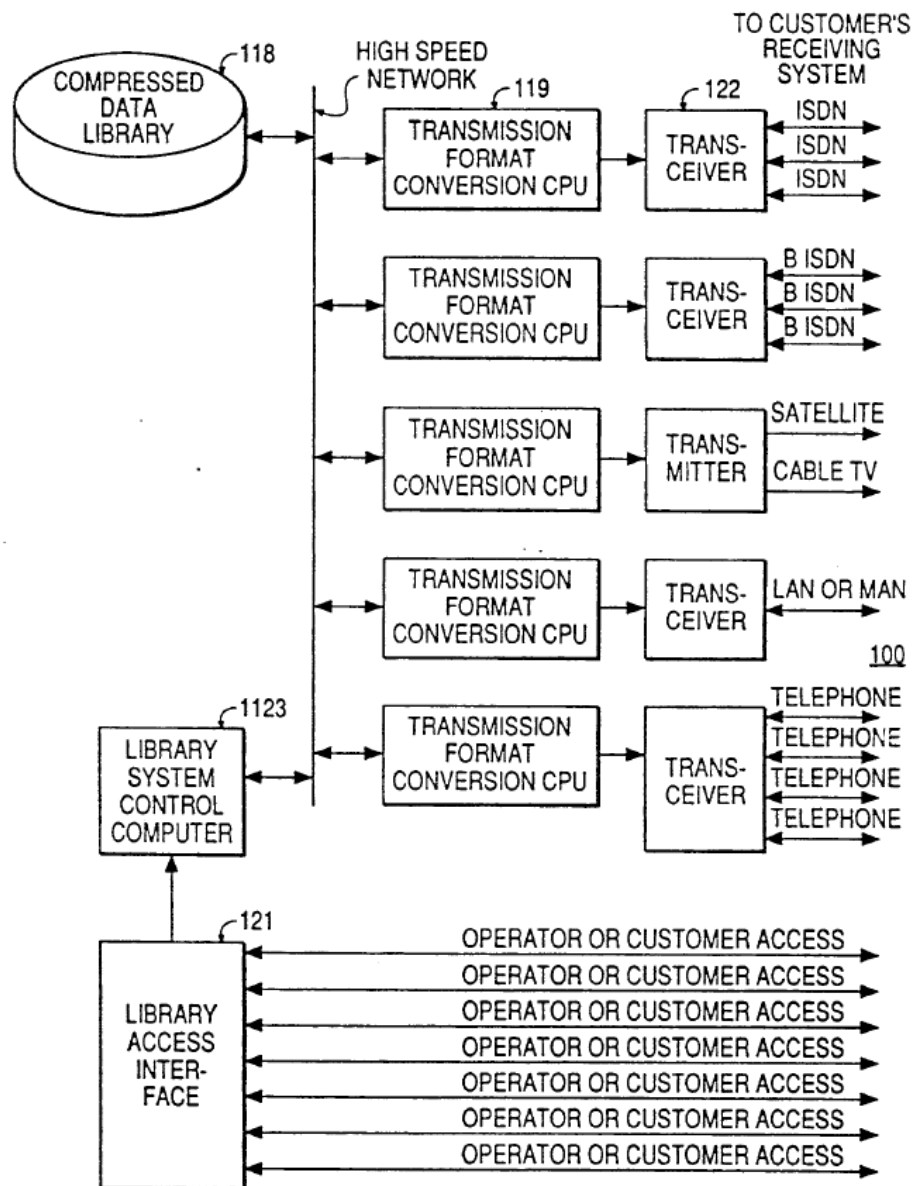


FIG. 2b

As shown in Figure 2b, transmission system 100 may include compressed data library 118, which stores compressed source material such as “television programs, movies, audio recordings, still pictures, files, books,” etc. *Id.* at 6:10–19, 10:29–36. A “master item database containing facts regarding items in the compressed data library system” “may reside in the

system control computer 1123 where [it] may be . . . updated and kept current to the contents of the compressed data library 118.” *Id.* at 11:11–13, 11:54–57. “Other copies of the item database may also be made available to users from the remote order processing and item database 300 [(shown in Figure 1c above)] which batch processes and downloads user requests to the control computer 1123 of the compressed data library 118.” *Id.* at 11:66–12:2.

A “user may preferably select a desired item by searching the database of available titles in the library system control computer 1123 [shown in Figure 2b] or any remote order processing and item database 300 [shown in Figure 1c].” Ex. 1005, 15:7–10. Then, “the remote order processing and item database 300 [shown in Figure 1c] preferably connects to the compressed data library 118 of choice . . . and communicates with the library system control computer 1123 [shown in Figure 2b].” *Id.* at 15:23–27. A program in library system control computer 1123 manages a transmission queue and controls the distribution of the requested item to the user’s reception system 200. *Id.* at 15:33–37. In particular, transmission system 100 “includes transmitter means 122 [(labeled as a transceiver in Figure 2b)], coupled to the compressed data library 118, for sending at least a portion of a specific file to” reception system 200. *Id.* at 15:61–65, 16:29–61.

Yurt further discloses that “not all items are contained in each of the compressed data libraries 118,” but that “library access interface 121 in the reception system 200” may include a list of available titles in “two modes: local listing of material contained within the library system control computer

1123, and library listing for all available titles which may be received from the available, remotely accessible libraries.” Ex. 1005, 17:44–50, 17:57–59.

2. *Logan (Exhibit 1006)*

Logan⁵ is titled “Audio Message Exchange System.” Ex. 1006, code (54). Logan discloses an “[a]n audio program and message distribution system in which a host system organizes and transmits program segments to client subscriber locations,” where the host “organizes the program segments by subject matter and creates scheduled programming in accordance with preferences associated with each subscriber.” *Id.* at code (57).

Logan’s Figure 1, reproduced below, shows “a block schematic diagram of an electronic program and advertising distribution system.” Ex. 1006, 2:55–56.

⁵ U.S. Patent No. 5732,216 to Logan was filed on October 2, 1996, issued on March 24, 1998. Thus, Logan qualifies as prior art under 35 U.S.C. § 102(e) against the ’128 patent.

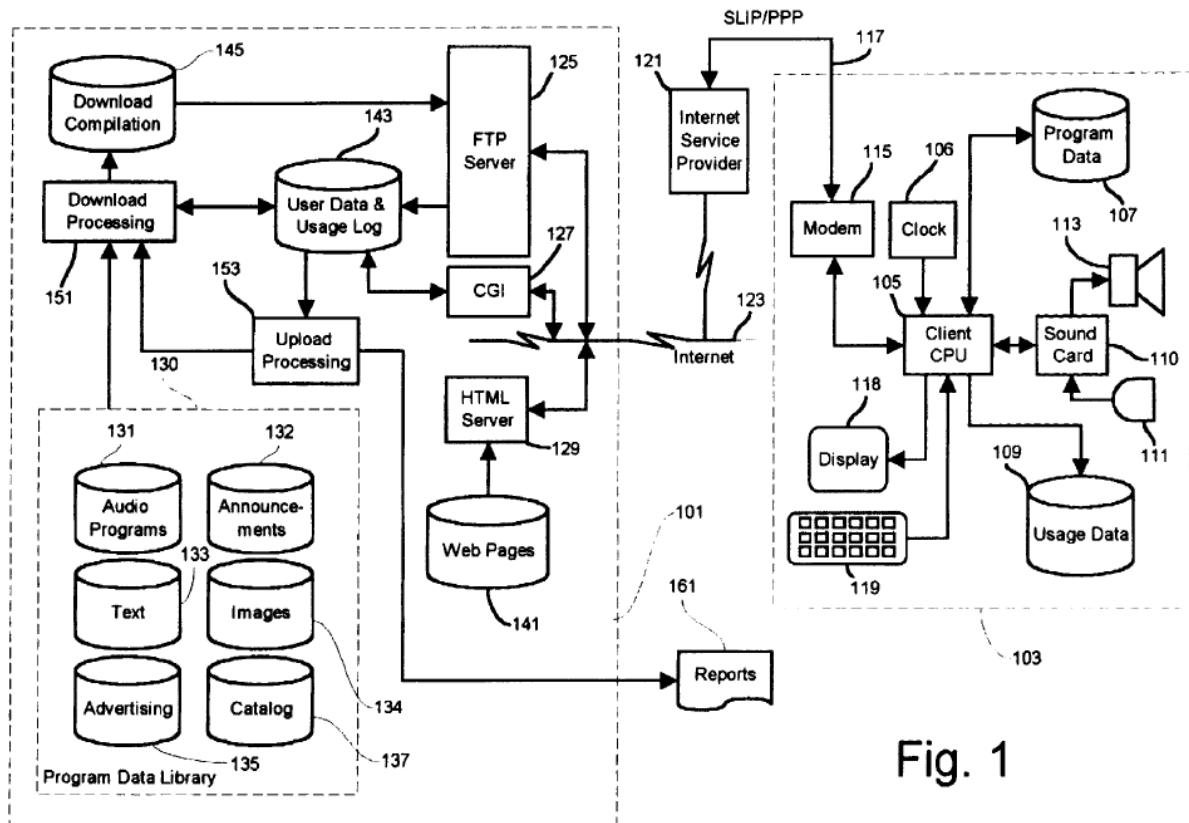


Fig. 1

Logan’s Figure 1, reproduced above, depicts distribution system including host server 101 connected to player 103 (e.g., laptop/desktop), via high-speed Internet link 123. *Id.* at 3:24–4:36. “[H]ost server 101 provides a FTP server interface 125 which provides file transfer protocol services to the player 103.” *Id.* at 4:40–41. Further, “host server 101 stores and maintains a plurality of data files including a program data library indicated generally at 130,” which may include “compressed audio program segments 131, announcement(‘glue’) segments 132, text program segments 133, image segments 134, advertising segments 135 and program catalog information 137.” *Id.* at 4:46–52. “[H]ost server 101 additionally stores and maintains a user data and usage log database indicated at 143 which stores uploaded usage data received from the store 109 in the player 103 [e.g.,

laptop/desktop] via the Internet pathway 123 and the FTP server interface 125.” *Id.* at 5:35–39. User data 143 contains “data describing the preferences, demographic characteristics and program selections unique to each subscriber.” *Id.* at 5:39–42.

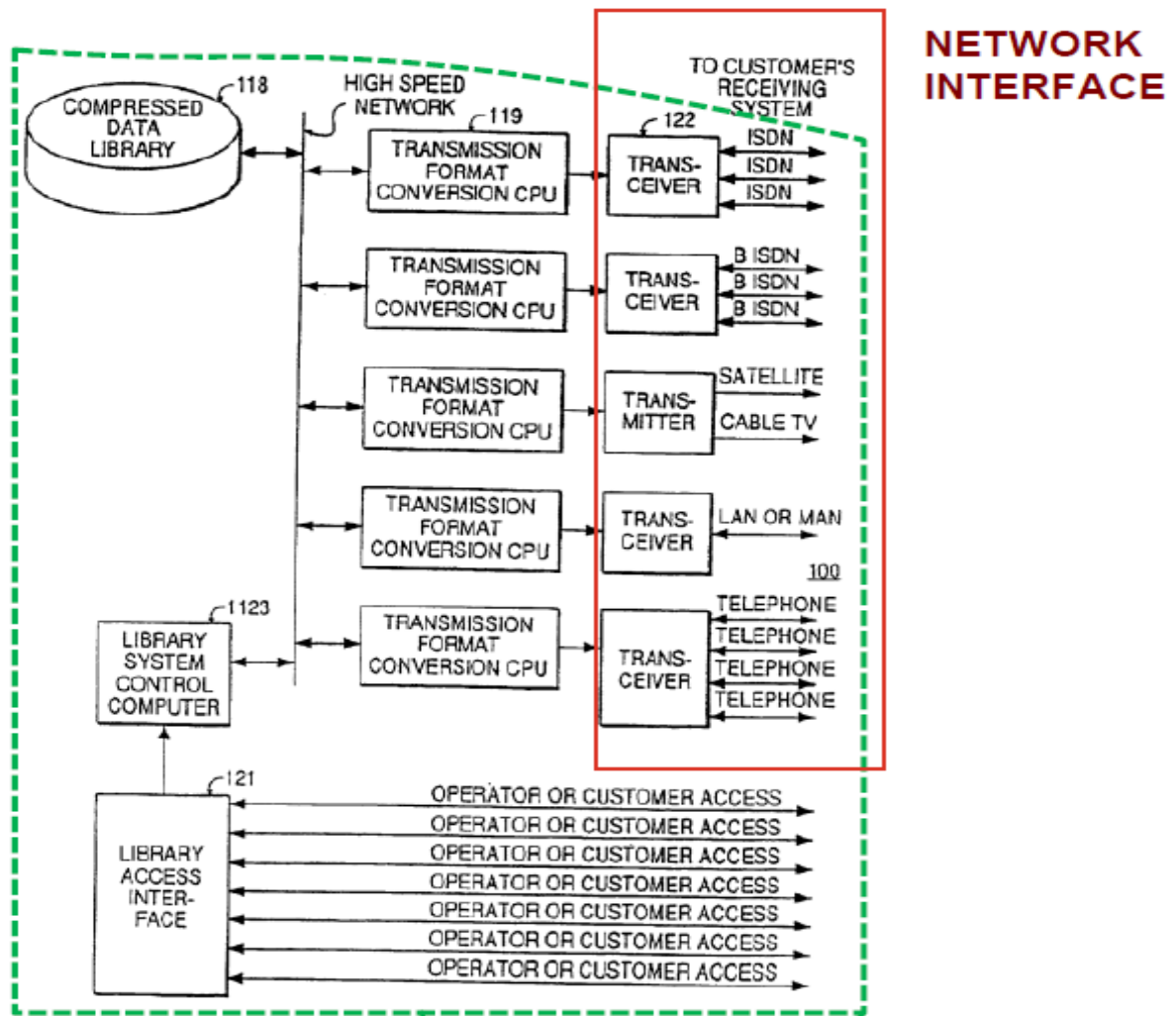
“Host server 101 periodically transmits a download compilation file 145 to player 103” from “a predetermined FTP download file directory,” where “compilation 145 is previously written to the download directory by a download processing mechanism seen at 151 in the server 101.” Ex. 1006, 5:46–57. In particular, the download processing mechanism 151 “extracts from the library 130 data defining compressed program, advertising, and glue segments, and/or associated text program data, based on selections and preferences made by (or inferred for) the user as specified in the subscriber data and usage log database 143.” *Id.* at 5:46–62. Download compilation file 145 comprises “subscriber and session specific files,” and for an individual playback session, “player 103 downloads the session schedule file and then issues download requests for those identified program segment files which are not already available in the player’s local storage unit 107.” *Id.* at 5:63–6:8.

3. Discussion

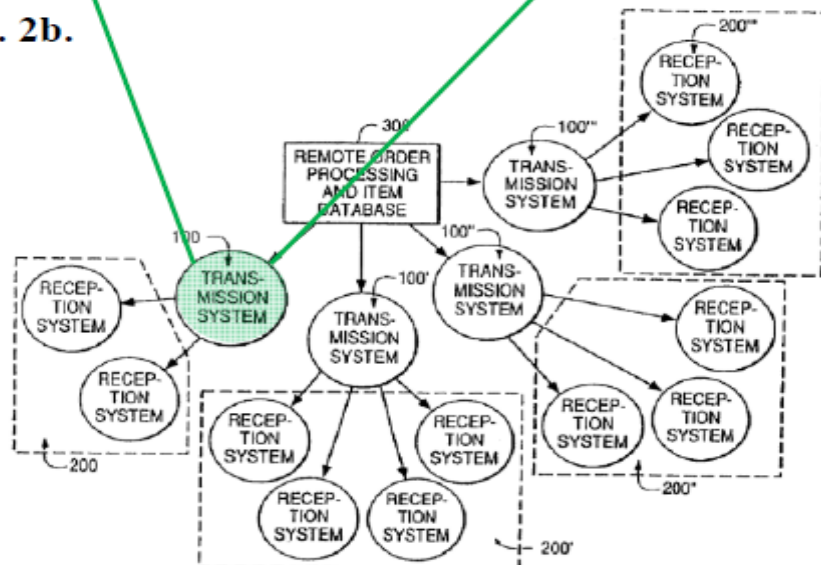
Petitioner challenges claims 1–4, 6, 9–14, and 17 of the ’128 patent as unpatentable over the combination of Yurt and Logan. Pet. 23–73. In particular, Petitioner contends Yurt teaches “a system for distributing digital audio files in substantially real time to users connected to a plurality of satellite or cable TV networks” provided with (1) “a plurality of transmission systems 100” (i.e., the recited “distribution centers”), (2) “a plurality of reception systems 200” (i.e., the recited “user systems” or

“satellite or cable TV networks”), and (3) “remote order processing and item database 300” (i.e., the recited “central controller”), wherein each transmission system 10 is provided with substantially all the limitations 1(a)(1)–(4) and 1(b) recited in claim 1 of the ’128 patent, as shown in Yurt’s annotated Figure 1c and Figure 2b. *Id.*

For example, Yurt’s Figure 1c and Figure 2b (Ex. 1005), annotated by Petitioner for illustration, are reproduced below:



Ex.1005, Fig. 2b.



Ex.1005, Fig. 1c (annotated).

Petitioner contends Yurt's transmission system 100 is provided with substantially all of the limitations 1(a)(1)–(4) and 1(b) recited in claim 1 of the '128 patent, including, for example:

1. A system for distributing digital audio files in substantially real time to users connected to a plurality of satellite or cable TV networks [Pet. 23–27 (citing Ex. 1005, Figs. 1c, 1f, 4:1–13, 4:19–25, 4:36–39, 16:62–68)] said system comprising:
 - a) a plurality of private distribution centers [Pet. 28–31 (citing Ex. 1005, annotated Figs. 1c, 2b, 4:1–13, 13:29–37)], each including:
 - 1) a network interface including an input and an output for connecting to one of the satellite or cable TV networks [Pet. 31–33 (citing Ex. 1005, Fig. 2b, 14:64–67 “specialized interfaces,” 15:3–32, 15:61–16:13)];
 - 2) a library including a plurality of digital audio files [Pet. 34 (citing Ex. 1005, Fig. 2b “compressed data library 118,” 6:8–22)];
 - 3) a library interface including an input and an output connected to said library [Pet. 34–36 (citing Ex. 1005, Fig. 2b “library access interface 121,” 13:29–47)]; and
 - 4) a processor connected to said network interface and said library interface [Pet. 36–38 (citing Ex. 1005, Fig. 2b “library system computer 1123,” 15:33–37)], said processor for:
 - (a) displaying to a user a menu of said audio files [Pet. 38–40 (citing Ex. 1005, Fig. 2b “library system computer 1123,” 11:40–60)];
 - (b) receiving requests from a user for a plurality of said digital audio files and a user address [Pet. 40–41 (citing Ex. 1005, Fig. 2b “library system computer 1123,” 15:20–22, 15:33–37)];
 - (c) retrieving said requested digital audio files from said library via said library interface [Pet. 41–42 (citing Ex. 1005, Fig. 2b “library system computer 1123,” 13:29–37, 13:48–60, 18:53–67)];

(d) sequentially transmitting said requested digital audio files in substantially real time to said user through one of the satellite or cable TV networks via said output of said network interface [Pet. 42–45 (citing Ex. 1005, Fig. 2b “library system computer 1123” and “CPU 119,” 2:1–4, 4:64–5:9, 16:46–52, 17:1–11)]; [and]

b) a central controller connected to said network interface of each of said distribution centers for routing digital audio data files between said distribution centers [Pet. 48–52 (citing Ex. 1005, annotated Fig. 1c, 4:1–13, 17:54–64)].

Pet. 23–52.

With respect to limitation 1(a)(4)(e) recited in claim 1 of the ’128 patent: “(e) recording the digital audio files requested by said user and said user address in a data base,” Petitioner contends (1) Yurt’s request “contains the address of the user, the address of the item [e.g., audio file]”; (2) Yurt’s databases that track information about audio files at library 118, shown in Yurt’s annotated Figure 2b; (3) Logan’s “user data & usage log 143” [shown in Logan’s Figure 1] that stores or records information requested by a user making a selection of an audio file. Pet. 45–47 (citing Ex. 1005, 12:24–27, 7:50–55 “item database,” 8:45–47 “system item database”; Ex. 1006, 8:49–58). Based on the teachings of Yurt and Logan, Petitioner (1) contends the combination of Yurt and Logan renders obvious limitation 1(a)(4)(e) recited in claim 1 of the ’128 patent, and (2) concludes, based upon the Declaration of Dr. Andrew B. Lippman (Ex. 1003), that:

it would have been obvious to use Logan’s teaching of recording information about a user’s request in a database (usage log) for billing, logging, and adapting system settings based on actual usage, including to record Yurt’s user address information, with information about the requested audio files, in Logan’s usage log database.

Pet. 48 (citing Ex. 1003 ¶¶ 62–72, 138–139).

Patent Owner does not substantively dispute Petitioner’s contentions. *See generally* Prelim. Resp. Nor does Patent Owner substantively challenge Dr. Lippman’s Declaration (Ex. 1003) by rebutting the specific paragraphs 62–72, 138–139 relied upon by Petitioner. Pet. 45–48.

Based on the current record, we are persuaded that Petitioner has established a reasonable likelihood that Petitioner would prevail in challenging at least claim 1 of the ’128 patent.

V. CONCLUSION

After considering the arguments presented in the Petition, the Preliminary Response, and the evidence of record, we determine that Petitioner has demonstrated a reasonable likelihood that at least claim 1 of the ’128 patent is unpatentable as obvious over the combined teachings of Yurt and Logan. Because independent claims 2 and 12 contain similar limitations of claim 1 of the ’128 patent and because “[e]qual treatment of claims and grounds for institution purposes has pervasive support in SAS,” we institute trial as to all challenged claims on all grounds stated in the Petition. *See* 37 C.F.R. ¶ 42.108(a), (c); *PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1360 (Fed. Cir. 2018) (citing *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1359–60 (2018)).

Our determinations at this stage of the proceeding are based on the evidentiary record currently before us. This decision to institute trial is not a final decision as to the patentability of any claim for which we have instituted an *inter partes* review. *See Trivascular, Inc. v. Samuels*, 812 F.3d 1056, 1068 (Fed. Cir. 2016) (noting that “there is a significant difference

between a [P]etitioner's burden to establish a 'reasonable likelihood of success' at institution, and actually proving invalidity by a preponderance of the evidence at trial"). We will base any final decision on the full record developed during trial.

VI. ORDER

Accordingly, it is

ORDERED that an *inter partes* review is instituted as to all challenged claims on all grounds raised in the Petition; and

FURTHER ORDERED that *inter partes* review is instituted commencing on the entry date of this Order, and pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial.

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