

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DISH NETWORK L.L.C.,
Petitioner,

v.

BROADBAND iTV, INC.,
Patent Owner.

IPR2020-01332
Patent 10,506,269 B2

Before JEFFREY S. SMITH, JUSTIN T. ARBES, and
DANIEL J. GALLIGAN, *Administrative Patent Judges*.

GALLIGAN, *Administrative Patent Judge*.

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

I. INTRODUCTION

A. *Background and Summary*

On July 24, 2020, Petitioner DISH Network L.L.C. filed a Petition (Paper 1, “Pet.”) requesting *inter partes* review of claims 1–17 of U.S. Patent No. 10,506,269 B2 (Ex. 1001, “the ’269 patent”). Patent Owner Broadband iTV, Inc. filed a Preliminary Response. Paper 9 (“Prelim. Resp.”). Petitioner also filed a separate paper providing an explanation for filing multiple petitions ranking this Petition ahead of its petition in Case IPR2020-01333. Paper 3. Patent Owner filed a response. Paper 8. With our authorization (Paper 10), Petitioner filed a Reply (Paper 12) and Patent Owner filed a Sur-Reply (Paper 13) directed solely to an issue regarding whether we should exercise our discretion to deny the Petition under 35 U.S.C. § 314(a).

Under 37 C.F.R. § 42.4(a), we have authority to determine whether to institute review. The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a), which provides that an *inter partes* review may not be instituted unless the information presented in the Petition and the Preliminary Response shows “there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.”

For the reasons explained below, we institute an *inter partes* review as to all challenged claims and on all grounds raised in the Petition.

B. *Related Matters*

The parties indicate that the ’269 patent is the subject of three district court cases: *Broadband iTV, Inc. v. DISH Network, L.L.C.*, Case No. 19-cv-716 (W.D. Tex.) (“the Texas case”), *Broadband iTV, Inc. v.*

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AT&T Services, Inc., Case No. 19-cv-712 (W.D. Tex.), and *Broadband iTV, Inc. v. DirecTV, LLC*, Case No. 19-cv-714 (W.D. Tex.) (consolidated into Case No. 6:19-cv-712, “the AT&T case”). *See* Pet. 3–4; Paper 5, 1; Ex. 2009. Petitioner filed another petition challenging claims 1–17 of the ’269 patent in Case IPR2020-01333 (Paper 1) on the same day it filed this Petition, and Petitioner filed six other petitions challenging claims of related patents also asserted in the district court cases in Cases IPR2020-01267, IPR2020-01268, IPR2020-01280, IPR2020-01281, IPR2020-01359, and IPR2020-01360. A different petitioner previously filed two petitions challenging claims of a parent patent to the ’269 patent, U.S. Patent No. 7,631,336 B2 (“the ’336 patent”), in Cases IPR2014-01222 and CBM2014-00189, both of which were denied. *See* Pet. 4; Paper 5, 2.

C. Real Parties in Interest

Petitioner identifies the following real parties in interest: DISH Network L.L.C. and DISH Network Corporation. Pet. 3. Patent Owner identifies itself as the real party in interest. Paper 5, 1.

D. The ’269 Patent and Illustrative Claim

The ’269 patent discloses devices and methods for “converting, navigating and displaying video content uploaded from the Internet on a digital TV video-on-demand platform.” Ex. 1001, 1:53–57. Video-on-demand (VOD) systems allow a viewer to “navigate through a program guide via the remote control unit and send a request via the set-top box for a desired video program to be addressed from the head-end to the subscriber’s set-top box for display on the TV.” Ex. 1001, 2:25–32. The ’269 patent explains that “VOD content offerings [were] expected to increase

dramatically” in the future and it was “desirable to find a way for . . . vast numbers of content publishers to transmit their programs to the home TV, and to enable home TV viewers to find something of interest for viewing among the vast numbers of new programs.” Ex. 1001, 3:12–26.

The disclosed VOD content delivery system “offers a gateway for greatly expanding TV viewing from a relatively small number of studio-produced program channels to a large number of new commercial publishers and ultimately a vast number of self-publishers or so-called ‘citizen’ content publishers.” Ex. 1001, 3:16–22. The system provides subscribers with an electronic program guide (EPG) for navigating through “hierarchically-arranged categories and subcategories” to find the title of desired video content, allowing subscribers to locate titles of interest “by navigating through the hierarchical addressing scheme of the provider’s EPG.” Ex. 1001, 3:30–4:20.

A VOD application server at a cable head end manages a database of templates and video content segments for “generating templated VOD content.” Ex. 1001, 5:39–44, Fig. 1A. “The VOD content is generated in response to a viewer request signal transmitted from” the viewer’s digital set-top box to the cable head end. Ex. 1001, 5:44–48. The ’269 patent discloses that

templates are of different types ordered in a hierarchy, and display of content in a template of a higher order includes links the viewer can select to content of a lower order in the hierarchy. Upon selecting a link using the remote control, the VOD Application Server 10 retrieves the template and video content of lower order and displays it to the viewer. Each successive templated display may have further links to successively lower levels of content in the hierarchy, such that the viewer can use the series of linked templated VOD displays as a “drill down navigation” method to find specific end content of interest.

Ex. 1001, 6:25–35, Fig. 1B (depicting exemplary “drill down navigation” for a set of automobile infomercials, where the viewer can navigate by make, model, dealer, sales event, and inventory).

Figure 1C of the '269 patent is reproduced below.

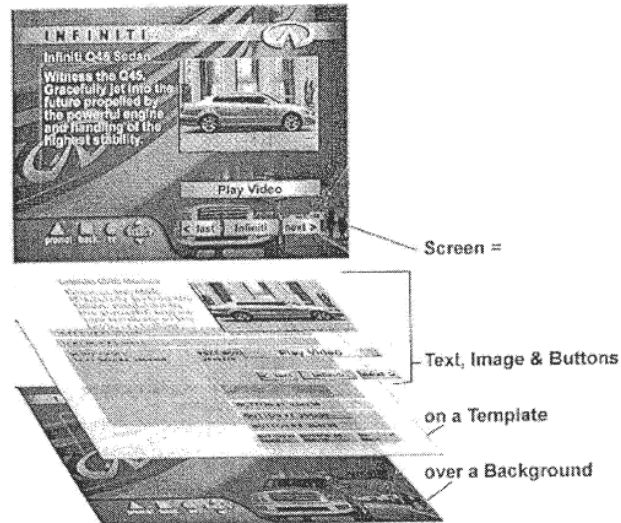


Figure 1C: Template Layer Model

Figure 1C depicts “a templatized VOD display . . . generated in layers.”

Ex. 1001, 7:34–35. As shown in Figure 1C,

[a] Background screen provides a basic color, logo, or graphical theme to the display. A selected Template (display frame) appropriate to the navigation level the intended display resides on is layered on the Background. The Template typically has a frame in which defined areas are reserved for text, display image(s), and navigation links (buttons). Finally, the desired content constituted by associated Text, Image & Buttons is retrieved from the database and layered on the Template. The resulting screen display shows the combined background logo or theme, navigation frame, and text, video images, and buttons.

Ex. 1001, 7:35–46.

The '269 patent also describes a web-based content management system for “enabling an individual user to upload content from their computer via a web browser to display a consumer-generated video ad”

(e.g., a classified ad). Ex. 1001, 8:31–43, Fig. 2A. “The uploaded content includes meta data for classifying the video ad by title and topical area(s).” Ex. 1001, 8:37–38. A content conversion system “automatically converts the consumer-generated content” into a “video display format compatible with the VOD content delivery system,” and “[t]he converted video ad is indexed by title and classified topical areas according to the meta data supplied by the user.” Ex. 1001, 8:44–53.

The ’269 patent discloses that “implementation of a VOD content delivery system can be made on any digital television system that supports real-time two-way data transfer and interactivity between the digital Set Top Box and application servers and VOD servers located at headends or other service points within the television system network.” Ex. 1001, 14:13–19. Implementation of the disclosed VOD content delivery system for Internet Protocol Television (IPTV), where VOD is delivered in digital video packets using Internet Protocol (IP), “is identical to the [disclosed] digital cable implementation.” Ex. 1001, 14:19–26, 14:55–57.

Figure 4 of the '269 patent is reproduced below.

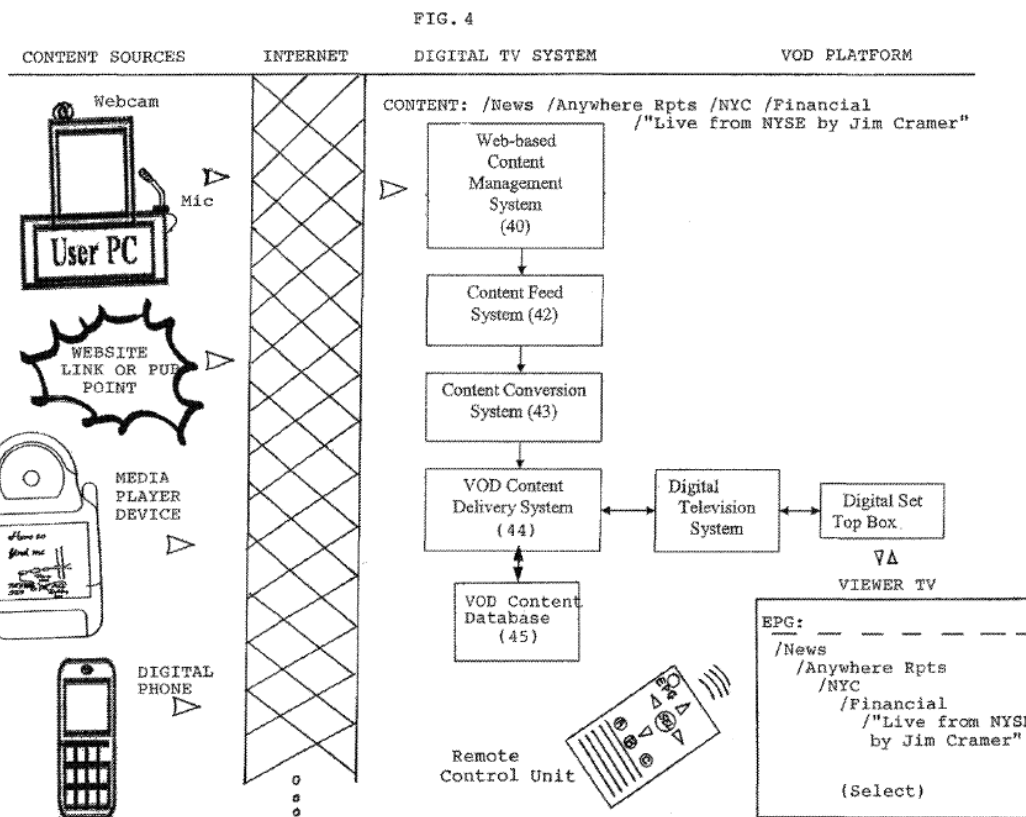


Figure 4 depicts “a process flow for enabling content publishers on the Internet to upload video content to digital television service providers for viewing on the home TV.” Ex. 1001, 5:6–9. An author or publisher uploads content over the Internet from his or her computer, for example, to Web-based Content Management System 40. Ex. 1001, 15:45–51.

“[H]ierarchical addressing metadata is associated with or tagged to the content when uploaded to the Web-based Content Management System 40, and is carried over into the VOD/EPG navigation scheme displayed on the TV.” Ex. 1001, 17:57–60. “[T]he author or publisher selects the category term, subcategory term(s) and title by which it is desired to find the program title in the TV EPG display hierarchy.” Ex. 1001, 17:47–51. Thus, “the addressing metadata identifying content uploaded on the Internet” is the same as the “EPG hierarchical addressing scheme used for the VOD

program guide,” allowing the content to be “automatically listed in the EPG under the common addressing scheme to enable viewers to find any program of interest.” Ex. 1001, 17:43–47, 60–64.

Claim 1 is reproduced below with bracketed numbers and letters added.

1. [1.preamble] An interactive mobile application for providing via the Internet video content to be viewed by a subscriber of a video-on-demand system using a hierarchically arranged electronic program guide, stored on non-volatile computer readable memory operatively connected to a subscriber device,

[1.a] the interactive mobile application being configured to obtain from a digital television service provider system and present to the subscriber, via the subscriber device, an electronic program guide including a templatized video-on-demand display, which uses at least one display template to which the subscriber device has access, to enable the subscriber using the subscriber device to navigate in a drill-down manner, from a first level of a hierarchical structure of the electronic program guide based on category information to a second level of the hierarchical structure of the electronic program guide based on subcategory information in order to locate a particular one of a plurality of titles whose associated video content is desired for viewing on demand via the subscriber device;

[1.b] wherein the templatized video-on-demand display has been generated in a plurality of layers, comprising:

[1.b.(a)] (a) a first layer comprising a background screen to provide at least one of a basic color, logo, or graphical theme to display;

[1.b.(b)] (b) a second layer comprising a particular display template from the plurality of different display templates layered on the background screen, wherein the particular display template comprises one or more reserved areas that are reserved for displaying content provided by a different layer of the plurality of layers; and

[1.b.(c)] (c) a third layer comprising reserved area content generated using program guide content information received by the subscriber device in real time from the digital television service provider system comprising at least one of text, image, video content, a navigation link, and a button to be displayed in the one or more reserved areas in the particular display, and

[1.c] wherein the program guide content information was uploaded to a Web-based content management system by a content provider device associated with the video content provider via the Internet, as part of a video content file in a digital video format, along with associated metadata including title information and category information and subcategory information, along with an associated plurality of images designated by the video content provider, the associated metadata specifying a respective hierarchical location of a respective title of the video content within the electronic program guide to be displayed on the subscriber device using the respective hierarchically-arranged category information and respective subcategory information associated with the respective title.

E. Prior Art and Asserted Ground

Petitioner asserts that claims 1–17 of the '269 patent are unpatentable on the following ground:

Claims Challenged	35 U.S.C. §	References/Basis
1–17	103(a) ¹	Perez ² and Kelts ³

¹ The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended 35 U.S.C. §§ 102 and 103. Based on the chain of priority of the '269 patent, we refer to the pre-AIA versions of 35 U.S.C. §§ 102 and 103.

² US 2006/0026655 A1, filed July 30, 2004, published Feb. 2, 2006 (Ex. 1008).

³ US 2001/0030667 A1, published Oct. 18, 2001 (Ex. 1007).

II. ANALYSIS

A. Discretionary Denial

Patent Owner argues that we should exercise discretion to deny the Petition under 35 U.S.C. § 314 based on parallel district court litigation involving the '269 patent (Prelim. Resp. 11–32) and also under 35 U.S.C. § 325(d) based on Patent Owner's contention that "the same or substantially the same prior art or arguments previously were presented to the Office" (Prelim. Resp. 13, 33–44). We address Patent Owner's § 325(d) arguments first and then turn to discretionary denial under § 314.

1. 35 U.S.C. § 325(d)

Section 325(d) provides that the Director may elect not to institute⁴ a proceeding if the challenge to the patent is based on matters previously presented to the Office. 35 U.S.C. § 325(d) states, in pertinent part, "[i]n determining whether to institute or order a proceeding under this chapter, chapter 30, or chapter 31, the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office." We use the following two-part framework in determining whether to exercise our discretion under § 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.

⁴ The Board institutes trial on behalf of the Director. 37 C.F.R. § 42.4(a) (2019).

Advanced Bionics, LLC v. Med-El Elektromedizinische Geräte GmbH,
IPR2019-01469, Paper 6 at 8 (PTAB Feb. 13, 2020) (precedential).

In applying the two-part framework, we consider the following non-exclusive factors:

- (a) the similarities and material differences between the asserted art and the prior art involved during examination;
- (b) the cumulative nature of the asserted art and the prior art evaluated during examination;
- (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection;
- (d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art;
- (e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and
- (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.

Becton, Dickinson & Co. v. B. Braun Melsungen AG, IPR2017-01586, Paper 8 at 17–18 (Dec. 15, 2017) (precedential as to § III.C.5, first paragraph). If, after review of factors (a), (b), and (d), we determine that the same or substantially the same art or arguments previously were presented to the Office, then we consider factors (c), (e), and (f), which relate to whether the petitioner demonstrates that the Office erred in a manner material to the patentability of the challenged claims. *Advanced Bionics*, Paper 6 at 10.

a) Step One of Advanced Bionics Framework

Under the first step of the *Advanced Bionics* framework, we consider “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.” *Advanced Bionics*, Paper 6 at 8.

Petitioner argues that the arguments in the Petition are “different from those addressed both by the Patent Office during prosecution,” that “[t]he ’269 patent proceeded through examination without a single rejection,” and that “none of the relied-upon references has been presented in any PTAB proceedings against any related patents or formed the basis for any rejection.” Pet. 9. Patent Owner argues that Perez was considered by the Office during prosecution of the ’269 patent and that Kelts is substantially the same as Novak (US 2002/0104099 A1 (Ex. 2017)), which also was considered during prosecution of the ’269 patent. Prelim. Resp. 35–39.

(1) Perez

Perez (Ex. 1008) is the U.S. patent application publication of Application 10/909,192 (“the ’192 application”), filed on July 30, 2004, which is the earliest application appearing in the chain of priority of the ’269 patent. *See* Ex. 1001, code (60), 1:9–50. The ’192 application issued on September 15, 2009, as U.S. Patent No. 7,590,997 (“the ’997 patent” (Ex. 1009)). A continuation-in-part of the ’192 application was filed on March 12, 2007 (“the 2007 CIP”), and the application for the ’269 patent claims priority through a chain of continuations and a divisional application to the 2007 CIP application. *See* Ex. 1001, code (60), 1:9–50. Perez was published on February 2, 2006, and, therefore, is prior art under 35 U.S.C. § 102(b) to claims that only have priority to the 2007 CIP. Ex. 1008, code (43).

Patent Owner argues that

Perez’s teachings were previously presented to and considered by the Office during prosecution of the ’269 patent, which [Petitioner] does not contest. To start, the ’192 application and ’997 patent are cited in the cross-reference section of the ’269 patent. EX1001, 1:9-49. [Patent Owner] also explicitly

cited the Perez disclosure in an IDS [(Information Disclosure Statement)] submitted to the Office, which the Examiner considered.

Prelim. Resp. 36 (citing Ex. 1017 (prosecution history of the '269 patent), 3, 140, 232, 234). Patent Owner further argues the following:

The Examiner thus fully considered Perez and there is no evidence to the contrary. For example, there is no evidence that the Examiner determined that the '269 patent is entitled to the 2004 filing date of Perez, which would have excused the Examiner from considering the teachings of Perez when assessing patentability. As [Petitioner] concedes, “there is no indication that the Examiner considered whether the '269 patent was entitled to its claimed priority date,” Pet., 9, which is routine practice during examination. “[T]he PTO does not examine priority claims unless necessary....” *Dynamic Drinkware, LLC v. National Graphics, Inc.*, 800 F.3d 1375, 1380 (Fed. Cir. 2015). And a continuation-in-part, such as the '269 patent, is not presumed to be entitled to the filing date of its parent. *See PowerOasis, Inc. v. T-Mobile USA, Inc.*, 522 F.3d 1299, 1305 (Fed. Cir. 2008) (“When neither the PTO nor the Board has previously considered priority, there is simply no reason to presume that claims in a CIP application are entitled to the effective filing date of an earlier filed application”).

Prelim. Resp. 37.

We agree with Patent Owner that the applicant cited the “Perez disclosure” to the Office during prosecution of the '269 patent because the applicant cited on an IDS the '997 patent, which, as noted above, is the patent that corresponds to Perez. Ex. 1017, 140, 232, 234. Thus, Patent Owner is correct that “Perez’s teachings” were before the Office during prosecution of the '269 patent. *See* Prelim. Resp. 36. But, as Patent Owner also acknowledges, during prosecution, the pending claims of the application for the '269 patent would not have been “presumed to be entitled to the filing date of” Perez. *See* Prelim. Resp. 37. Thus, the March 12, 2007,

filing date of the 2007 CIP is the relevant date according to Patent Owner's own argument. The '997 patent, which the applicant cited to the Examiner during prosecution, issued on September 15, 2009, which is two and a half years after the filing of the 2007 CIP application. Because the '997 patent and the '269 patent have the same inventor (Perez), the '997 patent is not "by another" and therefore would not be prior art under 35 U.S.C. § 102(e).⁵ Thus, the applicant made the Examiner aware of a disclosure (the '997 patent) that was *not* prior art to the '269 patent, but Patent Owner does not direct us to anywhere in the prosecution history where the applicant apprised the Examiner of the published application, Perez, which would have been § 102(b) prior art to claims that were entitled only to the 2007 CIP filing date. We have reviewed the prosecution history of the '269 patent, and we do not see where the applicant ever made the Examiner aware that the disclosure of the '997 patent was actually prior art to the claims of the '269 patent, by virtue of Perez, the § 102(b) publication that corresponds to the '997 patent.

Patent Owner also argues that "the Examiner further reviewed all patents and patent publications of the same inventor (which would have included Perez), as indicated by the Examiner's search history (*see* EX1017,

⁵ Even if the '997 patent had a different inventive entity (i.e., Perez and additional inventors), thus qualifying it as § 102(e) prior art, § 103(c)(1) may have precluded its use in an obviousness rejection in light of the common assignee. *See* 35 U.S.C. § 103(c)(1) ("Subject matter developed by another person, which qualifies as prior art only under one or more of subsections (e), (f), and (g) of section 102, shall not preclude patentability under this section where the subject matter and the claimed invention were, at the time the claimed invention was made, owned by the same person or subject to an obligation of assignment to the same person."); Ex. 1001, code (73); Ex. 1009, code (73).

222 (Ref Nos. S84, S85)).” Prelim. Resp. 42–43. The cited entries in the search history show the search query used and number of hits, but not the results of the search. Thus, Patent Owner’s argument amounts to speculation as to what results were returned in the search. Had the applicant apprised the Examiner of the existence of the Perez § 102(b) publication in an IDS, such speculation as to what transpired during prosecution would be unnecessary, but as noted above, we do not see any indication that Perez was disclosed to the Examiner during prosecution.

Thus, although “Perez’s teachings” and the “Perez disclosure” were before the Office during the prosecution of the ’269 patent, the cited reference in which they were contained was not “prior art,” as provided in § 325(d). Petitioner’s use of Perez, therefore, does not present “the same or substantially the same *prior art* . . . [that] previously were presented to the Office.” 35 U.S.C. § 325(d) (emphasis added).

(2) *Kelts*

Patent Owner does not contend that Kelts was before the Office during prosecution of the ’269 patent. Rather, Patent Owner argues that “the portions of Kelts that [Petitioner] relies on do not materially differ from—and are cumulative with—art considered during prosecution of the ’269 patent.” Prelim. Resp. 38–39. Patent Owner cites Novak’s disclosure of viewing Internet content on a client terminal, which can be a mobile device. Prelim. Resp. 38–39 (quoting Ex. 2017 (Novak) ¶¶ 51, 86; Ex. 1017, 172–73 (Examiner’s statement that Novak is “not relied upon [but] is considered pertinent to applicant’s disclosure”)); *see* Ex. 2017 ¶ 51 (“Examples of such display devices include, but are not limited to, PCs, personal digital assistant (PDA) devices, handheld wireless devices (such as cellular telephones), or other devices having a display screen.”).

To determine whether Kelts is substantially the same as the prior art presented during prosecution, we evaluate *Becton, Dickinson* factors (a), (b), and (d). *Advanced Bionics*, Paper 6 at 10. As to factor (a) (the similarities and material differences between the asserted art and the prior art involved during examination), we agree with Patent Owner that there are similarities between Novak’s disclosure of viewing Internet content on client devices and Kelts’s disclosure of client devices cited by Petitioner. *See* Prelim. Resp. 38–39; *see also* Pet. 18 (“Kelts provides an example of an EPG made available to a user via an interactive mobile application. Kelts teaches a web-browser-based application that can be used on a variety of mobile devices, including the specific types of devices claimed by the ’269 patent.”). Thus, factor (a) supports Patent Owner’s position.

Under factor (b), we consider the cumulative nature of the asserted art and the prior art evaluated during examination. Patent Owner’s assertion is that Kelts is cumulative of Novak (Prelim. Resp. 38–39), but this does not show by itself that Kelts is cumulative of the prior art considered during examination. Petitioner relies on Perez for most of the subject matter recited in claim 1 and relies on Kelts only to teach a “mobile application” and related subject matter. *See* Pet. 58 (“Perez discloses a complete VOD delivery system that is virtually identical to that claimed by the ’269 patent. It accordingly offers the same benefits as the ’269 patent. The only difference is that Perez does not mention the use of a ‘mobile application.’”). Thus, even if Kelts is similar to Novak in certain respects, we do not view Kelts as cumulative of the prior art as a whole.

We similarly do not see factor (d) (the extent of the overlap between the arguments made during examination and the manner in which petitioner relies on the prior art) as supporting Patent Owner’s position. As Petitioner

points out, “[t]he ’269 patent proceeded through examination without a single rejection.” Pet. 9. Furthermore, the Examiner did not rely on Novak (Ex. 1017, 172–73).

Patent Owner, however, argues that, “prior to the Office’s review of the ’269 patent, Novak was applied by **the same Examiner** in rejections of the ’269 patent’s grandparent application, U.S. Appl. No. 15/192,598 (U.S. Patent No. 10,028,026), illustrating the great extent to which Novak was evaluated by the Office.” Prelim. Resp. 43 (citing Ex. 2021 (prosecution history of Patent 10,028,026 B2 (“the ’026 patent”)), 945–46).

In the office action cited by Patent Owner, the Examiner found that Novak teaches subject matter reciting “an Internet-connected digital device . . . for receiving via the Internet video content to be viewed by a subscriber of a video-on-demand system.” Ex. 2021, 945. The Examiner found that Novak does not teach the electronic program guide subject matter recited in then pending claim 1 of the application for the ’026 patent and relied on Ellis (US 2002/0042921) to teach this subject matter. Ex. 2021, 947–49. In response to this office action, the applicant argued that “the combination of references do[es] not teach or suggest navigation in a hierarchical VOD EPG where category metadata that is used in an EPG is provided by a video content provider along with the video content.” Ex. 2021, 1001.

Based on this prosecution history, we agree with Patent Owner that Novak was evaluated by the Office, but we do not agree that this supports Patent Owner’s argument for denial under § 325(d). Patent Owner’s argument is that Kelts is substantially the same as Novak. Prelim. Resp. 38–39. Petitioner’s reliance on Kelts for teaching a mobile application for presenting an EPG (Pet. 18, 58) corresponds to the Examiner’s finding that

Novak teaches “the Internet-connected digital device . . . being configured to obtain and present to the subscriber an electronic program guide as a templated video-on-demand display” (Ex. 2021, 946 (citing Novak (Ex. 2017) ¶¶ 25, 26, 68)). Thus, any similarity between Kelts and Novak in this regard identified by Patent Owner shows that the Petition is consistent with a previous position taken by the Office. *Cf. Advanced Bionics*, Paper 6 at 9 (The two-part *Advanced Bionics* “framework reflects a commitment to defer to previous Office evaluations of the evidence of record unless material error is shown.”). Petitioner relies on Perez to teach subject matter similar to that which the applicant argued was lacking in the prior art in the ’026 patent prosecution: “navigation in a hierarchical VOD EPG where category metadata that is used in an EPG is provided by a video content provider along with the video content.” Ex. 2021, 1001; Pet. 42–46 (addressing claim recitation [1.c]). Thus, Petitioner relies on Perez, which was not before the Examiner during prosecution of the ’269 patent,⁶ to provide similar teachings to what the applicant alleged during the ’026 patent prosecution were lacking in the prior art. Therefore, the prosecution history of the ’026 patent does not support denial of the Petition under § 325(d).

Having considered factors (a), (b), and (d), we find that Kelts is not substantially the same as the prior art presented during prosecution so as to warrant denial under 35 U.S.C. § 325(d). Because we determine that the same or substantially the same prior art or arguments previously were not

⁶ From our review of the prosecution history of the ’026 patent (Ex. 2021), it appears that the applicant also did not identify Perez to the Examiner during prosecution of the application for the ’026 patent.

presented to the Office, we need not proceed to step two of the *Advanced Bionics* framework.

2. 35 U.S.C. § 314

Institution of *inter partes* review is discretionary. See *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he PTO is permitted, but never compelled, to institute an [*inter partes* review (IPR)] proceeding.”); 35 U.S.C. § 314(a) (“The Director *may not* authorize an *inter partes* review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 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.” (emphasis added)). In the Preliminary Response, Patent Owner contends that we should exercise our discretion to deny the Petition because Petitioner’s invalidity grounds will be resolved in the Texas case before our deadline for a final written decision. Prelim. Resp. 11–32.

The Board has held that the advanced state of a parallel district court action is a factor that may weigh in favor of denying a petition under § 314(a). See *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 20 (PTAB Sept. 12, 2018) (precedential); Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019), 58 & n.2, *available at* <https://www.uspto.gov/TrialPracticeGuideConsolidated> (“Trial Practice Guide”). We consider the following factors to assess “whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding”:

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.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5–6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”). In evaluating these factors, we “take[] a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.* at 6. Upon consideration of these factors, we decline to exercise our discretion to deny the Petition.

a) Whether the Court Granted a Stay or Evidence Exists that One May Be Granted if a Proceeding Is Instituted

The *Fintiv* panel indicated that, in previous Board decisions, the existence of a district court stay pending Board resolution of an *inter partes* review has weighed strongly against discretionary denial, while a denial of such a stay request sometimes weighs in favor of discretionary denial.

Fintiv, Paper 11 at 6–8.

Patent Owner argues that the ’269 patent is asserted in the Texas case and in the AT&T case against AT&T Services, Inc. and DirecTV, LLC, neither of which have been stayed. Prelim. Resp. 17–18. Patent Owner further asserts that a stay is unlikely in the Texas case based on comments made by the Texas court during a telephonic hearing and how the Texas court has handled other cases. Prelim. Resp. 17–18. Finally, Patent Owner

argues that a stay is unlikely in the AT&T case because those defendants have not filed petitions for *inter partes* review. Prelim. Resp. 18.

However, determining how the Texas court might handle the issue of whether to stay any of the related cases when no motion for stay has been filed invites conjecture. It would be improper to speculate, at this stage, what the Texas court might do regarding a motion to stay, given the particular circumstances of this case. Accordingly, this factor is neutral to the exercise of our discretion. *Cf. Sand Revolution II, LLC v. Continental Intermodal Group – Trucking LLC*, IPR2019-01393, Paper 24 at 7 (PTAB June 16, 2020) (informative) (“*Sand Revolution*”) (“In the absence of specific evidence, we will not attempt to predict how the district court in the related district court litigation will proceed because the court may determine whether or not to stay any individual case, including the related one, based on a variety of circumstances and facts beyond our control and to which the Board is not privy.”); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (PTAB May 13, 2020) (informative) (“*Fintiv IP*”) (“We decline to infer, based on actions taken in different cases with different facts, how the District Court would rule should a stay be requested by the parties in the parallel case here. This factor does not weigh for or against discretionary denial in this case.”).

b) Proximity of the Court’s Trial Date to the Board’s Projected Statutory Deadline for a Final Written Decision

Patent Owner contends that the Texas court set a trial date of November 15, 2021, which is “more than three months before the projected deadline” for issuing a final written decision in this proceeding. Prelim. Resp. 19–20; *see* Ex. 2010 (“The Court is assigning a trial date of November 15, 2021.”). Patent Owner also points to statements made by the Texas

court indicating that the trial date will not be moved. Prelim. Resp. 20–21; *see* Ex. 2002, 8:10–13 (“The Court has moved a couple of trial dates, and I think 100 percent of the time, it was because the parties jointly requested us to do so.”), 8:22–9:19 (“So let me say this on the record. I’m going to trial. . . . And I don’t know what might have led anyone in this case . . . to believe that I would push back the trial in this case. It’s not going to be delayed. We’re going to go to trial. . . . So I’m slightly uncertain of whatever that underlying issues were that raised concern on anyone’s part about me moving the trial date, but that’s not going to happen. So hopefully that takes that issue off the board.”).

Petitioner argues, however, that it is “highly likely that trial will occur much later” than November 2021 because of “the growing volume of patent cases pending before” the Texas court as well as delays caused by the COVID-19 pandemic. Pet. 7–8 (citing Exs. 1014, 1021). Specifically, Petitioner points to orders of the Texas court delaying all civil trials for a period of time in 2020 and asserts that “[a]ll of these trials will need to be rescheduled, causing cascading delays and likely continuances of more recently filed cases, including the parallel district court proceeding at issue here.” Pet. 7 (citing Exs. 1020, 1025, 1026). Petitioner also filed a motion to transfer the Texas case to the U.S. District Court for the District of Colorado, which has not yet been decided. Pet. 8.

In its Reply, Petitioner argues that, due to a recent decision of the U.S. Court of Appeals for the Federal Circuit, *In re Apple Inc.*, 979 F.3d 1332 (Fed. Cir. 2020), we should not take the November 15, 2021, trial date at “face value” and instead should refer to the Texas court’s “average time to trial” (over two years). Reply 1, 3 (quoting *Fintiv II*, Paper 15 at 13; emphasis omitted). The Federal Circuit in *Apple* granted a petition for

mandamus directing the Texas court to transfer a patent infringement case. 979 F.3d at 1335. In doing so, the Court observed that in assessing the factor of “administrative difficulties flowing from court congestion,” “a court’s general ability to set a fast-paced schedule is not particularly relevant,” particularly where “the forum itself has not historically resolved cases so quickly.” *Id.* at 1344. The Court stated that the factor “frequently calls for speculation. For example, scheduled trial dates are often subject to change, and the district court’s anticipated time to trial is significantly shorter than the district’s historical time to trial.” *Id.* at 1344 n.5. According to Petitioner, the *Apple* decision supports its view that trial is unlikely to occur by the currently scheduled trial date and increases the likelihood that Petitioner’s own motion to transfer will be granted (in which case a new trial date would be set). Reply 1–3.

Patent Owner responds that Petitioner’s view is unfounded given the Texas court’s past statements, recent orders from the Texas court regarding the scheduling of trials in light of the COVID-19 pandemic, and the fact that the Texas court recently completed a jury trial. Prelim. Resp. 20–22 (citing Exs. 2006, 2007, 2011, 2018, 2019). Patent Owner further contends that the *Apple* decision is inapplicable because it addressed a different issue—venue transfer—and the Texas court here has confirmed the November 15, 2021, trial date. Sur-Reply 2–3; *see* Ex. 3002, 1 (“The Court confirmed that the Jury Trial date is November 15, 2021.”). With respect to Petitioner’s pending motion to transfer, Patent Owner states that even if the Texas case against Petitioner is transferred, the AT&T case would proceed to trial with the same schedule. Sur-Reply 2; *see* Ex. 1015 (Scheduling Order applying to all of the cases).

The proximity factor in *Fintiv*, on its face, asks us to evaluate our discretion in light of trial dates that have been set in parallel litigations. *See Fintiv*, Paper 11 at 3, 5 (“*NHK* applies to the situation where the district court has set a trial date to occur earlier than the Board’s deadline to issue a final written decision in an instituted proceeding.”; “When the patent owner raises an argument for discretionary denial under *NHK* due to an earlier trial date, the Board’s decisions have balanced the [six] factors [listed in *Fintiv*].”) (citing *NHK*, Paper 8 (footnote omitted)), 9 (considering situations where “the court’s trial date is earlier than the projected statutory deadline” and “the court’s trial date is at or around the same time as the projected statutory deadline or even significantly after the projected statutory deadline”). We recognize that panels of the Board have assessed this factor on a case-by-case basis. On one hand, the *Fintiv* panel took the district court’s trial schedule at “face value” and declined to question it “absent some strong evidence to the contrary.” *Fintiv II*, Paper 15 at 12–13. On the other hand, the *Sand Revolution* panel was persuaded by the uncertainty in the schedule (including that caused by the parties agreeing to jointly request rescheduling of the trial date on several occasions and the global pandemic) despite a scheduled trial date. *Sand Revolution*, Paper 24 at 8–9. Moreover, as recognized in *Sand Revolution*, “even in the extraordinary circumstances under which the entire country is currently operating because of the COVID-19 pandemic, the Board continues to be fully operational.” *Id.* at 9.

Here, both parties speculate as to the likelihood that the trial date of November 15, 2021, would later be rescheduled in light of circumstances such as docket congestion and the global pandemic, with Petitioner arguing that a reschedule is likely and Patent Owner arguing the opposite. *See* Pet. 6–8; Prelim. Resp. 20–24; Reply 1–3; Sur-Reply 1–3. We cannot

ignore the fact that the currently scheduled trial date is approximately ten months from now and much can change during this time. Further, although we do not speculate as to the likelihood that Petitioner's motion to transfer the Texas case will be granted, the motion remains pending and would necessitate a new trial date if it were. Accordingly, whether trial in the Texas case takes place before, contemporaneously with, or after our twelve-month final written decision statutory deadline involves at least some assumptions.

This factor looks at the *proximity* of the trial date to the date of our final written decision to assess the weight to be accorded a trial date set earlier than the expected final written decision date. The proximity inquiry is a proxy for the likelihood that the trial court will reach a decision on validity issues before the Board reaches a final written decision. A trial set to occur soon after the institution decision is fairly likely to happen prior to the Board's final written decision, even if the trial date were postponed due to intervening circumstances. Here, however, with trial currently scheduled for just over two months before the due date for final written decision⁷ and a motion to transfer pending,⁸ there is at least some persuasive evidence that

⁷ Patent Owner argues that "the district court's trial date is set for more than three months before the Board's projected statutory deadline for issuing a" final written decision, which Patent Owner estimated to be February 18, 2022. Prelim. Resp. 20. Because we are issuing this decision over three weeks before the actual deadline, the due date for our final written decision is closer to two months after the trial in the district court.

⁸ Under the particular factual circumstances presented, we are not persuaded that we should instead refer to the trial date of the AT&T case (for which Petitioner's motion to transfer is irrelevant), at least because Patent Owner does not present any evidence of duplication between Petitioner's contentions in this proceeding and the invalidity contentions of the defendants in that case (factor 4). See Prelim. Resp. 27–29; Sur-Reply 2.

delays are possible. Thus, the efficiency and system integrity concerns that animate the *Fintiv* analysis are not particularly strong. Accordingly, this factor is, at most, slightly in favor of exercising our discretion to deny the Petition.

c) Investment in the Parallel Proceeding by the Court and the Parties

If, at the time of the institution decision, the district court has issued substantive orders related to the challenged patent, such as a claim construction order, this fact weighs in favor of denial. *See Fintiv*, Paper 11 at 9–10. On the other hand, if the district court has not issued such orders, this fact weighs against discretionary denial. *Id.* at 10. “[T]he weight to give claim construction orders may vary depending upon a particular district court’s practices. For example, some district courts may postpone significant discovery until after it issues a claim construction order, while others may not.” *Id.* at 10 n.17.

Patent Owner argues that, by the time of this Decision, “the parties and the district court will have invested significant time and resources in the parallel litigation.” Prelim. Resp. 25. First, Patent Owner contends that the Texas court denied Petitioner’s motion to dismiss under 35 U.S.C. § 101. Prelim. Resp. 25–26. The Texas court, however, merely stated that it “does not believe this is one of the rare cases where it is appropriate to resolve the Section 101 eligibility of the patents-in-suit as a Rule 12(b) motion to dismiss” and denied the motion without prejudice to refiling “after the opening of fact discovery.” Ex. 2012. The Order does not provide analysis of the challenged claims or their alleged subject matter eligibility. *See* Ex. 2012. Indeed, the Texas court stated that it “takes no position on whether there are any factual disputes that preclude dismissal at the pleadings stage.” Ex. 2012.

Second, Patent Owner points to the claim construction procedures in the Texas case. Prelim. Resp. 26. On November 20, 2020, after receiving briefing from the parties and conducting a *Markman* hearing, the Texas court issued a five-page Order listing constructions for 19 terms in the four asserted patents in the Texas case, but not providing explanations for those constructions. Ex. 3001 (construing 12 of the 19 terms to have their “[p]lain and ordinary meaning”).

Third, Patent Owner argues that the parties exchanged preliminary infringement and invalidity contentions, will have exchanged final contentions before the projected date of this Decision, and “will be engaged in ongoing fact discovery from November 2020 until June 2021.” Prelim. Resp. 26–27. In a minute entry dated November 13, 2020, the Texas court ordered that “[t]he stay is lifted and discovery can now start in this case.” Ex. 3002, 1. Thus, fact discovery has only just recently begun and does not close until June 2021, well after our Decision whether to institute an *inter partes* review in this proceeding. See Ex. 1015, 3. Expert discovery likewise does not even begin until June 2021. Ex. 1015, 3; Pet. 9 (arguing that “there has been no meaningful fact or expert discovery” in the Texas case).

We are not persuaded that the above actions indicate the type of significant investment that would support exercising our discretion to deny institution. The present circumstances are somewhat analogous to those of *Sand Revolution*. In that case, as here, the parties exchanged preliminary infringement and invalidity contentions and the district court denied a motion to dismiss, conducted a *Markman* hearing, and entered a short Order construing claim terms. See *Sand Revolution*, Paper 24 at 10. The panel found that “aside from the district court’s *Markman* Order, much of the

district court’s investment relates to ancillary matters untethered to the validity issue itself,” and “the district court’s two-page *Markman* Order . . . does not demonstrate the same high level of investment of time and resources as the detailed *Markman* Order in *Fintiv*.” *Id.* at 10–11 (citing *Fintiv*, Paper 15 at 14 (describing a detailed 34-page *Markman* Order)). The panel further observed that “much work remains in the district court case as it relates to invalidity: fact discovery is still ongoing, expert reports are not yet due, and substantive motion practice is yet to come.” *Id.* at 11. The facts of this proceeding are similar in all of those respects, with the additional caveats that Petitioner’s motion to transfer in the Texas case remains to be decided and the possibility that Petitioner may refile its motion to dismiss under 35 U.S.C. § 101, as it was authorized to do after the opening of fact discovery. *See* Ex. 2012. On the current record, we are not persuaded that the level of investment so far by the Texas court and the parties in the Texas case supports exercising our discretion to deny institution.

Petitioner’s diligence in filing its Petition also weighs against exercising our discretion to deny institution. Patent Owner served Petitioner with its complaint in the Texas case on December 19, 2019, identifying claims 1, 3, 4, and 6 of the ’269 patent as allegedly infringed. *See* Pet. 3; Ex. 2001 ¶¶ 39, 52–54. Patent Owner later served preliminary infringement contentions on April 30, 2020, identifying claims 1–6, 8–12, and 14–17 of the ’269 patent as allegedly infringed. *See* Pet. 8; Ex. 1022 (also identifying the alleged priority date for claims 1–6, 8–12, and 14–17). Petitioner then filed its Petition on July 24, 2020—less than three months after receiving notice of Patent Owner’s infringement positions for all asserted claims (including those not identified originally in the complaint) and prior to the

parties exchanging proposed claim constructions and briefing claim construction issues in the Texas case. *See* Pet. 8; Paper 6, 1; Ex. 1015, 2.

Fintiv explained that “it is often reasonable for a petitioner to wait to file its petition until it learns which claims are being asserted against it in the parallel proceeding,” and stated that, “[i]f the evidence shows that the petitioner filed the petition expeditiously, such as promptly after becoming aware of the claims being asserted, this fact has weighed against exercising the authority to deny institution under *NHK*.” *Fintiv*, Paper 11 at 11. Here, Petitioner filed the Petition shortly after learning the full set of claims Patent Owner is initially asserting and receiving Patent Owner’s preliminary infringement contentions for those claims. *See* Pet. 3, 8; *Fintiv*, Paper 11 at 11 n.21 (citing an earlier case finding that a petitioner was “diligent in filing the petition within two months of [the] patent owner narrowing the asserted claims in the district court proceeding”).

On balance, this factor weighs strongly against exercising our discretion to deny the Petition.

d) Overlap Between Issues Raised in the Petition and in the Parallel Proceeding

“[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.” *Fintiv*, Paper 11 at 12. “Conversely, if the petition includes materially different grounds, arguments, and/or evidence than those presented in the district court, this fact has tended to weigh against exercising discretion to deny institution under *NHK*.” *Id.* at 12–13.

Patent Owner argues that, in the Texas case, Petitioner advances the same obviousness ground based on Perez and Kelts that is asserted in the Petition. Prelim. Resp. 27–28 (citing Pet. 58–63; Ex. 2013, 8–10, 35–39).

Patent Owner also asserts that Petitioner argued for interpretation of the claim term “Web-based content management system” in this proceeding and in the Texas case. Prelim. Resp. 28 (citing Pet. 16; Ex. 2015, 1–5).

Petitioner argues that the fact that claims 7 and 13 are challenged in this proceeding but not asserted in the Texas case weighs against discretionary denial. Pet. 8. Patent Owner concedes that claims 7 and 13 are not asserted in the Texas case but argues that Petitioner “does not explain why challenging dependent claims 7 and 13 should change the discretionary denial analysis.” Prelim. Resp. 29.

According to *Fintiv*,

weighing the degree of overlap is highly fact dependent. For example, if a petition involves the same prior art challenges but challenges claims in addition to those that are challenged in the district court, it may still be inefficient to proceed because the district court may resolve validity of enough overlapping claims to resolve key issues in the petition. . . . The existence of non-overlapping claim challenges will weigh for or against exercising discretion to deny institution under *NHK* depending on the similarity of the claims challenged in the petition to those at issue in the district court.

Fintiv, Paper 11 at 13. It is difficult to ascertain on this sparse record whether earlier resolution, by the Texas court, of the validity of the claims asserted in the Texas case also would substantially resolve the parties’ disputes here as to the unasserted claims. Nevertheless, there is overlap as to the claims and the asserted ground based on *Perez* and *Kelts*. Thus, this factor weighs in favor of exercising our discretion to deny the Petition.

e) *Whether the Petitioner and the Defendant in the Parallel Proceeding Are the Same Party*

If the petitioner here was unrelated to the defendant in the parallel proceeding, that might weigh against discretionary denial. *See Fintiv*,

Paper 11 at 13–14. Here, however, Petitioner is the defendant in the parallel proceeding. This fact could weigh either in favor of, or against, exercising discretion to deny institution, depending on which tribunal was likely to address the challenged patent first. However, as noted above, we decline to speculate as to whether we are likely to address the challenged patent before the Texas court. *See* § II.A.2.b above. Thus, this factor is, at most, slightly in favor of exercising our discretion to deny the Petition.

f) Other Circumstances that Impact the Board’s Exercise of Discretion, Including the Merits

Additional factors we can consider include the merits. *Fintiv*, Paper 11 at 14–15.

For example, if the merits of a ground raised in the petition seem particularly strong on the preliminary record, this fact has favored institution. In such cases, the institution of a trial may serve the interest of overall system efficiency and integrity because it allows the proceeding to continue in the event that the parallel proceeding settles or fails to resolve the patentability question presented in the PTAB proceeding.

Id. (footnotes omitted).

As explained below, on the preliminary record, the merits of Petitioner’s case are straightforward and strong, and Patent Owner has not yet made a persuasive response to Petitioner’s allegations. As explained herein, we find Petitioner’s arguments persuasive based on the current record. *See* § II.A.1 above and § II.F below.

With respect to *Fintiv* factor 6, Patent Owner contends that Petitioner’s substantive unpatentability arguments are deficient and that interpreting “Web-based content management system,” as recited in claim 1, would require a complex analysis. Prelim. Resp. 30–32. For reasons stated above in § II.A.1, we disagree with Patent Owner’s contentions regarding

§ 325(d), and for reasons discussed below in § II.F, we disagree that Petitioner’s contentions of unpatentability are deficient.

Furthermore, we do not see any complexities arising from the interpretation of “Web-based content management system” because the asserted prior art, Perez, expressly discloses a “Web-based Content Management System . . . for enabling an individual user to upload content from their computer via a web browser to display a consumer-generated video ad on TV.” Ex. 1008 ¶ 55, *cited in* Pet. 42. The ’269 patent contains this same disclosure. Ex. 1001, 8:31–37. We also disagree with Patent Owner’s assertion of “gamesmanship” by Petitioner. *See* Prelim. Resp. 31–32. Petitioner’s proposed construction is the one urged by Patent Owner in the Texas case and adopted by the Texas court. Ex. 2027, 1; Ex. 3001, 2. If anything, Petitioner’s proposal simplifies the issues before us.

Thus, the merits in this proceeding, taken as a whole, weigh against discretionary denial. *Cf. Sand Revolution*, Paper 24 at 13 (“We determine, on this preliminary record, that Petitioner has set forth a reasonably strong case for the obviousness of most challenged claims. Thus, this factor weighs in favor of not exercising discretion to deny institution under 35 U.S.C. § 314(a).”); *compare with Fintiv II*, Paper 15 at 17 (“It is sufficient that Patent Owner has pointed out that Petitioner’s case, at least as to two of three independent claims, is a close call. . . . The merits, taken as a whole, do not tip the balance in favor of Petitioner and instead also weigh in favor [of] discretionary denial in a balanced assessment of all the circumstances.”).

g) Holistic Assessment of Fintiv Factors

We consider the above factors and take “a holistic view of whether efficiency and integrity of the system are best served by denying or

instituting review.” *Fintiv*, Paper 11 at 6. On the current record, with trial currently scheduled for just over two months before the final written decision, whether the Texas court actually will hold a trial before, contemporaneously with, or after our final written decision statutory deadline is still uncertain. Further, the Texas court and the parties have yet to invest significantly in validity issues that might overlap with the patentability disputes presented to us. Thus, we are unlikely to duplicate work performed by the Texas court. Moreover, Petitioner was diligent in pursuing its Petition, which weighs against exercising our discretion to deny institution. Although there is overlap between the Petition and the invalidity positions Petitioner has indicated it will advance in the Texas case, this is outweighed by the lack of investment in the Texas case. The merits presented in the Petition are strong, at least at this stage of the proceeding. After considering the factors outlined in the precedential order in *Fintiv*, we decline to deny institution under § 314(a).

B. Legal Standards

A claim is unpatentable for obviousness if, to one of ordinary skill in the pertinent art, “the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007) (quoting 35 U.S.C. § 103(a) (2006)). The question of obviousness is resolved on the basis of underlying factual determinations, including “the scope and content of the prior art”; “differences between the prior art and the claims at issue”; and “the level of ordinary skill in the pertinent art.” *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966). Additionally, secondary considerations, such as “commercial

success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy.” *Id.*

A patent claim “is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art.” *KSR*, 550 U.S. at 418. An obviousness determination requires finding “both ‘that a skilled artisan would have been motivated to combine the teachings of the prior art references to achieve the claimed invention, and that the skilled artisan would have had a reasonable expectation of success in doing so.’” *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1367–68 (Fed. Cir. 2016) (citation omitted); *see KSR*, 550 U.S. at 418 (for an obviousness analysis, “it can be important to identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does”). A petitioner’s assertion of obviousness “cannot employ mere conclusory statements. The petitioner must instead articulate specific reasoning, 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) (citing *KSR*, 550 U.S. at 418).

C. Priority Date

Petitioner argues that the earliest possible effective filing date of the ’269 patent is March 12, 2007, which is the filing date of the 2007 CIP, because the 2007 CIP introduced certain subject matter that is claimed in the ’269 patent but not disclosed in Perez. Pet. 13–15. Petitioner also notes that, “in Patent Owner’s court-required disclosures made in the co-pending

litigation, Patent Owner asserted that claims 1-6, 8-12 and 14-17 of the '269 patent have a March 12, 2007 filing date.” Pet. 15 (citing Ex. 1022 (Preliminary Infringement Contentions)). Thus, Petitioner argues that Perez is prior art under 35 U.S.C. § 102(b) because it was published on February 2, 2006, which is more than one year before the filing of the 2007 CIP.
Pet. 19.

Patent Owner does not dispute this assertion, and, indeed, Patent Owner appears to agree that Perez does not provide support for certain claimed subject matter. *See* Prelim. Resp. 31 (arguing that “the Petition’s invalidity arguments suffer numerous fatal flaws, such as the prior art failing to disclose providing an electronic program guide and video-on-demand content to an ‘interactive mobile application’”), 44–45 (identifying several recitations in claim 1 of the '269 patent and arguing that “[t]he combination [of] Perez and Kelts fails to disclose the aforementioned claim elements”).

On this record, we are persuaded by Petitioner’s position that the earliest filing date to which the claims of the '269 patent are entitled is the March 12, 2007, filing date of the 2007 CIP and, therefore, that Perez is prior art under 35 U.S.C. § 102(b) to the claims of the '269 patent.

As explained above, the chain leading back to Perez includes a continuation-in-part application filed on March 12, 2007, which added content to the written description of the parent application (published as Perez). Ex. 1001, code (60). If Patent Owner wishes to assert an earlier priority date, Patent Owner has the burden of production to show that the claims of the '269 patent are entitled to an earlier priority date. *See In re Magnum Oil Tools Int’l, Ltd.*, 829 F.3d 1364, 1376 (Fed. Cir. 2016); *Dynamic Drinkware, LLC v. Nat’l Graphics, Inc.*, 800 F.3d 1375, 1379–80 (Fed. Cir. 2015) (discussing *Tech. Licensing Corp. v. Videotek, Inc.*, 545

F.3d 1316, 1327 (Fed. Cir. 2008)). For Patent Owner to show that any claim of the '269 patent is entitled to the 2004 priority date of Perez, thereby eliminating Perez as prior art to that claim, Patent Owner must show how the written descriptions in the earlier applications through which priority is claimed, and ultimately Perez, support the challenged claims. “[T]o gain the benefit of the filing date of an earlier application under 35 U.S.C. § 120, each application in the chain leading back to the earlier application must comply with the written description requirement of 35 U.S.C. § 112.” *Zenon Envtl., Inc. v. U.S. Filter Corp.*, 506 F.3d 1370, 1378 (Fed. Cir. 2007) (quoting *Lockwood v. Am. Airlines, Inc.*, 107 F.3d 1565, 1571 (Fed. Cir. 1997)); see also *In re Hogan*, 559 F.2d 595, 609 (CCPA 1977) (“[T]here has to be a continuous chain of copending applications each of which satisfies the requirements of § 112 with respect to the subject matter presently claimed.” (quoting *In re Schneider*, 481 F.2d 1350, 1356 (CCPA 1973)) (alteration in original)).

To comply with the “written description” requirement of 35 U.S.C. § 112, first paragraph, an applicant must “convey with reasonable clarity to those skilled in the art that, as of the filing date sought, he or she was in possession of the invention. The invention is, for purposes of the ‘written description’ inquiry, whatever is now claimed.” *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1563–64 (Fed. Cir. 1991) (emphasis omitted). To “convey with reasonable clarity to those skilled in the art” may also be expressed in terms of whether the “necessary and only reasonable construction” to be given the disclosure by one skilled in the art clearly supports the limitation now claimed. See *Hyatt v. Boone*, 146 F.3d 1348, 1353–54 (Fed. Cir. 1998) (“We do not view these various expressions as setting divergent standards for compliance with § 112. In all cases, the

purpose of the description requirement is ‘to ensure that the inventor had possession, as of the filing date of the application relied on, of the specific subject matter later claimed by him.’”) (quoting *In re Edwards*, 568 F.2d 1349, 1351–52 (CCPA 1978)).

One shows “possession” by descriptive means such as words, structures, figures, diagrams, and formulas that fully set forth the claimed invention. *Lockwood*, 107 F.3d at 1572. “It is not sufficient for purposes of the written description requirement of § 112 that the disclosure, when combined with the knowledge in the art, would lead one to speculate as to modifications that the inventor might have envisioned, but failed to disclose.” *Id.*

The invention claimed does not have to be described *in ipsius verbis* to satisfy the written description requirement. *Union Oil Co. v. Atlantic Richfield Co.*, 208 F.3d 989, 1000 (Fed. Cir. 2000). The question of written description support should not be confused, however, with the question of what would have been obvious to the artisan. Whether one skilled in the art would find the instantly claimed invention obvious in view of the disclosure is not an issue in the “written description” inquiry. *In re Barker*, 559 F.2d 588, 593 (CCPA 1977). “A description which renders obvious the invention for which an earlier filing date is sought is not sufficient.” *Lockwood*, 107 F.3d at 1572.

D. Level of Ordinary Skill in the Art

Petitioner contends that a person of ordinary skill in the art at the relevant time would have had a “a degree in computer engineering, computer science, information systems, or a similar discipline, along with three-to-four years of experience with the design and/or implementation of

VOD and EPG systems,” and would have been “aware of and knowledgeable about existing VOD architectures used by large cable companies and industry specifications, like those produced by CableLabs.” Pet. 15–16 (citing Ex. 1002 ¶¶ 79–80).

Patent Owner does not respond to Petitioner’s level of ordinary skill or advance its own level of ordinary skill.

Based on the record presented, including our review of the ’269 patent and the types of problems and solutions described in the ’269 patent and cited prior art, we agree with Petitioner’s proposed definition of the level of ordinary skill in the art and apply it for purposes of this Decision. *See, e.g.*, Ex. 1001, 1:61–3:26 (describing in the “Background of Invention” section of the ’269 patent various cable television and VOD systems where “a viewer can navigate through a program guide via the remote control unit and send a request via the set-top box for a desired video program to be addressed from the head-end to the subscriber’s set-top box for display on the TV”).

E. Claim Interpretation

We interpret the challenged claims

using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. 282(b), including construing the claim in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent.

37 C.F.R. § 42.100(b) (2019). “In determining the meaning of [a] disputed claim limitation, we look principally to the intrinsic evidence of record, examining the claim language itself, the written description, and the prosecution history, if in evidence.” *DePuy Spine, Inc. v. Medtronic*

Sofamor Danek, Inc., 469 F.3d 1005, 1014 (Fed. Cir. 2006). Claim terms are given their plain and ordinary meaning as would be 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). “There are only two exceptions to this general rule: 1) when a patentee sets out a definition and acts as his own lexicographer, or 2) when the patentee disavows the full scope of a claim term either in the specification or during prosecution.” *Thorner v. Sony Comput. Entm’t Am. LLC*, 669 F.3d 1362, 1365 (Fed. Cir. 2012).

Petitioner provides proposed interpretations for the claim terms “Web-based content management system,” “hierarchically-arranged category information and respective subcategory information associated with the respective title,” and “Internet Protocol TV (IPTV) system.” Pet. 16–17.

1. Web-based Content Management System”

Petitioner argues that “Web-based content management system” in claim 1 should be interpreted to mean “a system accessible over the Internet, including the Web, for managing content.” Pet. 16. Patent Owner argues that interpreting “Web-based content management system” “would be time intensive and require extensive analysis,” but does not otherwise respond to Petitioner’s arguments. *See* Prelim. Resp. 31–32. On this record, we agree with and adopt Petitioner’s proposed interpretation. The Specification of the ’269 patent does not expressly define the term but describes web-based content management system 40 in a consistent manner. *See, e.g.*, Ex. 1001, 8:31–37 (system 40 “enabl[es] an individual user to upload content from their computer via a web browser to display a consumer-generated video ad on TV”), 8:62–67 (system 40 “includes a plurality of functional components to allow consumers to create and manage their own classified ads as

interactive television content”), Figs. 2A, 2B. The Texas court also adopted the same construction that Petitioner proposes in this proceeding.⁹ Ex. 3001, 2. And another district court construed a similar term in the ’336 patent using “server” rather than “system”—“web-based content management server”—to mean “a server accessible over the Internet, including the Web, for managing content.” Ex. 1018, 61–70.

2. *Remaining Terms*

We have reviewed the parties’ papers and conclude that no other terms require express interpretation to determine whether to institute an *inter partes* review in this proceeding.¹⁰ See *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (“Because we need only construe terms ‘that are in controversy, and only to the extent necessary to resolve the controversy,’ we need not construe [a particular claim limitation] where the construction is not ‘material to the . . . dispute.’” (citations omitted)).

F. *Alleged Obviousness Based on Perez and Kelts*

Petitioner argues that claims 1–17 are unpatentable over the combined teachings of Perez and Kelts. Pet. 18–63. Patent Owner opposes. Prelim. Resp. 44–57.

⁹ In the Texas case, Petitioner proposed a slightly different construction of “a system accessible over the Internet, including the Web, for managing content. The system allows the content provider to manage content.” Ex. 2015, 1, 3–5. Patent Owner proposed the construction that Petitioner proposes in this proceeding, and the Texas court agreed with Patent Owner. Ex. 2015, 1; Ex. 3001, 2.

¹⁰ The district court in the Texas case construed certain terms of the challenged claims. Ex. 3001.

1. Perez

As discussed above, *Perez* is the publication of the earliest application in the chain of priority of the '269 patent. In its overview of the '269 patent, Patent Owner asserts that “the '269 patent’s innovations include (1) a web-based content management system (‘WBCMS’); (2) drill down navigation of a VOD menu by category information; and (3) templated VOD displays, with the latter two features implemented in (4) an interactive mobile application.” Prelim. Resp. 4. Patent Owner describes each of the first three “innovations” by referring to figures that appear in *Perez*: (1) Figure 2A for the WBCMS, (2) Figure 1B for drill down navigation, and (3) Figure 1C for templated VOD displays. Prelim. Resp. 4–8. For the interactive mobile application, Patent Owner refers to disclosures that were added in the 2007 CIP. Prelim. Resp. 8–9 (citing Ex. 1001, 21:34–37, 21:53–62).

We discuss *Perez*’s disclosures further in the analysis of Petitioner’s contentions of unpatentability below.

2. Kelts

Kelts is a patent application publication titled “Interactive Display Interface for Information Objects” and “provides a system for generating an interactive navigation interface for display at an end user device.” Ex. 1007, code (54), ¶ 10. “The navigation interface is configured to allow a user to intuitively, effectively, and easily determine the broadcast status associated with a large number of content providers, channels, stations, web sites, or the like” by “utiliz[ing] a magnification (zoom) feature along with a hierarchical protocol for the display of active map items representing different information sources or programs” and “display[ing] only a limited number of active map items at an initial magnification level and introduc[ing] additional active map items as the magnification changes.”

Ex. 1007 ¶ 10. Kelts discloses that, “[i]n lieu of a traditional hierarchical or list-based approach, the navigation interface displays available broadcasters using a graphical map generated in a format suitable for use with the particular presentation device, e.g., a television, a personal computer, a personal digital assistant (PDA), a wireless telephone, or the like.” Ex. 1007 ¶ 48; *see also* Ex. 1007 ¶ 101 (“As used herein, a ‘presentation device’ is any device or combination of devices capable of generating a visible display on an associated display element. For example, a presentation device may be a television set, a set-top box or converter associated with a television monitor, a personal computer, a video game console, a wireless telephone, a PDA, a remote control device, a home appliance, a car stereo component, a global positioning system (GPS) receiver, or the like.”).

3. Independent Claim 1

a) Petitioner’s Contentions

Petitioner contends that the combination of Perez and Kelts teaches the subject matter recited in the preamble of claim 1. Pet. 28–33. Petitioner argues that Perez teaches “providing . . . video content to be viewed by a subscriber of a video-on-demand system using a hierarchically arranged electronic program guide.” Pet. 28–30 (citing Ex. 1008, code (57), ¶¶ 2, 3, 6, 12, 13, 22, 24–26, 31, Figs. 1A, 1B; Ex. 1002 ¶¶ 103–117). For example, Perez discloses “[a] video-on-demand (VOD) content delivery system has a VOD Application Server which manages a database of templates ordered in a hierarchy for presentation of video content elements of different selected types categorized in hierarchical order.” Ex. 1008, code (57). Figure 1B of Perez is reproduced below.

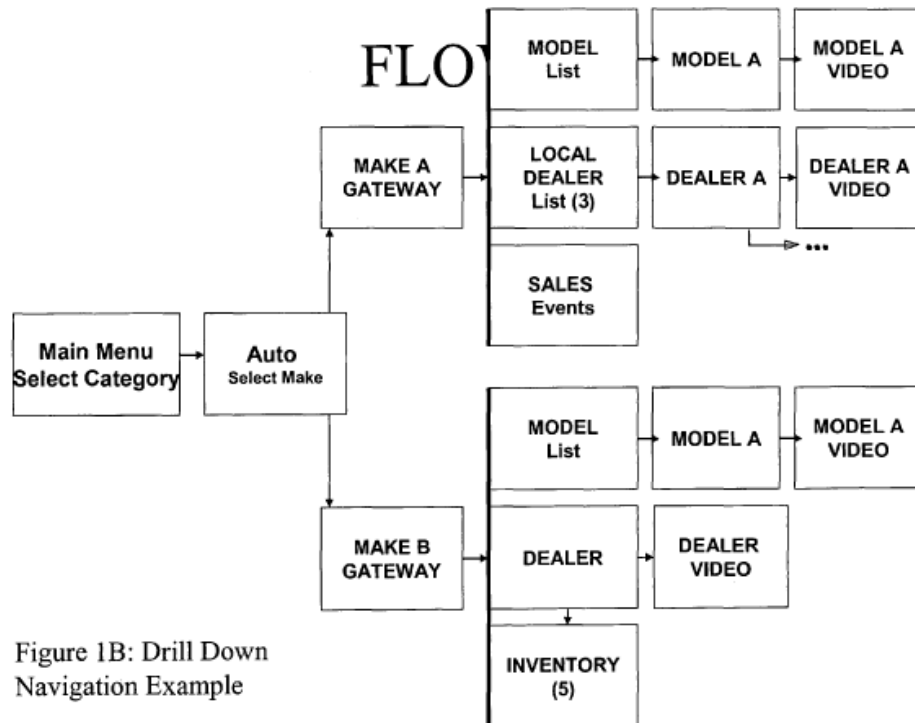


Figure 1B: Drill Down Navigation Example

Perez’s Figure 1B, reproduced above, shows a “templated VOD content delivery system” that “provid[es] a User Interface using Drill-Down Navigation through display ads.” Ex. 1008 ¶ 26. Perez explains that,

[w]hen the viewer makes a selection, such as Make A, the viewer’s TV displays a further menu that is a Gateway into templated VOD content delivery which enables Drill-Down Navigation by templated display ads. Through the Gateway, the VOD Application leaves the Menu mode and enters the Drill Down Navigation mode for successively displays of hierarchically-ordered video content which allow the viewer to navigate to progressively more focused content.

Ex. 1008 ¶ 26.

Petitioner acknowledges that Perez does not teach an “interactive mobile application” or providing video content “via the Internet,” and Petitioner relies on Kelts for these teachings. Pet. 30–32 (citing Ex. 1007 ¶¶ 3, 101, 138, 142, 144–149, 190–191; Ex. 1002 ¶¶ 109–110, 112, 116–117). Kelts discloses the following:

In the context of a practical application of the present invention, end user computer systems may be utilized to locate and play Internet-based streaming media files associated with any number of content providers. The end users can access a web site associated with the web presentation layer 700 and view one or more navigation maps configured to display available media files that can be downloaded for playback by the end user computer systems.

Ex. 1007 ¶ 144. Kelts also discloses that

[w]eb presentation layer 700 may be implemented in connection with any computing device, e.g., a desktop personal computer, a laptop computer, a networked computer, a server computer, a hand-held computer, or in connection with any appliance or device capable of supporting a web browser application (such as a video game console, home appliances, or electronic entertainment systems).

Ex. 1007 ¶ 138. Petitioner argues that, “because Kelts teaches that these devices include hand-held computers and other mobile devices, a [person of ordinary skill in the art] would have understood Kelts’ application to be ‘an interactive *mobile* application.’” Pet. 32 (citing Ex. 1002 ¶ 112).

For element 1.a, Petitioner contends that Perez discloses the subject matter pertaining to the particular structure of the electronic program guide, and Petitioner relies on Kelts to teach the recited “interactive mobile application,” as discussed with respect to the preamble. Pet. 33–37. For example, element 1.a recites

an electronic program guide including a templated video-on-demand display, which uses at least one display template to which the subscriber device has access, to enable the subscriber using the subscriber device to navigate in a drill-down manner, from a first level of a hierarchical structure of the electronic program guide based on category information to a second level of the hierarchical structure of the electronic program guide based on subcategory information in order to locate a particular one of a plurality of titles.

Petitioner cites Perez's Figure 1B and accompanying disclosure, among other disclosures, for this subject matter. Pet. 36 (citing Ex. 1008 ¶ 26, Fig. 1B). Paragraph 26 of Perez explains how a viewer traverses the menu hierarchy shown in Figure 1B using "Drill-Down Navigation," and this disclosure appears in the '269 patent at column 6, line 36 to column 7, line 7.

For the plurality of layers recited in element 1.b, Petitioner relies on Perez's Figure 1C, reproduced below. Pet. 37-42.

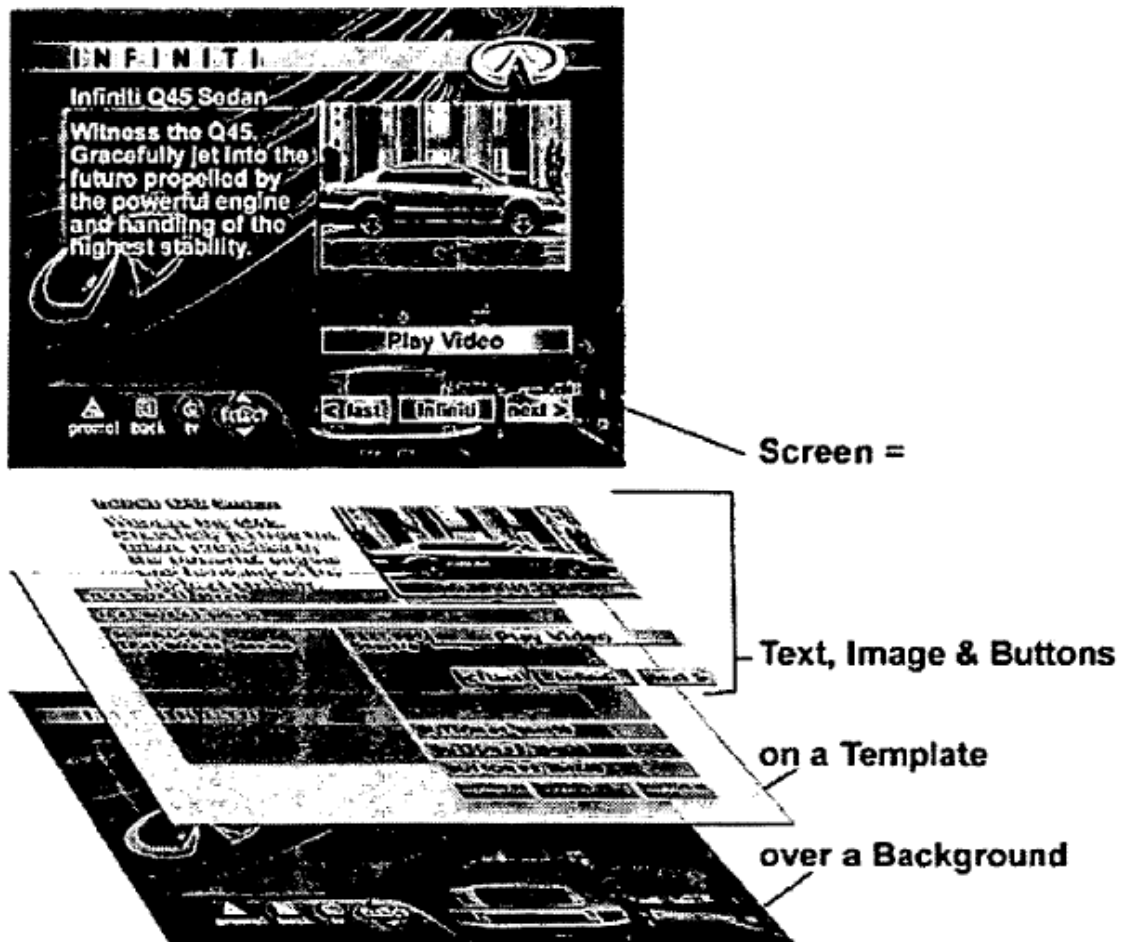


Figure 1C: Template Layer Model

Figure 1C “illustrates how a templated VOD display is generated in layers.” Ex. 1008 ¶ 28. Referring to Figure 1C, Perez explains the following:

A Background screen provides a basic color, logo, or graphical theme to the display. A selected Template (display frame) appropriate to the navigation level the intended display resides on is layered on the Background. The Template typically has a frame in which defined areas are reserved for text, display image(s), and navigation links (buttons). Finally, the desired content constituted by associated Text, Image & Buttons is retrieved from the database and layered on the Template. The resulting screen display shows the combined background logo or theme, navigation frame, and text, video images, and buttons.

Ex. 1008 ¶ 28. This disclosure appears in the '269 patent at column 7, lines 34–46.

Petitioner argues that “Perez combined with Kelts teaches (or at least renders obvious) that the above-described program guide content information is ‘received by the subscriber device in real time from the digital television service provider system,’” as recited in element 1.b.(c). Pet. 41–42.

For element 1.c, Petitioner argues that, “[t]o the extent this wherein clause limits the claimed interactive mobile application, Perez combined with Kelts teaches (or renders obvious) these limitations.” Pet. 42–46.

Perez discloses that the

VOD content delivery system has a Web-based Content Management System 40 for enabling an individual user to upload content from their computer via a web browser to display a consumer-generated video ad on TV. The uploaded content includes meta data for classifying the video ad by title and topical area(s).

Ex. 1008 ¶ 55, *cited in* Pet. 42–43. Petitioner notes that “Perez does not expressly state that the topical areas in the user-provided metadata contain

categories and subcategories in a hierarchical relationship,” but Petitioner contends that,

[i]n light of Perez’s teachings that the user provides metadata identifying topical areas (plural), that the menus are indexed by topical areas, and that the menu may be presented in a hierarchical structure of topical areas and subtopical areas, a [person of ordinary skill in the art] would understand Perez to teach (or at least render obvious) that the user-provided associated metadata may include tiered topical area (category) and subtopical area (sub-category) metadata, which specifies the hierarchical location of the title within the electronic program guide as claimed.

Pet. 45–46 (citing Ex. 1008 ¶¶ 55, 58, 70, claim 8; Ex. 1002 ¶ 155).

Petitioner further argues that, “[i]n Perez, this metadata is used to form an electronic program guide that is presented on the viewer’s TV equipment, but in the proposed Perez/Kelts combination, the EPG would be presented via the web-application taught by Kelts, running on an Internet-enabled device (*i.e.*, the claimed ‘subscriber device’).” Pet. 46 (citing Ex. 1007 ¶¶ 70, 138, 144).

Petitioner provides reasons that a person of ordinary skill in the art would have been motivated to combine the teachings of Perez and Kelts in the manner explained above and would have had a reasonable expectation of success in doing so to achieve the claimed device. Pet. 58–63.

b) Patent Owner’s Arguments

Patent Owner’s arguments are directed to alleged inadequacies in the disclosure of Kelts and in Petitioner’s reasons for combining Perez and Kelts. Prelim. Resp. 44–57.

Patent Owner argues that Kelts does not “describe how VOD content is ingested, processed, and/or accessed.” Prelim. Resp. 45. According to Patent Owner, “[t]he ’269 patent describes the trend of video-on-demand

and how there could be ‘hundreds of channels with thousands if not millions of titles on each in the foreseeable future,’” and Patent Owner argues that

[n]o reasonable [person of ordinary skill in the art] would have believed that a graphical map such as the map shown in Figures 1-3 of Kelts could accommodate thousands, much less millions of titles of video-on-demand content without forcing the user to resort to an infuriating exercise of finding “Waldo.”

Prelim. Resp. 45–46. These arguments are not responsive to Petitioner’s contentions, which rely on Perez to teach a VOD system. *See* Pet. 28 (“Perez teaches (or renders obvious) ‘providing ... video content to be viewed by the subscriber of a video-on-demand system.’”). Furthermore, claim 1 of the ’269 patent does not require the VOD system to “accommodate thousands, much less millions of titles of video-on-demand content,” as Patent Owner suggests. *See* Prelim. Resp. 46. Rather, claim 1 recites “locat[ing] a particular one of a plurality of titles whose associated video content is desired for viewing on demand via the subscriber device.” Locating one of two available titles would satisfy the “plurality of titles” recitation of claim 1.

Patent Owner also argues that “Kelts was filed in 2000 when PDAs and wireless telephones were extremely limited in functionality, and one of ordinary skill in the art would not have looked to Kelts, even in 2007, to fill in the missing disclosure in Perez.” Prelim. Resp. 47. Patent Owner’s arguments here focus exclusively on Kelts’s disclosure of phones and PDAs and their allegedly limited functionality. *See* Prelim. Resp. 47–51. Kelts, however, discloses devices other than phones and PDAs that implement its presentation system, such as hand-held computers and video game consoles. Ex. 1007 ¶ 138; *see* Ex. 1001, claim 16 (“The interactive mobile application of claim 1, wherein the subscriber device is a game console.”). Thus, even if

Kelts's phones and PDAs were as limited as Patent Owner suggests, this does not take away from Kelts's teachings of other devices capable of displaying the user interface and content requested through that user interface.

Moreover, on this record, we disagree with Patent Owner's contentions regarding the limited functionality of Kelts's phones. Patent Owner contends that "while cell phones had 'very limited pre-installed web browser[s], the primary use of cell phones at the time was to make phone calls and send text messages.'" Prelim. Resp. 47 (quoting Ex. 1029, 3). Kelts, however, in describing the state of the art, discloses that "wireless telephones have migrated into flexible communication devices having enhanced features or functions such as web browsers, email, video games, calendar/scheduler, and media player." Ex. 1007 ¶ 3. Kelts expressly discloses using "a wireless telephone" as a "presentation device" in the disclosed system. Ex. 1007 ¶ 101.

Patent Owner also disputes Petitioner's reasons to combine Perez and Kelts. Prelim. Resp. 51–57. Patent Owner argues that Kelts's map interface is incompatible with Perez's VOD menu structure. Prelim. Resp. 51–54. According to Patent Owner,

[o]ne of ordinary skill in the art would be unable to combine [the] map-based approach disclosed in Kelts with the category/subcategory drill down approach disclosed in Perez without defeating either the express purpose of Kelts (i.e., the use of map-based navigation with zoom levels) or Perez (i.e., the use of drill down navigation by provider designated category and subcategory metadata).

Prelim. Resp. 54. Petitioner, however, does not argue that it would have been obvious to combine the two user interfaces of Perez and Kelts; rather, Petitioner relies on Perez's VOD menu structure, as discussed above, and

argues that it would have been “obvious to provide Perez’s functionality on a mobile platform” based on Kelts’s disclosures of providing a web-based interface on various mobile devices. Pet. 58–62. Patent Owner’s argument regarding the alleged limited capabilities of two devices cited in Kelts (*see* Prelim. Resp. 51–52) fails to account for Kelts’s disclosures of other devices, as discussed above. *See* Ex. 1007 ¶¶ 48, 101, 138, 144.

Patent Owner further argues that Petitioner provides insufficient reasoning to combine Perez and Kelts. Prelim. Resp. 54–57. Patent Owner argues that Petitioner’s contentions that the references are similar and that Perez’s system “could” be modified are legally insufficient to demonstrate obviousness. Prelim. Resp. 55–57 (citing Pet. 19, 31, 32, 52). These arguments, however, ignore the “Motivation to Combine” section of the Petition, in which Petitioner sets forth detailed reasoning underpinning the proposed combination. Pet. 58–63. Petitioner cites Perez’s disclosure that, “[i]n the future, VOD-based interactive television services may be integrated with or delivered with other advanced interactive television services, such as webpage browsing, e-mail, television purchase (‘t-commerce’) transactions, and multimedia delivery.” Pet. 59 (quoting Ex. 1008 ¶ 3). Petitioner argues that a person of ordinary skill in the art “would . . . have been motivated to implement Perez’s functionality using Kelts’s web-based application platform as this would allow Perez’s system to be more scalable and compatible with upcoming technological advancements.” Pet. 59. Petitioner’s declarant, Samuel H. Russ, Ph.D., provides testimony in support of Petitioner’s rationale to combine. Ex. 1002 ¶¶ 215–225. We find Petitioner’s analysis sufficient at this early stage.

c) Threshold Determination for Claim 1

On this record, we are persuaded by Petitioner's contentions that the combination of Perez and Kelts teaches the subject matter recited in claim 1 and that a person of ordinary skill in the art would have been motivated to combine the teachings of the references in the manner asserted with a reasonable expectation of success. We are persuaded, therefore, that Petitioner has shown a reasonable likelihood of prevailing on its assertion that claim 1 is unpatentable over Perez and Kelts.

4. Dependent Claims 2–17

Petitioner contends that claims 2–17, which depend directly or indirectly from claim 1, are also unpatentable over the combination of Perez and Kelts, and Petitioner explains how each limitation of the dependent claims is taught or rendered obvious by the disclosures of Perez and Kelts. Pet. 46–57. Patent Owner does not argue the challenged dependent claims separately, only disputing Petitioner's arguments regarding independent claim 1. *See* Prelim. Resp. 44–57. We disagree based on the current record for the reasons explained above in § II.F.3.

On this record, we are persuaded that Petitioner has shown a reasonable likelihood of prevailing on its assertion that claims 2–17 are unpatentable over Perez and Kelts.

III. CONCLUSION

For the foregoing reasons, we determine that the information presented in the Petition establishes that there is a reasonable likelihood that Petitioner would prevail in challenging at least one claim of the '269 patent, and we institute *inter partes* review on all claims and all grounds raised in the Petition. At this stage of the proceeding, we have not made a final

determination with respect to the patentability of any of the challenged claims or the construction of any claim term.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review of claims 1–17 of the '269 patent is instituted with respect to all grounds set forth in the Petition; and

FURTHER ORDERED that, pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4(b), *inter partes* review of the '269 patent shall commence on the entry date of this Decision, and notice is hereby given of the institution of a trial.

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