

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

COMCAST CABLE COMMUNICATIONS, LLC,
Petitioner,

v.

PROMPTU SYSTEMS CORPORATION,
Patent Owner.

Case No. IPR2018-00344
U.S. Pat. No. 7,047,196

PATENT OWNER'S PRELIMINARY RESPONSE

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I. Introduction

Petitioner seeks to invalidate Promptu's claims to novel and nonobvious methods and systems for speech recognition in a network by raising five (5) imprecise grounds which, when read properly, are in fact fifteen (15) distinct grounds of review. Each ground flouts the Board's rules and requirements, and none meets Petitioner's burden to show a reasonable likelihood of success on the merits. Promptu respectfully requests that the Board exercise its discretion to deny review of each of Petitioner's grounds.

First, while the Board may permit reliance on redundant grounds so long as Petitioner explains the relative strengths and weaknesses of each ground and provides a "meaningful distinction" between them, Petitioner fails to do so here. Petitioner articulates no distinction, much less a meaningful one, between any of the redundant grounds. And Petitioner itself is unable to keep track of its grounds, failing to even include headings for some of its combinations. The Board should thus exercise its discretion to deny review of Petitioner's horizontally and vertically redundant grounds.

Second, Petitioner bears the burden to establish a reasonable likelihood of success in its challenges to the claims. Although each of Petitioner's five grounds alleges that the challenged claims are obvious, Petitioner fails to establish that one of its primary references, Murdock, is prior art. Petitioner also fails to make a

prima facie showing of obviousness for any ground at least by failing to explain any differences between the claimed subject matter and the prior art, which is required under a proper *Graham* analysis. Moreover, the entirety of Petitioner's argument for why a person of ordinary skill in the art ("POSITA") would be motivated to combine any of the teachings of Murdock or Julia with those of Nazarathy or Quigley is confined to just three paragraphs, none of which presents a legally sufficient analysis. Indeed, for some claim elements not expressly disclosed in the prior art, Petitioner merely surmises that the undisclosed element is inherent despite well-known contrary examples.

In sum, Promptu respectfully requests that the Board deny review of each of Petitioner's grounds.

II. Nature of the Invention Claimed in the '196 Patent

The '196 patent discloses novel and nonobvious methods and systems for speech recognition in a network. Ex. 1001 at Abstract. Unlike existing speech recognition methods and systems, the '196 patent teaches a method that uses a back channel containing a multiplicity of identified speech channels for speech recognition at a wireline node in a network supporting video or cable television delivery. *Id.* at 22:8-12. In an exemplary embodiment, the back channel is from a multiplicity of user sites and is presented to a speech processing system at the

wireline node in the network. *Id.* at 22:12-14. The network supports video and/or cable television delivery to the user sites. *Id.* at 22:8-15.

Figure 10 depicts a flowchart of one of the patent's disclosed methods:

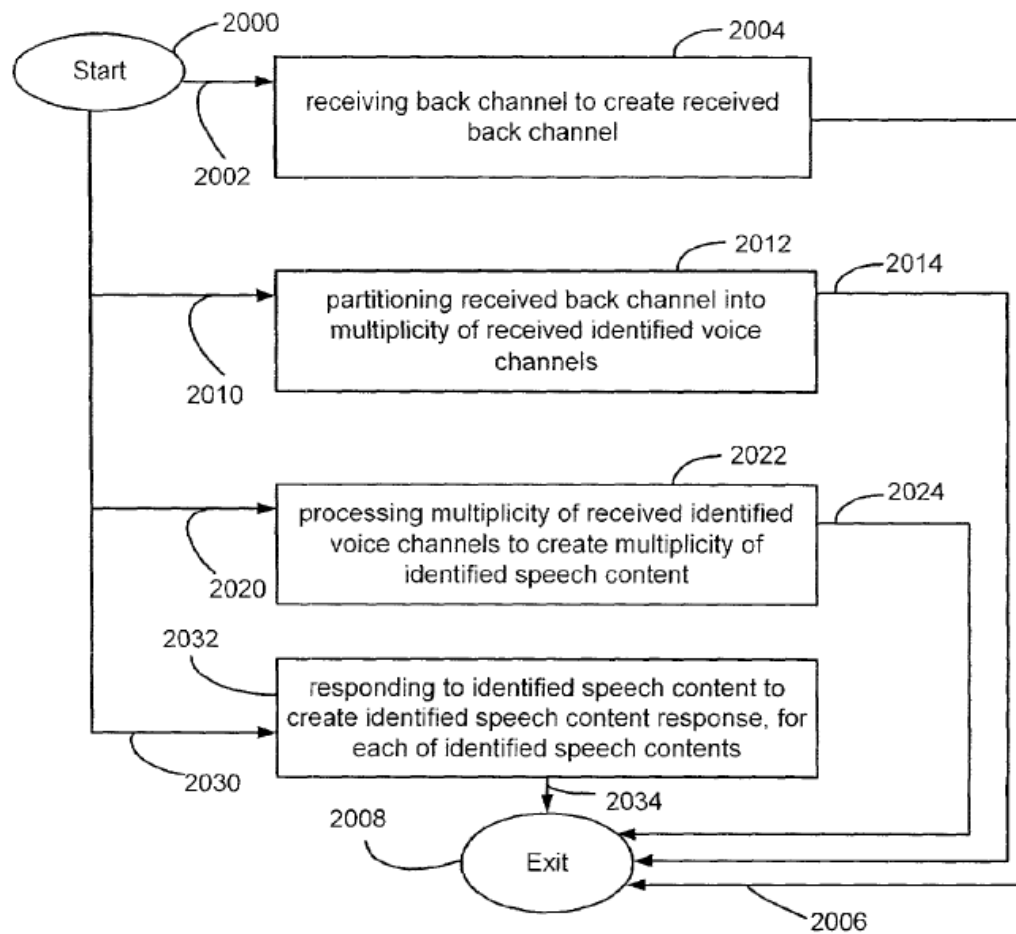


Fig. 10

Id. at Fig. 10, 7:42-47. The first challenged independent claim in the petition, claim 1, recites the following:

1. A method of using a back channel containing a multiplicity of identified speech channels from a multiplicity of user sites presented to a speech processing system at a wireline node in a network supporting at least one of cable television delivery and video delivery, comprising the steps of:

receiving said back channel to create a received back channel;

partitioning said received back channel into a multiplicity of received identified speech channels;

processing said multiplicity of said received identified speech channels to create a multiplicity of identified speech content; and

responding to said identified speech content to create an identified speech content response that is unique, for each of said multiplicity of identified speech contents.

Id. at 50:62-51:10. The second challenged independent claim in the petition, claim 27, recites the following:

27. A system supporting speech recognition in a network, said system comprising:

a speech recognition system coupled to a wireline node in said network for receiving a back channel from a multiplicity of user sites coupled to said network, further comprising

a back channel receiver, for receiving said back channel to create a received back channel;

a speech channel partitioner, for partitioning said received back channel into a multiplicity of received identified speech channels; and

a processor network executing a program system comprised of program steps residing in memory accessibly coupled to at least one computer in said processor network;

wherein said program system is comprised of the program steps of:

processing said multiplicity of said received identified speech channels to create a multiplicity of identified speech content;

responding to said identified speech content to create an identified speech content response, for each of said multiplicity of said identified speech contents; and

wherein said network supports at least one of the collection comprising: cable television delivery to said multiplicity of user sites; and video delivery to said multiplicity of user sites.

Id. at 55:9-36.

III. Petitioner's Proposed Grounds Are Facially Deficient and Fatally Flawed

A. The petition violates the Board's requirements for specificity and particularity.

The petition fails to present clear grounds of unpatentability because it identifies all but one of its challenges to the claims using the word “or” between disparate references within each ground. Aside from its challenge to claims 1-2, 4-6, 12-13, 27-28, 30-32, and 38-42 based on Murdock (Ex. 1010), the petition identifies challenges based on “Murdock in light of either Nazarathy (Ex. 1013) or Quigley (Ex. 1014),” “Murdock alone or in light of Nazarathy or Quigley and further in light of either Banker (Ex. 1015) or Gordon (Ex. 1016),” “Julia (Ex. 1012) in light of either Nazarathy or Quigley,” and “Julia in light of Nazarathy or Quigley and further in light of either Banker or Gordon.” Pet. 3. This ambiguous language fails to articulate exactly which reference is relied upon for each feature in the “four” asserted grounds beyond the Murdock-by-itself ground. Given the numerous permutations of references specified by these multi-reference grounds, Petitioner did not even articulate all of them in headings in its petition. *See id.* at i-vi (never articulating any combinations including either of Nazarathy or Quigley with either of Banker or Gordon). Petitioner thus fails to provide the necessary specificity and particularity required for institution of its merged multi-reference grounds. *See Intelligent Bio-Systems, Inc. v. Illumina Cambridge Ltd.*, 821 F.3d

1359, 1369 (Fed. Cir. 2016) (“It is of the utmost importance that petitioners in the IPR proceedings adhere to the requirement that the initial petition identify ‘with particularity’ the ‘evidence that supports the grounds for the challenge to each claim.’ . . . [T]he expedited nature of IPRs bring[s] with it an obligation for petitioners to make their case in their petition to institute.”); *see also* 35 U.S.C. § 312(a)(3); 37 C.F.R. §§ 42.22(a)(2), 42.104(b)(4)-(5).

Accordingly, the Board should view the petition as identifying challenges across fifteen separate obviousness grounds:

- (1) all challenged claims under Murdock alone,
- (2) all challenged claims under Murdock in light of Nazarathy,
- (3) all challenged claims under Murdock in light of Quigley,
- (4) claims 5-6 and 31-32 under Murdock in light of Banker,
- (5) claims 5-6 and 31-32 under Murdock in light of Nazarathy and further in light of Banker,
- (6) claims 5-6 and 31-32 under Murdock in light of Quigley and further in light of Banker,
- (7) claims 5-6 and 31-32 under Murdock in light of Gordon,
- (8) claims 5-6 and 31-32 under Murdock in light of Nazarathy and further in light of Gordon,

(9) claims 5-6 and 31-32 under Murdock in light of Quigley and further in light of Gordon,

(10) all challenged claims under Julia in light of Nazarathy,

(11) all challenged claims under Julia in light of Quigley,

(12) claims 5-6 and 31-32 under Julia in light of Nazarathy and further in light of Banker,

(13) claims 5-6 and 31-32 under Julia in light of Quigley and further in light of Banker,

(14) claims 5-6 and 31-32 under Julia in light of Nazarathy and further in light of Gordon, and

(15) claims 5-6 and 31-32 under Julia in light of Quigley and further in light of Gordon.

Of these fifteen separate obviousness grounds, Petitioner does not articulate those that are highlighted in grey above in its petition headings. More problematic, however, is Petitioner's failure to articulate *any* motivation to combine either of Nazarathy or Quigley with either of Banker or Gordon. In other words, for Petitioner's grounds that require the combination of three references, Petitioner fails to articulate—much less even allege—why a POSITA would be motivated to combine these specific three references (e.g., because one is insufficient, the combination would be advantageous, etc.). For this substantive reason alone, the

Board should deny all of the grey-highlighted grounds indicated in the list above.

See DIRECTV, LLC v. Qurio Holdings, Inc., IPR2015-02007, Paper 6 at 21 (PTAB April 4, 2016) (holding asserted multi-reference obviousness ground deficient because it failed to articulate why the complete set of references would have been combined).

B. Petitioner's asserted grounds are redundant.

Multiple grounds presented in a redundant manner with no meaningful distinction between them are contrary to the regulatory and statutory mandates, and all are not entitled to consideration. *Liberty Mut. Ins. Co. v. Progressive Cas. Ins. Co.*, CBM2012-00003, Paper 7 at 2 (PTAB Oct. 25, 2012). A petitioner presenting multiple redundant grounds places a significant burden on the Board and the patent owner, causes unnecessary delays, and compromises the just, speedy, and inexpensive resolution of the proceeding. *Id.*; 37 C.F.R. §§ 42.1(b), 42.108. As such, eliminating redundant grounds streamlines the proceeding. *Idle Free Sys., Inc. v. Bergstrom, Inc.*, IPR2012-00027, Paper 26 at 4-5 (PTAB June 11, 2013); *Liberty Mut.*, CBM2012-00003, Paper 7 at 2.

Grounds may be horizontally and/or vertically redundant, and the analysis for both focuses on whether the petitioner has articulated a meaningful distinction between the relative strengths and weaknesses of its application of the prior art to one or more claim elements. *EMC Corp. v. PersonalWeb Techs., LLC*, IPR2013-

00087, Paper 25 at 3-4 (PTAB June 5, 2013). Here, the “five” grounds presented by Petitioner (which, as explained above, are actually fifteen grounds) are both vertically and horizontally redundant, and the Board should exercise its discretion and decline to institute them.

1. Grounds 2 through 5 are each internally horizontally redundant.

Horizontally redundant grounds apply “a plurality of prior art references . . . not in combination to complement each other but as distinct and separate alternatives.” *Liberty Mut.*, CBM2012-00003, Paper 7 at 3. The references “provide essentially the same teaching to meet the same claim limitation, and the associated arguments do not explain why one reference more closely satisfies the claim limitation at issue in some respects than another reference, **and** vice versa.” *Id.* (emphasis in original). The *Liberty Mutual* panel further explained that, “[b]ecause the references are not identical, each reference has to be better in some respect or else the references are collectively horizontally redundant.” *Id.*

Each of Grounds 2 through 5 requires the combination of “Nazarathy or Quigley.” Petitioner repeatedly alleges that both Nazarathy and Quigley disclose the same thing in mapping them to the same claim limitations throughout the petition. *See, e.g.*, Pet. 27 (“both Nazarathy and Quigley expressly disclose . . .”), *id.* at 31 (“Both Nazarathy and Quigley also disclose . . .”), *id.* at 32 (“Both

Nazarathy and Quigley also disclose . . .”), *id.* at 44 (“both Nazarathy and Quigley disclose . . .”), *id.* at 46 (“Nazarathy and Quigley both disclose . . .”). Similarly, each of Grounds 3 and 5 requires the combination of “Banker or Gordon.” *Id.* at 3. Petitioner likewise repeatedly alleges that both Banker and Gordon disclose the same thing in mapping them to the same claim limitations throughout the petition. *See, e.g., id.* at 38 (“Banker and Gordon also disclose . . .”), *id.* at 39 (“the Banker patent describes Similarly, Gordon discloses . . .”), *id.* at 40 (“Banker also discloses billing the subscriber Gordon also discloses billing the subscriber . . .”), *id.* at 42 (“Banker and Gordon both teach . . .”), *id.* at 64 (“both Banker and Gordon also disclose . . .”), *id.* at 65 (same).

Petitioner thus alleges that Nazarathy and Quigley teach the same things, and that Banker and Gordon teach the same things, while never explaining why Nazarathy is better or worse than Quigley or why Banker is better or worse than Gordon. As a result, each of Petitioner's grounds relying on “Nazarathy or Quigley” are horizontally redundant, as are each of Petitioner's grounds relying on “Banker or Gordon.” It would be a waste of time and resources to institute such multiplicative, cumulative grounds presenting substantially the same challenges. *Liberty Mut.*, CBM2012-00003, Paper 7 at 2; *Idle Free*, IPR2012-00027, Paper 26 at 4-5; 37 C.F.R. §§ 42.1(b), 42.108. Institution of the permutations of Grounds 2 through 5 including Quigley and/or Gordon, namely those identified as (3), (6)

thorough (9), (11), and (13) through (15) in Section III.A. of this paper should thus be denied.

2. Grounds 2 and 4 are horizontally redundant, as are Grounds 3 and 5.

Petitioner's Ground 2 relies on the combination of Murdock with "either" Nazarathy or Quigley, while Ground 4 relies on Julia combined with either Nazarathy or Quigley. Pet. 3. Similarly, Petitioner's Ground 3 relies on Murdock alone or in light of Nazarathy or Quigley and further in light of either Banker or Gordon, while Ground 5 relies on Julia combined with the same cluster of secondary references presented in the alternative. *Id.* But throughout its paper, Petitioner fails to articulate a meaningful difference between Murdock and Julia, and instead merely argues that each combination suffices to render obvious the challenged claims without the bi-directional analysis required by *Liberty Mutual*. See Pet. 14 ("the combination of Murdock with the teachings of either Narazarthy . . . or Quigley . . . discloses every element of the challenged claims."); *id.* at 42 ("the combination of Julia with the teachings of either Nazarathy or Quigley discloses every element of the challenged claims."). As a result, the mere substitution of one reference for another in Petitioner's separate grounds makes them horizontally redundant, and institution of the redundant grounds relying on

Julia should be denied. *Liberty Mut.*, CBM2012-00003, Paper 7 at 2; *Idle Free*, IPR2012-00027, Paper 26 at 4-5; 37 C.F.R. §§ 42.1(b), 42.108.

3. Grounds 1-5 are vertically redundant.

Vertically redundant grounds assert “an additional prior art reference to support another ground of unpatentability when a base ground already has been asserted against the same claim without the additional reference and the Petitioner has not explained what are the relative strength and weakness of each ground.”

Liberty Mut., CBM2012-00003, Paper 7 at 12. In *Liberty Mutual*, the Board determined that, “[t]o move forward with such a multiplicity of grounds, Petitioner must articulate a reasonable basis to believe that from a certain perspective the base ground is stronger, and that from another perspective the ground with additional reference is stronger.” *Id.*

Here, Petitioner challenges every claim based on Murdock alone (Ground 1), and based on Julia in light of either Nazarathy or Quigley (Ground 4). Pet. 3. Petitioner also challenges the claims based on Murdock in light of either Nazarathy or Quigley (Ground 2), based on Murdock alone or in light of Nazarathy or Quigley and further in light of either Banker or Gordon (Ground 3), and based on Julia in light of Nazarathy or Quigley and further in light of either Banker or Gordon (Ground 5). *Id.* But in describing its asserted art, Petitioner states that “Murdock alone discloses every element of the challenged claims to a person of

ordinary skill in the art.” Pet. 14. And Petitioner also states that “the combination of Julia with the teachings of either Nazarathy or Quigley discloses every element of the challenged claims.” Pet. 42. Petitioner therefore alleges that Murdock alone or Julia in combination with just Nazarathy or Quigley suffices to render obvious the claims, and essentially admits that the combinations of Murdock with any other reference, and the combinations of Julia with Banker or Gordon, are superfluous. Accordingly, the Board should deny Petitioner's Grounds 2 and 3 as vertically redundant to Ground 1, and Ground 5 as vertically redundant to Ground 4.

In sum, Petitioner provides no reasons why Banker or Gordon are included in the petition, and provides only a single justification for its purported reliance on Nazarathy or Quigley: processing upstream signals from multiple users. Pet. 1-2 (stating “[t]o the extent Patent Owner may argue that there was anything novel claimed with regard to processing upstream signals from multiple cable system users, Murdock or Julia can be combined with even older prior art patents (i.e., U.S. Patent No. 6,490,727 (“Nazarathy”) or U.S. Patent No. 6,650,624 (“Quigley”)) describing well-known techniques for distinguishing multiple users’ signals at a cable headend.”). At the very least, Petitioner should be held to the specific reasons it alleges Nazarathy or Quigley is necessary to consider beyond what is taught in Murdock or Julia, i.e., solely for “processing upstream signals from multiple cable system users.” *Id.*; see *Travelers Indemnity Co. v. Integrated*

Claims Sys., LLC, IPR2016-00659, Paper 6 at 16 (PTAB August 31, 2016) (“[W]e do not institute this ground as a generalized fallback for any shortcoming of the previous two grounds, but we do institute the ground for the reasons specifically articulated on page 57 of the Petition.”). Further, as explained below, Petitioner fails to establish a motivation to combine any of the references.

IV. Petitioner's Obviousness Arguments Fail

A. The petition fails to establish that Murdock is prior art.

Petitioner asserts that Murdock is prior art under 35 U.S.C. § 102(e) only based on the filing date of its provisional application. Pet. 10. As recognized by Petitioner, there are two requirements for establishing that the filing date of a provisional application may be used to challenge a patent. First, the provisional application must “provide[] sufficient support for *at least one claim* in the child [patent].” Pet. 10 (quoting *Ex Parte Mann*, 2016 WL 7487271, at *5-6 (PTAB Dec. 21, 2016) (emphasis in original)). And second, “the provisional application must *also* provide support for the subject matter relied upon’ to establish that the challenged patent is unpatentable.” Pet. 10 (quoting *Ex Parte Mann*, 2016 WL 7484271, at *5 (emphasis in original)).

Rather than showing how the provisional application did either of these things, the petition provided only the following statements:

- “Petitioner’s expert Christopher Schmandt shows in his supporting declaration that at least claim 1 of Murdock is supported by the disclosure in the provisional application. Schmandt Decl. ¶¶ 99-113.” Pet. 10.
- “Petitioner’s expert witness confirms that the Murdock provisional application meets this requirement, too. Schmandt Decl. ¶¶ 135-293 (showing that the provisional application discloses the challenged claims and also showing that the provisional application discloses the same subject matter).” Pet. 10.

This attempt to incorporate more than 150 paragraphs of essential analysis from the declaration into the petition, particularly when the petition was only twenty words under the word limit, is improper for several reasons. First, the incorporation lacks the particularity and specificity required of supporting evidence under the governing statute and rules set forth in 35 U.S.C. § 312(a)(3) and in 37 C.F.R. §§ 42.22(a)(2), 42.104(b)(4)–(5). Under the rules, *the petition* must contain a “full statement of the reasons for the relief requested, including a detailed explanation of the significance of the evidence.” 37 C.F.R. § 42.22(a)(2). *The petition* also must identify how the construed claim is unpatentable under the statutory grounds asserted. 37 C.F.R. § 104(b)(4).

Second, the incorporation violates the Board's rules prohibiting arguments made in a supporting document from being incorporated by reference into a petition. *See* 37 C.F.R. § 42.6(a)(3); *Fidelity Nat'l Info. Servs., Inc. v. DataTreasury Corp.*, IPR2014-00489, Paper 9 at 9 (PTAB Aug. 13, 2014). The Board has previously declined to institute on such arguments relying upon "essential material" that "should have been included in the Petition, not incorporated from separate documents," and should do so again here. *Shenzhen Huiding Tech. Co. v. Synaptics Inc.*, IPR2015-01741, Paper 8 at 29-31 (PTAB Feb. 16, 2016); *see also* *Hamilton Beach Brands, Inc. v. Courtesy Prods., LLC*, IPR2014-01260, Paper 11 at 7 (PTAB Feb. 25 2015) (denying institution because "[t]he Petition merely cites the declarations and does not explain sufficiently the significance of the declarations," which "amount to incorporation by reference of arguments made in those declarations that circumvent the page limits that apply to petitions."); *TRW Auto. US LLC v. Magna Elects.*, IPR2015-00960, Paper 9 at 35-36 (PTAB October 5, 2015). Accordingly, because the petition omits the analysis Petitioner admits is necessary to establish Murdock as prior art, and instead relies on bare conclusions lacking any factual support that could sustain its position, Petitioner fails to establish that Murdock is prior art and thus cannot establish a reasonable likelihood of prevailing on the Murdock grounds. Institution should thus be denied for Grounds 1-3.

Even if the Board considers the improperly incorporated 150+ paragraphs of essential analysis from the declaration (which it should not), the declaration never identifies support for much of the material in Murdock relied upon in the petition (the second requirement for establishing that the filing date of the provisional application may be used). For example, although the petition points to Figure 4 of Murdock, Pet. 28, the declaration never explains how the provisional provides support for Figure 4 of Murdock. The declaration cannot do so because the provisional only contains a single figure, not Figure 4. *See* Ex. 1011. As another example, although the petition points to Murdock's "BACKGROUND OF THE DISCLOSURE" discussion of "a pay-per-view cable program," Pet. 35-36 (citing Murdock at 1:16-37), the declaration never explains how the provisional provides support for the discussion. The declaration cannot do so because the provisional does not include the "BACKGROUND OF THE DISCLOSURE" discussion. *See* Ex. 1011. Indeed, it never even uses the term "pay-per-view." For these additional reasons, the petition fails to establish Murdock as prior art and institution should be denied for Grounds 1-3.

B. The petition fails to establish a reasonable likelihood of success for any of the claims.

1. The petition fails to present a proper *Graham* analysis for any of its grounds.

Obviousness is resolved on several factual determinations, “including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, and (3) the level of skill in the art.” *See, e.g., Eizo Corp. v. Barco N.V.*, IPR2014-00358, Paper 11 at 29 (PTAB July 23, 2014) (citing *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966); *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 407 (2007)). Petitioner fails to establish a reasonable likelihood of success for each of the challenged claims because, for each of its grounds, it fails to present a proper *Graham* analysis by not addressing any differences between the claimed subject matter and the prior art.

Petitions for *inter partes* review “must address the *Graham* factors.” *Eizo*, IPR2014-00358, Paper 11 at 29-30. Indeed, the Board’s representative order in *Liberty Mutual* warns that “[a] petitioner who does not state the differences between a challenged claim and the prior art, and relies instead on the Patent Owner and the Board to determine those differences . . . risks having the corresponding ground of obviousness not included for trial for failing to adequately state a claim for relief.” CBM2012-00003, Paper 7 at 3.

The Board has repeatedly denied obviousness grounds relying on a petitioner's "conclusory assertion" that, "[t]o the extent [the first prior art reference] may not explicitly teach" the limitation, the second prior art reference "explicitly teaches this limitation." *Eizo*, IPR2014-00358, Paper 11 at 30 (first alteration in original) (citation omitted). The Board explained that "such an assertion fails to resolve the exact differences sought to be derived from" the second prior art reference. *Id.* (finding that petitioner had not shown a reasonable likelihood of prevailing on that ground); *see also LG Elecs., Inc. v. Cellular Commc'ns Equip. LLC*, IPR2016-00197, Paper 7 at 8 (PTAB Apr. 29, 2016) (concluding that "[i]t is . . . unclear why a person of ordinary skill would turn to [the secondary reference] for the teaching of an element that, according to Petitioner, is already taught by [the primary reference]").

And of particular relevance to this case, the Board often denies institution where the petition fails to identify any differences between the claims and the asserted art in an obviousness ground. For example, in *Johns Manville Corp. v. Knauf Insulation, Inc.*, IPR2015-01402, Paper 18 at 12-14 (PTAB Oct. 21, 2015), the Board denied institution due to the petitioner's failure to expressly address the precise differences between the subject matter of the challenged claims and the prior art, noting that "[f]ailure on the part of a petitioner to explicitly identify a difference complicates an evaluation of obviousness." *Id.* at 13 (citing *SAP Am.*

Inc. v. Clouding IP, LLC, IPR2014-00299, Paper 8 at 18-19 (PTAB July 9, 2014)).

The Board further explained that a “petition must make all arguments accessible to the Board, rather than ask its judges to play archaeologist with the record.” *Id.*

This burden rests squarely on Petitioner, and a failure to discuss the differences between the claims and the prior art results in Petitioner being unable to sustain its burden of showing a reasonable likelihood of success. *Id.* at 13-14. The absence of articulated differences also “renders it difficult to present, and have a patent owner and the Board analyze, whether a petitioner has set out ‘some articulated reasoning with [some] rational underpinning to support the legal conclusion of obviousness.’” *Id.* at 14 (quoting *KSR*, 550 U.S. at 418); *see also Front Row Techs., LLC v. MLB Advanced Media, L.P.*, IPR2015-01932, Paper 7 at 17 (PTAB Mar. 25, 2016) (denying institution because petitioner failed to identify “any differences between the prior art . . . and the claims at issue, or provide a substantive analysis of why or how a person of ordinary skill in the art would have modified the prior art to render the claims obvious.” (citing *Unigene Labs., Inc. v. Apotex, Inc.*, 655 F.3d 1352, 1360 (Fed. Cir. 2011))); *Crestron Elecs., Inc. v. Intuitive Bldg. Controls, Inc.*, IPR2015-01379, Paper 16 at 33 (PTAB Dec. 15, 2015).

Petitioner appears to believe that Murdock fully discloses every feature of the challenged claims. *See* Pet. 14 (“Murdock alone discloses every element of the

challenged claims to a person of ordinary skill in the art.”). Petitioner also appears to believe that Julia discloses every feature of many of the challenged claims. *Id.* at 61 (“The limitations of [claims 2, 5, 6, 28, 31, and 32] are disclosed by Julia alone,” meaning Petitioner also believes that the limitations of the claims from which these depend, namely claims 1 and 27, are also disclosed by Julia alone). In fact, throughout its analysis, Petitioner never identifies a meaningful difference between the claims and any of Murdock, Julia, Nazarathy, or Quigley. The same is true for Banker and Gordon. Petitioner appears to believe they are unnecessary, arguing that Murdock alone, Julia alone, or Julia in combination with Nazarathy or Quigley discloses every element of the challenged claims, including those for which Banker and Gordon are asserted. Pet. 14, 42, 61-62. It is thus unclear how or why Petitioner is modifying Murdock or Julia alone, or with any of the other references.

While not expressly argued here, some petitioners have contended that a ground relying on a single reference disclosing all claim elements could be instituted under 35 U.S.C. § 103 because “anticipation is the epitome of obviousness.” But the Board has rejected such attempts to manufacture a § 103 ground that does not otherwise comply with each requirement of a *prima facie* obviousness case, explaining that the “sole reliance on the maxim that ‘anticipation is the epitome of obviousness’ fails to comply with the requirements of our rules.”

TRW, IPR2015-00960, Paper 9 at 35. The Board further explained that “[t]he particularity and specificity required of supporting evidence under our governing statute and rules is set forth in 35 U.S.C. § 312(a)(3) and in 37 C.F.R.

§§ 42.22(a)(2), 42.104(b)(4)–(5).” *Id.* In addition, “novelty under 35 U.S.C. § 102 and nonobviousness under 35 U.S.C. § 103 are separate conditions of patentability,” and “[t]he tests for anticipation and obviousness are different.” *Id.* at 34 (citations omitted).

Thus, instead of alleging anticipation under 35 U.S.C. § 102, which has different requirements for establishing a *prima facie* case than obviousness, Petitioner instead proffers facially deficient *Graham* analyses under 35 U.S.C. § 103. Because Petitioner fails to meet the requirements for presenting a *prima facie* case at least by failing to identify the differences between the claims and any of the asserted prior art, the Board should deny institution of each of Petitioner's deficient grounds because they fail to establish a reasonable likelihood of success.

2. The petition's stated motivations to combine Murdock with Nazarathy or Quigley, or Julia with Nazarathy or Quigley, are facially deficient.

Petitioner's combinations of references are facially deficient because the petition fails to articulate a motivation to combine the features of the prior art to yield the claimed invention. The entirety of the petition's discussion of a motivation to combine Murdock with Nazarathy or Quigley (or Julia with

Nazarathy or Quigley) falls within a mere three paragraphs of each ground.

Pet. 33-35, 60-61.

Of these three paragraphs, two in each ground simply allege that the references fall within the same technical field and that they would be considered by a POSITA. *Id.* The third paragraph in each ground is therefore the *sole attempted explanation* of why a POSITA would be motivated to combine all of the various challenged features of the claims based on the teachings of the different references. This is woefully deficient.

Petitioner argues that a POSITA would have “recognized the benefits of combining Murdock with the teachings of Nazarathy and Quigley,” yet merely identifies generalized purported benefits without linking them to the features of the challenged claims. *Id.* at 34. For instance, Petitioner alleges that the Murdock network would somehow “reap the benefits” of Nazarathy or Quigley, with no accompanying factual support whatsoever for its conclusory assertions. *Id.* Petitioner then abruptly changes course, arguing in the very next sentence that a POSITA would modify Nazarathy or Quigley based on the teachings of Murdock, a combination not articulated in any of its grounds, to “improve the user interface for those systems.” *Id.* at 34. These purported benefits likewise lack any factual basis, in addition to failing to support Petitioner’s proposed modification of Murdock based on Nazarathy or Quigley. Petitioner repeats substantially the same

arguments for the combinations of Julia with Nazarathy or Quigley, and those combinations fail for the same reasons. *Id.* at 60-61.

Moreover, as noted above, Petitioner argues elsewhere in its paper that Murdock or Julia, alone, discloses every feature of challenged claims, so Petitioner essentially admits that there is no reason to further look to Nazarathy or Quigley for these claims. *See id.* at 14 (“Murdock alone discloses every element of the challenged claims to a person of ordinary skill in the art.”); *id.* at 61 (“The limitations of [claims 2, 5, 6, 28, 31, and 32] are disclosed by Julia alone.”). Petitioner nowhere explains why the additional features that Nazarathy and Quigley supposedly teach would be viewed as beneficial.

At best, Petitioner argues that a POSITA *could have* combined Murdock or Julia with Nazarathy or Quigley, not that one *would have* combined them. Petitioner thus fails to meet its burden of establishing a credible motivation to combine. *See Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1073 (Fed. Cir. 2015) (“[O]bviousness concerns whether a skilled artisan not only *could have made* but *would have been motivated to make* the combinations or modifications of prior art to arrive at the claimed invention.” (emphases in original)); *In re NuVasive, Inc.*, 842 F.3d 1376, 1382 (Fed. Cir. 2016) (“[T]he PTAB must articulate a *reason why* a PHOSITA would combine the prior art references.” (emphasis in original)).

In addition, the generalized manner in which Petitioner describes the combinations of Murdock or Julia with Nazarathy or Quigley fails to explain *how* a POSITA would make those combinations with a reasonable expectation of success, and Petitioner fails to articulate a credible explanation of how its combination of references solves a problem in either of its primary references. *Pers. Web Techs., LLC v. Apple, Inc.*, 848 F.3d 987, 993-94 (Fed. Cir. 2017) (reversing obviousness determination because the Board “nowhere clearly explained, or cited evidence showing, *how* the combination of the two references was supposed to work” (emphasis in original)); *Intelligent Bio-Systems*, 821 F.3d at 1368.

As a result, Petitioner cannot meet its burden of showing that any of the claims would have been obvious based on either Murdock in light of Nazarathy or Quigley (or Julia in light of Nazarathy or Quigley), and institution of every ground including Nazarathy or Quigley should be denied.

3. The petition's errors for claims 5, 6, 31, and 32 are particularly egregious.

a. Claim 5

Claim 5 depends from claim 2 and further recites “creat[ing] a financial consequence identified as to said user site,” and “billing said user site based upon said financial consequence.” Ex. 1001 at 51:55-63. Petitioner fails to provide a factual basis in the petition capable of supporting any of its challenges to this claim.

i. Murdock Grounds

For all of the Murdock grounds, Petitioner relies on Murdock itself for the claimed “creat[ing] a financial consequence identified as to said user site.” Pet. 35-36. Although Petitioner mentions within its discussion of the “billing” step that “Murdock can be combined with either Banker or Gordon,” *id.* at 36, Petitioner never articulates any modification to Murdock that would result in the claimed “creat[ing],” much less why or how such modification would have been made. Instead, Petitioner appears to premise any combination of Banker or Gordon with Murdock on Murdock already disclosing the “creat[ing]” step. *Id.* 42 (Petitioner asserting in its “Motivation to Combine” section that “[t]he user interfaces disclosed in Banker and Gordon also minimize the chances of accidental or unauthorized purchase.”). Petitioner’s premise fails, dooming all of its Murdock grounds for claim 5.

Murdock does not disclose “creat[ing] a financial consequence identified as to said user site.” Petitioner points to Murdock’s “pay-per-view” and “video-on-demand” for this limitation, citing its expert for the proposition that “[a] person of ordinary skill in the art would have known that ordering pay-per-view programming and certain on-demand videos would require a purchase (i.e., ‘a financial consequence’).” *Id.* 35-36. Petitioner errs in multiple ways.

First, Petitioner cannot rely on any disclosure of “pay-per-view” in Murdock because such disclosure does not exist in the Murdock provisional. *Supra* at Section IV.A.

Second, Petitioner cannot convert Murdock’s “video-on-demand” disclosures in its detailed description into “pay-per-view” disclosures because video-on-demand and pay-per-view are not the same thing. For example, Netflix subscribers can watch as many videos on-demand as they please; they do not need to pay per view.

Finally, Petitioner cannot rely on its expert’s assertion that certain on-demand videos would require a purchase to fill Murdock’s lack of disclosure in this regard because there is no evidence that Murdock is necessarily referring to these types of on-demand videos as opposed to those of the Netflix variety. Critically, Petitioner never alleges that Murdock renders obvious the “creat[ing]” step, Pet. 35-36, leaving only inherency to fill the gap between Murdock’s disclosure and the claim limitation. The mere possibility that Murdock’s “video-on-demand” disclosures do not require any purchase thus defeats Petitioner’s implicit inherency argument to the contrary because “[t]o establish inherency, the extrinsic evidence ‘must make clear that the missing descriptive matter is necessarily present in the thing described in the reference.’” *In re Robertson*, 169 F.3d 743, 745 (Fed. Cir. 1999) (quotation omitted). Inherency is not proven “by

probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient.” *Id.* (quotation omitted).

Because Petitioner fails to provide a factual basis in the petition capable of supporting any of its arguments for why Murdock discloses “creat[ing] a financial consequence identified as to said user site,” and because Petitioner premises all of its Murdock grounds on Murdock containing such disclosure, the Board should deny all of Petitioner’s Murdock grounds for claim 5.

ii. Julia Grounds

For all of the Julia grounds, Petitioner relies on Julia itself for the claimed “creat[ing] a financial consequence identified as to said user site.” Pet. 62-63. Although Petitioner mentions within its discussion of the “billing” step that “Julia can be combined with either Banker or Gordon,” *id.* at 63, Petitioner never articulates any modification to Julia that would result in the claimed “creat[ing],” much less why or how such modification would have been made. Instead, Petitioner appears to premise any combination of Banker or Gordon with Julia on Julia already disclosing the “creat[ing]” step. *Id.* at 67 (Petitioner asserting in its “Motivation to Combine” section that “[t]he user interfaces disclosed in Banker and Gordon also minimize the chances of accidental or unauthorized purchase.”). Petitioner’s premise fails, dooming all of its Julia grounds for claim 5.

Julia does not disclose “creat[ing] a financial consequence identified as to said user site.” Petitioner points to Julia’s “Diva Systems video-on-demand system” for this limitation, citing its expert for the proposition that “[a] person of ordinary skill in the art knows that the Diva System provided pay-per-view functionality.” *Id.* at 62 (citing Schmandt Dec. ¶ 345). Petitioner errs in multiple ways.

First, Petitioner cannot equate “video-on-demand” with “pay-per-view” because they are not the same thing. For example, as discussed with respect to Murdock, Netflix subscribers can watch as many videos on-demand as they please; they do not need to pay per view.

Second, Petitioner cannot rely on its expert’s assertion that the Diva System provided pay-per-view functionality to make up for Julia’s lack of disclosure in this regard because there is no hard evidence that the Diva System actually did so. With no such evidence backing Petitioner’s expert’s testimony, it should be given no weight. 37 C.F.R. § 42.65(a) (“Expert testimony that does not disclose the underlying facts or data on which the opinion is based is entitled to little or no weight.”); *Rohm & Haas Co. v. Brotech Corp.*, 127 F.3d 1089, 1092 (Fed. Cir. 1997) (explaining that nothing in the Federal Rules of Evidence or Federal Circuit jurisprudence requires the fact finder to credit unsupported assertions of an expert witness).

Because Petitioner fails to provide a factual basis in the petition capable of supporting its arguments for why Julia discloses “creat[ing] a financial consequence identified as to said user site,” and because Petitioner premises all of its Julia grounds on Julia containing such disclosure, the Board should deny all of Petitioner's Julia grounds for claim 5.

b. Claim 6

Claim 6 depends from claim 2 and, similar to claim 5, further recites “creat[ing] a financial consequence identified with said user site,” and “billing said user site based upon said financial commitment.” Ex. 1001 at 51:64-52:8.

Petitioner fails to provide a factual basis in the petition capable of supporting any of its challenges to this claim. For both the Murdock and Julia grounds, Petitioner refers back to its respective claim 5 arguments and makes the same errors. Pet. 38, 64. The Board should therefore deny all of Petitioner's grounds for claim 6.

c. Claims 31 and 32

Petitioner relies on its claim 5 and claim 6 arguments for both its Murdock and Julia grounds for claims 31 and 32. *Id.* at 41, 66. Petitioner's arguments for claims 31 and 32 thus fail for the same reasons as its arguments for claims 5 and 6. The Board should therefore deny all of Petitioner's grounds for claims 31 and 32.

V. Conclusion

For the aforementioned reasons, Petitioner fails to meet its burden of showing why *inter partes* review should be instituted. Its asserted grounds are redundant, legally deficient, and lack evidentiary support. The Board should accordingly deny institution of *inter partes* review. 35 U.S.C. § 314(a); 37 C.F.R. §§ 42.22(a)(2), 42.104(b)(4)-(5).

Respectfully submitted,

Dated: April 4, 2018

By: /Joshua L. Goldberg/
Joshua L. Goldberg, Reg. No. 59,369

CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d), I, Joshua L. Goldberg, certify that
PATENT OWNER'S PRELIMINARY RESPONSE contains 6,754 words,
excluding those portions identified in 37 C.F.R. § 42.24(a), as measured by the
word-processing system used to prepare this paper.

Dated: April 4, 2018

By: /Joshua L. Goldberg/
Joshua L. Goldberg, Reg. No. 59,369

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), I, Lisa C. Hines, certify that on April 4, 2018, a copy of **PATENT OWNER'S PRELIMINARY RESPONSE** was served upon the below-listed counsel by electronic mail:

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