

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETFLIX, INC.,¹
Petitioner,

v.

UNILOC 2017 LLC,
Patent Owner.

IPR2020-00008
Patent 9,721,273 B2

Before KEVIN F. TURNER, JENNIFER S. BISK, and NEIL T. POWELL,
Administrative Patent Judges.

BISK, *Administrative Patent Judge.*

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314; 37 C.F.R. § 42.4

¹ The Petition also lists Hulu, LLC as a Petitioner, but on January 29, 2020, we granted a joint motion of Petitioner and Hulu to terminate Hulu from the case. Paper 12.

I. INTRODUCTION

Netflix (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 1–3 of U.S. Patent No. 9,721,273 B2 (Ex. 1001, “the ’273 patent”). Paper 1 (“Pet.”). Uniloc 2017 (“Patent Owner”), identified as a real party in interest to the ’273 patent (Paper 5, 1), filed a Preliminary Response to the Petition. Paper 9 (“Prelim. Resp.”).

We have authority to determine whether to institute an *inter partes* review under 35 U.S.C. § 314 and 37 C.F.R. § 42.4(a). Upon consideration of the Petition and the Preliminary Response, based on the particular facts of this case, we exercise our discretion to deny institution under 35 U.S.C. § 314(a) for the reasons explained below.

II. BACKGROUND

A. Related Matters

The parties identify several district court cases involving the ’273 patent. Pet. 1–2; Prelim. Resp. 14–15. In particular, Uniloc asserted the ’273 patent in an infringement case in the Central District of California. *Uniloc 2017 v. Netflix, Inc.*, No. 8:18-cv-2150 (C.D. Cal.).² That Court issued a Markman decision on March 9, 2020. Ex. 3001. In addition, Uniloc asserted infringement of the ’273 patent against Hulu, one of the original named Petitioners in this case, in the Central District of California on October 31, 2018. *Uniloc 2017 LLC et al v. Hulu, LLC*, 8-18-cv-01953 (C.D. Cal).

² On April 1, 2019, this case was consolidated with a related case—8:18-cv-2055 (C.D. Cal), filed November 17, 2018.

In addition, on January 15, 2020, we instituted review of all the claims of the '273 patent in IPR2019-01363, based on a Petition filed by Sling TV L.L.C. Uniloc also asserted infringement of the '273 patent against Sling TV in a case currently pending in the District of Colorado. *Uniloc 2017 LLC et al v. Sling TV LLC*, 1-19-cv-00278 (D. Colo.).

B. The '273 Patent

The '273 patent, titled “System and Method for Aggregating and Providing Audio and Visual Presentations Via a Computer Network,” issued August 1, 2017. Ex. 1001, at codes (45), (54). It was filed February 11, 2014, as a divisional from an application filed on August 21, 2009, which in turn claimed priority to several provisional application filed August 21, 2008. *Id.* at codes (22), (60), (62). The earliest priority date of the '273 patent is, therefore, August 21, 2008. Pet. 9; Prelim. Resp. 3–4.

The '273 patent addresses the problem of locating content on the Internet for the purposes of business productivity, consumer education, and entertainment. *Id.* at 1:51–55, 2:6–10. In particular, the '273 patent discusses storing and aggregating audio/visual presentation data for delivery via a computer network using a common web page. *Id.* at 2:15–3:11.

The '273 patent describes an embodiment, process 800, which is “suitable for automatically aggregating and linking to presentations housed elsewhere in memory so as to be accessible to a [user’s computer] via [a] network.” *Id.* at 10:56–62. According to the '273 patent, “Really Simple Syndication (‘RSS’) is a family of [standardized] Internet feed formats used to publish content that may be frequently updated, such as podcasts (RSS 2.0).” *Id.* at 10:64–66.

Figure 8 is reproduced below.

Fig. 8

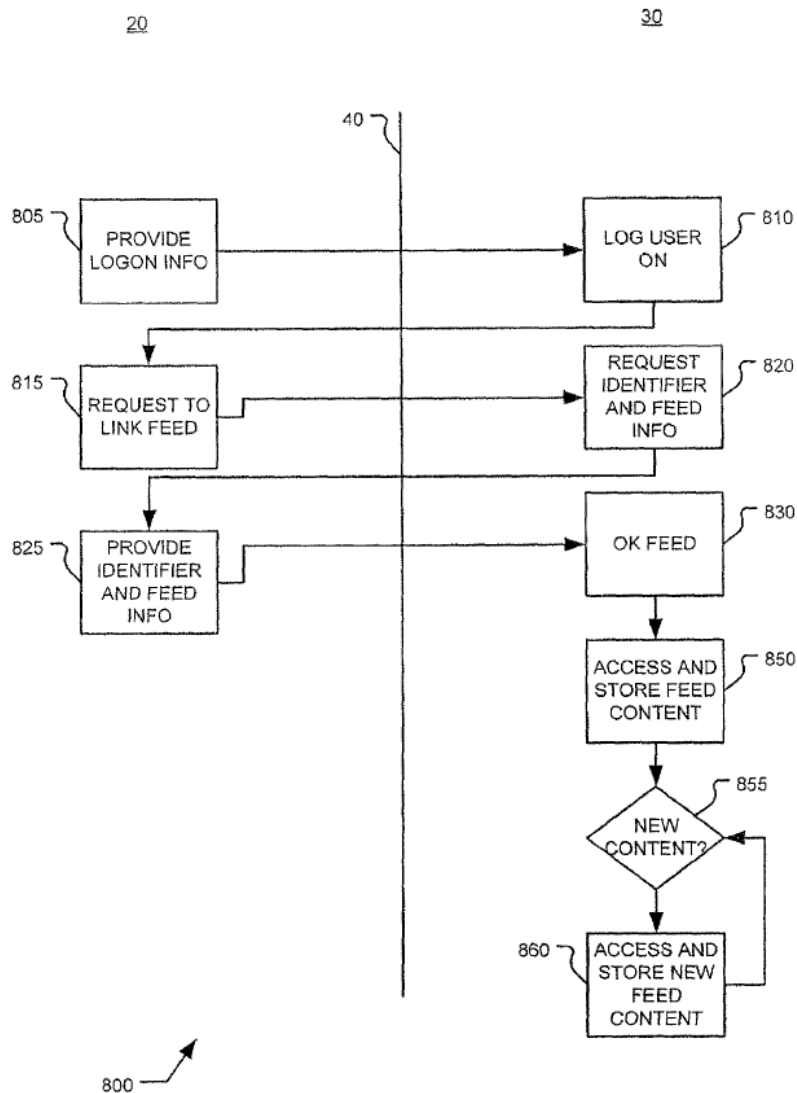


Figure 8 shows a flow diagram of process 800. *Id.* at 10:56–58. After a user provides log on information at a client computer (step 805) and a server computer logs the user on (step 810), the logged on user, at step 815, requests to link an RSS feed by interacting with a web page. *Id.* at 11:20–30. The server then requests information about the content to be created, including title and description (step 820) and the user provides at least a portion of the requested information (step 825). *Id.* at 11:30–42. The

information provided may be screened, filtered, or verified (step 830) and stored (step 850). *Id.* at 11:42–52. At step 855, the server “may determine if new content exists for one or more feeds stored at block 850” using “any of a number of conventional manner[s], including periodically checking when the feed was last updated.” *Id.* at 11:63–12:1. Any new or changed content may be appended to the data stored in step 850. *Id.* at 12:1–3.

C. Illustrative Claim

Claims 1 and 2 are independent and claim 3 depends from claim 2. Claim 1 is illustrative of the subject matter at issue and reads as follows:

1. A method for providing content via a computer network and computing system, the method comprising:
 - storing presentation data that represents content of a first collection of one or more presentations using the computer system;
 - storing data indicative of the first collection of presentations so as to be associated with the presentation data;
 - storing feed data that represents a collection of one or more feeds using the computer system, wherein each of the feeds identifies a corresponding second collection of one or more presentations being accessible via the computer network and includes no data representing content of the second collection of presentations;
 - automatically and periodically accessing each of the feeds to identify each of the corresponding second collection of presentations, using the computer system;
 - storing data associated with a third collection of one or more presentations; and

aggregating each of the first, identified second, and third collections of presentations for delivery via the computer network using a common web page.

Ex. 1001, 12:39–59.

D. Proposed Grounds of Unpatentability

Petitioner challenges the patentability of claims 1–3 of the '273 patent on the following grounds (Pet. 4)³:

Claims Challenged	35 U.S.C. §	References
1–3	103(a)	Darnell ⁴ , Owens ⁵
1–3	103(a)	Gossweiler ⁶ , Hammersley ⁷

Petitioner also relies on the Declaration of Michael Franz, Ph.D. (Ex. 1002).

III. ANALYSIS

A threshold issue here is whether we should deny institution under 35 U.S.C. § 314(a) in view of the concurrent district court proceeding and the pending IPR. *See* Pet. 4–5; Prelim. Resp. 15–17. Because we determine

³ The Leahy-Smith America Invents Act (“AIA”) included revisions to 35 U.S.C. §§ 102 and 103 that became effective after the earliest priority of the '273 patent. Therefore, we apply the pre-AIA versions of these sections.

⁴ US 8,060,634 B1 (issued Nov. 15, 2011) (Ex. 1003).

⁵ U.S. Publication No. 2006/0265518 A1 (filed Oct. 31, 2005; published Nov. 23, 2006) (Ex. 1004).

⁶ US 9,473,825 B2 (issued Oct. 18, 2016) (Ex. 1005).

⁷ Ben Hammersley, *Developing Feeds with RSS and Atom*, O'Reilly 2005 (Ex. 1006).

that the circumstances here warrant denial of institution under § 314(a), this threshold issue is dispositive.

A. Legal Framework of 35 U.S.C. § 314(a)

Under 35 U.S.C. § 314(a), a decision whether to institute an *inter partes* review is within the Director’s discretion. *See, e.g., Oil States Energy Services, LLC v. Greene’s Energy Group, LLC*, 138 S. Ct. 1365, 1371 (2018) (“The decision whether to institute inter partes review is committed to the Director’s discretion.”); *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he [Patent Office] is permitted, but never compelled, to institute an [*inter partes* review] proceeding.”). This discretion has been delegated to the Board. *See* 37 C.F.R. § 42.4(a); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”).

To guide the use of this discretion, the Director designated certain Board decisions as precedential. For example, the Director designated a portion of *General Plastic Industrial Co. v. Canon Kabushiki Kaisha*, which sets forth seven non-exhaustive factors to consider in determining whether to deny institution under § 314(a) of a follow-on petition challenging the same patent. Case IPR2016-01357, slip op. at 16 (PTAB Sept. 6, 2017) (Paper 19) (Section II.B.4.i designated as precedential) (citing *NVIDIA Corp. v. Samsung Elec. Co.*, Case IPR2016-00134 (PTAB May 4, 2016) (Paper 9)). These seven factors, however, are “not exclusive and are not intended to represent all situations where it may be appropriate to deny a petition” under § 314(a). Trial Practice Guide Update (July 2019) (available

at <https://www.uspto.gov/sites/default/files/documents/trial-practice-guide-update3.pdf>) (“TPGU”), 25 (citing *Gen. Plastic*, Paper 19, at 16).

In fact, “[t]here may be other reasons besides the ‘follow-on’ petition context where the ‘effect . . . on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings.’” TPGU, 25 (quoting 35 U.S.C. § 316(b)). In *NHK Spring Co., Ltd. v. Intri-plex Technologies*, the Board found institution would be inefficient because it would “analyze the same issues and will be resolved before any trial on the Petition concludes.” IPR2018-00752, Paper 8, 19–20 (PTAB Sept. 12, 2018) (precedential).

B. The Present Proceeding

Petitioner filed this Petition, which challenges claims 1–3 of the ’273 patent, on October 11, 2019, almost a full year after co-defendant, Hulu, was sued for infringement on October 31, 2018. Prelim. Resp. 15. This was also almost three months after a petition, challenging the same claims, was filed on July 19, 2019. *See* IPR2019-01363 (the “’1363 case”).

Petitioner argues that we should institute this proceeding because (1) the art asserted is not the same as in the ’1363 case, (2) this is Petitioner’s only petition against the ’273 patent, and (3) it was filed prior to the filing of the preliminary response in the ’1363 case. Pet. 4–5. In addition, Petitioner states that the co-pending district court case is “not sufficiently advanced to warrant non-institution; the Markman hearing is set for November 21 of this year, and no trial date has been set.”⁸ *Id.* at 5.

⁸ We note that this status changed on February 20, 2020, when the district court issued a scheduling order with a trial date. Ex. 3002. We direct Petitioner to 37 C.F.R. § 42.8, which requires the filing of an update within

Patent Owner argues that Petitioner addresses only factors 1 and 3 enumerated in *General Plastic* and “provides no explanation for waiting until almost one year from [when Petitioner was sued] to file this Petition.” Prelim. Resp. 15. Moreover, Patent Owner contends that “[f]actor 6, the finite resources of the Board, weighs even more heavily against institution here where the Board is expending resources conducting a trial on the same claims already.” *Id.* at 15–16. Thus, according to Patent Owner, “even accepting Petitioner’s assertions as to a lack of relationship or communications with Sling as to the ’273 patent (which do not speak to a potential relationship or communications between them generally), more *General Plastic*[’s] factors weigh against institution” and “[t]he Board should exercise discretion to deny here.” *Id.* at 16.

C. Our Analysis

We have considered the parties’ arguments in light of *General Plastic*’s guidance in determining whether to deny institution under § 314(a).

Although this is the first petition filed against the ’273 patent by Petitioner, these same claims are presently subject to review in two other proceedings—the ’1363 case and the co-pending district court proceeding. Subsequent to the filing of the Petition, the co-pending district court case held a Markman hearing and issued a decision construing several terms at issue in the briefing for this case. *See* Ex. 3001 (Markman decision issued March 9, 2020). In addition, on February 20, 2020, the district court set a trial date for February 23, 2021, which is several months before the final

21 days of a change of mandatory notices, including “any other judicial or administrative matter that would affect, or be affected by a decision in the proceeding.”

decision would be due in this case were we to institute. *See* Ex. 3002 (scheduling order issued Feb. 20, 2020).

Petitioner does not distinguish persuasively the facts here from the facts in our precedential decision *NHK Spring*. Pet. 4–5. Similar to *NHK Spring*, trial is set to begin before a trial in this proceeding would conclude. Ex. 3002; *NHK Spring* at 20.

Also like *NHK Spring*, institution of this proceeding would create a third trial directed to many of the same issues. For example, although presenting different prior art references, the briefing in this case and in the ’1363 case focuses on the construction of the claim language “data representing content of the [first/second] collection of presentations.” *See* IPR2019-01363, Paper 7 (institution decision issued Jan. 15, 2020); Pet. 28–30, 48–49; Prelim. Resp. 22–26. Construction of this language is also the focus of the district court’s Markman decision for the ’273 patent. Ex. 3001, 18–21. Adding complexity to the issue, Petitioner argues that Sling’s interpretation of “data representing content of the [first/second] collection of presentations” in the ’1363 case “is not entirely correct,” while, at the same time, relying on arguments and evidence in the ’1363 case in several portions of analysis. Pet. 30, 49 (“Darnell also meets this limitation under Sling’s IPR analysis, because Darnel[l]’s ‘feed identifiers’ are links to RSS channels, which Sling argues provide no data representing content.”), 52, 71; Prelim. Resp. 24–25. Despite the interrelatedness of this issue in the three cases, Petitioner does not explain why a third proceeding would be advantageous. Instead, we agree with Patent Owner (Prelim. Resp. 16–17), that this Petition “relies on very similar teachings and arguments as presented” in the ’1363 case.

In addition, as Patent Owner points out, the length of time between when Petitioner was first sued for infringement of the '273 Patent in a complaint (October 31, 2018) and when it filed its Petition (October 11, 2019) is not insignificant. Prelim. Resp. 15. And the '1363 case was filed over three months before the instant Petition. Petitioner does not address when it became aware of the prior art presented in the Petition or why it could not have filed the Petitioner earlier.

Overall, a third trial under these circumstances it is not an efficient use of the Board's resources. Petitioner does not address in its Petition why a third IPR proceeding against this patent is an efficient use of Board resources to justify instituting another proceeding addressing the same claims.

Accordingly, based on our analysis above, we exercise our discretion under § 314(a) to deny institution of this Petition.

ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is denied and no trial is instituted.

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