

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,

Petitioner,

v.

PERSONALIZED MEDIA COMMUNICATIONS, LLC,

Patent Owner.

Case IPR2020-00723
U.S. Patent No. 7,747,217

PETITIONER'S PRE-INSTITUTION REPLY
IN RESPONSE TO PRELIMINARY RESPONSE (PAPER 9)
PURSUANT TO BOARD ORDER (PAPER 16)

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I. *Fintiv* Weighs Against Denying Institution

The *Fintiv* factors weigh against exercising discretion to deny institution.

A. Whether the court granted a stay or that a stay may be granted if a proceeding is instituted

While Patent Owner faults Petitioner for not yet moving to stay pending IPR, Patent Owner acknowledges the futility of seeking a stay before an institution decision at this particular district court, which routinely denies motions to stay pending IPR until an institution decision rendered. POPR 4-5 (quoting Ex. 2019); *see, e.g., Tessera Advanced Techs., Inc. v. Samsung Elecs. Co., Ltd.*, 2018 WL 3472700, *4 (E.D. Tex. Jul. 19, 2018) (absent “exceptional circumstances” the court will not grant a stay until institution is determined). Petitioner intends to seek a stay after an institution decision is made, when it is more probable that a stay will be granted, even if the trial date is imminent. *See Ericsson Inc. v. TCL Commc’n Tech. Holdings, Ltd.*, 2016 WL 1162162, *2-3 (E.D. Tex. Mar. 23, 2016) (granting stay within two months of trial because of “high likelihood” of simplification).

B. Proximity of the court’s trial date to the projected deadline for a final written decision

Trial is set for October 19, 2020, but surrounding circumstances indicate this date may change. Petitioner has filed for mandamus at the Federal Circuit to correct an erroneous venue finding by the district court and stay the litigation. *See* Ex. 1027, 9. In a similar situation, the Federal Circuit reversed the Eastern District

of Texas and granted Google's venue mandamus petition. *See In re Google LLC*, 949 F.3d 1338, 1339 (Fed. Cir. 2020). A finding of improper venue will moot the trial date. COVID-19 has also significantly disrupted docket schedules, including in Texas, which may cause delay of the trial that is still months away. This proceeding, by contrast, has a statutory timeline of 12 months.

C. Investment in the parallel proceeding by the court and the parties

Institution decisions are due before the trial date and institution would allow the district court to avoid the "most burdensome parts of the case," such as jury selection, trial, and post-trial practice. *Cywee Grp. Ltd. v. Samsung Elecs. Co.*, 2019 U.S. Dist. LEXIS 144149, *19-20 (E.D. Tex. Feb. 14, 2019) (granting stay three months before trial). Institution, even near trial, permits the district court "to conserve judicial resources by staying the litigation until the [IPR] review is complete.'" *Intuitive Surgical, Inc. v. Ethicon LLC*, IPR2018-01703, Paper 7 at 12 (Feb. 19, 2019) (citation omitted).

Patent Owner's criticism that Petitioner "waited until the last moment to file the Petition" is misplaced. POPR 8. Petitioner filed within the allotted one-year and waited so that the parties could develop claim construction positions addressed in the petition.

D. Overlap between issues in the petition and the parallel proceeding

Petitioner has stipulated that, if this IPR proceeding is instituted, it will

withdraw the identical grounds from the district court, thus eliminating any overlap in issues. Ex. 1028. The Board has found that such stipulations weigh in favor of institution. *See Sand Revolution II, LLC v. Continental Intermodal Grp. – Trucking LLC*, IPR2019-01393, Paper 24 at 11-12 (June 16, 2020) (informative); *Apple Inc. v. Maxell, Ltd.*, IPR2020-00204, Paper 11 at 15-17 (June 19, 2020).

E. Other circumstances that impact the Board's exercise of discretion

Petitioner's petition is the first patentability challenge to reach institution at the Board, despite multiple assertions by Patent Owner, which should favor of institution. This is especially true here, where the patent appears to be part of a systematic campaign to subvert the quid-pro-quo of limited exclusivity through perpetual continuations claiming priority back *forty years*. Indeed, the '217 patent is one of 329 related applications having combined "between 10,000 and 20,000 claims." Ex. 1018, 2. The examiner asked if PMC's conduct was "[e]vidence of a [s]hell [g]ame?" Ex. 1019, 11. Patent Owner has repeatedly asserted its multitudinous patents and institution would affect other cases involving the '217 patent, including Patent Owner's ongoing litigation against Netflix, whose trial date, to Petitioner's knowledge, has not been set. *See Personalized Media Commc'ns, LLC v. Netflix, Inc.*, No. 1:20-cv-03708, Dkt. 1, Complaint (S.D.N.Y. Mar. 21, 2019) (asserting '217, '344, '241, and '528 patents). The merits are also strong, as explained and shown in the Petition.

II. The Term “Coordinating ... Based On” Does Not Require Construction

After the Board addressed “coordinating . . . based on” to grant Patent Owner a favorable priority ruling, Patent Owner now asks the Board to “revisit” the meaning of the term to avoid unpatentability. POPR 36. The Board should decline to do so and should apply the plain meaning of this term.

Patent Owner incorrectly argues that the *Phillips* standard requires revisiting this construction. POPR 36, 38. But the standard of construction is inconsequential because the term should be construed according to its plain meaning and both *Phillips* and the broadest reasonable interpretation previously applied by the Board start with the plain meaning. *Compare Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005) (en banc), *with TriVascular, Inc v. Samuels*, 812 F.3d 1056, 1062 (Fed. Cir. 2016).

Patent Owner's arguments improperly attempt to limit the claims to certain embodiments. *See* POPR 36-38; *Hill-Rom Servs., Inc. v. Stryker Corp.*, 755 F.3d 1367, 1371 (Fed. Cir. 2014) (“[W]e do not read limitations from the embodiments in the specification into the claims.”). Patent Owner's reliance on the '490 patent, col. 19, ll. 35-67 (POPR 36-38), is inconsistent with the '490 patent, which twice states this is merely an “example.” Ex. 1011, 18:46, 19:5. The POPR fails to identify any lexicography or “clear intent” to deviate from the plain meaning. POPR 36-38; *Hill-Rom*, 755 F.3d at 1373. Patent Owner knew how to define

terms, *e.g.*, Ex. 1011, 2:64-65, but chose not to define “based on.”

Patent Owner's attempt to seek further construction is also inconsistent with its other positions. Patent Owner alleges that the claims at issue “are *identical*” and that Petitioner is “‘assert[ing] the same prior art and arguments’ in both proceedings.” POPR 10. Yet, Patent Owner did not seek a construction of “coordinating ... based on” in district court, thereby acquiescing to the plain meaning. Patent Owner did not ask the district court to “revisit” this term to resolve allegedly “same” arguments, making the POPR's argument a misplaced attempt to narrow the claims to avoid unpatentability. The Board need not construe this term or deviate from the plain meaning the Board previously applied and Patent Owner acquiesced to in district court.

Patent Owner also incorrectly alleges that the Petition argues that occurring “after” is wholly sufficient to meet the claim. POPR 48. The Petition states that Campbell “provides the picture and sound portion of a multimedia presentation *only after it has determined the content and deemed it appropriate for the audience,*” based on determining whether the content is appropriate for a particular group. Pet. 31-32 (second emphasis added). Thus, the Petition does not rely solely on an action being “after” the determining, but rather explains the “coordinating” is “based on” the determining under the plain meaning, which also satisfies Patent Owner's new “causal” construction. Pet. 23-28, 31-32.

III. The POPR Fails to Establish Prior Invention

The POPR attaches a dozen exhibits, comprising hundreds of pages, to allege that Campbell and Thonnart are not prior art. *See* Ex. 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2015. Petitioner has not had an opportunity to take discovery and three pages is insufficient to adequately address the issues. Regardless, the POPR fails to show prior invention.

Patent Owner's swearing behind arguments cannot be dispositive because they fail to address all of the challenged claims. For example, Patent Owner only attempts to swear behind claims 1, 11, 16, and 20—only one-third of the challenged claims. POPR 22. But makes no attempt to swear behind Petitioner's showing that the remaining challenged claims are unpatentable. (Patent Owner also disclaimed challenged claims 7 and 8. *See* Ex. 2018; POPR 10.) Claim priority is determined on a claim-by-claim basis. *Lucent Techs., Inc. v. Gateway, Inc.*, 543 F.3d 710, 718 (Fed. Cir. 2008). Having alleged prior invention of only claims 1, 11, 16, and 20, Patent Owner's arguments do not even completely resolve any ground, because they affect only one-third of the challenged claims. *See* POPR 22; Ex. 2015. Thus, the swearing behind arguments do not resolve all of Petitioner's challenges, even if correct (which they are not).

The POPR also fails to show prior invention. For example, the POPR contains *no discussion* of conception of *any claim element* or the alleged

conception documents. A party's "brief must make all arguments accessible to the judges" and not incorporate other documents by reference. *Cisco Sys., Inc. v. C-Cation Techs., LLC*, IPR2014-00454, Paper 12 at 10 (Aug. 29, 2014) (informative) (citation omitted). The POPR states only that "Ex. 2015 demonstrates the conception of every feature of claims 1, 11, 16, and 20 as reflected in the Conception Documents (Exs. 2004 and 2005)," but contains no argument. POPR 23. This violates the Board's rules by attempting to incorporate by reference a 56-page exhibit—more than 5,500 words, placing the POPR thousands of words over the word limit. 37 C.F.R. § 42.6(a)(3); *Jiawei Tech. (USA) Ltd. v. Richmond*, IPR2014-00938, Paper 20 at 19 (Dec. 16, 2014) (refusing to consider secondary considerations arguments made in declaration, but not explained in POPR, because they were improper incorporations by reference); *Cisco v. C-Cation*, IPR2014-00454, Paper 12 at 10 (refusing to consider arguments and claim charts not explained in party's brief). The POPR thus fails to show conception. And even if it did (it does not), Petitioner cannot respond to 56 incorporated pages in a three-page response and should be allowed discovery of that material and the exhibits relied on to test Patent Owner's claims. *See Frontier Therapeutics, LLC v. Medac Gesellschaft Für Klinische Spezialpräparate mbH*, IPR2016-00649, Paper 10 at 30 (Sept. 1, 2016).

Patent Owner also fails to show diligence. Patent Owner's diligence

argument relies on constructive reduction to practice. POPR 23-25. To support this, Patent Owner identifies a handful of dates over the critical period—from just before Thonnart's filing date up until the November 3, 1981, application filing date. POPR 24-25. Patent Owner alleges, for example, that meetings on July 9 and 14 and August 6 discussed “the invention,” citing to a calendar in Ex. 2007. POPR 24-25. But nothing in Ex. 2007 corroborates the substance of the alleged discussions other than Mr. Harvey's unsupported declaration testimony. *See* POPR 24-25; Ex. 2007, 62, 63, 70; Ex. 2003, ¶¶ 8, 9. There is no corroborating evidence that the alleged calendar meetings actually occurred or were merely scheduled, nor is there any corroborating evidence to the substance of the alleged meetings, except for Mr. Harvey's uncorroborated testimony. *See Kendall v. Searles*, 173 F.2d 986, 992-93 (C.C.P.A. 1949). Moreover, Mr. Harvey's unsupported statement that he worked “essentially every day” (Ex. 2003, ¶ 13) is not given material weight because it is uncorroborated by evidence and relies solely on the inventor's self-serving testimony. *See Gould v. Schawlow*, 363 F.2d 908, 919 (C.C.P.A. 1966).

Patent Owner's alleged diligence thus includes extensive gaps that preclude finding that Patent Owner has met its burden. At a minimum, discovery is required post-institution to test the veracity of Patent Owner's assertions.

IV. CONCLUSION

The Board should institute on all grounds set forth in the Petition.

Date: August 7, 2020

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **Petitioner's Pre-Institution Reply in Response to Preliminary Response (Paper 9)** Pursuant to Board Order (Paper 16) was served on August 7, 2020 via email directed to counsel of record for the Patent Owner at the following:

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Dated: August 7, 2020

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